JENOPTIK AG
Results of the first half-year 2016 and outlook

August 10, 2016

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Hans-Dieter Schumacher, CFO

- Jenoptik – 1st half-year 2016
- Development of the segments
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Jenoptik remains on track in terms of growth: Rise in revenue and earnings as well as strong cash flows

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External framework conditions

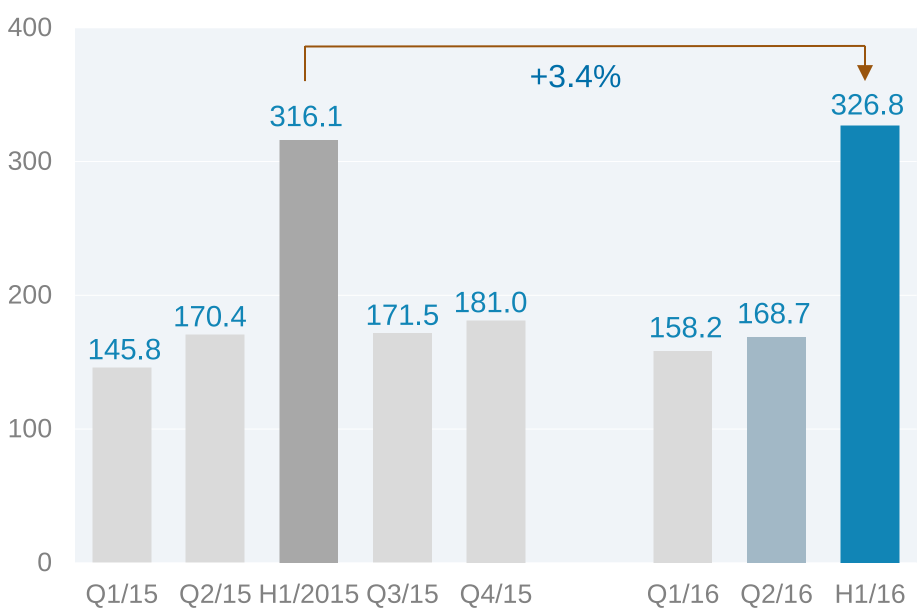
- Challenging economic environment, e.g.
  - Emission scandal affected whole automotive sector
  - Reluctance to invest / development of oil price / development of currencies
- Globally, situation remained uncertain: Brexit, development in Turkey, Middle East, Ukraine, Russia
- Further slowing of growth in China, subdued development in the US

Major events in the Jenoptik Group

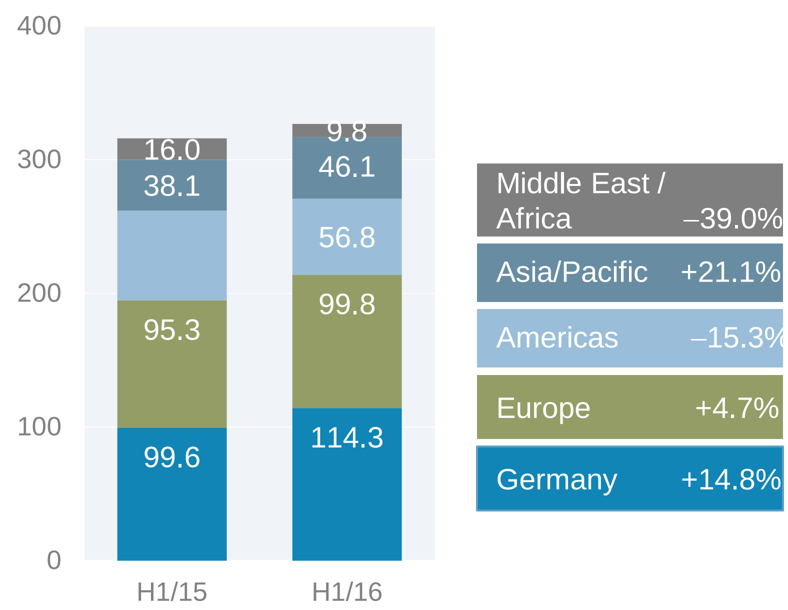
- Changeover to new divisional structure completed; consistent alignment to markets and megatrends
- Development of business in first half-year 2016 as expected
- Excellence programs have been continued
- Largest single investment of 15 million euros started at the US location in Rochester Hills
- Major orders received support future growth

Revenue increased compared to the prior year period

Revenue in million euros

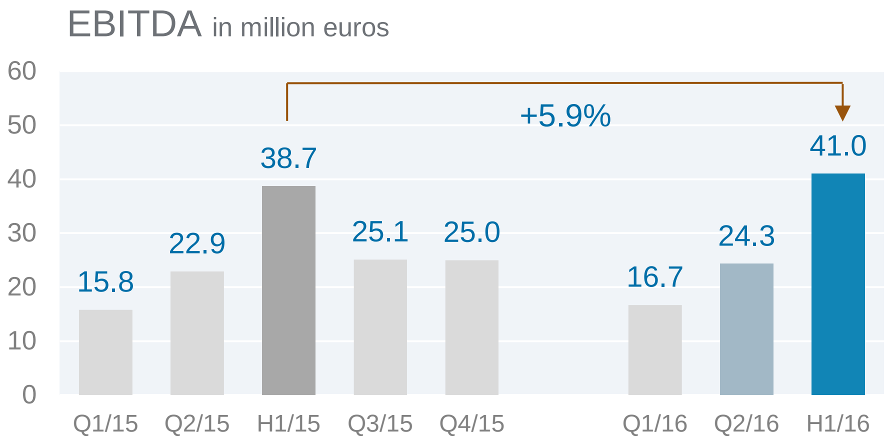


Revenue by region in million euros

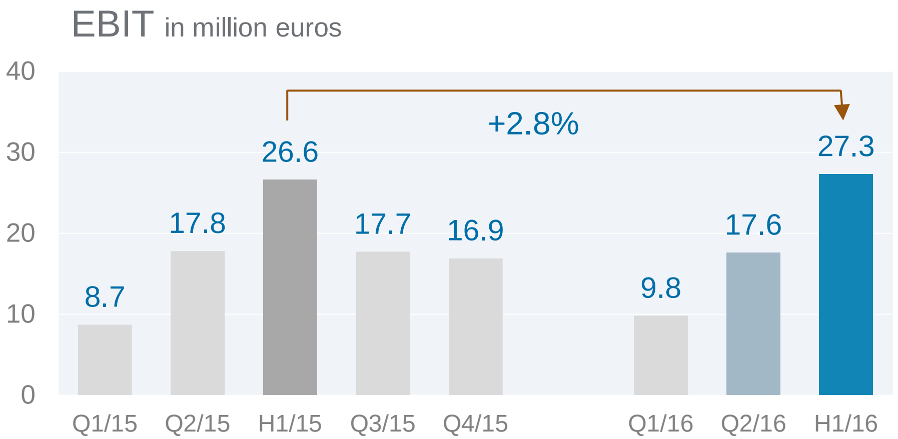


- Optics & Life Science as well as Defense & Civil Systems segments reported growth
- Higher demand from the areas of energy and sensor systems, optical systems and laser machines
- No positive currency effects (prior year ca. 11m euros)
- Share of revenue generated abroad came to 65.0% (prior year 68.5%)
- Marked revenue increase in Asia/Pacific and Germany
- Revenue share in the Americas and Asia/Pacific at 31.5% (prior year 33.3%, incl. Patriot order)

EBITDA shows stronger growth than revenue, operating result slightly higher than in prior year



- EBITDA margin at 12.5% (prior year 12.2%)
- Stronger rise than revenue



- EBIT margin at prior year level H1/2016: 8.4% (prior year 8.4%)
- EBIT affected by, among other things:
  - Lower other operating result (in particular currency effects)
  - Prior year: reversal of impairment loss of real estate of approx. 2 million euros

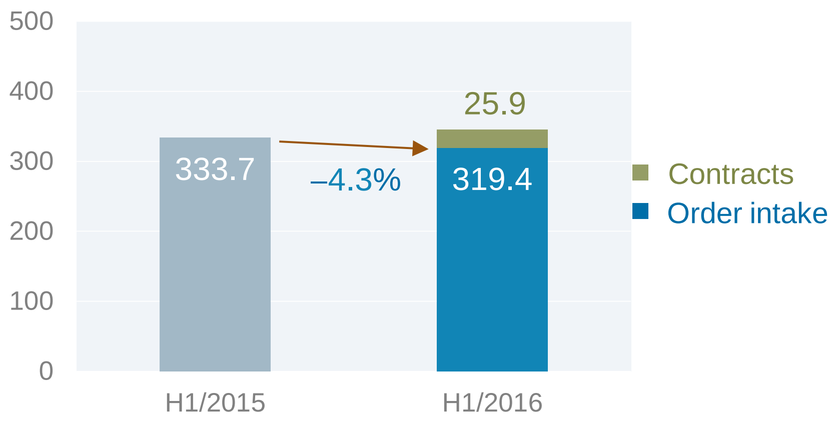
Good business development and cost discipline contributed to increase in earnings

In million euros	H1/2016	H1/2015
Revenue	**326.8**	**316.1**
Gross margin	34.2%	34.6%
Functional costs	85.4	87.4
EBITDA	**41.0**	**38.7**
EBIT	**27.3**	**26.6**
Financial result	–1.4	–1.9
Earnings before tax	**25.9**	**24.7**
Earnings after tax	22.1	20.1
Earnings per share (euros)	**0.39**	**0.35**

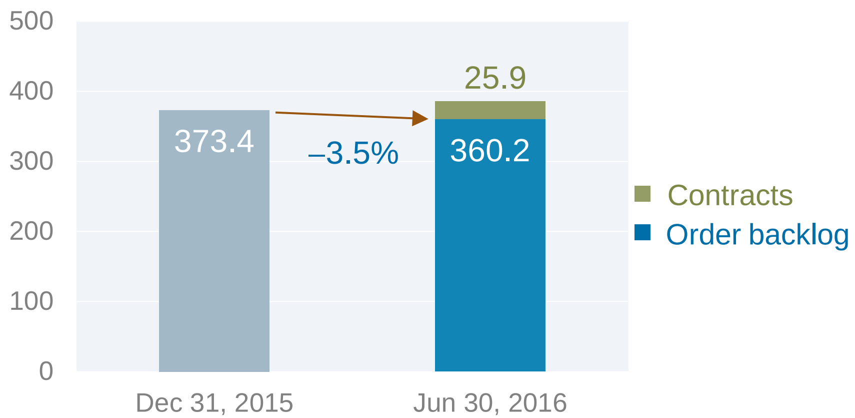
- Gross margin slightly reduced, in part due to changed product mix
- Functional costs lower than in prior year
- Financial result improved due to higher result from other investments and in spite of small currency losses
- Cash-effective tax rate was 14.2% (prior year 16.0%)
- Earnings per share rose disproportionately by 11.2%

Solid order situation and well-filled project pipeline create the prerequisite for further growth

Order intake in million euros



Order backlog in million euros



- Order intake at the end of June below prior year
  - Rise in Optics & Life Science segment
  - Order intake in prior year included major order to equip Patriot missile defense system
  - Traffic safety orders from Canada and Australia not included
- Book-to-bill ratio at 0.98 (prior year 1.06)
- Project pipeline well filled

- Decline in order backlog was attributable to execution of long-term major orders in the Defense & Civil Systems segment
- 65.5% of order backlog will be converted to revenue still in 2016
- In addition, there are contracts worth 25.9 million euros (not included in order backlog)

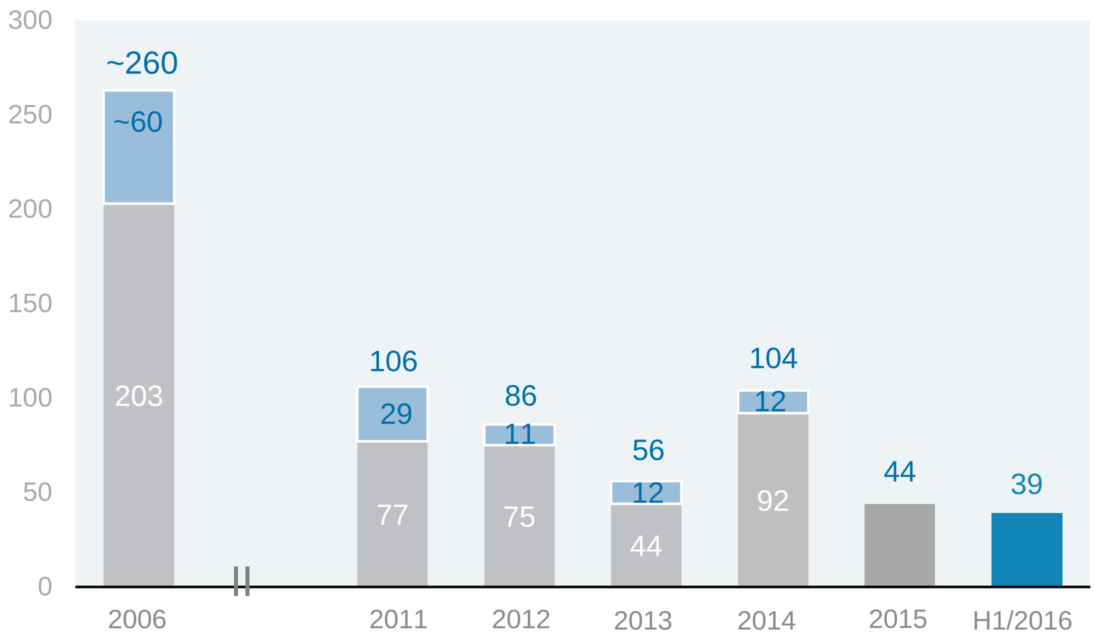
Free cash flow rose by more than 150 percent compared to the prior year

In million euros	H1/2016	H1/2015
Operating profit before adjusting working capital	40.4	38.2
Changes in working capital and other items	–7.1	–19.9
Cash flows from operating activities before income tax	33.3	18.3
Cash flows from operative investing activities	–11.9	–9.8
Free cash flow (before interest and taxes)	**21.5**	**8.4**

- Cash flows from operating activities and free cash flow improved significantly
  - Lower payments for working capital
- Increase in working capital to 220.6 million euros (31.12.2015: 215.5m euros / 30.6.2015: 239.0m euros)
  - In part attributable to better receivables management
- Working capital ratio at 32.5% (31.12.2015: 32.2% / 30.6.2015: 35.4%)

Net debt remains at low level; equity base further improved

Net debt in million euros



- Claims of silent real estate investors
- Net debt

- Following substantial reduction in 2015, net debt was further reduced due to the very good free cash flow and despite paying a higher dividend in H1/2016
- Equity ratio rose to 57.4% (31.12.2015: 56.6%)

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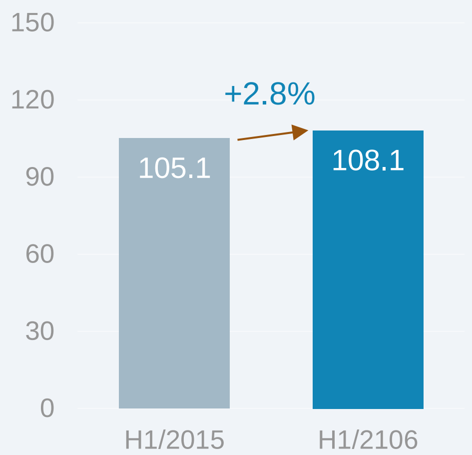
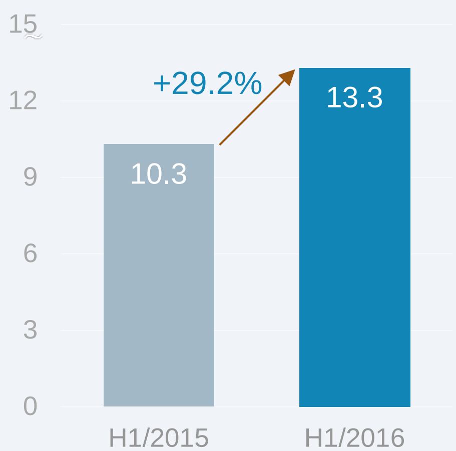
Q1
Q2
Q3

Optics & Life Science segment:
Increase in revenue, earnings and order intake

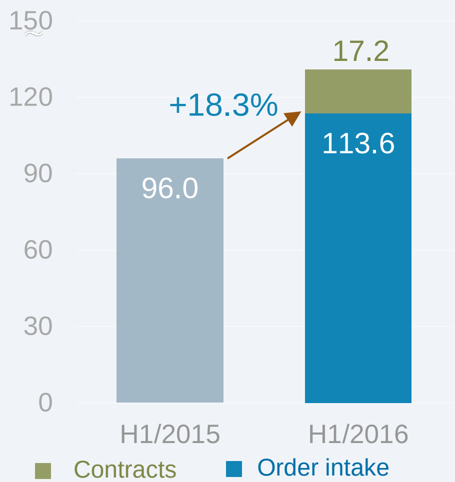
Revenue (in million euros)



EBIT (in million euros)



Order intake (in million euros)



- Good demand for solutions for information and communication technology as well as in part for semiconductor equipment
- Rise in Europe and Asia/Pacific
- Share of group revenue 33%

- EBIT margin in H1 rose to 12.3% (prior year 9.8%)
- In Q2, EBIT increased by approx. 60%
- At 17.3 million euros EBITDA in H1 was also significantly higher than in prior year (prior year 14.4m euros)

- Good order intake in the Healthcare & Industry division
- Order intake exceeded revenue Book-to-bill: 1.05 (pr. year 0.91)
- Order backlog at 74.2 million euros (31.12.2015: 73.7m euros)

Mobility segment: Revenue and earnings below prior year, growth in the focus regions of the Americas and Asia/Pacific

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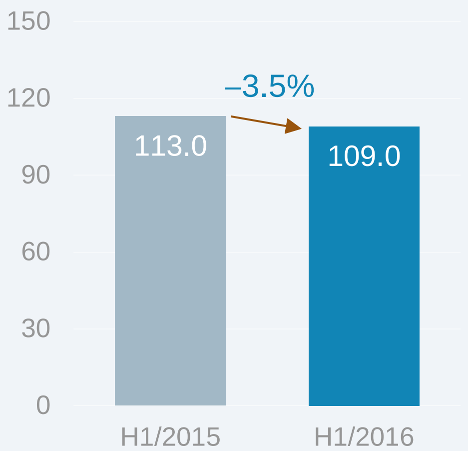
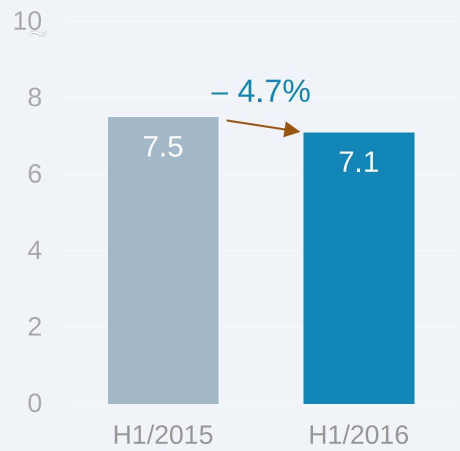
Revenue (in million euros)



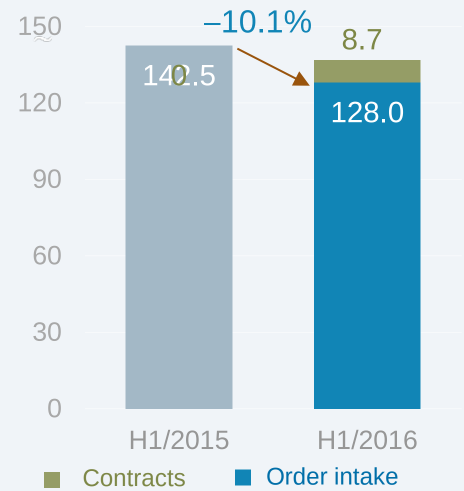
- Positive development in the Automotive division, in particular in the field of laser machines
- Traffic safety: weak investment by oil-exporting countries; subdued demand in the US
- Share of group revenue 33%

EBIT (in million euros)



- EBIT decline due to lower revenue
- EBIT margin at 6.5% (prior year 6.6%)
- EBITDA at 11.1 million euros (prior year 11.7m euros)

Order intake (in million euros)



- Book-to-bill: 1.17 (prior year 1.26) decline in Traffic Solutions
- Orders from Canada und Australia not included; other major projects still at tendering stage
- Good order backlog:111.1 million euros (31.12.2015: 92.7m euros)

Defense & Civil Systems segment:
As expected, strong development of revenue and earnings

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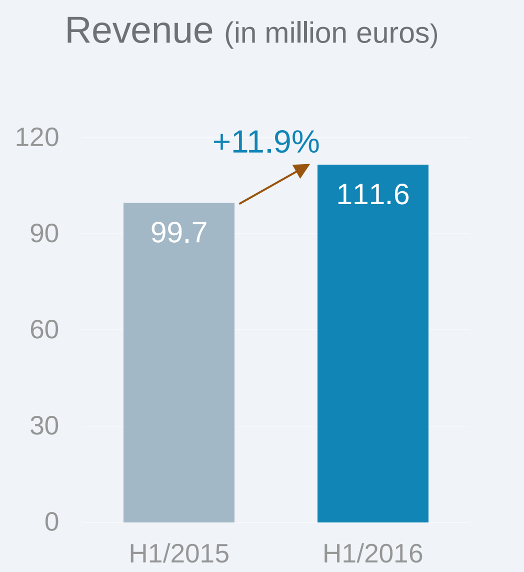
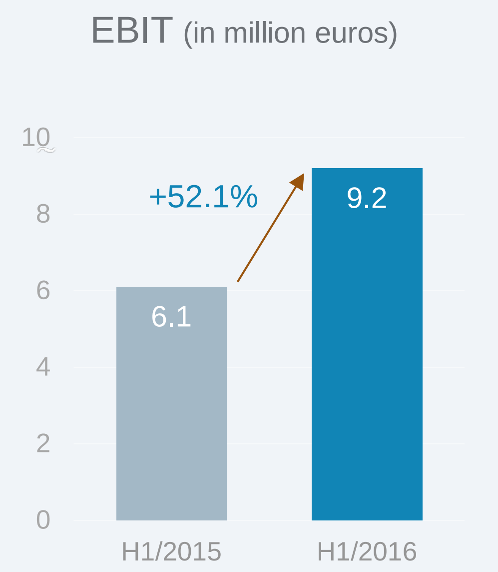
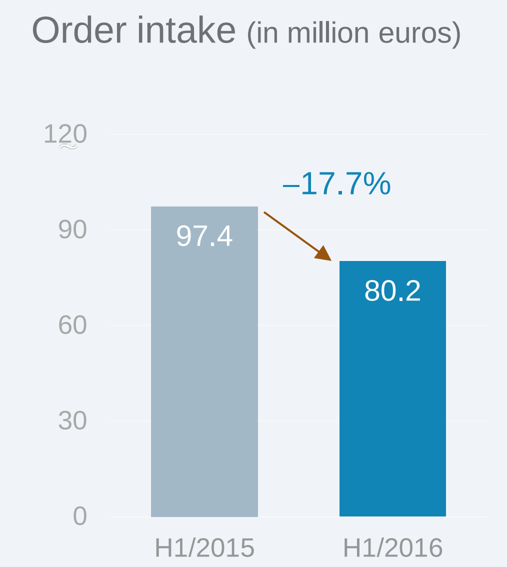


- Highest revenue in a quarter or a first half-year, mainly due to development in business with energy and aviation systems as well as service business
- Rise in Germany, Europe and Asia/Pacific
- Share of group revenue 34%



- EBIT increased due to good development of revenue and a higher margin product mix
- EBIT margin raised to 8.3% (prior year 6.1%)
- EBITDA at 11.5 million euros above the prior-year figure of 8.5 million euros



- No new major orders in H1 (prior year Patriot)
Book-to-bill: 0.72 (pr. year 0.98)
- Order backlog at 178.0 million euros (31.12.2015: 209.7m euros) due to work on major orders

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Q1

Q2

Q3

Forecast for 2016 confirmed

Externally

- Uncertain environment around the globe (incl. Brexit, Turkey)
- Investment behavior is hard to predict

Internally

- Solid order and project pipeline
- Intensified integrated approach

	2015	2016e
Revenue	668.6 million euros	Between 680 and 700 million euros
EBIT	61.2 million euros; Margin 9.2%	Moderate growth; EBIT margin between 9.0 and 9.5%
EBT	57.4 million euros	Development similar to EBIT

The good financial position and a viable financing structure give Jenoptik sufficient leeway for both acquisitions and financing of further growth.

Strong market focus supports successful growth

Optics & Life Science


- Good position in the semi-conductor equipment industry
- Rising revenue with other industries, e.g. life science, information and communica-tion technology, automotive
- Further expansion of systems and volume business
- Growth planned in particular in the Americas and Asia/Pacific

Mobility


- Globally growing demand for more efficient drives and the necessary measuring technology
- Good demand for laser machines, especially for 3D laser material processing
- Execution of major inter-national orders in the area of traffic safety
- Higher service share

Defense & Civil Systems


- Major orders ensure stable business development
- Internationalization
- Stronger focus on civil applications, e.g. energy supply, railway technology
- Higher investments in defense technology are possible

Our target: to continue path of profitable growth with a corporate structure that is closer realigned with markets

„From Good to Great“

Our mid-term targets

- Revenue of 800 million euros by 2018 (including smaller acquisitions), of which more than 40 percent in Asia and the Americas
- EBIT margin of 9-10 percent over the cycle

This presupposes that political and economic conditions do not worsen. These include the presently uncertain effects of Brexit, the development in Turkey, regulations at European level, export restrictions, further developments in China, in the Middle East and the conflict between Russia and Ukraine.

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With its new organizational structure Jenoptik is more closely aligned with market requirements and positioned closer to customers

Divisions	Markets		Megatrends
Optical Systems		Semiconductor equipment / ICT	Digital World
Healthcare & Industry		Medical Technology	Health
Automotive		Automotive & Machine Construction	Mobility & Efficiency
Traffic Solutions		Traffic / Aviation	Infrastructure
Defense & Civil Systems		Defense & Security	Security

Dates and contact

August 10, 2016	Results of the first half-year 2016
August 11, 2016	Analysts‘ conference / roadshow Frankfurt/Main
August 17, 2016	Roadshow London
August 31, 2016	Commerzbank Sector Conference, Frankfurt/Main
September 8, 2016	Bankhaus Lampe German Technology Seminar, Zurich
September 21, 2016	Baader Investment Conference, Munich
November 10, 2016	Results of the first nine months 2016

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