JENOPTIK AG
Consolidated Financial Statements 2018

Dr. Stefan Traeger | Hans-Dieter Schumacher I March 21, 2019

Agenda

MORE LIGHT

01
Development of the Jenoptik Group

02
Performance of the segments

03
Outlook

04
Appendix

Major events in 2018; strategic priorities implemented

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Corporate structure

VINCORION

Business in Asia

- Reorganization of the corporate structure, four new divisions established; structures within the divisions and the Corporate Center simplified
- Launch of the new „VINCORION“ brand for the mechatronics business
- Realignment of the business in Asia – new management, simpler structures and clear responsibilities
- Successful acquisition of Prodomax Automation Ltd., Canada and the OTTO Group, Germany
- Extensive investments in the expansion and modernization of our sites

Revenue
834.6m euros
+11.6%

EBITDA
127.5m euros
+19.3%

Tailwind from the markets and acquisitions led to substantial rise in revenue

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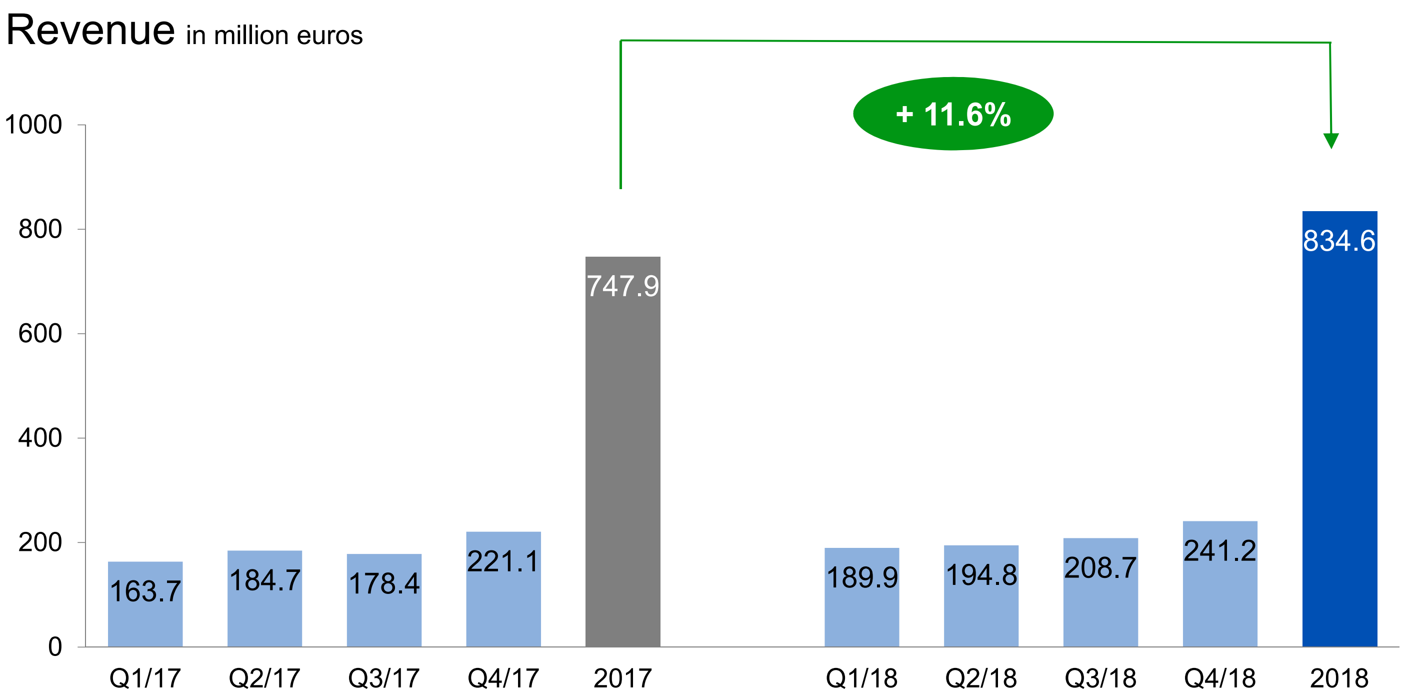

- New revenue record; Q4 strongest quarter
- Organic growth of 6.6%, revenue contribution of the acquired companies: 37.0 million euros
- Stronger demand in particular from the areas of semiconductor equipment as well as traffic safety solutions (scheduled deliveries of toll monitoring systems in H1/2018)

Acquisitions and settlement of a major order drive growth in Germany and abroad

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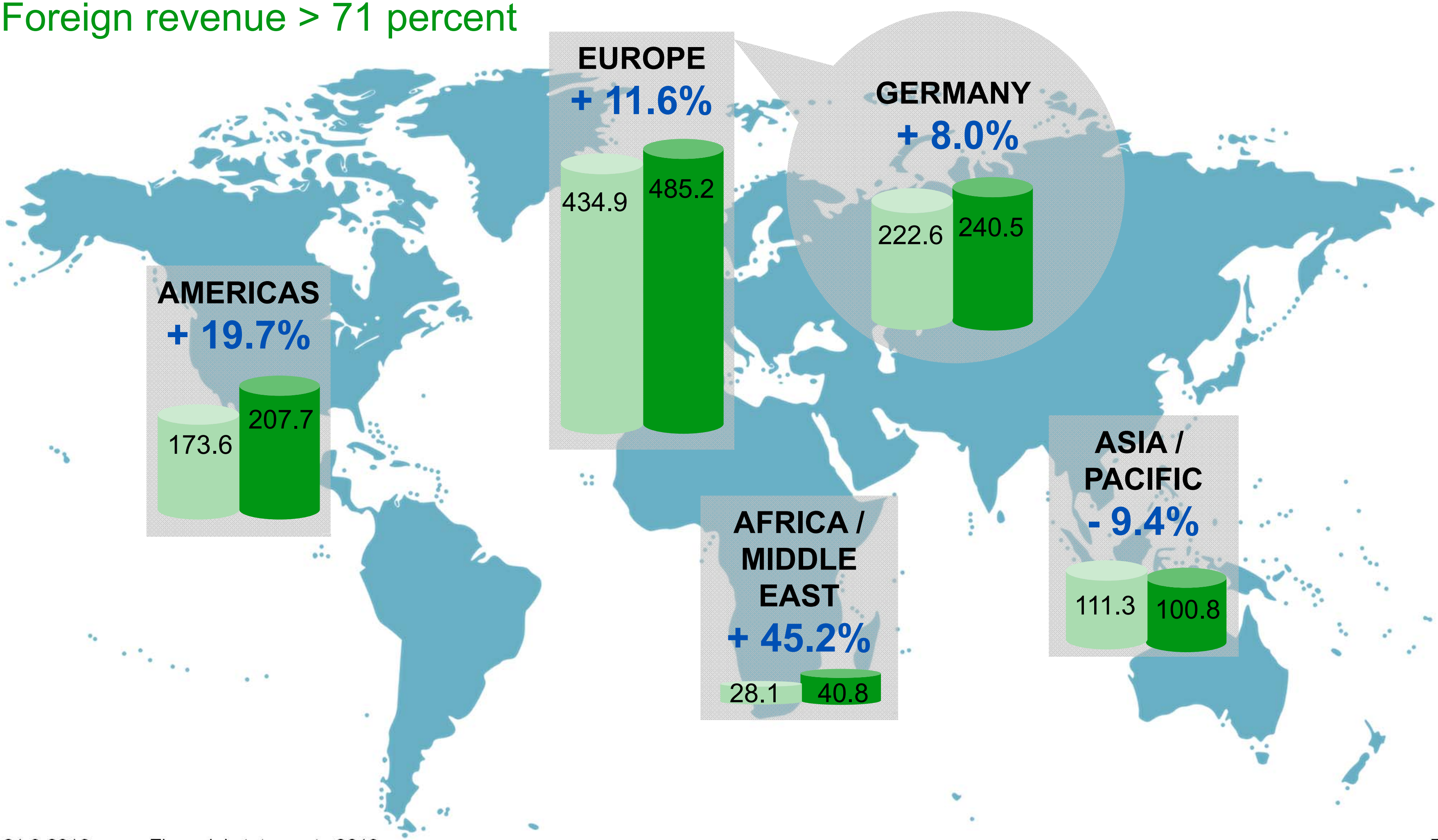
Foreign revenue > 71 percent



Automotive and semiconductor equipment with higher revenue share

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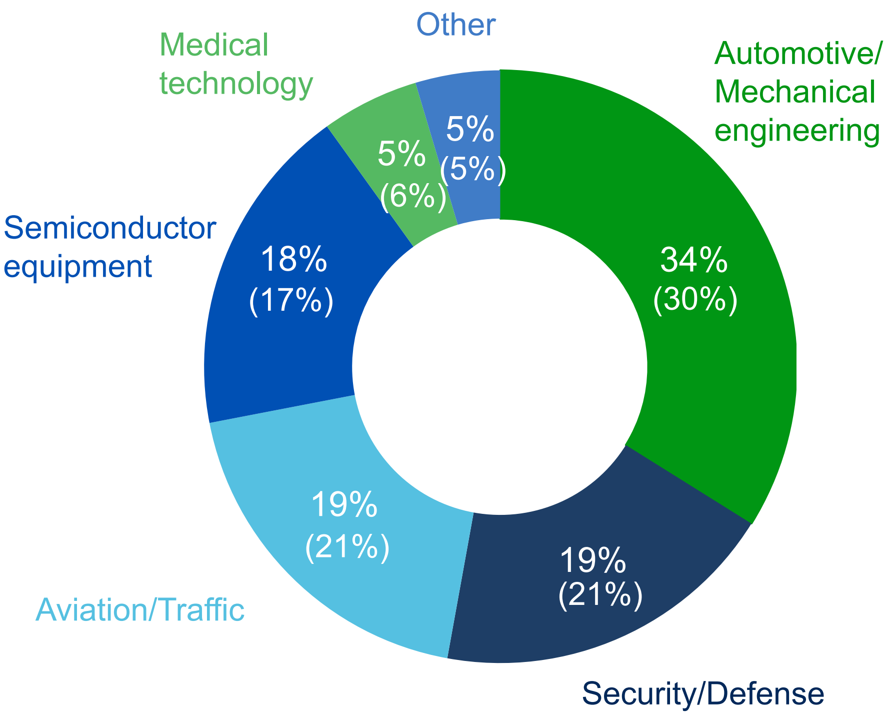
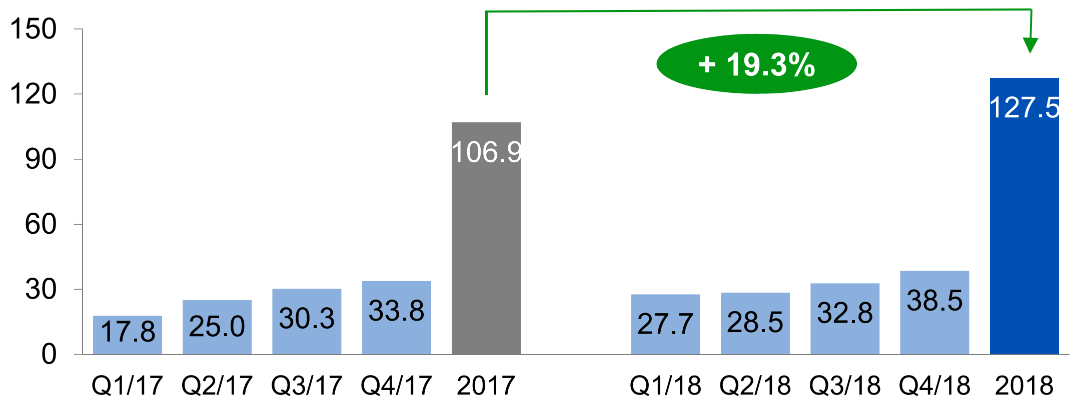
Revenue by markets
(prior year figures in brackets)



- Automotive/Mechanical engineering: contribution of acquired companies and strong demand
- Semiconductor equipment industry with higher share of revenue
- 18.0 percent of revenue attributable to top 3 customers (prior year 18.3%)

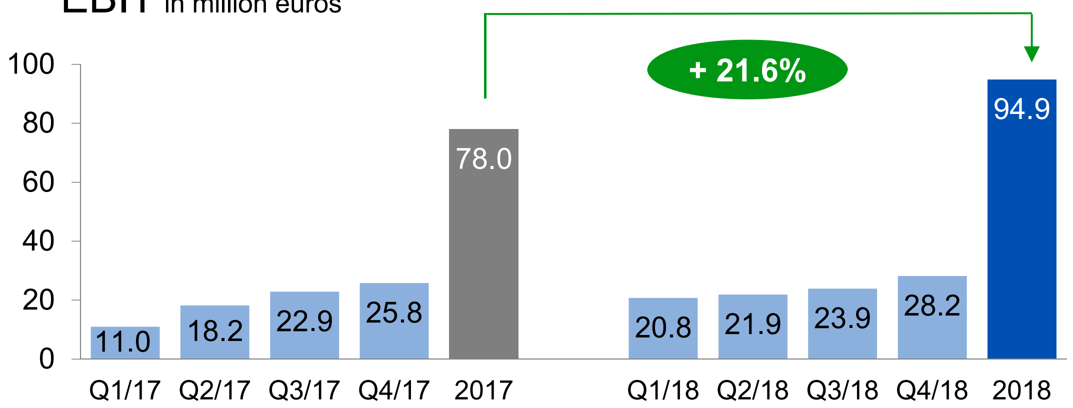
EBITDA and EBIT with new records in spite of PPA effects

EBITDA in million euros



- All three segments with higher EBITDA contribution
- EBITDA margin substantially improved to 15.3% (prior year 14.3%)
- PPA effects –7.0 million euros, acquisition costs –1.9 million euros

EBIT in million euros



- Significant rise in EBIT due to higher revenue and a lower increase in functional costs
- EBIT margin grew to 11.4% (prior year 10.4%)
- EBIT contribution of acquired companies came to –0.5 million euros (including PPA effects of –10.5 million euros)

Successful business development is also reflected in marked improvement of other earnings figures

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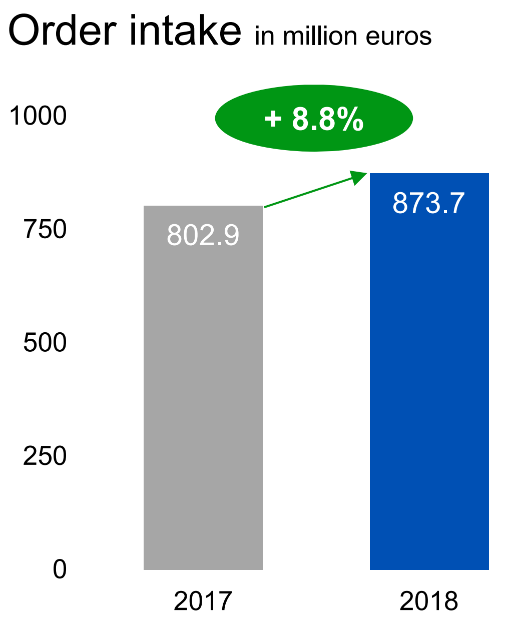
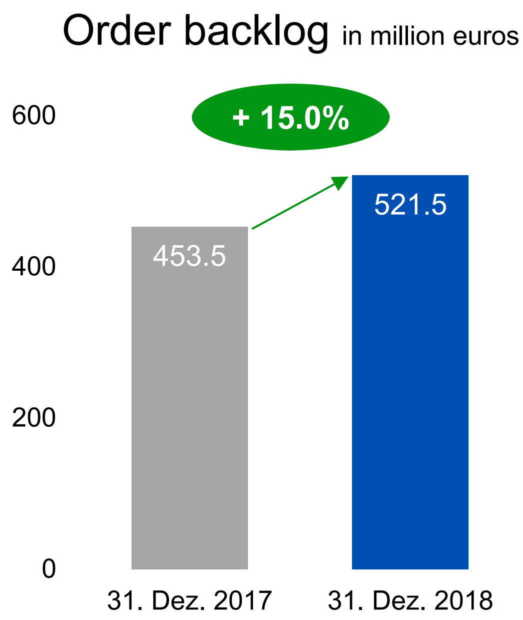
In million euros	2018	2017
Revenue	**834.6**	**747.9**
Gross margin	35.1%	35.3%
Functional costs	190.6	179.2
EBITDA	**127.5**	**106.9**
EBIT	**94.9**	**78.0**
Financial result	–3.5	2.0
Earnings before tax	**91.4**	**80.1**
Earnings after tax	87.4	72.5
Earnings per share (euros)	**1.53**	**1.27**

- Cost of sales showed slightly stronger rise than revenue due to changed product mix, **gross margin** was a bit lower than in prior year
- Rise in **R+D**, **selling and administrative costs** at 6.4% lower than revenue growth
- **Financial result** weaker (prior year: one-off income from the disposal of non-operating financial investments)
- Decline in cash-effective **tax rate** to 12.0% (prior year 17.9%) attributable in particular to usable tax losses carried forward and US tax reform

Order figures also at record values, strong order intake in the final quarter





- In Q4/2018 new orders of 285.3 million euros (Q4/2017: 226.7m euros)
- Increase due to stronger demand in the Optics & Life Science and Mobility segments
- **Book-to-bill ratio** 1.05 (prior year 1.07)

- Good basis for coming months; 79% with shipment dates in 2019 (prior year 79%)
- Acquired companies contributed 35.9 million euros

- **Frame contracts** at 62.5 million euros (31/12/17: 87.6m euros)

Free cash flow increased markedly in spite of higher capital expenditure

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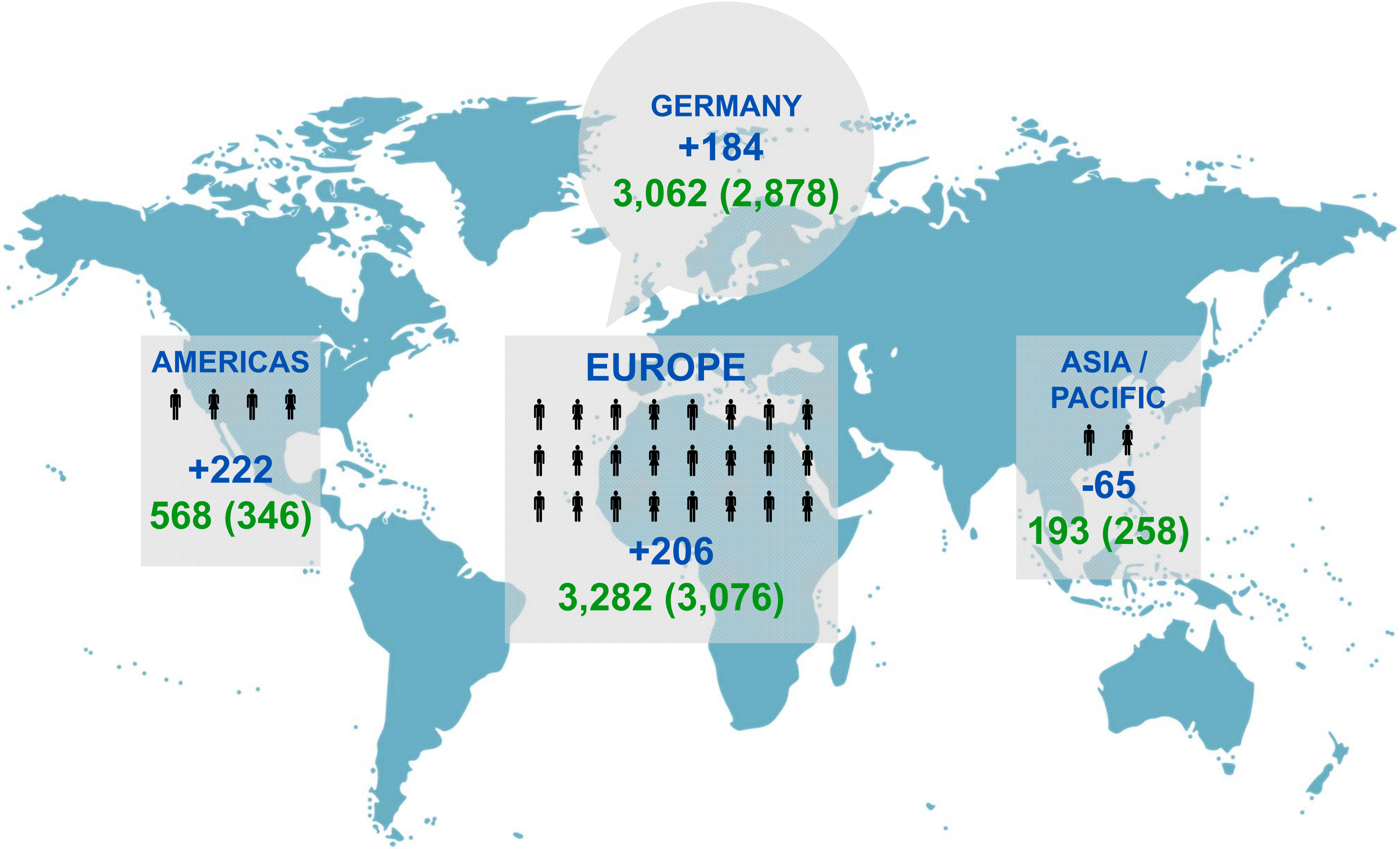
In million euros	2018	2017
Operating profit before adjusting working capital	127.2	107.5
Changes in working capital and other items	22.2	–2.4
Cash flows from operating activities before income taxes	149.3	105.1
Cash flows from operative investing activities	–41.1	–32.8
Free cash flow (before interest and taxes)	**108.3**	**72.2**

- **Working capital** grew slightly to 216.8 million euros (31/12/17: 214.8m euros), in particular due to higher operating receivables
- **Working capital ratio** improved to 26.0% (31/12/17: 28.7%)
- **Investments** rose, as planned, to 42.5 million euros (prior year 37.9m euros)
- **Free cash flow** climbed to 108.3 million euros in spite of higher investments (prior year 72.2m euros)
- **Net debt** came to –27.2 million euros despite payments for acquisitions (prior year –69.0m euros)

Number of employees grew to 4,043, increase abroad attributable to acquisition



Agenda

01
Development of the Jenoptik Group

02
Performance of the segments

03
Outlook

04
Appendix

Optics & Life Science segment: high demand was driving growth and profitability

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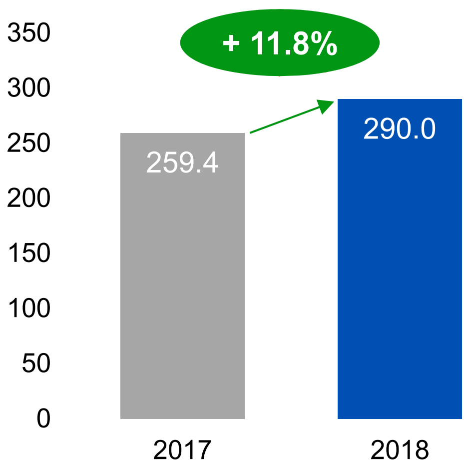
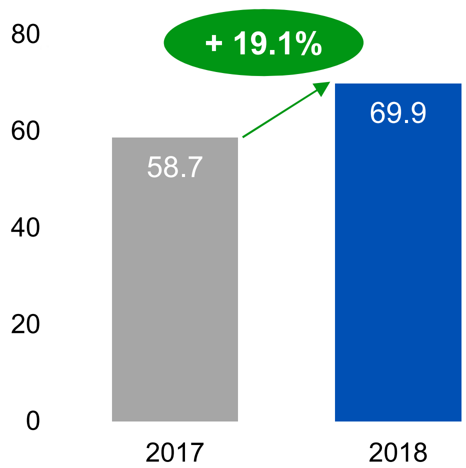
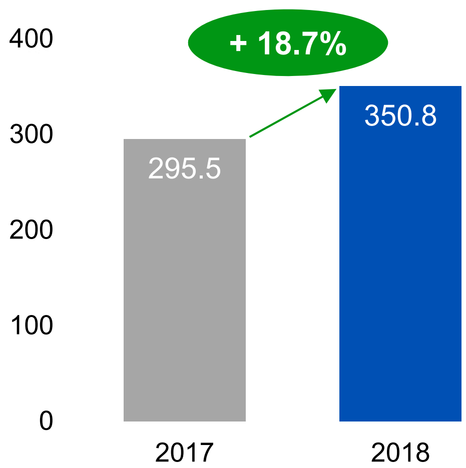
Revenue in million euros



EBITDA in million euros



Order intake in million euros



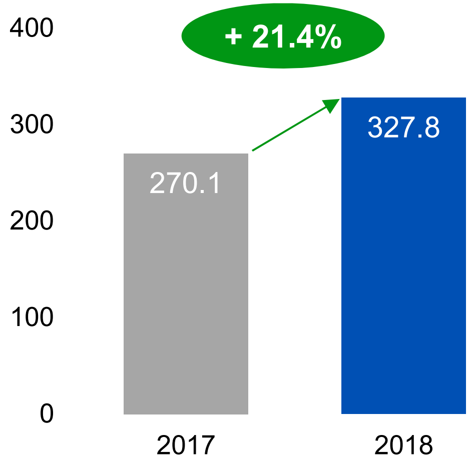
– New revenue record
– Semiconductor equipment industry and positive development in the healthcare & industry area were again driving increase

– **EBITDA margin** improved to 24.1% due to product mix and good capacity utilization (prior year 22.6%)
– **EBIT** grew to 62.3 million euros (prior year 50.5m euros); **EBIT margin** came to 21.5% (prior year 19.5%)

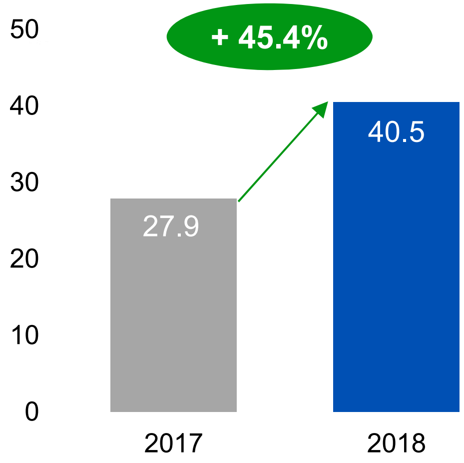
– **Book-to-bill**: 1.21 (prior year 1.14)
– **Order backlog** rose by more than 50% to 165.0 million euros (31/12/17: 109.1m euros)
– **Frame contracts** of 11.8 million euros (31/12/17: 11.1m euros)

Mobility segment: acquisitions and delivery of toll monitoring systems contributed to strong business development

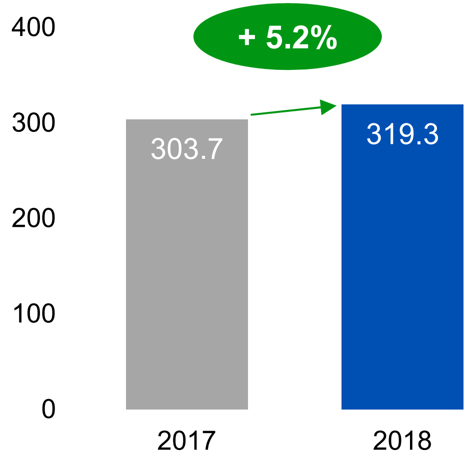
Revenue in million euros



EBITDA in million euros



Order intake in million euros



- Increase attributable to both areas Automotive and Traffic Solutions as well as acquisitions (37.0 million euros)
- Organic growth of 7.7%
- Strong rise in Germany (toll monitoring pillars), in the Americas (acquisition) and Middle East/Africa (project settlement)

- Acquisition costs of –1.9 million euros and PPA effects of –7.0 million euros included in EBITDA and –10,5 million euros in EBIT
- **EBITDA margin** 12.4% (prior year 10.3%)
- **EBIT** grew to 27.7 million euros (prior year 18.5m euros), **EBIT margin** at 8.4% (pr. year 6.9%)

- **Book-to-bill**: 0.97 (pr. y. 1.12)
- **Order backlog**: 182.0 million euros (31/12/17: 144.7m euros), includes order backlog of the purchased companies of 35.9 million euros
- **Frame contracts** fell to 19.2 million euros (31/12/17: 30.1m euros)

Defense & Civil Systems segment: earnings improved in spite of stable revenue

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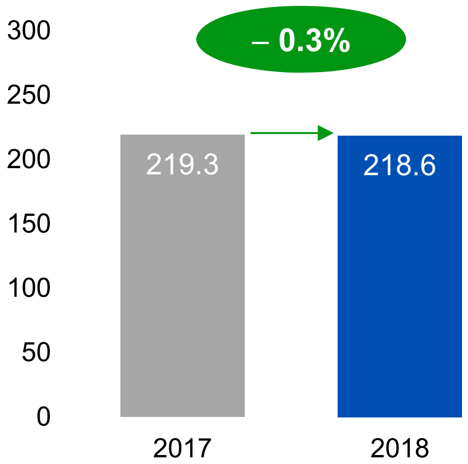
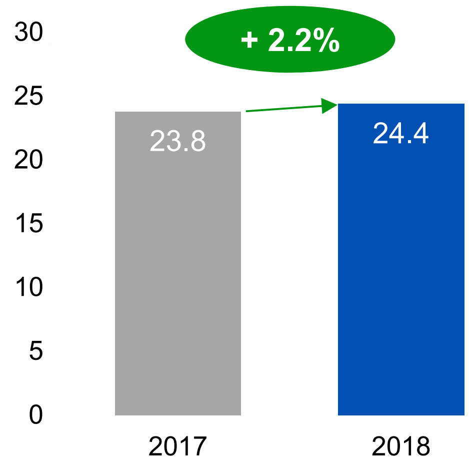
Revenue in million euros



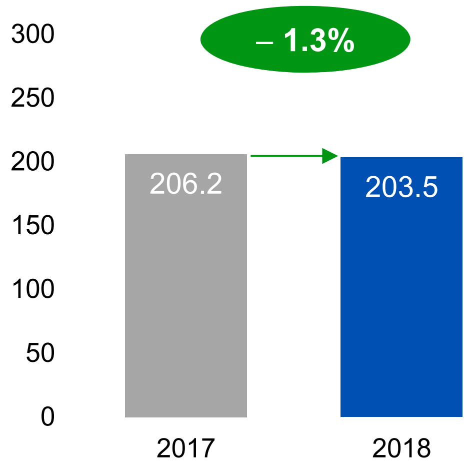
- As expected, revenue was almost flat
- Growth in Europe; project-related decline in Germany

EBITDA in million euros



- Improvement is attributable to the product mix, lower currency losses and cost savings
- **EBITDA margin** increased to 11.2% (prior year 10.9%)
- **EBIT** 20.1 million euros (prior year 19.2m euros); **EBIT margin** improved to 9.2% (prior year 8.7%)

Order intake in million euros



- Order intake nearly stable after good Q4 (segment had received several major orders in Q1/2017)
- **Book-to-bill**: 0.93 (pr. y. 0.94)
- **Order backlog** at 175.4 million euros (31/12/17: 202.6m euros)
- **Frame contracts** of 31.4 million euros (31/12/17: 46.3m euros)

Key financials 2018 of the new divisions

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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

Agenda

01
Development of the Jenoptik Group

02
Performance of the segments

03
Outlook

04
Appendix

Further growth expected for 2019

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We anticipate revenue growth in the mid single-digit percentage range (before major portfolio changes).

EBITDA margin is expected to come in at between 15.5 and 16.0 percent.

This presupposes that political and economic conditions do not worsen.

Agenda

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01
Development of the Jenoptik Group

02
Performance of the segments

03
Outlook

04
Appendix

Dates and contact

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March 21, 2019	Results of fiscal year 2018, conference call
March 22, 2019	Analysts‘ conference and roadshow Frankfurt
April 5, 2019	Bankhaus Lampe Conference, Baden-Baden
April 10, 2019	Warburg Conference, Warsaw
April 11, 2019	Roadshow Helsinki
May 9, 2019	Results of the first quarter 2019, conference call

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