JENOPTIK AG
Results of the 1st quarter 2014 and outlook

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Rüdiger Andreas Günther, CFO
Jenoptik – 1st quarter 2014
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Start to the year in accordance with plan
Good order situation, revenue rose

Development of the markets and the general environment

- Semiconductor equipment and medical market with positive trend
- Demand from automotive and machine construction industry still remained rather subdued
- Political developments in the Ukraine and Russia
- Discussions on exports in the area of security technology in Germany

Successful implementation of strategy has continued

- Operational excellence:
  - Launched projects for the development of the Group have successfully been continued (JOE, Go-Lean)
- Internationalization / customers
  - Revenue growth in Asia
  - Winning of new key customers
64.5 percent of revenue achieved abroad
Strong growth in Asia

Sales by region (as at 31.03.2014)

- **Europe**
  - Germany: 35.5% (34.4%)
  - Other Europe: 19.8% (22.0%)
- **Americas**
  - Americas: 26.2% (28.4%)
- **Asia/Pacific**
  - Asia/Pacific: 12.6% (8.8%)
- **Middle East / Africa**
  - Middle East / Africa: 6.0% (6.4%)

**Germany / Europe**: good domestic demand; slight decline in Europe

**Americas**: slight reduction, among other things due to a lower demand from the automotive industry

**Asia/Pacific**: substantial rise by about 48%

**Middle East/Africa**: slight decline, development depends on individual projects
Operationally on track: revenue increased
EBIT at level of prior year

- Rise in revenue in the Lasers & Optical Systems segment compensated for the reduction in the two other segments
- Group EBIT at last year’s level
- Costs for Group development projects as well as changed revenue mix and start-up costs within the framework of the significantly increased order intake affected EBIT
- Strong EBIT growth in the Lasers & Optical Systems segment
**Income statement Q1/2014:**
Earnings position almost unchanged compared with prior year

<table>
<thead>
<tr>
<th>In million euros</th>
<th>Q1/2014</th>
<th>Q1/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>136.9</td>
<td>132.0</td>
</tr>
<tr>
<td>Gross margin</td>
<td>35.0%</td>
<td>36.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>14.8</td>
<td>15.9</td>
</tr>
<tr>
<td>EBIT</td>
<td>10.5</td>
<td>10.6</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>7.7%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Financial result</td>
<td>-1.5</td>
<td>-1.6</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>7.7</td>
<td>7.9</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.13</td>
<td>0.14</td>
</tr>
</tbody>
</table>

- Gross margin lower than in prior year due to changed revenue mix and start-up costs for new customer projects
- Functional costs were overall stable
  - R+D expenses at prior year’s level
  - Administrative expenses rose slightly in connection with the expansion of key group functions
- Financial result stable at same level as in prior year
- Tax loss carried forward: cash-effective tax rate of 11.9 percent (prior year 13.7 percent)
Good order situation
Order intake significantly higher than in prior year

- Good start for the year with the order intake
- All three segments contributed to the increase
- Order intake substantially exceeded revenue, Book-to-bill ratio: 1.17 (prior year 1.00)

- Order backlog higher than at the end of 2013
- All three segments recorded increase
- 60% of the revenue planned for 2014 is already secured by orders on hand; this is the approximately same level as in the prior year
Cash flow statement: Increase in working capital and strong cash flow of the previous quarter affected free cash flow

<table>
<thead>
<tr>
<th>In million euros</th>
<th>Q1/14</th>
<th>Q1/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before working capital changes</td>
<td>14.8</td>
<td>15.2</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>-20.5</td>
<td>-2.4</td>
</tr>
<tr>
<td>Cash flow from operating activities before taxes</td>
<td>-5.7</td>
<td>12.8</td>
</tr>
<tr>
<td>Cash flow from operative investing activities (tang. and intang. assets)</td>
<td>-5.1</td>
<td>-5.6</td>
</tr>
<tr>
<td>Free cash flow (before interest and taxes)</td>
<td>-10.7</td>
<td>7.2</td>
</tr>
</tbody>
</table>

- Working Capital rose to 216.1 million euros (prior year 195.6 million euros)
- Rise in inventories by 10.6 million euros as required for revenue in 2014 and within the framework of the order intake that rose significantly (rise in working capital by 10.4%; increase in order intake by 21.4%)
- Reduction in trade payables
- Working capital ratio was at 34.7% just slightly higher than in prior year (prior year 34.4%)
- Free cash flow affected in particular by the changes in working capital described above and the strong cash flow in the previous quarter
Target remains to further reduce net debt in the mid to long term

Reduction in net debt and the claims of silent real estate investors to Jenoptik (in million euros)

- Following a strong reduction in net debt in Q4/2013 it rose in Q1/2014 as a result of the increase in working capital.
- Compared with the same period in the prior year net debt reduced by 14%.
- Equity ratio rose to 54.1 percent.
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<table>
<thead>
<tr>
<th>Product Line</th>
<th>Revenue Share</th>
<th>Revenue (m euros)</th>
<th>EBIT (m euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lasers &amp; Optical Systems</td>
<td>42.8%</td>
<td>136.9</td>
<td>10.5</td>
</tr>
<tr>
<td>Metrology</td>
<td>29.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense &amp; Civil Systems</td>
<td>27.4%</td>
<td></td>
<td></td>
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</tbody>
</table>

Revenue: 136.9m euros
EBIT: 10.5m euros

Technology competence in optoelectronics, joint use of distribution networks and shared services
Lasers & Optical Systems with strong 1st quarter

Lasers & Optical Systems:
- Successful course of business, marked rise in revenue due to stronger demand for laser machines and higher revenue with the semiconductor equipment and health care industry

Metrology:
- Revenue reduced as a result of restrained investments in the area of industrial metrology, rise in revenue in the Asian region

Defense & Civil Systems:
- Postponement and extension in time frame of projects in the area of defense resulted in a decline in revenue
Lasers & Optical Systems segment doubles EBIT

Lasers & Optical Systems: As a result of the good development of revenue and a high-margin product mix EBIT could be doubled

Metrology: Restrained development in revenue in industrial metrology resulted in EBIT decline

Defense & Civil Systems: EBIT reduced due to lower revenue as well as seasonally and project-related weaker product mix
All three segments recorded higher order intake

Lasers & Optical Systems
Order intake rose by more than a quarter;
Book-to-bill ratio rose to 1.11

Metrology
Order for stationary and mobile traffic monitoring in Kuwait received;
Book-to-bill ratio increased to 1.10

Defense & Civil Systems
Order received for military stabilization systems;
Book-to-bill ratio climbed to 1.33
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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
- Depending on developments in China, Europe and Germany

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group revenue</td>
<td>600.3 million euros</td>
<td>Growth of 5 - 10 percent</td>
</tr>
<tr>
<td>Group EBIT</td>
<td>52.7 million euros</td>
<td>Rise to 55 to 62 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

Revenue growth of up to 10 percent

Metrology
- Globally growing demand for more efficient drives and the necessary measuring technology
- Execution of major international orders in the area of traffic safety
- After strong increase in last two years development in industrial metrology is restrained at the moment

Revenue at prior year’s level

Defense & Civil Systems
- Stable business development ensured by long-term major orders
- Internationalization, costs for market entry in USA
- Stronger focus on civil applications

Slight revenue growth
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

External factors may influence development:
- Uncertainty regarding the developments in Ukraine and Russia continues
- Export discussions in Germany
- Volatility and unpredictability of markets is continuing
- However, positive development in Asia and US expected, Europe (including Germany) under pressure due to political situation in Eastern Europe
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Dates and Contact

- May 13, 2014
- May 14 – 15, 2014
- May 22, 2014
- May 27, 2014
- June 12, 2014

Results of 1st quarter 2014, conference call

- German Mid Cap Investment Conference
  Commerzbank, Boston / New York
- Berenberg conference, Paris
- Roadshow Vienna
- Annual General Meeting, Weimar

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