JENOPTIK AG
Results of the first nine months 2015 and outlook

November 11, 2015

Dr. Michael Mertin, President & CEO
Hans-Dieter Schumacher, CFO
Jenoptik – First nine months 2015
- Segment reporting
- Outlook
- Appendix
Good development of business in the first nine months 2015

External impacts on the business development

- Economic environment remained challenging
  - Stagnating to weak demand from the semiconductor equipment industry
  - Export business still subject to government regulations
  - VW emission scandal affected the supplier industry
- Economic sentiment in the euro zone hardly improved; weak growth figures in China
- Political developments in the Ukraine and Russia as well as in the Middle East remained uncertain

Major events in the Jenoptik Group

- Successful integration of the companies acquired in 2014
- Jenoptik performed well in the current environment in the semiconductor equipment industry
- Major order to supply energy systems for the Patriot missile defense system – substantial portion invoiced
- Long-term group financing was restructured at more favorable conditions
- Divisional structure will be realigned more closely to markets and megatrends
Revenue by region
(as at 30.09.2015 / prior year figures in brackets)

- Revenue in Americas grew by about 37% to 100.2 million euros as a result of project-related settlements in the Lasers & Optical Systems and Defense & Civil Systems segments as well as currency effects.
- Revenue share in the strategic focus areas of Americas and Asia/Pacific rose organically to 33.1% (prior year 31.8%).
- Revenue in Europe (without Germany) rose primarily due to the acquisitions in the traffic safety area (UK, NL).
Jenoptik continued positive revenue development also in the third quarter and created a sound basis for annual targets.

- Highest revenue in a quarter and over nine months in the last years
- All three segments reported growth
- Revenue increase in Q3/2015 compared with prior year quarter: +25.3%
Earnings increased at a higher rate than revenue in first nine months

- EBITDA margin
  9M/15: 13.1% (prior year 12.9%)
- At 25.1 million euros EBITDA in the third quarter was substantially higher than in the prior year and the two previous quarters

- EBIT margin
  9M/15: 9.1% (9M/14: 9.0%)
  Q3/15: 10.3% (Q3/14: 10.1%)
- Strongest 9-months-earnings in the last years
- EBIT effected by, among other things:
  - Rise in revenue, changed revenue mix and settlement of a major project in the Defense & Civil Systems segment
Income Statement:
Earnings situation significantly improved

<table>
<thead>
<tr>
<th>In million euros</th>
<th>9M/2015</th>
<th>9M/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>487.7</td>
<td>420.1</td>
</tr>
<tr>
<td>Gross margin</td>
<td>34.8%</td>
<td>35.2%</td>
</tr>
<tr>
<td>Functional costs</td>
<td>128.1</td>
<td>116.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>63.8</td>
<td>54.1</td>
</tr>
<tr>
<td>EBIT</td>
<td>44.3</td>
<td>37.8</td>
</tr>
<tr>
<td>Financial result</td>
<td>−3.8</td>
<td>−4.7</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>41.3</td>
<td>33.1</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>34.1</td>
<td>28.2</td>
</tr>
<tr>
<td>Earnings per share (euro)</td>
<td>0.59</td>
<td>0.49</td>
</tr>
</tbody>
</table>

- Gross margin slightly reduced in part due to changed revenue mix
- Functional costs rose, among other things due to continuing expansion of international activities and key group functions as well as first-time consolidations
- Lower interest expenses and exchange rate effects had a positive impact on the financial result; combined with the higher EBIT this also resulted in higher earnings before tax
- Cash-effective tax rate of 11.5% (prior year 12.8%)
- Deferred tax expense rose in connection with the sale of real estate
Solid order situation creates good conditions for achieving targets

- Order intake after nine months 2015 higher than in prior year
- Significant rise in Metrology segment
- Major order to equip Patriot missile defense systems
- Revenue in the period rose stronger than order intake; therefore the book-to-bill ratio was 0.98 (prior year 1.06)

- Approx. 37% of the order backlog will be recognized as 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 flows statement: Cash flows from operating activities as well as free cash flow improved significantly

<table>
<thead>
<tr>
<th>In million euros</th>
<th>9M/2015</th>
<th>9M/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before adjusting working capital</td>
<td>63.9</td>
<td>52.5</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>-22.2</td>
<td>-37.5</td>
</tr>
<tr>
<td>Cash flows from operating activities before income tax</td>
<td>41.6</td>
<td>15.0</td>
</tr>
<tr>
<td>Cash flows from operating investing activities</td>
<td>-13.0</td>
<td>-17.7</td>
</tr>
<tr>
<td>Free cash flow (before interest and taxes)</td>
<td>28.6</td>
<td>-2.7</td>
</tr>
</tbody>
</table>

- Cash flows from operating activities and free cash flow substantially improved in spite of higher working capital
  - Mainly influenced by high earnings in Q2 and Q3/2015 and lower capex
- Working capital rose to 239.9 million euros (31.12.2014: 217.5 million euros):
  - Increase in inventories attributable to expansion of business and prefabrications for revenue in subsequent periods
  - Revenue-related rise in trade receivables and concurrently reduction in trade payables
  - Working capital ratio (LTM) at 36.5% lower than at year end 2014 (31.12.2014: 36.9% / 30.09.2014: 38.9%)
Net debt after nine months reduced compared to year-end 2014; equity ratio rose to 55.7%

Net debt lower than at year-end 2014 in spite of:
- Payment to the last remaining real estate investor (12.4 million euros); there are no other silent investments or claims
- Use of funds for working capital
- Payment of the dividend (11.4 million euros)
- Reduction in financial liabilities by using cash and cash equivalents

Equity ratio rose to 55.7% (31.12.2014: 50.1%)
- Jenoptik – First nine months 2015
- Segment reporting
- Outlook
- Appendix
All three segments reported revenue growth in the first nine months 2015

Revenue (in million euros)

Lasers & Optical Systems
- Good development of business with laser machines and optoelectronic modules
- Well positioned in the semiconductor equipment industry: stronger systems approach

Metrology
- Growth for Jenoptik products in particular in Europe (through acquisitions) and US (in spite of more difficult environment in traffic safety area)

Defense & Civil Systems
- Significant increase in revenue due to project settlements and good business in the areas of energy and sensor systems
Defense & Civil Systems segment reported marked rise in earnings and margin improvement

**Lasers & Optical Systems**

- EBIT margin 9.7% (prior year 11.9%)
- Weaker business in H1/2015 not yet compensated; Q3 higher than prior year
- 2014: Positive contribution from sales of a system technology included

**Metrology**

- EBIT margin 8.4% (prior year 11.5%)
- Q3 higher than in prior year
- Market for traffic safety technology in the US still weaker
- Depreciation effects arising from purchase price allocation

**Defense & Civil Systems**

- EBIT margin 8.0% (prior year 0.4%)
- EBIT improved due to substantially increased and higher-margin revenue
Positive order situation of all segments supports further growth

Order intake (in million euros)

Lasers & Optical Systems
- Good demand for laser machines, lower demand from semiconductor equipment industry and cyclical call-offs for medical lasers
- Book-to-bill ratio at 0.99 (prior year 1.08)

Metrology
- Increase is attributable to higher order intake in Industrial Metrology and newly consolidated companies
- Book-to-bill ratio rose to 1.07 (prior year 0.99)

Defense & Civil Systems
- Major order received to equip Patriot systems, orders for railway technology and from US Navy
- Book-to-bill ratio at 0.90 (prior year 1.12)
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- Outlook
- Appendix
Forecast range narrowed - targets for 2015 reaffirmed

Target: Jenoptik returns to successful growth

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

Forecast 2015*

- Revenue between 660 and 680 million euros
- EBIT margin of at least 9.0 percent
- 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 revenue development in all three segments

Lasers & Optical Systems

- Well positioned in semiconductor equipment industry
- Rising revenue with other industries, e.g. life sciences and automotive industry
- Solid demand for laser machines, in particular for 3D laser material processing
- 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 in UK (traffic safety technology)

Defense & Civil Systems

- Major orders ensure long-term stable business development
- Growth based on good order backlog
- Internationalization
- Stronger focus on civil applications, e.g. energy supply, railway technology
“From Good to Great” – reorganization on schedule

New structure and reporting will enter into force on January 1, 2016

With our new structure we will:

- Even stronger realign with markets and mega trends
- Create better opportunities for future growth
- Enable long-term success
- Preserve and create economies of scale
Our target: to continue profitable growth with a corporate structure that is closer realigned to markets

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 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
Jenoptik – First nine months 2015
Segment reporting
Outlook
Appendix
Dates and contact

- November 11, 2015
- November 12, 2015
- November 18, 2015
- November 24, 2015
- January 7/8, 2016
- January 14, 2016
- January 19, 2016
- January 26, 2016

Publication of nine-months results, conference call

- LBBW Conference, London
- Roadshow Paris
- Eigenkapitalforum, Frankfurt/Main
- Oddo Forum, Lyon
- Dr. Kalliwoda Capital Markets Conference, Warzaw
- German Corporate Conference Kepler Cheuvreux, Frankfurt/Main
- Preliminary figures 2015

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