JENOPTIK

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Press Release

Jenoptik expects further profitable growth in 2022

- 2021: Continuing operations:
    - Revenue grew by 22.0 percent to 750.7 million euros
    - EBITDA margin incl. one-off effects at 20.7 percent, excl. one-off effects at 16.7 percent (prior year: 15.1 percent)
    - Order backlog up to 543.5 million euros (31/12/2020: 299.8 million euros)
- Stable dividend of 0.25 euros per share proposed for 2021
- 2022 target: Revenue growth of at least 20 percent and EBITDA margin of around 18 percent

Note: In the following, the Light & Optics (incl. BG Medical – Jenoptik Medical since January 2022 – and the SwissOptic Group), Light & Production, and Light & Safety divisions are referred to as continuing operations. Following signing of a contract to sell VINCORION, this division is shown as a discontinued operation in accordance with IFRS 5. VINCORION is included in the disclosures for the Group.

"2021 was a very successful year for Jenoptik, and one in which we made key strategic decisions for our further growth. The acquisition of BG Medical and the SwissOptic Group was a great step forward on our path to becoming a pure, globally leading photonics group. On the back of a good order situation, a well-filled project pipeline, and ongoing promising developments in the core photonics businesses, we are confident of achieving revenue growth of at least 20 percent and further improving profitability in our continuing operations in 2022. With that, we are fully on track to achieve our targets by the 2025 fiscal year – group revenue of around 1.2 billion euros and an EBITDA margin of around 20 percent," says Stefan Traeger, President & CEO of JENOPTIK AG.

Continuing operations

2021: Revenue growth in almost all regions and strong improvement in profitability

In 2021, Jenoptik generated revenue of 750.7 million euros in its continuing operations, an increase of 22.0 percent (prior year: 615.5 million euros). Revenue grew in particular in the Asia/Pacific region by 64.8 percent. Europe (excluding Germany) posted a revenue increase of 11.1 percent, while the Americas grew by 28.0 percent. Overall, 81.4 percent of revenue was generated abroad, compared with 76.9 percent in the fiscal year 2020.

The profitability of the continuing operations increased significantly, thanks not only to boosted revenue but also positive one-off effects of 30.5 million euros in connection with the acquisitions of TRIOPTICS and INTEROB, and positive effects resulting from the restructuring measures implemented in 2020. EBITDA increased by 67.9 percent, from 92.8 million euros to 155.7 million euros (incl. PPA of minus 2.1 million euros (prior year: minus 4.6 million euros)). The prior-year earnings were impacted by costs of 19.1 million euros for structural and portfolio measures. Excluding one-off effects, EBITDA amounted to 125.2 million euros in 2021. The EBITDA margin increased to 20.7 percent (prior year: 15.1 percent), or 16.7 percent excluding one-off effects.

EBIT of 108.1 million euros were also a strong 128.2 percent up on the prior-year figure of 47.4 million euros. The EBIT margin accordingly improved to 14.4 percent (prior year: 7.7 percent). In addition to the above-mentioned one-off effects, the EBIT figures also includes impacts arising from the purchase price allocations of minus 16.4 million euros as a result of acquisitions in 2021 and prior years (prior year: minus 14.9 million euros); the prior year also included impacts from structural and portfolio measures.

Strong demand in all continuing core photonics operations

The order intake in the continuing operations saw dynamic growth of 57.6 percent to 936.7 million euros (prior year: 594.2 million euros). Of this figure, 120.9 million euros came from TRIOPTICS, and 9.9 million euros from BG Medical and the SwissOptic Group. The order backlog increased to 543.5 million euros (31/12/2020: 299.8 million euros).

Group (incl. VINCORION)

Order intake exceeded one-billion euros

Group revenue, incl. VINCORION, grew by 16.8 percent to 895.7 million euros (prior year: 767.2 million euros). Including one-off effects, EBITDA increased to 177.2 million euros (prior year: 111.6 million euros), the EBITDA margin to 19.8 percent (prior year: 14.6 percent), or 16.4 percent excluding one-off effects. The group order intake amounted to 1,073.6 million euros, exceeding the one-billion-euro mark (prior year: 739.4 million euros).

Taking into account a slightly lower financial result, higher income taxes and the result of the discontinued operation, Jenoptik achieved group earnings after tax of 84.3 million euros (prior year: 42.7 million euros). Earnings per share of 1.43 euros were also up on the prior-year figure of 0.73 euros per share.

Sustained good balance sheet quality

Despite large-scale investments in organic and external growth, Jenoptik continued to have a healthy financing and balance sheet structure at the end of 2021, with an equity ratio of 44.4 percent. This gives the company the financial latitude to finance future organic growth and potential acquisitions, thus implementing the objectives of its Agenda 2025 "More Value". In the continuing operations, the free cash flow amounted to 43.2 million euros (prior year: 52.5 million euros). The group free cash flow was 62.8 million euros, marginally up on the prior year (prior year 62.3 million euros).

Stable dividend of 0.25 euros per share proposed

On the basis of very good earnings in the fiscal year 2021, but also in acknowledgment of increasing uncertainty, in part caused by the Ukraine/Russia conflict, together with a potentially longer period of rising inflation and associated cost increases for interest and future investment in further growth, the Executive and Supervisory Boards will propose to the 2022 Annual General Meeting, as in the prior year, a dividend payment of 0.25 euros per share for the fiscal year 2021. The management is thus pursuing the goal of offering shareholders an appropriate share in the company's success while at the same time enabling further investment in growth in a highly volatile market environment.

"In the last two years, we successfully managed two major acquisitions that are important for our future. Despite this, we still have sufficient latitude to finance our scheduled profitable growth through 2025. With our strategic and solid financing approach we are well positioned to also tackle the challenges in the current political and economic environment," says Chief Financial Officer Hans-Dieter Schumacher.

Development of the divisions

Light & Optics continues to benefit from semiconductor boom

Revenue in Light & Optics division increased from 321.4 million euros to 460.7 million euros in 2021. Demand from the semiconductor equipment industry was again particularly strong. Biophotonics and Industrial Solutions also contributed to the division's successful business performance. TRIOPTICS was for the first time included for the entire 2021 reporting period and generated revenue of 99.5 million euros (prior year on pro rate basis since end of September 2020: 27.8 million euros). Combined revenue from BG Medical and the SwissOptic Group, which were only consolidated for one month, came to 9.6 million euros.

The division's EBITDA doubled to 136.6 million euros (prior year: 68.3 million euros), including negative PPA of 2.1 million euros (prior year: minus 4.6 million euros). In addition to the very good operating performance, this was also due to a one-off effect of around 25.6 million euros arising from the acquisition of TRIOPTICS. The EBITDA margin of 29.6 percent exceeded the prior-year figure of 21.2 percent. The order intake grew by 83.8 percent to 631.1 million euros (prior year: 343.4 million euros), while the order backlog increased from 179.1 million euros to 408.5 million euros.

Automotive demand in Light & Production increased

In the Light & Production division, there was a noticeable recovery in the automotive industry. Nevertheless, this was not sufficient to fully overcome the impacts of the coronavirus pandemic. As a result, the division's revenue increased only marginally, from 175.5 million euros to 176.2 million euros. Automation & Integration saw growth, while Metrology and Laser Processing were marginally down. EBITDA improved from 8.2 million euros to 13.2 million euros, mainly due to impacts arising from the reversal of provisions, particularly in connection with the restructuring and cost-cutting measures implemented in 2020, and one-off effects in connection with the acquisition of INTEROB. The prior year's EBITDA item included restructuring costs of 7.9 million euros. The EBITDA margin rose from 4.7 percent to 7.5 percent. The improvement in sentiment in the automotive industry was reflected in an increase in the order intake, which grew from 154.0 million euros to 185.3 million euros. The order backlog was 80.7 million euros (31/12/2020: 74.7 million euros).

Light & Safety: Sharp increase in order intake

Project postponements and Covid-related delays in component supplies pushed revenue in the Light & Safety division down from 114.0 million euros in the prior year to 110.1 million euros in 2021. This was also reflected in the division's profitability. EBITDA fell from 22.3 million euros to 19.2 million euros, and in 2021 the EBITDA margin came to 17.4 percent, compared with 19.6 percent in the prior year. The order intake picked up significantly, growing from 92.3 million euros to 116.5 million euros, and included several major orders for traffic safety technology from North America. The order backlog accordingly increased from 46.0 million euros to 54.3 million euros.

VINCORION (discontinued operation)

Revenue in VINCORION fell from 151.7 million euros to 145.0 million euros in 2021. As a result of efficiency improvements, EBITDA increased to 21.4 million euros (prior year: 16.6 million euros).

Jenoptik will report first quarter 2022 results in new group structure

Jenoptik is combining its core photonics business in two new divisions: Advanced Photonic Solutions and Smart Mobility Solutions. The former Light & Optics and Light & Production divisions are merged into the new Advanced Photonic Solutions division, while non-photonic activities, particularly for the automotive market, are separated as Non-Photonic Portfolio Companies and managed as independent brands. The former Light & Safety division becomes the Smart Mobility Solutions division. The two new divisions focus on the three core markets of semiconductor & electronics, life science & medical technology, and smart mobility.

Outlook for 2022: Revenue growth of at least 20 percent and EBITDA margin of around 18 percent

On the basis of the good order situation, a well-filled project pipeline, and ongoing promising developments in the core photonics businesses, in particular the semiconductor sector, the Executive Board anticipates further profitable growth in 2022. In addition to the organic growth in the divisions, Jenoptik Medical and the SwissOptic Group, consolidated for the first time for the full year, will also make a contribution to the positive development. For 2022, Jenoptik is expecting revenue in its continuing operations to grow by at least 20 percent (2021: 750.7 million euros). EBITDA is also expected to see significant growth compared to prior year excluding one-off effects (2021: 125.2 million euros). The EBITDA margin is anticipated to be around 18 percent (2021: 16.7 percent (excluding one-off effects)). Our scheduled growth, however, presupposes that the Ukraine conflict – with the sanctions that have been implemented and potential impacts on price developments and supply chains – does not escalate further. Uncertainties also exist with regard to the development of the Covid-19 pandemic and continuing supply bottlenecks, although Jenoptik is confident to be able to manage them.

The presentation on the 2021 Annual Financial Statements and the 2021 Annual Report are available on the Jenoptik website in the Investors/Reports and Presentations section. Images are available for download in the Jenoptik image database.

Jena, March 29, 2022

About Jenoptik

Optical technologies are the core our business: Jenoptik is a globally operating technology group. Our key target markets primarily include the semiconductor industry, medical technology, automotive and as well as traffic. Approximately 4,900 employees work for Jenoptik worldwide. The Group’s headquarters are in Jena (Germany). JENOPTIK AG is listed on the German Stock Exchange in Frankfurt and is included in the SDax and TecDax. In the fiscal year 2021, the Group generated revenue of 895.7 million euros, the continuing operations contributed revenue of 750.7 million euros.

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