JENOPTIK AG
Conference Call
Results of fiscal year 2015 and outlook

March 22, 2016

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- Fiscal year 2015
- Development of the segments
- Outlook
- Appendix
Targets 2015 achieved; Jenoptik reached new revenue and earnings records

External framework conditions

- Challenging economic environment, e.g.
  - Stagnating demand from the semiconductor equipment industry
  - Emission scandal affected whole automotive sector
- Weak growth figures in China
- Good economic outlook in Germany is based on domestic demand / private consumption
- Globally, situation remained uncertain (Middle East, Ukraine, Russia)

Major events in the Jenoptik Group

- New divisional structure which is realigned more closely to markets and megatrends
- Successful integration of the companies acquired
- Jenoptik performed well in the current environment in the semiconductor equipment industry
- Major order for the Patriot missile defense system almost completely invoiced
- Long-term group financing was restructured
Jenoptik generated revenue growth in all quarters

- Highest revenue in last years – achieved through organic growth, revenue contribution of the companies acquired as well as foreign currency exchange effects
- All three segments reported revenue increase
Share of revenue generated abroad increased to more than 67%; strongest growth in the Americas and Europe

- Revenue increase in Europe (without Germany) was in part attributable to the acquisition in the traffic safety area.
- Revenue share in the Americas and Asia/Pacific rose to 32.7% (prior year 31.9%).

- Upswing in investment activity in the automotive sector, higher demand for optoelectronic modules as well as settlement of major orders in the Defense & Civil Systems segment.
- Difficult market conditions for traffic safety in the US.
Operating result at new record level, earnings increased at a stronger rate than revenue in 2015

- EBITDA showed a higher increase than revenue
- EBITDA margin 2015: 13.3% (prior year 12.9%)

- EBIT margin improved substantially; 2015: 9.2% (prior year 8.7%)
- EBIT affected by, among other things:
  - Rise in revenue, changed revenue mix
  - Integration of Vysionics
  - Q4/2015: Provisions for restructuring the laser systems business
  - Gains from selling real estate (2.4 million euros)
EBT and EAT markedly improved; EPS rose by more than 19 percent

- Gross margin slightly reduced, in part due to changed revenue mix, higher material cost ratio and higher valuation adjustments on inventories
- Functional costs rose, among other things, due to expansion of international activities and central group functions as well as initial full-year consolidation of companies
- Lower interest expenses, income from investments and foreign currency exchange effects had a positive impact on the financial result
- Cash-effective tax rate was 10.1% (prior year 16.6%)
  - Due to tax losses carried forward and effects from real estate sales

<table>
<thead>
<tr>
<th>In million euros</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>668.6</td>
<td>590.2</td>
</tr>
<tr>
<td>Gross margin</td>
<td>33.8%</td>
<td>34.8%</td>
</tr>
<tr>
<td>Functional costs</td>
<td>168.4</td>
<td>158.0</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>88.8</td>
<td>76.1</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>61.2</td>
<td>51.6</td>
</tr>
<tr>
<td>Financial result</td>
<td>–3.8</td>
<td>–5.5</td>
</tr>
<tr>
<td><strong>Earnings before tax</strong></td>
<td>57.4</td>
<td>46.1</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>49.9</td>
<td>41.6</td>
</tr>
<tr>
<td><strong>Earnings per share (euros)</strong></td>
<td>0.87</td>
<td>0.73</td>
</tr>
</tbody>
</table>
Number of employees abroad increased again

- Number of employees fell slightly as at December 31, 2015
  - Reduction in the Lasers & Optical Systems as well as Defense & Civil Systems segments
- However, average number of employees rose by 1.4%
- In the process of continuing internationalization the number of employees abroad rose to 17.9% (31.12.2014: 17.4%); slight decline in Germany
Solid order position and well-filled project pipeline create good conditions for further growth

- **Order intake 2015 higher than in prior year**
- **Rise in all three segments, in particular in the Metrology segment**
- **Major order to equip Patriot missile defense systems**
- **Revenue rose at a stronger rate than order intake; book-to-bill ratio therefore came to 0.95 (prior year 1.00)**

- **Decline in order backlog was attributable to start of work on major multi-year orders in the Defense & Civil Systems segment as well as**
- **Reassessment of a project in the area of traffic safety on which work had already started**
- **In addition, we received contracts amounting to 17.1 million euros (not included in order backlog)**
Free cash flow more than tripled compared with the prior year

- Cash flows from operating activities and free cash flow significantly improved
  - Best operating cash flow generated in recent years – among other things due to higher earnings before tax and reduction of working capital

- Despite the revenue growth, the working capital reduced slightly to 215.5 million euros (31.12.2014: 217.5m euros)
  - Active management
  - Decrease in inventories and trade accounts payable
  - Trade accounts receivable rose only slightly in spite of marked revenue increase
  - Working capital ratio fell to 32.2% (31.12.2014: 36.9%)

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<tr>
<td>Operating profit before adjusting working capital</td>
<td>87.1</td>
<td>72.7</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>4.6</td>
<td>-21.2</td>
</tr>
<tr>
<td>Cash flows from operating activities before income tax</td>
<td>91.7</td>
<td>51.5</td>
</tr>
<tr>
<td>Cash flows from operating investing activities</td>
<td>-19.9</td>
<td>-29.0</td>
</tr>
<tr>
<td>Free cash flow (before interest and taxes)</td>
<td>71.8</td>
<td>22.5</td>
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</tbody>
</table>
Net debt at lowest level in recent years

- Net debt reduced by more than half in 2015
- Good cash flows resulted in significant decrease in spite of:
  - Payment to the last silent real estate investor (12.4 million euros);
  - Payment of dividends (11.4 million euros)
  - Financing of growth
- Equity ratio rose to 56.6% (prior year 50.1%) due to
  - Increased equity as a result of higher earnings after tax
  - Lower balance sheet total
Fiscal year 2015
Development of the segments
Outlook
Appendix
Lasers & Optical Systems segment:
Revenue successfully increased in challenging environment

- Good demand for laser machines and optoelectronic modules
- Improved demand from semiconductor equipment industry in Q3 and Q4; stronger systems business
- 77% generated abroad

Revenues (in million euros):
- 2014: 231.3
- 2015: 249.4
  - Increase: +7.8%

EBIT (in million euros):
- 2014: 27.0
- 2015: 23.7
  - Decrease: −12.0%

Order intake (in million euros):
- 2014: 240.1
- 2015: 248.2
  - Increase: +3.4%

- Revenue mix with weaker margins in H1/2015 not fully compensated
- Provisions for restructuring the laser systems area
- EBIT margin 9.5% (prior year 11.7%)
- Good order intake with laser machines and optics
- Book-to-bill 1.00 (pr. year 1.04)
- Slight fall of order backlog to 95.8 million euros (prior year 100.8m euros); in addition, contracts of approx. 11 million euros received
Metrology segment: New companies successfully integrated

- Improved investment activity in the automotive industry
- Revenue contribution by the acquisition in the traffic safety area
- 77% generated abroad

- Subdued revenue development with traffic safety technology in the US
- Depreciation effects arising from purchase price allocation (EBITDA +13.6%)
- Again double-digit EBIT margin at 11.1% (prior year 12.2%)

- Increase in both divisions
- Order intake of Vysionics included for full year
- Book-to-bill: 1.02 (pr. year 0.94)
- Order backlog came to 70.5 million euros (prior year 77.2m euros), in addition, contracts of almost 9m euros received
Defense & Civil Systems segment: Marked rise in earnings and margin improvement

- Best year in the company’s recent history
- Good business in the areas of energy and sensor systems
- Settlement of major Patriot order
- 47% generated abroad

- Jump in EBIT due to higher-margin revenue mix, internationalization and structured market approach
- Positive effect from sale of smaller minority investment
- EBIT margin climbed to 8.5% (prior year 1.3%)

- Several major orders received
- Strong revenue increase resulted in lower book-to-bill ratio of 0.84 (prior year 1.00)
- Order backlog at 209.7 million euros lower than in prior year (245.9 million euros) due to start of work on major orders
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“From Good to Great“ – New divisional structure effective since January 1, 2016

With the new structure we will:

- Even stronger realign with markets and mega trends
- Create better opportunities for future growth
- Enable long-term success
- Achieve higher economies of scale
With the new more market-oriented structure we shall continue our profitable growth in 2016

Externally
- Uncertain environment
- Investment behavior is hard to predict

Internally
- Solid order and project pipeline
- Intensified integrated approach

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<tr>
<td><strong>Revenue</strong></td>
<td>668.6 million euros</td>
<td>Between 680 and 700 million euros</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>61.2 million euros; Margin 9.2%</td>
<td>Moderate growth; EBIT margin between 9.0 and 9.5%</td>
</tr>
</tbody>
</table>

The good financial position and a viable financing structure give Jenoptik sufficient headroom for maneuver for both acquisitions and financing further growth.
2016: Growth in the Optics & Life Science as well as Mobility segments expected; Defense & Civil Systems stable

- Good position in the semiconductor equipment industry
- Rising revenue with other industries, e.g. life science, information and communications technology, automotive
- Further expansion of systems and volume business
- Growth in particular in the Americas and Asia/Pacific

Optics & Life Science

- Globally growing demand for more efficient drives and the necessary measuring technology
- Good demand for laser machines, especially for 3D laser material processing
- Execution of major international orders in the area of traffic safety
- Higher service share

Mobility

- Major orders ensure long-term stable business development
- Internationalization
- Stronger focus on civil applications, e.g. energy supply, railway technology
- Over the mid-term, higher investments in defense technology are possible

Defense & Civil Systems
Our target: to continue profitable growth with a corporate structure that is closer realigned to markets

"From Good to Great"

Our mid-term targets

- Revenue of 800 million euros by 2018 (including smaller acquisitions), of which more than 40 percent in Asia and America
- EBIT margin of 9-10 percent over the cycle

External factors may affect development:

- Economic trend
- Export restrictions in Germany
- Uncertainty regarding the developments in Ukraine/Russia, Middle East and Asia

However, positive development in Asia and US expected; Europe (incl. Germany) remains under pressure due to economic development, possible turbulences in the euro zone as well as the political situation in Eastern Europe
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Dates and contact

- March 22, 2016
- March 23, 2016
- April 5-6, 2016
- April 12, 2016
- May 11, 2016
- June 8, 2016

Results of fiscal year 2015 (conference call)
Analysts’ conference and roadshow Frankfurt/Main
Roadshow London / Edinburgh
Roadshow Munich
Results of 1st quarter 2016 (conference call)
Annual General Meeting

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