



# Jenoptik again demonstrates operational strength with revenue growth and earnings upswing in the 2016 fiscal year

- Group revenue rose by 2.4 percent to 684.8 million euros
- EBIT improved by 11.8 percent to in total 68.5 million euros
- Order intake worth 733.8 million euros and additional frame contracts valued at 160.9 million euros are an outstanding basis for coming years
- Dividend shall be increased to 0.25 euros per share
- Group starts new year with confidence: further profitable growth scheduled for 2017
- Dr. Stefan Traeger will become Chairman of the Executive Board with effect from May 1<sup>st</sup> this year

The Jenoptik Group closed the 2016 fiscal year with great success, setting new records in orders, revenue, earnings and free cash flow. **Group revenue** saw purely organic growth to 684.8 million euros (prior year 668.6 million euros). Reasons for this increase included higher demand for energy systems in the defense and railway industries, an upswing in investment in the automotive industry, especially in the field of laser machines, and stronger demand for optical systems in the semiconductor equipment sector and the market for information and communication technologies.



Page: 2 of 6  
Date: 22.03.2017

“After good performance in the first nine months of 2016, our business gained further momentum toward the end of the year. With revenue of 192.2 million euros and EBIT of 21.4 million euros, the fourth quarter was not only the strongest in the past fiscal year but also of prior years. Our strategic realignment with a stronger focus on growth markets and global megatrends is vindicated by the success we have seen in our established markets and new areas of business,” says Jenoptik President & CEO Dr. Michael Mertin.

On a regional basis, growth stimulus came mainly from the Asia/Pacific region and both the Americas and Germany. The share of revenue for the growth regions of the Americas and Asia/Pacific combined came to 34.4 percent of group revenue (prior year 32.7 percent). At 458.2 million euros, Jenoptik generated 66.9 percent of revenue abroad (prior year 450.8 million euros or 67.4 percent).

## Operating result (EBIT) up at a faster rate than revenue; margin significantly improved

Jenoptik also achieved an EBIT that set a new record for recent years. This successful growth is the result of the increase in revenue achieved, a more profitable revenue mix and consistently applied efficiency measures. **EBIT** in total rose by 11.8 percent to 68.5 million euros (prior year 61.2 million euros). This includes earnings of 2.3 million euros in connection with the sale of a former business unit (prior year 0.2 million euros), which are shown as EBIT from discontinued operations. In total, the **EBIT margin** improved to 10.0 percent (prior year 9.2 percent) and was thus well above the target corridor for 2016. EBIT from continuing operations came to 66.2 million euros, equating to an EBIT margin of 9.7 percent (prior year 61.0 million euros). Earnings before interest, taxes, depreciation and amortization (**EBITDA**) also increased at a faster rate than revenue, by 9.1 percent to a total of 96.9 million euros (prior year 88.8 million euros).

## Order situation and financial resources form good basis for further growth in coming years

In the 2016 fiscal year, the group **order intake** rose by a total of 97.0 million euros to a new record high of 733.8 million euros (prior year 636.7 million euros). The order intake was above both the prior-year value and the revenue level. The **book-to-bill ratio** consequently increased to 1.07 (prior year 0.95), while the **order backlog** grew to 405.2 million euros (12/31/2015: 373.4 million euros). In addition, there were also **frame contracts** with customers worth 160.9 million euros (prior year 59.2 million euros). The increase in order figures is essentially



Page: 3 of 6  
Date: 22.03.2017

due to several major projects in the Mobility segment and greater demand from the defense industry.

Thanks to a strong **free cash flow** of 80.4 million euros (prior year 71.8 million euros), the **net debt** could be completely eliminated, and as of December 31, 2016 came to minus 17.9 million euros which is equivalent to a net credit balance (31/12/2015: 43.9 million euros).

“On the basis of the achieved earnings, healthy cash flows and the available financing framework, the Group created sufficient room for maneuver in 2016 to enable future organic growth and acquisitions. We will thus be able to act flexibly and quickly,” says Hans-Dieter Schumacher, CFO of JENOPTIK AG.

## Payment to shareholders due to rise – higher dividend proposed

On the basis of the Group’s solid earnings and good financial resources, the boards of JENOPTIK AG propose an increased **dividend payment** of 0.25 euros per share (prior year 0.22 euros) for the 2016 fiscal year to the Annual General Meeting on June 7, 2017. Subject to shareholder approval, a dividend payment of 14.3 million euros will produce a payout ratio in relation to earnings attributable to shareholder of 24.9 percent (prior year 25.4 percent).

## Increase in employee numbers strongest abroad

As of December 31, 2016, the number of Jenoptik **employees** (incl. trainees) increased only slightly, by 0.8 percent, to 3,539 (31/12/2015: 3,512). By contrast, the Group’s internationalization strategy resulted in the number of employees abroad rising more strongly, by 9.1 percent to 686 (31/12/2015: 629), bringing the total workforce abroad up to 19.4 percent (31/12/2015: 17.9 percent).

## Growth in all three segments

In the 2016 fiscal year, revenue in the **Optics & Life Science** segment increased by 3.7 percent to 221.5 million euros (prior year 213.7 million euros). The segment generated EBIT totaling 33.4 million euros, 69.4 percent more than in the prior year (prior year 19.7 million euros), primarily due to an improved product mix and non-recurring income of around 2.9 million euros resulting from a positive court of arbitration judgement. The EBIT margin improved significantly to 15.1 percent (prior year 9.2 percent). At 236.6 million euros, the segment order intake exceeded the figure in the prior year by 14.5 percent (prior year 206.7 million euros).



Page: 4 of 6  
Date: 22.03.2017

Revenue in the **Mobility** segment grew by 1.3 percent to 247.7 million euros in 2016 (prior year 244.6 million euros). Due to only moderate revenue growth, a changed revenue mix and development activities for major new traffic safety projects, the segment EBIT was down on the prior year, at 24.4 million euros (prior year 27.0 million euros). The EBIT margin was 9.9 percent, compared with 11.0 percent in the prior year. In 2016, the segment order intake increased by 5.5 percent to 267.4 million euros (prior year 253.5 million euros).

Revenue in the **Defense & Civil Systems** segment rose to 218.3 million euros, 3.2 percent up on the prior year (prior year 211.4 million euros). The segment EBIT climbed by 6.8 percent to 19.1 million euros (prior year 17.9 million euros). Alongside international growth in the core regions and a consistently market-oriented business focus in the segment, this improvement is also attributable to higher margins in the revenue mix. The EBIT margin increased to 8.8 percent (prior year 8.5 percent). In 2016, the segment order intake totaled 231.6 million euros, an excellent 30.2 percent above the figure for the prior year (prior year 177.8 million euros).

## Profitable growth set to continue in 2017

“In key respects, the past fiscal year was one of the best in the company’s history. In 2017, the Jenoptik Group will continue to expand its systems and service business, invest in increasing its international reach and push ahead with the initiatives related to the operational excellence program. The Group thus satisfies all the conditions to ensure further successful and promising growth in the coming years,” says Jenoptik President & CEO Dr. Michael Mertin.

Based on a good order and project pipeline, the Executive Board is anticipating organic growth in revenue and earnings for 2017. Group revenue is expected to come in at between 720 and 740 million euros. All three segments shall contribute to this growth. Jenoptik is also expecting EBIT – on the basis of continuing operations – to rise in 2017. Depending on the development of revenue, the EBIT margin is forecast within the range of 9.5 to 10.0 percent.

“Our other plans also remain unchanged: by 2018, we aim to increase annual revenue to around 800 million euros – including smaller acquisitions – and achieve an EBIT margin of approximately 10 percent. The share of revenue in our focus regions of the Americas and Asia/Pacific combined will then grow to over 40 percent of group revenue,” says CFO Hans-Dieter Schumacher.



Page: 5 of 6  
Date: 22.03.2017

## Dr. Stefan Traeger to become Chairman of the Executive Board of JENOPTIK AG

From May 1, 2017, Dr. Stefan Traeger will be the Jenoptik Group's new Chairman of the Executive Board. The 49-year-old succeeds Dr. Michael Mertin, who is stepping down as CEO after almost ten years of service. In September of last year, Dr. Michael Mertin decided not to seek any further extension to his term on the Executive Board. The Supervisory Board of JENOPTIK AG then appointed Dr. Stefan Traeger as the new Chairman of the Executive Board in December 2016 and decided at its meeting on March 21, 2017 that he will assume his post on May 1, 2017.

Dr. Stefan Traeger comes to Jenoptik from Swiss company Tecan Group AG, where he was a member of the group management. The holder of a doctorate in physics has extensive experience in a range of management positions in the photonics industry and worked at companies such as Leica Microsystems and the Carl Zeiss Group prior to his position at Tecan.

The Annual Report is available in the ["Investors/Reports and Presentations"](#) section of the website. The "Jenoptik app" can be used to view the Annual Report on mobile devices running iOS or Android. Images for download can be found in the Jenoptik image database in the ["Current Events/Financial Reports" gallery](#).

Jena, March 22, 2017

## About Jenoptik

As an integrated photonics group, [Jenoptik](#) divides its activities into three segments: Optics & Life Science, Mobility as well as Defense & Civil Systems. Its customers around the world mainly include companies in the semiconductor equipment industry, automotive and automotive supplier industry, medical technology, security and defense technology as well as the aviation industry. Jenoptik has about 3,600 employees worldwide and generated revenue of approx. 685 million euros in 2016.



Page: 6 of 6  
Date: 22.03.2017

## Contact

Katrin Lauterbach  
JENOPTIK AG  
Head of Communications & Marketing  
Phone: +49 3641 65-2255  
E-mail: [katrin.lauterbach@jenoptik.com](mailto:katrin.lauterbach@jenoptik.com)

Thomas Fritsche  
JENOPTIK AG  
Head of Investor Relations  
Phone: +49 3641 65-2291  
E-mail: [thomas.fritsche@jenoptik.com](mailto:thomas.fritsche@jenoptik.com)

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