



Investor Relations Presentation

November 2019

© Copyright Jenoptik. All rights reserved.

Agenda

01

Overview and strategy

02

Financials 9M 2019 and outlook

03

Appendix

Jenoptik – a leading player in attractive photonic sectors



Photonics is moving markets and changing the world around us. Jenoptik has the skills, experience and proven track record to lead the way.

Attractive markets

Attractive photonic applications
Photonics market: ~600bn euros, CAGR 5-6%

Leading market positions

Customer-oriented, international partner, leading market positions on a global scale

Strong financial base

Strong financial position for accelerated growth and margin expansion

Clear targets

Transforming Jenoptik into a focused technology group

1991

Foundation

>4,000

Employees

~1.5bn €

Market cap

>80

Countries worldwide

2018

Revenue 834.6m€

EBITDA 15.3%

Our new structure since January 2019: Focused divisions and technology synergies

Photonic

Mechatronic

LIGHT & OPTICS OEM-Business



- Development & production partner for OEM customers
- Optical components, modules and systems for the semiconductor manufacturing, communication industries and biophotonics
- Merger of former Optical Systems and Healthcare & Industry divisions

Photonics at the heart of our OEM customers products

LIGHT & PRODUCTION B2B-Business



- Engineering business with focus on smart manufacturing and process automation solutions for industrial customers
- Using primarily Optical and Photonic technologies, esp. for the automotive industry
- Former Automotive division

Driving production efficiency with photonics

LIGHT & SAFETY B2G-Business



- Providing imaging based solutions for Public Safety in combination with intelligent data management
- Former Traffic Solutions division

Making roads and communities safer

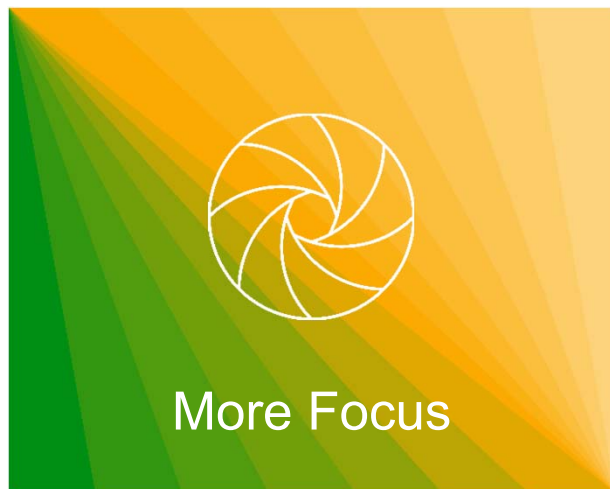
VINCORION



- Mechatronic solutions for partners in the Aviation, Security and Defense Industries
- Carve-out from former Defense & Civil Systems division (Aviation, Power Systems, Energy & Drive)

Tailored solutions in challenging and regulated markets

Transforming Jenoptik into a focused technology group



Photonics

Leverage core competencies



Innovation

Step-up R+D work

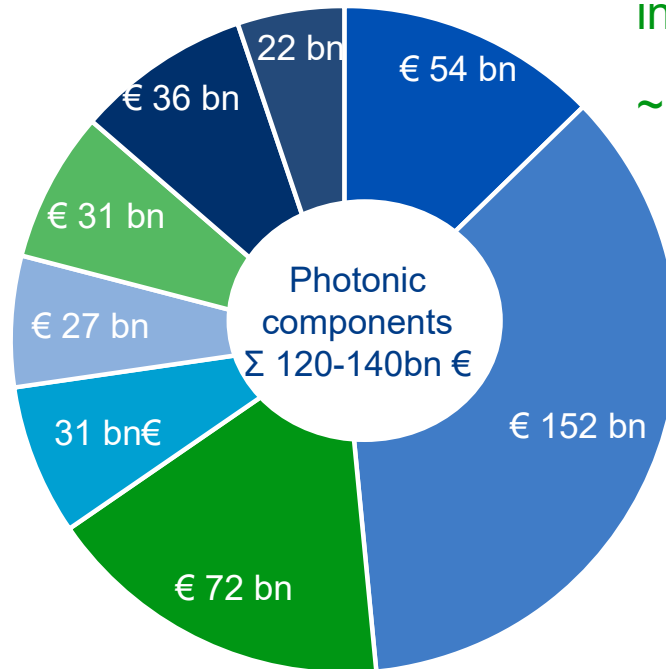


International

Build a truly global enterprise

Attractive photonic applications at the core of Jenoptik

World market
in Photonics:
~ € 600 bn



- Solar PV & Alternative Energy
- Consumer & Entertainment
- Advanced Manufacturing
- BioPhotonics
- Lighting & Displays
- Defense, Security, Law Enforcement
- Sensing, Monitoring, Measurement
- Optical Information Processing

Jenoptik will focus on:

- Information processing
(i.e. semiconductor equipment manufacturing and communication)
- Biophotonics
- Smart manufacturing
- Sensing, monitoring, measurement
(public safety, traffic solutions)
- Total addressable market for Jenoptik: ~300bn; CAGR ~5-6%

We aim at photonic applications
allowing for technical differentiation.

Source: SPIE (2016), Agileon Strategic Consultancy

Agenda

01

Overview and strategy

02

Financials 9M 2019 and outlook

03

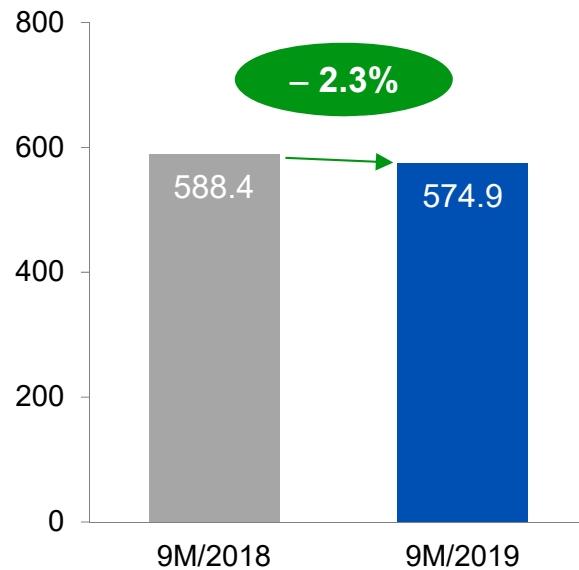
Appendix

9M
2019

- **Permission** received to export energy systems for the "Patriot" air missile defense system at beginning of October
- **Sales process** for VINCORION division started
- **CEO confirmed in office** for another five-year term
- Substantial **investments** in expansion and modernization of our locations
- **Several orders** received by Prodomax in the automation area
- New **corporate structure** has been in place since January 1, 2019

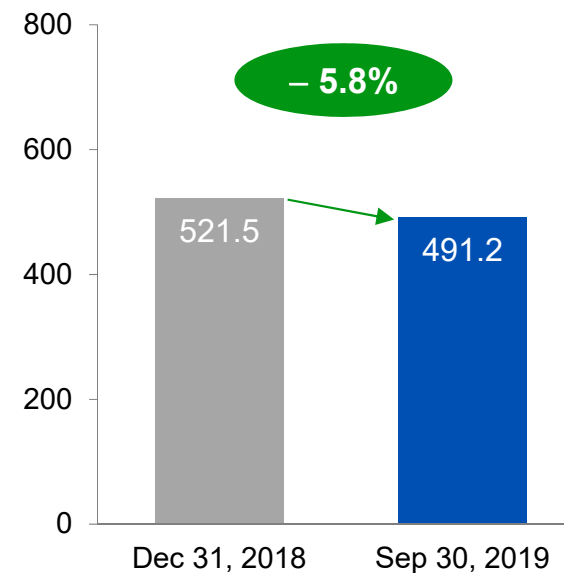
Order intake figures slightly down on prior year

Order intake in million euros



- Light & Production with growth; Light & Optics division received major order earlier than expected in Q4/2018
- **Book-to-bill ratio** 0.96 (prior year 0.99)

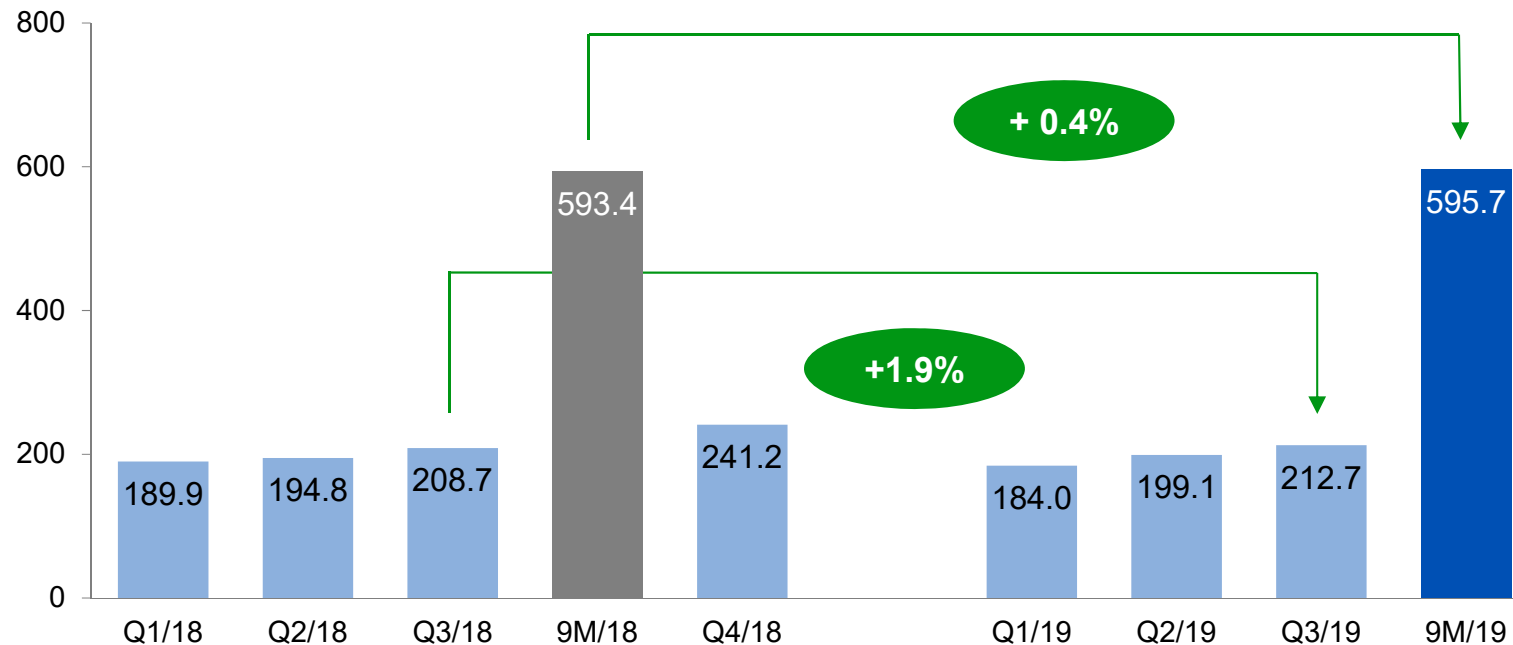
Order backlog in million euros



- Solid basis for coming months
- Approx. 46% with planned conversion to revenue in 2019 (prior year 48%)
- **Frame contracts** at 52.2 million euros (31/12/18: 62.5m euros)

Momentum further increased in 3rd quarter, revenue slightly exceeded prior-year level

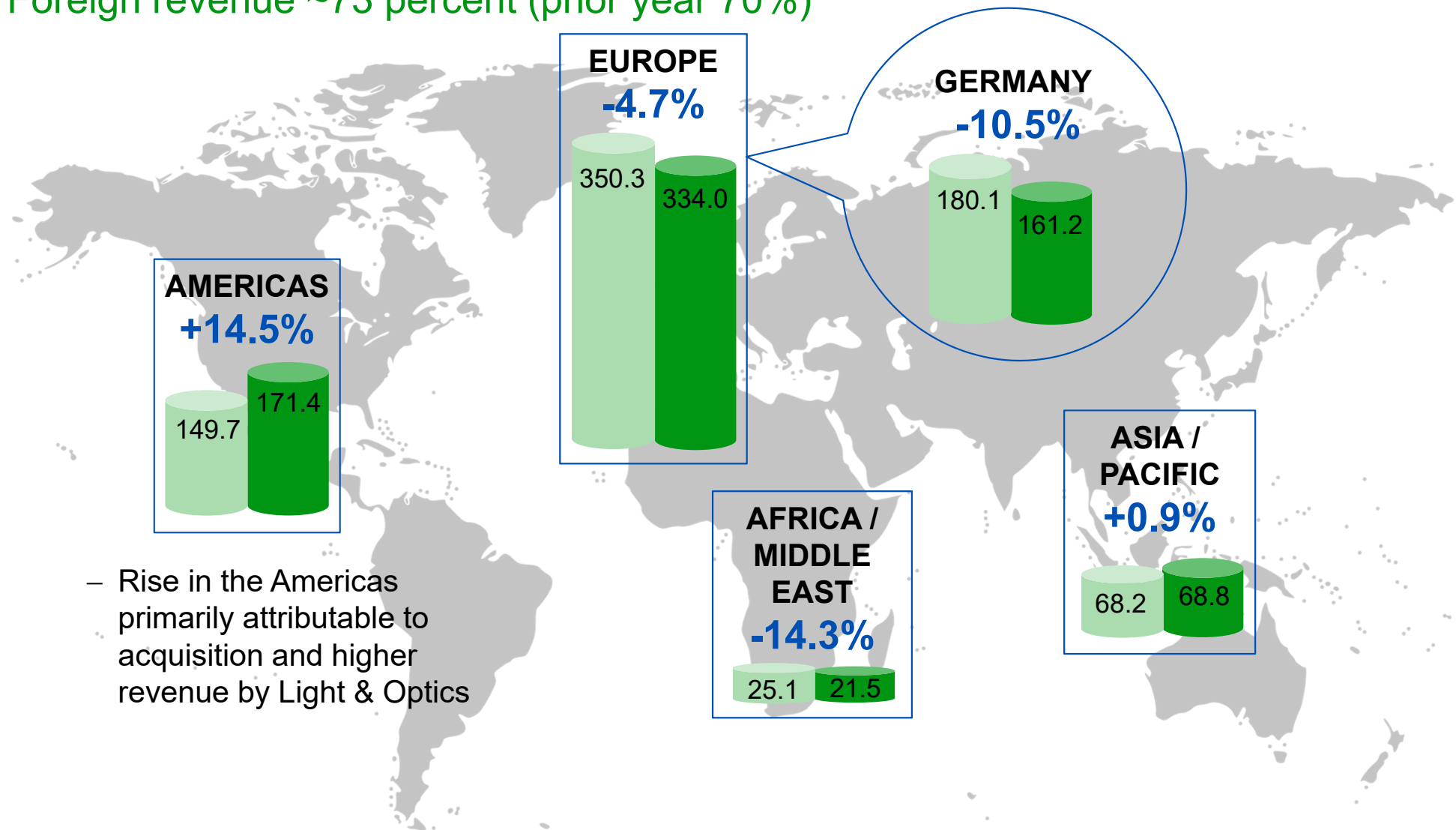
Revenue in million euros



- Revenue grew both in the first nine months and on a quarterly basis, rise over the course of the year
- Good business with semiconductor equipment industry and in the Automation & Integration area
- Contribution of the companies acquired in 2018: approx. 52 million euros (prior year 21.8m euros)
- Export restrictions affected development; high revenue contribution from the toll monitoring project in the prior year (approx. 25 million euros) makes comparison difficult

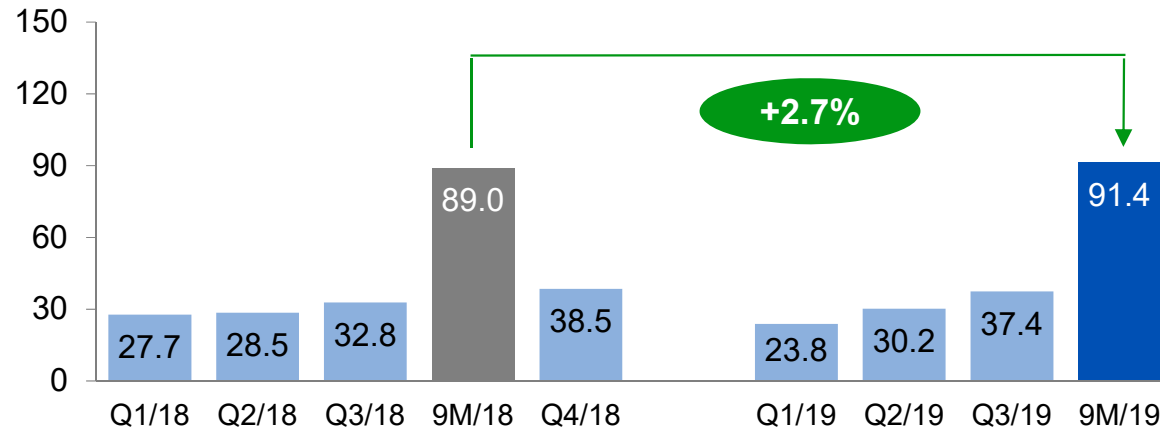
Significant revenue growth in the first nine months of 2019 in the Americas

Foreign revenue ~73 percent (prior year 70%)



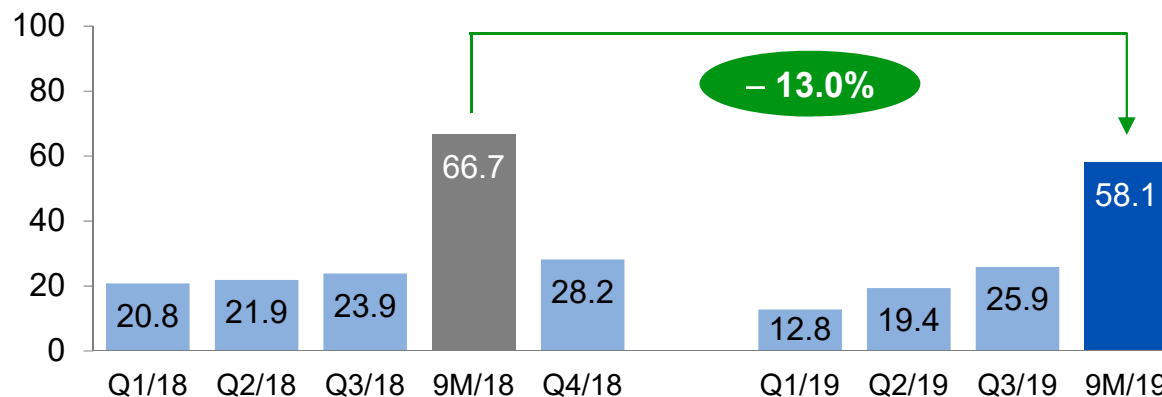
EBITDA improved compared with prior quarter and prior-year quarter

EBITDA in million euros



- EBITDA impacted by
 - Higher functional costs (–)
 - Positive effects from first-time application of IFRS 16 (+)
 - Contributions by acquisitions (+)
- EBITDA margin at 15.3% (prior year 15.0%)

EBIT in million euros



- EBIT margin at 9.7% (prior year 11.2%)
- EBIT contribution of companies acquired in 2018 came to 4.8 million euros (pr. year –0.2m euros), incl. PPA effects of –4.2 million euros (prior year –6.3m euros)

Higher spending for future growth caused rise in functional costs

In million euros	9M/2019	9M/2018
Revenue	595.7	593.4
Gross margin	35.2%	35.3%
Functional costs	147.1	138.7
EBITDA	91.4	89.0
EBIT	58.1	66.7
Financial result	-1.6	-2.0
Earnings before tax	56.5	64.7
Earnings after tax	44.3	53.7
Earnings per share (euros)	0.77	0.94

- **Gross margin** stable
- Rise in functional costs by 6.1%
 - **R+D:** at prior-year level
 - **Selling:** increase due to expansion of international distribution; acquisition of Prodomax
 - **Administrative:** higher personnel costs and administrative expenses, also attributable to companies acquired in 2018
 - **Tax rate** grew to 21.5% due to utilization of capitalized deferred taxes on losses carried forward (pr. year 16.9%); **Cash-effective tax rate** increased to 14.9% (prior year 14.5%) resulting from higher share of earnings generated abroad

Free cash flow impacted by lower operating cash flows and higher investments

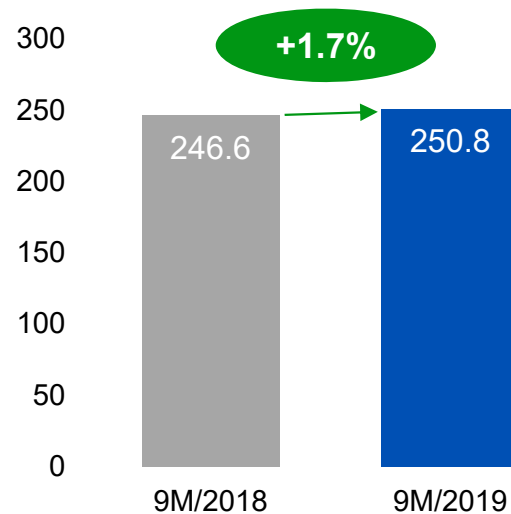
In million euros	9M/2019	9M/2018
Operating profit before adjusting working capital	90.4	88.5
Changes in working capital and other items	-51.8	-5.1
Cash flows from operating activities before income taxes	38.6	83.4
Cash flows from operative investing activities	-31.3	-26.3
Free cash flow (before interest and taxes)	7.3	57.2

- **Working Capital** grew to 257.3 million euros (31/12/18: 216.8m euros / 30/9/18: 239.9m euros), attributable in particular to higher inventories and operating receivables*
- **Working capital ratio** came to 30.7% (31/12/18: 26.0% / 30/9/18: 29.5%)
- **Investments** increased as planned to 31.6 million euros (prior year 26.8m euros)
- **Net debt** increased to 57.4 million euros (prior year -27.2m euros) which was attributable to higher financial debt (rose by 55.9m euros due to IFRS 16) and reduced cash and cash equivalents

* Trade receivables and contract assets

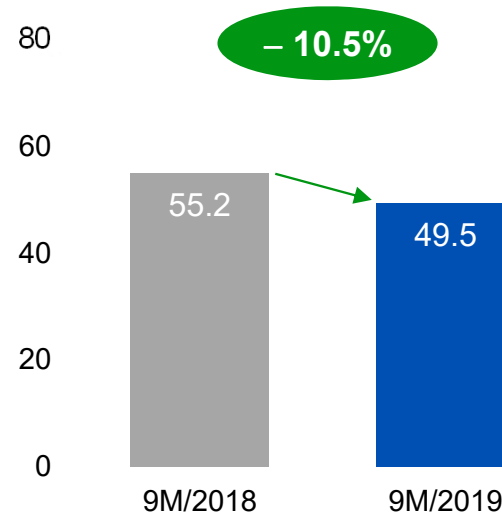
Light & Optics division: Development in line with expectations

Revenue in million euros



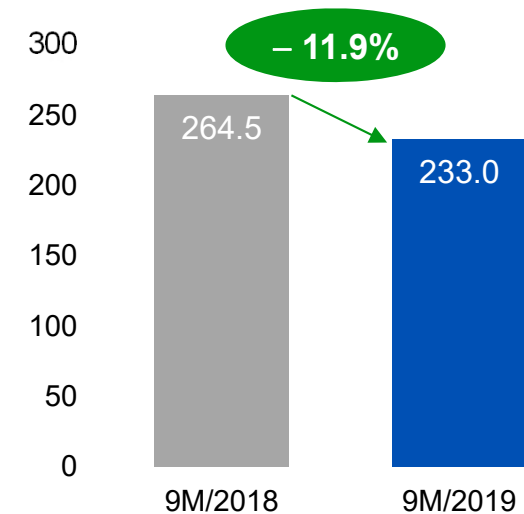
- Good business with semi-conductor equipment industry; decline in the area of industrial solutions
- Substantial growth of revenue in the Americas

EBITDA in million euros



- At 19.6% **EBITDA margin** remained at very good level (prior year 22.2%), margin decline in industrial solutions
- **EBIT** came to 41.0 million euros (prior year 49.2m euros); **EBIT margin** 16.2% (prior year 19.8%)

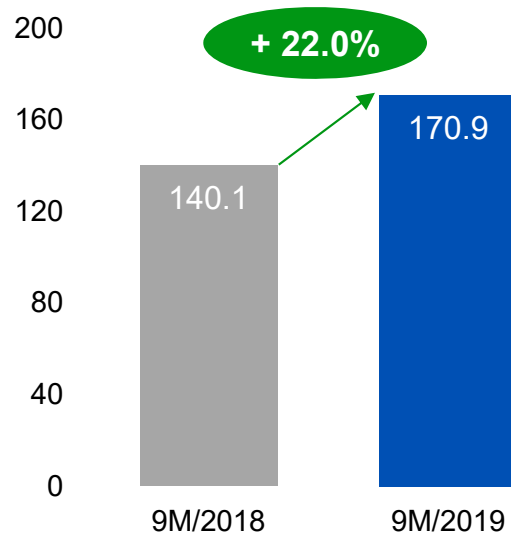
Order intake in million euros



- Major order in semiconductor equipment area already received in Q4/2018
- **Book-to-bill:** 0.93 (pr. y. 1.07)
- **Order backlog:** 154.0 million euros (31/12/18: 180.6m euros)
- **Frame contracts:** 11.2 million euros (31/12/18: 12.5m euros)

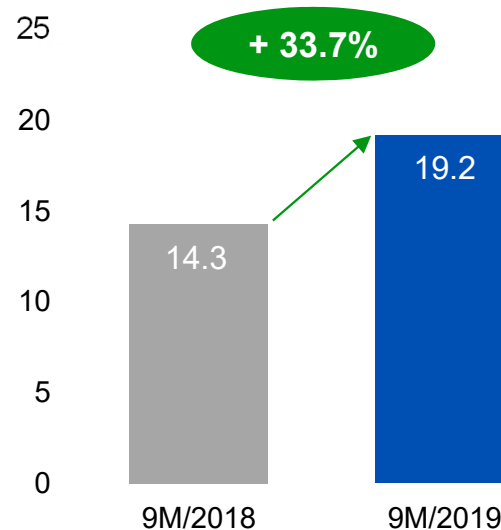
Light & Production division: Strong growth attributable to automation business and acquired businesses

Revenue in million euros



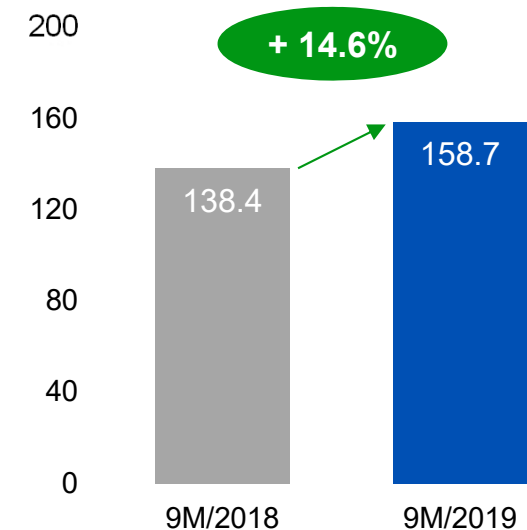
- Companies acquired in 2018 contributed approx. 52 million euros to revenue (prior year 21.8m euros)
- Strong rise in the Americas

EBITDA in million euros



- **EBITDA margin** improved to 11.2% (prior year 10.2%)
- **EBIT** grew to 10.4 million euros (prior year 9.6m euros), contribution of 4.8 million euros incl. PPA effects of –4.2 million euros by companies acquired in 2018
- **EBIT margin** came to 6.1% (prior year 6.8%)

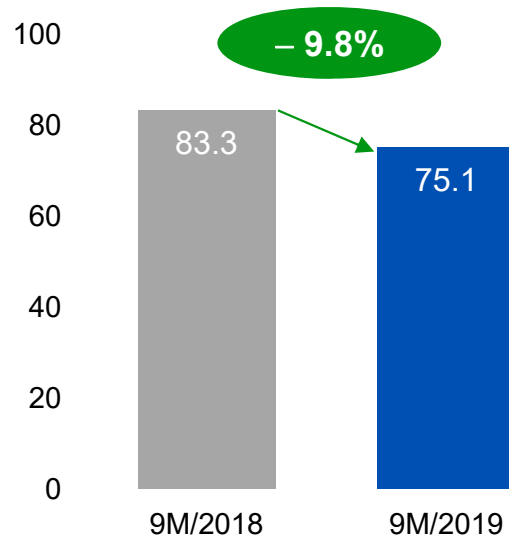
Order intake in million euros



- Several orders worth in total more than 30 million euros received
- **Book-to-bill:** 0.93 (prior year 0.99)
- **Order backlog:** 100.6 million euros (31/12/18: 112.5m euros)
- **Frame contracts:** none

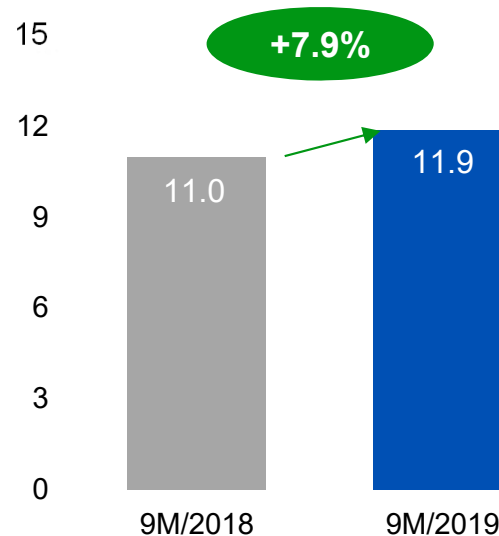
Light & Safety division: Profitability improved; shortfall in revenue due to toll monitoring project in 2018 further reduced

Revenue in million euros



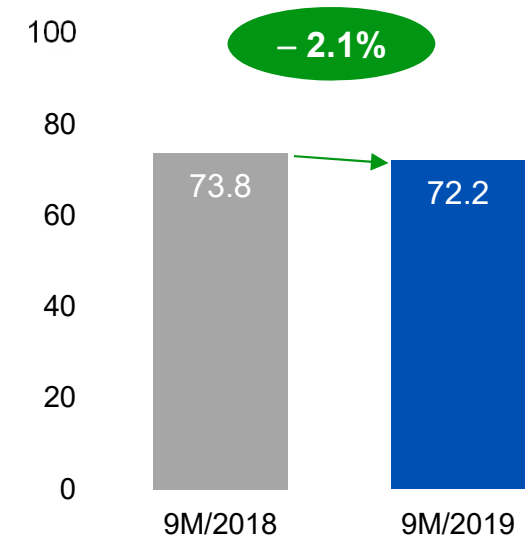
- In the prior year, toll monitoring project contributed approx. 25 million euros to substantial growth
- Increase in the Americas and Middle East/Africa, decline in Germany

EBITDA in million euros



- EBITDA increased (higher depreciation due to IRFS 16); **EBITDA margin** improved to 15.9% (prior year 13.3%)
- **EBIT** dropped to 6.6 million euros (prior year 7.3 million euros), **EBIT margin** unchanged at 8.8% (prior year 8.8%)

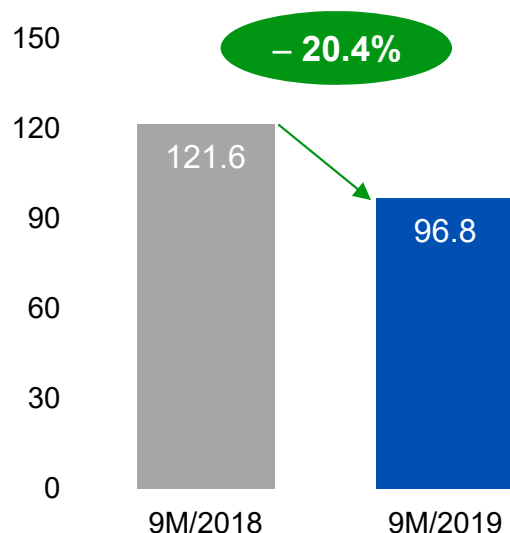
Order intake in million euros



- **Book-to-bill** improved to 0.96 (prior year 0.89)
- **Order backlog**: 67.2 million euros (31/12/18: 69.5m euros)
- **Frame contracts**: 13.9 million euros (31/12/18: 19.2m euros)

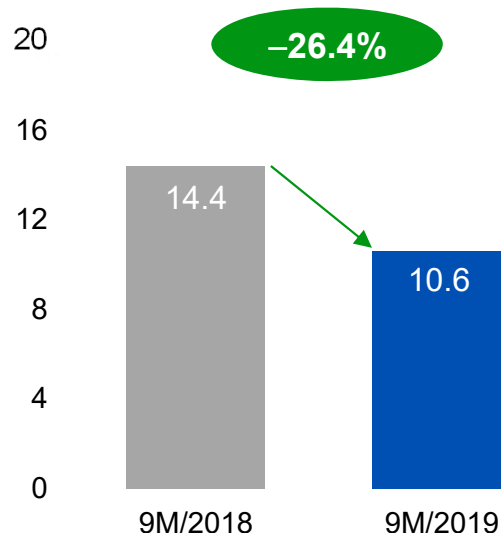
VINCORION: Good order backlog, export restrictions with negative effect on revenue and earnings

Revenue in million euros



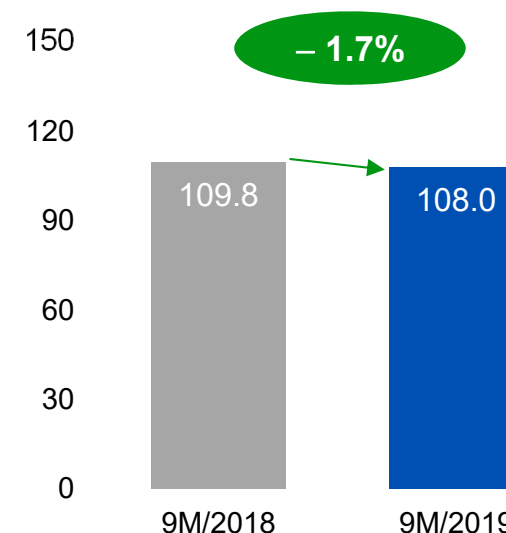
- Extended export restrictions, in particular, caused decline in revenue; permission was granted at the beginning of October
- Lower revenue in particular in Germany and the Americas

EBITDA in million euros



- Reduced revenue had an impact on earnings
- **EBITDA margin** at 10.9% (prior year 11.8%)
- **EBIT** 5.6 million euros (prior year 11.7 million euros); **EBIT margin** reduced to 5.8% (prior year 9.6%)

Order intake in million euros



- **Book-to-bill** grew to 1.12 (prior year 0.90)
- **Order backlog** improved to 168.7 million euros (31/12/18: 158.9m euros)
- **Frame contracts:** 27.1 million euros (31/12/18: 30.7m euros)

Growth expected for 2019; forecast for revenue and earnings confirmed

We anticipate **revenue**, without major portfolio changes, in a range between 850 and 860 million euros.

EBITDA margin is expected to come to around 15.5 percent.



This presupposes that political and economic conditions do not worsen.

Agenda

01

Overview and strategy

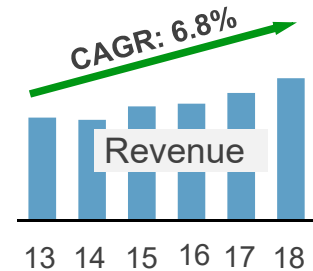
02

Financials 9M 2019 and outlook

03

Appendix

A long tradition of innovation in optoelectronics



1846	1946	1989 - 1991	1992 - 1998	1998 - 2006	2007 - 2016	since 2017...
Founded in Jena by Carl Zeiss	State property	German Reunification	New Businesses	Flexibility	Consolidation	Sustainable profitable growth
“Workshop for precision mechanics and optics”	The Zeiss plant in Jena, converted into state property	<ul style="list-style-type: none"> – Zeiss Jena has 69.000 employees – Formation of Jenoptik GmbH 	<ul style="list-style-type: none"> – IPO 1998 – Acquisition of companies to open up new sales channels 			<ul style="list-style-type: none"> – Starting new strategy “More light” in 2018

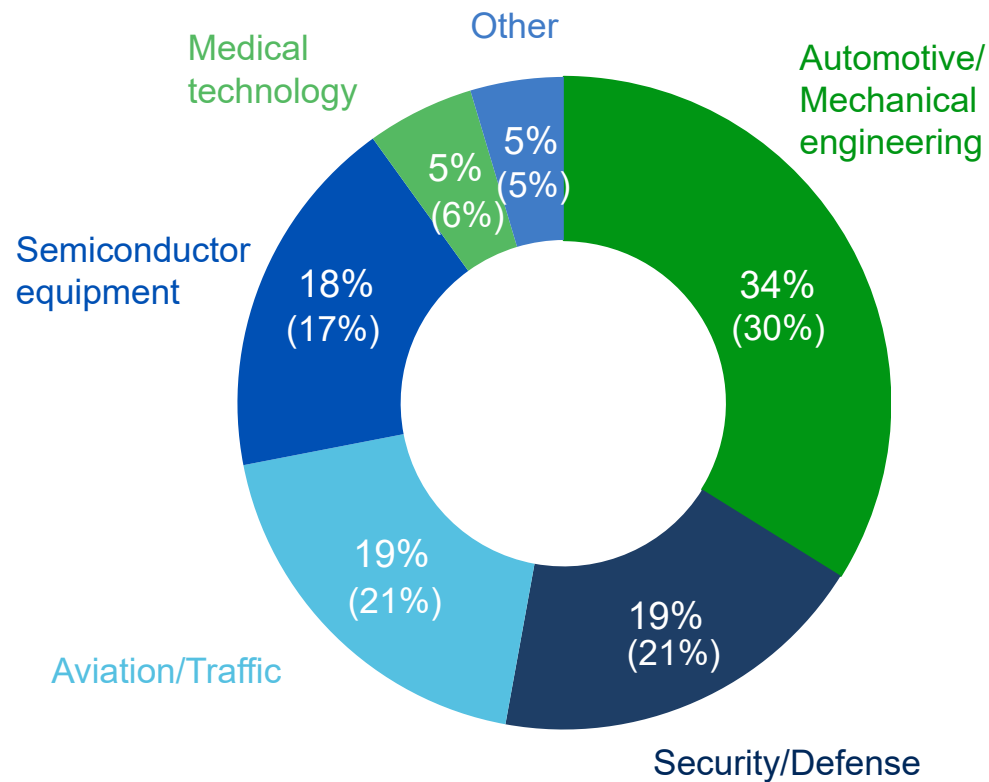
Key financials 2018 of the new divisions

in million euros	Light & Optics	Light & Production*	Light & Safety	VINCORION	Group*
Revenue	339.6	210.9	116.9	166.4	834.6
EBITDA	74.1	24.6	15.9	20.1	127.5
EBITDA margin	21.8%	11.7%	13.6%	12.1%	15.3%
EBIT	65.9	16.8	10.9	16.5	94.9
EBIT margin	19.4%	8.0%	9.3%	9.9%	11.4%
Order intake	398.6	200.9	118.5	154.9	873.7
Order backlog	181.5	112.5	69.5	158.9	521.5

*incl. PPA effects


Automotive and semiconductor equipment with higher revenue share

Revenue by markets
(prior year figures in brackets)



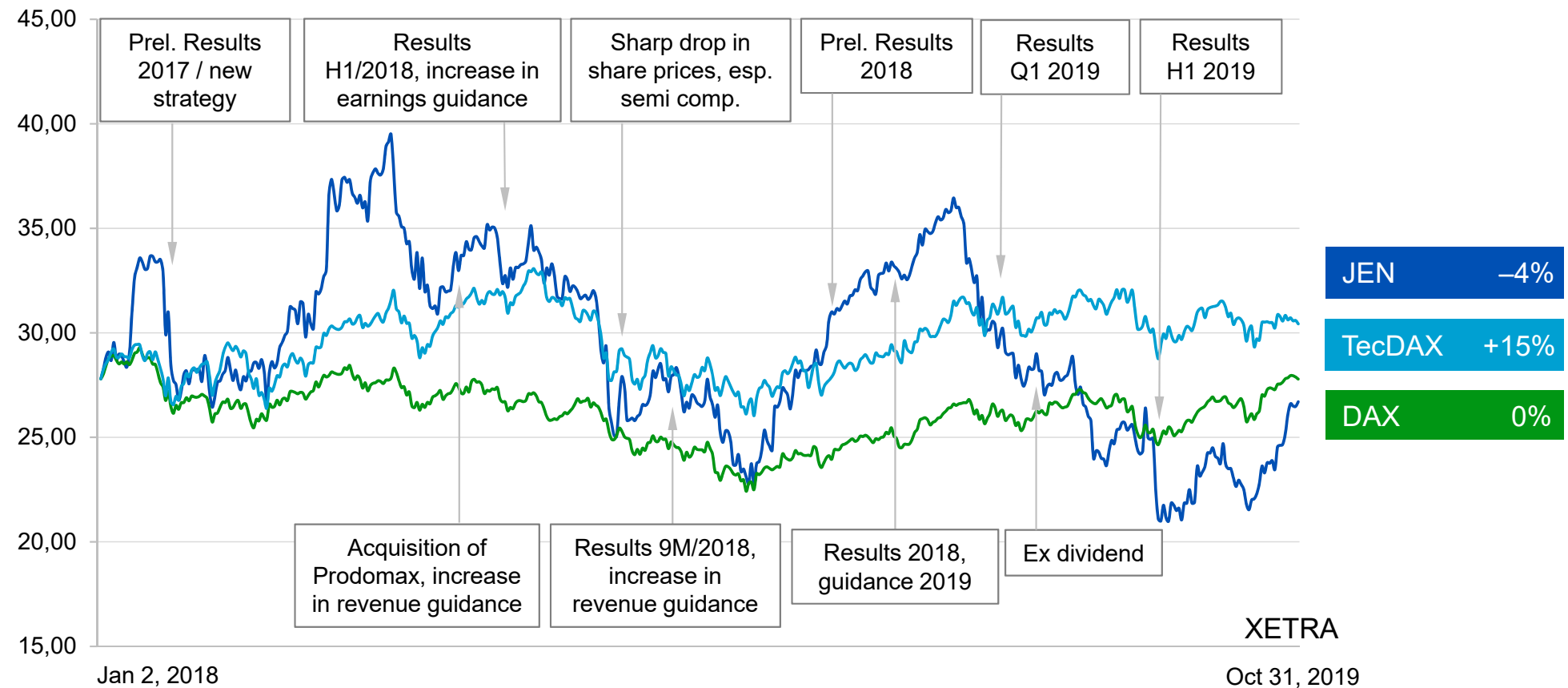
- Automotive/Mechanical engineering: contribution of acquired companies and strong demand
- Semiconductor equipment industry with higher share of revenue
- 18.0 percent of revenue attributable to top 3 customers (prior year 18.3%)

Corporate structure until December 31, 2018

Segments	Optics & Life Science		Mobility		Defense & Civil Systems	
	Optical Systems	Healthcare & Industry	Automotive	Traffic Solutions	Defense & Civil Systems	
Divisions						
						

Development of Jenoptik share price compared with Dax and TecDax (indexed) since early 2018 to date

in euros



ISIN / Ticker: DE000A2NB601 / JEN

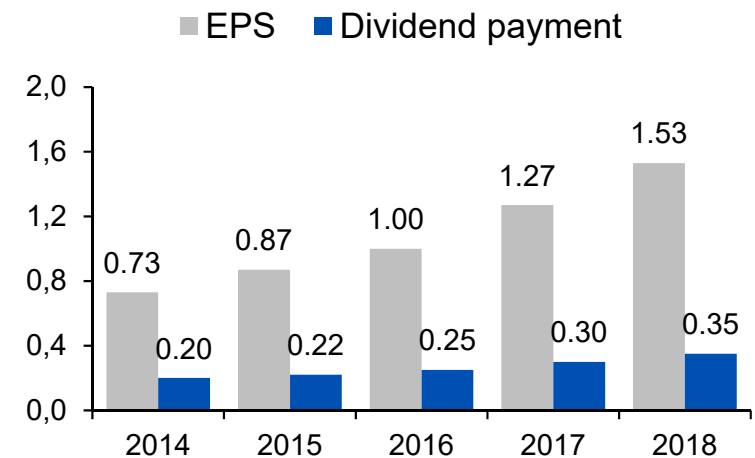
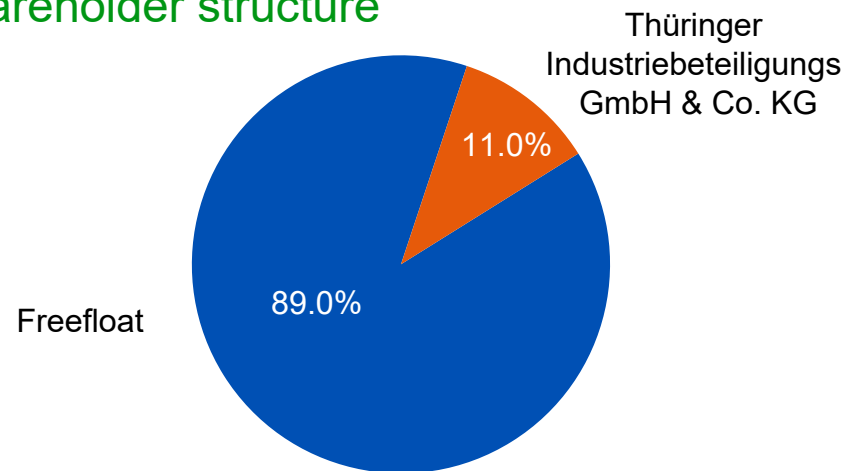
Market cap: ~1.5 billion euros

Number of shares: 57,238,115

Nominal capital: 148,819,099 euros

Shareholders and dividend information

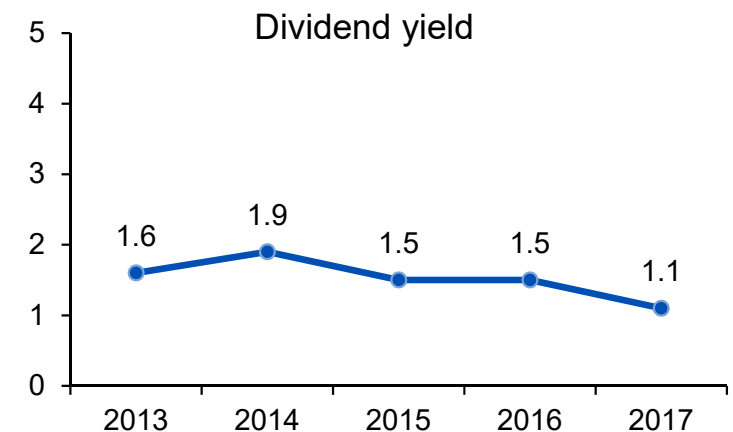
Shareholder structure



Major institutional shareholders (31.10.2019)

Fund Name	%	Shares	Region
Thüringer Industriebet.	11.00	6,296,193	Germany
DWS	5.20	2,978,178	Germany
Capital World Investors	5.04	2,885,141	US
Invesco Oppenheimer	4.11	2,350,662	US
Norges Bank	3.06	1,752,411	Norway

Source: Nasdaq and voting rights notifications



Dates and contact

November 12, 2019

November 21, 2019

November 28, 2019

November 29, 2019

December 3, 2019

December 5, 2019

January 9/10, 2020

January 21, 2020

Conference call on the results of the first nine months 2019

Capital Market Day, Jena

Roadshow Düsseldorf

Roadshow Zurich

Roadshow Paris

Berenberg European Conference, Pennyhill

Oddo Conference, Lyon

Kepler Cheuvreux Conference, Frankfurt/Main

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.

The application is available for download in the App Store and at Google Play.

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.