



# Jenoptik acquires TRIOPTICS, maintaining strategic focus on photonics, growth and profitability

July 2, 2020

# Forward-Looking Statements Disclaimer

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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.

# More innovation in photonics applications.

Jenoptik to acquire TRIOPTICS: Expanding our competence in optical and precision instruments and components for a digital world.

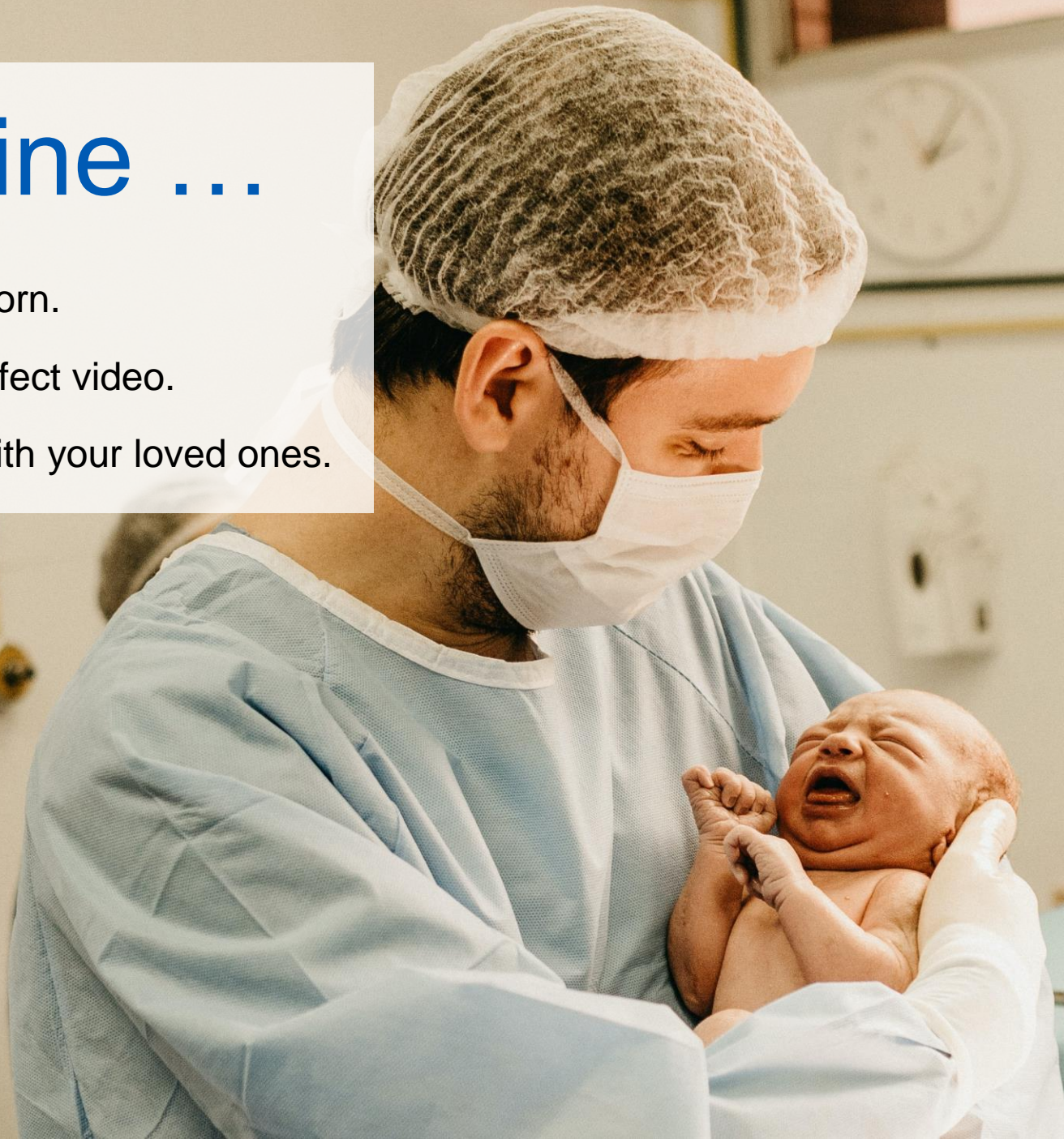


# Imagine ...

Your baby is born.

You take a perfect video.

And share it with your loved ones.



# Get closer to your loved ones. With superb mobile device performance ensured by Jenoptik and TRIOPTICS.

Great conversations means that Granny's tablet needs a camera that autofocuses rapidly, a high density display that refreshes hundreds of times a second, and a lightweight system that works in her shaky hands.

Jenoptik through its acquisition of TRIOPTICS are ensuring that mobile device solutions are manufactured to the highest standards, delivering superb performance to all ages.

That's the pleasure of photonics.




# Get virtually real. With VR & AR technology powered by Jenoptik and TRIOPTICS.

Gaming technology is moving at the speed of light, and realism is everything. The appetite of developers for ever higher resolution from LiDAR scanning devices is insatiable.

Jenoptik with its acquisition of TRIOPTICS can deliver LiDAR functionality into mass market consumer and professional devices, powering Augmented Reality and Virtual Reality gaming applications.





Be amazed by what your  
smartphone can do.  
With quality assurance  
solutions from Jenoptik &  
**TRIOPTICS.**

Pictures from a high performance smartphone require lenses that accommodate low light levels, wide angles, close-ups and fast action. The lens and the sensor make up a combination that assures the final quality of the image. The precise alignment of the lens on the sensor is vital to performance.

Sophisticated smartphones require photonics. Jenoptik through its acquisition of TRIOPTICS now offers precise testing and measurement of mobile imaging systems.

That's the potential of photonics.

# Strategic rationale of the transaction – acquisition strengthens our capability to participate in dynamic trend of digitization

## Improved technological leadership



- With TRIOPTICS Jenoptik becomes a leading provider of optical measurement and manufacturing systems.
- Strengthens Jenoptik's technological skills in key strategic application areas: digital imaging, high end optics and advanced manufacturing.

## Improved market position and more internationalization



- Build substantial market position with Asian OEMs
- Leverage our footprint in North America
- Highly complementary fit across geographies, technologies and end markets

## Value creation



- More growth: TRIOPTICS CAGR (4yrs) of +17% and high profitability: EBITDA margin of ~27%
- Acquisition expected to be earnings- and free cash flow-accretive in the first year after closing
- Jenoptik expects to realize significant synergies due to the expansion of its addressable markets and complementary sales channels
- Continued focus on financial strength: debt financing, without tapping strategic liquidity reserve



# TRIOPTICS – company overview



## Founded

1991



## Facts & Figures

Revenue 2019:  
**€ 80m**

EBITDA 2019:  
**€ 22m**

EBITDA margin:  
**27%**



## Locations

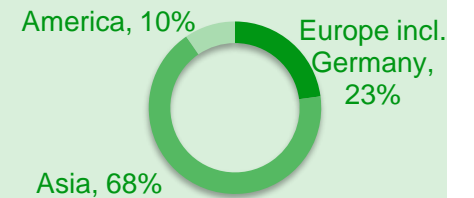
Wedel, Germany (HQ)



+ TRIOPTICS Berlin  
+ TRIOPTICS Wetzlar

8 sales & service subsidiaries  
around the globe

## Revenue mix by regions



## Employees

400

(thereof ~100 in R+D)



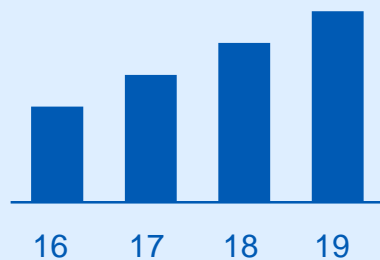
## Business

Development and production of optical and precision measurement instruments and components along with the corresponding electronic controls and automation mainly used in smartphones, semiconductor equipment industry and life sciences.



## Growth

CAGR: ~17%



## Management stays with the company






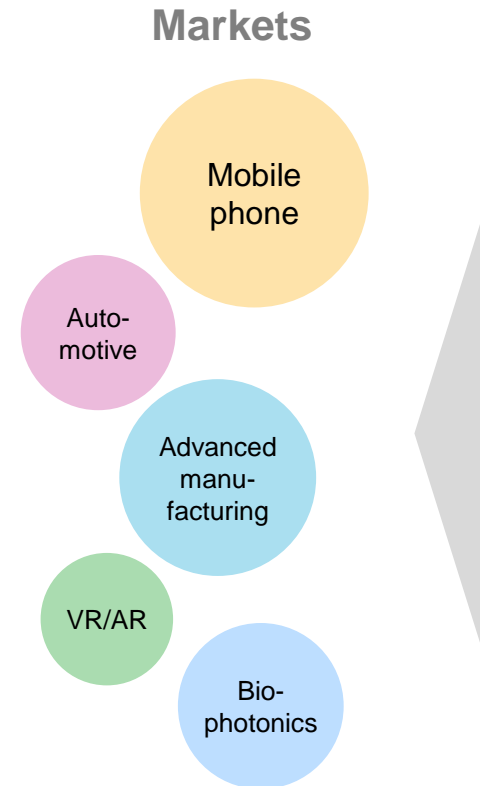
Eugen Dumitrescu  
CEO



Dr. Stefan Krey  
CTO

# TRIOPTICS: Advanced technical capabilities and innovation in key trends across the portfolio

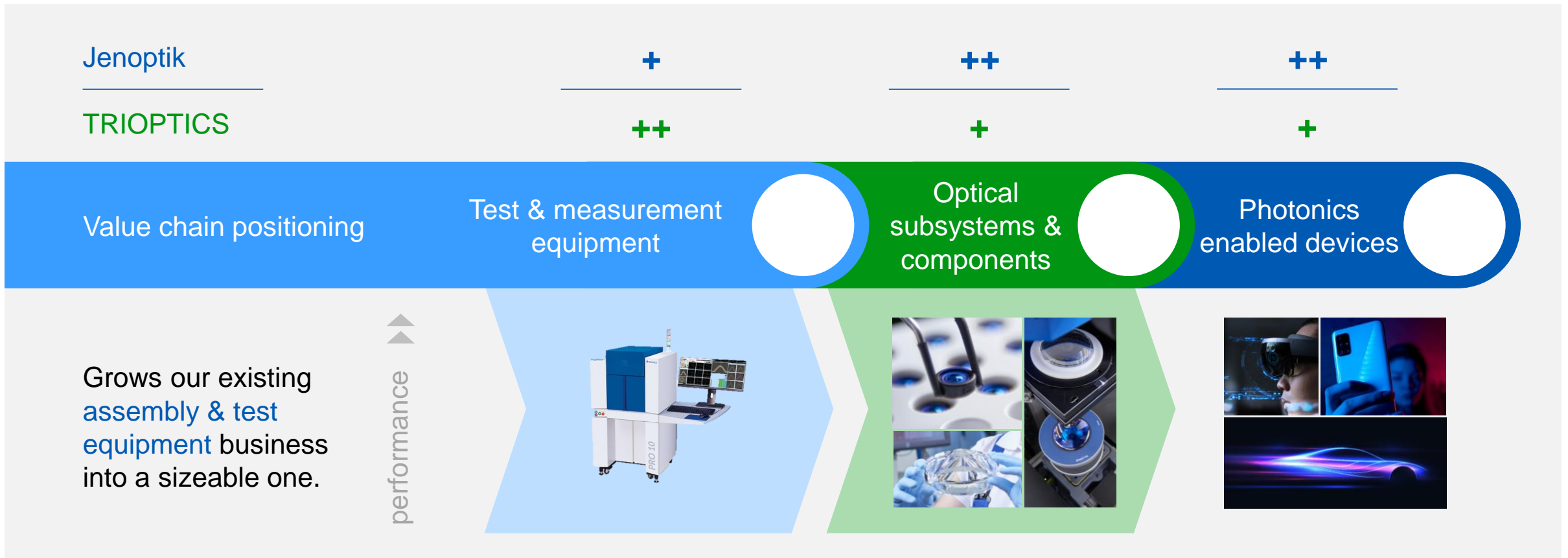
Solutions	Illustrative applications
<p><b>Image quality</b> <i>56% of revenue</i></p> 	<ul style="list-style-type: none"> <li>Testing the image quality of lenses for (mini-) objectives</li> <li>Used in smartphones, laptop- and tablet-PCs, cars, cameras</li> </ul>
<p><b>Active alignment &amp; assembly</b> <i>12% of revenue</i></p> 	<ul style="list-style-type: none"> <li>Automated volume production and packaging of optical sensor systems, e.g. camera lenses, modules and LiDAR components</li> </ul>
<p><b>Optical metrology for optics manufacturing</b> <i>32% of revenue</i></p> 	<ul style="list-style-type: none"> <li>Optical centering inspection as well as sealing and mounting of lenses and objectives</li> <li>Optical angle measurement and autocollimation of lens systems</li> </ul>



Key trends
<ul style="list-style-type: none"> <li>Digitization</li> <li>3D-sensing</li> <li>Internet Of Things</li> <li>E-mobility</li> <li>Autonomous vehicles</li> <li>Security</li> <li>Health &amp; wellness</li> <li>Digital medicine</li> <li>Factory automation</li> <li>Machine vision</li> <li>Environmental protection</li> </ul>

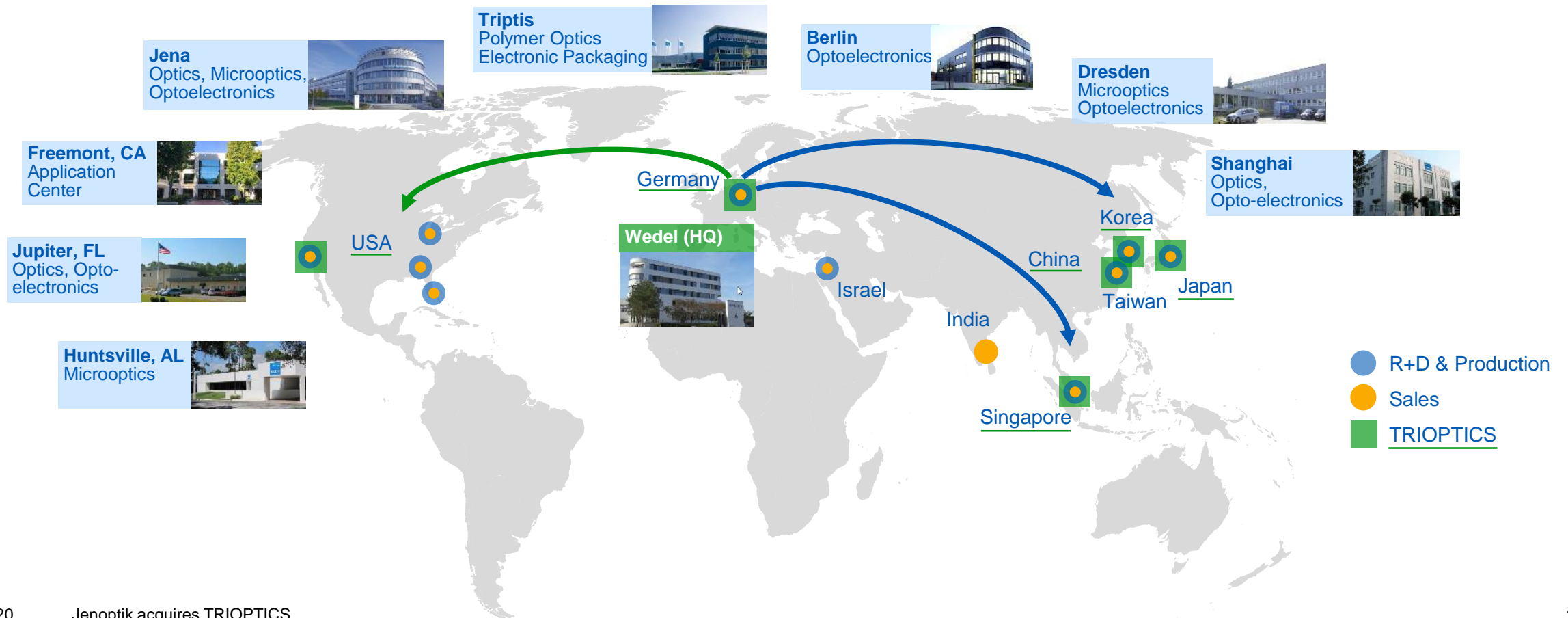
# Leverage proprietary technology to advance innovation and expand served markets

The acquisition of TRIOPTICS **creates a strong global leader** in test & measurement instruments. The Group will benefit from high-growth and high-margin business in the field of optics as well as optical sensor assembly and testing.

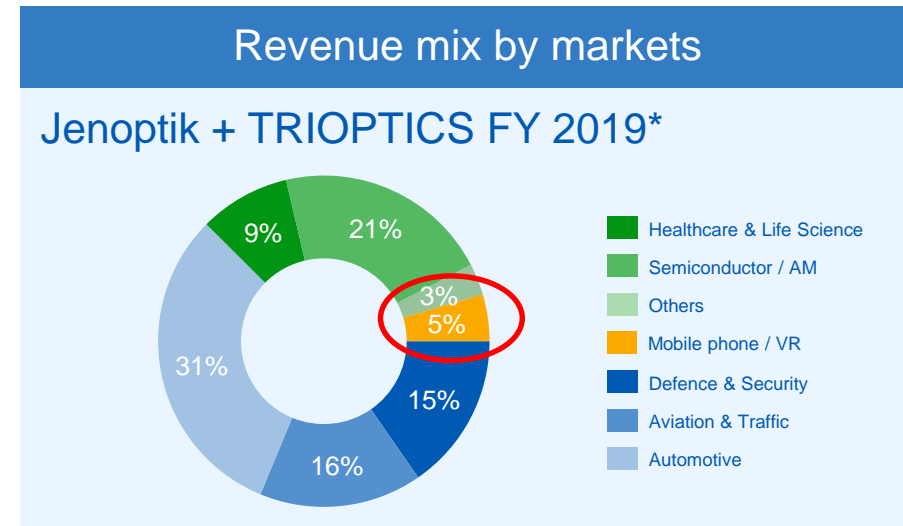
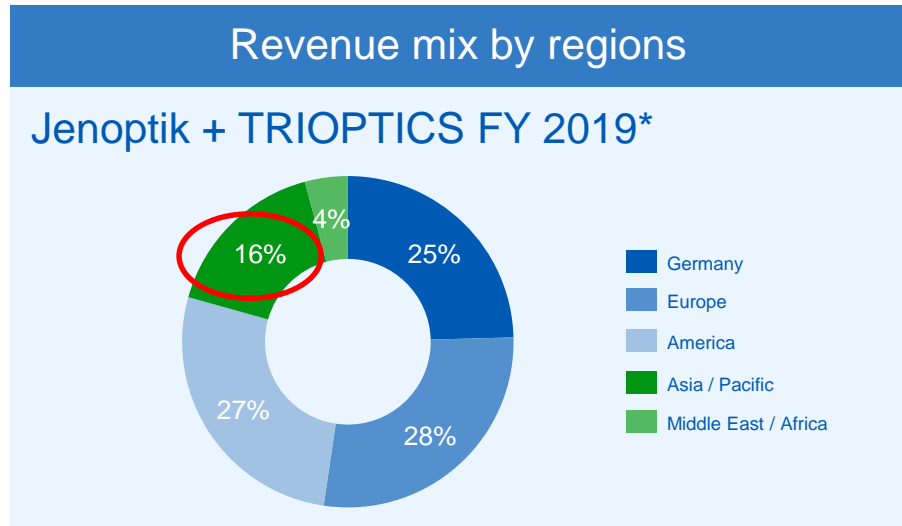


# Expanded global presence

TRIOPTICS gains presence and market access in Asia and America and Jenoptik leverages its portfolio especially for advanced manufacturing products to drive growth in Asia

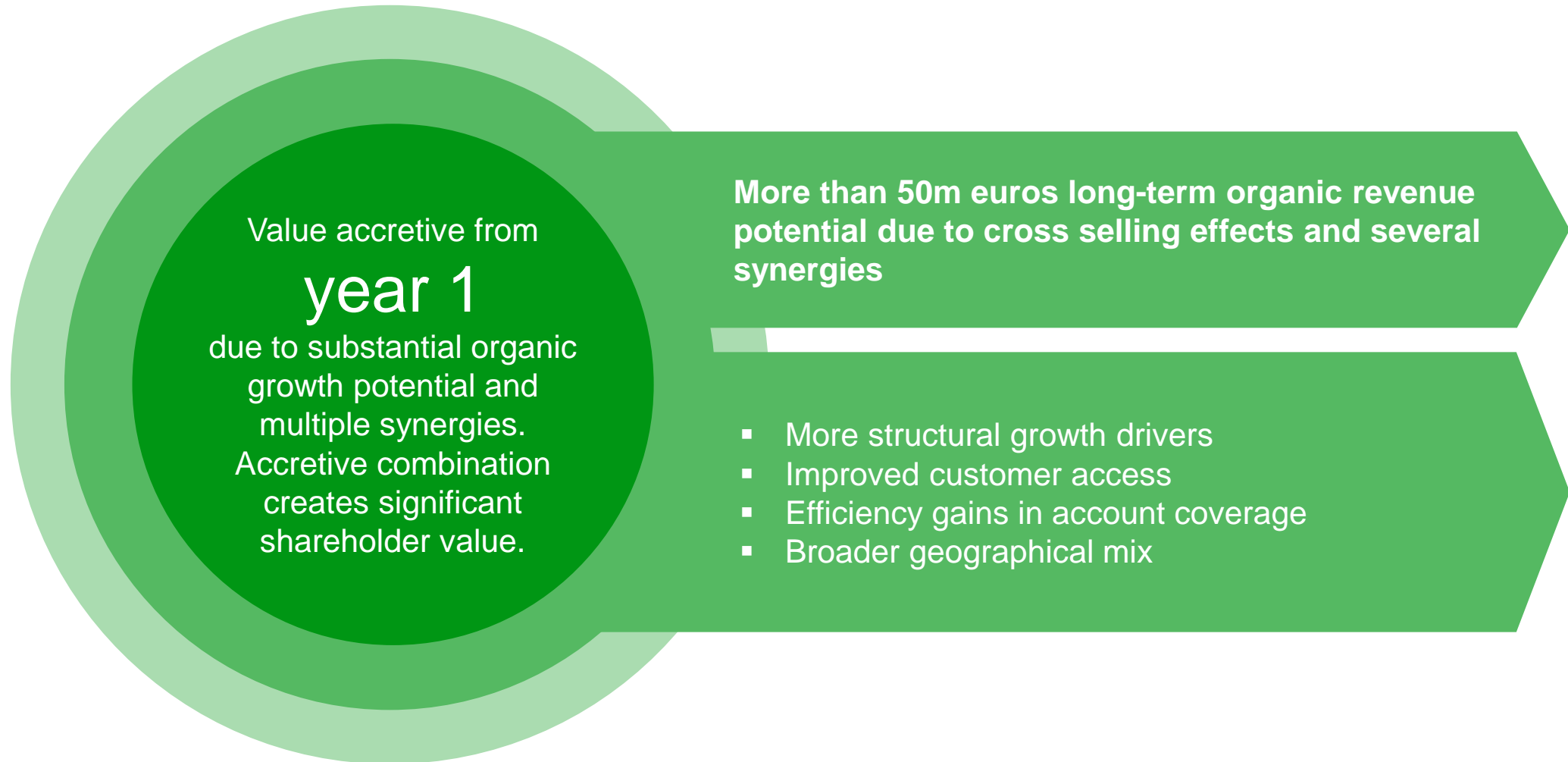


# Enlarged technology portfolio and international footprint make Jenoptik stronger in attractive business fields and regional markets



\* adjusted without Hillos GmbH and pro forma

- Globally balanced revenue; focus region Asia is becoming more prominent
- Improved end-market diversification
- With high-end micro-optics technology for mobile devices and virtual reality (VR), Jenoptik is stepping into a new market segment
- On the application side, the photonic core business will be strengthened, with market segment growth from 6% to 15% (CAGR)



# Financing of transaction based on very sound financial situation of Jenoptik



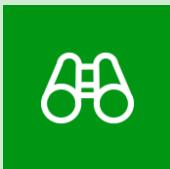
## Transaction consideration

- ~10.4x 2021e EV/EBITDA
- Expected to be accretive to EBITDA margin, growth and earnings from year 1
- First step 75% and residual 25% until end of 2021



## Financing

- 300m euros fully committed term loan with attractive conditions
- Financing without tapping the strategic liquidity reserve of about 200m euros
- Combined net debt of ~220m euros; net leverage of ~1.8x LTM EBITDA (as of Q1/2020)



## Outlook

- Closing in third quarter of 2020, subject to customary closing conditions
- Group generates positive free cash flow in 2020 despite the coronavirus pandemic
- Retains significant financial flexibility

**Continued focus on sound balance sheet quality, high liquidity and free cash flow generation.**

# Jenoptik drives photonics growth story – continued investments in organic growth and attractive external opportunities

The acquisition of TRIOPTICS is consistent with Jenoptik’s strategic objectives and the mission to become the leading light in the application of photonics.



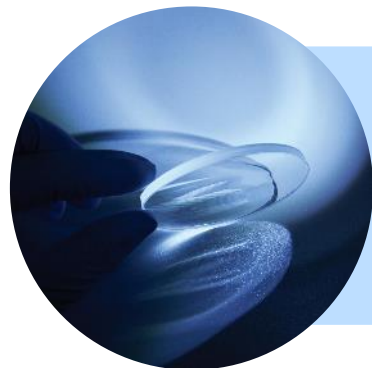
Leverage core competencies in photonics



Step-up R&D work



Build a truly global enterprise



Accelerate growth



Expand profitability and cash flow







MORE LIGHT

Thank you.