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JENOPTIK AG – First half-year 2022

Dr. Stefan Traeger | Hans-Dieter Schumacher | August 10, 2022

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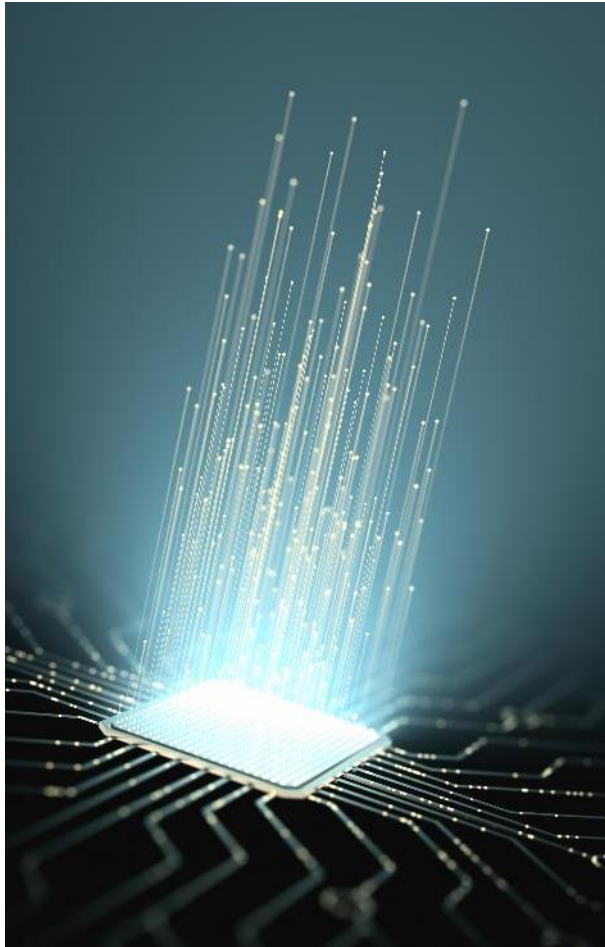


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Highlights

First half-year 2022

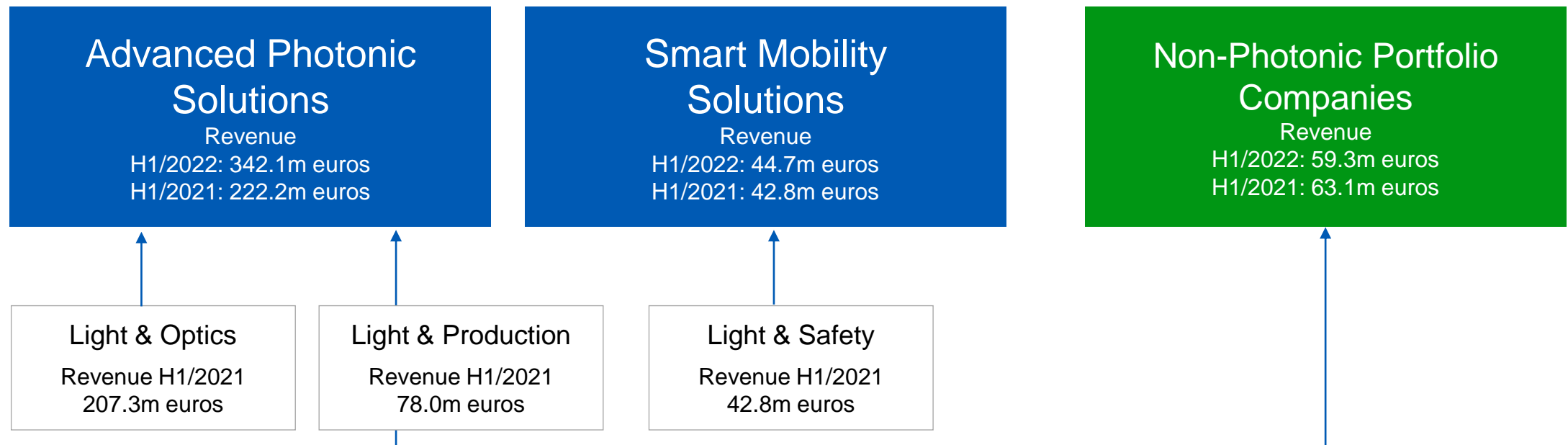
Highlights in the first six months of 2022



- **Sale of VINCORION** (mechatronics business / defense) successfully closed on June 30, 2022, major milestone achieved in transformation into a globally leading pure photonics player
- **Sustained strong momentum** in the semiconductor equipment business and in biophotonics drive order intake and revenue
- **Strong organic growth** of the continuing operations of 13.7% in first six months
- **Significant increase in profitability** with an EBITDA margin of 20.4% in Q2 compared with 10.1% in Q1
- In Q2 **free cash flow grew** to 15.7 million euros compared with minus 3.1 million euros in Q1
- **Guidance** for full year 2022 **raised**

New organizational structure since first quarter 2022

New organizational structure of the Jenoptik Group (excl. VINCORION) is reflected in the reporting structure since the first quarter 2022



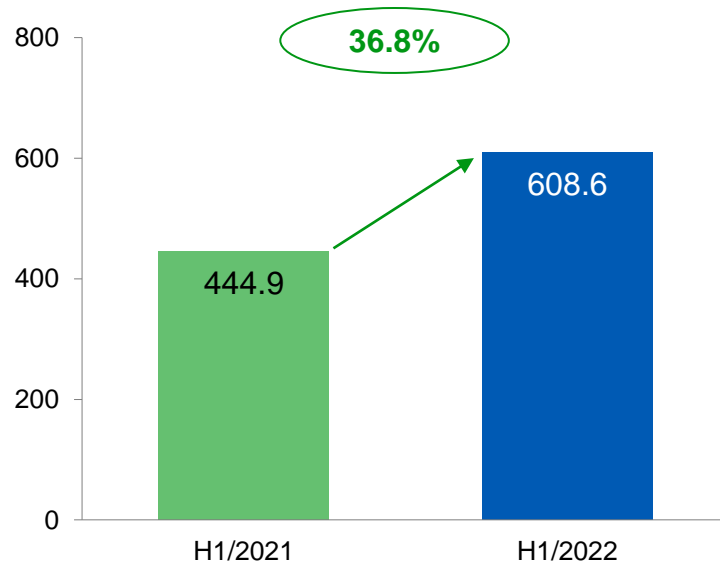


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First half-year 2022 Continuing operations

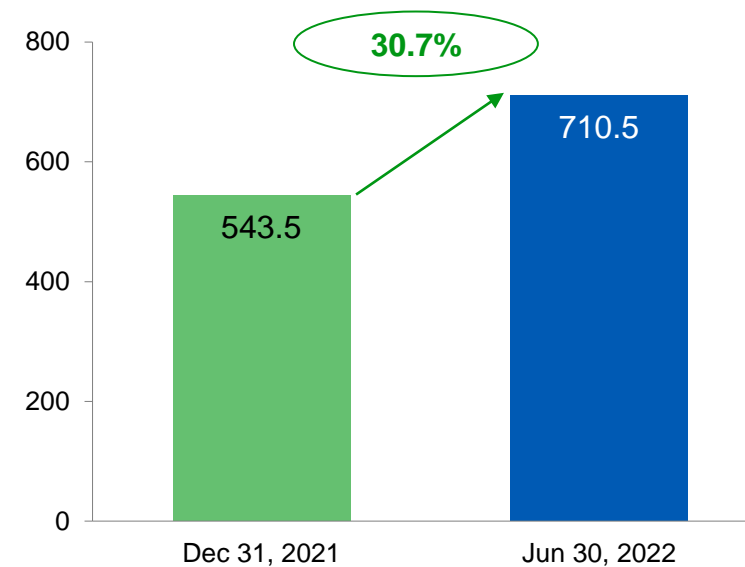
Strong development of order intake and backlog continued in second quarter 2022 – setting very good stage for further growth

Order intake in million euros



- Advanced Photonic Solutions division with significant increase in order intake (incl. contribution by Jenoptik Medical (former BG Medical) and the SwissOptic Group)
- Book-to-bill ratio of 1.36 (prior year 1.35)

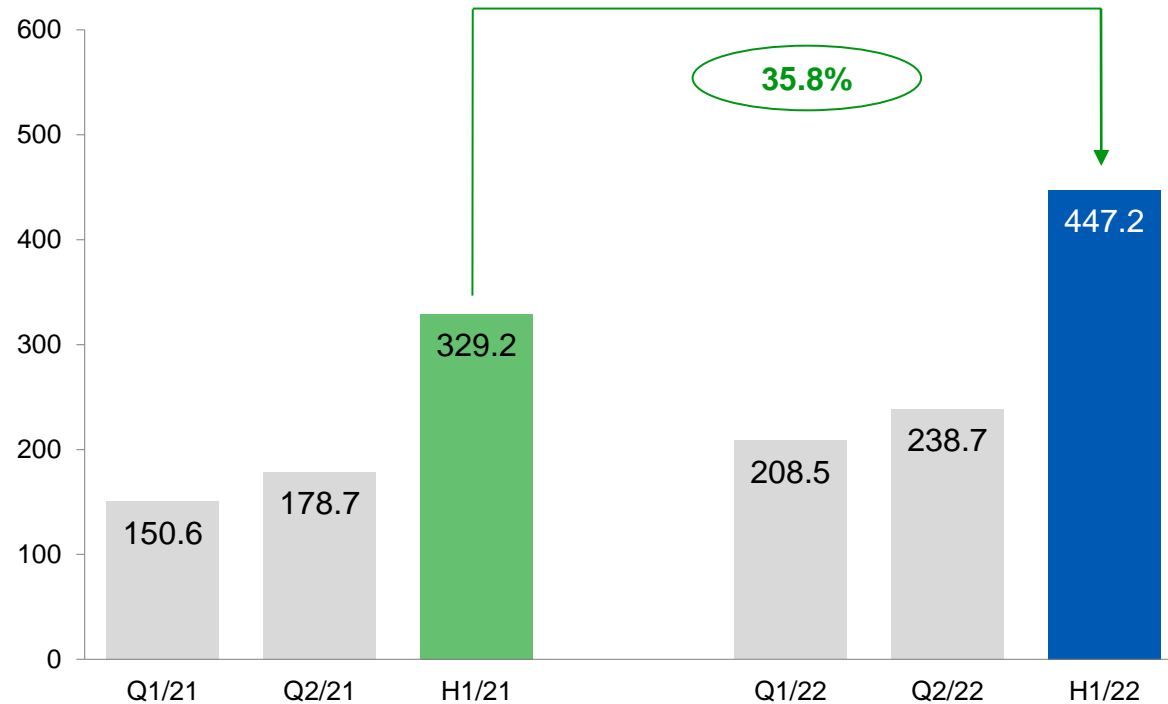
Order backlog in million euros



- Order backlog substantially higher than at year end 2021
- 63.2% to be converted to revenue in 2022 (prior year 75.8%)

Strong organic growth and contributions by the acquired companies resulted in significant revenue growth

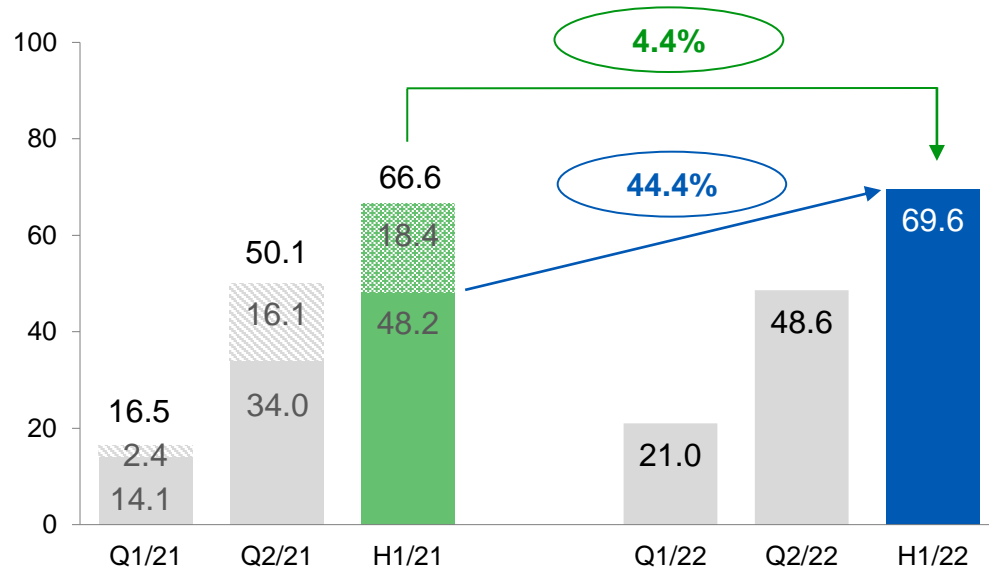
Revenue in million euros



- Strong organic growth of the continuing operations of 13.7%
- Advanced Photonic Solutions division grew significantly due to strong organic growth and revenue contribution from Jenoptik Medical and the SwissOptic Group
- Revenue of the Smart Mobility Solutions division slightly exceeded prior-year figure
- Revenue of Non-Photonic Portfolio Companies lower than in prior year

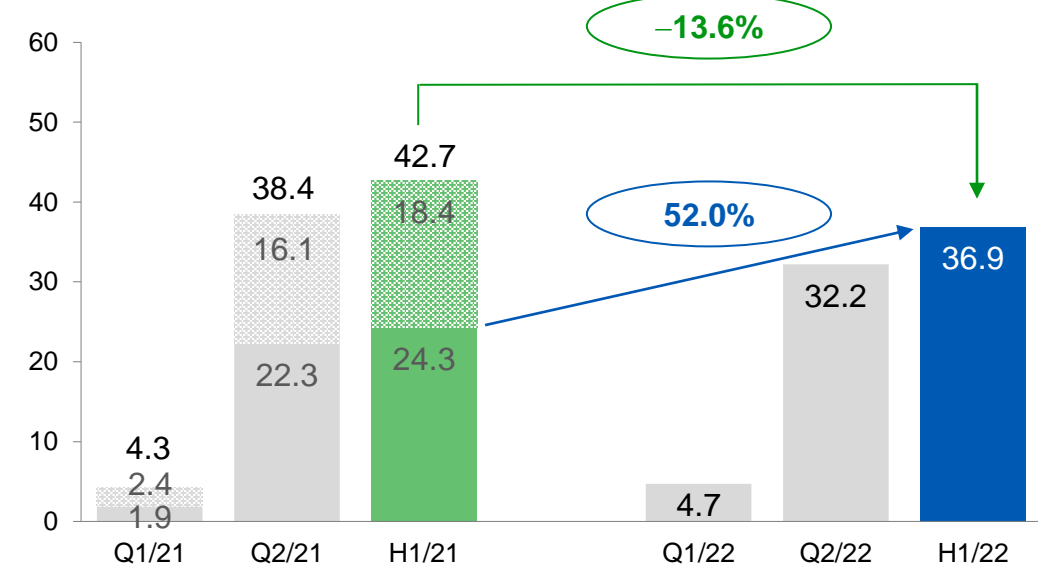
Earnings increased on comparable prior-year level (without one-off effects); marked rise quarter-on-quarter

EBITDA in million euros



- Strong operating performance of Advanced Photonic Solutions; in the prior year one-off effect of 18.4 million euros in connection with the acquisitions of TRIOPTICS and INTEROB included
- PPA of minus 1.3 million euros (prior year minus 1.8 million euros)
- EBITDA margin of 15.6% (prior year 14.6% without one-off effect; 20.2% including one-off effect)

EBIT in million euros



- EBIT decline due to one-off effect in prior year
- PPA of minus 14.4 million euros (prior year minus 8.9 million euros)
- EBIT margin of 8.3% (prior year 13.0% incl. one-off effect)

Statement of income

In million euros	H1/2022	H1/2021
Revenue	447.2	329.2
Gross margin	32.7%	33.7%
Functional costs	110.8	89.3
Other operating result (incl. impairment gains and losses)	1.5	21.1
EBIT	36.9	42.7
Financial result	-1.6	-3.0
Earnings before tax	35.3	39.7
Income taxes	-9.7	-4.1
Earnings after tax (Group); of which discontinued operation	23.3 -2.3	37.7 2.1
Earnings per share (euros; Group)	0.41	0.65

- **Gross margin** impacted by higher material and personnel costs
- Functional costs increased much less than revenue in spite of the inclusion of the companies acquired in 2021
 - **R+D expenses:** 25.4 million euros (prior year 19.3m euros), **R+D output:** 41.5 million euros (prior year 31.1m euros)
 - **Selling expenses:** 53.0 million euros (pr. year 43.3m euros)
 - **Administrative expenses:** 32.2 million euros (prior year 26.7m euros)
- **Other operating result** declined substantially as prior-year figure included positive one-off effect in connection with conditional purchase price components from acquisitions of TRIOPTICS and INTEROB
- **Tax rate** of 27.6% (prior year 10.3%) due to changed regional profit distribution and deferred tax expense resulting from utilization of tax loss carryforwards; cash-effective tax rate of 16.2%
- **Group earnings after tax** lower, in particular due to positive one-off effect in prior year

Jenoptik is well positioned for future growth with sound financial base and balance sheet structure

In million euros	H1/2022	H1/2021
Earnings before tax*	33.9	42.8
In particular depreciation/amortization, non-cash income/expenses, changes in working capital*	15.4	-11.6
Cash flows from operating activities before income taxes*	49.3	31.2
Cash flows from operative investing activities*	-38.4	-19.7
Free cash flow (before interest and taxes)*	11.0	11.6
Of which continuing operations	12.6	11.7

* Group

Group

- **Cash flow from operating activities** increased due to significantly higher earnings before non-cash effects and lower effects from building up working capital
- **Equity ratio** grew to 47.3% compared with year end 2021 (31.12.21: 44.4%)
- **Net debt** reduced to 511.0 million euros (31.12.21: 541.4m euros)

Continuing operations

- **Working capital** grew to 281.0 million euros, in particular due to increase in inventories (31.12.21: 260.6m euros)
Working capital ratio: 32.3% (31.12.21: 34.7%) – Jenoptik Medical and the SwissOptic Group included pro rata in revenue but fully in balance sheet items
- **Investments** significantly increased to 42.1 million euros (prior year 16.8m euros)
- **Free cash flow** grew to 12.6 million euros (prior year 11.7m euros), in spite of higher investments



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First half-year 2022

Divisions

Advanced Photonic Solutions: ongoing very positive operational development

- Strong organic growth of 21.1%; revenue with semiconductor equipment industry, biophotonics and industrial solutions areas grew substantially; Jenoptik Medical and the SwissOptic Group contributed 73.3 million euros;
- EBITDA markedly improved due to very good operating performance (in prior year one-off effect of 18.4 million euros from acquisitions of TRIOPTICS and INTEROB included)
- Order intake: continuing strong demand from semiconductor equipment industry, biophotonics and industrial solutions; Jenoptik Medical and the SwissOptic Group contributed 92.2 million euros; book-to-bill ratio: 1.34 (prior year 1.32)
- Free cash flow slightly below prior-year level due to significantly higher investments

In million euros	H1/2022	H1/2021	Change in %
Revenue	342.1	222.2	53.9
EBITDA	78.9	69.7	13.2
EBITDA margin in %	23.0	31.3	n/a
EBIT	56.4	57.3	-1.6
FCF	34.5	34.9	-1.1
Order intake	457.9	294.2	55.7
Order backlog	550.4	430.2*	27.9

*31.12.2021



Smart Mobility Solutions: substantial rise in order intake and order backlog

- Increase in revenue in the first six months of 2022
- EBITDA lower than in prior year, in part due to higher R+D expenses
- Order intake grew; larger orders from North America, Europe and the Middle East/Africa included (in Q1/2021 several orders of around 20 million euros received in North America);
book-to-bill ratio: 1.69 (prior year 1.51)
- Free cash flow improved (in prior year high payments for working capital)

In million euros	H1/2022	H1/2021	Change in %
Revenue	44.7	42.8	4.4
EBITDA	1.4	3.3	-59.3
EBITDA margin in %	3.0	7.8	n/a
EBIT	-1.3	0.0	n/a
FCF	-0.5	-8.3	94.3
Order intake	75.4	64.6	16.8
Order backlog	86.5	54.3*	59.3

*31.12.2021



Non-Photonic Portfolio Companies: order backlog markedly higher than at year end 2021

- Revenue below prior-year level (in prior year revenue contribution from non-optical process metrology business included); increase in the automation area
- Earnings and margin lower than in prior year; but improvement quarter over quarter from minus 3.3 million euros to 1.5 million euros in Q2
- Order intake decreased compared with the high prior-year figure (automation orders of more than 40 million USD received in North America in Q1/2021); metrology area showed growth; book-to-bill ratio: 1.25 (prior year 1.35)
- Increase in free cash flow due to positive effects from change in working capital

In million euros	H1/2022	H1/2021	Change in %
Revenue	59.3	63.1	-6.0
EBITDA	-1.8	-0.5	-238.1
EBITDA margin in %	-3.0	-0.8	n/a
EBIT	-6.5	-5.6	-14.8
FCF	6.9	-1.3	n/a
Order intake	74.0	85.0	-13.0
Order backlog	73.4	58.9*	24.5

*31.12.2021





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Outlook



Fiscal year 2022:
Further profitable
growth expected

Our scheduled growth, however, presupposes 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 – 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.

Expected development of key performance indicators in 2022 (continuing operations)

- **Revenue growth to between 930 and 960 million euros**
(before: revenue growth of at least 20% (incl. Jenoptik Medical and SwissOptic Group) / 2021: 750.7m euros)
- **Substantial growth in EBITDA; EBITDA margin between 18.0 and 18.5%**
(before approx. 18% / 2021: 16.7% (excl. one-off effects))

The guidance is in line with market expectation.

Jenoptik's outlook is based in particular on: good order situation, well-filled project pipeline as well as an ongoing promising development in the core photonics business, in particular in the semiconductor equipment sector and in biophotonics.



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Appendix

Dates and contact



10.08.2022

30.-31.08.2022

01.09.2022

06.-07.09.2022

08.09.2022

Publication of Interim Report January – June 2022

Roadshow Cologne/Düsseldorf

dbAccess TMT Conference, London

Roadshow Milan/Lugano

Coba ODDO Conference, Frankfurt



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