

*Dear shareholders,
dear clients, partners, and friends of our company,*

Brighter Futures with the Power of Light – this is our vision which we fill with life every day.

We have once again invested in our vision in 2019 because we are convinced of the performance of the Jenoptik Group, and because we realize technologically unique differences also for our customers' benefit.

Our photonic solutions contribute to a better future: Lenses from Jenoptik help NASA's new Mars Rover to maintain its orientation on its mission. Thanks in part to our technology, we will be able to see images from Mars by next year at the latest. With our help, it was also possible for Google, for example, to develop a new type of microscope which enables doctors to diagnose diseased cells more accurately. In addition, our innovative technology ensures modern traffic monitoring in the vicinity of New York schools, so that in particular children can make their way to school in safety. These are just a few examples that make me very proud to be at the top of Jenoptik, continuing our company's success story together with my Executive Board colleague Hans-Dieter Schumacher and more than 4,100 Jenoptik employees.

Jenoptik once again showed an outstanding performance last year, despite the challenging market. The Group is now able to look back on five consecutive years of rising revenue. And we have once again reached our top financial targets this year.

In 2019, we grew by 2.5 percent generating revenue of 855 million euros, and posted EBITDA of 134 million euros, an improvement of 5 percent. All in all, an outstanding team performance by all Jenoptik employees, especially in this economic environment.

But we were not only commercially successful. In terms of operations, we also focused all our efforts and successfully pushed ahead with our strategic priorities – operational excellence, growth in Asia and more innovation.

We started with a new group structure in January 2019. The core of this new structure are three strong photonics divisions: Light & Optics, Light & Production and Light & Safety. We have thereby better aligned our business with market requirements. The new divisions were not the only result of reorganization, we also merged a number of our companies during the course of the year, making us more agile.

In 2019, the new organizational structure was accompanied by the Operational Excellence initiative, which focused on improving delivery quality and reliability in our largest division, Light & Optics. Thanks to the production and process improvements achieved in manufacturing during the year, we have created a good starting point for the future.

Asia was another priority. Here we began to focus our sales activities more strongly on customers and markets in 2019. We have succeeded in significantly expanding our partner network in Asia, and have created good prerequisites for improving cooperation between our divisions and the respective regions, thereby ensuring future growth in those foreign markets that are important to us.

Thirdly, our group initiative "Speed up Innovation" is aimed at creating optimal framework conditions for an innovation-friendly climate within the company. To this end, we have simplified our innovation process and made the innovation landscape within the Group more transparent. One example of this is newly introduced "Vitality Index", which compares the revenue of products less than three years old with total revenue. This will make it easier for us to monitor the development and economic success of our innovation activities in the future, and will help to further sharpen our view of current and future technological competitive advantages.

After defining individual divisional strategies in accordance with the objectives of the group strategy, we also began to implement and execute these in the 2019 fiscal year.

However: A strategy is only successful when the corporate culture mentally and emotionally supports the workforce in achieving the set goals. Therefore, we consistently continued the cultural change in 2019, and engaged in a dialog to make our corporate values – open, driving, confident – more tangible for all employees. Cultural changes take time, so this process will also be a strategic priority in the current fiscal year.

2019 was also marked by the thorough integration of two companies acquired in 2018 into the Group – Prodomax in Canada and the OTTO Group from Jena. We could clearly see that the product range and the market and customer access of these companies are an ideal complement for Jenoptik. The good business development by Prodomax and OTTO contributed significantly to the revenue growth of the Group in 2019. We see our most recent acquisition in January 2020 – the Spanish company INTEROB –in the same context. This acquisition strengthens our position as an integrated provider of highly efficient, automated manufacturing solutions and as a strategic partner to the automotive industry.

Unfortunately, we also had to accept setbacks in 2019. In the middle of the year, we announced the start of the sales process for our mechatronics business operating under the VINCORION brand. We were very confident that we would be able to complete the process in the first half of 2020. However, at the beginning of the year, we found that there was no offer at that time that adequately reflected VINCORION's business potential. Therefore, on January 17, we decided to stop the sale process. Personally, this disappointed me greatly, and we did not take this decision lightly. But, VINCORION is an extremely healthy company with good, new products and a prospering market demand. We are confident that the division can achieve further increases in revenue and earnings in 2020. VINCORION will now operate as an independent investment of the Group, separate from our photonics activities under the Jenoptik brand.

However, this does not mean that we are deviating from our strategy. The target for the coming years until 2022 remains unchanged. We will concentrate on what we do best: Under the motto "More Light", we want to create a modern high-tech group focused on photonics. Our aim is to find the correct technological responses to the major issues of the future – digitization, mobility and security.

At the beginning of 2020, the difficult economic climate globally has not eased. In addition, the outbreak of SARS-CoV-2 in the past weeks had a negative impact on the global economic development. At present, it is difficult to assess the effects on our business. Nevertheless, our presence in the markets, the innovative strength of our products and the positioning of Jenoptik in various sectors, gives us confidence to emerge from the crisis stronger than before.

We want to continue the Jenoptik success story. Subject to the effects from the SARS-CoV-2 outbreak we expect a solid development in 2020.

Dear shareholders, customers, partners and friends of Jenoptik. We thank you for the trust you have placed in our company. We strongly believe that we still have many more successes ahead of us, both large and small. Stay committed to Jenoptik and accompany us on our journey into a promising future.

Brighter Futures with the Power of Light – that is what Jenoptik stands for and that is what we stand for.



Dr. Stefan Traeger
President & CEO



Hans-Dieter Schumacher
Chief Financial Officer