JENOPTIK AG
Results of the first quarter 2015 and outlook

May 12, 2015

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Jenoptik – First quarter 2015
- Segment reporting
- Outlook
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1\textsuperscript{st} quarter 2015: environment remains challenging

External impacts on the business development

- Challenging economic environment
- Subdued demand from the semiconductor equipment industry
- More stringent export restrictions on national and European level continue to apply
- Political developments in the Ukraine and Russia as well as in the Middle East remain uncertain
- Uncertainty in the euro zone regarding Greece

Major events in the Jenoptik Group

- Long-term Group financing was restructured at more favorable conditions
- Division structure will be realigned more closely to markets
- New Chief Financial Officer
- Integration of the companies acquired in 2014
- Major order to supply energy systems for the Patriot missile defense system
- ECE Industriebeteiligungen sold all of its remaining shares
About 64 percent of revenue generated abroad; Growth in Europe is attributable to acquisitions

Revenue by region
(as at 31.03.2015 / prior year figures in brackets)

- **Middle East/Africa**
  - 4.7% (6.0%)

- **Asia/Pacific**
  - 12.5% (12.6%)

- **Americas**
  - 17.4% (19.8%)

- **Europe**
  - 35.7% (35.5%)
  - 29.8% (26.2%)

- **Germany**

Revenue in Europe (without Germany) rose substantially by approx. 21% to 43.5 million euros (prior year 35.8 million euros), primarily due to the acquisitions in the traffic safety area (UK, NL)
Revenue increased in comparison with prior year

- Revenue rose by 6.4%
- Metrology as well as Defense & Civil Systems segments reported growth
- 146 million euros is the highest revenue generated in a first quarter for a number of years
EBITDA was 7.2% higher than in prior year

EBITDA margin of 10.9% (prior year 10.8%)

- EBITDA increased at a higher rate than revenue in the 1st quarter 2015
- EBITDA margin constant compared with same quarter in the prior year

EBIT margin of 6.0% (prior year 7.7%)

- As expected, EBIT at 8.7 million euros did not reach prior year figure and was affected by:
  - Changed revenue mix and depreciation effects
  - In prior year: positive one-off effects from sale of systems technology and in connection with sale of real estate
Income Statement Q1/2015:
Earnings before and after tax higher than in prior year

<table>
<thead>
<tr>
<th></th>
<th>Q1/2015</th>
<th>Q1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>145.8</td>
<td>136.9</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>34.4%</td>
<td>35.0%</td>
</tr>
<tr>
<td><strong>Functional costs</strong></td>
<td>43.8</td>
<td>37.4</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>15.8</td>
<td>14.8</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>8.7</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>1.1</td>
<td>-1.5</td>
</tr>
<tr>
<td><strong>Earnings before tax</strong></td>
<td>9.8</td>
<td>9.0</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>8.3</td>
<td>7.7</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>0.14</td>
<td>0.13</td>
</tr>
</tbody>
</table>

- Gross margin reduced in part due to changed revenue mix
- Functional costs rose due to continuing expansion of international activities and key group functions as well as first-time consolidations
- Exchange rate gains bolstered financial result; this also resulted in higher earnings before tax
- Cash-effective tax rate of 16.0% (prior year 11.9%)
Order intake exceeded prior year figure

- Order intake in 1st quarter 2015 higher than in prior year
  - Rise in particular in Metrology segment
  - Major order to equip Patriot missile defense system
- Order intake higher than revenue in the quarter; Book-to-bill ratio at 1.14 slightly lower than in prior year (prior year 1.17)
- Order backlog increased by about 25 million euros over the figure at year end 2014
- Approx. 64 percent of the order backlog will be converted into revenue in the present fiscal year
- Orders received as well as well-filled project pipeline create good conditions for growth in the coming quarters
Cash flow statement: Free cash flow improved compared to prior year

<table>
<thead>
<tr>
<th>In million euros</th>
<th>Q1/2015</th>
<th>Q1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before adjusting working capital</td>
<td>14.1</td>
<td>14.8</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>−11.6</td>
<td>−20.5</td>
</tr>
<tr>
<td>Cash flows from operating activities before income tax</td>
<td>2.5</td>
<td>−5.7</td>
</tr>
<tr>
<td>Cash flows from operative investing activities</td>
<td>−5.9</td>
<td>−5.1</td>
</tr>
<tr>
<td>Free cash flow (before interest and taxes)</td>
<td>−3.3</td>
<td>−10.7</td>
</tr>
</tbody>
</table>

- Free cash flow and cash flows from operating activities exceeded prior-year figures
  - Mainly influenced by change in working capital
- Working capital rose to 237.3 million euros (31/12/2014: 217.5 million euros):
  - Increase in inventories by 15.8 million euros due to prefabrications for revenue in the subsequent periods
  - Trade payables reduced
  - Working capital ratio (LTM) came to 39.6% and was thus higher than at year-end 2014 (31/12/14: 36.9%)
Target remains to further reduce net debt in the mid to long term

- Rise in net debt was expected due to:
  - Payment to the last remaining real estate investor; there are no further silent investments or claims
  - Use of resources for working capital
  - Equity ratio rose to 51.5% (31/12/2014: 50.1%)

Claims of silent real estate investors
- Net debt
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Strategic group development prioritizes growth markets of the future

Share of the segments in Group revenue in percent

- Revenue shares of Lasers & Optical Systems as well as Metrology segments have constantly grown

2008
- Lasers & Optical Systems: 38.0%
- Metrology: 23.0%
- Defense & Civil Systems: 37.8%

Q1/2015
- Lasers & Optical Systems: 38.6%
- Metrology: 31.9%
- Defense & Civil Systems: 29.3%
Strong growth in the Metrology as well as Defense & Civil Systems segments

- Slight decline in revenue, in part due to weaker demand from the semiconductor equipment industry
- Marked rise in revenue is attributable to the recovery in demand from the automotive industry and the contribution to revenue from the acquired companies
- Significant rise in revenue compared to the prior year due to a good start in the area of energy and sensor systems
Defense & Civil Systems segment with good start to 2015

- EBIT declined as a result of restrained development of revenue, a lower margin product mix and higher R+D expenses
- Depreciation effects resulting from the acquisitions had negative impact
- Market for traffic safety technology in US increasingly difficult

- EBIT improved due to rise in revenue and higher margins in the product mix

**EBIT (in million euros)**

**Lasers & Optical Systems**
- EBIT margin 8.6% (prior year 14.5%)
- EBIT declined as a result of restrained development of revenue, a lower margin product mix and higher R+D expenses

**Metrology**
- EBIT margin 5.5% (prior year 8.2%)
- Depreciation effects resulting from the acquisitions had negative impact
- Market for traffic safety technology in US increasingly difficult

**Defense & Civil Systems**
- EBIT margin 1.9% (prior year –2.5%)
- EBIT improved due to rise in revenue and higher margins in the product mix
Positive order situation establishes good conditions for further development

Order intake (in million euros)

- **Lasers & Optical Systems**
  - Q1/2014: 65.3
  - Q1/2015: 61.9
  - Change: -5.2%

- **Metrology**
  - Q1/2014: 44.7
  - Q1/2015: 55.5
  - Change: +24.1%

- **Defense & Civil Systems**
  - Q1/2014: 49.8
  - Q1/2015: 50.7
  - Change: +1.9%

- Restrained demand coming from the semiconductor equipment industry; Book-to-bill ratio almost unchanged at 1.10 (prior year 1.11)

- Increase is attributable to higher order intake in the area of Industrial Metrology and newly consolidated companies; Book-to-bill ratio rose to 1.19 (prior year 1.10)

- Order received to equip Patriot systems; Book-to-bill ratio at 1.19 (prior year 1.33; includes order for military stabilization systems)
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Substantial growth in revenue and earnings forecast for 2015

Jenoptik will see return to successful growth based on:

- Good order and project pipeline in all three segments
  - Postponed international project for defense technology was received
- Acquisitions in the traffic safety sector with positive effects
- Growth momentum in our markets, now also in Industrial Metrology
- Opportunities resulting from above-average growth in Asia/Pacific and Americas

Forecast 2015*

- Revenue between 650 and 690 million euros
- EBIT margin between 8.5 and 9.5 percent
- Group development projects will positively impact on quality of earnings
- Above-average growth in EBITDA

*This is based on the prerequisite that the political and economic framework conditions will not deteriorate; this includes in particular export restrictions, regulations at European level; the conflict between Russia and Ukraine as well as other disruptions in the euro zone.
2015: Positive development in all three segments expected

Lasers & Optical Systems
- Slightly rising demand from semiconductor equipment industry is expected in the 2nd half of the year
- Rising sales with other industries, e.g. medical technology/life sciences and automotive industry
- Further expansion of systems business

Metrology
- Globally growing demand for more efficient drives and the necessary measuring technology (also for new materials)
- Execution of major international orders in the area of traffic safety and a higher service share
- Positive effects from acquisition of Vysionics (traffic safety technology)

Defense & Civil Systems
- Long-term major orders ensure stable business development
- Growth based on good order backlog and also due to project shifts from 2014 into 2015
- Internationalization
- Stronger focus on civil applications, e.g. energy supply, railway technology
Our target: to continue profitable growth

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
- More stringent export restrictions in Germany
- Uncertainty regarding the developments in Ukraine/Russia and Middle East continues

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

- May 12, 2015
- May 20/21, 2015
- June 3, 2015
- June 18, 2015
- June 24/25, 2015
- July 8, 2015
- July 14, 2015
- August 11, 2015

Publication of the results of the first quarter 2015
Commerzbank German Mid Cap Conference, Boston/New York
Annual General Meeting, Weimar
dbAccess German, Swiss & Austrian Conference, Berlin
Roadshows Lugano/Madrid
Roadshow Hamburg
Roadshow Zurich
Publication of the results of the first half-year 2015

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