JENOPTIK AG
Consolidated Financial Statements of fiscal year 2017 and outlook

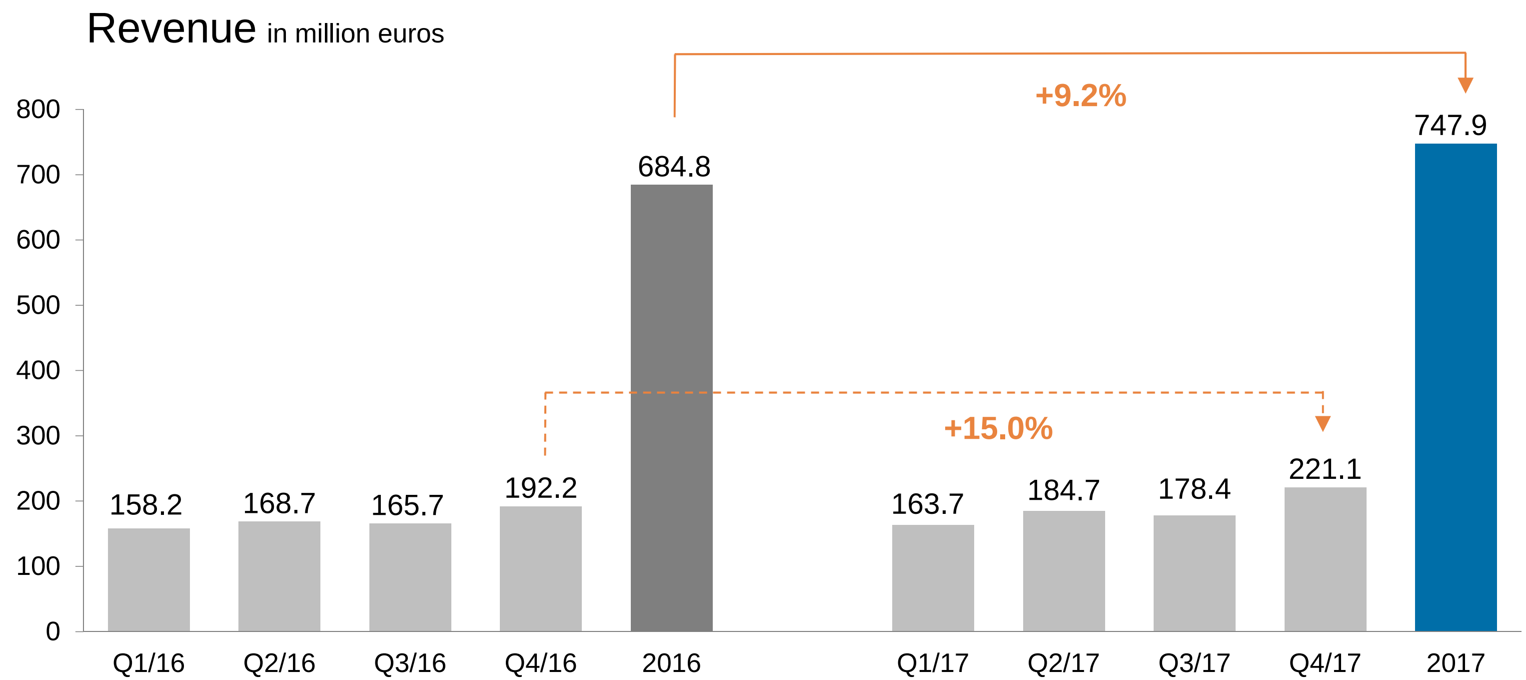
Dr. Stefan Traeger, President & CEO
Hans-Dieter Schumacher, CFO I March 22, 2018

Highlights in 2017

- Acquisition of ESSA Technology, UK
- Grand opening of our new technology campus in Detroit, Michigan
- Acquisition of Five Lakes Automation, US
- Establishment of an application center in the Silicon Valley

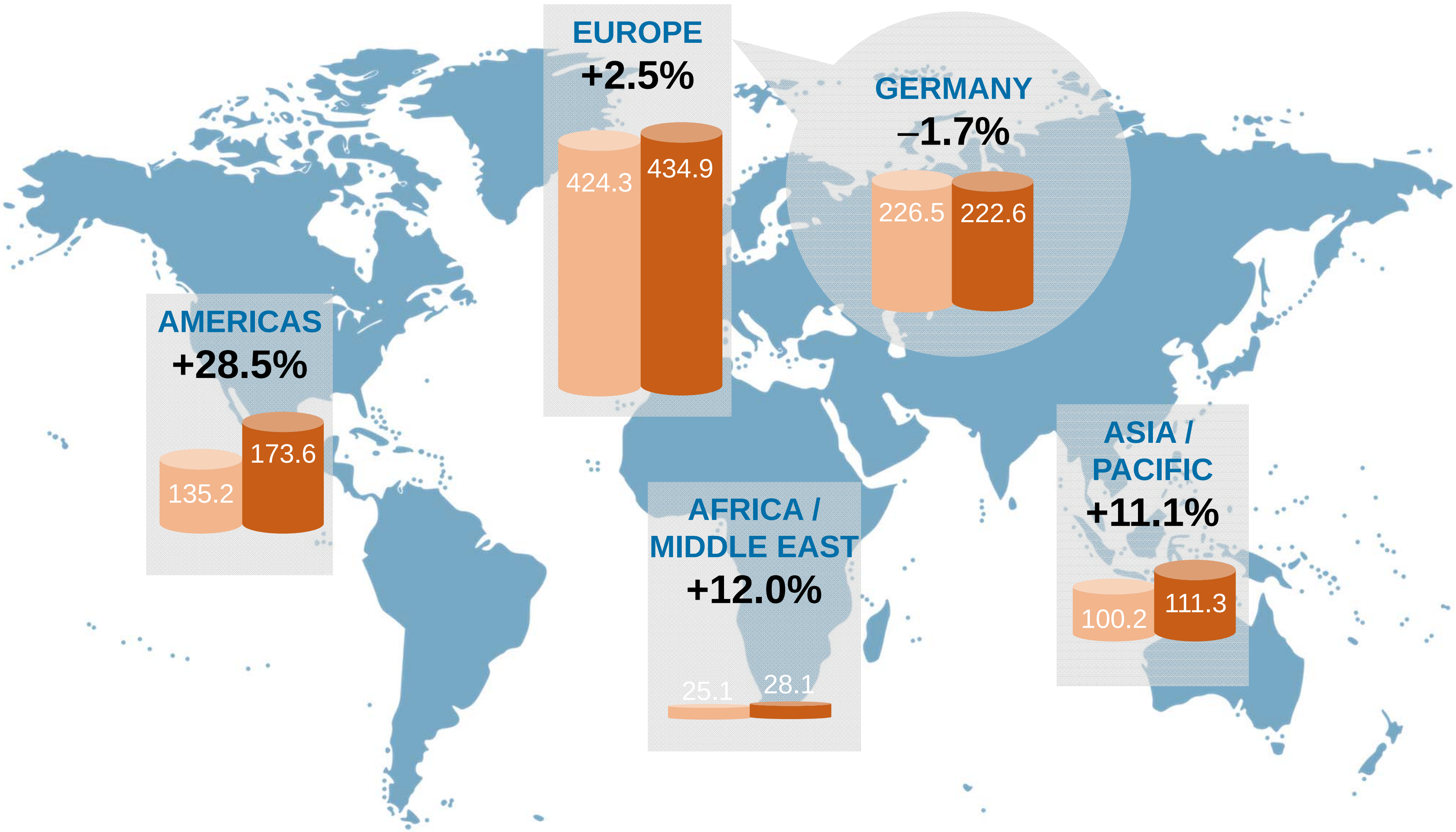
- Revenue of 747.9 million euros
  → +9.2% over prior year
- EBIT of 77.8 million euros
  → margin 10.4%

2017 – revenue showed stronger growth than expected



- Growth in particular in the Optics & Life Science as well as Mobility segments
- Stronger demand for optical systems in the area of semiconductor equipment as well as for traffic safety solutions and regionally from the US
- Q4 was the strongest quarter in terms of revenue in both 2017 and the prior years

Strong growth in strategic target regions – Foreign revenue > 70 percent



Automotive remains biggest target market

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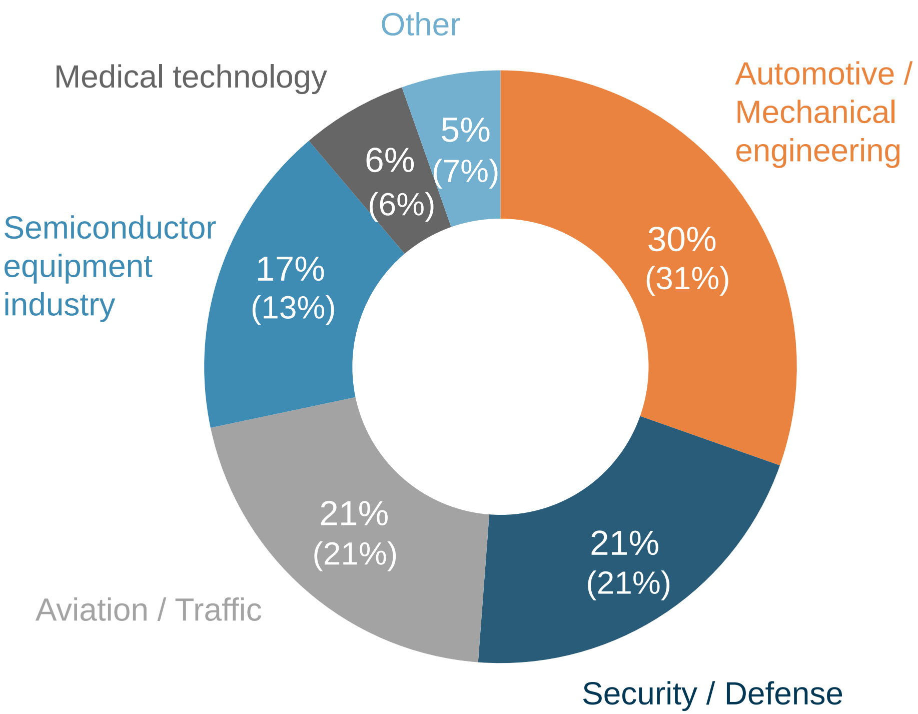
Revenue by target market

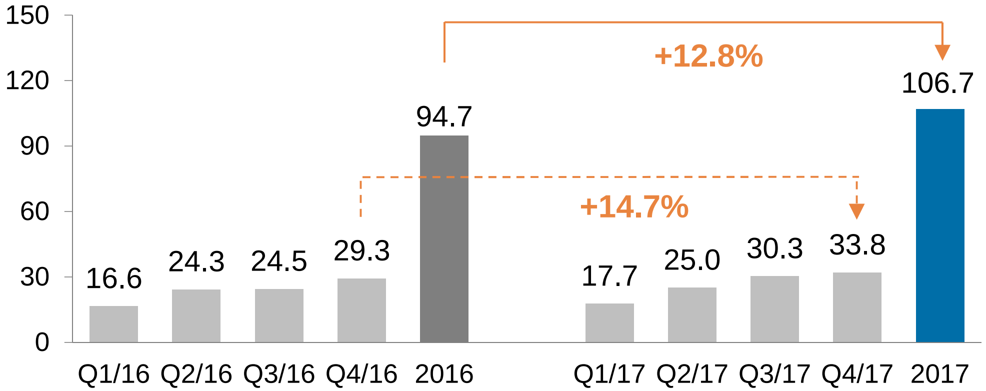
(prior year figures in brackets)



- Automotive / mechanical engineering: strong demand for laser machines
- Higher revenue with semiconductor equipment sector due to industry boom
- 18.3% of revenue was attributable to TOP 3 customers (prior year 16.3%)

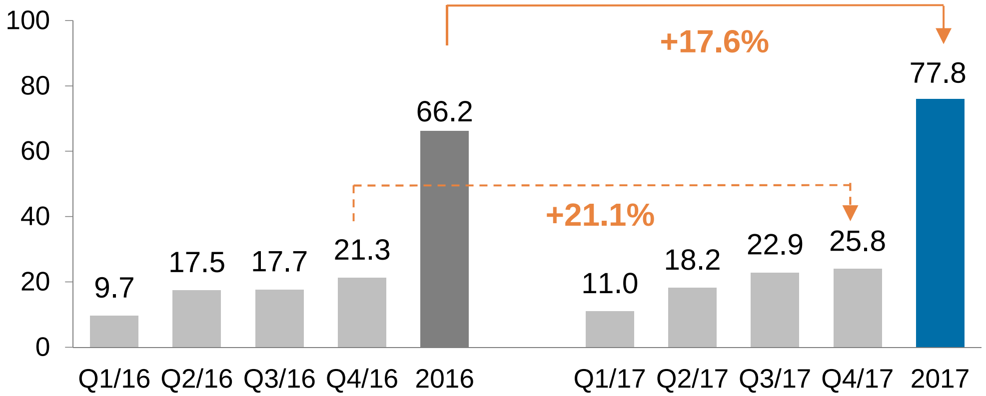
2017 – significant improvement of operating results

EBITDA* in million euros



- EBITDA* showed stronger increase than revenue
- Continuous improvement in the course of the year
- Optics & Life Science with substantially higher earnings contribution
- EBITDA margin* 14.3% (prior year 13.8%)

EBIT* in million euros



- EBIT* also showed stronger growth than revenue due to mix effects
- EBIT margin* at 10.4% (prior year 9.7%)
- One-off expenses for customer-specific projects and ppa effects from acquisitions in the Mobility segment

* Continuing operations

Successful business development is also reflected in marked EPS improvement

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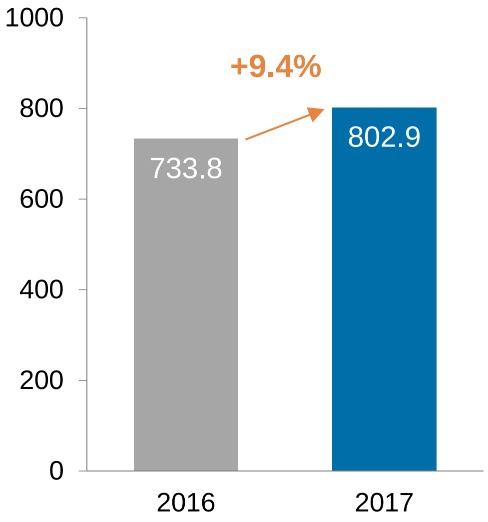
In million euros	2017	2016
Revenue	**747.9**	**684.8**
Gross margin	35.3%	34.7%
Functional costs	179.2	173.5
EBITDA	**106.7**	**94.7**
EBIT	**77.8**	**66.2**
Financial result	2.0	–5.2
Earnings before tax	**79.9**	**61.0**
Earnings after tax	72.5	53.9
Earnings per share (euros)	**1.27**	**0.94**

- **Gross margin** improved, in particular due to positive development in the Optics & Life Science segment
- **R+D** as well as **selling expenses** exceeded prior year level; **administrative expenses** slightly reduced
- Higher **investment result** due to disposal of shares in a minority holding abroad
- Increase in cash-effective **tax rate** to 17.9% (prior year 14.1%) was attributable to higher earnings abroad and lower tax-exempt income

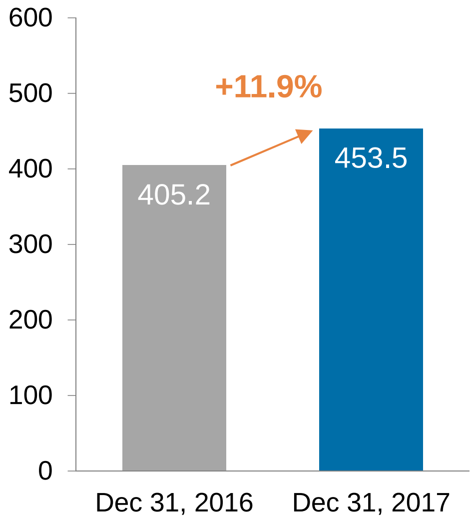
All earnings figures are for continuing operations

2017 – solid order position and project pipeline create good basis for further growth

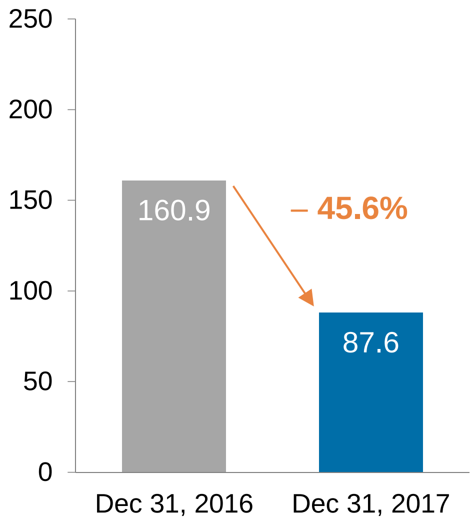
Order intake in million euros



Order backlog in million euros



Frame contracts in million euros



- Tailwind from Optics & Life Science and reclassification of frame contracts in the Mobility segments (e.g. toll enforcement project)
- Book-to-bill ratio 1.07 (prior year 1.07)

- Order backlog showed substantial rise
- Strong basis for 2018; 79% will be converted to revenue in this year

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

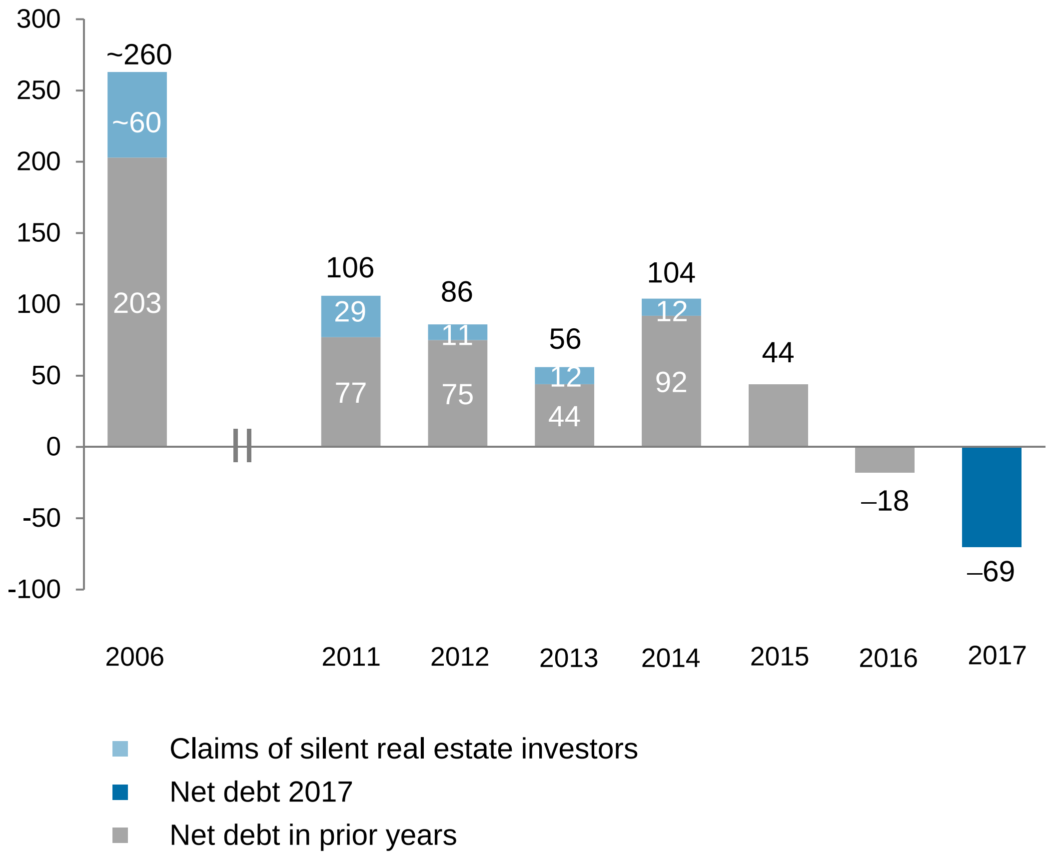
Free cash flow remained at a good level in spite of higher investments and increase in inventories

In million euros	2017	2016
Operating profit before adjusting working capital	107.5	95.6
Changes in working capital and other items	–2.4	13.6
Cash flows from operating activities before income taxes	105.1	109.2
Cash flows from operative investing activities	–32.8	–28.8
Free cash flow (before interest and taxes)	**72.2**	**80.4**

- **Working capital** rose to 214,8 million euros (31.12.16: 209.9m euros), in particular due to order-related higher inventories and receivables
- **Working capital ratio** reduced to 28.7% through active working capital management (31.12.16: 30.7%)
- Increase in **capital expenditure,** especially in property, plant and equipment (amongst others for technology campus in Rochester Hills and new customer orders)
- Free cash flow, at 72.2 million euros remained at a good level (prior year 80.4m euros)

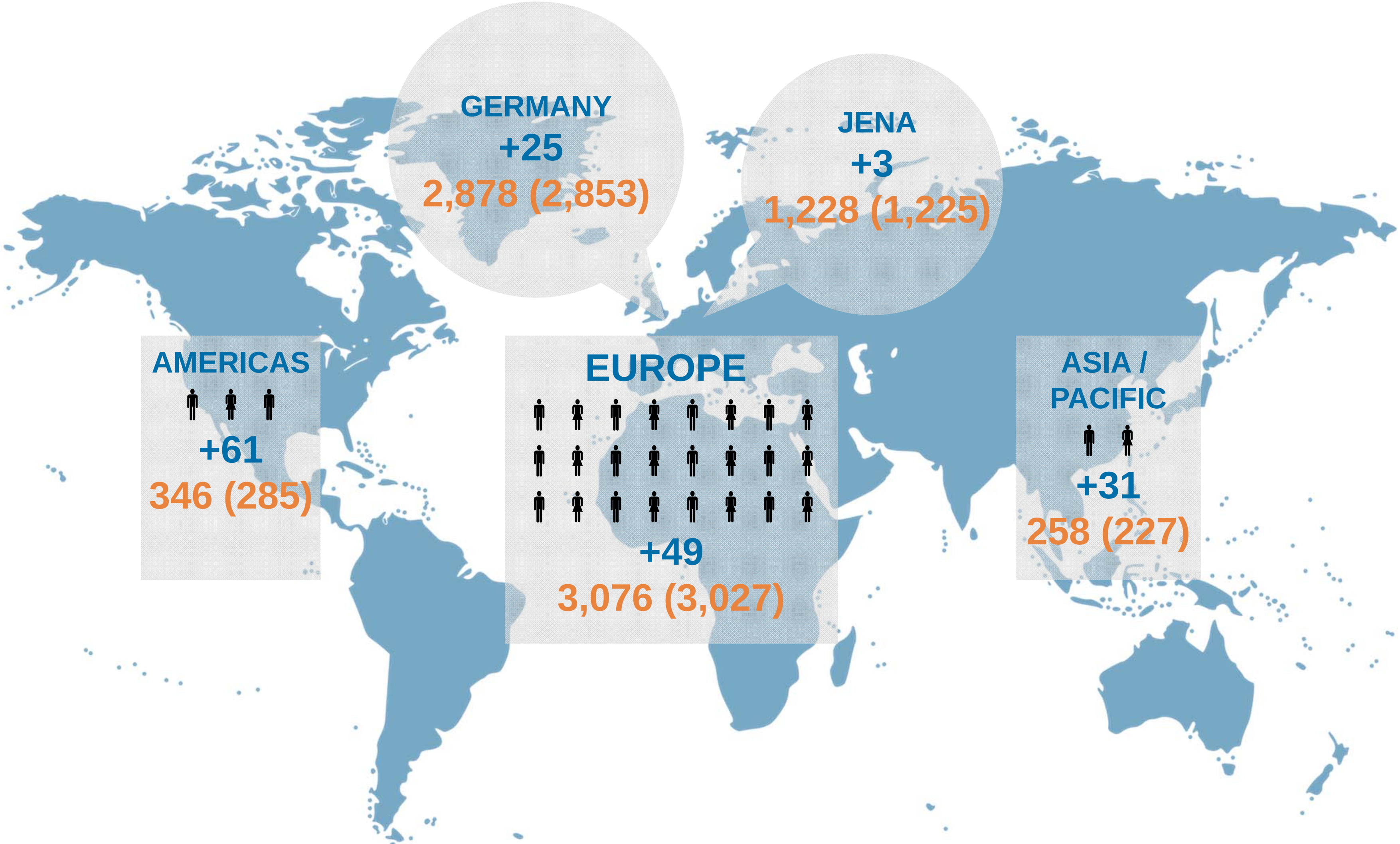
Over the past years, net debt was substantially reduced, Jenoptik has remained net debt free in 2017

Net debt in million euros



– Jenoptik Group remained free of net debt in spite of
  - higher investments,
  - payment of an increased dividend of 14.3 million euros (prior year 12.6m euros) and
  - acquisitions
– Cash position (cash and cash equivalents plus current financial investments) rose to 196.9 million euros (31.12.16: 142.5m euros)
– Equity ratio improved to 59.6% (31.12.16: 58.6%)

Number of employees abroad continued to rise



Optics & Life Science segment: new record in revenue and earnings

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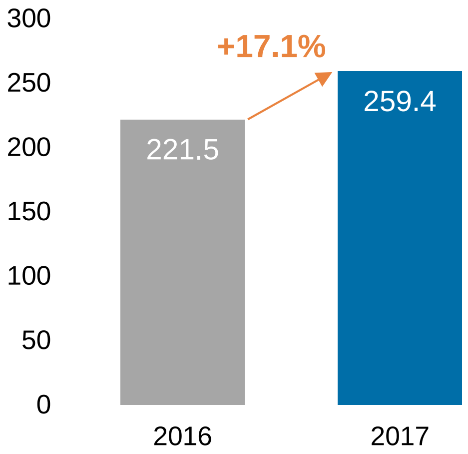
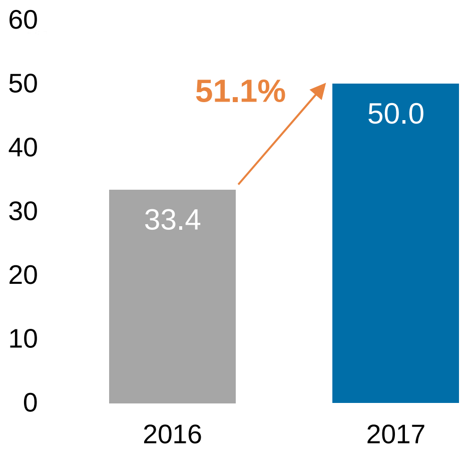
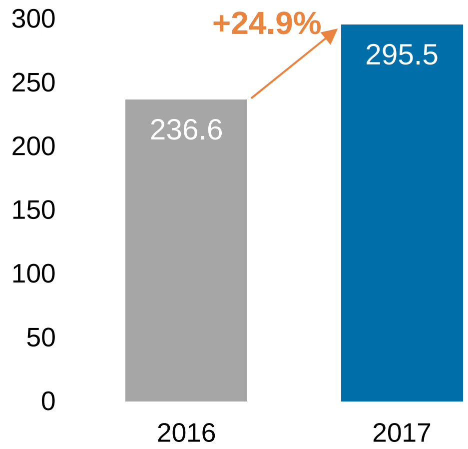
Revenue (in million euros)



EBIT (in million euros)



Order intake (in million euros)



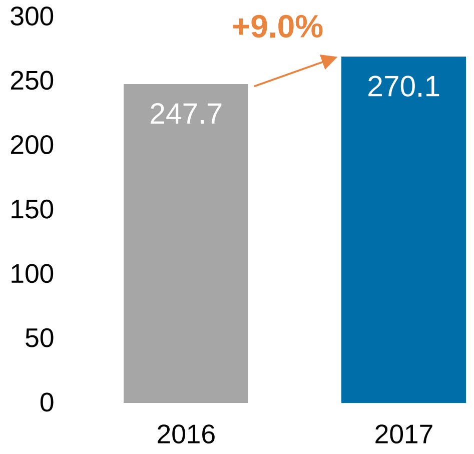
- New revenue record; sustained high demand from the semiconductor equipment industry
- Positive development in the healthcare & industry area
- 79% generated abroad (prior year 79%)

- **EBIT margin** grew to 19.5% (prior year 15.1%) as a result of volume and mix effects
- **EBITDA** came to 58.7 million euros (prior year 41.7m euros); **EBITDA margin** rose to 22.6% (prior year 18.8%)

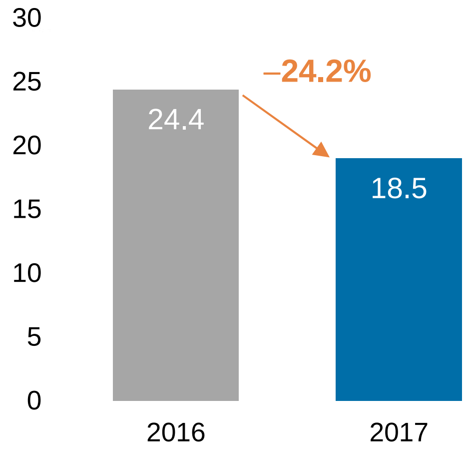
- Higher demand in the micro-optics and healthcare areas
- **Book-to-bill**: 1.14 (prior year 1.07)
- **Order backlog** at 109.1 million euros (31.12.16: 80.7m euros)
- **Frame contracts** of 11.1 million euros (31.12.16: 14.5m euros)

Mobility segment: project-related one-off expenses affected result; positive development in the second half-year

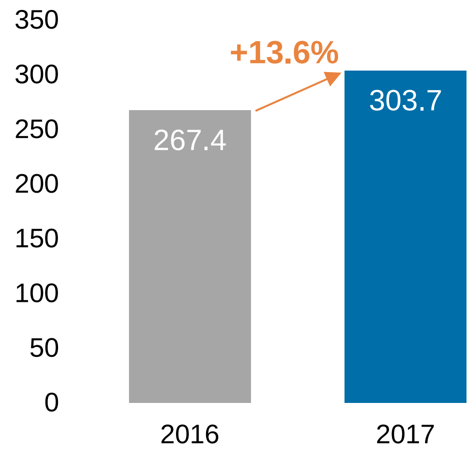
Revenue (in million euros)



EBIT (in million euros)



Order intake (in million euros)



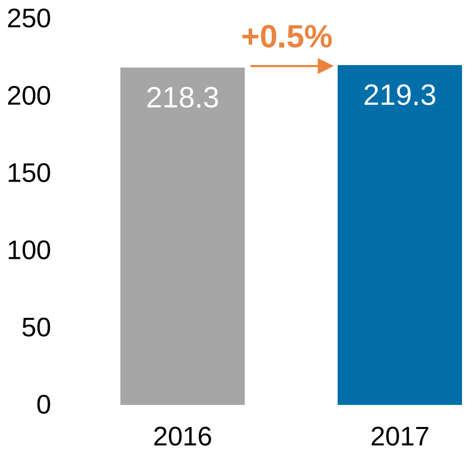
- Increase in both areas: Automotive and Traffic Solutions
- Revenue contribution of the acquisitions in the mid-single-digit million euro range
- 72% generated abroad (prior year 74%)

- EBIT declined as a result of one-off expenses for customer-specific projects and ppa effects
- **EBIT margin** at 6.9% (prior year 9.9%)
- **EBITDA** at 27.9 million euros (prior year 32.3m euros); **EBITDA margin** fell to 10.3% (pr. year 13.0%)

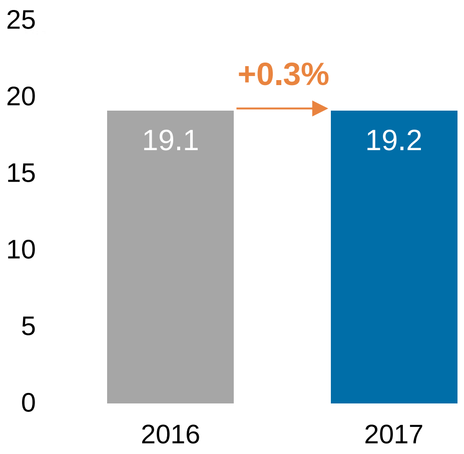
- **Book-to-bill**: 1.12 (prior year 1.08)
- **Order backlog**: 144.7 million euros (31.12.16: 108.3m euros)
- **Frame contracts** reduced to 30.1 million euros (31.12.16: 79.1m euros)

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

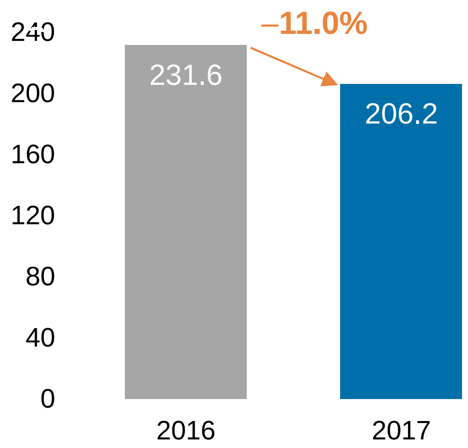
Revenue (in million euros)



EBIT (in million euros)



Order intake (in million euros)



- Revenue remained at high level of prior year (2016 invoicing of several major projects)
- Revenue generated abroad grew to 57% (prior year 47%)

- EBIT stable despite increased R+D expenses
- **EBIT margin** at 8.7% (prior year 8.8%)
- **EBITDA** came to 23.8 million euros (prior year 23.8m euros); **EBITDA margin** stable at 10.9% (prior year 10.9%)

- Major international orders received, but very high order intake in prior year
- **Book-to-bill**: 0.94 (pr. year 1.06)
- **Order backlog,** at 202.6 million euros remained at high level (31.12.16: 217.8m euros)
- **Frame contracts** of 46.3 million euros (31.12.16: 67.4m euros)

Preliminary results 2017

Transforming Jenoptik into a focused technology group

Strategy 2022: three building blocks for growth and margin expansion

We leverage our core competencies in Optics & Photonics

We step-up our R+D work

We build a truly global enterprise

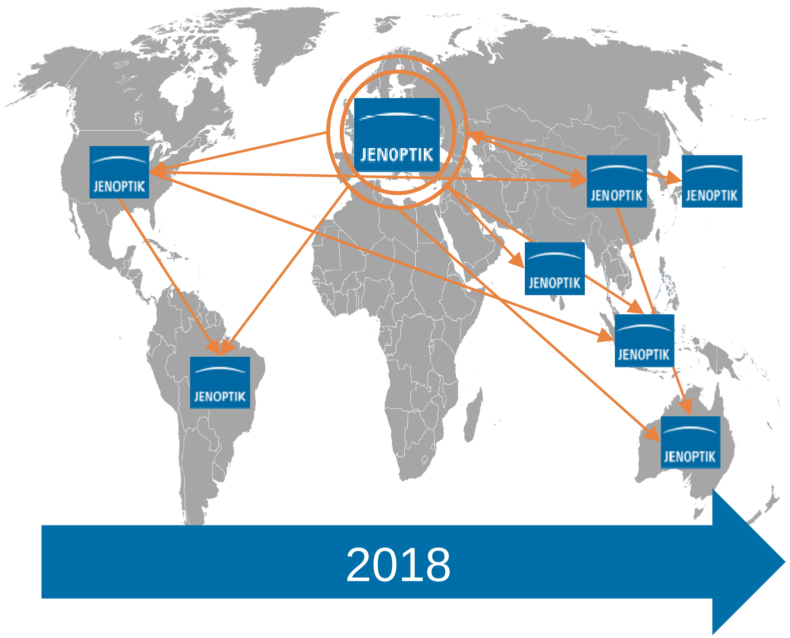
Our priorities for 2018

We launch a new brand for our mechatronic business

We establish a new business structure

We reorganize our business in Asia

Our 2018 guidance



Group financial guidance for 2018*

- We expect **revenue** to be in a range between 790 and 810 million euros.
- We anticipate an **EBITDA margin** between 14.5 and 15.0 percent.
- We expect an **EBIT margin** between 10.5 and 11.0 percent.

*This presupposes that political and economic conditions do not worsen.

Our mid-term guidance

Group 5-year targets: accelerated growth and margin expansion

Revenue growth	We expect mid- to high-single digit revenue growth (CAGR) for the Group.
Margin increase	By 2022, we expect to achieve an EBITDA margin for the Group of around 16 percent.

Preliminary results 2017

Dates and contact

March 22, 2018	Financial Statements 2018, conference call
March 23, 2018	Analysts‘ conference and Roadshow, Frankfurt/Main
April 9-10, 2018	Roadshow Scandinavia
April 19, 2018	Conference Bankhaus Lampe, Baden-Baden
April 24, 2018	Roadshow Paris
May 9, 2018	Results of the 1st quarter 2018, conference call
June 5, 2018	Annual General Meeting, Weimar

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