



MORE LIGHT

The leading light in Photonics.

Investor Presentation

March 2020

At present, it is not possible to reliably assess to what extent the spread of SARS-CoV-2 will affect Jenoptik's business in the current fiscal year. The forecast made by the Executive Board in the Annual Report was based on the knowledge at the time of preparing the report resp. at the date of publishing the preliminary figures at the beginning of February, and is, therefore, subject to change. In view of the current situation, the Executive Board is expecting noticeable impacts at least in the first half of the year.

This presentation can contain forward-looking statements that are based on current expectations and certain assumptions of the management of the Jenoptik Group. A variety of known and unknown risks, uncertainties and other factors can cause the actual results, the financial situation, the development or the performance of the company to be materially different from the announced forward-looking statements. Such factors can be, among others, pandemic diseases, changes in currency exchange rates and interest rates, the introduction of competing products or the change of the business strategy. The company does not assume any obligation to update such forward-looking statements in the light of future developments.

Agenda



01

Overview and strategy

02

Financials 2019 and outlook

03

Appendix

Jenoptik – a leading player in attractive photonic sectors

Photonics is moving markets and changing the world around us. Jenoptik has the skills, experience and proven track record to lead the way.

Attractive markets

Attractive photonic applications
Photonics market: ~600bn euros, CAGR 5-6%

Leading market positions

Customer-oriented, international partner,
leading market positions on a global scale

Strong financial base

Strong financial position for accelerated
growth and margin expansion

Clear targets

Transforming Jenoptik into a focused
technology group

1991
Foundation

>4,000
Employees

~830m €
Market cap

>80
Countries worldwide

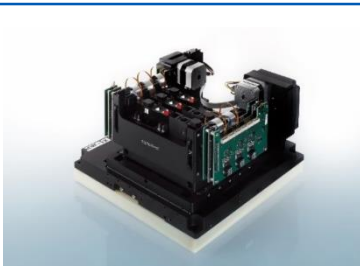
2019
Revenue 855.2m €
EBITDA 15.7%

Focused divisions and technology synergies

Photonic

Mechatronic

LIGHT & OPTICS OEM-Business



- Development & production partner for OEM customers
- Optical components, modules and systems for the semiconductor manufacturing, communication industries and biophotonics

Photonics at the heart of our OEM customers products

LIGHT & PRODUCTION B2B-Business



- Engineering business with focus on smart manufacturing and process automation solutions for industrial customers
- Using primarily Optical and Photonic technologies, esp. for the automotive industry:

Driving production efficiency with photonics

LIGHT & SAFETY B2G-Business



- Providing imaging based solutions for Public Safety in combination with intelligent data management

Making roads and communities safer




- Mechatronic solutions for partners in the Aviation, Security and Defense Industries
- Carve-out from former Defense & Civil Systems division (Aviation, Power Systems, Energy & Drive)

Tailored solutions in challenging and regulated markets

Transforming Jenoptik into a focused technology group



Leverage core competencies

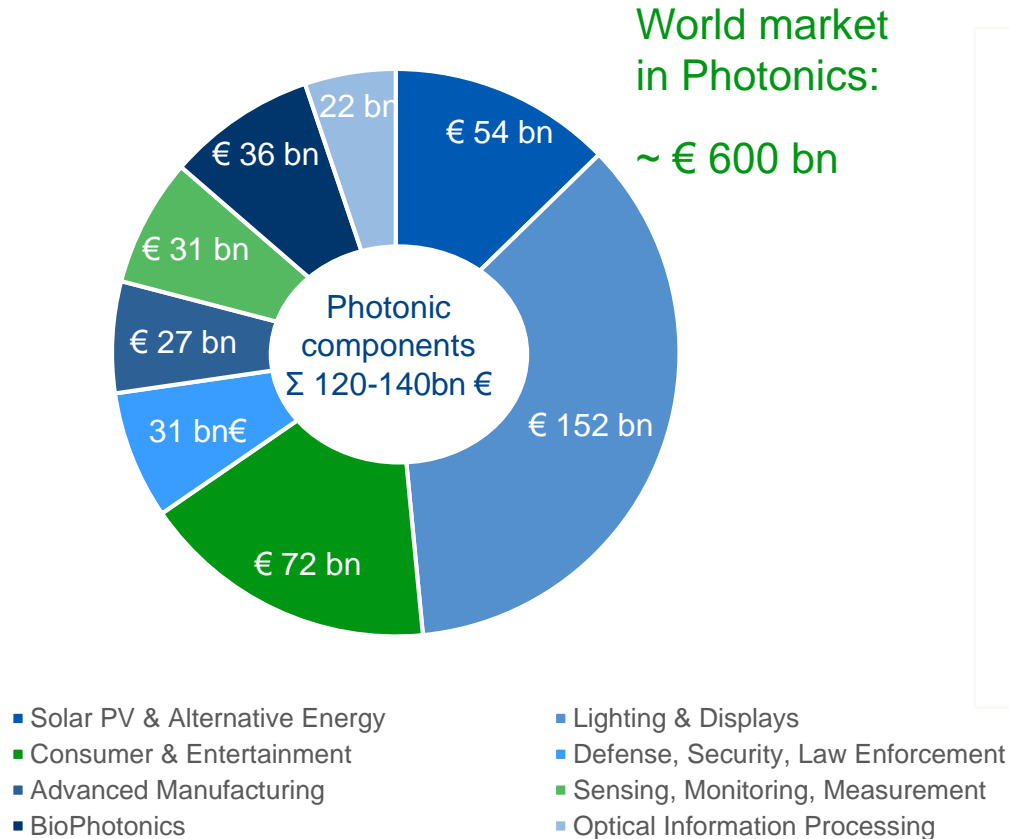


Step-up R+D work



Build a truly global enterprise

Attractive photonic applications at the core of Jenoptik



Jenoptik will focus on:

- Information processing (i.e. semiconductor equipment manufacturing and communication)
- Biophotonics
- Smart manufacturing
- Sensing, monitoring, measurement (public safety, traffic solutions)
- Total addressable market for Jenoptik: ~300bn; CAGR ~5-6%

We aim at photonic applications allowing for technical differentiation.

Source: SPIE (2016), Agileon Strategic Consultancy

Agenda



01

Overview and strategy

02

Financials 2019 and outlook

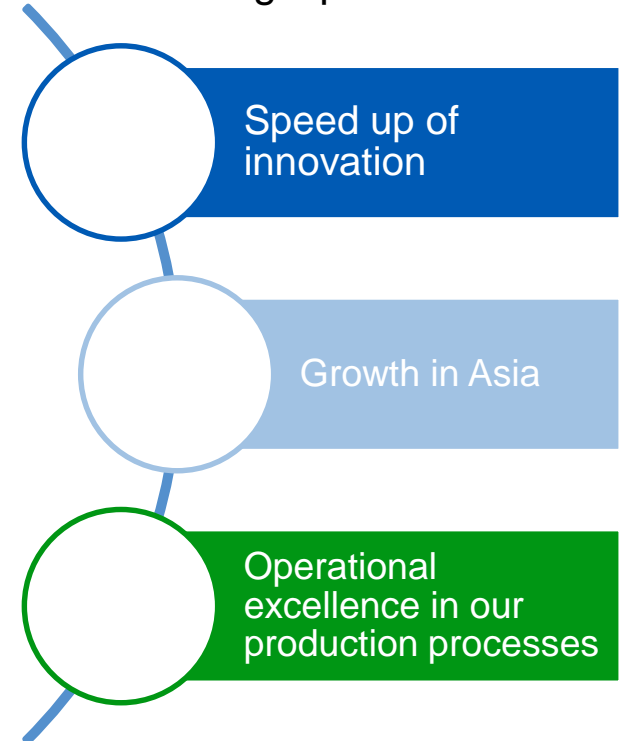
03

Appendix

Major events in 2019

- CEO confirmed in office for another five-year term
- Substantial investments in expansion and modernization of our locations
- Several orders received from the automotive industry in the field of automation & integration
- New corporate structure has been in place since January 1, 2019

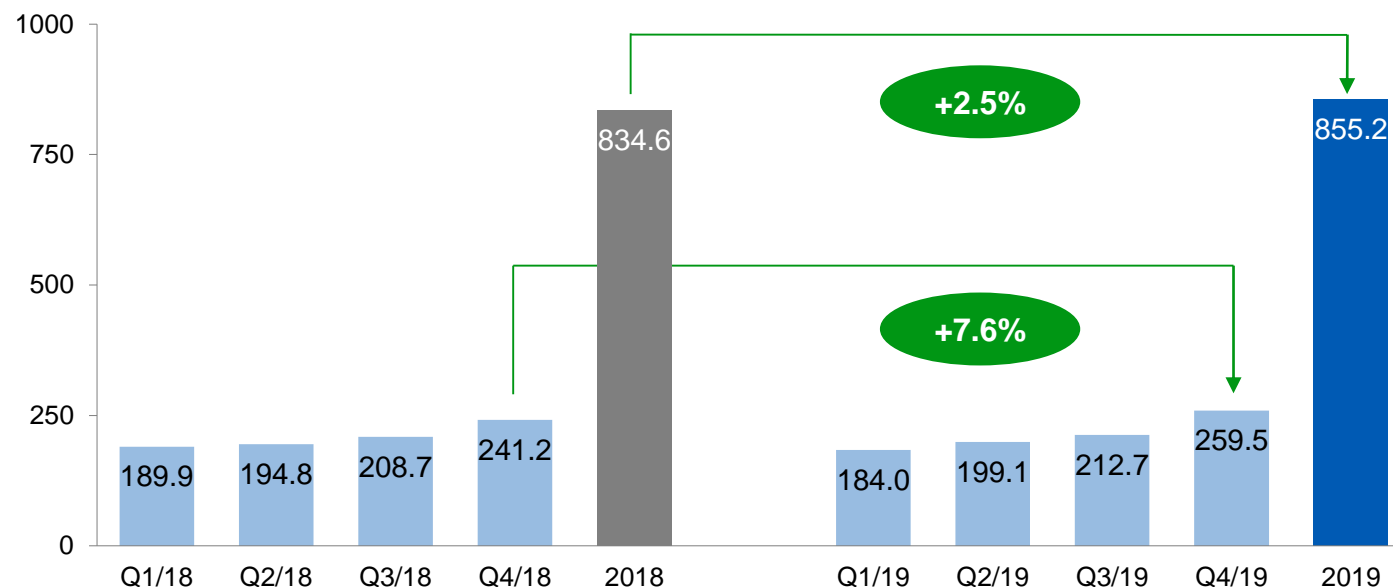
Strategic priorities 2019



January 17, 2020: Decision of the Executive Board to stop the process of selling VINCORION; VINCORION will be operated as an independent investment of Jenoptik

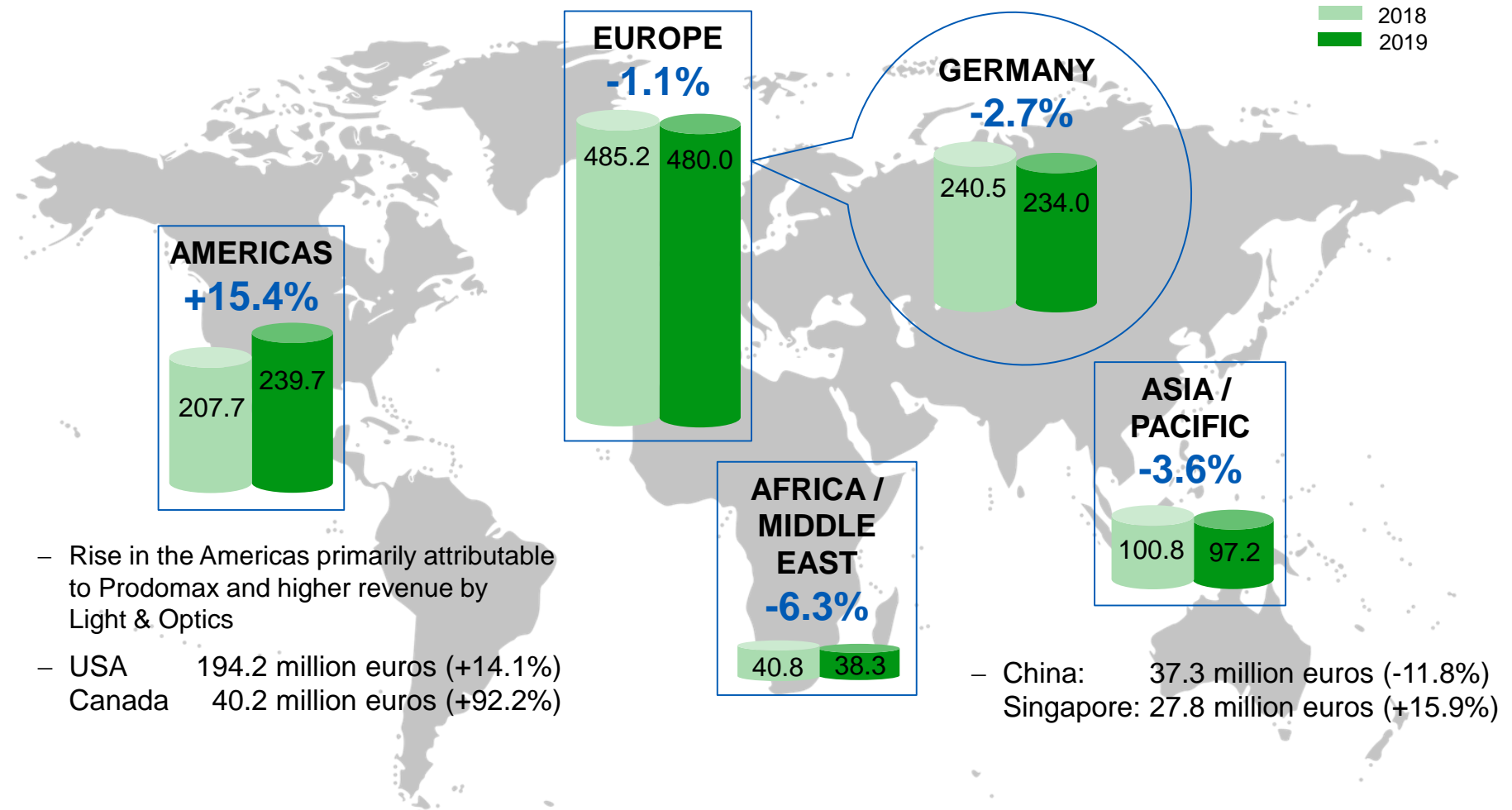
Momentum increased in the course of the year; group revenue in 2019 higher than in prior year

Revenue in million euros



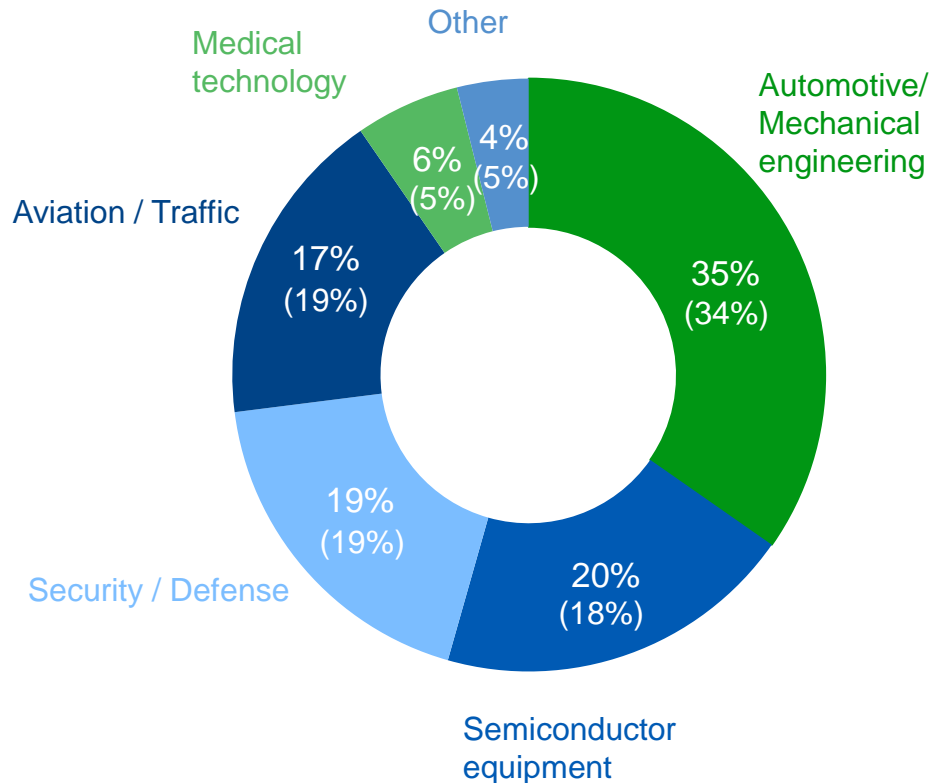
- Revenue grew in the course of the year, as expected
- Good business with semiconductor equipment industry and in the Automation & Integration area
- Contribution of the companies acquired in 2018: 66.4 million euros (prior year 37.0m euros)
- More difficult economic environment as well as export restrictions affected development; high revenue contribution from the toll monitoring project in prior year (approx. 26m euros) makes comparison difficult

Significant revenue growth in the Americas in 2019; foreign revenue ~73 percent (prior year 71%)



Increase in revenue in major photonic core markets

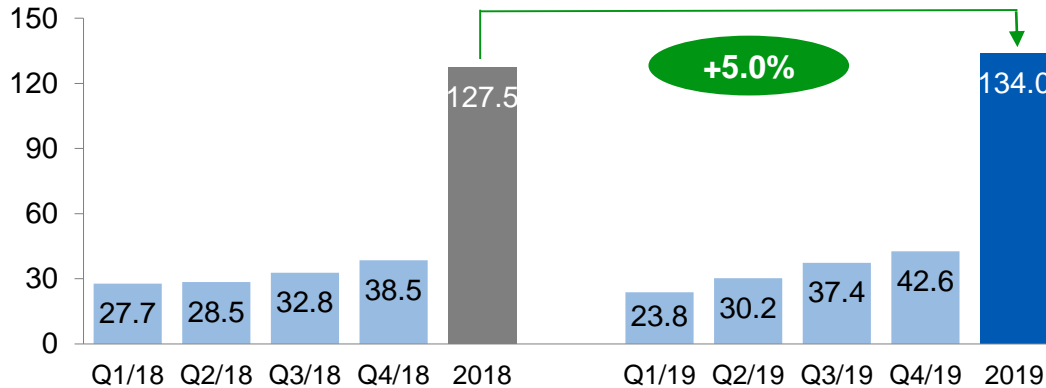
Revenue by market
(prior year figures in brackets)



- Automotive/Mechanical engineering: good demand in the automation & integration area, contribution by acquired companies
- Revenue with semiconductor equipment and medical technology industries grew
- 17.3% of revenue attributable to Top 3 customers (prior year 18.0%)

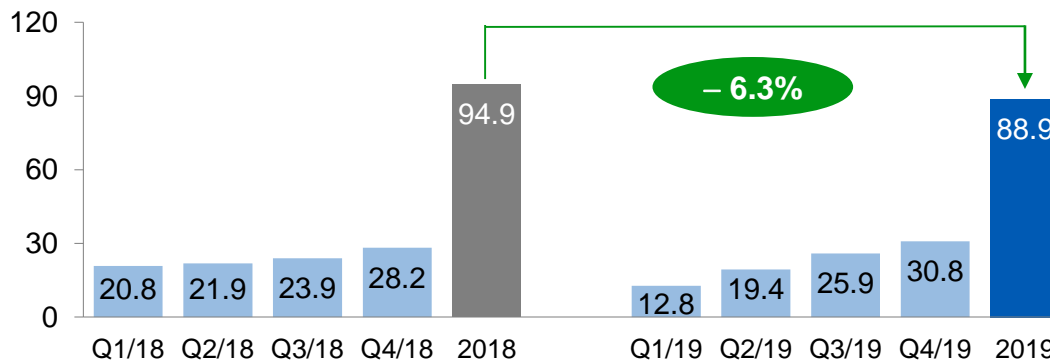
Continuous rise in EBITDA and EBIT over the year

EBITDA in million euros



- EBITDA impacted by
 - Contributions by acquired companies for the full year
 - Positive effects from first-time application of IFRS 16
 - Higher functional costs
- EBITDA margin at 15.7% (prior year 15.3%)

EBIT in million euros



- EBIT margin at 10.4% (prior year 11.4%)
- EBIT contribution by companies acquired in 2018 came to 5.8 million euros (prior year -0.5m euros), incl. PPA effects of -5.3 million euros (prior year -10.5m euros)

Decline in EPS due to significantly higher tax rate



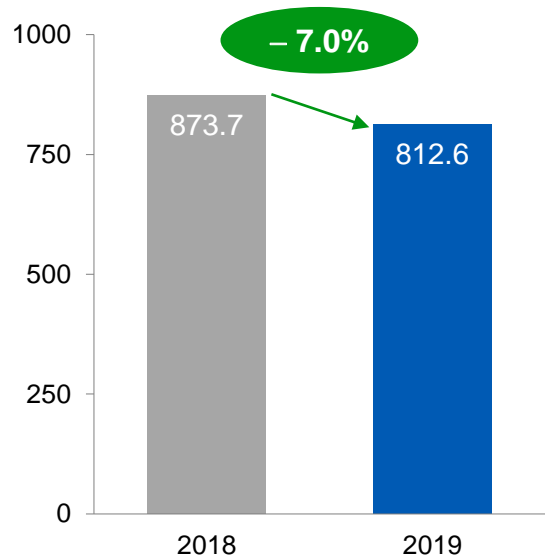
MORE LIGHT

In million euros	2019	2018
Revenue	855.2	834.6
Gross margin	34.1%	35.1%
Functional costs	193.9	190.6
EBITDA	134.0	127.5
EBIT	88.9	94.9
Financial result	-3.7	-3.5
Earnings before tax	85.2	91.4
Earnings after tax	67.6	87.4
Earnings per share (euros)	1.18	1.53

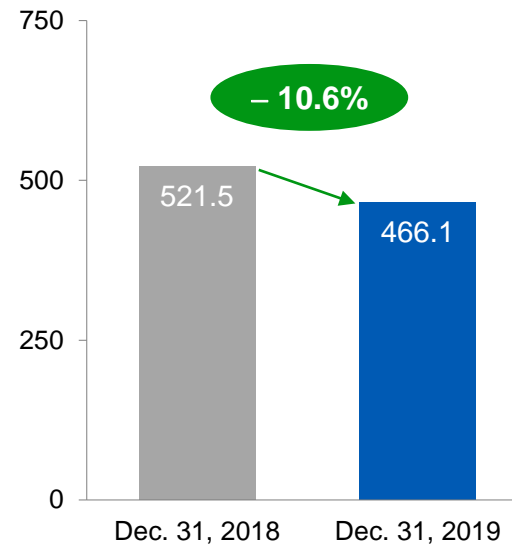
- **Cost of sales** grew at a stronger rate than revenue due to higher material and personnel costs
- Rise in functional costs by 1.7%
 - **R+D:** lower than in prior year (R+D output at prior-year level)
 - **Selling:** increase due to expansion of international distribution and in connection with acquisitions
 - **Administrative:** among other things due to higher personnel costs, group-internal projects and companies acquired in 2018
- **Tax rate** grew to 20.6% as a result of deferred tax expenses due to use of tax losses carried forward (prior year 4.4%, deferred tax income); **cash-effective tax rate** increased to 13.3% resulting from higher share of earnings generated abroad (prior year 12.0%)

Order intake increased momentum in 2nd half, full year shows decline

Order intake in million euros



Order backlog in million euros



- VINCORION reported increase; Light & Optics received major order earlier than expected in Q4/2018
- Q4 strongest quarter with 237.7 million euros
- Automotive sector: reluctance to invest in H2/2019
- **Book-to-bill ratio** 0.95 (prior year 1.05)

- Solid basis for growth
- Approx. 68% with planned conversion to revenue in 2020 (prior year 79%)
- **Frame contracts** at 49.9 million euros (31/12/18: 62.5m euros)

At year end 2019, Jenoptik was again net debt free



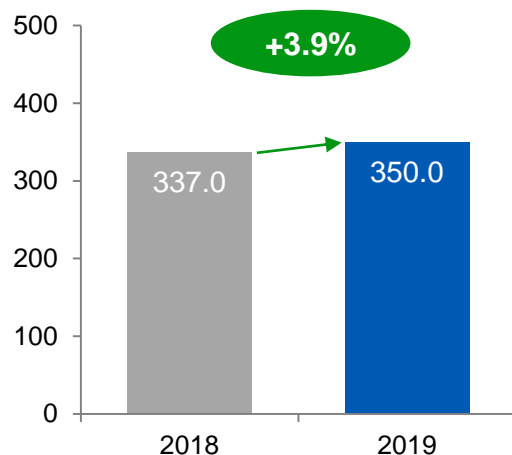
MORE LIGHT

In million euros	2019	2018
Operating profit before adjusting working capital	132.2	127.2
Changes in working capital, provisions and other items	-10.6	22.2
Cash flows from operating activities before income taxes	121.6	149.3
Cash flows from operative investing activities	-44.3	-41.1
Free cash flow (before interest and taxes)	77.2	108.3

- **Working Capital** almost constant at 217.8 million euros (31/12/18: 216.8m euros)
- **Working capital ratio** came to 25.5% (31/12/18: 26.0%)
- Cash flow from operating activities and thus **free cash flow** significantly improved in Q4
- **Investments** increased as planned to 55.6 million euros (prior year 42.5m euros)
- **Net debt** of minus 9.1 million euros (prior year -27.2m euros), in spite of higher financial debt (IFRS 16 effect: 56.9m euros), higher dividend payout and increased investment
- **Equity ratio** at 60.5% at prior-year level

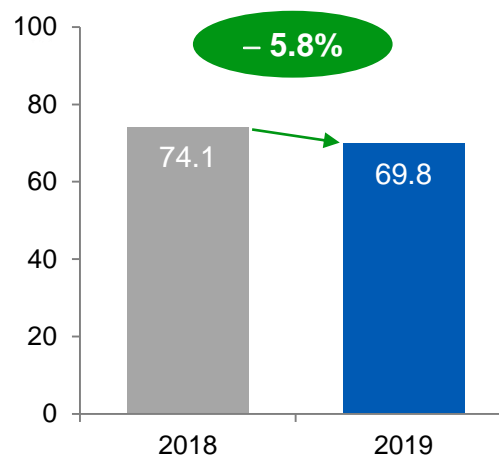
Light & Optics division: Development in line with expectations; good business with semiconductor equipment industry

Revenue in million euros



- Good business with semiconductor equipment industry; decline in the area of industrial solutions
- Substantial growth of revenue in the Americas
- Highest revenue of 99.3 million euros generated in Q4

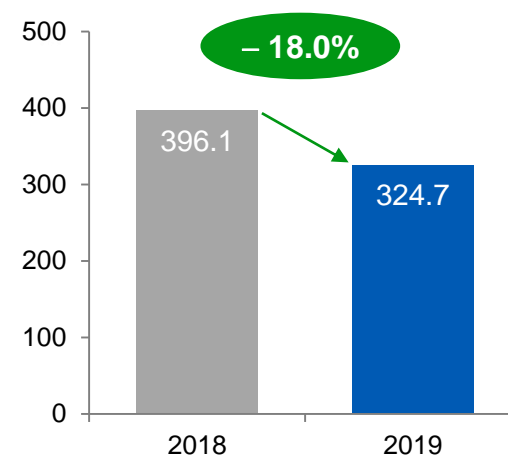
EBITDA in million euros



- Q4 most profitable quarter
- **EBITDA margin**, at 19.8%*, remained at very good level (prior year 21.8%*), margin decline in industrial solutions
- **EBIT** came to 57.9 million euros (prior year 65.9m euros)

*Margins based on total revenue of 351.9 million euros (pr. year 339.6m euros)

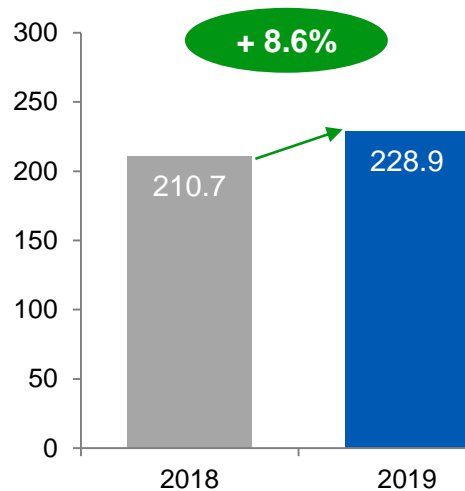
Order intake in million euros



- New orders came to 91.6 million euros in Q4 thus exceeding prior quarters
- Major order in semiconductor equipment area already received in Q4/2018
- **Book-to-bill**: 0.93 (pr. y. 1.18)
- **Order backlog**: 144.9 million euros (31/12/18: 180.6m euros)

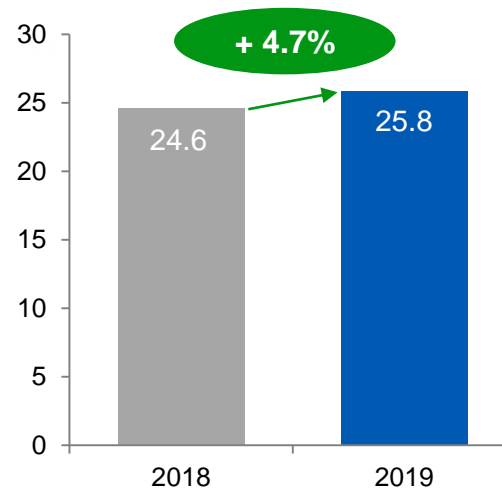
Light & Production division: Growth attributable to automation business

Revenue in million euros



- Companies acquired in 2018 contributed 66.4 million euros to revenue (prior year 37.0m euros); more difficult framework conditions for metrology and laser processing
- 79% generated abroad, strong rise in the Americas

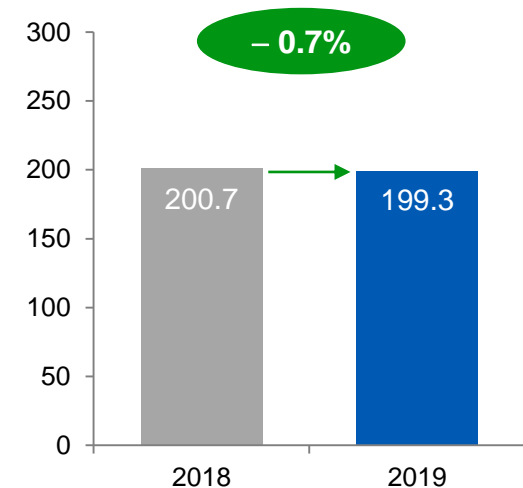
EBITDA in million euros



- **EBITDA margin** came to 11.3%* (prior year 11.7%*)
- **EBIT** came to 14.5 million euros (prior year 16.8m euros), contribution of 5.8 million euros (incl. PPA effects of –5.3m euros) by companies acquired in 2018

*Margins based on total revenue of 229.0 million euros (pr. year 210.9m euros)

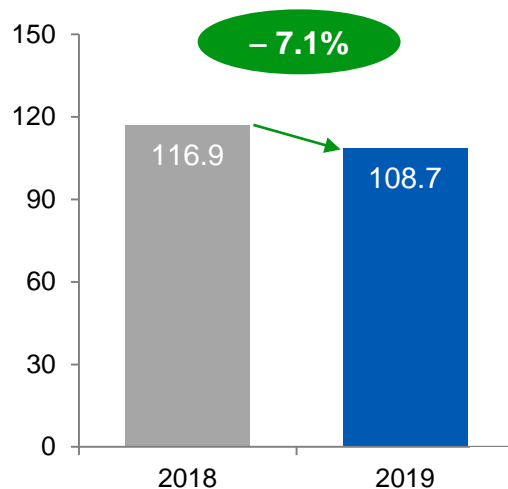
Order intake in million euros



- Several orders worth in total more than 30 million euros received in automation & integration area
- **Book-to-bill:** 0.87 (prior year 0.95)
- **Order backlog** at 81.6 million euros (31/12/18: 112.5m euros)

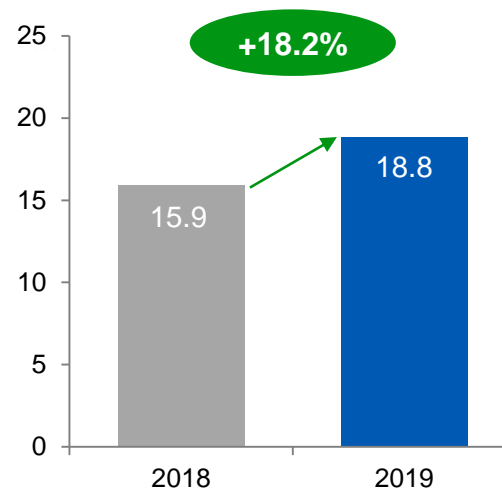
Light & Safety division: Profitability clearly improved; shortfall in revenue due to toll project in 2018 almost compensated

Revenue in million euros



- Strong Q4 with 33.6 million euros; toll monitoring project contributed approx. 26 million euros to substantial growth in prior year
- 73% revenue abroad; increase in the Americas and Europe, decline in Germany

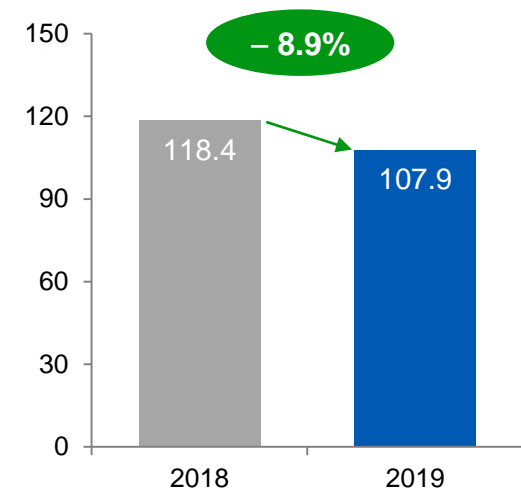
EBITDA in million euros



- EBITDA rose significantly due to IFRS 16 effects and higher-margin product mix; **EBITDA margin** improved to 17.3%* (prior year 13.6%)*
- **EBIT** increased to 11.7 million euros (prior year 10.9m euros)

* Margins based on total revenue of 108.7 million euros (pr. year 116.9m euros)

Order intake in million euros



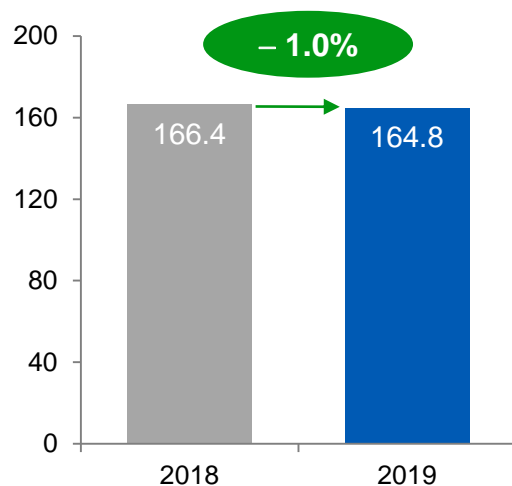
- **Book-to-bill:** 0.99 (prior year 1.01)
- **Order backlog:** 69.9 million euros (31/12/18: 69.5m euros)

VINCORION: Profitability and order intake significantly improved



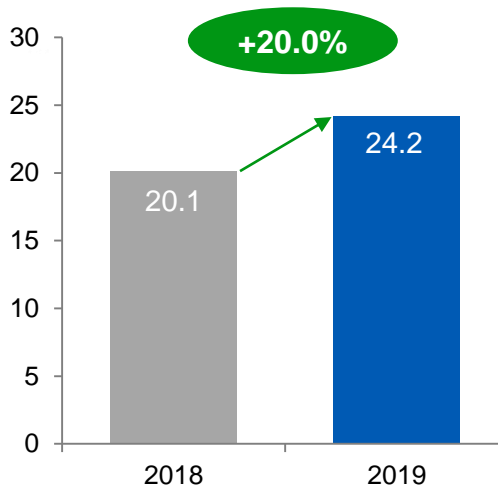
MORE LIGHT

Revenue in million euros



- Revenue stable, as expected
- At 68.0 million euros, Q4 clearly exceeded prior quarters
- Foreign revenue of 50.9% was lower than in prior year for project-related reasons (58.5%)

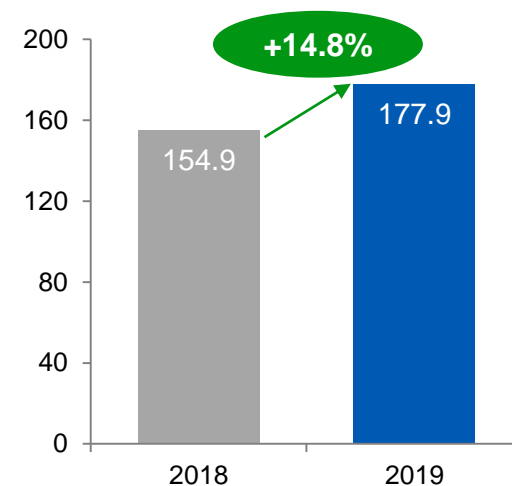
EBITDA in million euros



- Significant rise in earnings supported by positive IFRS 16 impact
- **EBITDA margin** at 14.7%* (prior year 12.1%*)
- **EBIT** grew to 17.4 million euros (prior year 16.5m euros)

* Margins based on total revenue of 164.9 million euros (pr. year 166.4m euros)

Order intake in million euros



- **Book-to-bill** climbed to 1.08 (prior year 0.93)
- **Order backlog** increased to 169.7 million euros (31/12/18: 158.9m euros)

Covid-19 makes outlook more difficult, forecast is subject to review

Original targets:

Revenue growth in the low single-digit percentage range (without major portfolio changes, incl. INTEROB, excl. Hillos).

The **EBITDA margin** is anticipated to be around 16 percent.

The targets are subject to review. At present, it is not possible to assess to what extent the spread of coronavirus will negatively affect business of Jenoptik in the current year. In view of the current situation, the Board expects noticeable impacts at least in the first half of the year.



Agenda



01

Overview and strategy

02

Financials 2019 and outlook

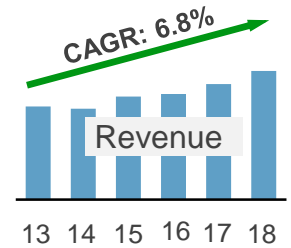
03

Appendix

A long tradition of innovation in optoelectronics



MORE LIGHT



Founded in Jena by Carl Zeiss

State property

German Reunification

New Businesses

Flexibility

Consolidation

Sustainable profitable growth

“Workshop for precision mechanics and optics”

The Zeiss plant in Jena, converted into state property

- IPO 1998
- Acquisition of companies to open up new sales channels

- Starting new strategy “More light” in 2018

Key financials 2019 of the photonic divisions and VINCORION

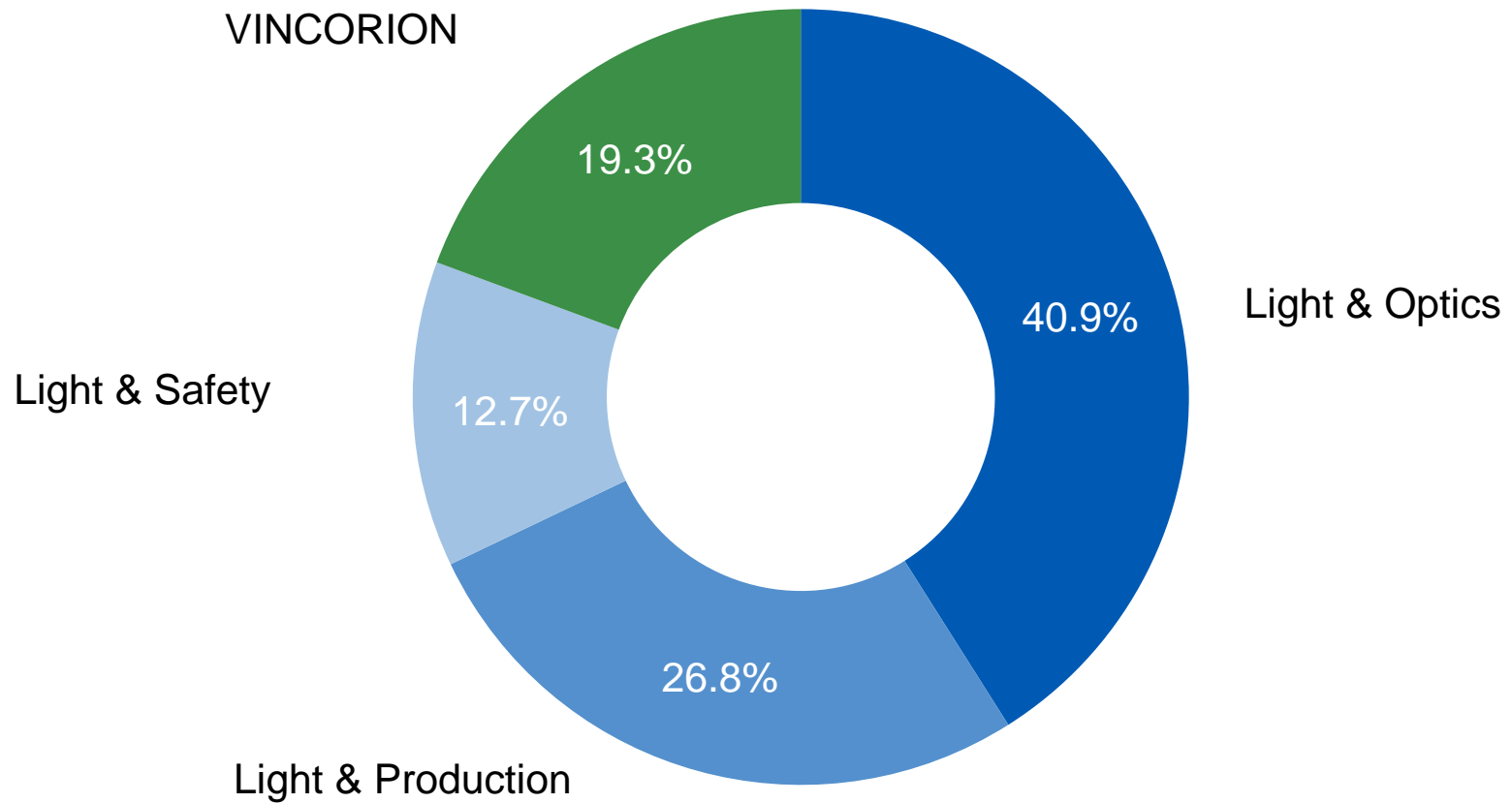


MORE LIGHT

in million euros	Light & Optics	Light & Production*	Light & Safety	VINCORION	Group*
Revenue (external)	350.0	228.9	108.7	164.8	855.2
EBITDA	69.8	25.8	18.8	24.2	134.0
EBITDA margin	19.8%*	11.3%*	17.3%*	14.7%*	15.7%
EBIT	57.9	14.5	11.7	17.4	88.9
EBIT margin	16.5%*	6.3%*	10.7%*	10.5%*	10.4%
Order intake	324.7	199.3	107.9	177.9	812.6
Order backlog	144.9	81.6	69.9	169.7	466.1

*based on total revenue

Revenue split by division 2019

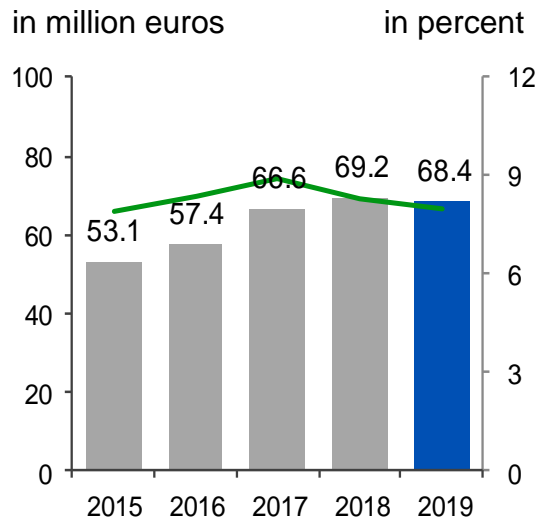


Key figures – five year overview

In million euros	2019	2018	2017	2016	2015
Revenue	855.2	834.6	747.9	684.8	668.6
EBITDA	134.0	127.5	106.7	94.7	88.8
EBITDA margin (in %)	15.7	15.3	14.3	13.8	13.3
EBIT	88.9	94.9	77.8	66.2	61.2
EBIT margin (in %)	10.4	11.4%	10.4%	9.7%	9.2%
EPS (in euros)	1.18	1.53	1.27	0.94	0.87
Free cash flow (before income tax)	77.2	108.3	72.2	80.4	71.8
Net debt	-9.1	-27.2	-69.0	-17.9	43.9
ROCE (in %)	14.7	20.2	18.2	15.6	13.5
Equity ratio (in %)	60.5	60.6	59.6	58.6	56.6

Strong R+D commitment enables fundamentally new products; continuing expansion of sales structures abroad

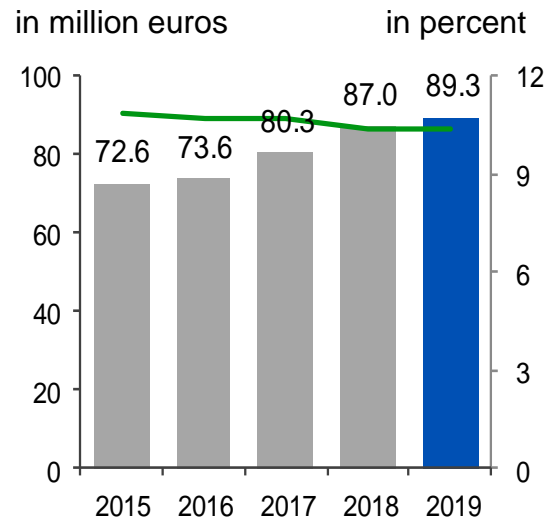
R+D output



— Ratio of R+D output to revenue

- 2019: R+D output: 8.0% of revenue
R+D expenses: 5.2% of revenue
- 43 patents registrations (prior year 44)

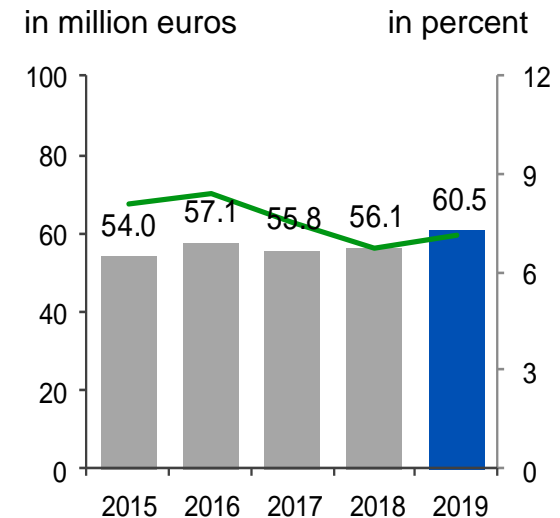
Selling expenses



— Ratio of selling expenses to revenue

- 2019: selling expenses 10.4% of revenue (prior year 10.4%)
- Jenoptik is consistently pursuing its strategy of internationalization

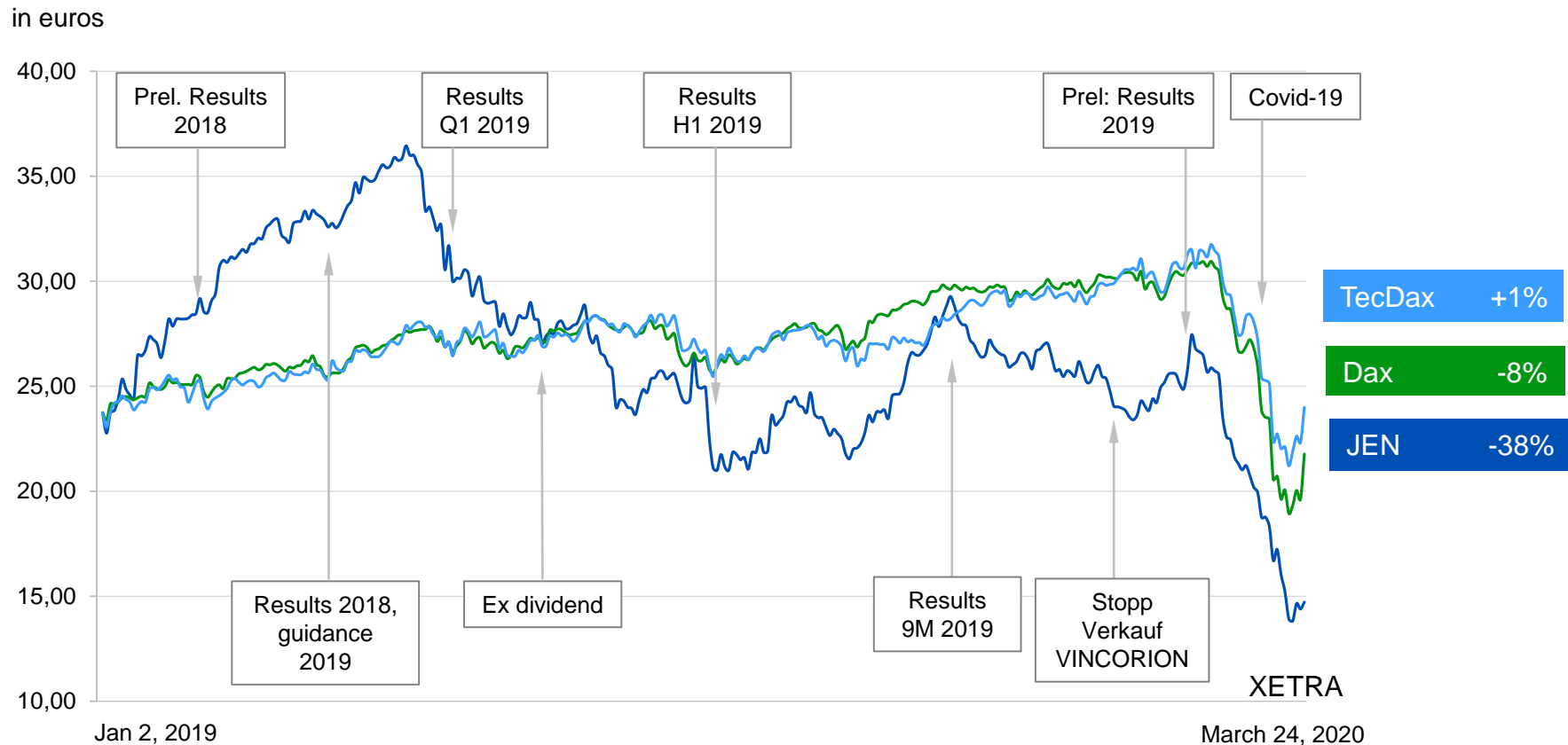
Administrative expenses



— Ratio of administrative expenses to revenue

- 2019: administrative expenses 7.1% of revenue (prior year 6.7%)

Development of Jenoptik share price compared with Dax and TecDax (indexed) since early 2019 to date



ISIN / Ticker: DE000A2NB601 / JEN

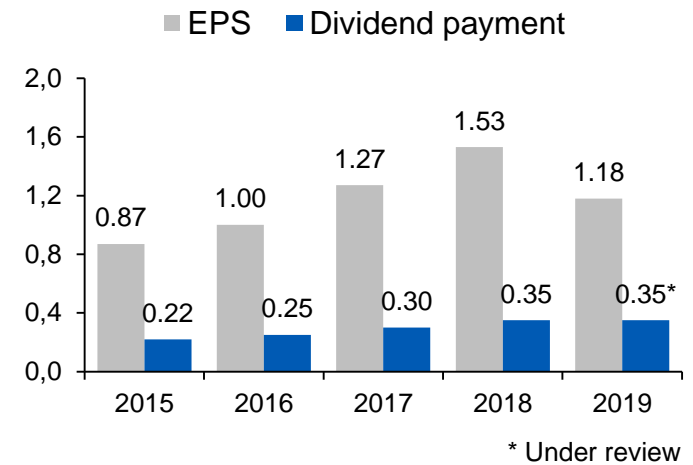
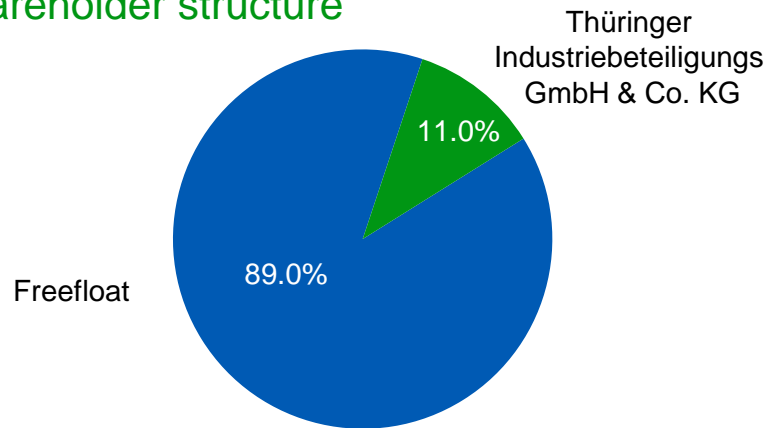
Market cap: ~830 million euros

Number of shares: 57,238,115

Nominal capital: 148,819,099 euros

Shareholders and dividend information

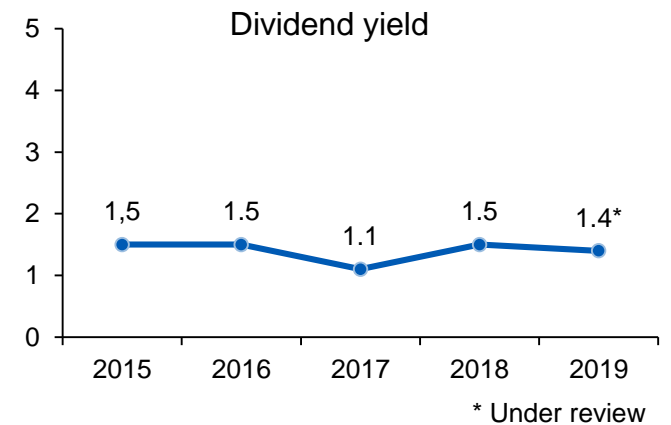
Shareholder structure



Major institutional shareholders (24.03.2020)

Fund Name	%	Shares	Region
Land Thüringen	11.00	6,296,193	Germany
Allianz Global Investors	10.11	5,788,418	Germany
DWS Investment	10.07	5,763,762	Germany
Norges Bank	3.08	1,761,758	Norway
Black Rock Asset Management	3.02	1,729,249	Germany
Capital World Investors	2.89	1,654,146	US
INVESCO Oppenheimer	2.80	1,602,383	US

Source: Voting rights notifications



Dates and contact

March 25, 2020

March 26, 2020

April 28, 2020

May 13, 2020

May 14, 2020

June 9, 2020

Publication of the Consolidated Financial Statements 2019

(Conference call)

Bankhaus Lampe Conference (postponed to August)

Roadshow Paris (under review)

Quarterly Statement 1st quarter 2020 (conference call)

UBS Conference, London (under review)

Annual General Meeting, Weimar (under review)

Contact:

Thomas Fritsche
Head Investor Relations
JENOPTIK AG

Phone: +49 3641 65-2291
thomas.fritsche@jenoptik.com

www.jenoptik.com
www.twitter.com/Jenoptik_Group

Our app „Publications“ provides an optimized view of the report on mobile devices with iOS and Android operating systems.

The application is available for download in the App Store and at Google Play.