

# JENOPTIK AG – 1st half-year 2019

Dr. Stefan Traeger | Hans-Dieter Schumacher | August 8, 2019

## 01

Development of the Jenoptik Group

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Performance of the divisions

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## 04

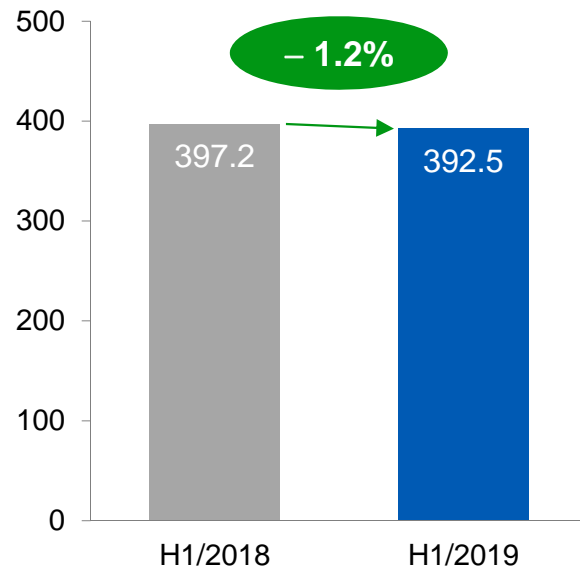
Appendix

H<sub>1</sub>  
2019

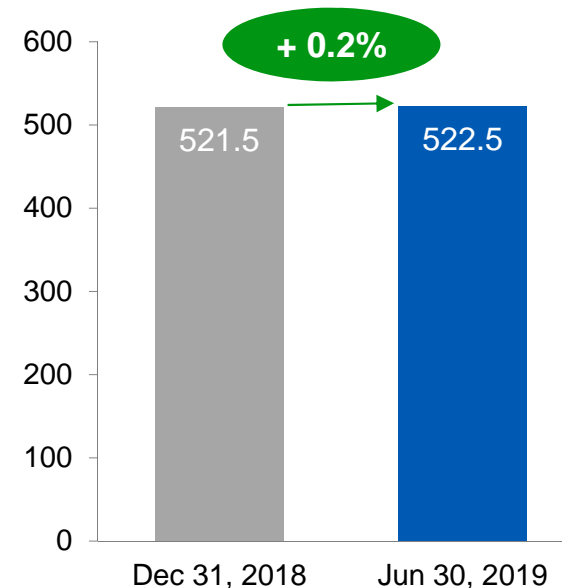
- Dr. Traeger confirmed in office for another five-year term
- Sales process for VINCORION division started
- Substantial investments in expansion and modernization of our locations
- Several orders received by Prodomax in the automation area
- New corporate structure has been in place since January 1, 2019; structures within divisions and corporate center simplified

# Order intake only slightly down on prior year; order backlog remained at high level

Order intake in million euros



Order backlog in million euros

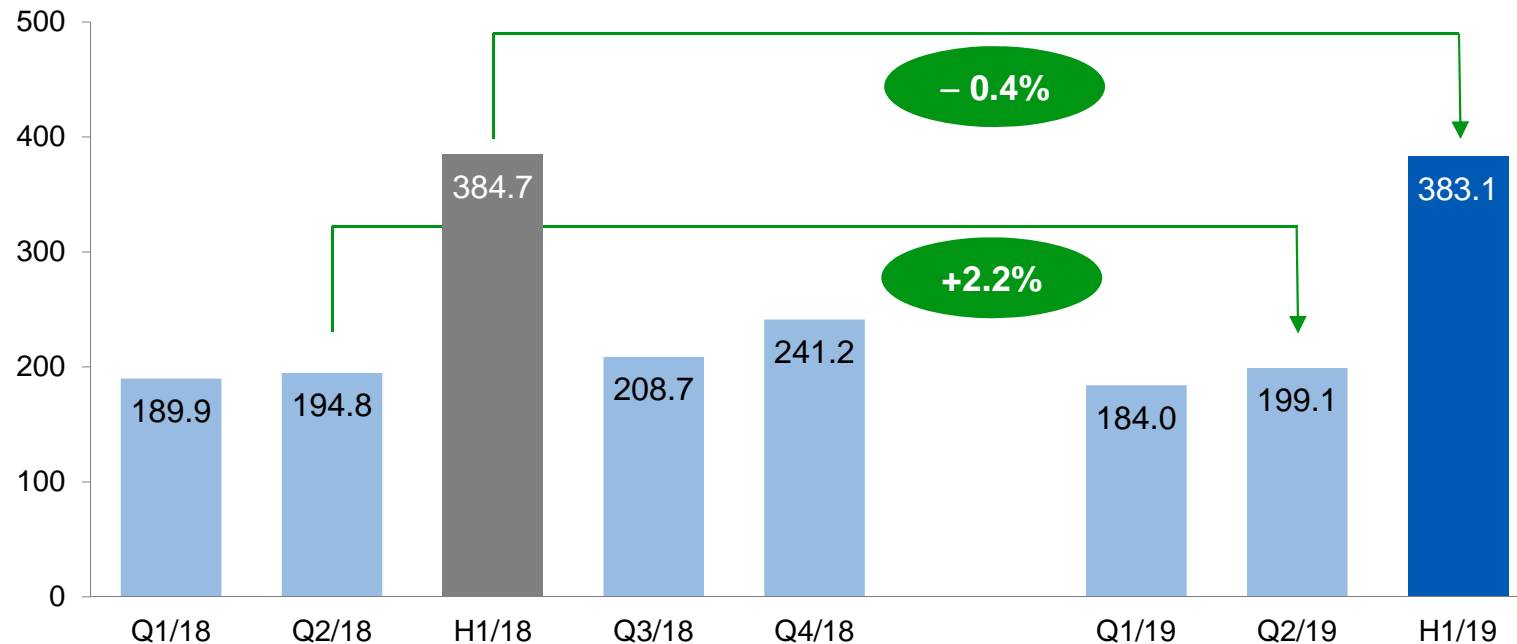


- Light & Production as well as Light & Safety divisions contributed to growth; Light & Optics division received major order earlier than expected in Q4/2018
- **Book-to-bill ratio** at 1.02 almost at prior year level of 1.03

- Solid basis for coming months
- 65% with planned conversion to revenue in 2019 (prior year 58%)
- **Frame contracts** at 56.8 million euros (31/12/18: 62.5m euros)

# Momentum increased in 2<sup>nd</sup> quarter as expected, revenue in 1<sup>st</sup> half-year almost at prior-year level

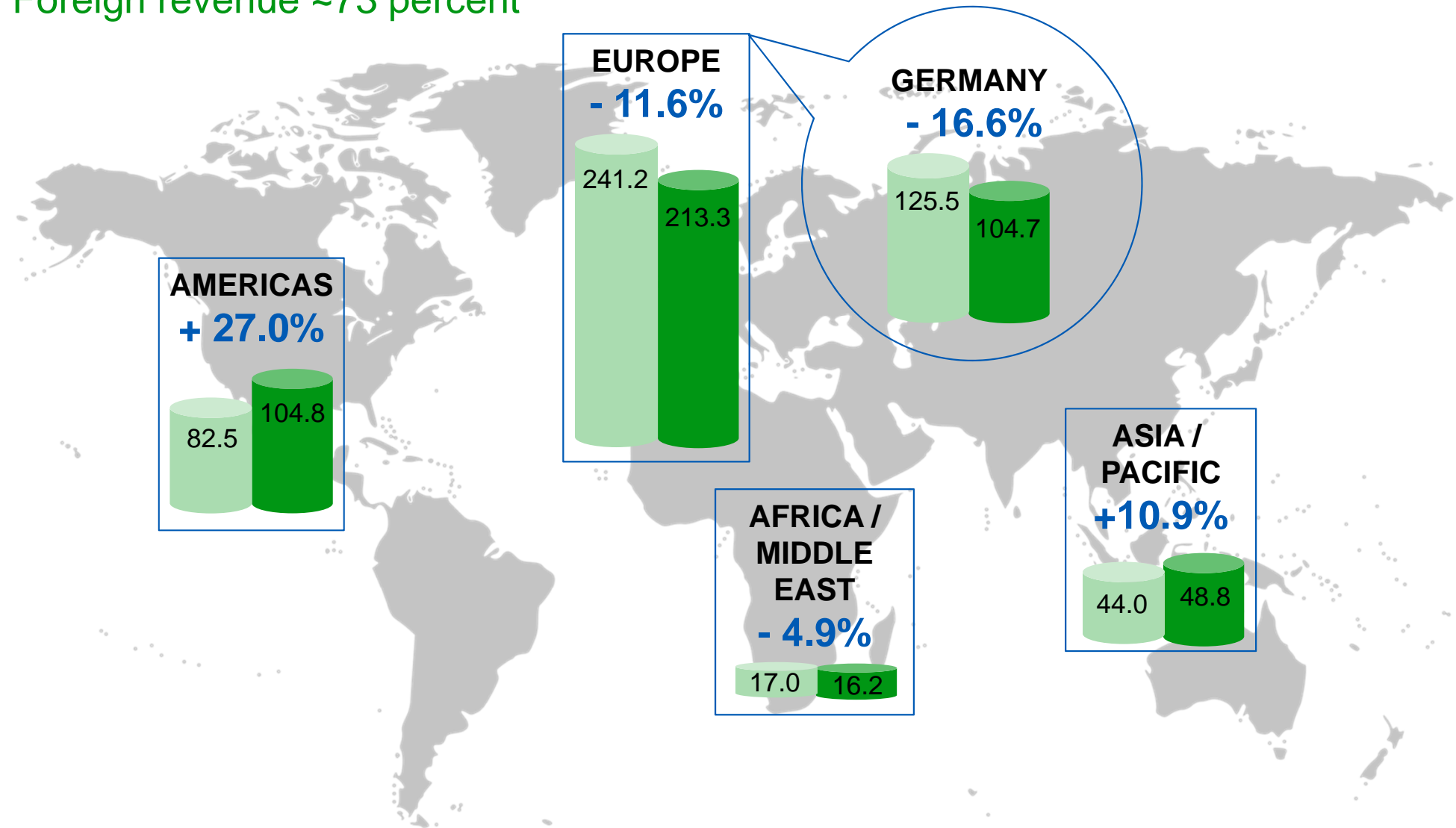
## Revenue in million euros



- Revenue grew on a quarterly basis, when compared both to the prior year and the prior quarter
- Good business with semiconductor equipment industry
- Contribution of the companies acquired in 2018: ~29 million euros
- Current export restrictions and high revenue contribution from the toll monitoring project in the prior year (approx. 25 million euros) affected development

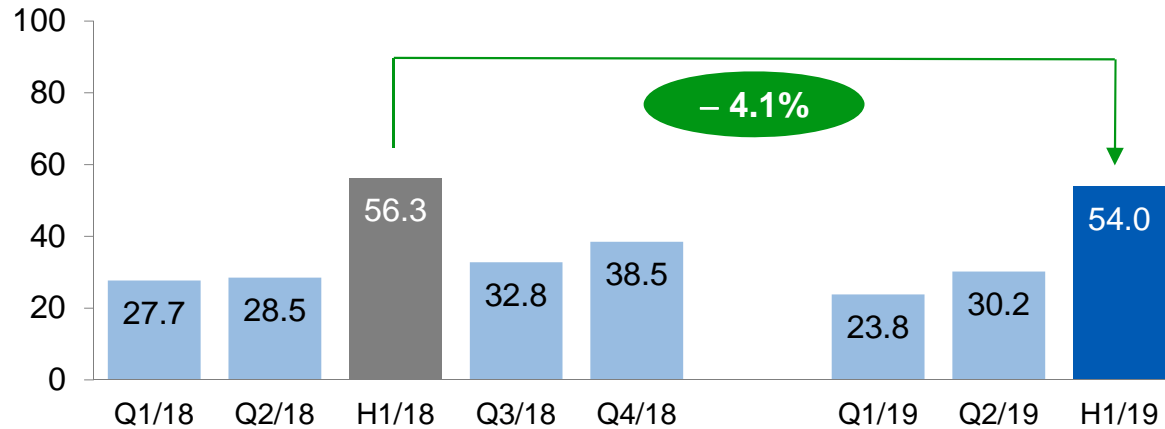
# In the 1st half of 2019 revenue grew exclusively in non-European countries

Foreign revenue ~73 percent



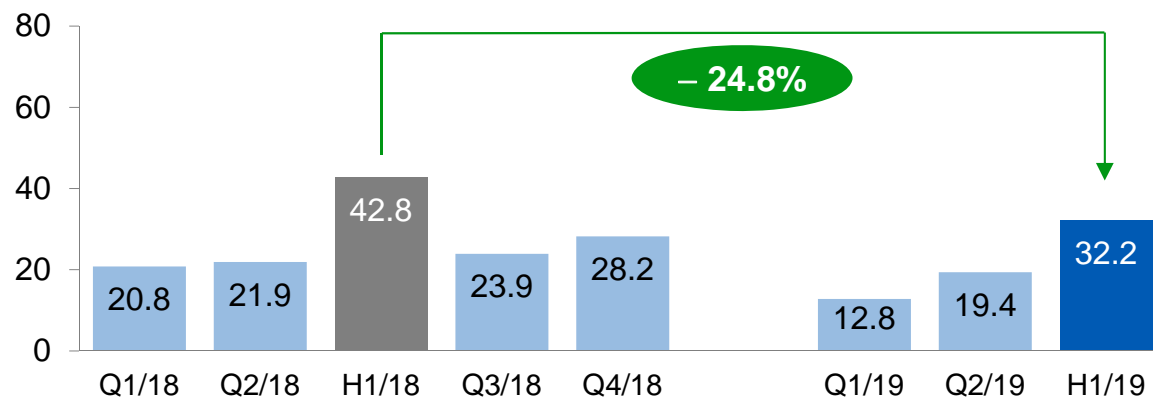
# Positive earnings development compared with prior quarter

## 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 14.1% (prior year 14.6%)
- Improvement both on prior quarter and prior-year quarter

## EBIT in million euros



- EBIT margin at 8.4% (prior year 11.1%)
- EBIT contribution of companies acquired in 2018 came to 1.5 million euros (incl. PPA effects of –3.0 million euros)

# Gross margin improved; higher investments in future growth caused rise in functional costs

In million euros	H1/2019	H1/2018
<b>Revenue</b>	<b>383.1</b>	<b>384.7</b>
Gross margin	36.0%	35.2%
Functional costs	103.0	92.7
<b>EBITDA</b>	<b>54.0</b>	<b>56.3</b>
<b>EBIT</b>	<b>32.2</b>	<b>42.8</b>
Financial result	-1.5	-1.6
<b>Earnings before tax</b>	<b>30.7</b>	<b>41.2</b>
Earnings after tax	24.2	33.4
<b>Earnings per share (euros)</b>	<b>0.42</b>	<b>0.59</b>

- **Gross margin** improved, as cost of sales decreased at a slightly stronger rate than revenue
- Rise in functional costs by 11.1%
  - **R+D:** increasing R+D activities
  - **Selling:** expansion of international distribution; acquisition of Prodomax
  - **Administration:** higher personnel costs and administrative expenses of the companies acquired in 2018 that were not contained in the prior-year period
- Cash-effective **tax rate** at 15.2% (prior year 14.2%) due to higher share of earnings generated abroad



# Free cash flow impacted in particular by lower operating cash flows and higher investments

In million euros	H1/2019	H1/2018
Operating profit before adjusting working capital	53.5	55.1
Changes in working capital and other items	-51.5	-12.3
Cash flows from operating activities before income taxes	1.9	42.7
Cash flows from operative investing activities	-16.6	-14.0
<b>Free cash flow (before interest and taxes)</b>	<b>-14.6</b>	<b>28.8</b>

- **Working Capital** grew to 256.4 million euros (31/12/18: 216.8m euros / 30/6/18: 227.1m euros), attributable in particular to higher inventories and operating receivables
- **Working capital ratio** came to 30.8% (31/12/18: 26.0% / 30/6/18: 29.0%)
- **Investments** increased as planned to 16.6 million euros (prior year 14.0m euros)
- **Net debt** increased to 79.0 million euros (prior year -27.2m euros) which was attributable to higher financial debt (rose by 56.6m euros due to IFRS 16) and reduced cash and cash equivalents

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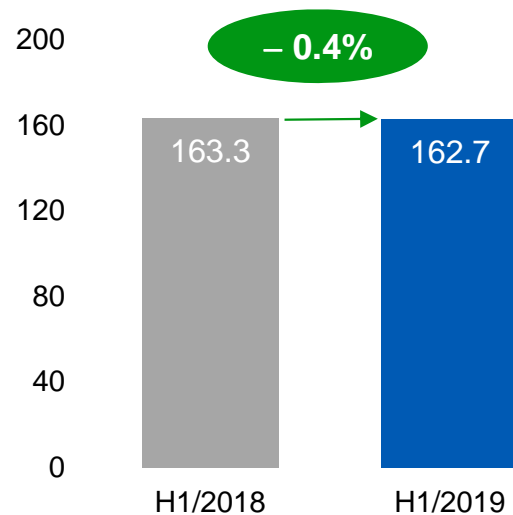
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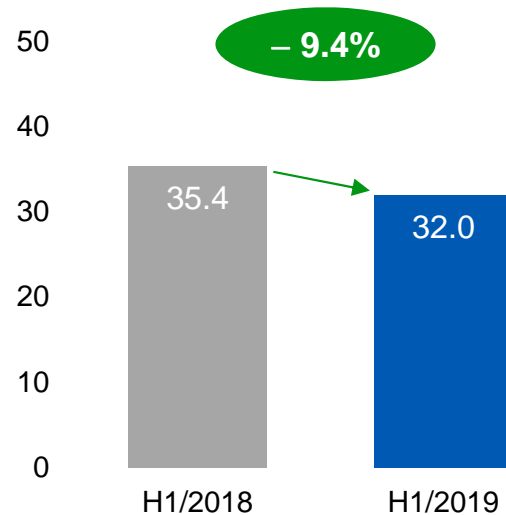
# Light & Optics division: Development in line with expectations

Revenue in million euros



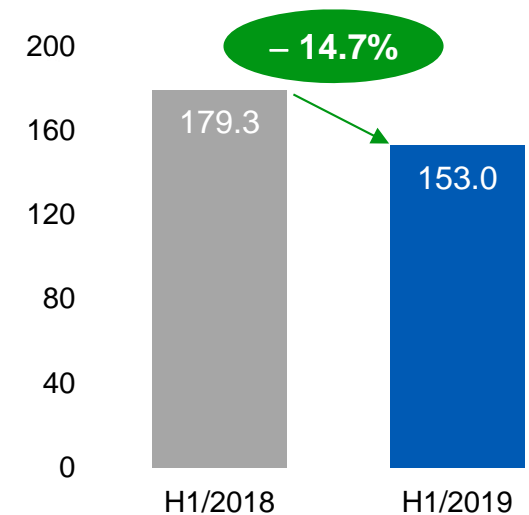
- Good business with semiconductor equipment industry; decline in the areas of biophotonics and industrial solutions
- Substantial growth of revenue in the Americas

EBITDA in million euros



- **EBITDA margin** remained at very good level at 19.5% (prior year 21.5%)
- **EBIT** came to 27.0 million euros (prior year 31.3m euros); **EBIT margin** 16.5% (prior year 19.0%)

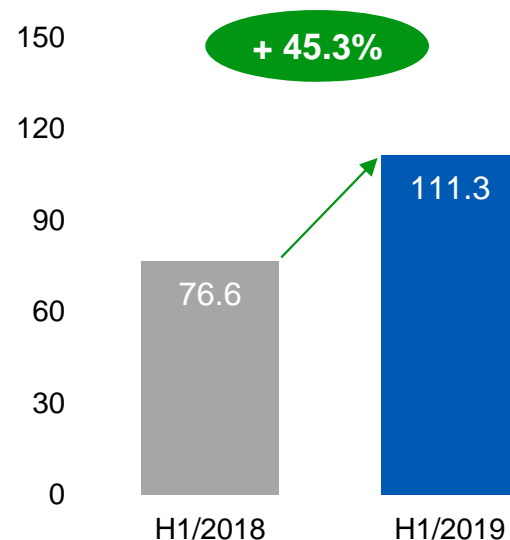
Order intake in million euros



- Major order in semiconductor equipment area already received in Q4/2018
- **Book-to-bill**: 0.94 (pr. y. 1.10)
- **Order backlog**: 162.6 million euros (31/12/18: 180.6m euros)
- **Frame contracts**: 13.9 million euros (31/12/18: 12.5m euros)

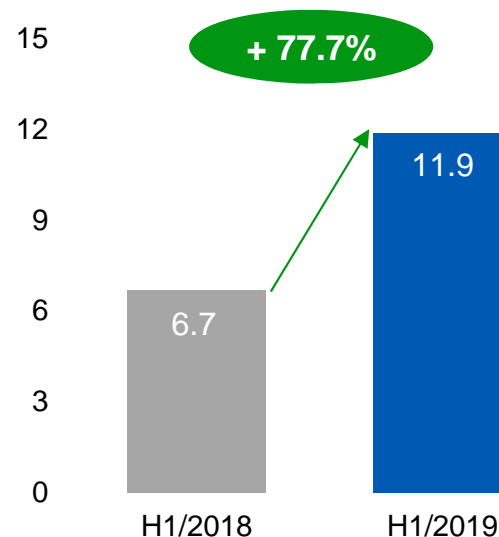
# Light & Production division: Growth mainly attributable to contributions of acquired businesses

Revenue in million euros



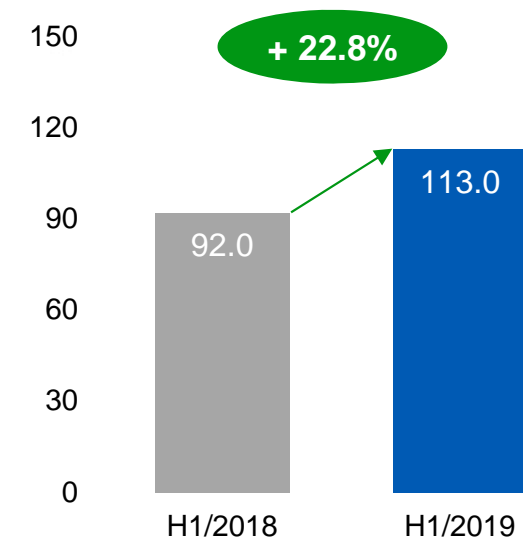
- Companies acquired in 2018 contributed approx. 29 million euros to revenue
- Strong rise in the Americas

EBITDA in million euros



- **EBITDA margin** considerably improved to 10.7% (prior year 6.7%)
- **EBIT** grew to 5.9 million euros (prior year 4.9m euros), dilutive contribution of 1.5 million euros incl. PPA effects of –3.0 million euros by companies acquired in 2018
- **EBIT margin** came to 5.3% (prior year 6.4%)

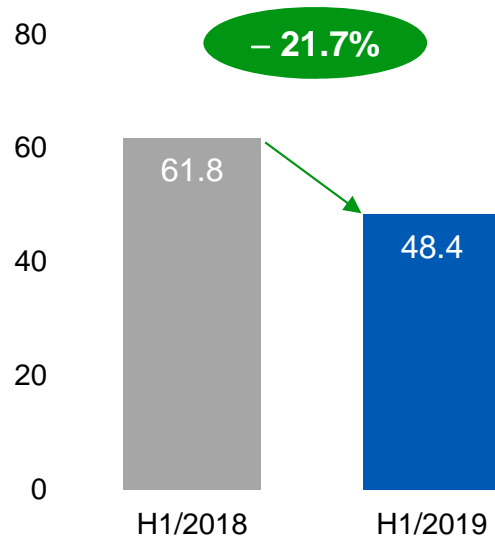
Order intake in million euros



- Several orders worth in total more than 30 million euros received in H1/2019
- **Book-to-bill:** 1.01 (prior year 1.20)
- **Order backlog:** 114.8 million euros (31/12/18: 112.5m euros)
- **Frame contracts:** none

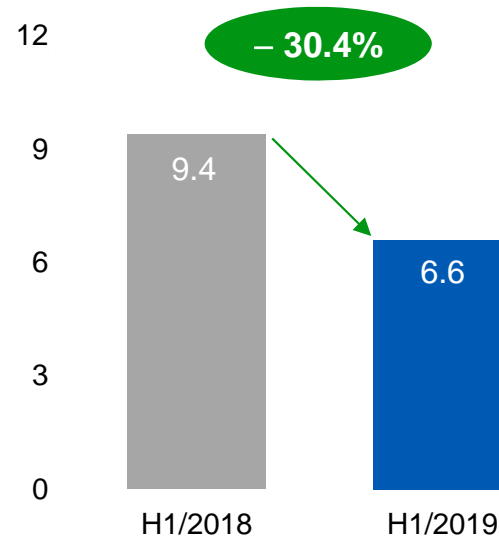
# Light & Safety division: Increase in order intake; shortfall in revenue due to toll monitoring project in the last year

Revenue in million euros



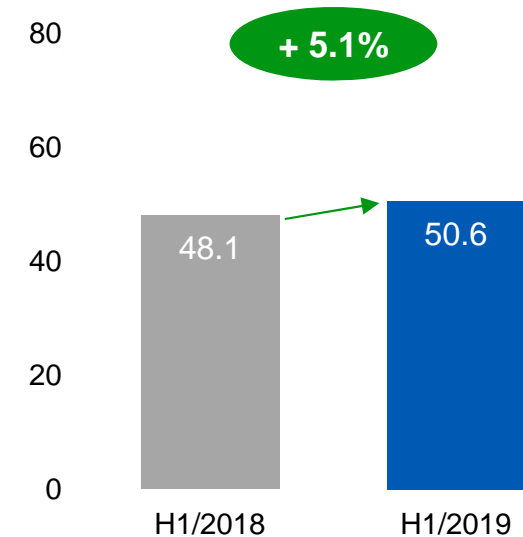
- In the prior year, toll monitoring project contributed approx. 25 million euros to substantial growth
- Growth in the Americas and Middle East/Africa, strong decline in Germany

EBITDA in million euros



- Revenue reduction was also reflected in EBITDA; **EBITDA margin** fell to 13.5% (prior year 15.2%)
- **EBIT** dropped to 3.0 million euros (prior year 7.0 million euros), **EBIT margin** at 6.2% (prior year 11.3%)

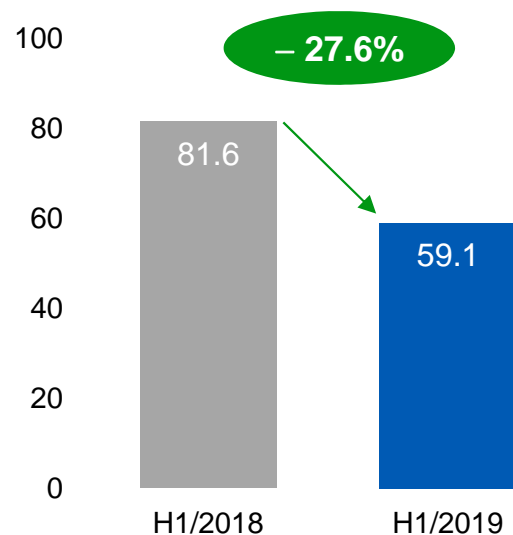
Order intake in million euros



- **Book-to-bill** improved to 1.04 (prior year 0.78)
- **Order backlog:** 71.6 million euros (31/12/18: 69.5m euros)
- **Frame contracts:** 16.0 million euros (31/12/18: 19.2m euros)

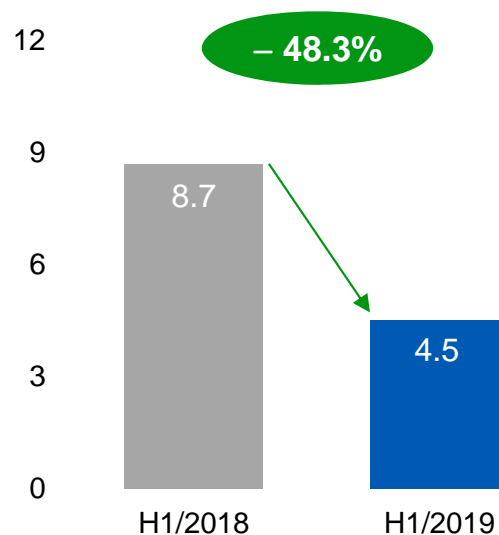
# VINCORION: Good order backlog, export restrictions with negative effect on revenue and earnings

Revenue in million euros



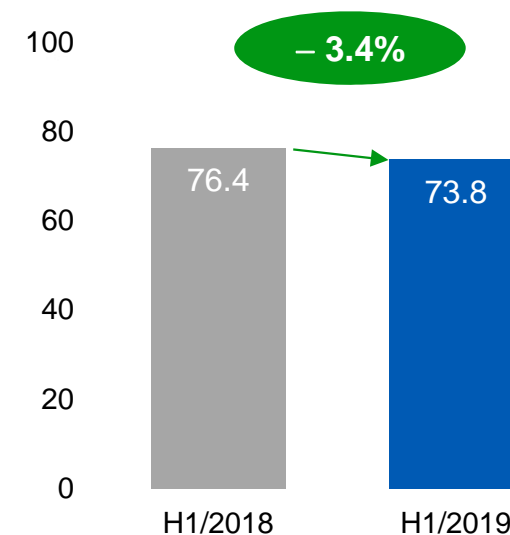
- Extended export restrictions for arms, in particular, resulted in decline in revenue
- Lower revenue in particular in Germany and the Americas

EBITDA in million euros



- Reduced revenue had an impact on earnings
- **EBITDA margin** fell to 7.6% (prior year 10.6%)
- **EBIT** 1.2 million euros (prior year 6.9 million euros); **EBIT margin** reduced to 2.0% (prior year 8.4%)

Order intake in million euros



- **Book-to-bill** grew to 1.25 (prior year 0.94)
- **Order backlog** improved to 173.0 million euros (31/12/18: 158.9m euros)
- **Frame contracts:** 26.9 million euros (31/12/18: 30.7m euros)

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# Growth expected for 2019; forecast slightly adjusted due to reluctance to invest particularly in the automotive industry

We now anticipate **revenue**, without major portfolio changes, in a range between 850 and 860 million euros (before: growth in the mid single-digit percentage range).

**EBITDA margin** is expected to come to around 15.5 percent (before: between 15.5 and 16.0 percent).



This presupposes that political and economic conditions do not worsen.



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## 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

# Dates and contact

August 8, 2019

August 9, 2019

August 29, 2019

September 3/4, 2019

September 18/19, 2019

September 25, 2019

September 25, 2019

November 12, 2019

Conference call on results of 1st half-year 2019

Analysts' meeting / roadshow, Frankfurt am Main

Commerzbank Sector Conference, Frankfurt am Main

Roadshow London / Edinburgh

Roadshow Madrid / Barcelona

Berenberg & Goldman Sachs 8th German Corp. Conf., Munich

Baader Investment Conference, Munich

Conference call on results of first nine months 2019

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