JENOPTIK AG
Conference Call
Results of the 1st quarter 2018
and outlook

Dr. Stefan Traeger, President & CEO
Hans-Dieter Schumacher, CFO I May 9, 2018
1st quarter 2018

1
Development of the Jenoptik Group

2
Performance of the segments

3
Strategy and outlook

4
Appendix
Major events in the 1st quarter 2018

- Presentation of the Strategy 2022 and start of its implementation
- Capital Market Day
- New international members of the management team
- Revenue of 189.9 million euros \(\Rightarrow +16.0\%\)
- EBITDA of 27.7 million euros \(\Rightarrow +55.9\%\)
Strong tailwind from the markets resulted in significant revenue increase

Revenue grew as expected, highest revenue in a first quarter
- Growth in the Optics & Life Science as well as Mobility segments
- Stronger demand from the areas of semiconductor equipment and Healthcare & Industry as well as scheduled deliveries of toll monitoring pillars in the area of traffic safety solutions
Growth in all regions – foreign revenue came to approx. 67 percent

- **AMERICAS**: +10.3%
  - 34.9
  - 38.5
- **EUROPE**: +19.7%
  - 100.5
  - 120.3
- **GERMANY**: +22.4%
  - 51.5
  - 63.0
- **AFRICA / MIDDLE EAST**: +26.4%
  - 6.7
  - 8.4
- **ASIA / PACIFIC**: +4.9%
  - 21.7
  - 22.7
Earnings showed disproportionate increase

- EBITDA showed stronger increase than revenue
- All three segments with higher earnings contribution
- EBITDA margin 14.6% (prior year 10.9%)

EBITDA in million euros

- Significant rise in EBIT due to higher revenue and slightly lower functional costs
- EBIT margin 11.0% (prior year 6.7%)

EBIT in million euros
Successful business development is also reflected in marked EPS improvement

<table>
<thead>
<tr>
<th></th>
<th>Q1/2018</th>
<th>Q1/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>189.9</td>
<td>163.7</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>34.7%</td>
<td>35.1%</td>
</tr>
<tr>
<td><strong>Functional costs</strong></td>
<td>44.8</td>
<td>45.7</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>27.7</td>
<td>17.8</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>20.8</td>
<td>11.0</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>–1.6</td>
<td>–1.0</td>
</tr>
<tr>
<td><strong>Earnings before tax</strong></td>
<td>19.3</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>15.6</td>
<td>8.4</td>
</tr>
<tr>
<td><strong>Earnings per share (euros)</strong></td>
<td>0.27</td>
<td>0.15</td>
</tr>
</tbody>
</table>

- **Gross margin** lower than in prior year due to temporary impacts in project business in the Automotive area
- **R+D** as well as **selling expenses** rose slightly; **administrative expenses** were reduced sharply
- **Investment result** negatively affected by currency losses
- Decline in cash-effective **tax rate** to 14.0% (prior year 15.2%) attributable to US tax reform
As expected, weaker order figures reported at the beginning of the year

Order intake in million euros

- Project-related decline, several major orders received in the Defense & Civil Systems segment in the prior year
- Book-to-bill ratio 1.05 (prior year 1.35)

Order backlog in million euros

- Stable order backlog
- Good basis for coming months; almost 75% will be converted to revenue in this year

- **Frame contracts** fell from 87.6 million euros at the end of 2017 to 82.0 million euros due to reclassification as order intake and backlog; major orders in part recorded as frame contracts
Free cash flow increased – good basis for future investments

<table>
<thead>
<tr>
<th>In million euros</th>
<th>Q1/2018</th>
<th>Q1/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before adjusting working capital</td>
<td>27.8</td>
<td>17.8</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>−8.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Cash flows from operating activities before income taxes</td>
<td>19.0</td>
<td>19.6</td>
</tr>
<tr>
<td>Cash flows from operative investing activities</td>
<td>−5.7</td>
<td>−9.4</td>
</tr>
<tr>
<td><strong>Free cash flow (before interest and taxes)</strong></td>
<td><strong>13.3</strong></td>
<td><strong>10.2</strong></td>
</tr>
</tbody>
</table>

− **Working capital** rose to 227.4 million euros (31.12.2017: 214.8m euros / 31.3.2017: 218.9m euros), in particular due to higher operating receivables.

− **Working capital ratio** came to 29.4% (31.12.2017: 28.7% / 31.3.2017: 31.7%).

− **Capital expenditure** lower than in prior year (in 2017, amongst others, investments for technology campus in Rochester Hills).

− Free cash flow was affected by higher earnings, revenue-related rise in expenditure for working capital and lower investments.
1st quarter 2018

1
Development of the Jenoptik Group

2
Performance of the segments

3
Strategy and outlook

4
Appendix
Optics & Life Science segment: high demand was driving key figures

- Semiconductor equipment industry and positive development in the Healthcare & Industry area were again driving increase in revenue
- Strong growth of 28.9% in Europe (excluding Germany)

- **EBITDA margin** improved to 23.2% due to volume and revenue mix effects (prior year 19.5%)
- **EBIT** rose to 14.1 million euros (prior year 9.7m euros);
  **EBIT margin** grew to 20.5% (prior year 16.5%)
- Higher demand in both areas
- **Book-to-bill**: 1.27 (prior year 1.31)
- **Order backlog** at 124.0 million euros (31.12.17: 109.1m euros)
- **Frame contract** of 12.5 million euros (31.12.17: 11.1m euros)
Mobility segment: deliveries for traffic safety project resulted in expected significant improvement

- Increase in both areas: Automotive and Traffic Solutions
- Revenue contribution in particular from delivery of toll monitoring pillars; this also led to a strong rise in revenue in Germany

- Good development of revenue resulted in significant improvement (negative one-off effects included in prior year)
  - EBITDA margin grew to 11.5% (prior year 5.3%)
  - EBIT improved to 6.1 million euros (prior year 0.9m euros), EBIT margin at 8.4% (prior year 1.7%)

- Revenue (in million euros)
  - Q1/2017: 54.8
  - Q1/2018: 72.3
  - + 31.9%

- EBITDA (in million euros)
  - Q1/2017: 2.9
  - Q1/2018: 8.3
  - + 187.5%

- Order intake (in million euros)
  - Q1/2017: 74.5
  - Q1/2018: 68.7
  - - 7.8%

- Book-to-bill: 0.95 (pr. year 1.36)
- Order backlog: 140.7 million euros (31.12.17: 144.7m euros)
- Frame contracts fell to 24.7 million euros (31.12.17: 30.1 m euros)
Defense & Civil Systems segment: higher earnings were attributable to favorable product mix

Revenue (in million euros)

- As expected, revenue at prior-year level
- Increase in all regions with the exception of Germany

![Revenue Chart]

EBITDA (in million euros)

- EBIT grew due to positive product mix
- EBITDA margin at 9.8% (prior year 8.6%)
- EBIT rose to 3.8 million euros (prior year 3.2m euros);
  EBIT margin improved to 7.7% (prior year 6.3%)

![EBITDA Chart]

Order intake (in million euros)

- In the prior year, the segment had received several major orders
- Book-to-bill: 0.89 (pr. year 1.39)
- Order backlog was at a good level at 191.0 million euros (31.12.17: 202.6m euros)
- Frame contracts of 44.7 million euros (31.12.17: 46.3m euros)
First quarter 2018

1
Development of the Jenoptik Group

2
Performance of the segments

3
Strategy and outlook

4
Appendix
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 reorganize our business in Asia
- We launch a new brand for our mechatronic business
- We establish a new business structure
Guidance for 2018 confirmed

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.

© 2018 JENOPTIK AG, All rights reserved.
First quarter 2018

1
Development of the Jenoptik Group

2
Performance of the segments

3
Strategy and outlook

4
Appendix
Dates and contact

May 9, 2018
May 16/17, 2018
May 29, 2018
June 5, 2018
June 7, 2018
June 12, 2018
June 28, 29, 2018

Results of the 1st quarter 2018, conference call
Roadshow Milano / Lugano
Roadshow Madrid
Annual General Meeting, Weimar
dbAccess Conference, Berlin
Dr. Kalliwoda Conference, Warsaw
Roadshow Geneva / Zurich

Contact:

Thomas Fritsche
Head Investor Relations
JENOPTIK AG
Phone: +49 3641 65-2291
thomas.fritsche@jenoptik.com

www.jenoptik.com
www.twitter.com/Jenoptik_Group

Our app „Publications“ provides an optimized view of the report on mobile devices with iOS and Android operating systems.
This presentation can contain forward-looking statements that are based on current expectations and certain assumptions of the management of the Jenoptik Group. A variety of known and unknown risks, uncertainties and other factors can cause the actual results, the financial situation, the development or the performance of the company to be materially different from the announced forward-looking statements. Such factors can be, among others, changes in currency exchange rates and interest rates, the introduction of competing products or the change of the business strategy. The company does not assume any obligation to update such forward-looking statements in the light of future developments.