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Perspectives & Opportunities
Key take aways

Sales process on track
Current status: non-binding LOI’s received, management presentations, data room open to interested parties

Next milestones
- Submission of binding offers in early December
- SPA negotiations
- Board approvals
- Permission by governmental bodies

Closing is expected in 2020

Key operational events
- Permission received to export energy systems for the “Patriot” air missile defense system at beginning of October 2019
- Jenoptik participates in the modernization of the Leopard 2 tank for the Bundeswehr and provides digital electric gun turret drive systems to a total value of more than 12 million euros. Deliveries started in mid-2018 and continue until 2022.

Feb 18 Jenoptik informs the market about the new ‘Strategy 2022’
Sep 18 VINCORION brand established
Jan 19 Jenoptik announces new corporate structure
Jul 19 Supervisory Board’s approval to start a sales process of VINCORION
Jul 19 Structured sales process
Jenoptik post VINCORION
Sale as additional catalyst

1. Jenoptik focused on attractive photonic markets enabling sustainable organic growth and margin expansion

2. Jenoptik with a strong balance sheet and a decent amount of incremental firepower for further acquisitions

3. More ESG-related funds can invest into the stock
Indicative firepower of Jenoptik at year-end 2019 shows significant headroom for M&A

Key considerations

- The firepower at max. 3.0x net debt/EBITDA 19e
- A disposal of VINCORION (closing) is assumed to take place in H1/2020
- An incremental debt capacity from M&A as well as a potential equity increase could yield an indicative total firepower of around 0.8 to 1.0 billion EUR at the illustrative target leverages of max. 3.0x net debt/EBITDA 19e
M&A – with the given fire power, what can we realistically afford to support our growth ambitions?

With the calculated financial fire power, we can afford to acquire ~500m EUR of revenue or ~70m EUR of EBITDA.

Source: Mergermarket
*Exit Multiple Average: adjusted – top and bottom 2.5% removed
Assumptions:
- Industry sectors: Metrology, laser, laser technology, LiDAR, optics, optic solutions, optical systems, traffic safety solutions, imaging solutions, automation solutions
- Timeline: Jan 1, 2018 – Nov 5, 2019
- Regions: North America, Europe
Financial projection JENOPTIK Post-VINC
Topline development 2019 – 2022 and beyond (in mill. EUR)

*Divest others: Hillos, deconsolidation and portfolio pruning

Disclaimer: assumes successful disposal of VINCORION in H1/2020.
Financial projection
EBITDA margin development 2019 – 2022 and beyond*

As shown on previous pages, we can afford to add ~70m EUR via acquisitions.

14.2%
Forecast 2019e
Divest VINC
Divest others**
Organic growth
EBITDA contribution from M&A
17 – 18%
2022e
Additional EBITDA from further topline growth
Margin expansion
>18.0%
2025e

* Post VINCORION and EBITDA adjusted (before acquisition costs)

**Divest others: Hillos, deconsolidation and portfolio pruning

Disclaimer: assumes successful disposal of VINCORION in H1/2020.
A successful sales process enables further margin uplift for the JENOPTIK Group in the strategic period and beyond

Financial projection assuming a successful disposal of VINCORION

Jenoptik anticipates mid to high single-digit revenue growth (CAGR) within the strategic period.

EBITDA margin potential in a range between 17 and 18 percent by 2022 (before: approx. 16 percent), and above 18 percent by 2025.

This presupposes a successful divestment of VINCORION and that political and economic conditions do not worsen.
Key take aways
We have a fundamentally strong business underpinned by attractive long-term trends

- New organizational structure
- Sales process for VINCORION started
- Corporate-wide initiative started in 2019
- R&D quota to rise to ~10% of revenue
- New set-up in Asia
- Footprint in America expanded (Prodomax, FLA)

Scarcity value of asset - The only pure play listed European photonics player of scale

Strong entrenched blue chip customer base - Serves and maintains a close relationship with blue chip OEMs

Present in end markets exhibiting structural/ secular long-term growth - Growing internationally with over 70% of revenue generated from outside its home market

Robust financial profile - Solid asset position and capital structure providing basis for accelerated growth through M&A and margin expansion through economies of scale
Thank You
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