



Press Release

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Jenoptik accelerates profitable growth with acquisition of TRIOPTICS

- TRIOPTICS is a leading high-growth photonics company (revenue of around 80 million euros and operating margin before depreciation of approximately 27 percent in 2019)
- Jenoptik CEO Traeger: "A significant step in Jenoptik's strategic process of focusing on photonics that enables us to offer our customers a full range of products and services for applications in the digital world."
- Combination of complementary technology portfolios in the fields of mobility, connectivity, virtual reality, and digital imaging with huge potential in growth markets
- In two steps, Jenoptik will acquire 100 percent until 2021
- The acquisition will impact positively on net income and free cash flow already in the current year
- External financing of transaction, without tapping the strategic liquidity reserve

Jena and Wedel, July 2, 2020 – JENOPTIK AG (FSE: JEN / ISIN: DE000A2NB601) acquires 100 percent of the shares in TRIOPTICS GmbH. The enterprise value equates a combined 2021e EV/EBITDA multiple of 10.4. Both parties to the contract have agreed not to disclose details of the purchase price. The transaction will be made in two steps. First, Jenoptik will take over 75 percent of the shares, the remaining shares after fulfilling defined success criteria by the end of 2021. The company will strengthen the technologically leading position of Jenoptik's Light & Optics division. Depending on the date of first-time consolidation and without taking PPA effects into account, the transaction will have a positive impact on Jenoptik's business development in 2020. The outlook for the current year, provided by the company in May did not include this acquisition.

TRIOPTICS is a leading international supplier of test equipment and manufacturing systems for optical components and sensors in the digital world. The company, based in Wedel near Hamburg, has over 400



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employees worldwide – of which around 100 in research and development –, and in 2019 generated revenue of around 80 million euros, with an operating margin before depreciation of around 27 percent. Over the last four years, the company achieved on average annual growth (CAGR) of 17 percent. Since its founding in 1991, TRIOPTICS has developed proprietary technology for global customers in attractive growth markets. TRIOPTICS has a very strong presence in European and Asian markets with own subsidiaries. The company generates more than half of its revenue in Asia. CEO, Eugen Dumitrescu, and CTO, Stefan Krey, will continue to work in their positions for TRIOPTICS under the Jenoptik umbrella.

Expanding leading technological position in growth markets

The acquisition of TRIOPTICS strengthens the Jenoptik Group's clear focus on high-growth industries of the future and opens up an even greater range of applications, which will help the company to drive profitable growth and strengthen its positioning as a focused photonics player. TRIOPTICS is a leading supplier of equipment used to test optical components and sensors, and has good market access to many smartphone and camera manufacturers and their suppliers, among others. With these, the company is generating a major part of its revenue. Its integration will enable Jenoptik to better scale its existing test equipment business in the Light & Optics division. The acquisition also bolsters Jenoptik's development into a market leader for innovative test solutions for optical sensors in attractive growth markets, where annual growth rates of between 6 and 15 percent are expected over the next years.

The two companies' combined expertise in optics and industrial imaging will enable them to further expand their technological leadership and gain market share, for example in the growing markets for new virtual and augmented reality applications in both the industrial and consumer segments. In the automotive industry, the expanded portfolio for manufacturing precision optical components and systems offers considerable potential, particularly in view of the growing importance of driver assistance systems and new mobility concepts in the field of autonomous driving, for which improved image and data acquisition is essential.

Expanding the global presence

With the strong presence and established access to key TRIOPTICS customers in Asia, Jenoptik can expand its existing market shares in strategic markets such as China, Japan, and Korea. In addition, the Group is strengthening its position in California and Florida, and will be able to offer a greater range of products and services to major American customers in the digital and communication area. The acquisition will create significant economies of scale in the core markets, thus strengthening Jenoptik's business model.

Stefan Traeger, Jenoptik President & CEO: "The acquisition of TRIOPTICS is a major step in Jenoptik's strategic development and in the process of focusing on optics and photonics. We are accelerating our profitable growth, thus placing our business on a broader and more international footing. This transaction will allow us to offer our customers a more comprehensive range of products and services for applications in the digital world. This will enable us to tap additional potential for growth in the areas of mobile data acquisition and transmission, as well as in innovative human-machine interfaces in the automotive and industrial markets, among others. The transaction also makes us less dependent on individual business cycles and customers."

Eugen Dumitrescu, founder and CEO of TRIOPTICS: "Together with Jenoptik, we can benefit even more from the growth potentials, which are emerging currently with the next wave of digitization and the rapidly increasing demand for connectivity, virtual reality, and digital imaging."



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High generation of cash flows and synergy potentials

Due to its high profitability and free cash flow generation, TRIOPTICS will impact positively on earnings and financial strength of Jenoptik already in the current year – depending on the date of first-time consolidation and without taking PPA effects into account. Substantial synergies are expected not only from the expanded technological know-how, but also from cost effects and economies of scale resulting from the expansion of leading market positions and the intensified cooperation with important global Tier 1 companies. The complementary portfolios will allow to offer a broader range of measuring systems, as well as production facilities for sensor solutions and optical microcomponents, which over the long term might be reflected in economies of scale and thus revenue synergies worth more than 50 million euros.

Details of the transaction

Under the terms of the agreement, Jenoptik will initially acquire 75 percent of the shares in TRIOPTICS. The funds stem from the borrowing of capital at very favorable conditions. In addition an earn-out was agreed for the sellers of TRIOPTICS, which is based on the attainment of certain growth and profitability targets in the first two years after completion of the transaction. The remaining 25 percent will be acquired on December 31, 2021, subject to conditions precedent.

“We are using bridge financing to cover the entire transaction, thereby protecting our strategic liquidity reserve. We have received a binding financing commitment for the acquisition from Landesbank Baden-Württemberg, one of our longstanding financial partners. On completion of the TRIOPTICS acquisition, we will continue to have a very healthy balance sheet and a sound financial position. Our ability to generate strong cash flows is likely to improve further as a result of the transaction,” says Hans-Dieter Schumacher Chief Financial Officer of JENOPTIK AG.

The acquisition was approved by the JENOPTIK AG Supervisory Board and is, however, still subject to approval by the German Bundeskartellamt. Closing is expected in the 3rd quarter 2020.

Jena, July 2, 2020

About Jenoptik

[Jenoptik](#) is a globally operating technology group, which is active in the three photonics-based divisions Light & Optics, Light & Production and Light & Safety as well as with VINCORION for mechatronics solutions. Optical technologies are the very basis of our business with the majority of our products and services being provided to the photonics market. Our key target markets primarily include the semiconductor equipment industry, the medical technology, automotive and mechanical engineering, traffic, aviation as well as the security and defense technology industries. Jenoptik is listed on the Frankfurt Stock Exchange, has more than 4,100 employees and generated revenue of approx. 855 million euros in 2019.

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