

JENOPTIK AG

Results of the 1st half-year 2013 and outlook 2013



August 13, 2013

Dr. Michael Mertin, CEO
Rüdiger Andreas Günther, CFO

- **Jenoptik – 1st half-year 2013**
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Successful strategic focus
on target markets America
and Asia

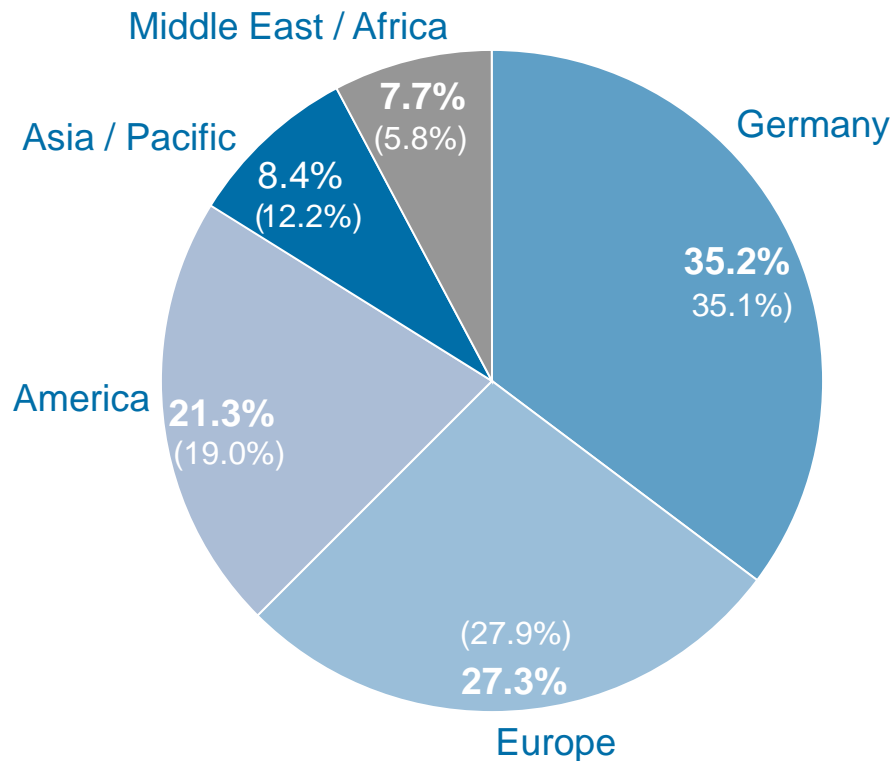
Megatrend drive
demand from major
target markets

- Moderate increase in sales in 2nd quarter 2013 (stronger demand on non-European markets)
- Significant sales growth in America and Middle East / Africa
- Metrology segment remains growth driver
- In 2nd quarter order intake shows double-digit growth compared with previous year, book-to-bill ratio: 1.00

Approximately 65 percent of sales were generated abroad



Sales by region as at 30.06.2013 (previous year)



America:

Sales increase of approx. 12 percent

Europe incl. Germany:

At -0.8 percent stable at last year's level

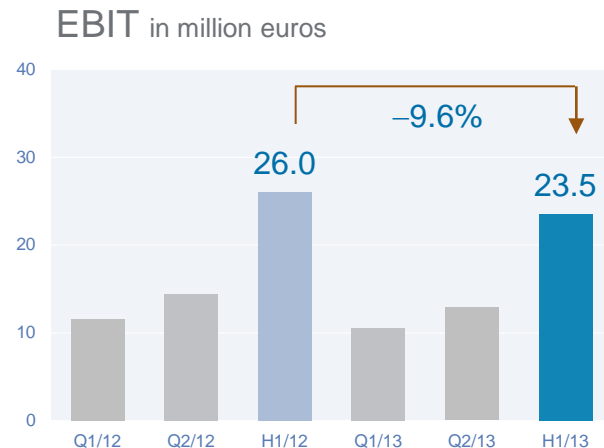
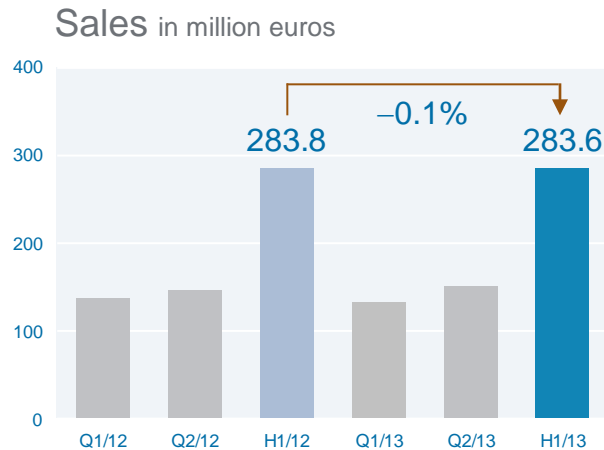
Asia/Pacific:

In part project-related decline (China)

Middle East/Africa:

Significant rise in sales of all segments

Positive trend in development over the quarters; after a slow start improved performance in Q2



- Group sales in H1/2013 at good level of previous year, positive trend over the quarters
 - Sales in Q2/2013 are higher than in the previous year and previous quarter
- Influences of economic development still noticeable

- Investments required for the implementation of our mid-term growth strategy affect earnings
 - Expansion of sales structures in major target markets
 - As planned, higher R+D expenses; total ratio rises to 9.3 percent (previous year 8.1 percent)
 - Continuation of „JOE“ and „Go Lean“

Income statement H1/2013: Gross margin at 34.3 percent higher than in previous year



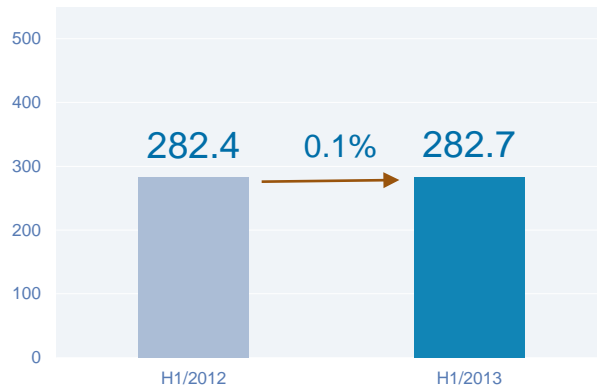
In million euros	H1/13	H1/12
Sales	283.6	283.8
Gross profit	97,3	95,8
Gross margin	34.9%	33.7%
Functional costs	76.5	70.1
EBIT	23.5	26.0
EBIT margin	8.3%	9.2%
Financial result	-3.2	-3.0
EBT	20.3	23.0
EAT	17.5	19.6
EPS	0.31	0.34

- Improvement in gross margin as a result of, among other things, cost reductions (Jenoptik Excellence Program) as well as economies of scale and a better product mix
- Financial result slightly below the previous year's level; interest expenses were lower but investment result slightly negative due to business expansion in the USA
- Cash-effective tax rate at 13.7 percent

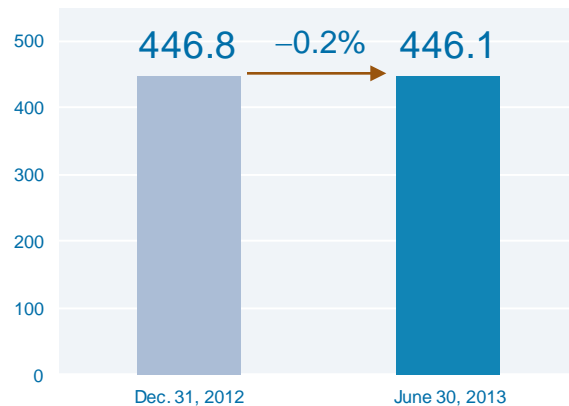
Order intake at sales level, book-to-bill 1.00



Order intake in million euros



Order backlog in million euros



- Positive Trend in the course of the year 2013, solid order intake at last year's level
 - H1/2012: several major orders included, e.g. traffic safety technology for Malaysia
- In spite of challenging economic environment order intake was at sales level
Book-to-bill: 1.00
 - Higher order intake in Laser & Optical Systems segment
 - Metrology: Order intake lower than in previous year (Malaysia order)
 - Defense & Civil Systems achieved substantial increase in order intake
- Order backlog stable at high level

Increase in working capital affected free cash flow



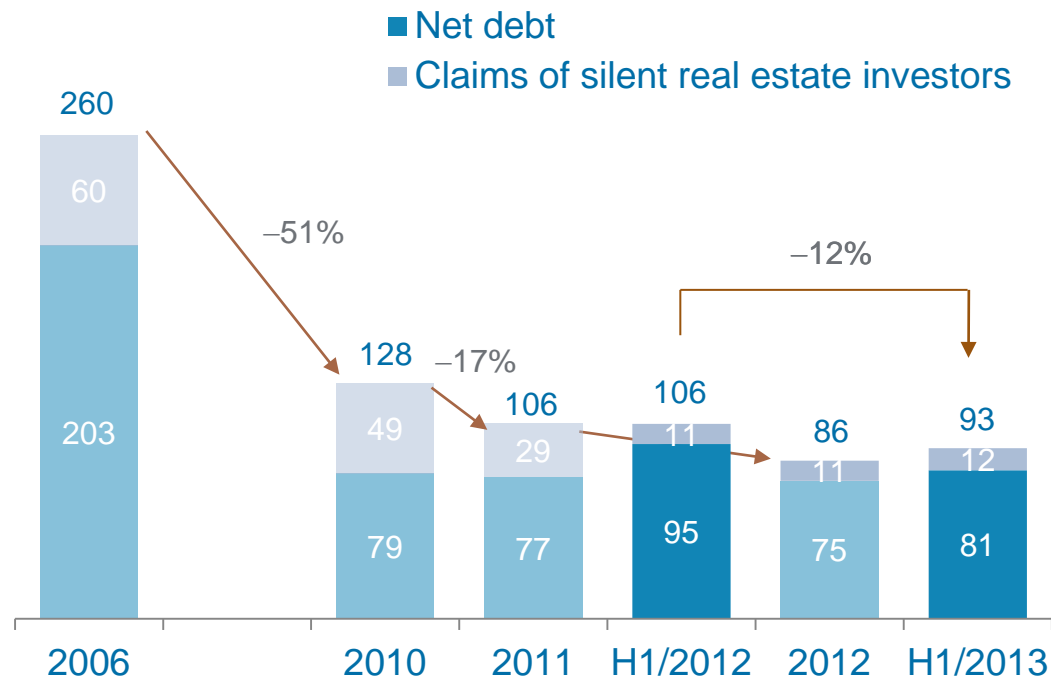
In million euros	H1/2013	H1/2012
Operating profit before working capital changes	34.0	38.5
Changes in working capital and other items	-22.5	-20.0
Cash flow from operating activities before taxes	11.5	18.6
Cash flow from operative investing activities (tang. and intang. assets)	-10.3	-10.2
Free cash flow (before interest and taxes)	1.2	8.4

- Effects in cash flow from operating activities in H1/2013:
 - Lower EBT
 - Increase in working capital (in particular inventories rose substantially due to investments in new customer projects in H2/2013 and 2014)
 - Changes in provisions (e.g. payment of variable remuneration components, also due to Jenoptik collective agreement)

Net debt rose slightly as expected



Net debt and the claims of silent real estate investors
(in million euros)



- Higher net debt during the year due to reduction in cash
 - Payment of dividend and use of funds to build up working capital
 - Payment of variable remuneration components
- Shareholders' equity ratio rose from 49.3 to 50.5 percent in 1st half-year 2013

- Measures for site and cost optimization in the US and Germany successfully implemented
- Programs for the future development of the Group such as „JOE“ and „Go Lean“ progress as planned
- Successful expansion of international sales activities
- Continuing investments in future growth and innovative product and service range
- Sound balance sheet and strong financial basis

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All three segments with almost equal contribution to group sales;
Growth driver: Metrology segment



Sales: 283.6 million euros
EBIT: 23.5 million euros

Jenoptik Group

Lasers &
Optical Systems

36.8% of sales

Metrology

31.9% of sales

Defense &
Civil Systems

31.2% of sales

Lasers &
Material Processing



Optical
Systems



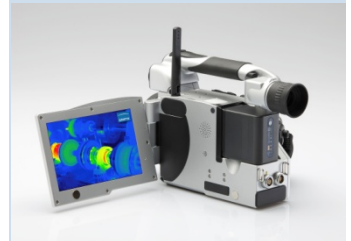
Industrial
Metrology



Traffic
Solutions



Defense &
Civil Systems

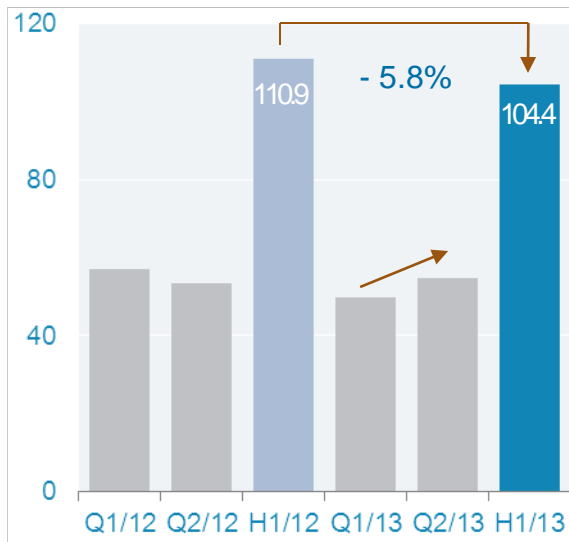


Technology competence in optoelectronics,
joint use of distribution networks and shared services

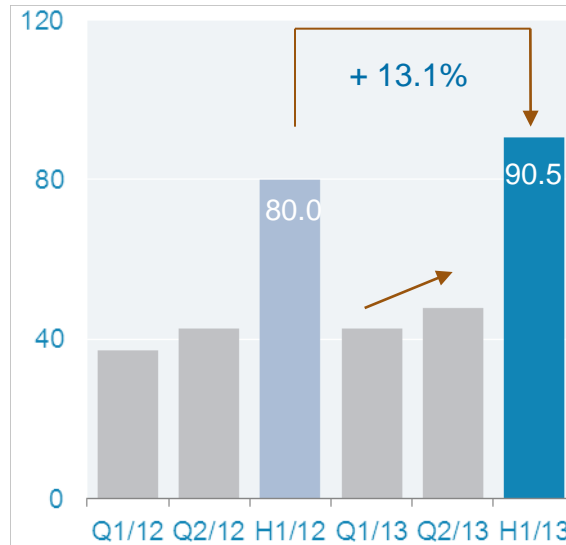
Metrology again with strong rise in sales



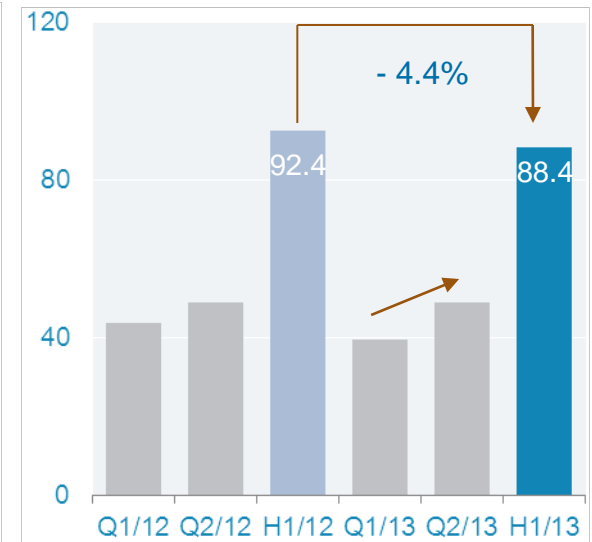
Lasers & Optical Systems
Sales in million euros



Metrology
Sales in million euros



Defense & Civil Systems
Sales in million euros

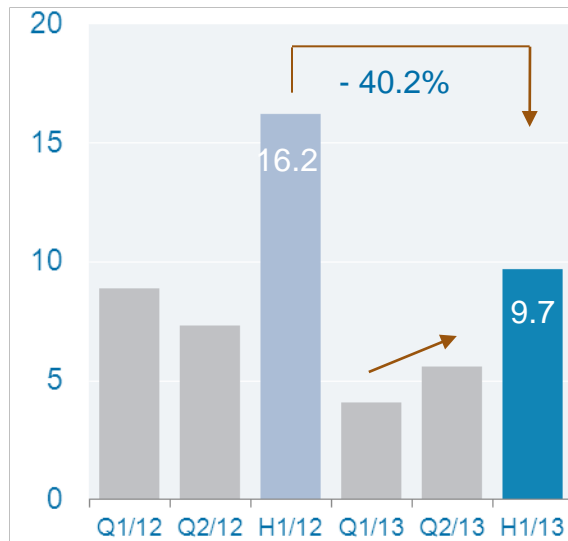


- **Lasers & Optical Systems:** development of business influenced by weaker demand from semiconductor industry and China, positive trend Q2 > Q1
- **Metrology:** good development in the automotive sector, major contribution from traffic safety, positive trend Q2 > Q1
- **Defense & Civil Systems:** positive trend Q2 > Q1

Metrology with substantial increase in EBIT

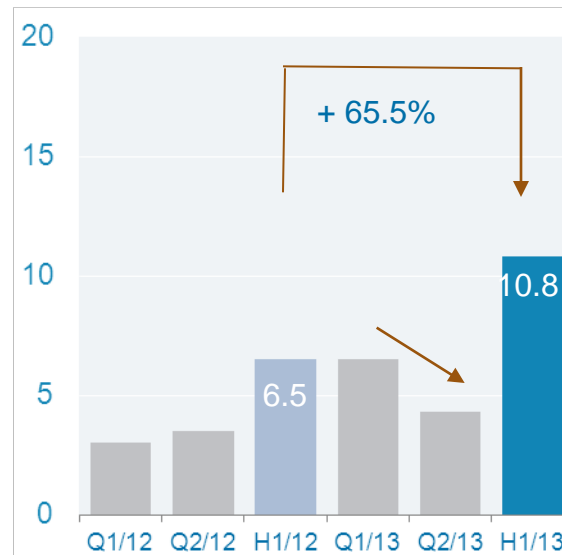


Lasers & Optical Systems
EBIT in million euros



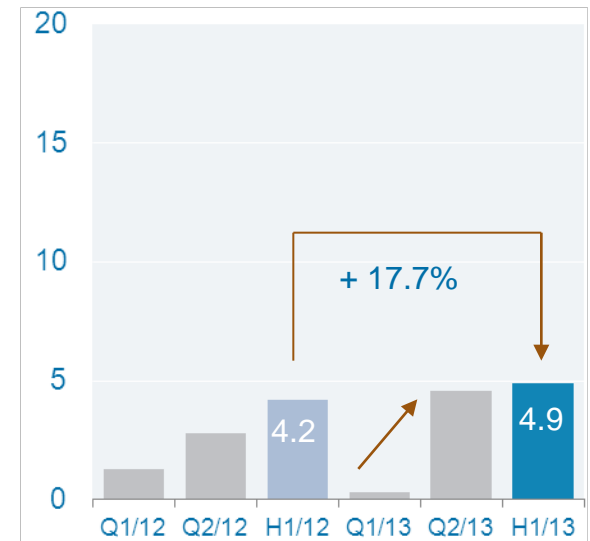
EBIT margin 9.3% (prev. year 14.6%)

Metrology
EBIT in million euros



EBIT margin 11.9% (prev. year 8.2%)

Defense & Civil Systems
EBIT in million euros



EBIT margin 5.5% (prev. year 4.5%)

- **Lasers & Optical Systems:** decline in sales, expansion of R+D and sales activities affect EBIT
- **Metrology:** EBIT follows good development of sales, in addition economies of scale
- **Defense & Civil Systems:** positive one-off effects influence result as in previous year

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Forecast for 2013 reaffirmed: Training of operating excellence – fit for growth in 2014/15



	2012		2013e
Sales	585.0 million euros	➤	Slight rise in sales of up to 5 percent
EBIT	54.8 million euros	➤	EBIT in the operating business should come to 50 to 55 million euros

- Development of EBIT depends upon the course of the semiconductor cycle and the demand from the automotive industry in the 2nd half-year
- Costs in the mid single-digit million euro range for projects required for the future development of the Group affect EBIT
 - “JOE” = Implementation of a harmonized ERP system at all Jenoptik locations
 - „Go Lean“

All divisions with positive outlook for 2013 and beyond



Lasers & Material Processing



- Internationalization (Asia and North America)
- Growth in selected niche markets of material processing and medical technology

Optical Systems



- Weakness in semiconductor industry, recovery possible in H2/2013
- Site optimization in North America
- Acquisition of new key accounts in non-semiconductor markets
- Continued expansion of system business

Industrial Metrology



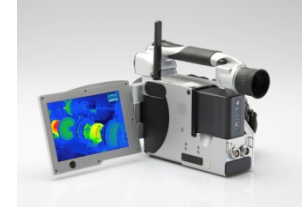
- Slight growth expected in 2013
- High order backlog provides good prospects
- Benefitting from various trends in the automotive industry
 - downsizing
 - hybrid drives
 - more efficient powertrains

Traffic Solutions



- Delivery and billing of major projects in 2013
- Additional major projects in pipeline
- Trend to major projects with higher software and service share

Defense & Civil Systems



- Stable business with long-term major order
- Development of international sales and service
- Increasing share of products for civil markets (e.g. locomotives)

Our target: to continue profitable growth



„From Good to Great“

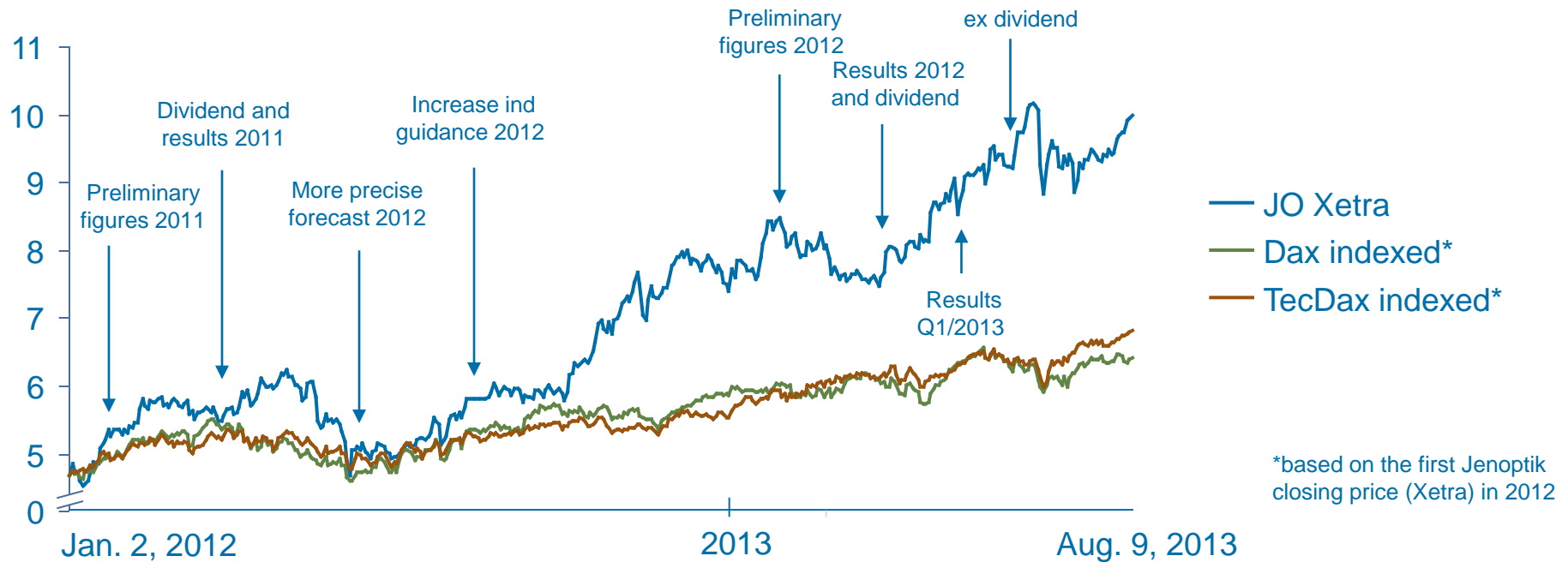
Our mid-term targets

- From 2014 continuation of approx. 10 percent growth per year
- Sales 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

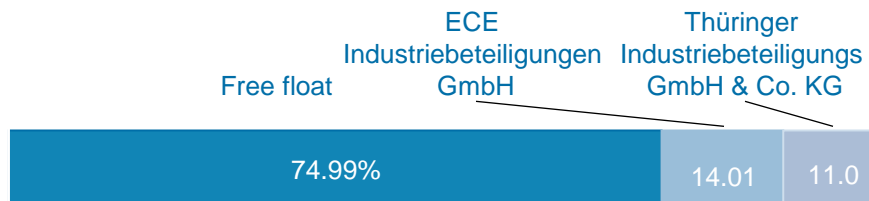
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Development of price of Jenoptik share compared with Dax and TecDax since early 2012



Shareholder structure



ISIN / WKN / Ticker	DE000622107 / 622910 / JEN
Number of shares	57,238,115
Market cap	572.4 million euros
Nominal capital	EUR 148,819,099.00

- August 13, 2013
- August 14, 2013
- August 30, 2013
- September 12, 2013
- September 17/18, 2013

Results of 1st half-year 2013, conference call
Analysts' conference and roadshow, Frankfurt/Main
Commerzbank Sector Conference Week, Frankfurt/Main
Conference Bankhaus Lampe, Zurich
Roadshow Edinburgh/London

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