JENOPTIK

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Quarterly Statement of the Jenoptik Group

January to March 2023

At a glance – Jenoptik Group

	Jan. – Mar. 2023	Jan. – Mar. 2022	Change in %
Order intake (in million euros)	283.0	310.3	– 8.8
Advanced Photonic Solutions	212.1	238.1	– 10.9
Smart Mobility Solutions	38.9	38.9	0.0
Non-Photonic Portfolio Companies	30.6	32.5	– 5.9
Other[1]	1.4	0.8	
Revenue (in million euros)	234.1	208.5	12.2
Advanced Photonic Solutions	181.8	158.0	15.1
Smart Mobility Solutions	22.9	21.2	8.4
Non-Photonic Portfolio Companies	28.3	28.8	– 1.9
Other[1]	1.0	0.6	
EBITDA (in million euros)	36.6	21.0	74.2
Advanced Photonic Solutions	36.7	27.2	35.0
Smart Mobility Solutions	– 0.1	0.7	n/a
Non-Photonic Portfolio Companies	3.2	– 2.2	n/a
Other[1]	– 3.3	– 4.7	
EBITDA margin	15.6%	10.1%	
Advanced Photonic Solutions[2]	20.0%	17.2%	
Smart Mobility Solutions[2]	– 0.4%	3.2%	
Non-Photonic Portfolio Companies[2]	10.9%	– 7.3%	
EBIT (in million euros)	19.9	4.7	321.3
EBIT margin	8.5%	2.3%	
Earnings after tax (in million euros)	11.8	2.8	322.0
Earnings per share (in euros)	0.21	0.05	320.0
Free cash flow (in million euros)	28.5	– 3.1	n/a
Cash conversion rate	78.0%	< 0	

	March 31, 2023	Dec. 31, 2022	March 31, 2022
Order backlog (in million euros)	776.1	733.7	641.9
Advanced Photonic Solutions	611.7	586.9	511.8
Smart Mobility Solutions	81.2	65.7	72.6
Non-Photonic Portfolio Companies	82.8	81.0	57.4
Other[1]	0.4	0	0.2
Employees (headcount and incl. trainees)	4,493	4,435	4,264
Advanced Photonic Solutions	3,155	3,054	2,850
Smart Mobility Solutions	494	485	480
Non-Photonic Portfolio Companies	547	598	637
Other[1]	297	298	297

[1] Other includes Corporate Center (holding, shared services, real estate) and consolidation

[2] Based on the sum of external and internal revenue

The prior year's figures by segment have been adjusted due to minor changes in the structure of the Jenoptik Group. Please note that there may be rounding differences in this report compared to the mathematically exact amounts (currency units, percentages).

Summary of Business Performance, January to March 2023

- Order intake remains at a good level: At 283.0 million euros, the order intake in the period from January through March 2023 was down on the high prior-year figure of 310.3 million euros. The book-to-bill ratio came to 1.21 (prior year: 1.49). The order backlog grew to 776.1 million euros (31/12/2022: 733.7 million euros).
  See Earnings Position – Page 6
- Revenue sharply up on prior year: Over the reporting period, revenue of 234.1 million euros was up 12.2 percent on the prior year (prior year: 208.5 million euros), in particular thanks to the contribution from the Advanced Photonic Solutions division.
  See Earnings Position – Page 4
- Marked improvement in EBITDA: In particular due to good operating performance in the Advanced Photonic Solutions division and improvements in the earnings of the Non-Photonic Portfolio Companies, EBITDA rose 74.2 percent to 36.6 million euros (prior year: 21.0 million euros). The EBITDA margin was 15.6 percent (prior year: 10.1 percent).
  See Earnings Position – Page 5
- Balance sheet and financing structure still robust: The equity ratio improved slightly to 50.6 percent (31/12/2022: 50.4 percent). At 28.5 million euros, the free cash flow was sharply up on the prior-year figure of minus 3.1 million euros, despite higher capital expenditure.
  See Financial and Asset Position – from Page 7 on
- Guidance confirmed: For the 2023 fiscal year, the Executive Board is forecasting revenue of between 1,050 and 1,100 million euros and an EBITDA margin of between 19.0 and 19.5 percent.
  See Forecast Report – Page 12

Group Structure and Business Activity

Information on the Group structure and business activity can be found in the Annual Report 2022, from page 28 on.

Purchases and sales of companies

In the first quarter of 2023, a contract was signed to sell the 50-percent stake held by Jenoptik in HILLOS GmbH. The transaction is expected to be completed in the second quarter of 2023, at which point the former co-shareholder Hilti Aktiengesellschaft, Liechtenstein will become the sole shareholder of HILLOS GmbH. The Jena-based company produces laser ranging and positioning equipment for construction and construction-related applications.

There were no other company acquisitions or disposals in the first three months of 2023.

Earnings, Financial and Asset Position

The tables in the Quarterly Statement, which show a breakdown of the key indicators by segment, include the Corporate Center (holding company, shared services, real estate) and consolidation effects under “Other”. Jenoptik operates in the following reportable segments: the Advanced Photonic Solutions division, the Smart Mobility Solutions division, and the Non-Photonic Portfolio Companies.

Even given the challenges of the ongoing Russia-Ukraine war and stubbornly high inflation coupled with rising prices, Jenoptik is confident that it still has, in large part, a crisis-resistant business model and is in a good financial and balance sheet position.

Earnings Position

In the first three months of 2023, Jenoptik achieved significant increases in revenue and EBITDA, particularly in the Advanced Photonic Solutions division, and posted an order intake that remained at a high level.

Over this period, the company saw revenue improve to 234.1 million euros, a significant 12.2 percent increase on the prior year (prior year: 208.5 million euros).

Revenue

in million euros	1/1 to 31/3/2023	1/1 to 31/3/2022	Change in %
Total	**234.1**	**208.5**	**12.2**
Advanced Photonic Solutions	181.8	158.0	15.1
Smart Mobility Solutions	22.9	21.2	8.4
Non-Photonic Portfolio Companies	28.3	28.8	− 1.9
Other	1.0	0.6	

In the Advanced Photonic Solutions division, strong revenue growth was particularly facilitated by sustained good business in the Semiconductor Equipment area. In the first three months of 2023, the Smart Mobility Solutions division also posted higher revenue, while revenue in the Non-Photonic Portfolio Companies for this period was almost level with the prior year.

In the period from January through March 2023, Jenoptik increased revenue in all regions except the Americas, where the high prior-year figure was almost reached. The Advanced Photonic Solutions division was the main contributor to the strong increase in revenue seen in Europe (incl. Germany), from 115.3 million euros to 130.2 million euros, and in the Asia/Pacific region, from 33.6 million euros to 44.1 million euros. At 74.0 percent, the share of revenue generated abroad was down on the prior-year figure of 76.4 percent.

The cost of sales increased to 156.3 million euros (prior year: 148.6 million euros), rising slightly less than revenue in percentage terms. At 77.8 million euros, gross profit was up on the prior-year figure of 59.9 million euros, primarily due to the contributions made by the Advanced Photonic Solutions division and the Non-Photonic Portfolio Companies. The gross margin therefore improved significantly to 33.2 percent (prior year: 28.7 percent).

Over the reporting period, research and development expenses increased to 14.1 million euros (prior year: 12.3 million euros). Development expenses on behalf of customers posted in cost of sales increased to 7.7 million euros (prior year: 6.8 million euros), in particular due to customer projects in the Advanced Photonic Solutions division. The R+D output came to 23.1 million euros, up on the prior-year figure of 20.1 million euros and equating to a share of revenue of 9.9 percent (prior year: 9.6 percent).

R+D Output

in million euros	1/1 to 31/3/2023	1/1 to 31/3/2022	Change in %
R+D output	**23.1**	**20.1**	**15.1**
R+D expenses	14.1	12.3	14.7
Capitalized development costs	1.3	1.0	32.9
Developments on behalf of customers	7.7	6.8	13.2

Selling expenses of 26.2 million euros in the reporting period were virtually unchanged from the prior-year figure of 26.5 million euros, despite the increase in revenue; at 11.2 percent, the selling expenses ratio was down on the prior-year level of 12.7 percent.

Administrative expenses remained unchanged at 16.1 million euros (prior year: 16.1 million euros); the administrative expenses ratio thus fell to 6.9 percent (prior year 7.7 percent).

There were only minor changes in the other operating income items, which at 4.7 million euros were at about the same level as in the prior year (prior year: 4.8 million euros). Higher currency losses were chiefly responsible for the increase in other operating expenses to minus 6.0 million euros (prior year: minus 5.0 million euros). Overall, other operating income and expenses came to minus 1.3 million euros (prior year: minus 0.2 million euros).

Over the first three months of 2023, EBITDA improved to 36.6 million euros, 74.2 percent up on the prior-year figure of 21.0 million euros, mainly due to good operating performance by the Advanced Photonic Solutions division, but also the improvement seen in the Non-Photonic Portfolio Companies. In the first quarter of 2023 the EBITDA margin came to 15.6 percent (prior year: 10.1 percent).

EBITDA

in million euros	1/1 to 31/3/2023	1/1 to 31/3/2022	Change in %
Total	**36.6**	**21.0**	**74.2**
Advanced Photonic Solutions	36.7	27.2	35.0
Smart Mobility Solutions	– 0.1	0.7	n/a
Non-Photonic Portfolio Companies	3.2	– 2.2	n/a
Other	– 3.3	– 4.7	

This good performance was also reflected in income from operations (EBIT), which at 19.9 million euros was also sharply up on the prior-year figure of 4.7 million euros in the first three months of 2023. The EBIT item includes impacts arising from purchase price allocations for acquisitions in recent years, amounting to minus 5.5 million euros (prior year: minus 5.4 million euros).

EBIT

in million euros	1/1 to 31/3/2023	1/1 to 31/3/2022	Change in %
Total	**19.9**	**4.7**	**321.3**
Advanced Photonic Solutions	25.1	16.0	57.0
Smart Mobility Solutions	– 1.5	– 0.6	– 153.6
Non-Photonic Portfolio Companies	1.4	– 4.5	n/a
Other	– 5.0	– 6.1	

Over the period covered by the report, the financial result decreased to minus 3.5 million euros (prior year: minus 0.5 million euros) due to higher interest expenses as a result of higher interest rates and lower currency effects.

Jenoptik achieved significantly improved earnings before tax of 16.5 million euros (prior year: 4.2 million euros) over the reporting period. Income taxes amounted to 4.7 million euros (prior year: 1.2 million euros). The tax rate rose to 28.5 percent (prior year: 27.3 percent), which was due to higher income at the tax-paying companies. The cash effective tax rate was 17.5 percent (prior year: 14.4 percent).

Group earnings after tax (prior year: incl. VINCORION) rose to 11.8 million euros (prior year: 2.8 million euros). Group earnings per share came to 0.21 euros (prior year: 0.05 euros).

Order position

In the first three months of 2023, the order intake remained at a good level but did not match the very high prior-year figure. At 283.0 million euros, it was 8.8 percent down on the prior-year value of 310.3 million euros. As expected, the Advanced Photonic Solutions division was below the very high prior-year level. The Smart Mobility Solutions division posted an order intake at the same level as in the prior year, while the Non-Photonic Portfolio Companies posted fewer new orders following exceptionally strong year-end 2022 performance. The book-to-bill ratio was 1.21 (prior year 1.49), with both divisions and the Non-Photonic Portfolio Companies reporting a book-to-bill ratio of more than 1.

The order backlog climbed by 5.8 percent to 776.1 million euros (31/12/2022: 733.7 million euros). Of this backlog, around 571.3 million euros or 73.6 percent (prior year: 498.5 million euros or 77.7 percent) is due to be converted to revenue in the present fiscal year.

Order situation

in million euros	1/1 to 31/3/2023	1/1 to 31/3/2022	Change in %
Order intake	**283.0**	**310.3**	**– 8.8**
Advanced Photonic Solutions	212.1	238.1	– 10.9
Smart Mobility Solutions	38.9	38.9	0.0
Non-Photonic Portfolio Companies	30.6	32.5	– 5.9
Other	1.4	0.8	

	31/3/2023	31/12/2022	Change in %
Order backlog	**776.1**	**733.7**	**5.8**
Advanced Photonic Solutions	611.7	586.9	4.2
Smart Mobility Solutions	81.2	65.7	23.5
Non-Photonic Portfolio Companies	82.8	81.0	2.1
Other	0.4	0	

The number of Jenoptik employees rose 1.3 percent or by 58 persons as of March 31, 2023, to 4,493 (31/12/2022: 4,435 employees). In the Advanced Photonic Solutions division, the number of employees rose slightly due to an increase in staff in the Semiconductor Equipment area. At the end of March 2023, 1,621 people were employed at the foreign locations (31/12/2022: 1,595 employees).

As of March 31, 2023, Jenoptik had a total of 131 trainees (31/12/2022: 154 trainees).

Detailed information on the development of the divisions can be found in the Segment Report from page 8 on.

Employees (headcount and incl. trainees)

	31/3/2023	31/12/2022	Change in %
Total	**4,493**	**4,435**	**1.3**
Advanced Photonic Solutions	3,155	3,054	3.3
Smart Mobility Solutions	494	485	1.9
Non-Photonic Portfolio Companies	547	598	– 8.5
Other	297	298	– 0.3

Financial and Asset Position

The Group continues to ensure healthy balance sheet ratios and an ample supply of liquidity.

Compared to the end of December 2022, net debt fell to 465.5 million euros (31/12/2022: 479.0 million euros). As of March 31, 2023, the Group also had unused credit lines worth around 400 million euros. Leverage, net debt in relation to EBITDA, improved to 2.3 (31/12/2022: 2.6). The Group therefore still has sufficient financial leeway to ensure the company's scheduled strategic growth.

Over the reporting period, Jenoptik invested 22.5 million euros in property, plant, and equipment incl. leases in the amount of 7.1 million euros, intangible assets, and investment property (prior year: 20.5 million euros incl. leasing of 8.0 million euros). At 20.4 million euros, the largest share of capital expenditure was spent on property, plant, and equipment (prior year: 18.2 million euros), in part for new technical equipment and an expansion in production capacities, in particular for the semiconductor equipment industry, for construction of the Dresden factory, and for the new site for the medical technology business in Berlin. Capital expenditure for intangible assets of 2.1 million euros was slightly down on the prior-year figure of 2.3 million euros. Scheduled depreciation and amortization of 16.6 million euros was practically unchanged on the prior-year figure (prior year: 16.3 million euros), and includes the impacts arising from the purchase price allocations for the acquisitions made in recent years.

Cash flows from operating activities rose to 44.4 million euros as of March 31, 2023 (prior year: 17.8 million euros). This increase is due mainly to a considerable improvement in cash-effective earnings and higher positive impacts arising from the change in working capital.

At the end of March 2023, cash flows from investing activities came to minus 18.9 million euros (prior year: minus 17.5 million euros). Over the reporting period, this item was particularly influenced by higher capital expenditure for property, plant, and equipment and subsequent liquidity inflows in connection with the sale of VINCORION.

As a result of significantly higher cash flows from operating activities before taxes, the free cash flow saw a sharp rise to 28.5 million euros (prior year: minus 3.1 million euros). The free cash flow is calculated on the basis of the cash flows from operating activities before taxes less cash inflows from and outflows for intangible assets and property, plant, and equipment. In the first three months of 2023, the cash conversion rate came to 78.0 percent, significantly up on the negative prior-year figure.

Cash flows from financing activities fell to minus 24.2 million euros in the period covered by the report (prior year: minus 1.5 million euros), and were primarily influenced by the change in liabilities to banks.

At 1,675.7 million euros as of March 31, 2023, the total assets of the Jenoptik Group were marginally up on the 2022 year-end figure of 1,671.8 million euros.

Non-current assets reduced in value on the year-end figure for 2022, to 1,115.2 million euros (31/12/2022: 1,128.5 million euros). This was the result of a decrease in intangible assets, in part due to amortization. In addition, the "Investments accounted for using the at-equity method" item decreased as a result of the reclassification of the shares in Hillos GmbH to assets held for sale. By contrast, property, plant, and equipment increased following the investments made.

Current assets increased from 543.3 million euros at the end of 2022 to 560.6 million euros as of the end of March 2023, in particular due to the rise in inventories to 289.4 million euros (31/12/2022: 256.0 million euros). Trade account receivables fell, primarily due to a high level of receivables following strong revenue in the fourth quarter.

As of March 31, 2023, the working capital reduced slightly compared to year-end 2022, to 283.2 million euros (31/12/2022: 287.4 million euros / 31/3/2022: 272.4 million euros). The working capital ratio, that of working capital to revenue based on the last twelve months, was 28.1 percent and thus below both the year-end figure 2022 and the figure for the first quarter of 2022 (31/12/2022: 29.3 percent / 31/3/2022: 33.7 percent).

At 847.6 million euros, equity as of March 31, 2023 was up on the figure at year-end 2022 (31/12/2022: 843.3 million euros), with in particular net profit for the period and currency effects having an impact. The equity ratio increased marginally to 50.6 percent, compared with 50.4 percent at the end of December 2022.

Non-current liabilities rose to 533.9 million euros (31/12/2022: 519.0 million euros), and in the first three months of 2023 were mainly influenced by the increase in non-current financial debt to 493.1 million euros (31/12/2022: 477.7 million euros) as a result of borrowings.

Current liabilities reduced to 294.3 million euros (31/12/2022: 309.5 million euros), in particular due to the decline in current financial debt as a result of the repayment of liabilities to banks. By contrast, contract liabilities increased due to consideration paid by or due from customers arising from project business, especially in the Advanced Photonic Solutions and Smart Mobility Solutions divisions. The increase in the other current non-financial liabilities item is chiefly due to the accrual of vacation entitlements and other commitments toward employees during the year.

There were no changes in the assets and liabilities not included on the balance sheet. For information on this, we refer to the Annual Report, page 61, and for contingent liabilities, to section 8.3 in the Notes.

Segment Report

The two divisions, Advanced Photonic Solutions and Smart Mobility Solutions, together with the Non-Photonic Portfolio Companies, represent the segments as defined in IFRS 8. Due to minor changes in the structure of the Jenoptik Group, the prior year's figures for Advanced Photonic Solutions and the Non-Photonic Portfolio Companies have been adjusted.

The revenue, order intake, and order backlog figures provided in the Segment Report relate exclusively to business with external parties.

Advanced Photonic Solutions

From January to March 2023, the Advanced Photonic Solutions divisions generated revenue of 181.8 million euros, a significant 15.1 percent above the prior-year figure of 158.0 million euros. Business with the semiconductor equipment industry, in particular, but also in the Industrial Solutions and Biophotonics areas, saw revenue increases in the first three months of 2023.

Revenue increased in all regions. The greatest growth was seen in Europe (incl. Germany), where revenue grew from 91.5 million euros to 103.4 million euros. In the first three months of 2023, the Advanced Photonic Solutions division contributed a total of 77.7 percent of Jenoptik's revenue (prior year: 75.8 percent).

On the basis of good revenue growth and mix effects, EBITDA of 36.7 million euros was a sharp 35.0 percent up on the prior-year figure of 27.2 million euros. The division's EBITDA margin came to 20.0 percent, up on the prior-year figure of 17.2 percent.

Compared to the prior-year period, EBIT also rose significantly to 25.1 million euros (incl. PPA impacts of minus 4.6 million euros) (prior year: 16.0 million euros, incl. PPA impacts of minus 4.1 million euros).

Demand for products made by the Advanced Photonic Solutions division remained at a good level in the first three months of 2023. Nevertheless, as expected, the division's order intake, worth 212.1 million euros, could not match the very high level in the prior-year quarter (prior year: 238.1 million euros). Growth was seen in the Industrial Solutions area, while fewer new orders were reported from the semiconductor equipment industry, the medical technology / life sciences industry, and in the field of optical test & measurement. Set against revenue, this resulted in a book-to-bill ratio of 1.17 for the reporting period, compared with 1.51 in the prior year.

The order backlog grew further as of March 31, 2023, and at 611.7 million euros was significantly up on the figure at year-end 2022 (31/12/2022: 586.9 million euros), especially in the Semiconductor Equipment area.

From January through March 2023, capital expenditure in the Advanced Photonic Solutions division amounted to 13.6 million euros (prior year: 16.4 million euros), with key investments in the new Dresden fab, machinery, and a building in Berlin. As a result of rising demand for optics and sensors for the semiconductor industry, Jenoptik is expanding its manufacturing capacities at its Dresden site and will invest over 70 million euros in a state-of-the-art production building for microoptics and sensors and a new office complex. Groundbreaking took place in September 2022, with production at the new factory due to begin in early 2025.

In the light of good business performance, the free cash flow (before interest and taxes) improved to 21.6 million euros, compared with 15.9 million euros in the prior year. Since both EBITDA and the free cash flow increased, the cash conversion rate remained virtually unchanged at 58.7 percent (prior year: 58.3 percent).

Smart Mobility Solutions

In the first three months of 2023, the Smart Mobility Solutions division generated revenue of 22.9 million euros, 8.4 percent more than in the prior-year period (prior year. 21.2 million euros). More revenue, in particular, was generated in Asia/Pacific. From January through March 2023, the division's share of Jenoptik's revenue came to 9.8 percent (prior year: 10.1 percent).

Even though the division was able to post a slight increase in revenue, EBITDA of minus 0.1 million euros over the reporting period was down on the prior year's 0.7 million euros, mainly due to product mix impacts. The EBITDA margin was minus 0.4 percent, compared with 3.2 percent in the first three months of the prior year.

The division's order intake is subject to typical fluctuations in project business, and at 38.9 million euros in the first three months of 2023 was on a par with the prior-year figure. Over the reporting period, the book-to-bill ratio came to 1.70 (prior year: 1.84).

Based on the good order intake, the division's order backlog grew by a significant 23.5 percent to 81.2 million euros (31/12/2022: 65.7 million euros).

In particular as a result of a significant reduction in working capital in the current year compared to an increase in the prior year, the division's free cash flow (before interest and taxes) for the first three months of 2023 came to 4.0 million euros (prior year: minus 1.0 million euros).

Advanced Photonic Solutions at a glance

in million euros	31/3/2023	31/3/2022	Change in %
Revenue	181.8	158.0	15.1
EBITDA	36.7	27.2	35.0
EBITDA margin in %[1]	20.0	17.2	
EBIT	25.1	16.0	57.0
EBIT margin in %[1]	13.6	10.1	
Capital expenditure	13.6	16.4	– 16.9
Free cash flow	21.6	15.9	35.9
Cash conversion rate in %	58.7	58.3	
Order intake	212.1	238.1	– 10.9
Order backlog[2]	611.7	586.9	4.2
Employees[2]	3,155	3,054	3.3

[1] Based on the sum of external and internal revenue
[2] Prior-year figures refer to December 31, 2022

Smart Mobility Solutions at a glance

in million euros	31/3/2023	31/3/2022	Change in %
Revenue	22.9	21.2	8.4
EBITDA	– 0.1	0.7	n/a
EBITDA margin in %[1]	– 0.4	3.2	
EBIT	– 1.5	– 0.6	– 153.6
EBIT margin in %[1]	– 6.6	– 2.8	
Capital expenditure	2.0	1.8	11.8
Free cash flow	4.0	– 1.0	n/a
Cash conversion rate in %	< 0	< 0	
Order intake	38.9	38.9	0.0
Order backlog[2]	81.2	65.7	23.5
Employees[2]	494	485	1.9

[1] Based on the sum of external and internal revenue
[2] Prior-year figures refer to December 31, 2022

Non-Photonic Portfolio Companies

In the period from January through March 2023, the Non-Photonic Portfolio Companies generated revenue of 28.3 million euros, compared with 28.8 million euros in the prior-year period. In Europe, revenue grew in the first three months. The Non-Photonic Portofolio Conmpanies' share of Jenoptik's revenue fell to 12.1 percent (prior year: 13.8 percent).

Over the reporting period, the segment's EBITDA rose to 3.2 million euros (prior year: minus 2.2 million euros), in part due to a higher earnings contribution from Prodomax. In the prior year, EBITDA had been negatively impacted by costs, particularly in connection with the Interob business. The EBITDA margin improved from minus 7.3 percent in the prior-year period to 10.9 percent in the first three months of 2023.

EBIT came to 1.4 million euros (incl. PPA impacts of minus 0.9 million euros), compared to minus 4.5 million euros in the prior year (incl. PPA impacts of minus 1.3 million euros).

Following a very strong year-end 2022, the order intake in the first three months of 2023, at 30.6 million euros, was slightly below the prior year's figure of 32.5 million euros. Over the reporting period, the book-to-bill ratio of 1.08 was therefore also below the prior-year figure of 1.13.

At the end of March, the Non-Photonic Portfolio Companies continued to have a high order backlog, which at 82.8 million euros at the end of the reporting period was slightly up on the figure at year-end 2022 and will be worked off in the coming months (31/12/2022: 81.0 million euros).

The increase in the free cash flow (before interest and taxes) to 3.7 million euros (prior year: minus 1.2 million euros) was mainly attributable to higher cash flows from operating activities, in part due to the increase in earnings and positive effects in the working capital.

Non-Photonic Portfolio Companies at a glance

in million euros	31/3/2023	31/3/2022	Change in %
Revenue	28.3	28.8	− 1.9
EBITDA	3.2	− 2.2	n/a
EBITDA margin in %[1]	10.9	− 7.3	
EBIT	1.4	− 4.5	n/a
EBIT margin in %[1]	4.9	− 14.9	
Capital expenditure	5.4	0.5	1,079.5
Free cash flow	3.7	− 1.2	n/a
Cash conversion rate in %	115.5	< 0	
Order intake	30.6	32.5	− 5.9
Order backlog[2]	82.8	81.0	2.1
Employees[2]	547	598	− 8.5

[1] Based on the sum of external and internal revenue

[2] Prior-year figures refer to December 31, 2022

Risk and Opportunity Report

Within the framework of the reporting on risk and opportunity management, we refer to the details on pages 73ff. of the Annual Report 2022.

With the gradual phasing-out of the global emergency regulations relating to the Covid-19 pandemic and, in particular, the official end of China's zero-Covid strategy, the risks are decreasing that may arise from possible actions to contain the pandemic and that could have an influence on Jenoptik's business activities. There is still the possibility of regional outbreaks and new mutations, which require regular reassessment.

There remain uncertainties arising from trade and geopolitical conflicts, some of which are increasing again in a number of regions. If the Taiwan-China conflict were to escalate, a significant impact on the global semiconductor market may be assumed – despite the international nature of the semiconductor industry – due to Taiwan's key role in some stages of production. The Russian war against Ukraine with the associated sanctions does not pose any direct risks due to Jenoptik's almost non-existent business activities in either country. Indirectly, it may continue to have an impact in particular on the supply of energy and its pricing, and also influence the short-term availability of raw materials.

The risks arising from the current inflation trends have both global and regional causes. These include structural problems such as a shortage of skilled workers, geopolitical tensions, and the associated development of energy costs, which cannot be influenced in the short term. Jenoptik is actively countering inflation risks through steps taken in both purchasing and sales. We are also countering the impacts of the measures introduced by the European Central Bank, such as interest rate risks, through active risk mitigation.

The expected economic consequences of these risks may have a negative impact on our earnings, financial, and asset position.

There were no other major changes in the risks and opportunities described in the Annual Report during the course of the first quarter of 2023.

At present, no risks have been identified that, either individually or in combination with other risks, could jeopardize the continued existence of the company.

Forecast Report

Future Development of Business

The Jenoptik Group remains committed to pursuing its goal of securing profitable growth in the medium and long term. This will be aided by an expansion of the international business and the resultant economies of scale, higher margins from an optimized product mix, increasing service business, and improved cost discipline.

Jenoptik is a diversified company and also has a well-balanced portfolio of products and services that ensure stability during crises and help the company to offset fluctuations.

Based on the continued good order intake, the high order backlog, and good ongoing developments in the core photonics businesses, especially in the semiconductor equipment sector, the Executive Board of JENOPTIK AG is confident of further profitable growth in the fiscal year 2023. Jenoptik is therefore anticipating revenue of 1,050 million euros to 1,100 million euros and an EBITDA margin of 19.0 to 19.5 percent for 2023. Jenoptik will continue to invest in the expansion of its production capacities in the fiscal year 2023 and therefore expects investments to be significantly up on the prior-year figure of 106.0 million euros.

This forecast assumes that geopolitical risks do not worsen. These include, for example, the Ukraine conflict – with the sanctions that have been put in place and potential impacts on price developments, energy supplies, and supply chains. Potential portfolio changes are not considered in this forecast.

All statements on the future development of the business situation have been made on the basis of current information available at the time the report was prepared. A variety of known and unknown risks, uncertainties, and other factors (e.g., portfolio changes) may cause the actual results, the financial situation, the development, or the performance of the company to diverge significantly from the information provided here.

Jena, May 10, 2023

Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

in thousand euros	1/1 to 31/3/2023	1/1 to 31/3/2022
Continuing operations		
Revenue	234,064	208,542
Cost of sales	156,281	148,646
Gross profit	**77,783**	**59,897**
Research and development expenses	14,121	12,311
Selling expenses	26,235	26,465
General administrative expenses	16,135	16,140
Other operating income	4,650	4,756
Other operating expenses	5,997	5,003
EBIT	**19,945**	**4,734**
Financial income	1,984	2,330
Financial expenses	5,447	2,823
Financial result	**– 3,463**	**– 492**
Earnings before tax from continuing operations	**16,481**	**4,242**
Income taxes	– 4,701	– 1,156
Earnings after tax from continuing operations	**11,780**	**3,085**
Discontinued operation		
Earnings after tax from discontinued operation	0	– 294
Group		
Earnings after tax	**11,780**	**2,791**
Results from non-controlling interests	21	– 191
Earnings attributable to shareholders	11,759	2,982
Earnings per share in euros (undiluted = diluted)	**0.21**	**0.05**

Consolidated Comprehensive Income

in thousand euros	1/1 to 31/3/2023	1/1 to 31/3/2022
Earnings after tax	**11,780**	**2,791**
Items that will never be reclassified to profit or loss	**0**	**4,431**
Actuarial gains / losses from the valuation of pensions and similar obligations	0	4,431
thereof: income taxes	0	– 1,816
Items that are or may be reclassified to profit or loss	**– 7,042**	**5,092**
Cash flow hedges	1,137	– 895
thereof: income taxes	– 495	387
Foreign currency exchange differences	– 8,179	5,988
thereof: income taxes	512	– 708
Total other comprehensive income	**– 7,042**	**9,523**
Total comprehensive income	**4,738**	**12,314**
Thereof attributable to:		
Non-controlling interests	– 267	– 143
Shareholders	5,005	12,457

Consolidated Statement of Financial Position

Assets in thousand euros	31/3/2023	31/12/2022	Change	31/3/2022
Non-current assets	**1,115,177**	**1,128,455**	**– 13,279**	**1,120,415**
Intangible assets	720,759	730,642	– 9,883	752,394
Property, plant and equipment	333,506	324,606	8,900	276,744
Investment property	3,559	3,592	– 33	3,605
Investments accounted for using the equity method	5,574	14,310	– 8,736	14,481
Financial investments	2,962	2,754	208	2,981
Other non-current assets	13,235	13,729	– 494	5,921
Deferred tax assets	35,581	38,822	– 3,241	64,289
Current assets	**560,556**	**543,309**	**17,246**	**668,635**
Inventories	289,394	255,950	33,444	221,612
Current trade receivables	117,296	138,769	– 21,473	116,795
Contract assets	56,375	58,096	– 1,722	83,275
Other current financial assets	11,046	13,423	– 2,377	19,018
Other current non-financial assets	20,324	19,265	1,059	19,515
Current financial investments	888	1,048	– 160	1,547
Cash and cash equivalents	56,804	56,758	46	54,057
Assets held for sale	8,429	0	8,429	152,816
Total assets	**1,675,733**	**1,671,765**	**3,968**	**1,789,051**

Equity and liabilities in thousand euros	31/3/2023	31/12/2022	Change	31/3/2022
Equity	**847,560**	**843,307**	**4,253**	**792,819**
Share capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	493,851	488,846	5,005	437,162
Non-controlling interests	10,604	11,356	– 752	12,552
Non-current liabilities	**533,920**	**518,959**	**14,961**	**507,648**
Pension provisions	4,203	4,262	– 59	6,013
Other non-current provisions	18,478	17,043	1,435	17,950
Non-current financial debt	493,075	477,729	15,346	454,341
Other non-current liabilities	3,546	3,863	– 318	2,364
Deferred tax liabilities	14,619	16,062	– 1,444	26,981
Current liabilities	**294,252**	**309,499**	**– 15,246**	**488,583**
Tax provisions	8,573	10,921	– 2,348	3,163
Other current provisions	44,602	43,887	714	40,718
Current financial debt	30,106	59,052	– 28,946	155,403
Current trade payables	99,186	100,600	– 1,415	89,702
Contract liabilities	80,665	64,856	15,808	59,693
Other current financial liabilities	6,632	10,306	– 3,673	19,260
Other current non-financial liabilities	24,490	19,876	4,613	25,893
Debt held for sale	0	0	0	94,752
Total equity and liabilities	**1,675,733**	**1,671,765**	**3,968**	**1,789,051**

Consolidated Statement of Cash Flows

in thousand euros	1/1 to 31/3/2023	1/1 to 31/3/2022
Earnings before tax from continuing operations	16,481	4,242
Earnings before tax from discontinued operation	0	– 8
Earnings before tax	**16,481**	**4,234**
Financial income and expenses	3,463	673
Depreciation and amortization	16,626	16,261
Other non-cash income / expenses	59	172
Change in provisions	2,350	– 1,371
Change in working capital	8,457	1,990
Change in other assets and liabilities	2,159	– 931
Cash flows from operating activities before income tax payments	**49,597**	**21,028**
Income tax payments	– 5,163	– 3,208
Cash flows from operating activities	**44,433**	**17,820**
Capital expenditure for intangible assets	– 2,111	– 4,529
Proceeds from sale of property, plant and equipment	108	562
Capital expenditure for property, plant and equipment	– 19,075	– 13,628
Sale of subsidiaries or other business units less cash sold	2,019	0
Proceeds from other financial investments	150	1
Capital expenditure for other financial investments	– 212	– 117
Interest received and other income	197	174
Cash flows from investing activities	**– 18,922**	**– 17,537**
Dividends to non-controlling interests	– 485	– 154
Proceeds from additions of financial liabilities	13,339	7,366
Repayments of loans	– 29,351	– 292
Payments for leases	– 3,244	– 4,317
Change in group financing	999	– 647
Interest paid and other expenses	– 5,430	– 3,445
Cash flows from financing activities	**– 24,172**	**– 1,489**
Cash-effective change in cash and cash equivalents	**1,338**	**– 1,206**
Less cash and cash equivalents from discontinued operation	0	– 196
Change in cash and cash equivalents from foreign currency effects	– 1,074	652
Change in cash and cash equivalents from first-time consolidation and valuation	– 218	– 10
Change in cash and cash equivalents from valuation	– 218	– 10
Cash and cash equivalents at the beginning of the period	56,758	54,817
Cash and cash equivalents at the end of the period	**56,804**	**54,057**

Dates

June 7, 2023
Annual General Meeting 2023

August 9, 2023
Publication of Interim Report
January to June 2023

November 9, 2023
Publication of Quarterly Statement
January to September 2023

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