JENOPTIK AG
Conference Call
Results of the first nine months 2017 and outlook

Dr. Stefan Traeger, CEO
Hans-Dieter Schumacher, CFO | November 10, 2017

Results of the first nine months 2017

Major events in the first nine months 2017

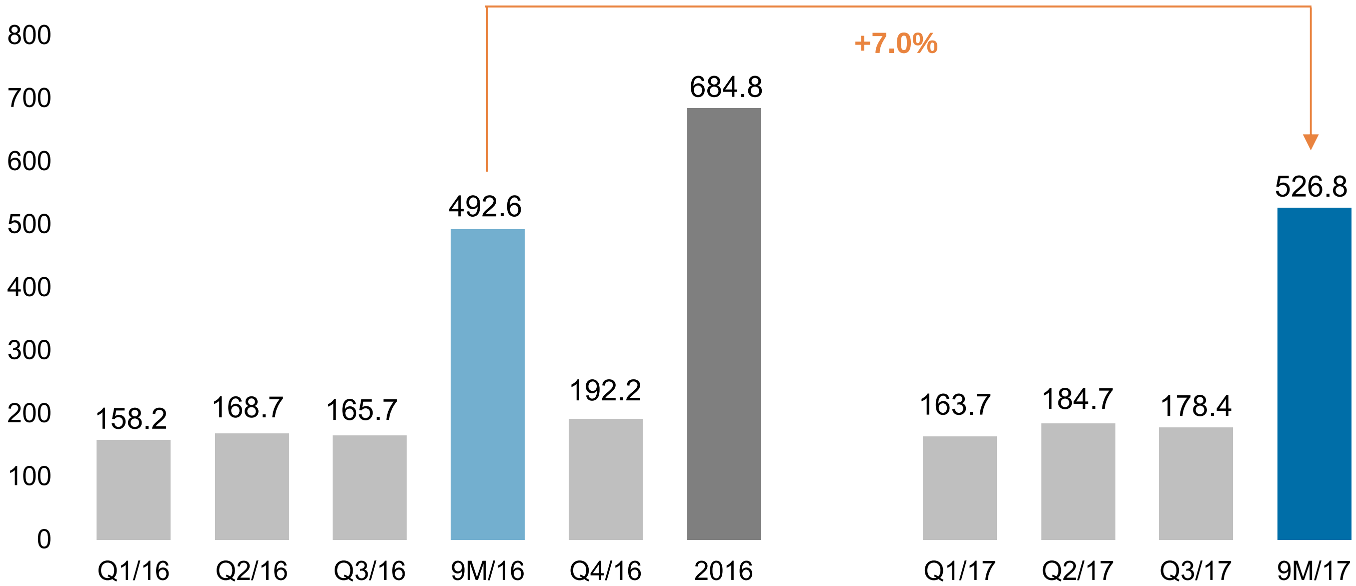
– Successful development continued – growth in revenue, earnings and order intake
  - Rise in revenue in particular in non-European countries
  - Number of employees increased especially abroad
– Organically, revenue 2017 is now expected to come in at the upper end of previous guidance – including the acquisitions even slightly exceed the range; the EBIT margin is forecasted to be at the upper end of the original range

Five Lakes Automation

– Acquisition of ESSA Technology, UK, in January 2017
– Production at the technology campus in Rochester Hills (US) started as scheduled in May 2017
– Acquisition of Five Lakes Automation, US, in August 2017

Revenue growth continued in third quarter

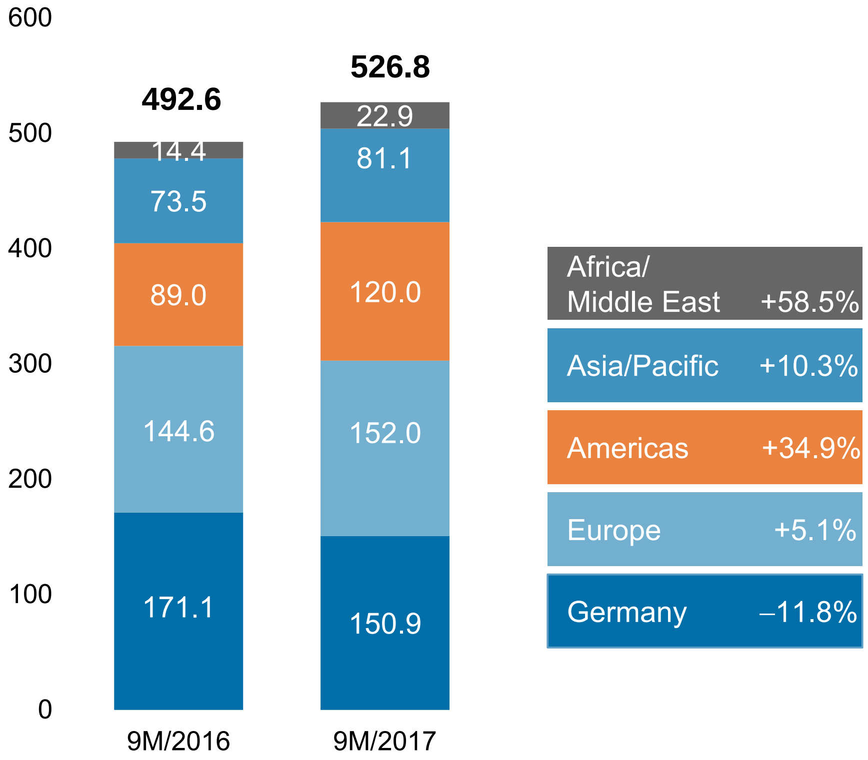
Revenue in million euros



- Growth in the Optics & Life Science as well as Mobility segments
- Increase of 7.7% in the third quarter
- Stronger demand, in particular for optical systems in the area of semiconductor equipment, but also for systems of the Healthcare & Industry area and for traffic safety solutions
- Revenue contribution by companies acquired in the first nine months: 2.9 million euros

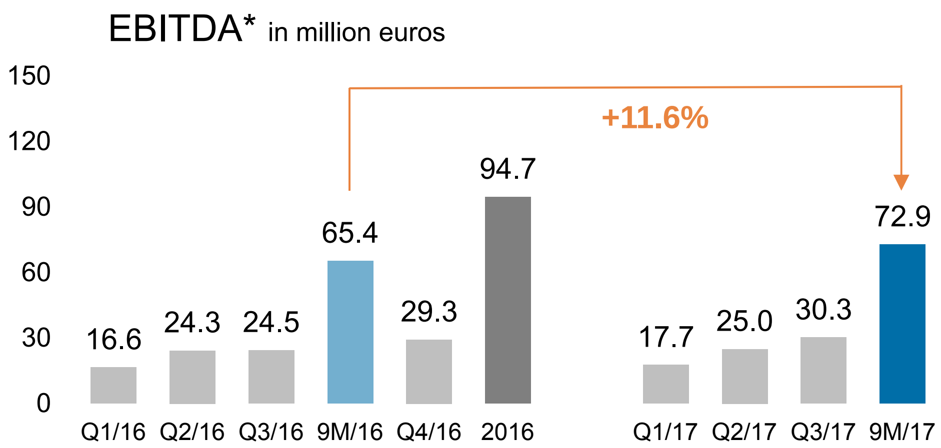
Growth in revenue was achieved in particular in non-European countries; strong growth in strategic target regions

Revenue by region (in million euros)

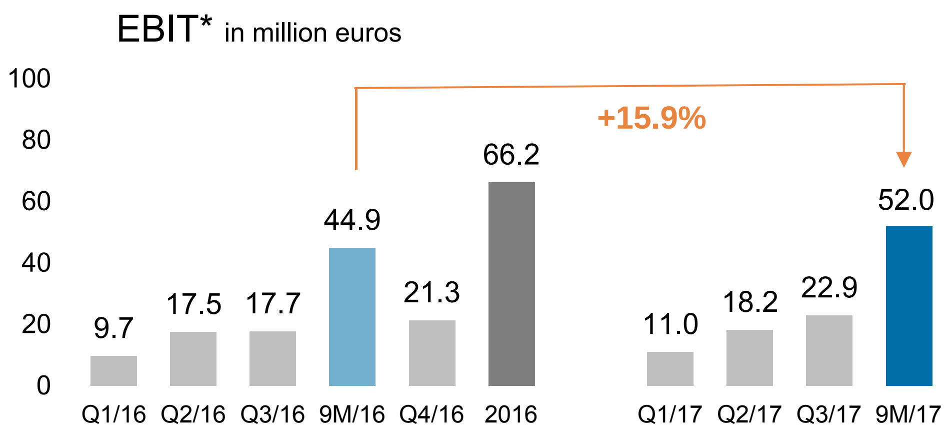


- Approx. 71% of revenue generated abroad (prior year 65%)
- Share of revenue in the Americas and Asia/Pacific rose to 38.2% (prior year 33.0%)
- **Americas:** marked rise in revenue due to the positive development of all three segments
- **Asia/Pacific:** growth in the Optics & Life Science and Mobility segments
- **Germany:** in the prior year high revenue in the Defense & Civil Systems segment due to major orders

Significant improvement of operating results



- Stronger increase than revenue
- Continuous improvement in the course of the year
- EBITDA margin at 13.8% (prior year 13.3%)
  - Stable depreciation / amortization while revenue increased



- EBIT also showed stronger growth than revenue
- EBIT margin at 9.9% (prior year 9.1%); Q3 solo at 12.8% (prior year 10.7%)
- Rise due to a more profitable revenue mix
- Optics & Life Science segment with substantially higher EBIT contribution
- One-off expenses in the Mobility segment in Q2

* Continuing operations

More profitable revenue mix led to a higher gross margin and an increase in earnings

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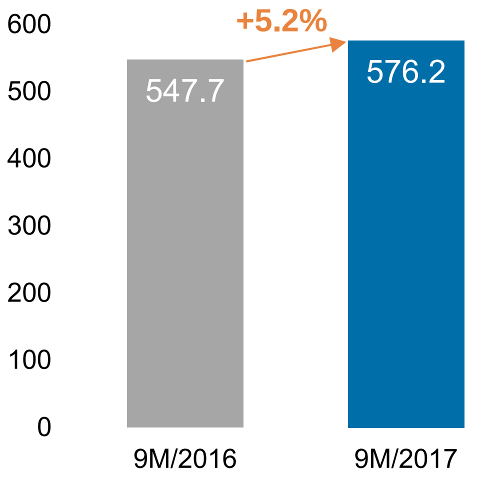
In million euros	9M/2017	9M/2016
Revenue	**526.8**	**492.6**
Gross margin	36.3%	35.1%
Functional costs	135.1	129.0
EBITDA*	**72.9**	**65.4**
EBIT*	**52.0**	**44.9**
Financial result*	2.3	–2.9
Earnings before tax*	**54.3**	**42.0**
Earnings after tax*	44.1	35.7
Earnings per share (euros)*	**0.77**	**0.62**

- **Gross margin** improved
- **R+D** as well as **selling expenses** higher than in prior year; **administrative expenses** declined slightly
- Higher **investment result** due to disposal of shares in a minority holding abroad
- Cash-effective **tax rate** grew to 17.7% (prior year 13.6%) as a result of higher earnings abroad and lower tax-exempt income
- **Group** (incl. discontinued operations)
  EAT: 44.3 million euros (prior year 39.2m euros)
  EPS: 0.77 euros (prior year 0.69 euros)

* Continuing operations

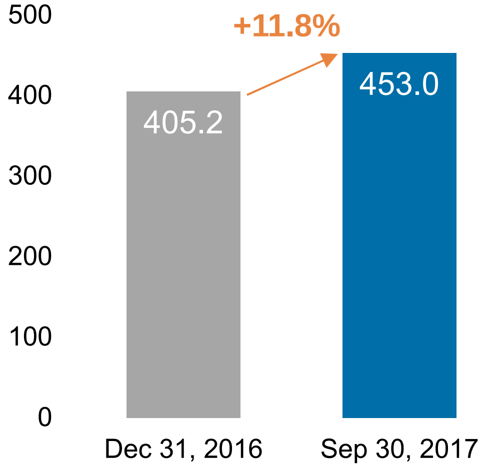
Solid order position and project pipeline create good basis for further growth

Order intake in million euros



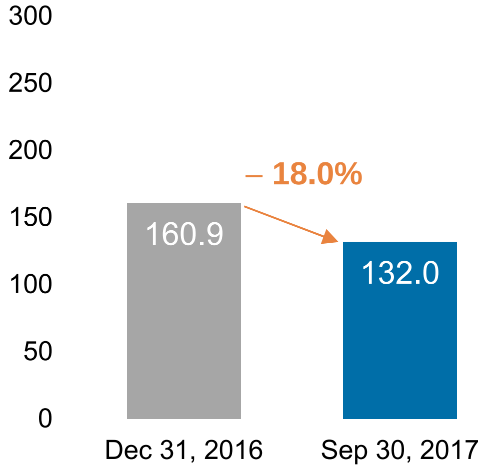
– Rise in Optics & Life Science as well as Mobility segments
– Book-to-bill ratio: 1.09 (prior year 1.11)

Order backlog in million euros



– Order backlog remained at high level
– Approx. 44% is due to be converted to revenue still in 2017

Frame contracts in million euros



– Major orders in part recorded as frame contracts
– Decline due to reclassification as order intake and backlog

Free cash flow remained at solid level in spite of higher capital expenditure and inventories

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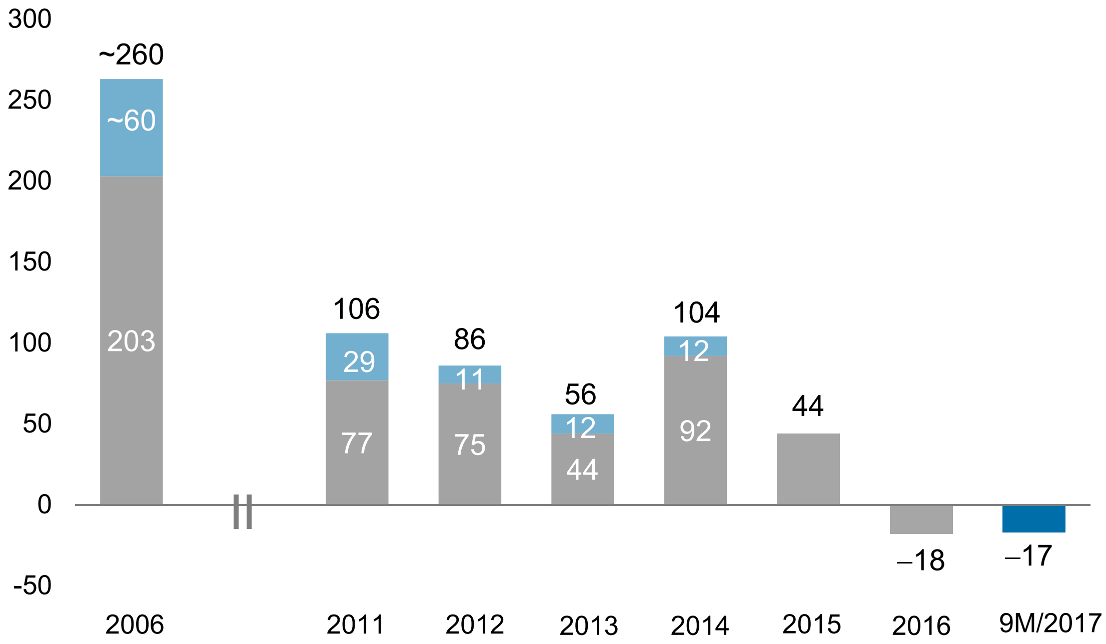
In million euros	9M/2017	9M/2016
Operating profit before adjusting working capital	74.1	65.2
Changes in working capital and other items	–18.9	–3.4
Cash flows from operating activities before income taxes	55.2	61.8
Cash flows from operative investing activities	–23.0	–18.7
Free cash flow (before interest and taxes)	**32.2**	**43.1**

– Cash flows from operating activities lower than in prior year
  - **Working capital** rose to 225.3 million euros (31.12.16: 209.9m euros / 30.9.16: 222.3m euros), in particular due to order-related higher inventories
  - **Working capital ratio** came to 31.3% (31.12.16: 30.7% / 31.9.16: 33.0%)
  - Increase in **capital expenditure** in particular in property, plant and equipment (among other things for technology campus in Rochester Hills and new customer orders)

Jenoptik without net debt

Net debt in million euros



- Claims of silent real estate investors
- Net debt 9M/2017
- Net debt in prior years

– Jenoptik Group is free of net debt
  - Financing of capital expenditure and growth

– Cash and current financial investments amounted to 144.4 million euros (31.12.16: 142.5m euros)

– **Equity ratio** at 58.8% remained at a good level (31.12.16: 58.6%)

Results of the first nine months 2017

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Development of the Jenoptik Group

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Development of the segments

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Optics & Life Science segment: strong increase in key figures

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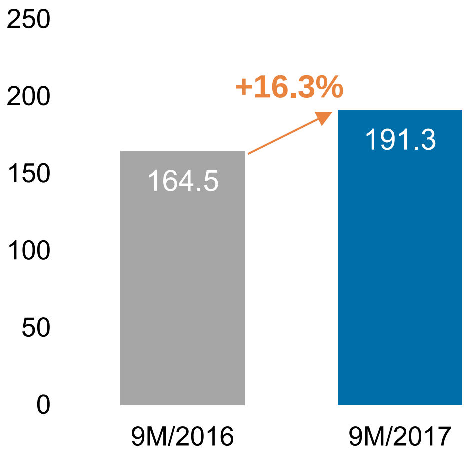
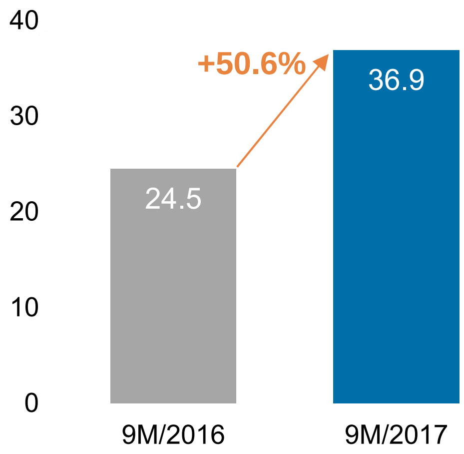
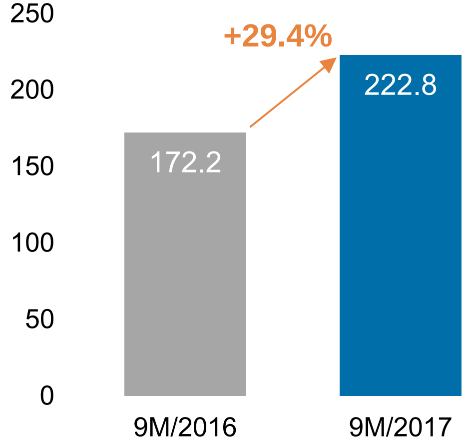
Revenue (in million euros)



EBIT (in million euros)



Order intake (in million euros)



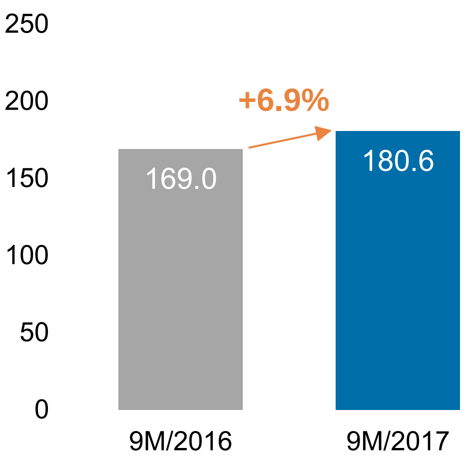
- Sustained high demand for solutions in semiconductor equipment industry
- Positive development also in the healthcare & industry area
- 36% of group revenue (prior year 33%)

- **EBIT margin** improved to 19.3% (prior year 14.9%) as a result of a more profitable revenue mix
- Margin in Q3 grew from 19.9% to 21.9%
- **EBITDA**, at 43.0 million euros also clearly higher than in prior year (prior year 30.6m euros)

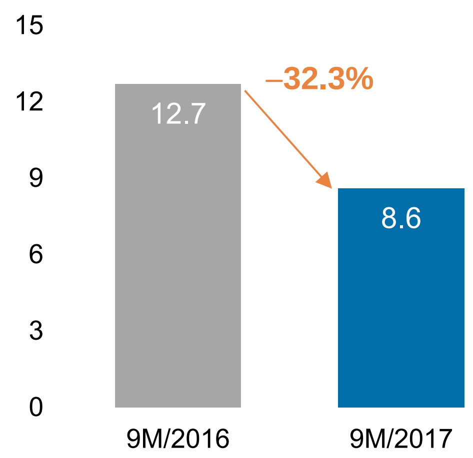
- Good order intake throughout the segment
- **Book-to-bill**: 1.16 (prior year 1.05)
- **Order backlog** at 105.8 million euros (31.12.16: 80.7m euros)
- In addition, **frame contracts** of 13.5 million euros (31.12.16: 14.5m euros)

Mobility segment: one-off expenses in Q2 affect nine-month result; positive development already in Q3

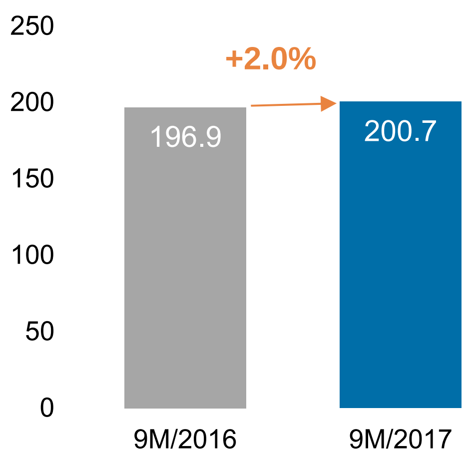
Revenue (in million euros)



EBIT (in million euros)



Order intake (in million euros)



– Increase in both areas: Automotive and Traffic Solutions
– 34% of group revenue (prior year 34%)

– EBIT declined as a result of one-off expenses for customer-specific projects in Q2
– EBIT Q3 2017: 6.2 million euros (prior year 5.6m euros)
– **EBIT margin** at 4.8% (prior year 7.5%)
– **EBITDA** at 15.1 million euros (prior year 18.5m euros)

– German car manufacturers ordered 3D laser machines
– **Book-to-bill**: 1.11 (prior year 1.16)
– **Order backlog**: 135.3 million euros (31.12.16: 108.3m euros)
– In addition, **frame contracts** of 68.9 million euros (31.12.16: 79.1m euros)

Defense & Civil Systems segment: development as expected, course of business affected by major projects

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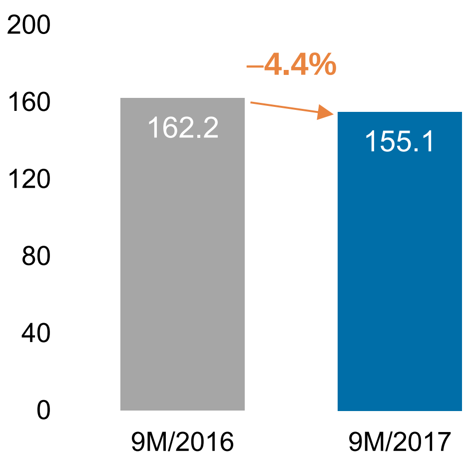
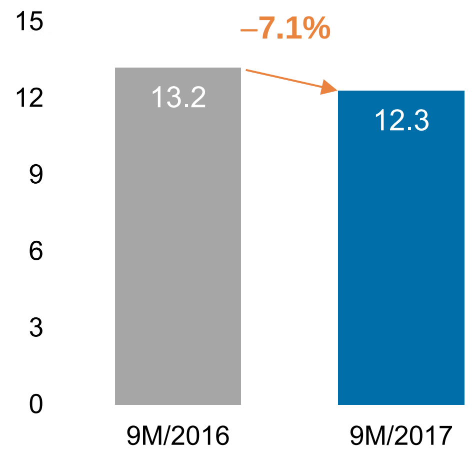
Revenue (in million euros)



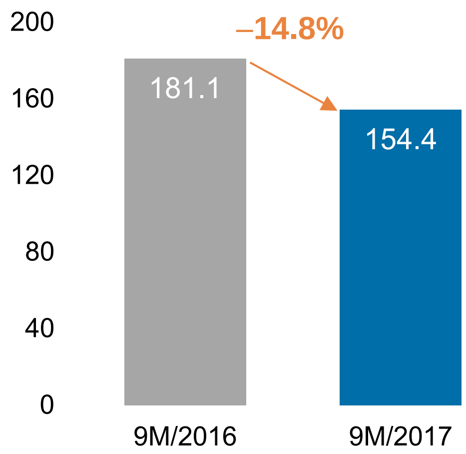
- Development of revenue: in the prior year period, invoicing of several major projects
- 29% of group revenue (prior year 33%)

EBIT (in million euros)



- EBIT declined as a result of lower revenue and markedly higher R+D expenses for new projects
- **EBIT margin** at 7.9% (prior year 8.2%)
- **EBITDA** at 15.8 million euros also lower than in prior year (prior year 16.7 million euros)

Order intake (in million euros)



- Major international orders secured; but very high order intake in Q3 2016
- **Book-to-bill**: 1.00 (prior year 1.12)
- With 214.9 million euros, **order backlog** remained at a high level (31.12.16: 217.8m euros)
- In addition, **frame contracts** of 49.6 million euros (31.12.16: 67.4m euros)

Results of the first nine months 2017

Forecast more precise - at the upper end of the ranges

Externally

- Business environment improved slightly worldwide
- Positive development in several target industries expected

Internally

- Full order books and project pipeline
- Expansion of international business, improved revenue mix

	Revenue	EBIT margin
Original forecast	720 to 740 million euros	9.5 to 10.0%
Update	At the upper end of range, including the acquisitions slightly exceeding range	At the upper end of range

Results of the first nine months 2017

Dates and contact

November 10, 2017	Conference call on the results of the first nine months 2017
November 16, 2017	LBBW German Company Day
November 30, 2017	Roadshow Genva
December 1, 2017	Roadshow Stuttgart
December 6, 2017	Family Office Day, Vienna
January 11/12, 2018	Oddo Forum, Lyon
January 17, 2018	Kepler Cheuvreux Conference, Frankfurt/Main

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