

JENOPTIK AG

Results of the nine months 2013 and outlook



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Dr. Michael Mertin, CEO
Rüdiger Andreas Günther, CFO

- Jenoptik – First nine months 2013
- Segment reporting
- Outlook



Positive trend in the business development

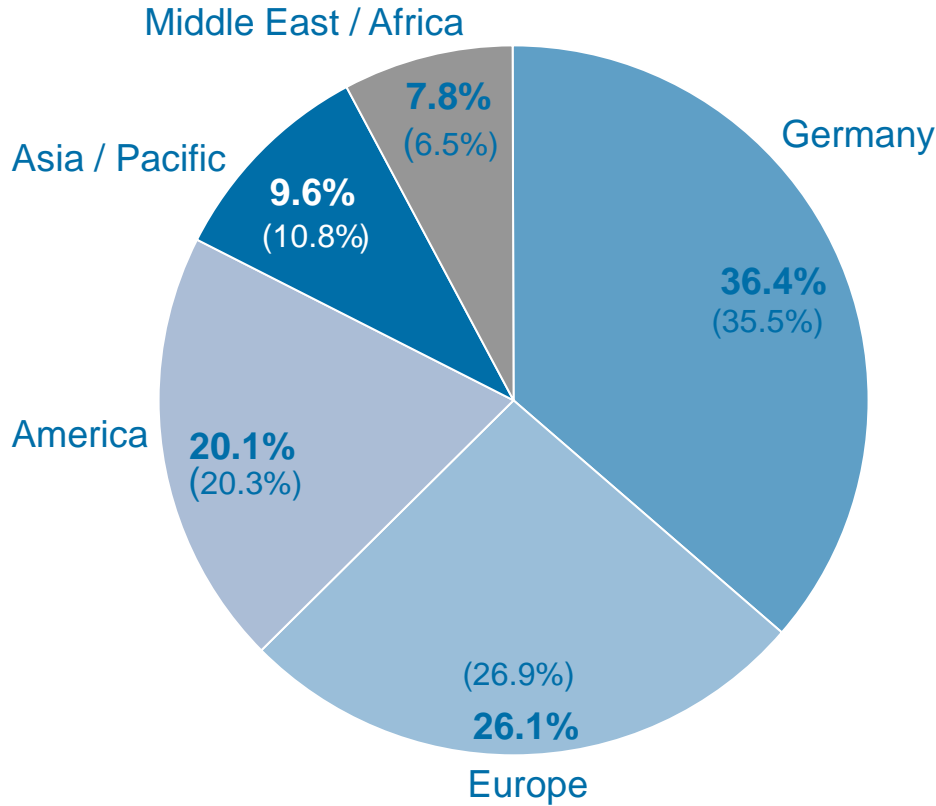


- Sales in the first nine months 2013 were above the high figure in the previous year
- Sales growth in Germany, America as well as Middle East / Asia
- Metrology segment remains growth driver
- Due to the expansion of international distribution as well as R+D activities and projects for the further development of the Group EBIT lower than in prior year
- Forecast confirmed

Approximately 64 percent of sales were generated abroad



Sales by region as at 30.09.2013 (previous year)



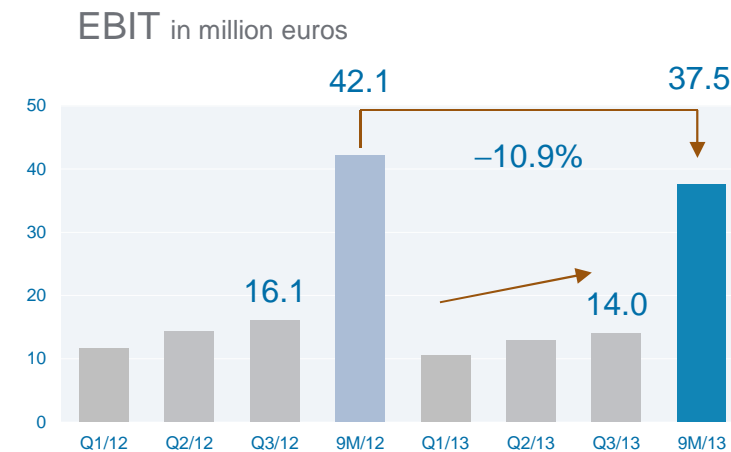
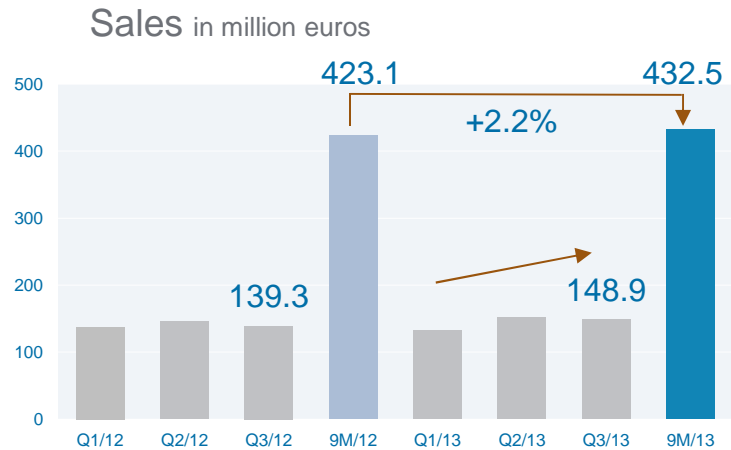
America:
Sales growth in the Metrology and Lasers & Optical Systems segments

Europe incl. Germany:
Slightly above previous year

Asia/Pacific:
Subdued development, partly delays

Middle East / Africa:
Rise in Metrology and Lasers & Optical Systems segments

Operative result in Q3/2013 higher than in previous two quarters



- Group sales in 9M/2013 exceed high level of prior year
 - Sales in Q3/2013 are 6.9 percent above same quarter in the previous year
- Cyclical influences are 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 at 8.8 percent
 - Continuation of „JOE“ and „Go Lean“
- In Q3/2013 EBIT at 14.0 million euros was higher than in the previous two quarters

Income statement 9M/2013: Gross margin remains at good level



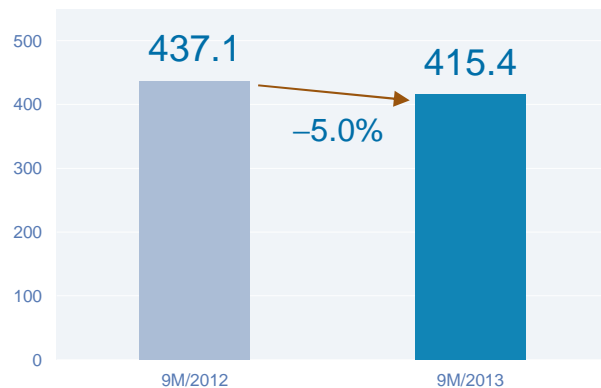
In million euros	9M/13	9M/12
Sales	432.5	423.1
Gross profit	149.7	147.2
Gross margin	34.6%	34.8%
Functional costs	113.4	103.6
EBIT	37.5	42.1
EBIT margin	8.7%	10.0%
Financial result	-3.9	-4.4
EBT	33.6	37.7
EAT	29.1	31.4
EPS (in euro)	0.51	0.55

- Positive development of sales is reflected in higher gross profit
- EBIT margin also improved in the course of the year
- Financial result better than in previous year; interest expenses fell as a result of better financing conditions
- Cash-effective tax rate at 12.8 percent (prev. year 15.6 percent)

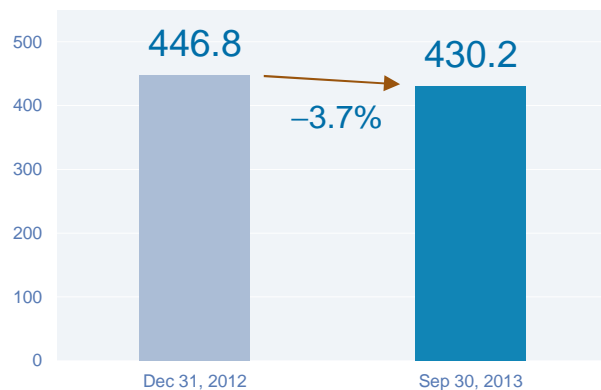
Order intake remains below high level of the previous year



Order intake in million euros



Order backlog in million euros



- Order intake did not reach high level of previous year which was marked by major orders
 - 9M/2012: several major orders included, among others for traffic safety systems for Malaysia and Oman
- Book-to-bill: 0.96
 - Lasers & Optical Systems: Order intake lower than in previous year
 - Metrology: Order intake lower than in previous year (Malaysia and Oman orders)
 - Defense & Civil Systems: substantial increase in order intake
- Order in low double-digit million euro range for traffic safety systems in Australia was received in October
- Order backlog slightly below the high level at the end of 2012

Increase in working capital affected free cash flow



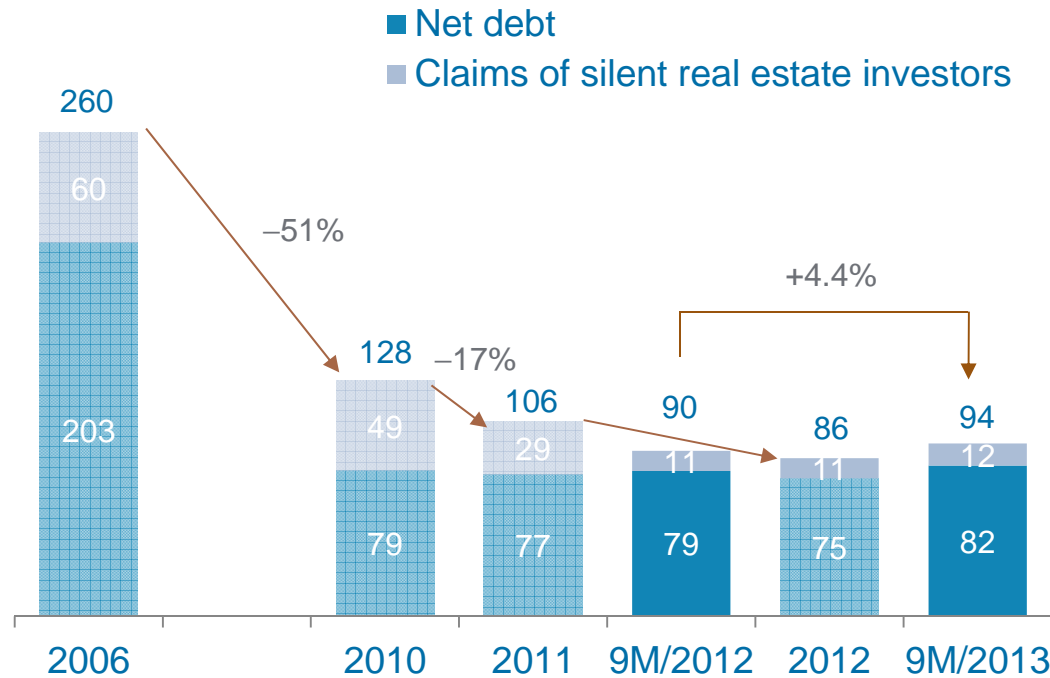
In million euros	9M/2013	9M/2012
Operating profit before working capital changes	53.8	60.2
Changes in working capital and other items	-33.2	-16.9
Cash flow from operating activities before taxes	20.5	43.3
Cash flow from operative investing activities (tang. and intang. assets)	-15.3	-16.7
Free cash flow (before interest and taxes)	5.2	26.7

- Cash flow from operating activities in positive range
- Effects in cash flow from operating activities 9M/2013:
 - Lower EBT
 - Increase in working capital (in particular inventories rose substantially due to investments in new customer projects in Q4/2013 and 2014)
 - Changes in provisions (e.g. payment of variable remuneration components, also due to Jenoptik collective agreement in 1st half-year 2013)

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
 - Payments for current projects for the development of the Group

- In the first nine months the shareholders' equity ratio rose from 49.3 to 51.9 percent

Nine months 2013: Jenoptik is „on track“ in operating business



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

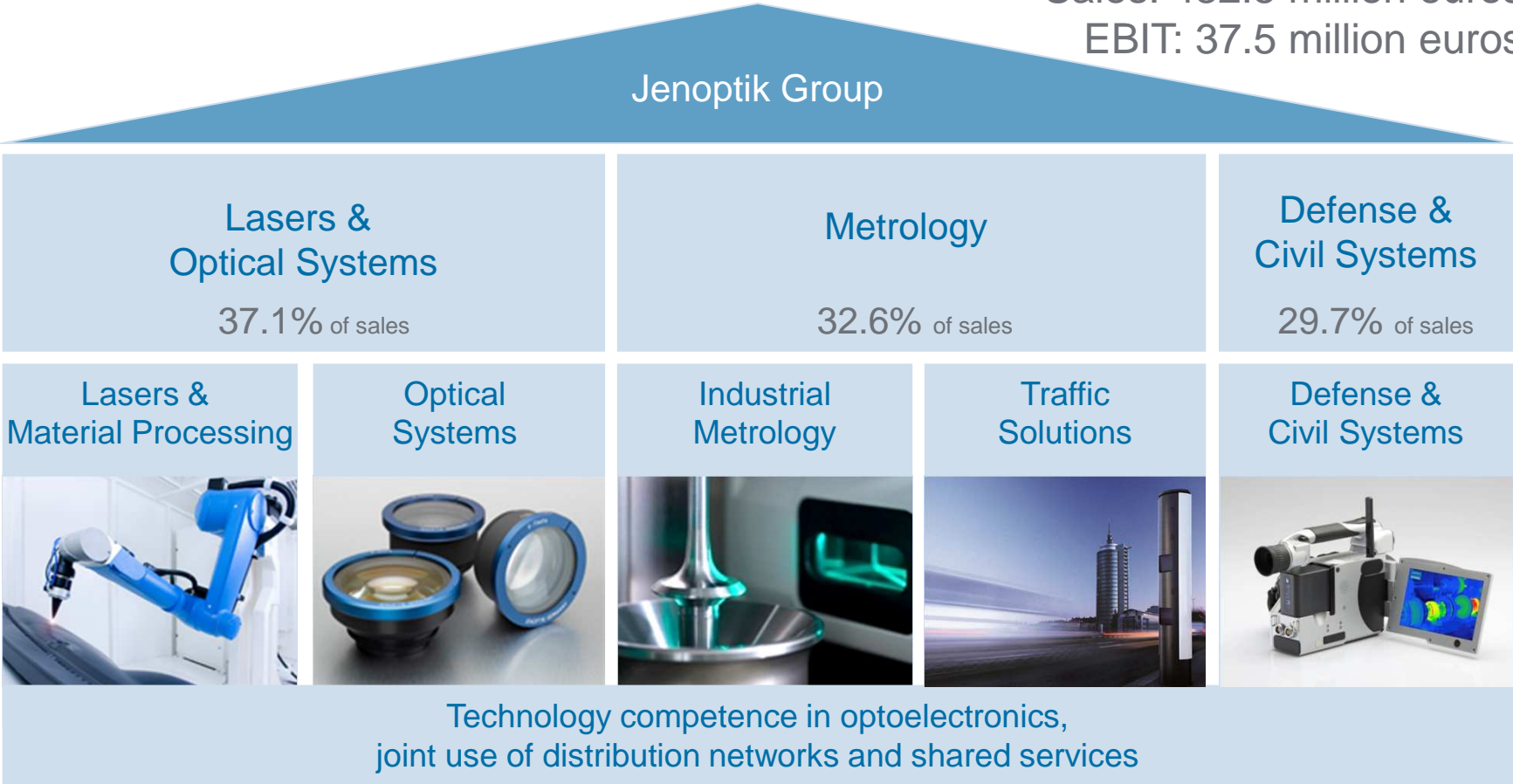
- Jenoptik – First nine months 2013
- **Segment reporting**
- Outlook



Lasers & Optical Systems segment with largest share in sales;
 Growth driver: Metrology segment



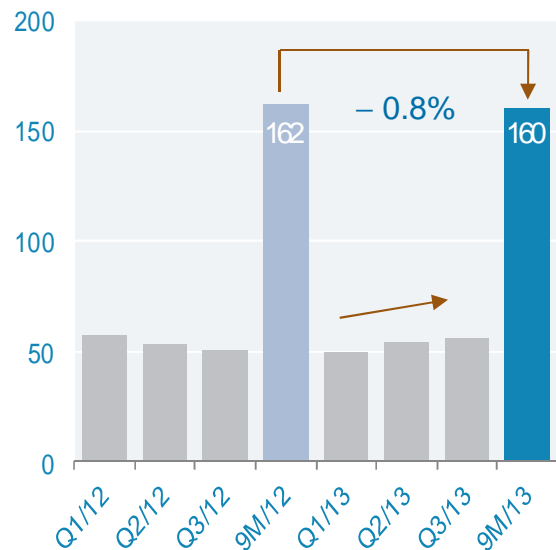
Sales: 432.5 million euros
 EBIT: 37.5 million euros



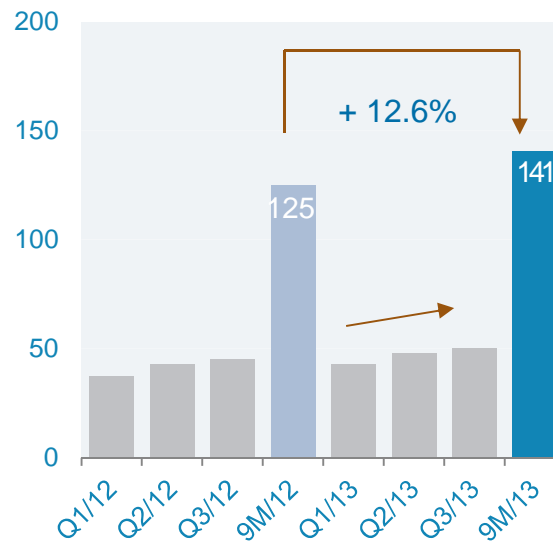
Metrology again with strong rise in sales



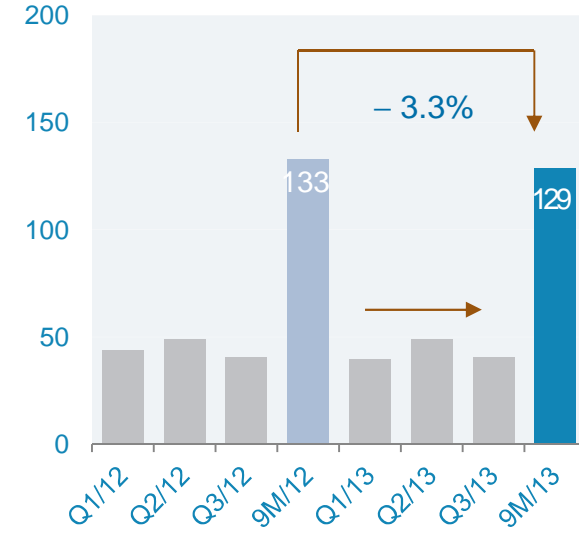
Lasers & Optical Systems
Sales in million euros



Metrology
Sales in million euros



Defense & Civil Systems
Sales in million euros

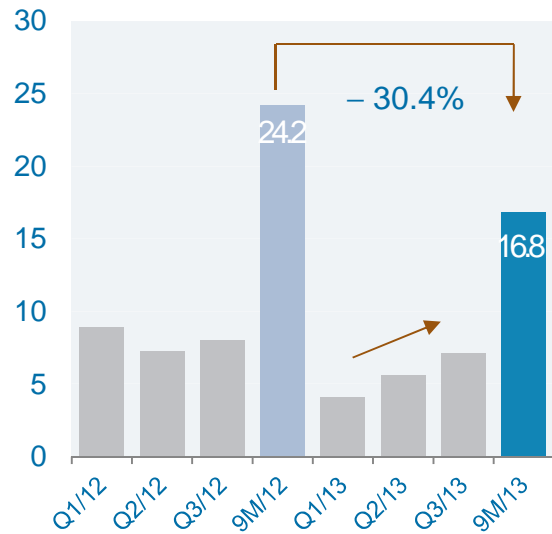


- **Lasers & Optical Systems:** development of business influenced by weaker demand from some industries, positive trend in quarter-on-quarter
- **Metrology:** major contribution from Traffic Solutions division, positive trend quarter-on-quarter
- **Defense & Civil Systems:** sales in 3rd quarter at level of previous year

Metrology with substantial increase in EBIT

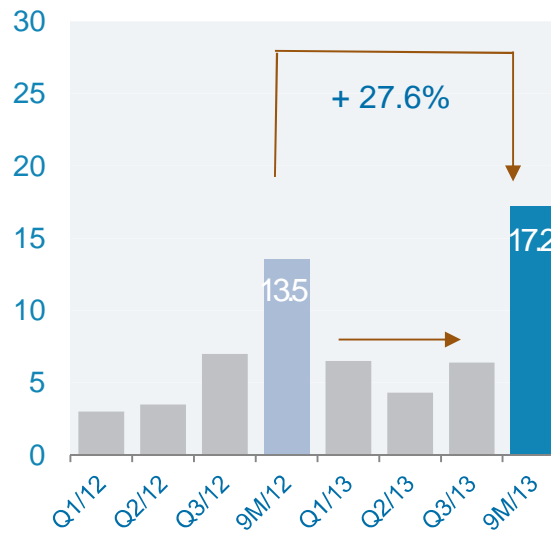


Lasers & Optical Systems
EBIT in million euros



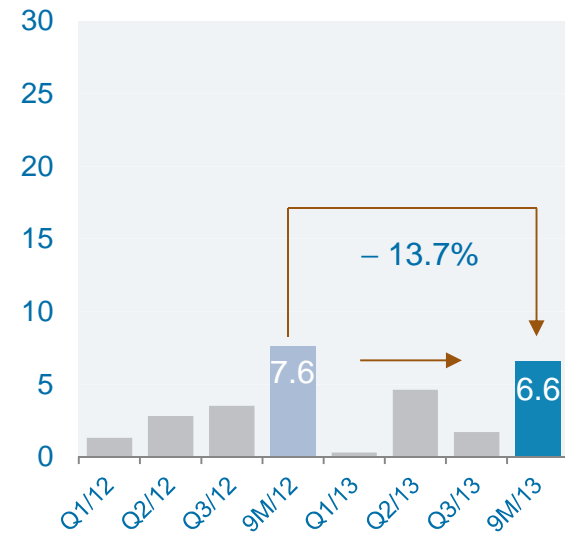
EBIT margin 10.5% (prev. year 15.0%)

Metrology
EBIT in million euros



EBIT margin 12.2% (prev. year 10.8%)

Defense & Civil Systems
EBIT in million euros



EBIT margin 5.1% (prev. year 5.7%)

- **Lasers & Optical Systems:** changed product mix, expansion of R+D and distribution activities affected EBIT; positive development during the year
- **Metrology:** EBIT follows good development of sales, in addition economies of scale
- **Defense & Civil Systems:** higher expenses for R+D and expansion of distribution

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Forecast for 2013 reaffirmed: Investments in future are continuing as planned



	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 remaining weeks of 2013
- 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



- Slight recovery in semiconductor industry
- Acquisition of new key accounts in non-semiconductor markets
- Continued expansion of system business

Industrial Metrology



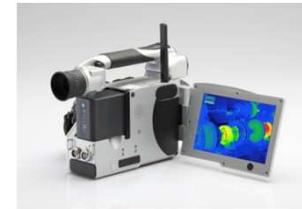
- High order backlog provides good prospects
- Benefitting from various trends in the automotive industry
 - downsizing
 - hybrid drives
 - more efficient powertrains

Traffic Solutions



- Delivery and billing of major projects
- 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



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

- November 12, 2013
- November 13, 2013
- November 27, 2013
- December 11, 2013
- January 28, 2014

Results of first nine months 2013, conference call
Eigenkapitalforum, Frankfurt/Main
Roadshow Paris
Conference Close Brothers Seydler, Geneva
Preliminary figures 2013

Thomas Fritsche
JENOPTIK AG

Head Investor Relations
Phone +49 (0)3641-652291
thomas.fritsche@jenoptik.com



Dr. Michael Mertin
CEO
JENOPTIK AG



Rüdiger Andreas Günther
CFO
JENOPTIK AG



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