JENOPTIK AG
Conference Call
Results of the first quarter 2017
and outlook

Dr. Stefan Traeger, President & CEO | May 11, 2017
Hans-Dieter Schumacher, CFO

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Successful start to fiscal year 2017 with rise in revenue and improved operating result

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External framework conditions

- Economic framework conditions slightly improved, among other things
  - Increase in China‘s economic output
  - Rising oil price

  Nevertheless:
  - Geopolitical tensions: Brexit, Turkey, Middle East
  - Protectionism in global trading
- Consolidation trend in our markets

Major events in the Jenoptik Group

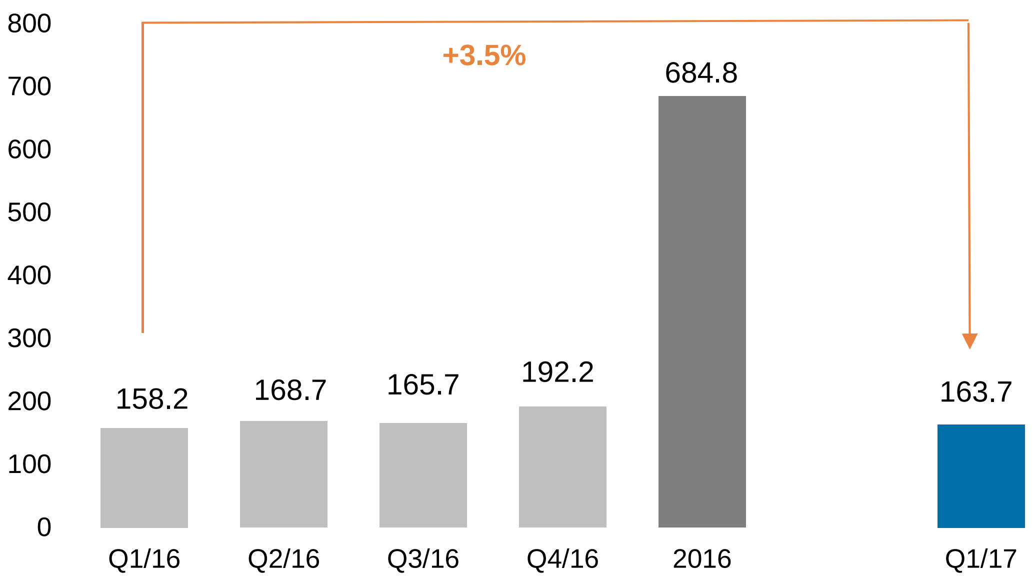
- Dr. Stefan Traeger has been the new President & CEO since May 1, 2017
- Numerous major orders received will support future growth
- Largest single investment in technology campus for metrology and laser machines at the US location in Rochester Hills
- Acquisition of ESSA Technology, UK, in January 2017

New Technology Campus in Rochester Hills, Michigan, USA

- Start of business operations planned for mid May
- Investment of 14 million euros for expanding business in North America
- State-of-the-art technology campus for engineering, production, sales and service for metrology systems and laser machines

Revenue rose as expected

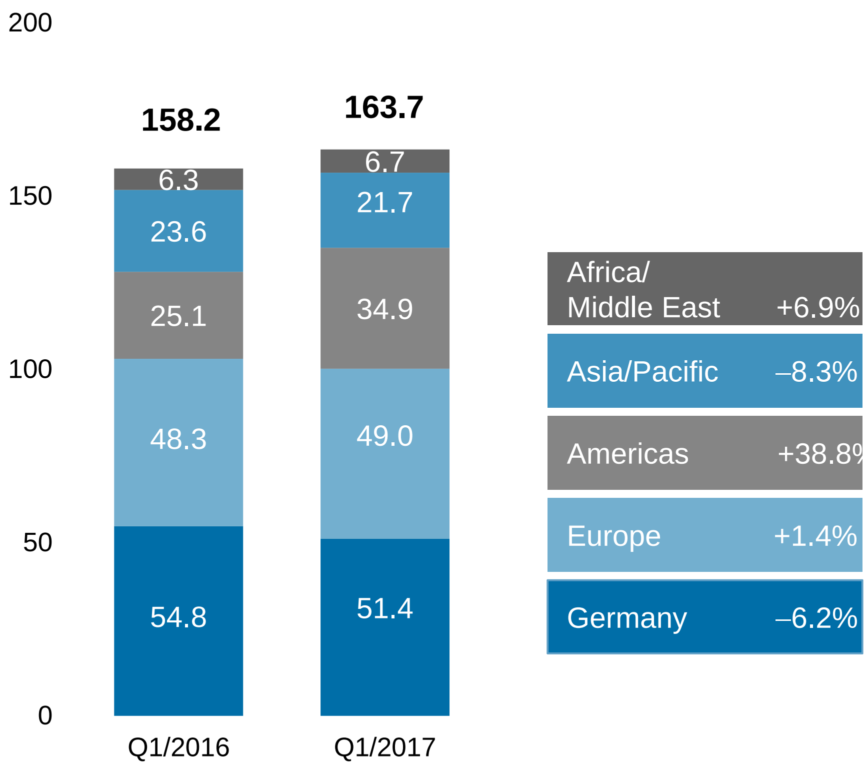
Revenue in million euros



- Growth in the Optics & Life Science as well as Mobility segments
- Stronger demand, among others, for optical systems from the areas of information and communication technology as well as semiconductor equipment, for medical technology, traffic safety systems as well as for metrology systems from the automotive industry

Rise in revenue was achieved exclusively abroad

Revenue by region (in million euros)



- 69% of revenue generated abroad (prior year 65%)
- Americas: marked rise in revenue, due to the positive development of all three segments
- Europe: growth in the Optics & Life Science as well as Mobility segments
- Asia/Pacific: slight decline in all three segments
- Share of revenue generated in the Americas and Asia/Pacific together rose to 34.6% (prior year 30.8%)

Successful development of the operating result as scheduled

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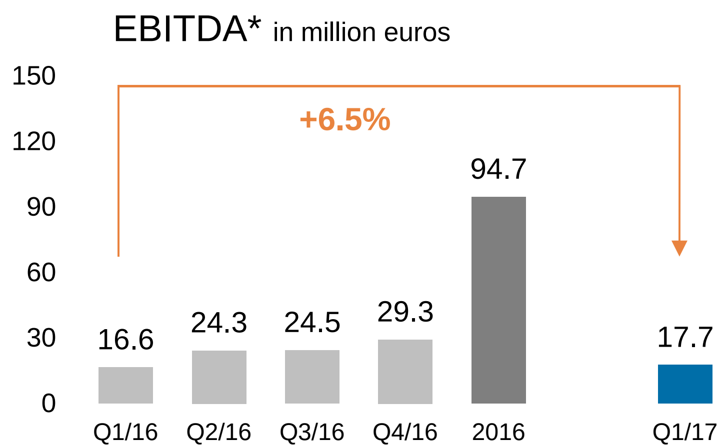
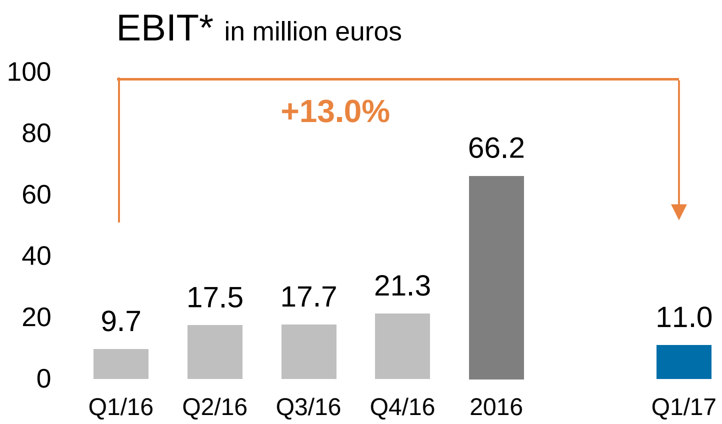


- EBITDA rose at a faster rate than revenue
- EBITDA margin at 10.8% (prior year 10.5%)



- EBIT also showed stronger growth than revenue
- EBIT margin at 6.7% (prior year 6.1%)
- Rise due to a more profitable revenue mix
- Optics & Life Science with substantially higher EBIT contribution

* In 2016: continuing operations

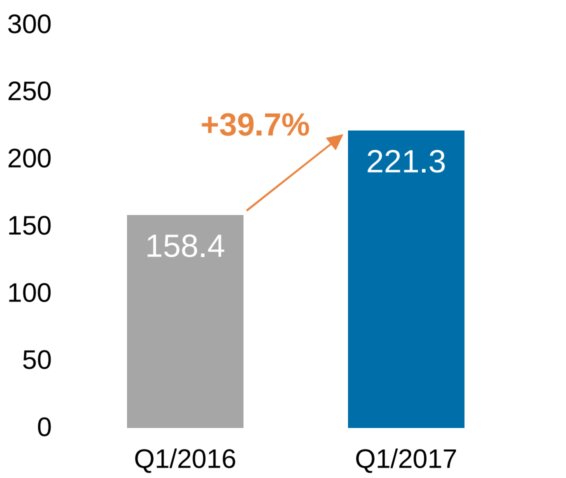
More profitable revenue mix led to a higher gross margin and contributed substantially to the improved result

In million euros	Q1/2017	Q1/2016
Revenue	**163.7**	**158.2**
Gross margin	35.1%	33.1%
Functional costs	45.7	42.0
EBITDA	**17.7**	**16.6**
EBIT	**11.0**	**9.7**
Financial result	–1.0	–2.1
Earnings before tax	**10.0**	**7.6**
Earnings after tax	8.3	6.4
Earnings per share (euros)	**0.15**	**0.11**

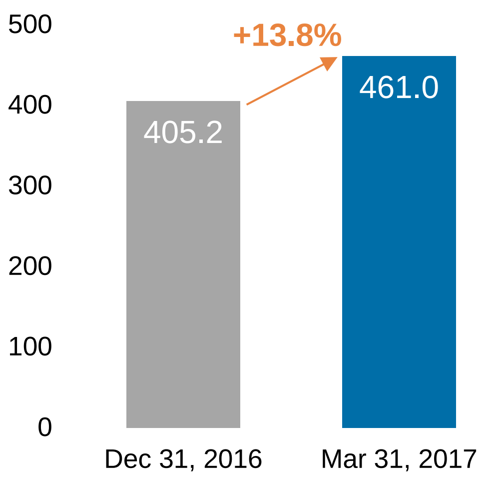
- Cost of sales rose at a slower rate than revenue, gross margin improved
- Administrative costs increased due to the change in the Executive Board, the higher valuation of the share-based remuneration as well as adjustments to the pay scales and salaries
- Financial result improved in part due to lower currency losses
- Cash-effective **tax rate** was 15.2% (prior year 15.7%)
- Earnings per share grew disproportionately by 36.4%

Very good order position and well-filled project pipeline create good prerequisites for further growth

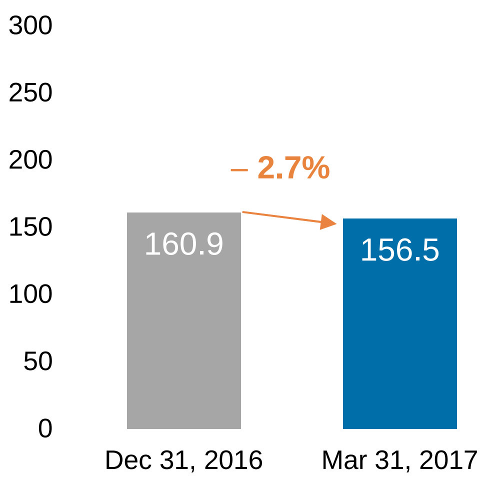
Order intake in million euros



Order backlog in million euros



Frame contracts in million euros



- Record high for a first quarter
- Rise in all segments
- Several major international orders received
- Book-to-bill ratio improved to 1.35 (prior year 1.00)

- Increase in all segments
- 67% is due to be converted to revenue in 2017 and help to support scheduled growth

- Major orders in part recorded as frame contracts

Free cash flow remained at solid level in spite of higher capital expenditure

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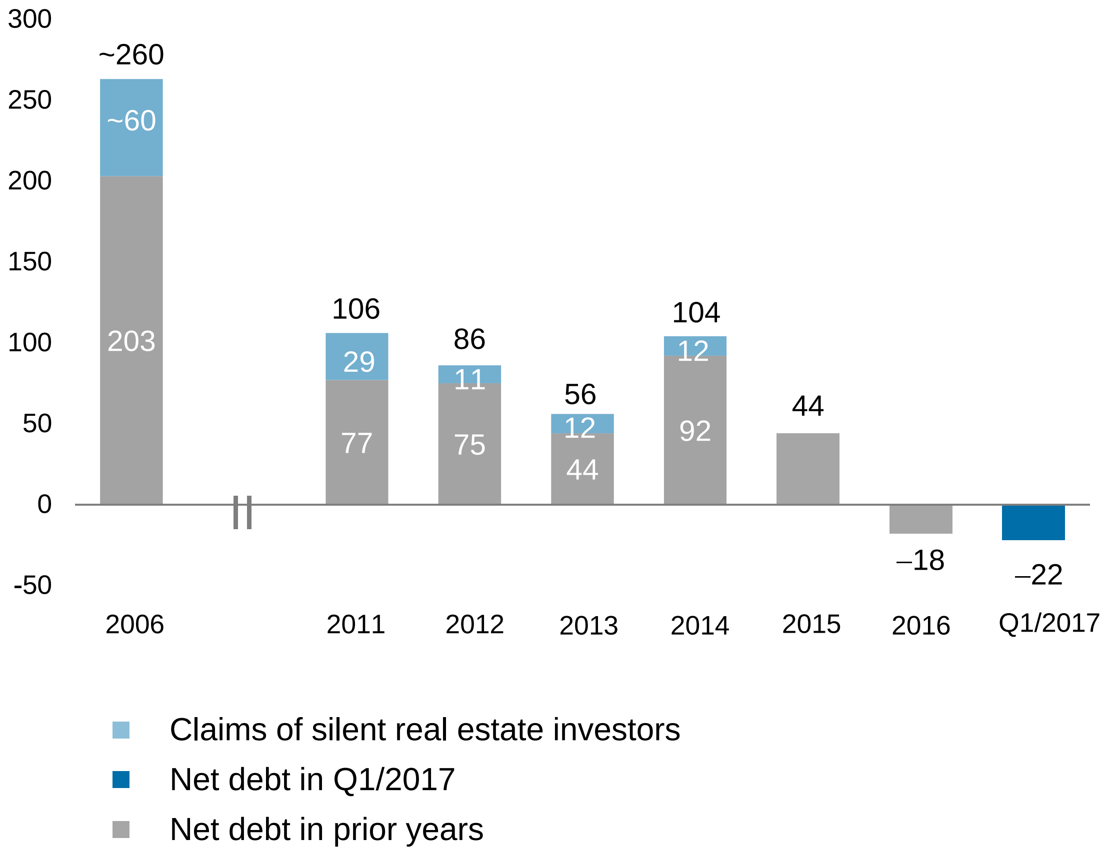
In million euros	Q1/2017	Q1/2016
Operating profit before adjusting working capital	17.8	16.4
Changes in working capital and other items	1.8	0.9
Cash flows from operating activities before income taxes	19.6	17.4
Cash flows from operative investing activities	–9.4	–5.4
Free cash flow (before interest and taxes)	**10.2**	**12.0**

– Cash flow from operating activities improved
  - **Working capital** came to 218.9 million euros (31.12.16: 209.9m euros / 31.3.16: 218.0m euros), in part due to order-related prepayments for future revenue
  - Working-capital ratio at 31.7% (31.12.16: 30.7% / 31.03.16: 32.0%)
  - Rise in capital expenditure, in particular in property, plant and equipment (among other things for technology campus in Rochester Hills and new customer orders)

Jenoptik is free of net debt

Net debt in million euros



– Jenoptik Group is free of net debt
  - Financing of capital expenditure and growth
– Cash and current financial investments rose to 148.7 million euros (31.12.16: 142.5m euros)
– **Equity ratio** at 57.7% slightly below the value at the end of 2016 (31.12.16: 58.6%)
  - Total equity and liabilities rose more strongly than equity

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Optics & Life Science segment: marked margin improvement, substantial rise in order intake

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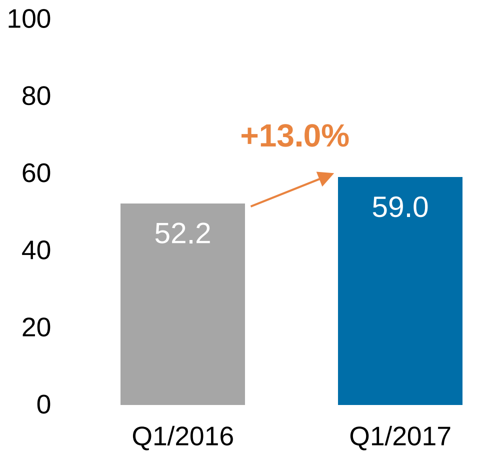
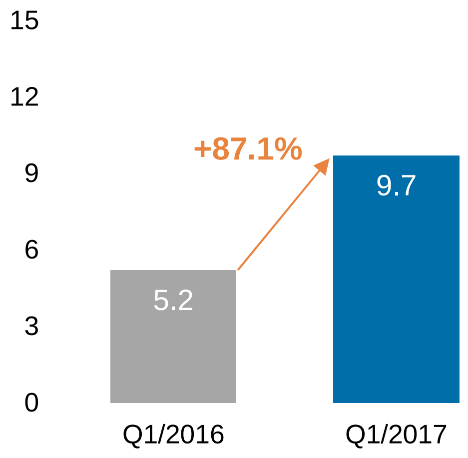
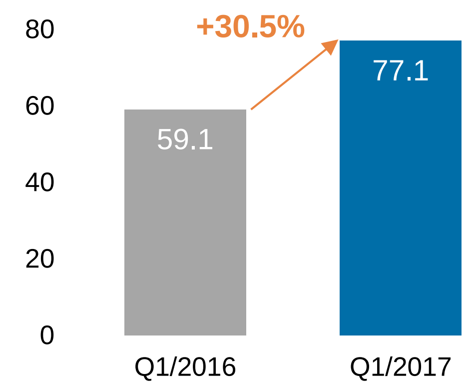
Revenue (in million euros)



EBIT (in million euros)



Order intake (in million euros)

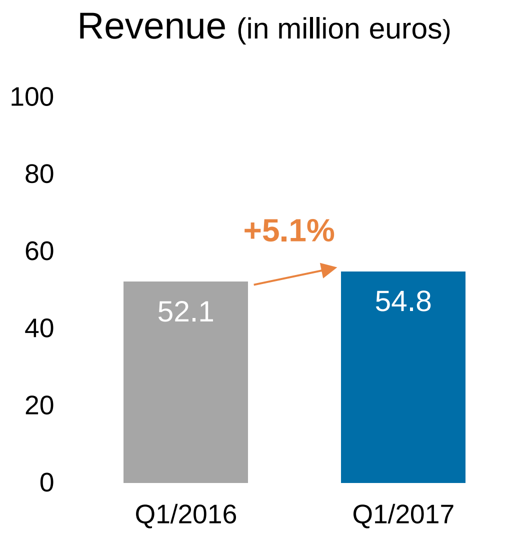


- High demand for solutions for information and communication technology as well as for semiconductor equipment
- Healthcare/Life Science also showed positive development
- 36% of group revenue generated (prior year 33%)

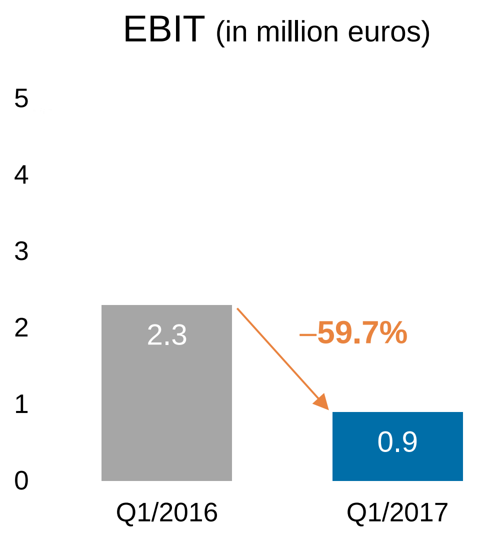
- **EBIT margin** improved to 16.5% (prior year 10.0%) due to good revenue mix and positive development in the laser area
- **EBITDA** at 11.7 million euros also markedly higher than in the prior year (prior year 7.2m euros)

- Good order intake in the whole segment
- **Book-to-bill ratio**: 1.31 (prior year 1.13)
- **Order backlog** at 97.2 million euros (31.12.16: 80.7m euros)
- In addition, **frame contracts** of 14.1 million euros (31.12.16: 14.5m euros)

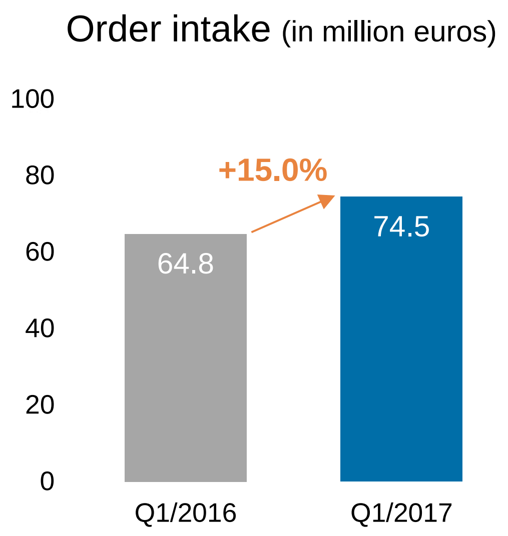
Mobility segment: rise in revenue, solid order position will support stronger momentum in the coming quarters



- Stable development in the Automotive division
- Traffic Solutions: slight rise
- 33.5% of group revenue generated (prior year 33.0%)



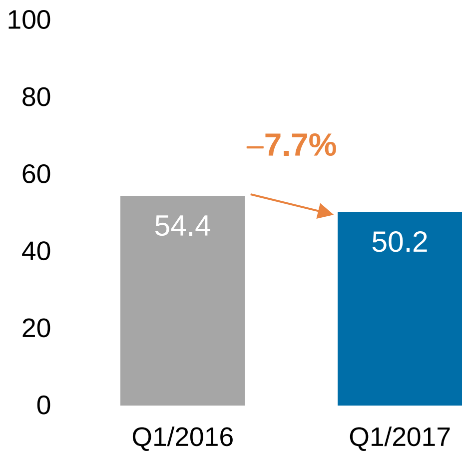
- Decline in EBIT is attributable to the market entry into new business fields (toll monitoring) and start-up costs for customer-specific projects
- **EBIT margin** at 1.7% (prior year 4.4%)
- **EBITDA** at 2.9 million euros (prior year 4.4 euros)



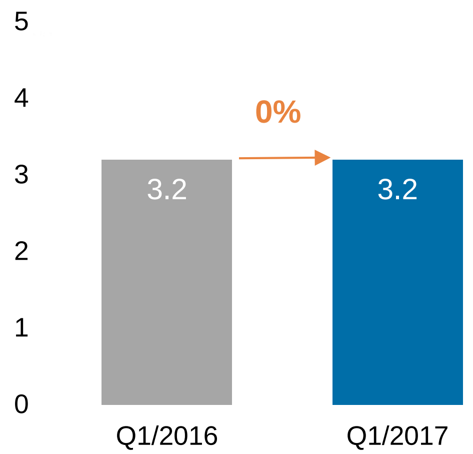
- **Book-to-bill ratio**: 1.36 (prior year 1.24)
- **Order backlog**: 128.1 million euros (31.12.16: 108.3m euros)
- Additionally, **frame contracts** of 80.8 million euros (31.12.16: 79.1m euros)

Defense & Civil Systems segment: sustainable success in business development

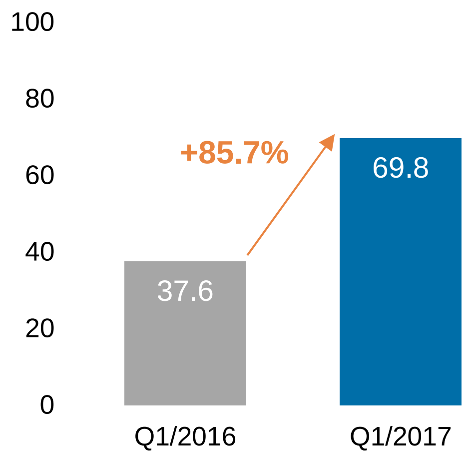
Revenue (in million euros)



EBIT (in million euros)



Order intake (in million euros)



- Revenue development: in the prior year period, settlement of several major projects in the fields of energy and sensor systems
- 30.7% of group revenue generated (prior year 34.4%)

- Stable EBIT due to good service business and changed product mix
- **EBIT margin** improved to 6.3% (prior year 5.8%)
- **EBITDA** at 4.3 million euros (prior year 4.3m euros)

- Several major international orders secured
- **Book-to-bill ratio**: 1.39 (prior year 0.69)
- **Order backlog** at 237.1 million euros (31.12.16: 217.8m euros)
- In addition, **frame contracts** of 61.6 million euros (31.12.16: 67.4m euros)

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Forecast for 2017 confirmed

Externally

- Challenging environment around the globe
- Investment behavior hard to predict

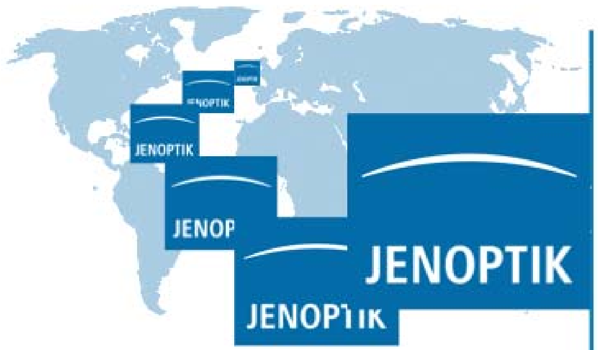
Internally

- Full order books and project pipeline
- Integrated approach intensified

	2016	2017e
Revenue	684.8 million euros	Between 720 and 740 million euros
EBIT margin	9.7%*	Between 9.5 and 10.0%

*continuing operations

Our target: to continue profitable growth with a corporate structure that is closer aligned with markets



… until 2018

„From Good to Great“

Our targets for 2018*

- Revenue of around 800 million euros by 2018 (including smaller acquisitions), of which more than 40 percent in Asia and the Americas
- EBIT margin of approximately 10 percent

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

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Dates and contact

May 11, 2017	Results of the first quarter 2017
May 16, 2017	Roadshow Brussels
June 7, 2017	Annual General Meeting, Weimar
June 13/14, 2017	Roadshow New York / Chicago
June 22, 2017	Deutsche Bank Conference, Berlin
Jun26/27, 2017	Roadshow Zurich / Geneva

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