

JENOPTIK AG
Conference Call
Results of fiscal year 2015 and outlook



March 22, 2016

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

- Fiscal year 2015
- Development of the segments
- Outlook
- Appendix



Targets 2015 achieved; Jenoptik reached new revenue and earnings records



External framework conditions

- Challenging economic environment, e.g.
 - Stagnating demand from the semiconductor equipment industry
 - Emission scandal affected whole automotive sector
- Weak growth figures in China
- Good economic outlook in Germany is based on domestic demand / private consumption
- Globally, situation remained uncertain (Middle East, Ukraine, Russia)

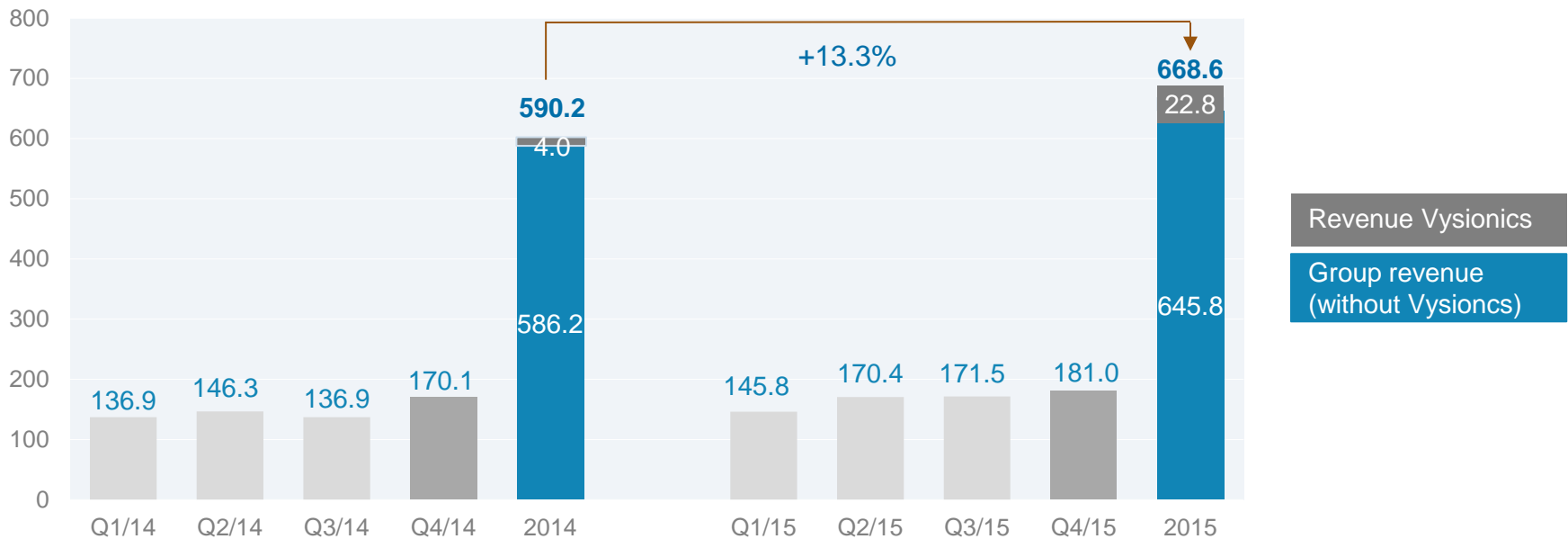
Major events in the Jenoptik Group

- New divisional structure which is realigned more closely to markets and megatrends
- Successful integration of the companies acquired
- Jenoptik performed well in the current environment in the semiconductor equipment industry
- Major order for the Patriot missile defense system almost completely invoiced
- Long-term group financing was restructured

Jenoptik generated revenue growth in all quarters



Revenue in million euros

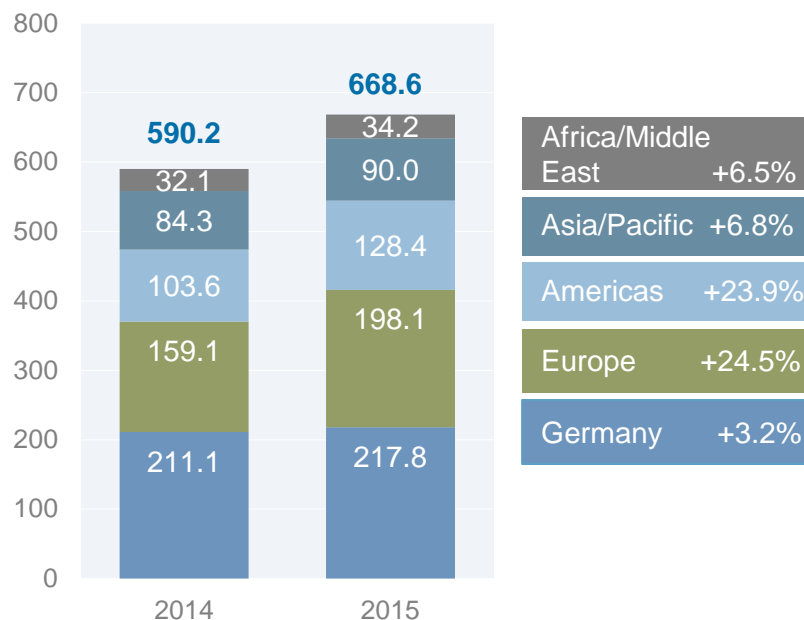


- Highest revenue in last years – achieved through organic growth, revenue contribution of the companies acquired as well as foreign currency exchange effects
- All three segments reported revenue increase

Share of revenue generated abroad increased to more than 67%; strongest growth in the Americas and Europe

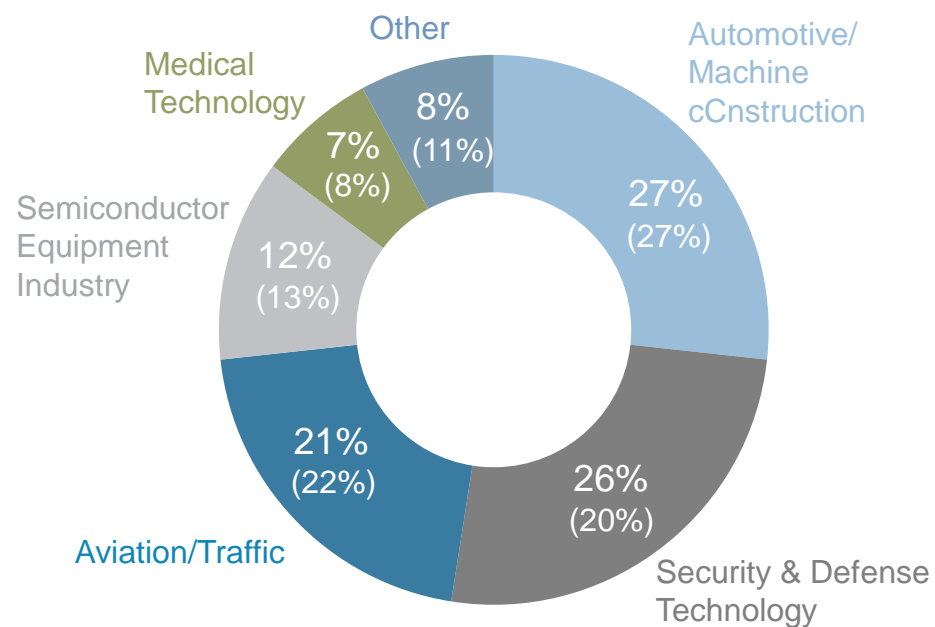


Revenue by region (in million euros)
(Prior year figures in brackets)



- Revenue increase in Europe (without Germany) was in part attributable to the acquisition in the traffic safety area
- Revenue share in the Americas and Asia/Pacific rose to 32.7% (prior year 31.9%)

Revenue by target markets
(prior year figures in brackets)

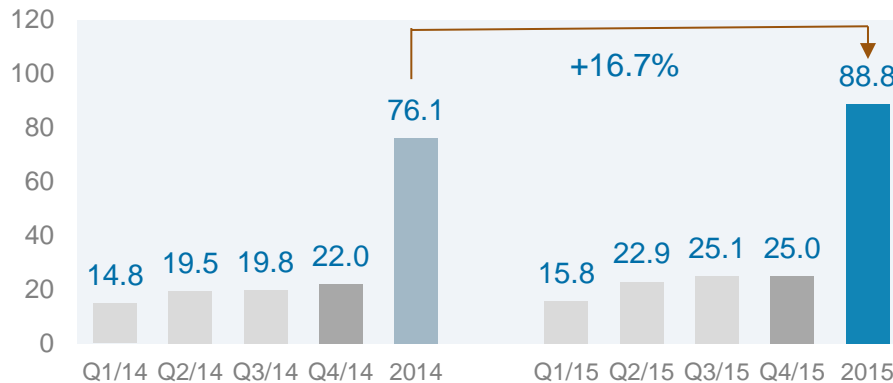


- Upswing in investment activity in the automotive sector, higher demand for optoelectronic modules as well as settlement of major orders in the Defense & Civil Systems segment
- Difficult market conditions for traffic safety in the US

Operating result at new record level, earnings increased at a stronger rate than revenue in 2015

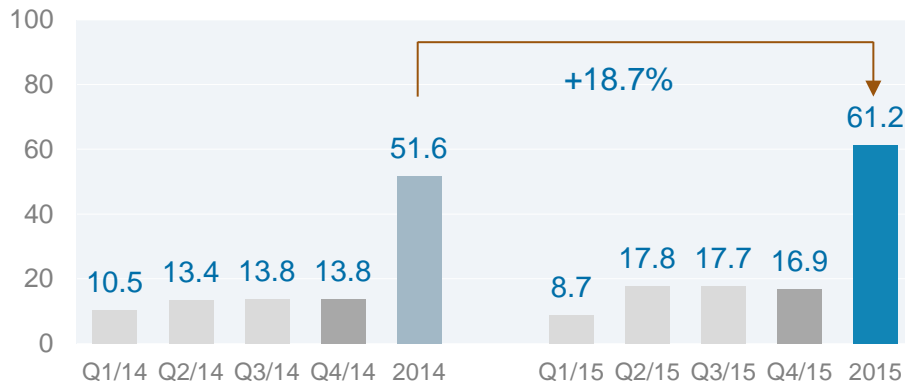


EBITDA in million euros



- EBITDA showed a higher increase than revenue
- EBITDA margin
2015: 13.3% (prior year 12.9%)

EBIT in million euros



- EBIT margin improved substantially;
2015: 9.2% (prior year 8.7%)
- EBIT affected by, among other things:
 - Rise in revenue, changed revenue mix
 - Integration of Vysionics
 - Q4/2015: Provisions for restructuring the laser systems business
 - Gains from selling real estate (2.4 million euros)

EBT and EAT markedly improved; EPS rose by more than 19 percent



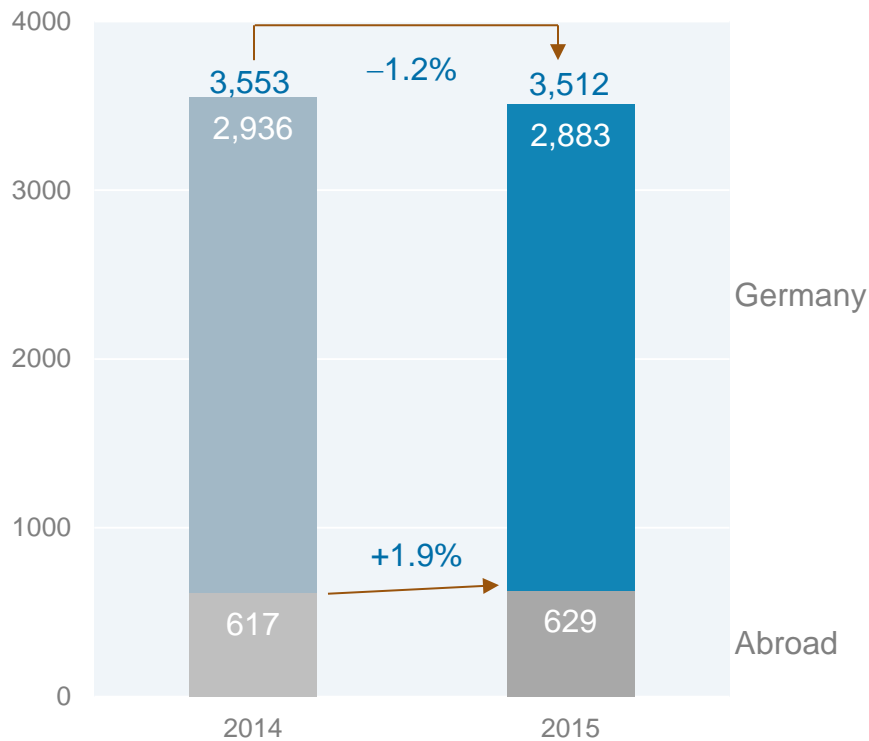
In million euros	2015	2014
Revenue	668.6	590.2
Gross margin	33.8%	34.8%
Functional costs	168.4	158.0
EBITDA	88.8	76.1
EBIT	61.2	51.6
Financial result	-3.8	-5.5
Earnings before tax	57.4	46.1
Earnings after tax	49.9	41.6
Earnings per share (euros)	0.87	0.73

- Gross margin slightly reduced, in part due to changed revenue mix, higher material cost ratio and higher valuation adjustments on inventories
- Functional costs rose, among other things, due to expansion of international activities and central group functions as well as initial full-year consolidation of companies
- Lower interest expenses, income from investments and foreign currency exchange effects had a positive impact on the financial result
- Cash-effective tax rate was 10.1% (prior year 16.6%)
 - Due to tax losses carried forward and effects from real estate sales

Number of employees abroad increased again



Employees as at 31.12.
(incl. trainees)

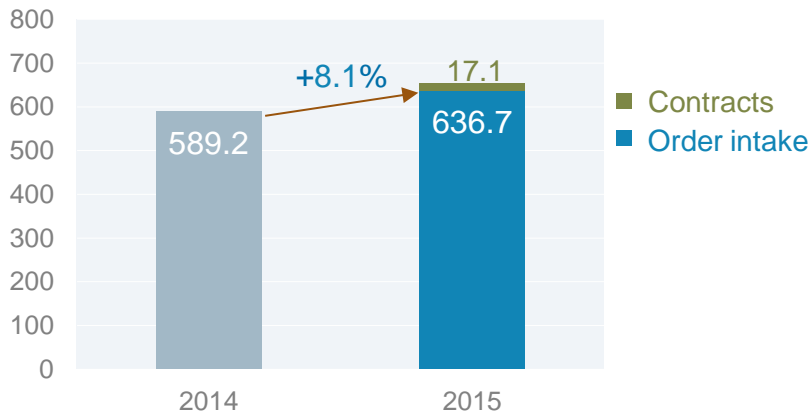


- Number of employees fell slightly as at December 31, 2015
 - Reduction in the Lasers & Optical Systems as well as Defense & Civil Systems segments
- However, average number of employees rose by 1.4%
- In the process of continuing internationalization the number of employees abroad rose to 17.9% (31.12.2014: 17.4%); slight decline in Germany

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

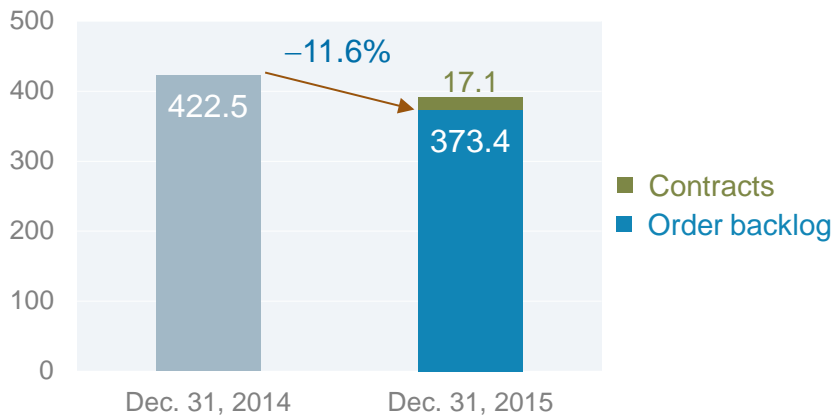


Order intake in million euros



- Order intake 2015 higher than in prior year
 - Rise in all three segments, in particular in the Metrology segment
 - Major order to equip Patriot missile defense systems
- Revenue rose at a stronger rate than order intake; book-to-bill ratio therefore came to 0.95 (prior year 1.00)

Order backlog in million euros



- Decline in order backlog was attributable to start of work on major multi-year orders in the Defense & Civil Systems segment as well as
- Reassessment of a project in the area of traffic safety on which work had already started
- In addition, we received contracts amounting to 17.1 million euros (not included in order backlog)

Free cash flow more than tripled compared with the prior year



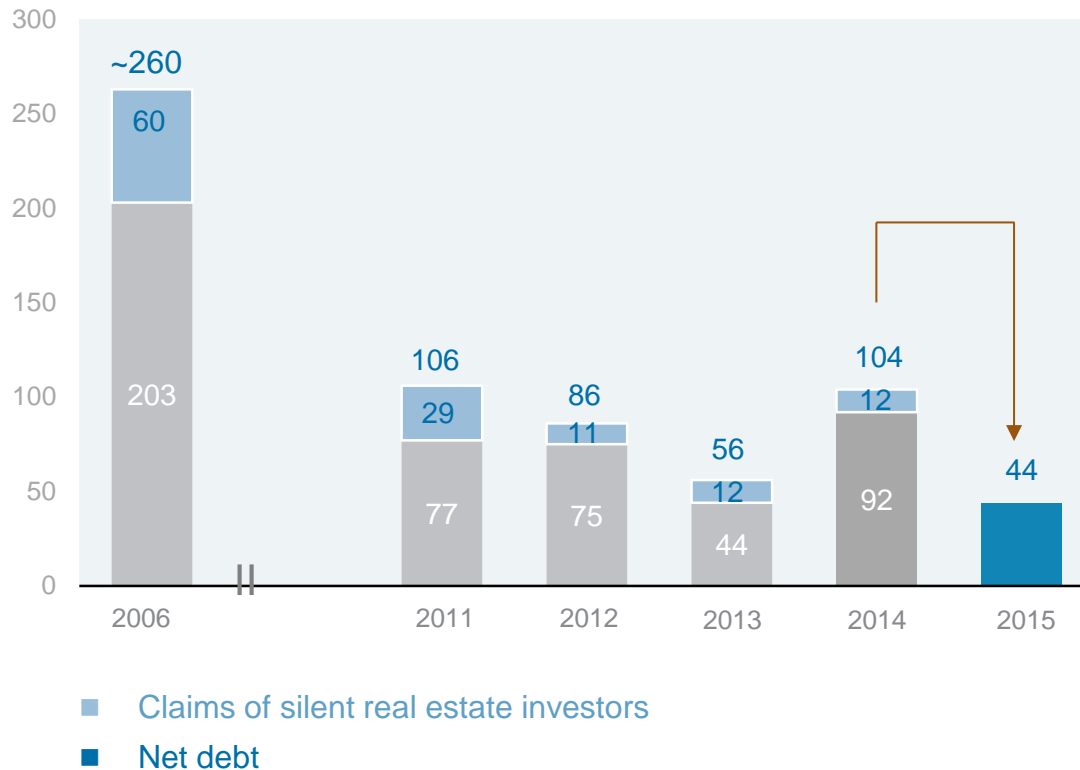
In million euros	2015	2014
Operating profit before adjusting working capital	87.1	72.7
Changes in working capital and other items	4.6	-21.2
Cash flows from operating activities before income tax	91.7	51.5
Cash flows from operating investing activities	-19.9	-29.0
Free cash flow (before interest and taxes)	71.8	22.5

- Cash flows from operating activities and free cash flow significantly improved
 - Best operating cash flow generated in recent years – among other things due to higher earnings before tax and reduction of working capital
- Despite the revenue growth, the working capital reduced slightly to 215.5 million euros (31.12.2014: 217.5m euros)
 - Active management
 - Decrease in inventories and trade accounts payable
 - Trade accounts receivable rose only slightly in spite of marked revenue increase
 - Working capital ratio fell to 32.2% (31.12.2014: 36.9%)

Net debt at lowest level in recent years



Net debt (in million euros)



- Net debt reduced by more than half in 2015
- Good cash flows resulted in significant decrease in spite of:
 - Payment to the last silent real estate investor (12.4 million euros);
 - Payment of dividends (11.4 million euros)
 - Financing of growth
- Equity ratio rose to 56.6% (prior year 50.1%) due to
 - Increased equity as a result of higher earnings after tax
 - Lower balance sheet total

- Fiscal year 2015
- **Development of the segments**
- Outlook
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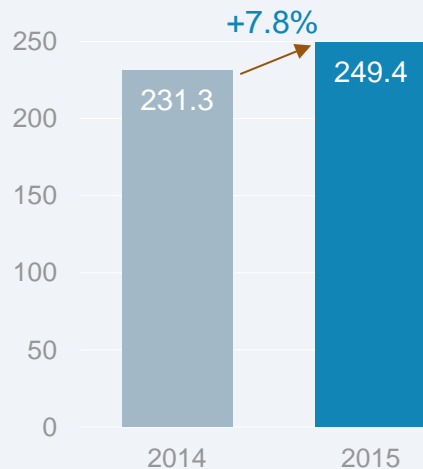
The cover of the Jenoptik Annual Report 2015, featuring a blue-toned, textured background that resembles a road surface. The title "SHAPING THE MARKETS" is written in large, bold, white capital letters, and "ANNUAL REPORT 2015" is written in smaller, white capital letters below it.

SHAPING THE MARKETS
ANNUAL REPORT 2015

Lasers & Optical Systems segment: Revenue successfully increased in challenging environment

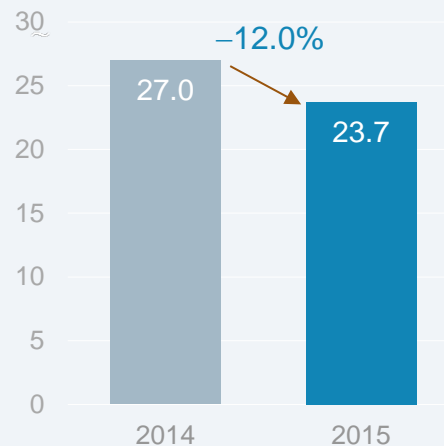


Revenue (in million euros)



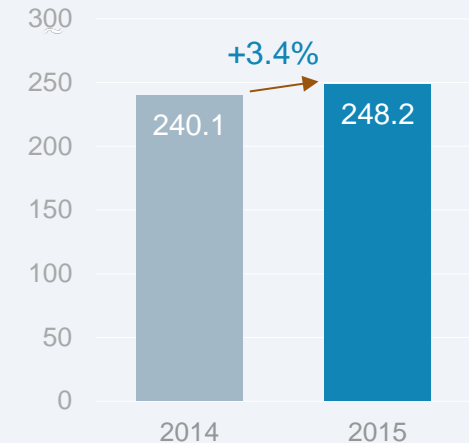
- Good demand for laser machines and optoelectronic modules
- Improved demand from semiconductor equipment industry in Q3 and Q4; stronger systems business
- 77% generated abroad

EBIT (in million euros)



- Revenue mix with weaker margins in H1/2015 not fully compensated
- Provisions for restructuring the laser systems area
- EBIT margin 9.5% (prior year 11.7%)

Order intake (in million euros)

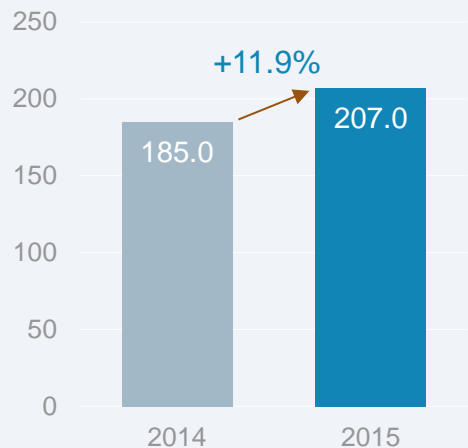


- Good order intake with laser machines and optics
- Book-to-bill 1.00 (pr. year 1.04)
- Slight fall of order backlog to 95.8 million euros (prior year 100.8m euros); in addition, contracts of approx. 11 million euros received

Metrology segment: New companies successfully integrated

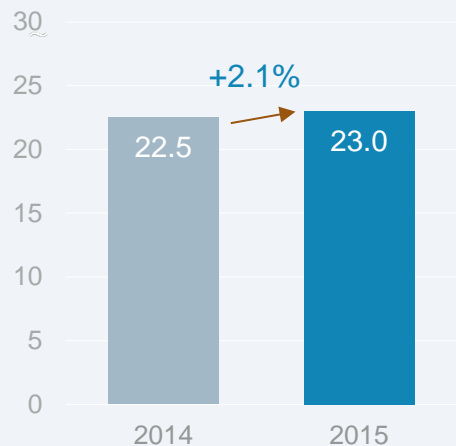


Revenue (in million euros)



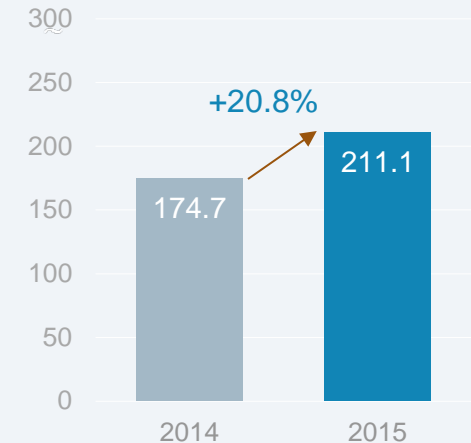
- Improved investment activity in the automotive industry
- Revenue contribution by the acquisition in the traffic safety area
- 77% generated abroad

EBIT (in million euros)



- Subdued revenue development with traffic safety technology in the US
- Depreciation effects arising from purchase price allocation (EBITDA +13.6%)
- Again double-digit EBIT margin at 11.1% (prior year 12.2%)

Order intake (in million euros)

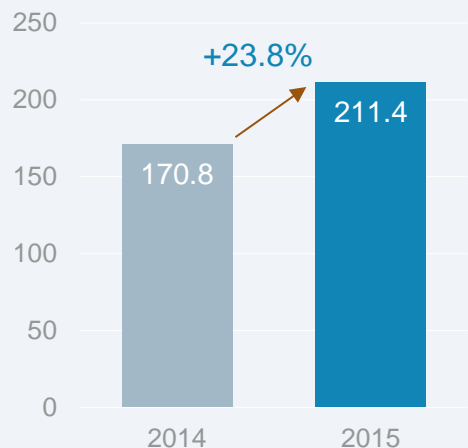


- Increase in both divisions
- Order intake of Vysionics included for full year
- Book-to-bill: 1.02 (pr. year 0.94)
- Order backlog came to 70.5 million euros (prior year 77.2m euros), in addition, contracts of almost 9m euros received

Defense & Civil Systems segment: Marked rise in earnings and margin improvement

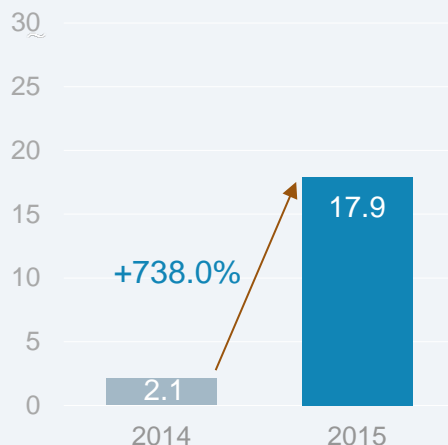


Revenue (in million euros)



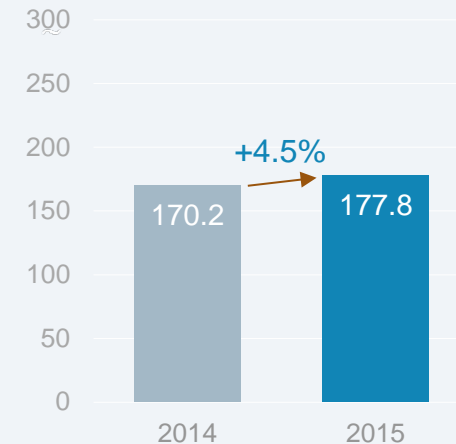
- Best year in the company's recent history
- Good business in the areas of energy and sensor systems
- Settlement of major Patriot order
- 47% generated abroad

EBIT (in million euros)



- Jump in EBIT due to higher-margin revenue mix, internationalization and structured market approach
- Positive effect from sale of smaller minority investment
- EBIT margin climbed to 8.5% (prior year 1.3%)

Order intake (in million euros)



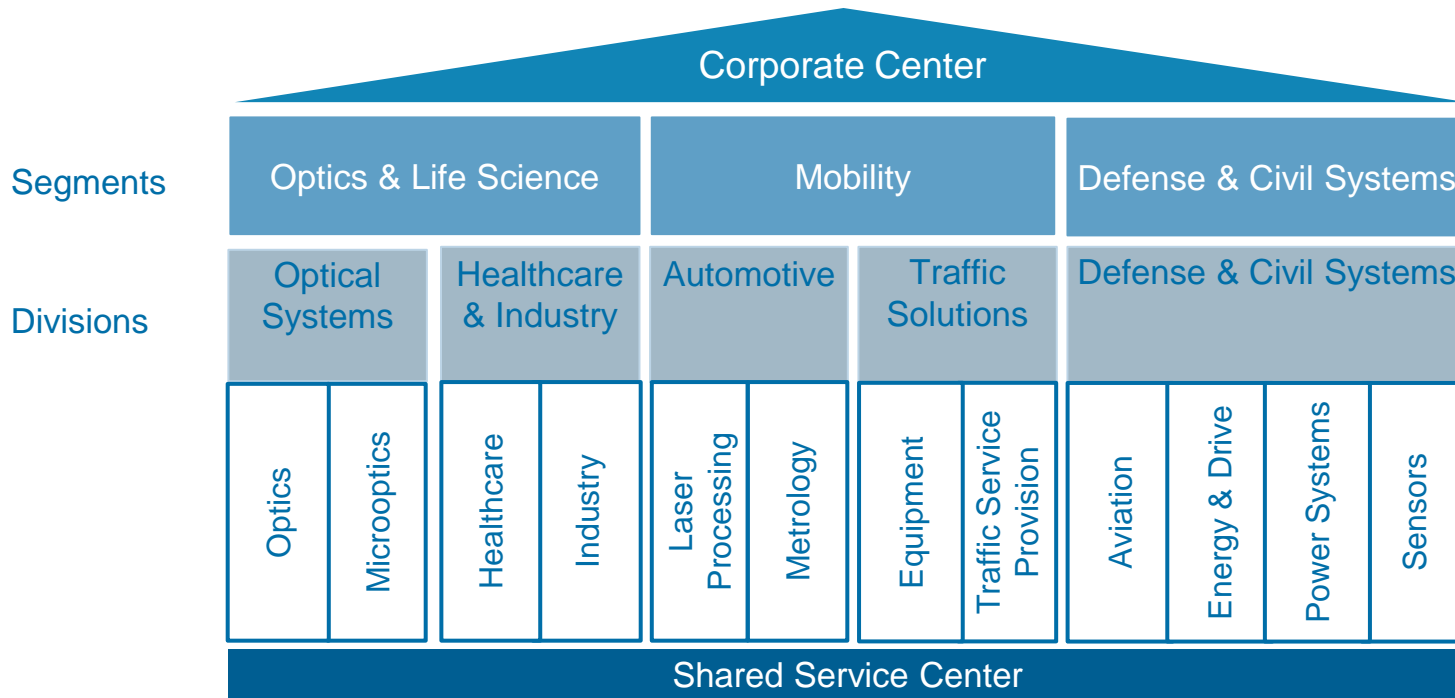
- Several major orders received
- Strong revenue increase resulted in lower book-to-bill ratio of 0.84 (prior year 1.00)
- Order backlog at 209.7 million euros lower than in prior year (245.9 million euros) due to start of work on major orders

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The cover of the Jenoptik Annual Report 2015, featuring a blue textured background and the text "SHAPING THE MARKETS" and "ANNUAL REPORT 2015" in white.

SHAPING THE MARKETS
ANNUAL REPORT 2015

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



With the new structure we will:

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

With the new more market-oriented structure we shall continue our profitable growth in 2016



Externally

- Uncertain environment
- Investment behavior is hard to predict

Internally

- Solid order and project pipeline
- Intensified integrated approach



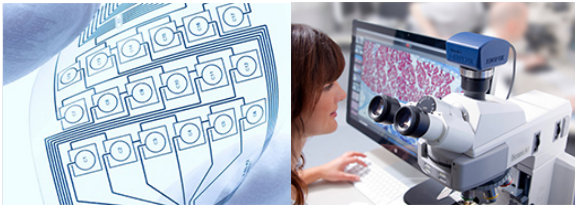
	2015	2016e
Revenue	668.6 million euros	Between 680 and 700 million euros
EBIT	61.2 million euros; Margin 9.2%	Moderate growth; EBIT margin between 9.0 and 9.5%

The good financial position and a viable financing structure give Jenoptik sufficient headroom for maneuver 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
- Export restrictions in Germany
- 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 US expected; Europe (incl. Germany) remains under pressure due to economic development, possible turbulences in the euro zone as well as the political situation in Eastern Europe

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SHAPING THE MARKETS
ANNUAL REPORT 2015

- March 22, 2016
- March 23, 2016
- April 5-6, 2016
- April 12, 2016
- May 11, 2016
- June 8, 2016

Results of fiscal year 2015 (conference call)
Analysts' conference and roadshow Frankfurt/Main
Roadshow London / Edinburgh
Roadshow Munich
Results of 1st quarter 2016 (conference call)
Annual General Meeting



Dr. Michael Mertin
President & CEO
JENOPTIK AG



Hans-Dieter Schumacher
CFO
JENOPTIK AG

Contact:

Thomas Fritsche
JENOPTIK AG

Head Investor Relations
Phone: +49 (0)3641-652291
thomas.fritsche@jenoptik.com

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