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JENOPTIK AG – Fiscal year 2023

Dr. Stefan Traeger | Dr. Prisca Havranek-Kosicek | March 27, 2024

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Highlights 2023

Market environment

- Megatrends relevant for Jenoptik remain intact
- Overall macro-economic environment has deteriorated
- Continued robust demand in the semiconductor equipment and some biophotonic areas

Operational development

- Focus on output optimization and capacity expansion
- New medical technology site opened in Berlin in June
- Construction of new fab in Dresden is progressing according to schedule

Financial business development

- Positive business development in fiscal year 2023
 - Substantial increase in revenue and EBITDA
 - Order backlog remained at high level
 - Book-to-bill >1
 - Leverage substantially improved

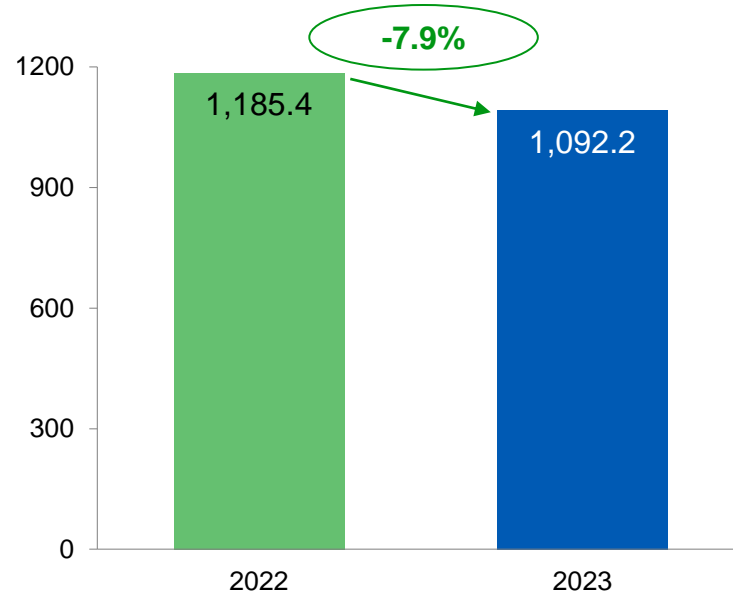


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Fiscal year 2023 Group

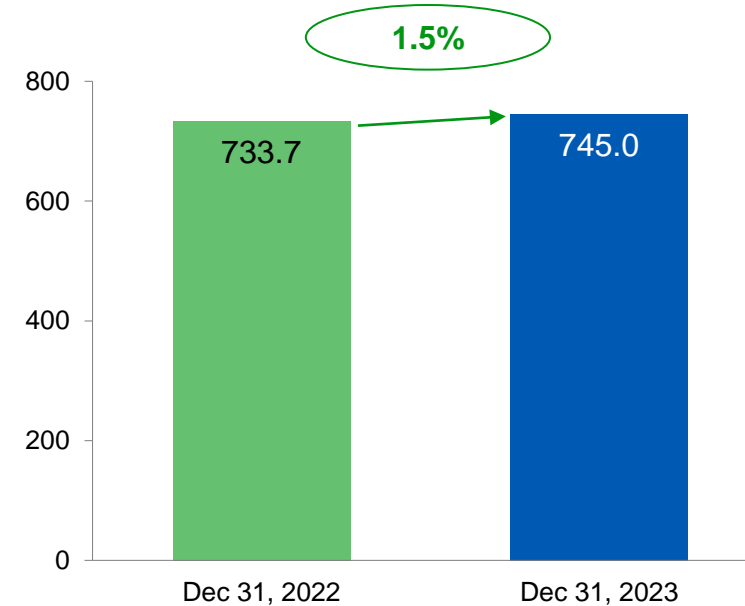
Order intake remained at a robust level, continued high level of order backlog

Order intake in MEUR



- Overall robust order intake dynamics, yet very high prior-year level not reached
- All segments reported lower order intake than in prior year
- Book-to-bill ratio 1.02 (prior year 1.21)

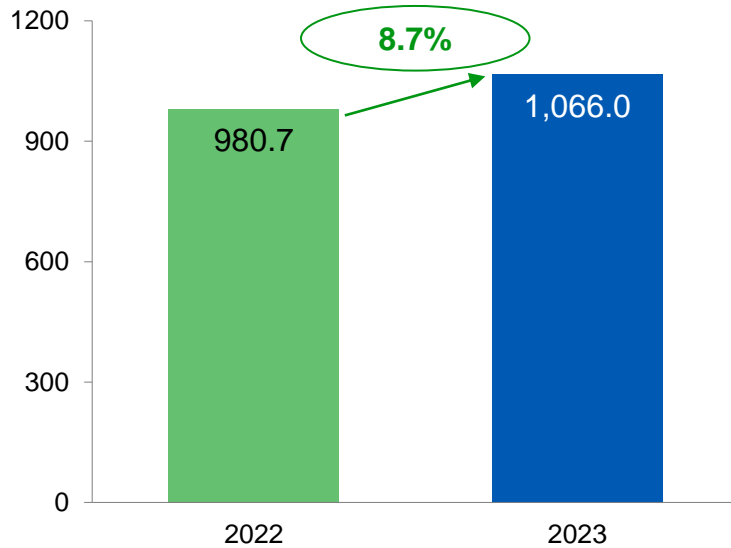
Order backlog in MEUR



- Modest order backlog growth despite strong revenue increase
- Substantial increase at Non-Photonic Portfolio Companies, Advanced Photonic Solutions at high prior-year level, backlog of Smart Mobility Solutions down year-on-year
- ~87% to be converted to revenue in 2024 (prior year ~83%)

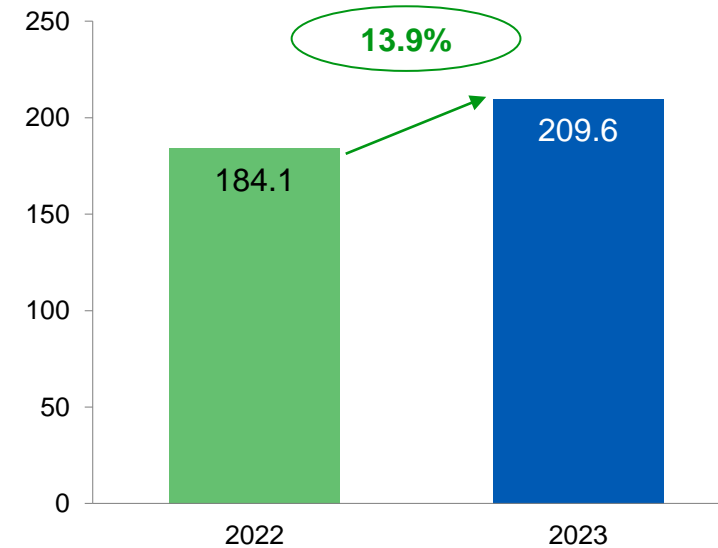
EBITDA with stronger increase than revenue

Revenue in MEUR



- Revenue growth mainly driven by Advanced Photonic Solutions
- Smart Mobility Solutions und Non-Photonic Portfolio Companies also contributed to growth

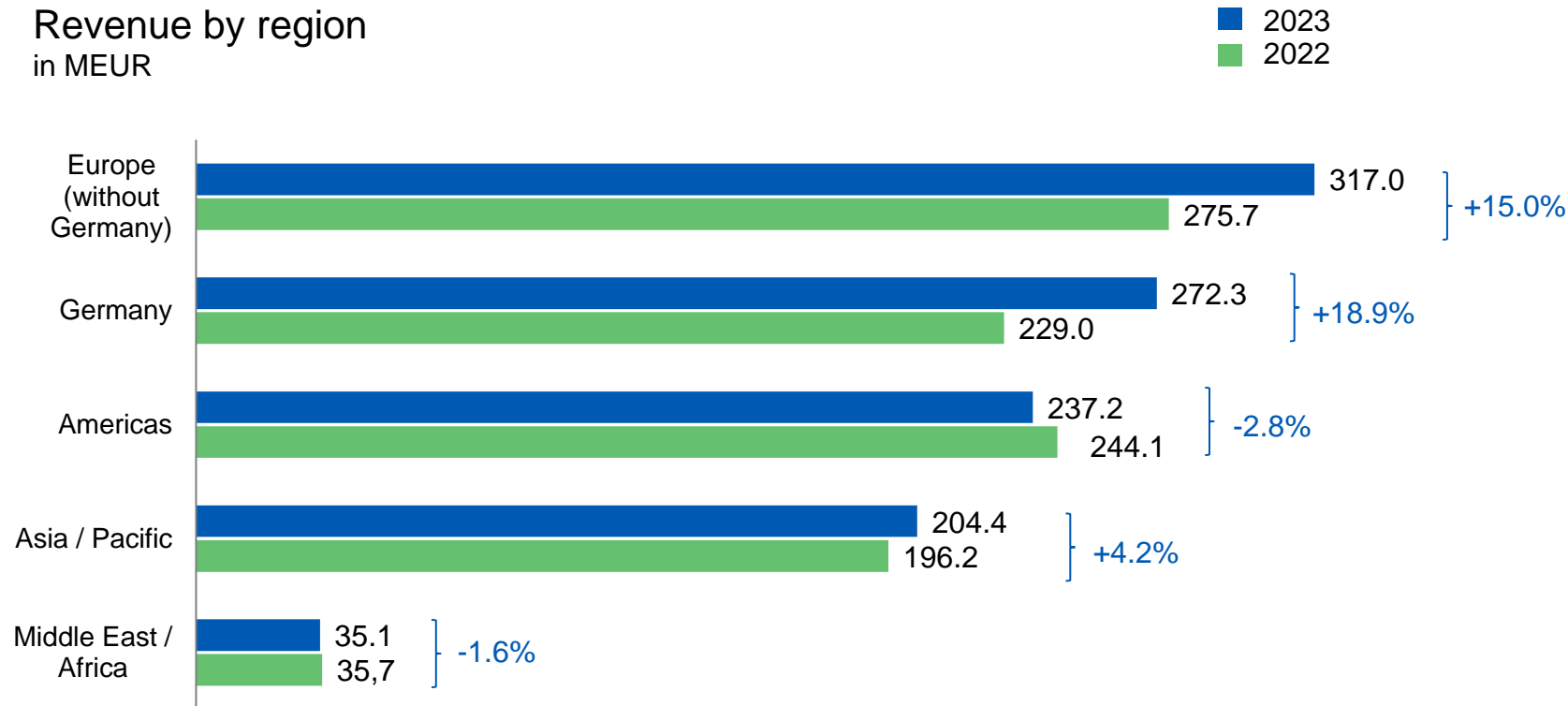
EBITDA in MEUR



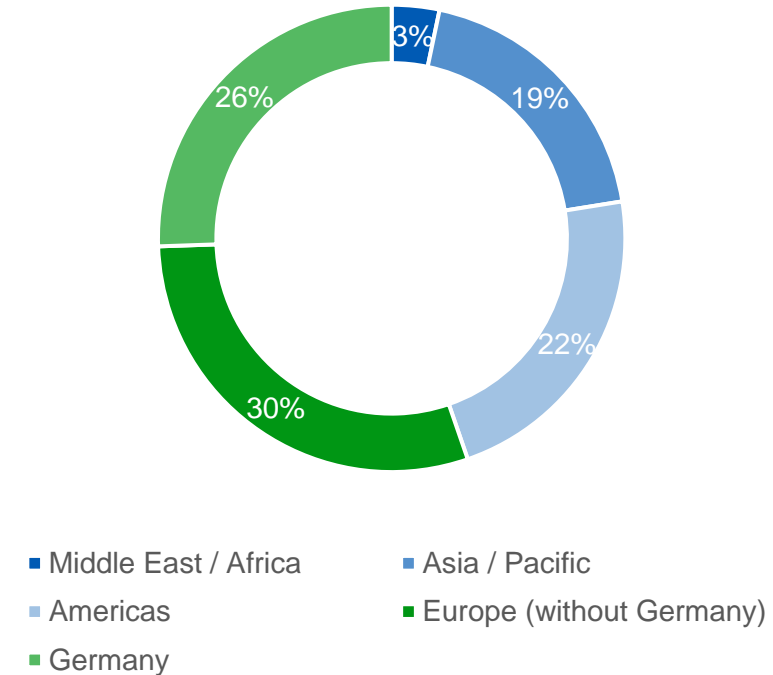
- EBITDA margin up substantially to 19.7% (prior year 18.8%)
- Good operational performance of Advanced Photonic Solutions division and Non-Photonic Portfolio Companies

Revenue growth in particular in Germany and Europe

Revenue by region
in MEUR



Revenue by region



- Foreign revenue of 74.5% (prior year 76.7%)
- Strongest growth in Germany – due to Advanced Photonic Solutions and Non-Photonic Portfolio Companies
- Top 7 customers accounted for ~43% of revenue

Earnings per share increased by around 32%

In million euros	2023	2022
Revenue	1,066.0	980.7
Gross margin	34.8%	35.3%
Functional costs	229.9	227.6
Other operating result	-14.3	-16.1
EBITDA	209.6	184.1
EBIT	126.3	101.9
Financial result	-15.0	-6.0
Earnings before tax	111.4	96.0
Earnings after tax (Group); of which discontinued operation	73.5 -0.3	57.0 -6.8
Earnings per share (euros; Group)	1.27	0.96

- **Gross margin** mainly affected by higher material and personnel costs
- **Functional cost ratio** of 21.6% (prior year 23.2%)
- **Other operating result** includes impairments of 12.7 million euros relating to Non-Photonic Portfolio Companies (prior year 13.9 million euros (mainly Interob))
- **EBIT margin** grew to 11.9% (prior year 10.4%)
- **Financial result** impacted by higher interest rates
- **Tax rate** 33.7% (prior year 33.5%), affected by non-tax-effective impairments
 - Cash-effective tax rate of 19.5% (prior year 20.8%)
- **ROCE** improved to 9.6% (prior year 7.9%)

Strong cash flow; key financial and balance sheet ratios substantially improved

In million euros	2023	2022	Change in %
Cash flows from operating activities before income taxes	193.7	157.5	23.0
Cash flows from operative investing activities	-66.3	-77.9	14.8
Free cash flow (before interest and taxes)	127.3	82.7	53.9
Cash conversion rate	60.8%	44.9%	n.a.
Equity ratio	54.2%	50.4%	n.a.

- **Cash flows from operating activities** mainly driven by higher earnings
- **Free cash flow** benefited from sale of real estate assets within Non-Photonic Portfolio Companies
- **Working capital ratio** improved to 28.6% due to higher revenue (31.12.22: 29.3%)
- **Capital expenditure** increased to 110.4 million euros (prior year 106.0 million euros)
main investments: construction of the fab in Dresden, new location of medical business in Berlin, technical equipment
- **Net debt** at 423.1 million euros (31.12.22: 479.0 million euros)
- **Leverage** (net debt to EBITDA): 2.0 (31.12.22: 2.6)

Continued focus on sustainability

Topic	KPI	2023	Target 2025
Environment	Share of green electricity	93.6%	(75%) New >90%
	CO ₂ reduction	50.5%	(30%) New >55%
Social	Diversity rate	29.4%	33% (unchanged)
	Engagement score	75%	(72%) Better than global benchmark
Governance/ others	CSR rate	49.0%	50% (unchanged)

Reach net zero (Scope 1+2) by 2035 at the latest

Jenoptik's sustainability ratings



MSCI
ESG RATINGS

12/2022 AA Rating - Top 15 percent ranked in global Electronics Components Sector



SILVER
2022
ecovadis
Sustainability Rating

11/2022 Silver Status 2022
Top Performer (59/100)

SUSTAINALYTICS
6/2022 „low risk company“



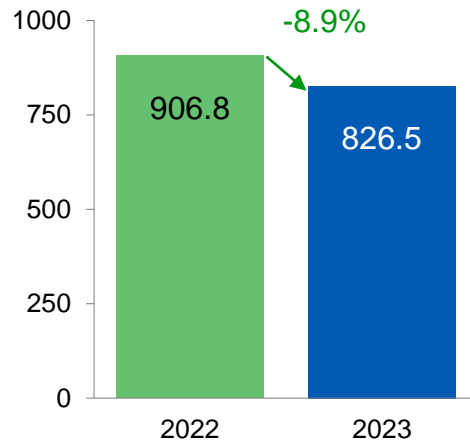
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Fiscal year 2023

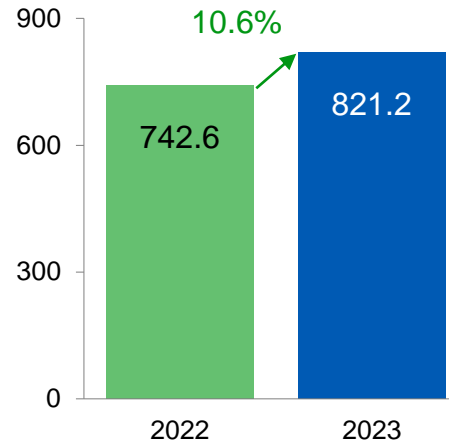
Divisions

Advanced Photonic Solutions: significant revenue and earnings growth

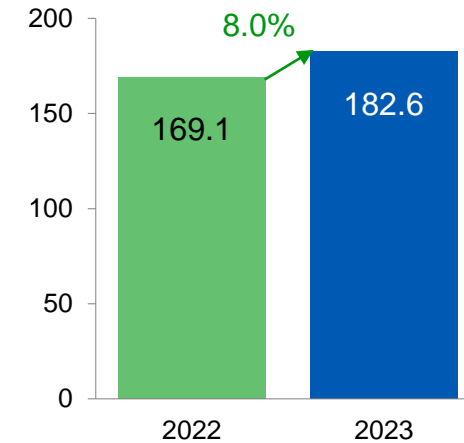
Order intake in MEUR



Revenue in MEUR

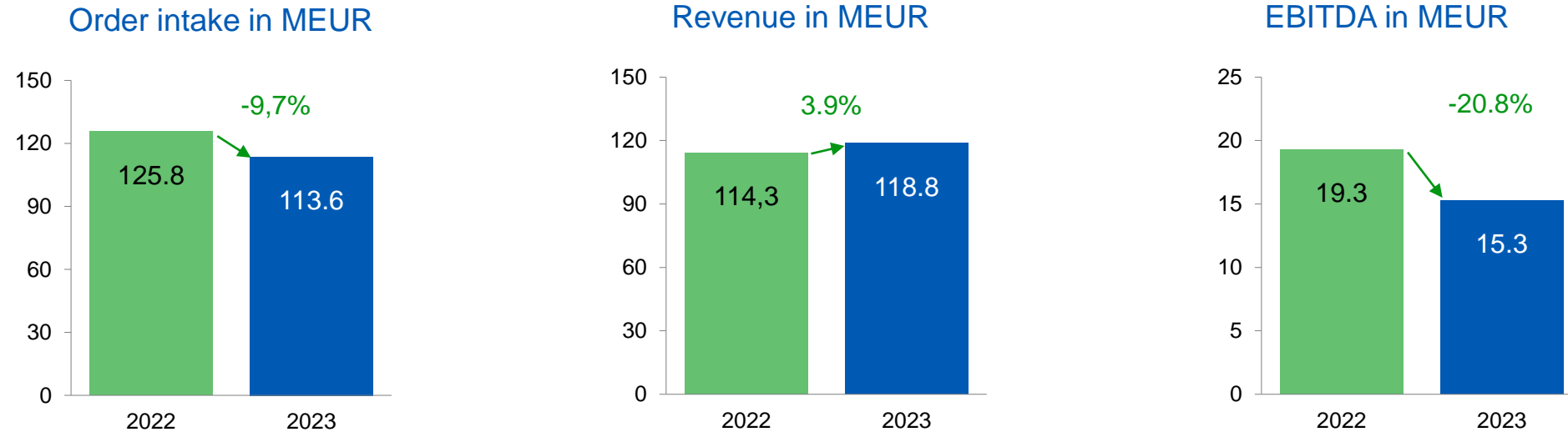


EBITDA in MEUR



- **Order intake** remained at good level; book-to-bill ratio 1.01 (prior year 1.22)
- **Order backlog** broadly at prior-year level, continued high backlog especially in the semiconductor equipment area
- Substantial **revenue growth** in particular in business with the semiconductor equipment industry, Optical Test & Measurement influenced by AR/VR delayed market uptake
- **EBITDA margin** of 21.9% (prior year 22.7%), among others affected by development in Optical Test & Measurement area, mix effects and reversal of provision for onerous contracts

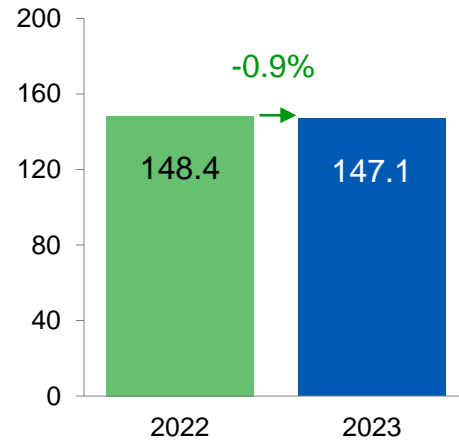
Smart Mobility Solutions: mix effects and investments weigh on profitability



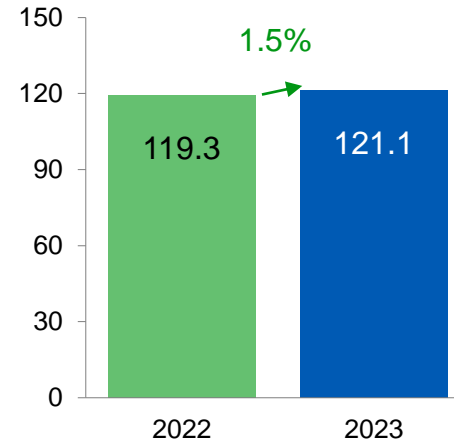
- **Order intake:** subject to project business; book-to-bill ratio of 0.96 (prior year 1.10; several major orders included)
- **Order backlog** remained at good level at 60.2 million euros (31.12.2022: 65.7 million euros)
- **Revenue:** growth in the Asia/Pacific region and in Europe; declining revenue in the US due to changes in the sales structure
- **EBITDA margin** reduced to 12.9% due to mix effects and investments in strategic markets (prior year 16.9%)

Non-Photonic Portfolio Companies: significant improvement in earnings

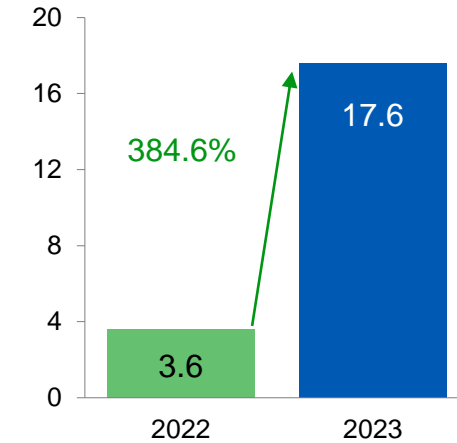
Order intake in MEUR



Revenue in MEUR



EBITDA in MEUR



- **Order intake** almost at prior-year level, in particular attributable to major order received by Prodomax; book-to-bill ratio of 1.21 (prior year 1.24)
- **Order backlog** grew by nearly 30% compared with year end 2022
- **Revenue** slightly exceeded prior-year level; growth especially in Europe
- **EBITDA margin** at 14.1% (prior year 2.8%), mainly attributable to improved earnings contribution in the automation area (prior year: negative impacts relating in part to projects of Interob)



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Outlook

Fiscal year 2024:
Further profitable
organic growth
expected

Expected development of key performance indicators in 2024

- **Revenue growth in mid single-digit percentage range**
(2023: 1,066.0 million euros)
- **EBITDA margin of 19.5 to 20.0 percent**, including expected negative impact of approx. 0.5 percentage points for move to new site (2023: 19.7%)
- **Capital expenditure slightly higher than in prior year**
(2023: 110.4 million euros)

Jenoptik's outlook is based in particular on high order backlog as well as an ongoing promising development in the core photonics business, especially in the semiconductor equipment sector. Our scheduled growth is subject to the proviso that the geopolitical risks do not worsen further. This includes, among other things, the Ukraine conflict with the sanctions that have been implemented and potential impacts on price developments, energy supply and supply chains. Portfolio changes are not included in this guidance.

Agenda 2025: Focus on profitable organic growth by utilizing well-established growth platforms



Jenoptik is on track
to achieve
its 2025 targets



Financial targets 2025

Revenue of
~1.2bn euros

Despite short-term market uncertainties

EBITDA margin of
21-22%

ROCE > WACC



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Appendix

Dates and contact



27.03.2024
09.04.2024
10.-11.4.2024
17.04.2024
24.04.2024
08.05.2024

Financial Statements 2023
Roadshow Frankfurt
Roadshow Canada / US
Roadshow Helsinki
Roadshow Paris
Q1 2024



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