

# JENOPTIK AG

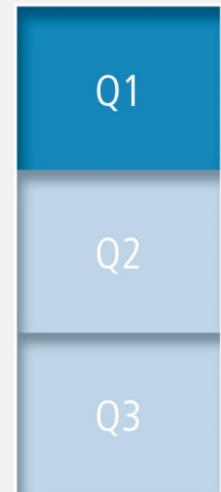
## Results of the first quarter 2016 and outlook



May 11, 2016

Dr. Michael Mertin, President & CEO  
Hans-Dieter Schumacher, CFO

- **Jenoptik – 1<sup>st</sup> quarter 2016**
- Development of the segments
- Outlook
- Appendix



# Successful start to fiscal year 2016 with revenue growth and improved operating result and cash flows



## External framework conditions

- Challenging economic environment, e.g.
  - Emission scandal affected whole automotive sector
  - Reluctance to invest / development of oil price
- Further slowing of growth in China / subdued development in the US
- Good economic outlook in Germany is based on domestic demand / private consumption
- Globally, situation remained uncertain (Middle East, Ukraine, Russia); possible Brexit

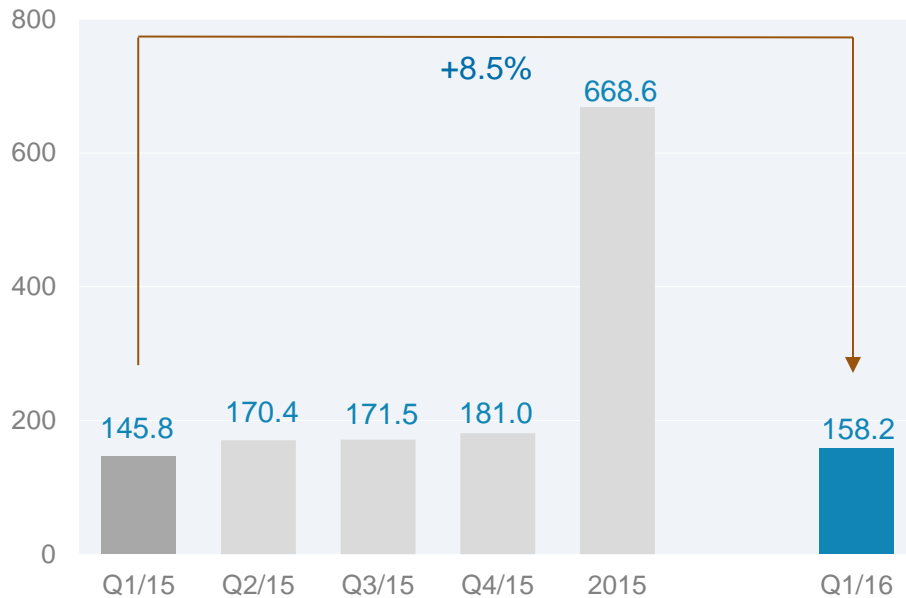
## Major events in the Jenoptik Group

- Changeover to new divisional structure completed; consistent alignment to markets and megatrends
- Development of business in first quarter as expected
- Excellence programs have been continued

# Revenue rose compared to prior-year quarter

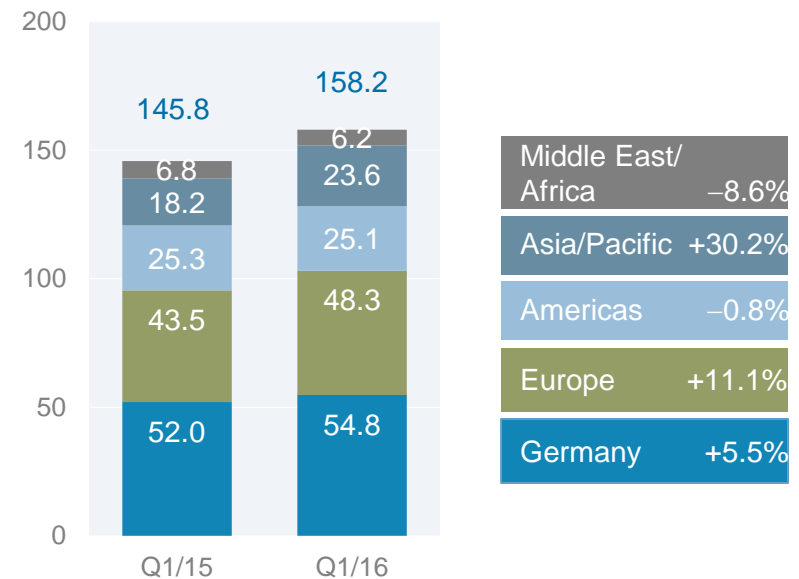


Revenue in million euros



- All three segments showed growth
- Higher demand from the areas of energy and sensor systems, optical systems and laser machines

Revenue by region in million euros

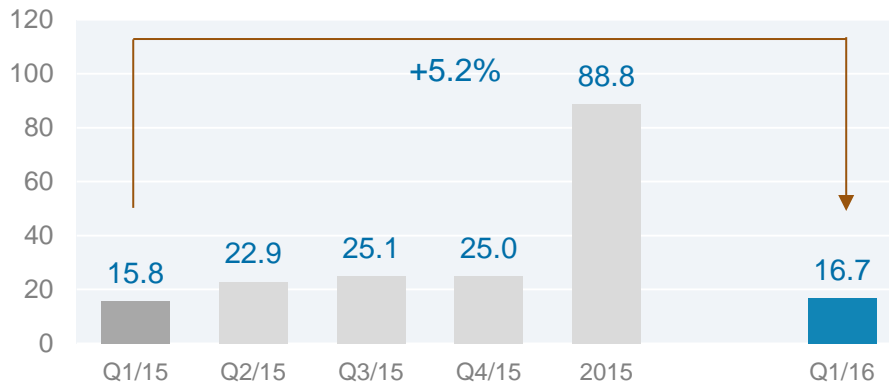


- Share of revenue generated abroad rose to 65.3% (prior year 64.3%)
- Marked revenue increase in Asia/Pacific and Europe
- Revenue share in the Americas and Asia/Pacific rose to 30.8% (prior year 29.8%)

# Operating result showed stronger increase than revenue in first quarter

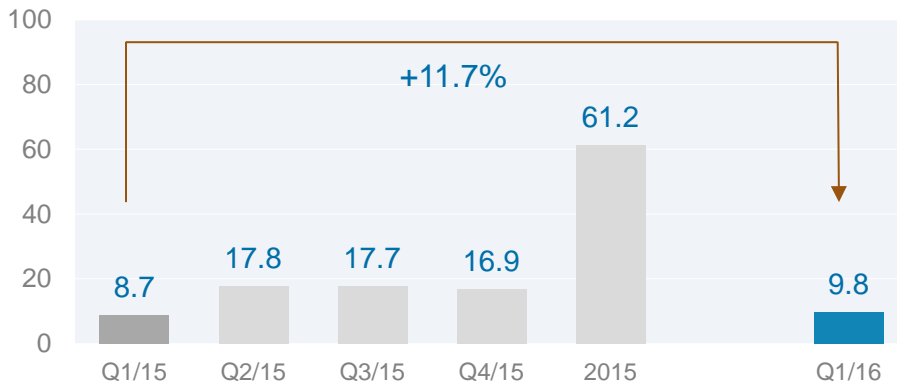


EBITDA in million euros



- EBITDA margin at 10.5% (prior year 10.9%)

EBIT in million euros



- EBIT showed higher growth than revenue
- EBIT margin improved Q1/2016: 6.2% (prior year 6.0%)
- EBIT affected by, among other things:
  - Higher gross profit
  - Lower functional costs

# Earnings before tax and earnings per share affected by lower financial result



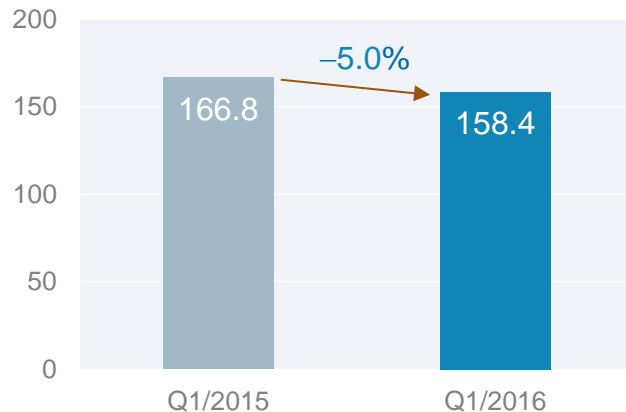
In million euros	Q1/2016	Q1/2015
<b>Revenue</b>	<b>158.2</b>	<b>145.8</b>
Gross margin	33.1%	34.4%
Functional costs	42.0	43.8
<b>EBITDA</b>	<b>16.7</b>	<b>15.8</b>
<b>EBIT</b>	<b>9.8</b>	<b>8.7</b>
Financial result	-2.1	1.1
<b>Earnings before tax</b>	<b>7.7</b>	<b>9.8</b>
Earnings after tax	6.5	8.3
<b>Earnings per share (euros)</b>	<b>0.11</b>	<b>0.14</b>

- Gross margin slightly reduced, in part due to changed product mix with higher share of the Defense & Civil Systems segment
- Functional costs lower than in prior year
- Financial result in prior year positively influenced by currency exchange rate gains
- Cash-effective tax rate was 15.7% (prior year 16.0%)

# Solid order position and well-filled project pipeline create good conditions for further growth

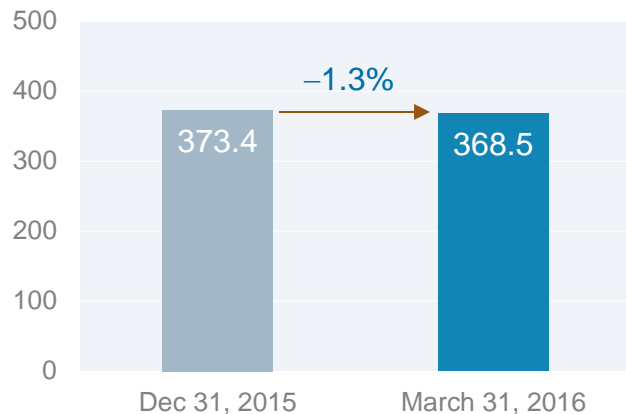


Order intake in million euros



- Order intake at the end of March lower than in prior year
  - Rise in the Optics & Life Science segment
  - Order intake in prior year included major order to equip Patriot missile defense system
- Book-to-bill ratio at 1.00 (prior year 1.14)

Order backlog in million euros



- Decline in order backlog due to work on multi-year major orders in the Defense & Civil Systems segment
- 66.1% of order backlog will be converted to revenue in 2016
- In addition, there are contracts worth 19.0 million euros (not included in order backlog)

# Free cash flow clearly positive in first quarter



In million euros	Q1/2016	Q1/2015
Operating profit before adjusting working capital	16.4	14.1
Changes in working capital and other items	1.0	-11.6
Cash flows from operating activities before income tax	17.4	2.5
Cash flows from operating investing activities	-5.4	-5.9
Free cash flow (before interest and income taxes)	<b>12.0</b>	-3.3

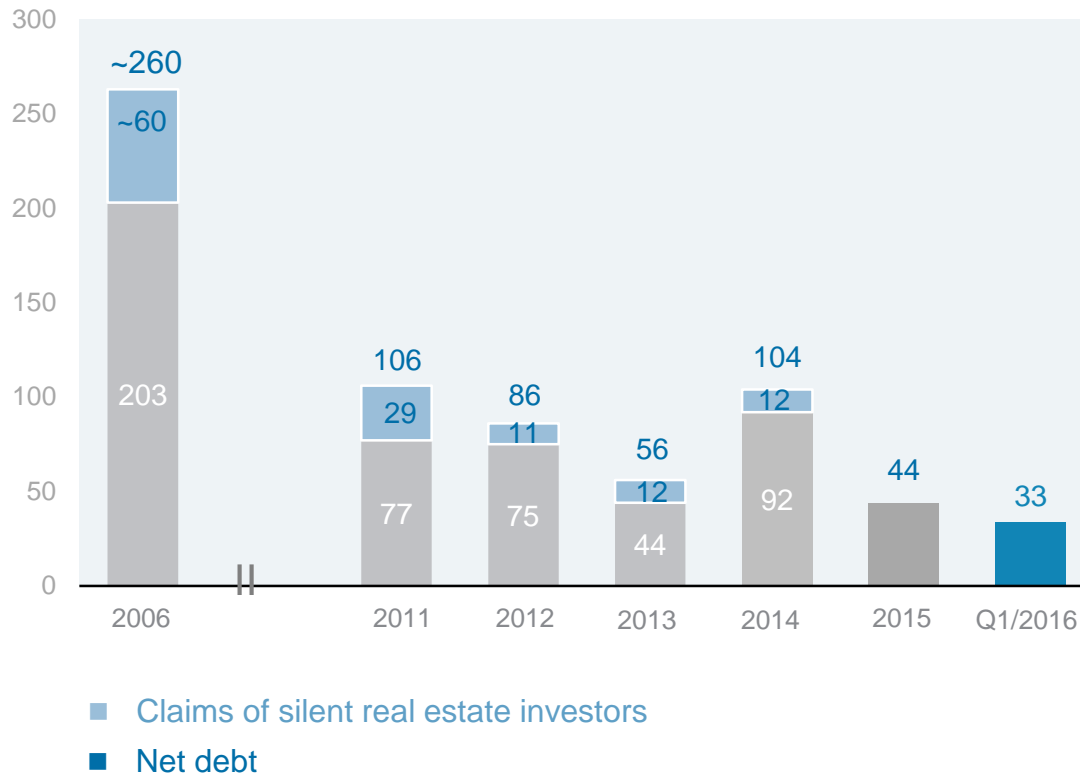
- Cash flows from operating activities and free cash flow significantly improved
  - Lower payments for working capital
- Increase in working capital to 218.0 million euros lower than rise in revenue (31/12/2015: 215.5 million euros; 31/3/2015: 237.3 million euros)
- Working capital ratio fell to 32.0% (31/12/2015: 32.2%; 31/3/2015: 35.2%)



# Net debt at lowest figure in recent years; equity basis again improved

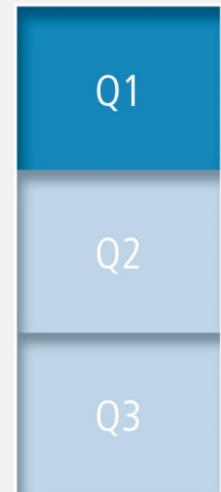


Net debt in million euros



- Following a significant reduction in 2015, good cash flows allowed net debt to fall further in the first quarter 2016
- Equity ratio rose to 57.2% (31/12/2015: 56.6%) due to
  - Increase in equity due to earnings after tax posted
  - Lower balance sheet total

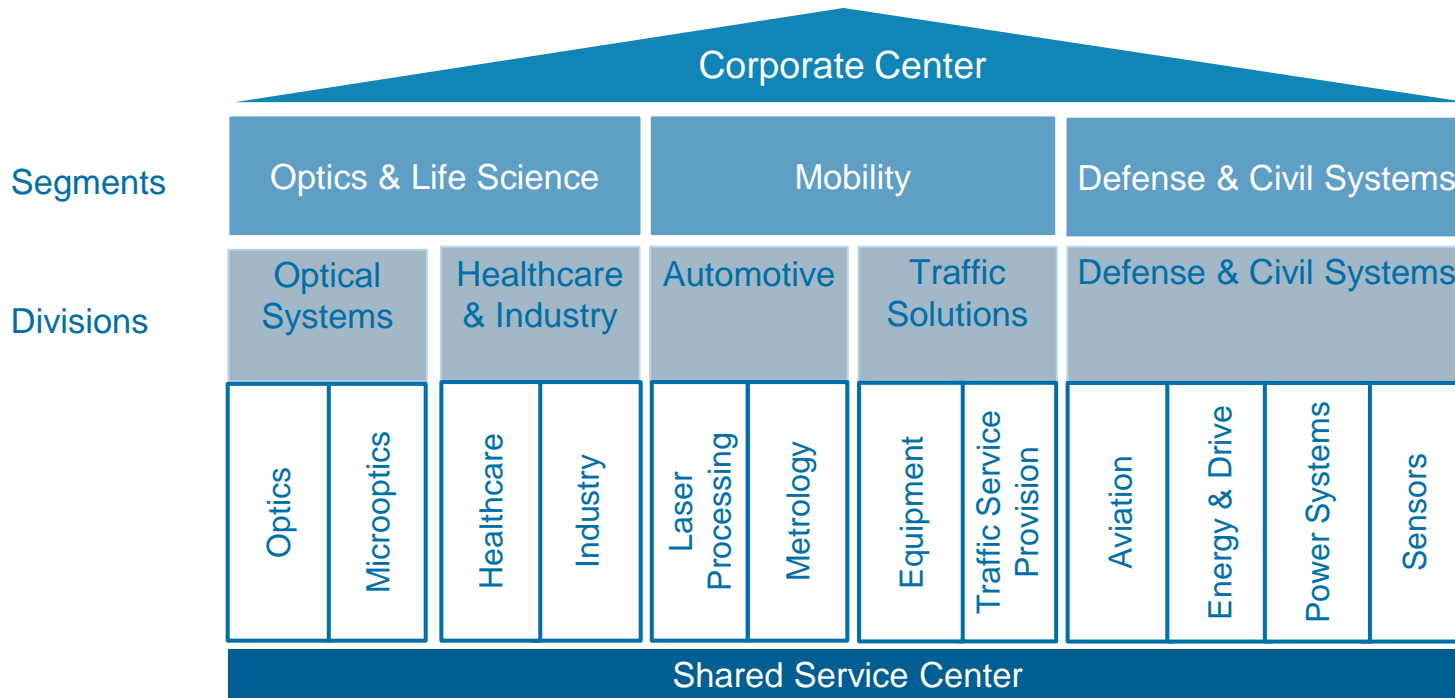
- Jenoptik – 1<sup>st</sup> quarter 2016
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With its new organizational structure Jenoptik is more closely aligned with market requirements and positioned closer to customers



# „From Good to Great“ – New divisional structure effective since January 1, 2016



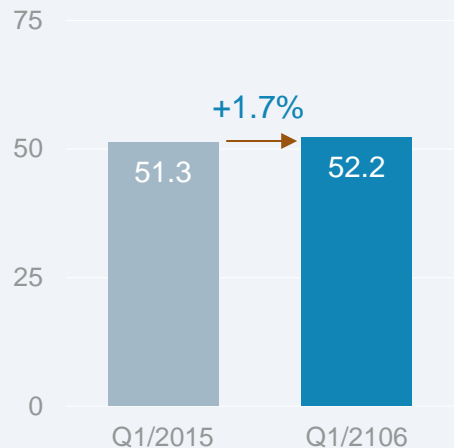
With the new structure we will:

- Even stronger realign with markets and megatrends
- Create better opportunities for future growth
- Enable long-term success
- Achieve higher economies of scale

# Optics & Life Science segment: Good start with rise in revenue and order intake

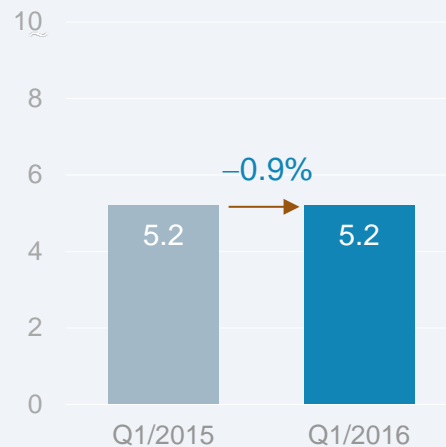


### Revenue (in million euros)



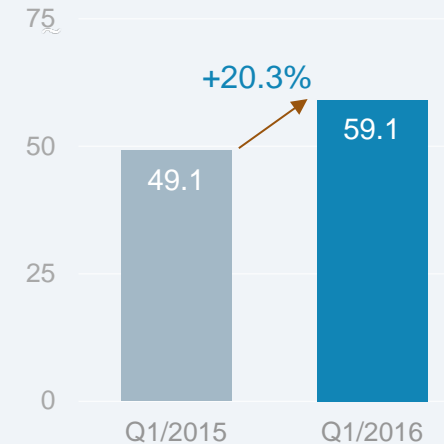
- Good demand for solutions for the IT and communications technology as well as semiconductor equipment
- Increase in Europe and Asia/Pacific
- Share of group revenue: 33%

### EBIT (in million euros)



- EBIT margin 10.0% (prior year 10.2%)
- EBITDA at 7.2 million euros also at prior year level (prior year 7.3 million euros)

### Order intake (in million euros)

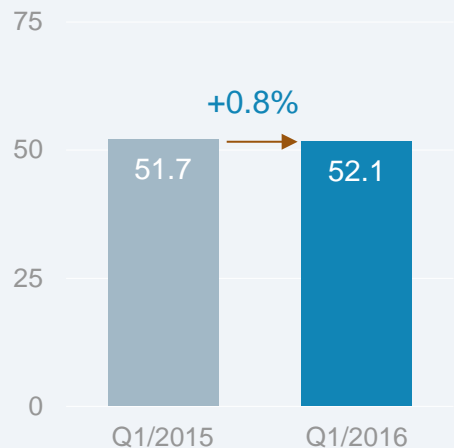


- Order intake higher than revenue
- Good order intake in the Healthcare & Industry division
- Book-to-bill: 1.13 (pr. year 0.96)
- Order backlog rose to 75.7 million euros (31/12/2015: 73.7 million euros)

# Mobility segment: Revenue and profitability improved, order intake at high level

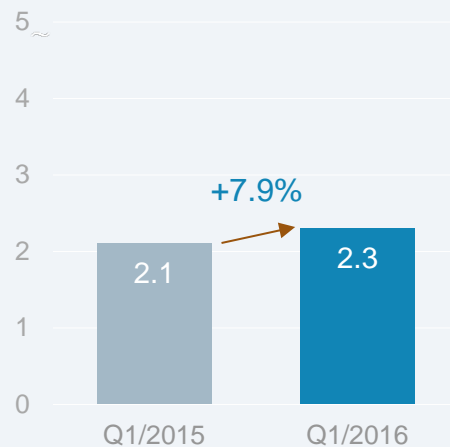


### Revenue (in million euros)



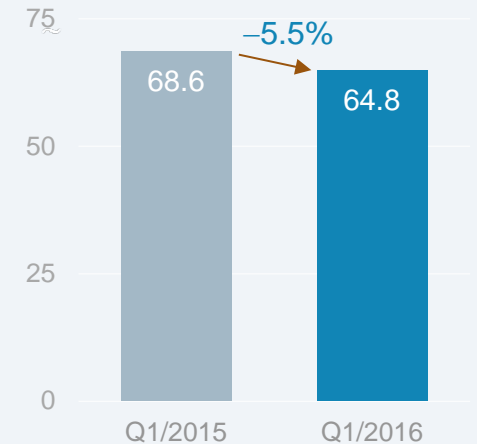
- Reluctance to invest at the beginning of the year
- Increase in particular in Asia/Pacific and the Americas
- Share of group revenue: 33%

### EBIT (in million euros)



- EBIT margin was at 4.4% thus exceeding the prior-year figure of 4.1%
  - Lower functional costs
- EBITDA at 4.4 million euros (prior year 4.2 million euros)

### Order intake (in million euros)

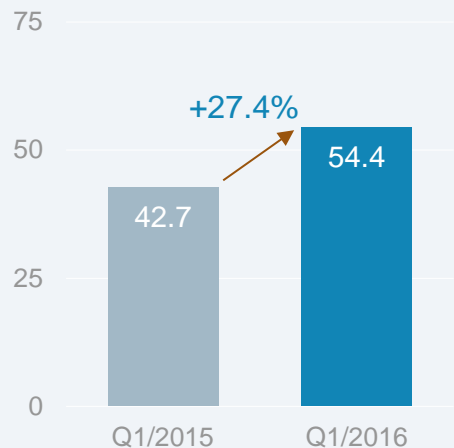


- Order intake above revenue; decline in Traffic Solutions; major projects in tendering phase
- Book-to-bill: 1.24 (pr. year 1.33)
- Order backlog at 104.6 million euros (31/12/2015: 92.7 million euros)

# Defense & Civil Systems segment: As expected, strong development of revenue and earnings

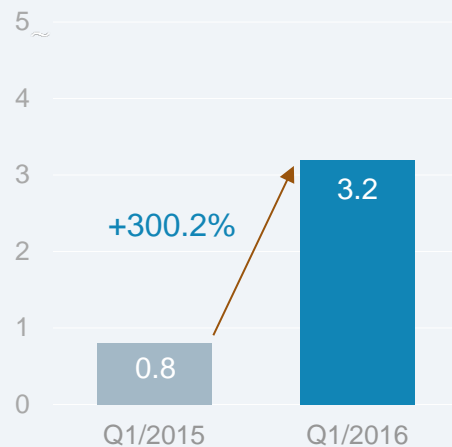


### Revenue (in million euros)



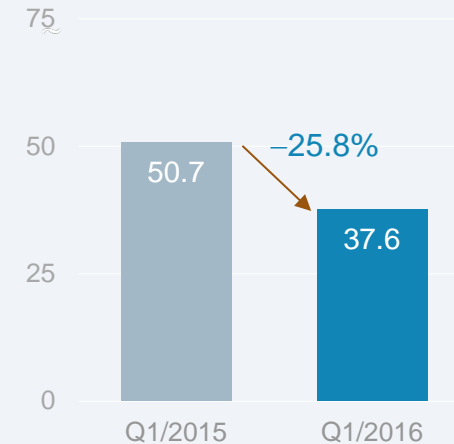
- Good start in 2016 in the areas of energy and sensor systems
- Revenue in Germany rose due to good business with domestic systems companies
- Share of group revenue: 34%

### EBIT (in million euros)



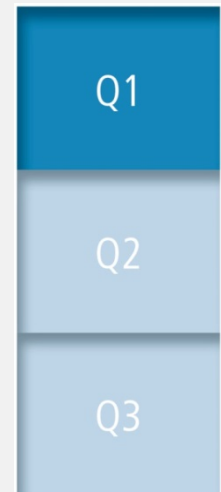
- Rise in EBIT was attributable to good revenue development and product mix with higher margins
- EBIT margin rose to 5.8% (prior year 1.9%)
- EBITDA at 4.3 million euros (prior year 2.0 million euros)

### Order intake (in million euros)



- No new major orders received in the quarter, in prior year Patriot
- Book-to-bill: 0.69 (pr. year 1.19)
- Order backlog at 192.7 million euros (31/12/2015: 209.7 million euros) due to work on major orders

- Jenoptik – 1<sup>st</sup> quarter 2016
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# Forecast for 2016 confirmed



## Externally

- Uncertain environment
- Investment behavior is hard to predict

## Internally

- Solid order and project pipeline
- Intensified integrated approach



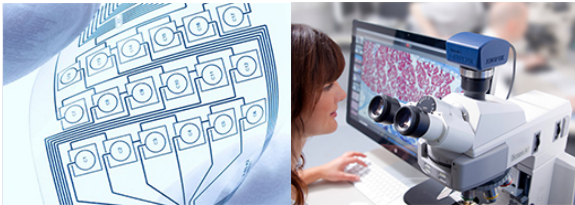
	2015	2016e
Revenue	668.6 million euros	Between 680 and 700 million euros
EBIT	61.2 million euros; Margin 9.2%	Moderate growth; EBIT margin between 9.0 and 9.5%
EBT	57.4 million euros	Development similarly to EBIT

The good financial position and a viable financing structure give Jenoptik sufficient leeway for both acquisitions and financing further growth.

# 2016: Growth in the Optics & Life Science as well as Mobility segments expected; Defense & Civil Systems stable



## Optics & Life Science



- 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

## Mobility



- 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

## Defense & Civil Systems



- 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

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



„From Good to Great“

External factors may affect development:

- Economic trend
- Turmoil in the euro zone (Brexit)
- Uncertainty regarding the developments in Ukraine/Russia, Middle East and Asia

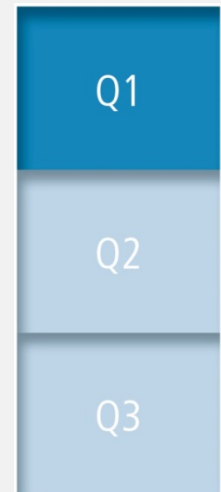


## Our mid-term targets

- 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

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

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- May 11, 2016
- June 8, 2016
- June 10, 2016
- June 14, 2016
- June 27/28, 2016
- August 10, 2016

Results of 1st quarter 2016  
Annual General Meeting  
dbAccess German, Swiss & Austrian Conference, Berlin  
Roadshow Luxembourg  
Roadshow Zurich/Geneva  
Results of 1st half-year 2016

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