

# JENOPTIK AG

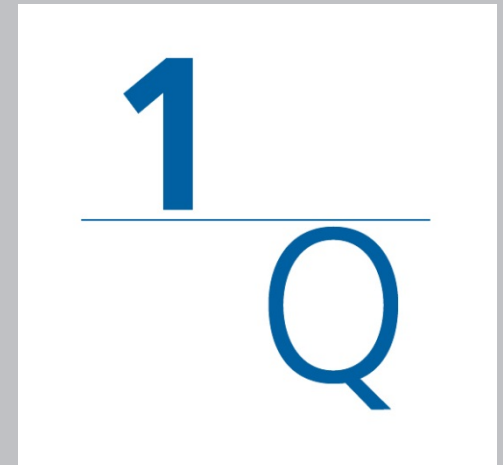
## Results of the 1<sup>st</sup> quarter 2014 and outlook



May 13, 2014

Dr. Michael Mertin, CEO  
Rüdiger Andreas Günther, CFO

- Jenoptik – 1<sup>st</sup> quarter 2014
- Segment reporting
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## Development of the markets and the general environment

- Semiconductor equipment and medical market with positive trend
- Demand from automotive and machine construction industry still remained rather subdued
- Political developments in the Ukraine and Russia
- Discussions on exports in the area of security technology in Germany

## Successful implementation of strategy has continued

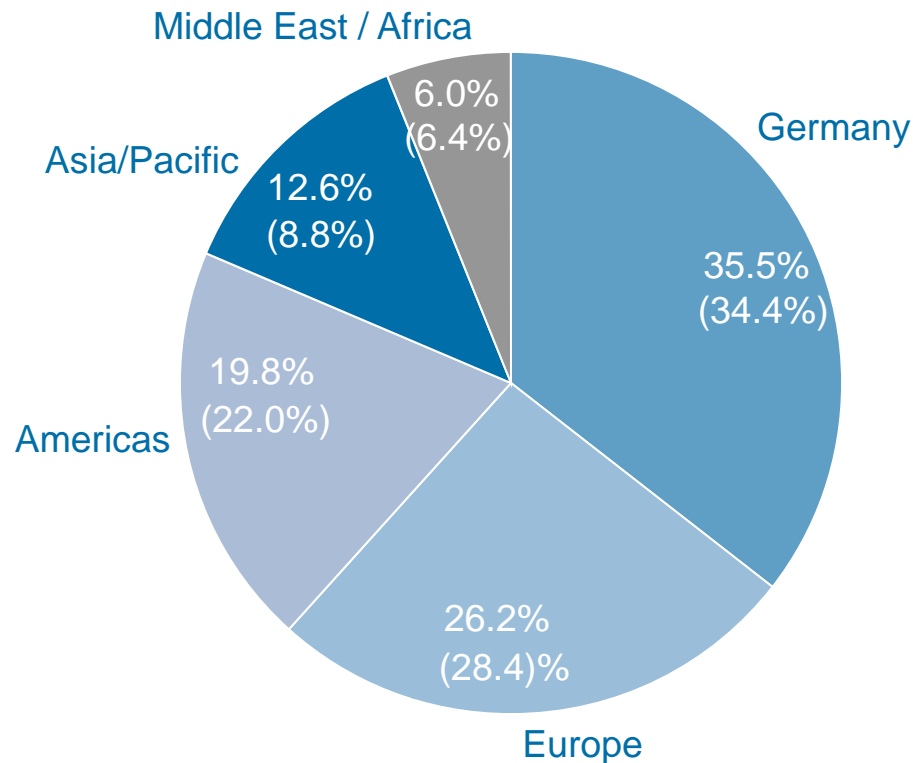
- Operational excellence:
  - Launched projects for the development of the Group have successfully been continued (JOE, Go-Lean)
- Internationalization / customers
  - Revenue growth in Asia
  - Winning of new key customers

# 64.5 percent of revenue achieved abroad

## Strong growth in Asia



Sales by region (as at 31.03.2014)



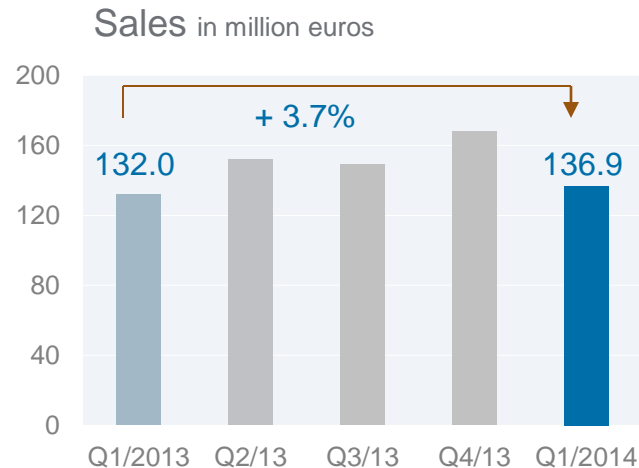
**Germany / Europe:** good domestic demand; slight decline in Europe

**Americas:** slight reduction, among other things due to a lower demand from the automotive industry

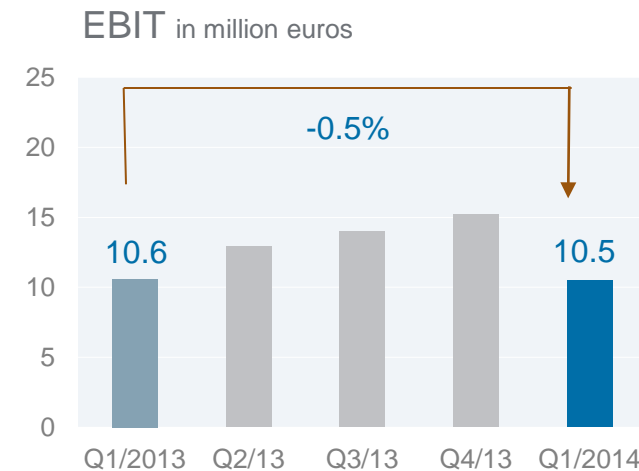
**Asia/Pacific:** substantial rise by about 48%

**Middle East/Africa:** slight decline, development depends on individual projects

# Operationally on track: revenue increased EBIT at level of prior year



- Rise in revenue in the Lasers & Optical Systems segment compensated for the reduction in the two other segments



- Group EBIT at last year's level
- Costs for Group development projects as well as changed revenue mix and start-up costs within the framework of the significantly increased order intake affected EBIT
- Strong EBIT growth in the Lasers & Optical Systems segment

# Income statement Q1/2014: Earnings position almost unchanged compared with prior year

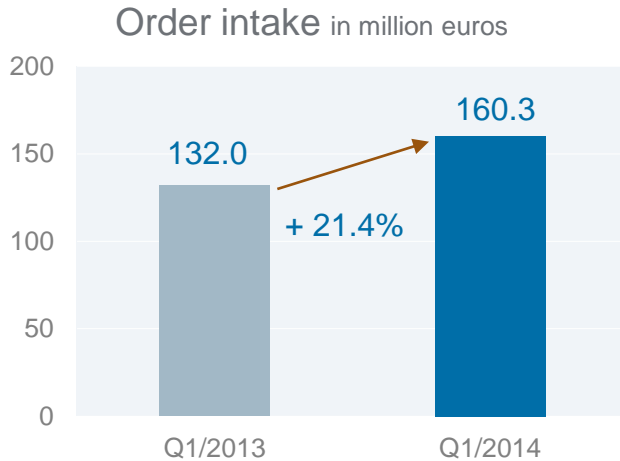


In million euros	Q1/2014	Q1/2013
Sales	136.9	132.0
Gross margin	35.0%	36.2%
EBITDA	14.8	15.9
EBIT	10.5	10.6
EBIT margin	7.7%	8.0%
Financial result	-1.5	-1.6
Earnings before tax	9.0	9.0
Earnings after tax	7.7	7.9
Earnings per share	0.13	0.14

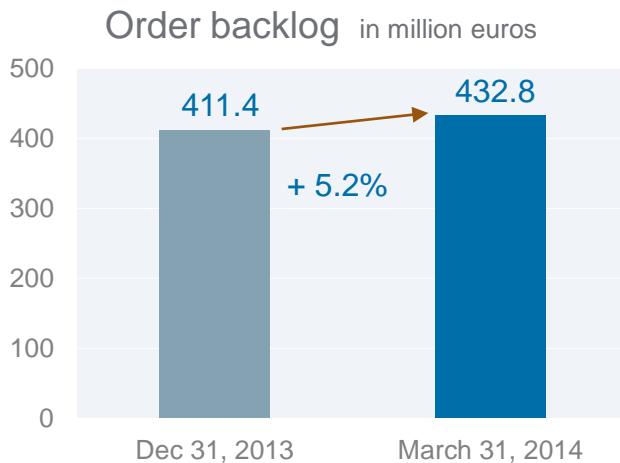
- Gross margin lower than in prior year due to changed revenue mix and start-up costs for new customer projects
- Functional costs were overall stable
  - R+D expenses at prior year's level
  - Administrative expenses rose slightly in connection with the expansion of key group functions
- Financial result stable at same level as in prior year
- Tax loss carried forward: cash-effective tax rate of 11.9 percent (prior year 13.7 percent)

# Good order situation

## Order intake significantly higher than in prior year



- Good start for the year with the order intake
  - All three segments contributed to the increase
- Order intake substantially exceeded revenue, Book-to-bill ratio: 1.17 (prior year 1.00)



- Order backlog higher than at the end of 2013
  - All three segments recorded increase
  - 60% of the revenue planned for 2014 is already secured by orders on hand; this is the approximately same level as in the prior year

# Cash flow statement: Increase in working capital and strong cash flow of the previous quarter affected free cash flow



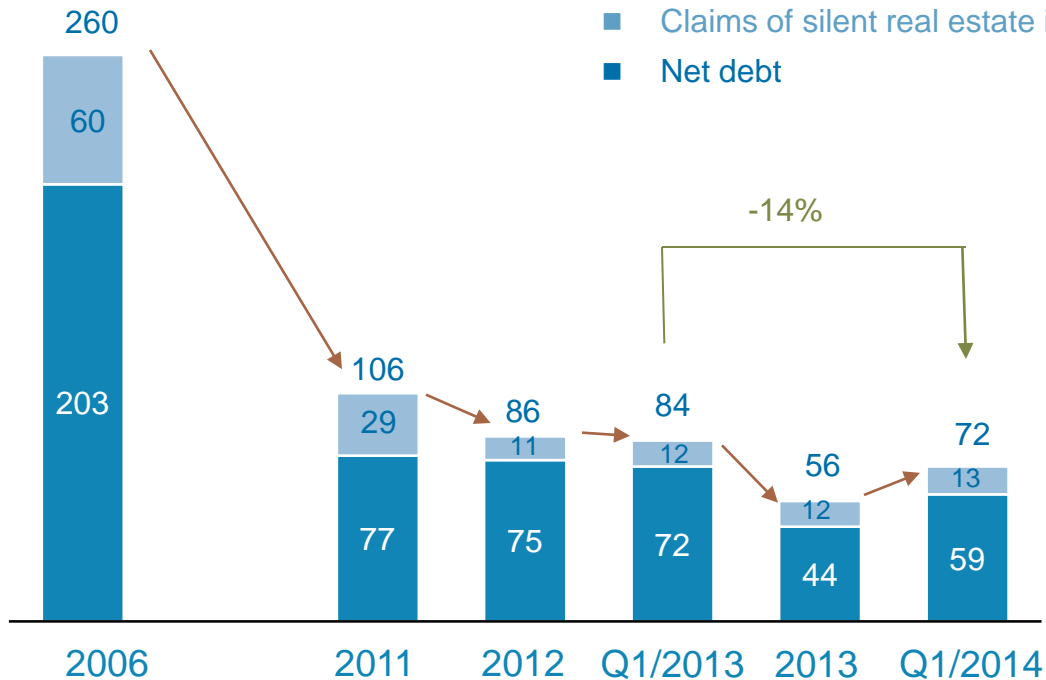
In million euros	Q1/14	Q1/13
Operating profit before working capital changes	14.8	15.2
Changes in working capital and other items	-20.5	-2.4
Cash flow from operating activities before taxes	-5.7	12.8
Cash flow from operative investing activities (tang. and intang. assets)	-5.1	-5.6
Free cash flow (before interest and taxes)	-10.7	7.2

- Working Capital rose to 216.1 million euros (prior year 195.6 million euros)
  - Rise in inventories by 10.6 million euros as required for revenue in 2014 and within the framework of the order intake that rose significantly (rise in working capital by 10.4%; increase in order intake by 21.4%)
  - Reduction in trade payables
  - Working capital ratio was at 34.7% just slightly higher than in prior year (prior year 34.4%)
- Free cash flow affected in particular by the changes in working capital described above and the strong cash flow in the previous quarter



# Target remains to further reduce net debt in the mid to long term

Reduction in net debt and the claims of silent real estate investors to Jenoptik  
(in million euros)



- Following a strong reduction in net debt in Q4/2013 it rose in Q1/2014 as a result of the increase in working capital
- Compared with the same period in the prior year net debt reduced by 14%
- Equity ratio rose to 54.1 percent

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A graphic consisting of a large blue number "1" above a horizontal line, and a large blue letter "Q" below the line, all on a white background.

# Lasers & Optical Systems with largest share in Group revenue



Revenue: 136.9m euros  
EBIT: 10.5m euros

Group

Lasers &  
Optical Systems

42.8% of revenue

Metrology

29.8% of revenue

Defense &  
Civil Systems

27.4% of revenue

Lasers &  
Material Processing



Optical  
Systems



Industrial  
Metrology



Traffic  
Solutions



Defense &  
Civil Systems

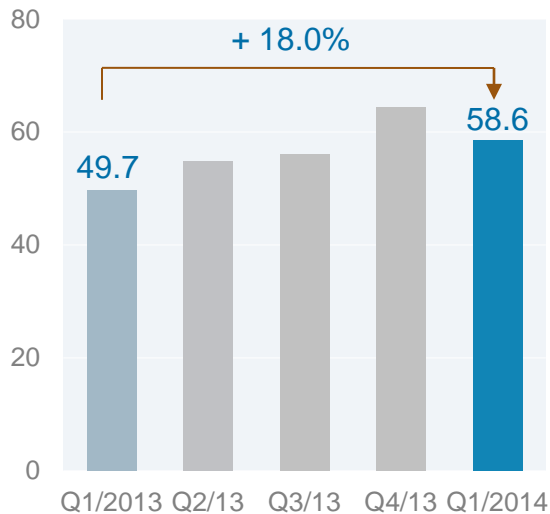


Technology competence in optoelectronics,  
joint use of distribution networks and shared services

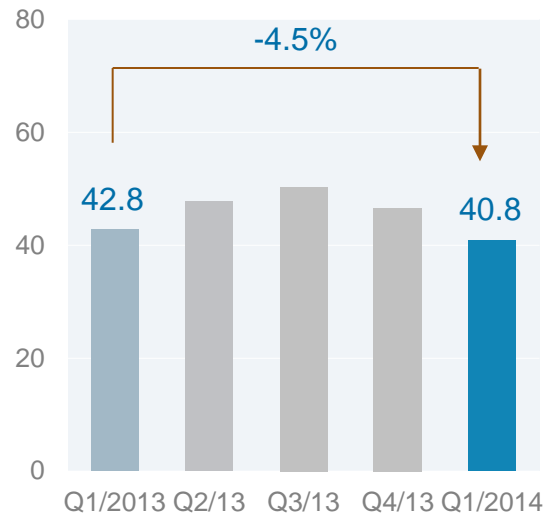
# Lasers & Optical Systems with strong 1st quarter



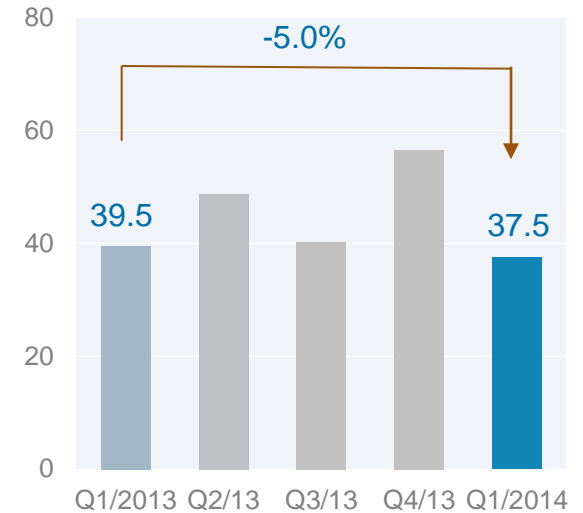
Lasers & Optical Systems  
Revenue in million euros



Metrology  
Revenue in million euros



Defense & Civil Systems  
Revenue in million euros

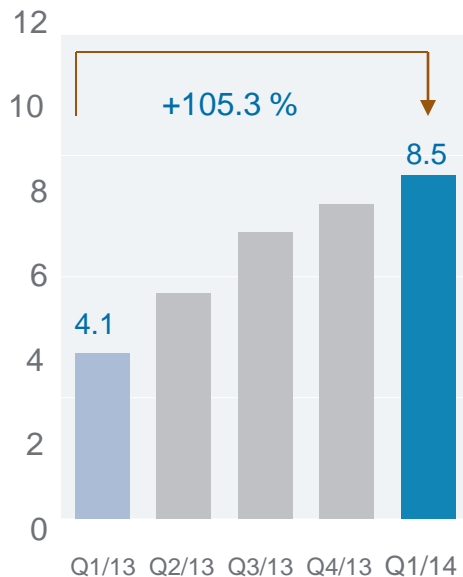


- **Lasers & Optical Systems:** Successful course of business, marked rise in revenue due to stronger demand for laser machines and higher revenue with the semiconductor equipment and health care industry
- **Metrology:** Revenue reduced as a result of restrained investments in the area of industrial metrology, rise in revenue in the Asian region
- **Defense & Civil Systems:** Postponement and extension in time frame of projects in the area of defense resulted in a decline in revenue

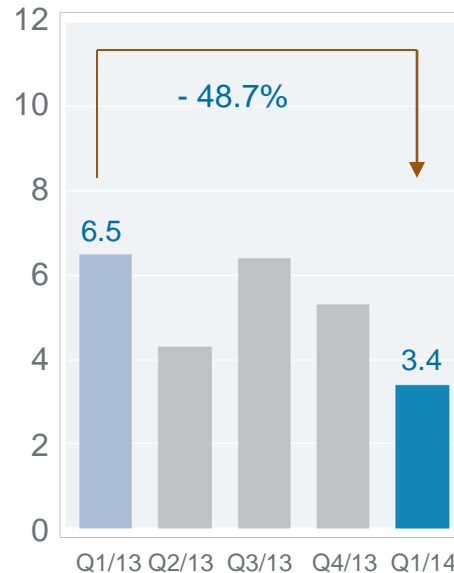
# Lasers & Optical Systems segment doubles EBIT



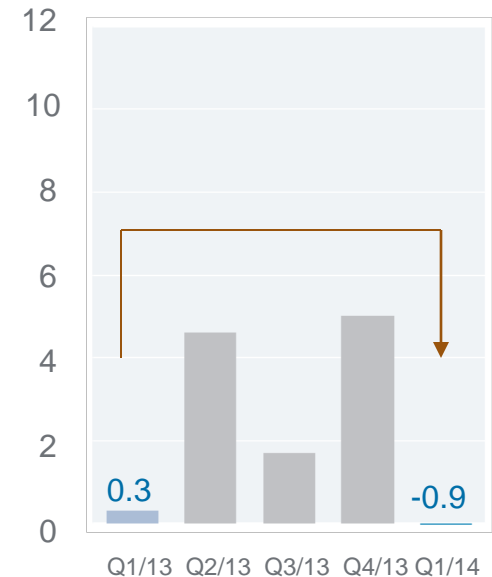
Lasers & Optical Systems  
EBIT in million euros



Metrology  
EBIT in million euros



Defense & Civil Systems  
EBIT in million euros

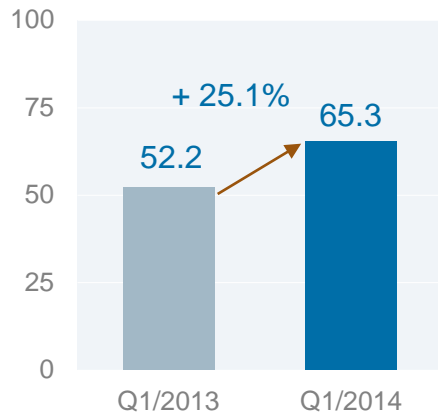


- **Lasers & Optical Systems:** As a result of the good development of revenue and a high-margin product mix EBIT could be doubled
- **Metrology:** Restrained development in revenue in industrial metrology resulted in EBIT decline
- **Defense & Civil Systems:** EBIT reduced due to lower revenue as well as seasonally and project-related weaker product mix

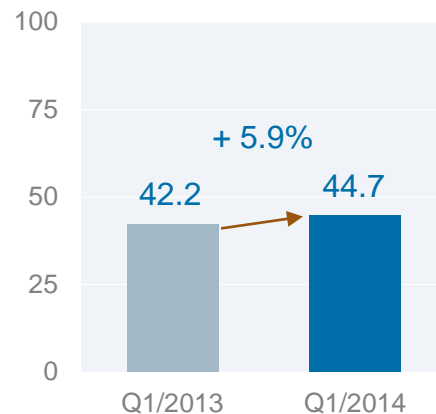
# All three segments recorded higher order intake



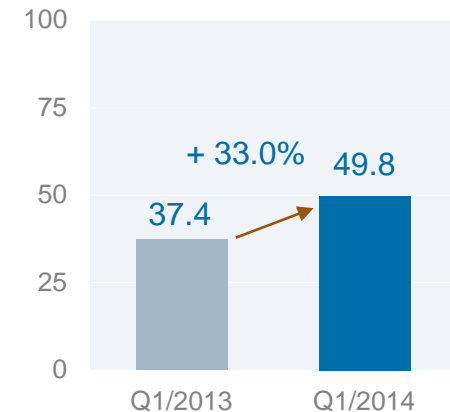
**Lasers & Optical Systems**  
Order intake in million euros



**Metrology**  
Order intake in million euros



**Defense & Civil Systems**  
Order intake in million euros



- **Lasers & Optical Systems:** Order intake rose by more than a quarter; Book-to-bill ratio rose to 1.11
- **Metrology:** Order for stationary and mobile traffic monitoring in Kuwait received; Book-to-bill ratio increased to 1.10
- **Defense & Civil Systems:** Order received for military stabilization systems; Book-to-bill ratio climbed to 1.33

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# 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
- Depending on developments in China, Europe and Germany



# 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
- After strong increase in last two years development in industrial metrology is restrained at the moment

Revenue at prior year's level

## Defense & Civil Systems



- Stable business development ensured by long-term major orders
- Internationalization, costs for market entry in USA
- Stronger focus on civil applications

Slight revenue growth

# Our target: to continue profitable growth



„From Good to Great“

## 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

External factors may influence development:

- Uncertainty regarding the developments in Ukraine and Russia continues
  - Export discussions in Germany
  - Volatility and unpredictability of markets is continuing
- ➡ However, positive development in Asia and US expected, Europe (including Germany) under pressure due to political situation in Eastern Europe

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- May 13, 2014
- May 14 – 15, 2014
- May 22, 2014
- May 27, 2014
- June 12, 2014

Results of 1<sup>st</sup> quarter 2014, conference call

German Mid Cap Investment Conference  
Commerzbank, Boston / New York

Berenberg conference, Paris

Roadshow Vienna

Annual General Meeting, Weimar

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