



## JENOPTIK AG: Results of fiscal year 2013 and outlook

A background image of a blue quilted surface, possibly a mattress or a piece of fabric, with a grid of square indentations.

SUCCEEDING  
THROUGH  
PERFORMANCE

March 25, 2014

Dr. Michael Mertin, CEO  
Rüdiger Andreas Günther, CFO

- Jenoptik – fiscal year 2013
- Segment reporting
- Outlook 2014

2013

## Targets 2013

### Customers Internationalization Technology

- Regional growth as well as development of new markets
- Winning new key accounts
- Transfer of technology and expertise



### Operational excellence

- Launched projects for the development of the Group have successfully been continued according to plan (JOE, Go-Lean)



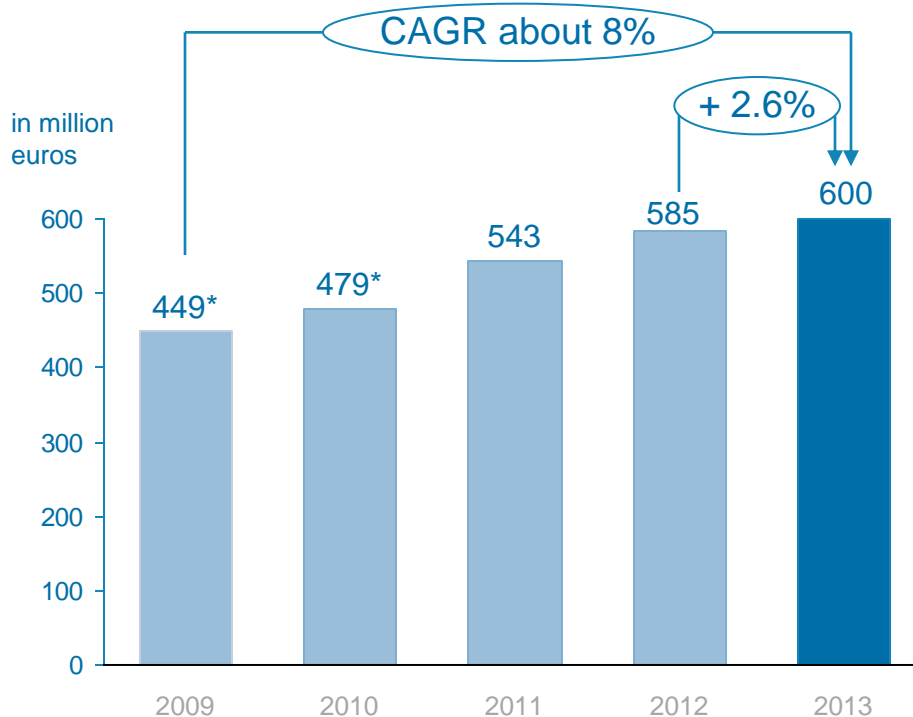
### Financial indicators

- Revenue growth of up to 5 %
- EBIT 50 to 55 million euros before project costs
- Sustainable improvement of financial position and balance sheet structure



# Long-term growth above market average

## Group revenue has risen significantly since 2009



\* Without Jena-Optronik

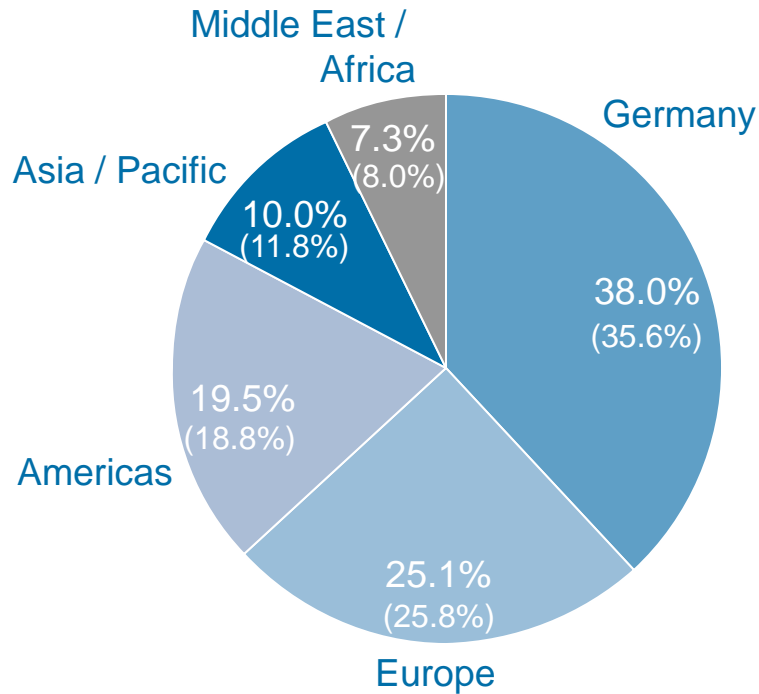
- Sales grows to 600 million euros and is thus as projected higher than in prior year (growth of photonics market about 6.5%)
- Positive trend in the course of the year; Q4 = strongest quarter
- Market weakness in Asia and Europe compensated through good development in Germany and America

# About 62 percent of revenue were generated abroad Automotive/machine construction remain most important markets



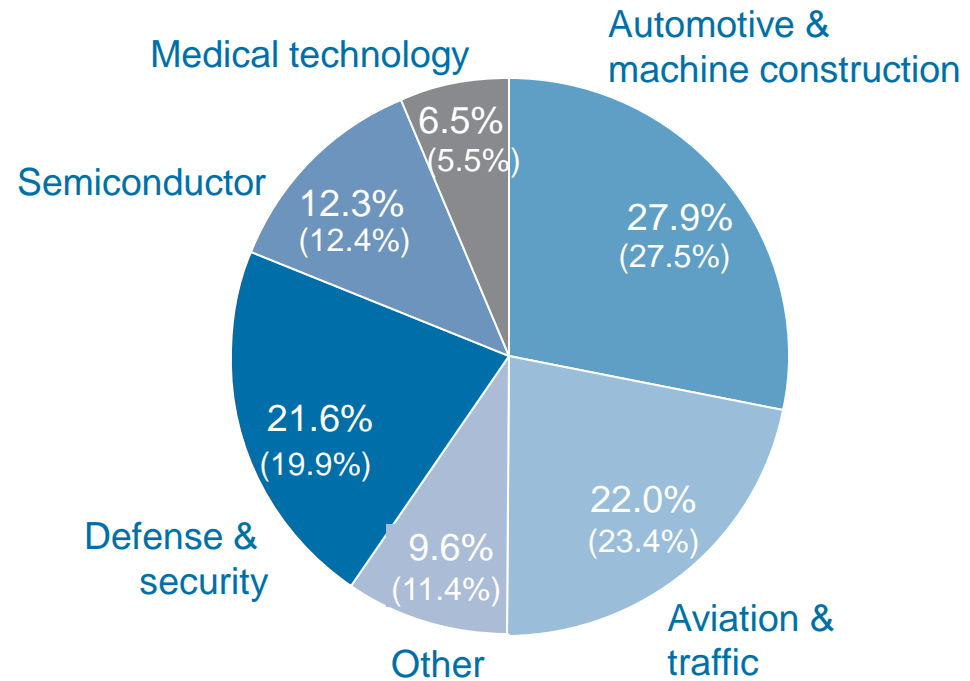
## Revenue by region

2013 and prior year



## Revenue by target markets

2013 and prior year



# Income statement 2013: Earnings before tax higher than in prior year



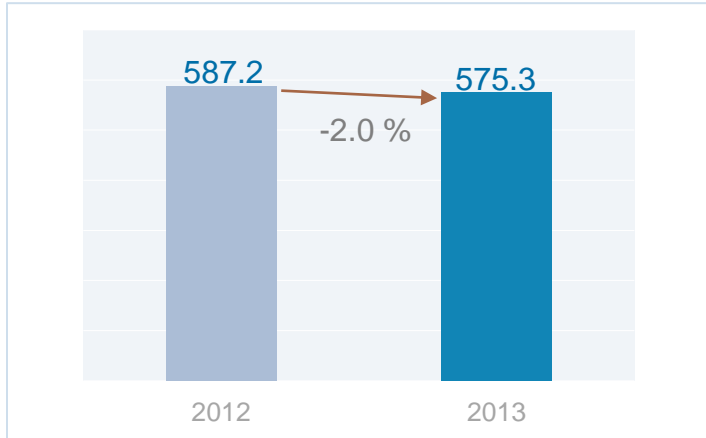
| In million euros      | 2013        | 2012        |
|-----------------------|-------------|-------------|
| Revenue               | 600.3       | 585.0       |
| Gross profit          | 205.7       | 203.4       |
| Gross margin          | 34.3%       | 34.8%       |
| Functional costs      | 152.8       | 143.7       |
| <b>EBIT</b>           | <b>52.7</b> | <b>54.8</b> |
| EBIT margin           | 8.8%        | 9.4%        |
| Financial result      | -5.5        | -8.7        |
| EBT                   | 47.2        | 46.1        |
| EAT                   | 47.2        | 50.2        |
| <b>EPS (in euros)</b> | <b>0.82</b> | <b>0.88</b> |

- Pleasing revenue development is also reflected in higher gross profit – gross margin remains at good level
- EBIT in Q4/2013 is best quarter
- EBIT margin in second half of the year with more than 9 percent in our target range
- Financial result significantly improved
  - Interest expenses fell as a result of better financing conditions
  - Positive investment result
- EBT rises by 2.4 percent
- Cash-effective tax rate amounts to 9.7 % (prior year 12.0 %)

# Order intake only slightly below high level of prior year; order pipeline well filled; trend to shorter-term orders



Order intake in million euros



- Order intake did not quite reach the high level of the prior year
  - 2012: several major orders included, among others for traffic safety systems for Malaysia and Oman
  - Postponement of orders to subsequent periods due to a weaker economic development

Order backlog in million euros



- Book-to-bill: 0.96 (prior year: 1.00)
- Order backlog remains at comfortable level
  - 58% of revenue planned for 2014 is already secured by orders on hand
  - Different order structure in the Defense & Civil Systems segment

# Reduction in working capital has positive effect on free cash flow



| In million euros  | 2013  | 2012  |
|---|-------|-------|
| Operating profit before working capital changes                           | 75.7  | 79.2  |
| Changes in working capital and other items                                | -8.5  | -5.5  |
| Cash flows from operating activities before taxes                         | 67.2  | 73.7  |
| Cash flows from operative investing activities (tang. and intang. assets) | -16.4 | -33.8 |
| Free cash flow (before interest and taxes)                                | 47.0  | 43.7  |

- Cash flows from operating activities remain at good level
- Active working capital management contributes to WC reduction by 7.2 million euros to 195.6 million euros
  - In spite of higher business volume and major projects launched we were able to reduce inventories and thus working capital
- Amount of investments made substantially lower than in prior year

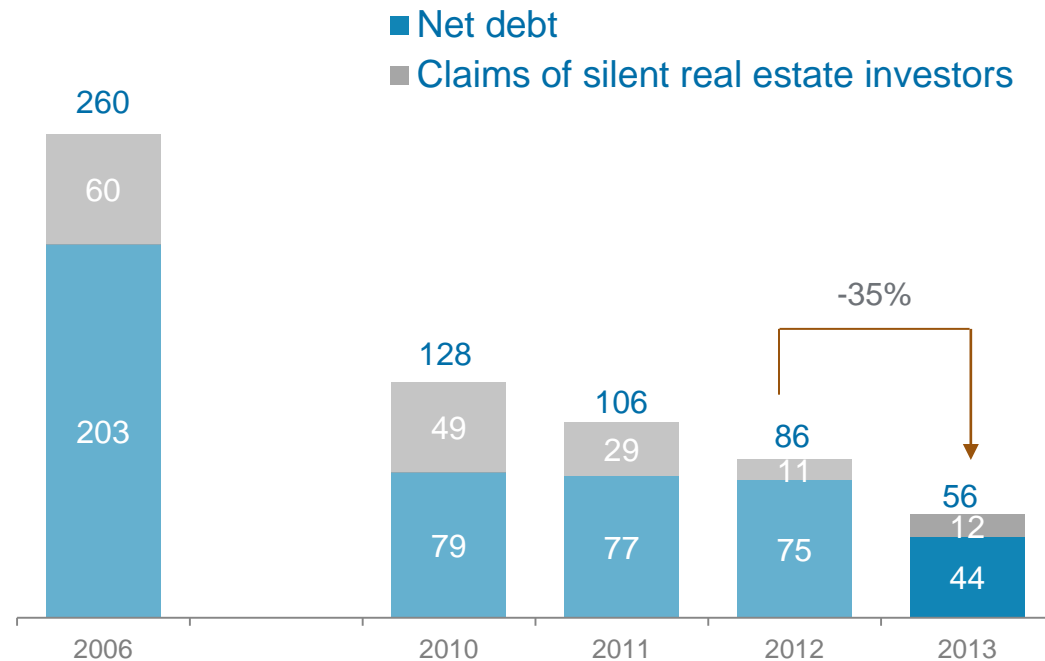


# Net debt substantially reduced to due strong cash flows



## Net debt and claims of silent real estate

in million euros



- Net debt significantly reduced in spite of higher dividend and payments for current Group development projects
- Equity ratio rose from 49.3 to 53.0 percent

## Conclusion: 2013 was a successful fiscal year for Jenoptik; Group has remained „on track“ – operationally and financially



- Forecast revenue and EBIT figures were achieved in a challenging environment
- It is the 4th year in succession in which the Group generated organic growth
- As expected, EBIT was affected by the expansion of international distribution, higher R+D expenses as well as projects for Group development
- EBT higher than in prior year, investment and interest result improved
- Increase in free cash flow results in a further substantial reduction of net debt and allows for a higher dividend proposal

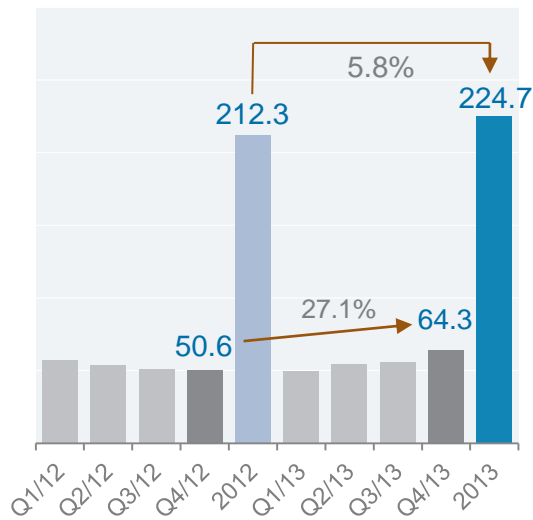
- Jenoptik – fiscal year 2013
- **Segment reporting**
- Outlook

# 2013

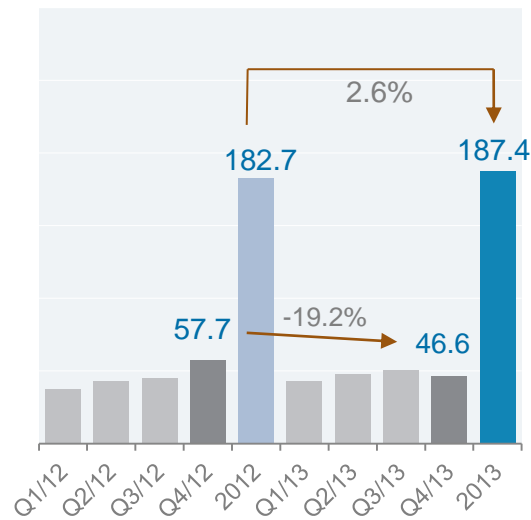
# Lasers & Optical Systems as well as Metrology with new revenue records



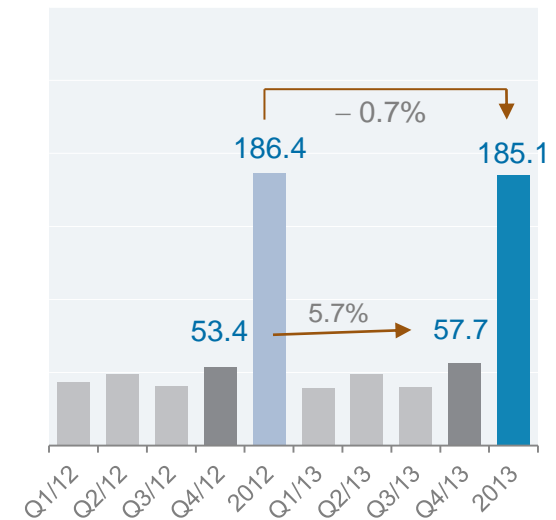
Lasers & Optical Systems  
Revenue in million euros



Metrology  
Revenue in million euros



Defense & Civil Systems  
Revenue in million euros

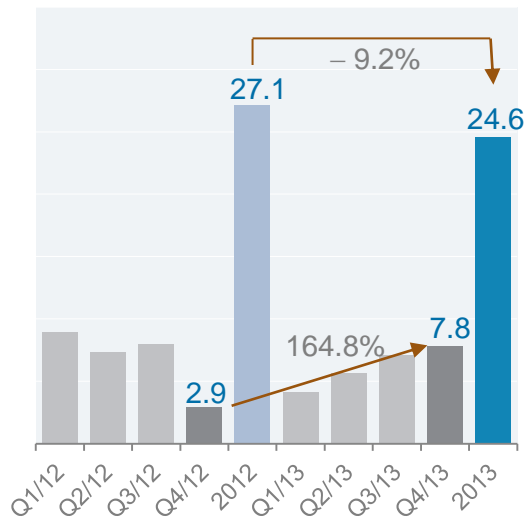


- **Lasers & Optical Systems:** positive trend in the course of the year, noticeable improvement in investment behaviour of customers in Q4; growth in Germany and America
- **Metrology:** Increase in revenue in particular in Germany and America; in Asia investment was restrained due to uncertain framework conditions; global demand remained intact
- **Defense & Civil Systems:** strong finish of the year as expected, high revenue level in 2012 was exceeded in final quarter 2013; growth in Germany and Europe

# Lasers & Optical Systems as well as Defense & Civil Systems with strong Q4

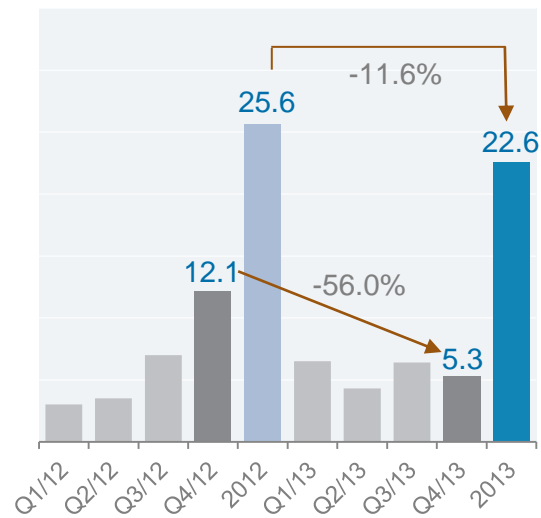


Lasers & Optical Systems  
EBIT in million euros



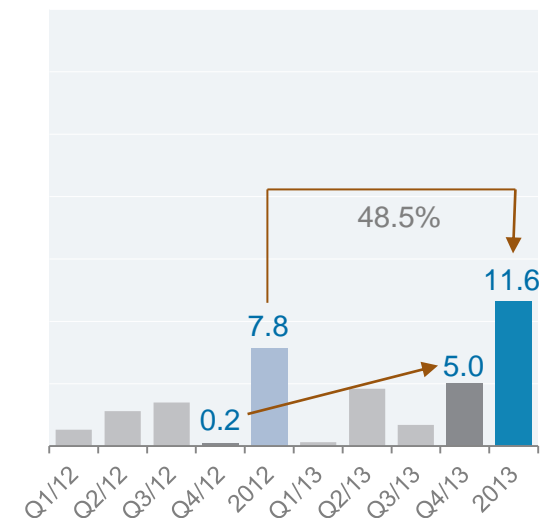
EBIT margin 10.9% (2012: 12.8%)

Metrology  
EBIT in million euros



EBIT margin 12.0% (2012: 14.1%)

Defense & Civil Systems  
EBIT in million euros



EBIT margin 6.2% (2012: 4.2%)

- **Lasers & Optical Systems:** positive development in the course of the year, changed product mix due to weaker semiconductor equipment market, increase in life sciences area
- **Metrology:** investment in expansion of sales and in new products; EBIT lower than in prior year in particular as a result of invoicing major traffic safety projects in Q4/2012
- **Defense & Civil Systems:** increase in earnings due to improved cost structures and one-off effects

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2013  
2014

# 2014: Stronger growth expected



|               | 2013                |   | 2014e                          |
|---------------|---------------------|---|--------------------------------|
| Group revenue | 600.3 million euros | → | Growth of 5 - 10 percent       |
| Group EBIT    | 52.7 million euros  | → | Rise to 55 to 62 million euros |

- EBIT development will depend on economic trend, in particular in the semiconductor equipment and automotive industries
- Further expansion of international sales structures
- Projects for Group development such as JOE and Go-Lean will be continued

# 2014: Positive development in all segments expected



## Lasers & Optical Systems



- Restrained but stable development expected in the semiconductor equipment industry
- Rising sales with other industries, e.g. life sciences / medical technology / automotive industry
- Further expansion of systems business

Revenue growth  
of up to 10 percent

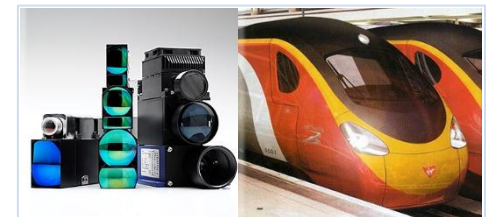
## Metrology



- Globally growing demand for more efficient drives and the necessary measuring technology
- Execution of major international orders in the area of traffic safety

Slight rise in revenue

## Defense & Civil Systems



- Stable business development ensured by long-term major orders
- Internationalization
- Stronger focus on civil applications

Revenue growth  
in upper single-digit  
percentage range



Our target: to continue profitable growth



## Our mid-term targets

- Continuation of approx. 10 percent growth per year over the cycle
- Revenue of 800 million euros by 2017 (without larger acquisitions), of which more than 40 percent in Asia and America
- EBIT margin of 9 -10 percent over the cycle

- Appendix

- March 25, 2014
- March 26, 2014
- April 4, 2014
- April 9, 2014
- May 13, 2014
- May 14-15, 2014

## Financial Statements 2013

Analysts' conference and roadshow, Frankfurt

Capital market conference Bankhaus Lampe, Baden-Baden

Roadshow, London

Results of 1st quarter 2014, conference call

Capital market conference Commerzbank, Boston / New York

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