Quarterly Statement of the Jenoptik Group

January to March 2022

At a glance – Jenoptik Group

	Jan. – Mar. 2022	Jan. – Mar. 2021	Change in %
Order intake (in million euros)	310.3	239.6	29.5
Advanced Photonic Solutions	232.6	142.7	63.0
Smart Mobility Solutions	38.9	41.2	– 5.8
Non-Photonic Portfolio Companies	37.9	54.3	– 30.2
Other[1]	0.8	1.3	
Revenue (in million euros)	208.5	150.6	38.5
Advanced Photonic Solutions	157.1	100.6	56.2
Smart Mobility Solutions	21.2	19.2	10.2
Non-Photonic Portfolio Companies	29.7	30.3	– 1.9
Other[1]	0.6	0.5	
EBITDA (in million euros)	21.0	16.5	27.3
Advanced Photonic Solutions	28.3	22.0	28.3
Smart Mobility Solutions	0.7	0.2	277.5
Non-Photonic Portfolio Companies	– 3.3	– 3.0	– 8.8
Other[1]	– 4.7	– 2.7	
EBITDA margin	10.1%	11.0%	
Advanced Photonic Solutions[2]	18.0%	21.9%	
Smart Mobility Solutions[2]	3.2%	0.9%	
Non-Photonic Portfolio Companies[2]	– 11.0%	– 9.8%	
EBIT (in million euros)	4.7	4.3	9.6
EBIT margin	2.3%	2.9%	
Earnings after tax (in million euros)	3.1	2.7	15.2
Earnings per share - Group (in euros)[3]	0.05	0.07	– 30.4
Free cash flow (in million euros)	– 3.1	9.2	n/a
Cash conversion rate	< 0	56.0%	

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Order backlog (in million euros)	641.9	543.5	388.9
Advanced Photonic Solutions	503.2	430.2	235.0
Smart Mobility Solutions	72.6	54.3	69.4
Non-Photonic Portfolio Companies	65.9	58.9	83.8
Other[1]	0.2	0.0	0.7
Frame contracts (in million euros)	145.1	135.1	25.6
Employees (head count and incl. trainees)	4,264	4,205	3,645
Advanced Photonic Solutions	2,792	2,721	2,059
Smart Mobility Solutions	480	491	491
Non-Photonic Portfolio Companies	695	692	808
Other[1]	297	301	287
Employees - Group (head count and incl. trainees)[3]	4,949	4,905	4,401

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

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

[3] Group includes the continuing operations and VINCORION as discontinued operation

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 2022

- Strong order intake: From January through March 2022, the order intake in the continuing operations increased to 310.3 million euros (including the contribution of 42.5 million euros by Jenoptik Medical and the SwissOptic Group acquired in 2021), 29.5 percent up on the prior-year figure of 239.6 million euros. The order backlog grew to 641.9 million euros (31/12/2021: 543.5 million euros).
  See Earnings Position – Page 7

- Revenue sharply up on prior year: Over the reporting period, revenue of 208.5 million euros (including the contribution of 33.0 million euros by the companies mentioned above) was 38.5 percent higher than in the prior-year period (prior year: 150.6 million euros), particularly due to the contribution made by the Advanced Photonic Solutions division.
  See Earnings Position – Page 5

- Marked improvement in earnings: EBITDA rose 27.3 percent to 21.0 million euros (prior year: 16.5 million euros), in particular due to strong operating performance in the Advanced Photonic Solutions division. The EBITDA margin came to 10.1 percent (prior year: 11.0 percent, excl. one-off effects 9.4 percent).
  See Earnings Position – Page 6

- Balance sheet and financing structure remained highly robust: The equity ratio, at 44.3 percent, remained at the same level as at year-end 2021 (31/12/2021: 44.4 percent). Due to higher capital expenditure and working capital measures to safeguard the supply chain, the free cash flow fell to minus 3.1 million euros (prior year: 9.2 million euros).
  See Financial and Asset Position – from Page 9 on

- Division highlights
  Advanced Photonic Solutions: Order intake significantly up on prior year at 232.6 million euros (prior year: 142.7 million euros). Sharp rise in revenue of 56.2 percent to 157.1 million euros (prior year: 100.6 million euros). EBITDA up 28.3 percent thanks to strong operating performance. Free cash flow improved. First-time inclusion of Jenoptik Medical and the SwissOptic Group in the first quarter 2022 figures.
  Smart Mobility Solutions: Order backlog up sharply to 72.6 million euros (31/12/2021: 54.3 million euros). Order intake worth 37.9 million euros slightly down on prior-year figure of 41.2 million euros. Slight improvement in revenue and earnings.
  Non-Photonic Portfolio Companies: Order backlog worth 65.9 million euros up on prior year (31/12/2021: 58.9 million euros). Order intake of 37.9 million euros did not reach high prior-year figure of 54.3 million euros. Revenue at approximately prior-year level. Earnings down on prior year.
  See Segment Report – from Page 11 on

- Guidance confirmed: For the fiscal year 2022, the Executive Board is forecasting revenue up at least 20 percent and an EBITDA margin of around 18 percent.
  See Forecast Report – Page 15

Business and Framework Conditions

Group Structure and Business Activity

Jenoptik is a global photonics group and a supplier of high-quality and innovative capital goods. Its range of products comprises OEM or standard components, modules and sub-systems through to complex systems and production facilities for numerous sectors, such as the semiconductor equipment, medical technology, automotive and automotive supplier, and mechanical engineering industries. The range also includes total solutions and full-service operator models, for example in the traffic sector.

As part of its reorganization, the Group has consolidated its core photonics business in two new divisions, Advanced Photonic Solutions (industrial customer business) and Smart Mobility Solutions (business with public sector contractors). In the first quarter of 2022, the former Light & Optics and Light & Production divisions were merged into the new Advanced Photonic Solutions division, while non-photonic activities, particularly for the automotive market, were separated and are now operated as independent brands (incl. HOMMEL ETAMIC, Prodomax, and INTEROB) within the Jenoptik Group's Non-Photonic Portfolio Companies. The former Light & Safety division became the Smart Mobility Solutions division.

For VINCORION, which sells mechatronic products, in particular for the security and defense technology, aviation, and rail and transport industries, a sale agreement with a fund managed by STAR Capital Partnership LLP was signed in November 2021, with closing still expected in the first half of 2022. In accordance with IFRS 5, VINCORION is shown as a discontinued operation.

More information on the Group structure and business activity can be found in the 2021 Annual Report, from page 86 on.

Purchases and sales of companies

There were no company acquisitions or disposals in the first three months of 2022.

Targets and Strategies

With its strategic Agenda 2025 "More Value," announced in November 2021, Jenoptik is focusing on sustainable profitable growth in the photonics market segments. The transformation into a globally leading, streamlined photonics group is to be continued and accelerated. Jenoptik is focusing on three attractive core markets: semiconductors & electronics, life science & medical technology, and smart mobility. We expect substantial organic growth from this, to be complemented by acquisitions.

In order to create more value for all our stakeholders with the Agenda 2025, we want to

- accelerate the transformation of Jenoptik into a globally leading, streamlined photonics group,
- focus on attractive core markets,
- drive forward organic and non-organic growth,
- increase profitability and
- strengthen our financial power for further acquisitions.

Jenoptik benefits in particular from the global trends in digitization, health and mobility and is increasingly establishing itself as a strategic systems partner for international customers, with whom it works to create forward-looking solutions.

The planned profitable growth will be further supported by efficiency measures, the realization of economies of scale, and increasingly also by the further expansion of the service business.

For more information on the strategic trajectory of the Jenoptik Group, we refer to the 2021 Annual Report and the details given in the "Targets and Strategies" chapter from page 93 on, as well as on the Jenoptik website.

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 "Others". Jenoptik operates in the following reportable segments: the Advanced Photonic Solutions division, the Smart Mobility Solutions division, and the Non-Photonic Portfolio Companies.

Unless otherwise specified, the following text shows the figures for continuing operations (the Advanced Photonic Solutions and Smart Mobility Solutions divisions and the Non-Photonic Portfolio Companies). VINCORION is also included in the disclosures for the Group as a whole. Following signing of the contract to sell VINCORION, this division is now shown as a discontinued operation in accordance with IFRS 5.

Even given the challenges of the ongoing Covid-19 pandemic and supply bottlenecks, 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

Jenoptik posted very good order intake and revenue figures in the first three months of 2022, particularly in the Advanced Photonic Solutions division.

Over the first quarter of the year, the continuing operations generated revenue of 208.5 million euros (prior year: 150.6 million euros), a significant 38.5-percent increase on the prior-year level.

In the Advanced Photonic Solutions division, strong revenue growth was facilitated by sustained strong demand in semiconductor equipment business and good growth in the Biophotonics and Industrial Solutions areas. The two companies acquired in late 2021, Jenoptik Medical (formerly BG Medical Applications) and the SwissOptic Group, also contributed to growth. In the first quarter of 2022, the Smart Mobility Solutions division also posted higher revenue, while revenue of the Non-Photonic Portfolio Companies was almost level with the prior year.

Both organic growth and the companies acquired in 2021 contributed to the strong increase in revenue seen in Europe (incl. Germany), from 79.2 million euros to 115.3 million euros, in the first three months of 2022. Revenue in the Americas and Asia/Pacific, two key strategic regions, also grew, with combined revenue coming to 86.4 million euros or 41.4 percent of total revenue (prior year: 66.7 million euros or 44.3 percent). Over the reporting period, revenue in the Middle East/Africa also increased. At 76.4 percent, the share of revenue generated abroad was down on the prior-year figure of 79.8 percent.

Revenue

in million euros	1/1 to 31/3/2022	1/1 to 31/3/2021	Change in %
Total	208.5	150.6	38.5
Advanced Photonic Solutions	157.1	100.6	56.2
Smart Mobility Solutions	21.2	19.2	10.2
Non-Photonic Portfolio Companies	29.7	30.3	− 1.9
Other	0.6	0.5	

R+D output

in million euros	1/1 to 31/3/2022	1/1 to 31/3/2021	Change in %
R+D output	20.1	15.0	34.1
R+D expenses	12.3	9.1	35.1
Capitalized development costs	1.0	1.2	− 19.6
Developments on behalf of customers	6.8	4.6	46.2

The cost of sales rose to 148.6 million euros (prior year: 103.5 million euros) and thus at a slightly stronger rate than revenue. This was primarily the result of increased material and personnel costs, in part due to the 2021 acquisitions. At 59.9 million euros, gross profit was, however, up on the prior-year figure of 47.1 million euros. The gross margin came to 28.7 percent (prior year: 31.3 percent).

Over the first three months of the year, research and development expenses increased to 12.3 million euros (prior year: 9.1 million euros). Development expenses on behalf of customers included in cost of sales increased to 6.8 million euros (prior year: 4.6 million euros), in particular due to customer projects in the Advanced Photonic Solutions division. The continuing operations' R+D output came to 20.1 million euros, an increase on the prior-year figure of 15.0 million euros, equating to a share in revenue generated by continuing operations of 9.6 percent (prior year: 9.9 percent).

Selling expenses in the reporting period amounted to 26.5 million euros (prior year: 22.6 million euros). This increase is mainly due to the acquisition of Jenoptik Medical and the SwissOptic Group, as well as higher amortization in connection with PPA impacts, in particular on customer relationships. At 12.7 percent, the selling expenses ratio was down on the prior year level of 15.0 percent.

Administrative expenses increased to 16.1 million euros (prior year: 14.1 million euros), this rise also reflecting the acquisitions completed in the prior year. The administrative expenses ratio fell to 7.7 percent (prior year: 9.3 percent).

Impairment gains and losses in connection with the valuation of trade receivables and contract assets amounted to 0.1 million euros (prior year: minus 0.9 million euros).

Together, other operating income and expenses amounted to minus 0.3 million euros (prior year: 3.9 million euros). The decline in other operating income was mainly due to lower currency gains. In the prior year, this item included a positive one-off effect of 2.4 million euros arising from the purchase price allocation in connection with the acquisition of INTEROB. Higher currency losses, in particular, were behind the increase in other operating expenses.

Over the first three months of 2022, EBITDA improved to 21.0 million euros (incl. PPA impacts of minus 0.8 million euros), 27.3 percent up on the prior-year figure of 16.5 million euros (incl. PPA impacts of minus 1.8 million euros), mainly due to strong operating performance in the Advanced Photonic Solutions division. In the prior year, this item included a positive one-off effect of 2.4 million euros in connection with the acquisition of INTEROB; without this one-off effect, EBITDA would have come to 14.1 million euros. The EBITDA margin fell to 10.1 percent (prior year: 11.0 percent; excl. the one-off effect 9.4 percent).

In the first three months of 2022, income from operations (EBIT) of 4.7 million euros (incl. PPA impacts of minus 5.4 million euros) was above the prior-year figure of 4.3 million euros (incl. PPA impacts of minus 5.5 million euros). The above-mentioned one-off effect is also included in the prior-year EBIT. The EBIT margin for continuing operations came to 2.3 percent (prior year: 2.9 percent).

EBITDA

in million euros	1/1 to 31/3/2022	1/1 to 31/3/2021	Change in %
Total	21.0	16.5	27.3
Advanced Photonic Solutions	28.3	22.0	28.3
Smart Mobility Solutions	0.7	0.2	277.5
Non-Photonic Portfolio Companies	– 3.3	– 3.0	– 8.8
Other	– 4.7	– 2.7	

EBIT

in million euros	1/1 to 31/3/2022	1/1 to 31/3/2021	Change in %
Total	4.7	4.3	9.6
Advanced Photonic Solutions	17.0	15.6	9.2
Smart Mobility Solutions	– 0.6	– 1.5	59.1
Non-Photonic Portfolio Companies	– 5.6	– 5.5	– 1.3
Other	– 6.1	– 4.3	

Financial income and expenses were up on the prior-year figures in the first quarter of 2022, the result of higher interest income, lower interest expenses from compounding, and lower valuation effects on bank balances. Over the reporting period, the financial result thus improved to minus 0.5 million euros (prior year: minus 2.0 million euros).

Continuing operations achieved higher earnings before tax of 4.2 million euros (prior year: 2.3 million euros). Income tax expense amounted to minus 1.2 million euros (prior year: 0.4 million euros). The overall tax rate for continuing operations increased to 27.3 percent (prior year: below 0 percent), This was due both to regional profit distribution as of the reporting date and, in particular, utilization of the JENOPTIK AG tax loss carryforward (prior year: deferred tax income). The cash effective tax rate was 14.4 percent (prior year: 69.3 percent). Earnings after tax for continuing operations came to 3.1 million euros (prior year: 2.7 million euros).

Discontinued operation

In the first quarter of 2022, revenue of the discontinued operation (VINCORION) came to 23.2 million euros (prior year: 25.4 million euros). EBITDA amounted to 0.2 million euros (prior year: 3.1 million euros). Earnings after tax were minus 0.3 million euros (prior year: 1.1 million euros).

Group earnings after tax (incl. VINCORION) fell to 2.8 million euros (prior year: 3.8 million euros). Group earnings per share came to 0.05 euros (prior year: 0.07 euros).

Order situation

The first quarter of 2022 was characterized by a strong order intake, which grew by 29.5 percent – both organically and non-organically, thanks to new orders at the companies acquired in 2021 – to 310.3 million euros (prior year: 239.6 million euros). In the Advanced Photonic Solutions division, the Semiconductor Equipment, Biophotonics, and Optical Test & Measurement areas were the main contributors to the increase. The order intake in the Smart Mobility Solutions division, which is strongly influenced by projects and thus subject to fluctuations, was slightly down on the prior year. In the prior year, the division posted several orders from North America. Order intake of the Non-Photonic Portfolio Companies was also down on the prior year, which had included a larger order in the Automation area. Overall, the significant rise in the continuing operations' order intake produced a book-to-bill ratio of 1.49 (prior year: 1.59).

The order backlog increased by 18.1 percent to 641.9 million euros (31/12/2021: 543.5 million euros). Of this order backlog, 498.5 million euros or 77.7 percent (prior year: 327.7 million euros or 84.3 percent) will be converted to revenue in the present fiscal year.

As of March 31, 2022, there were also frame contracts worth 145.1 million euros (31/12/2021: 135.1 million euros). Frame contracts are contracts or framework agreements where the exact sum, in particular regarding the time of occurrence, cannot yet be specified precisely.

Order situation

in million euros	1/1 to 31/3/2022	1/1 to 31/3/2021	Change in %
Order intake	310.3	239.6	29.5
	31/3/2022	31/12/2021	Change in %
Order backlog	641.9	543.5	18.1
Frame contracts	145.1	135.1	7.4

Employees (head count and incl. trainees)

	31/3/2022	31/12/2021	Change in %
Total	4,264	4,205	1.4
Advanced Photonic Solutions	2,792	2,721	2.6
Smart Mobility Solutions	480	491	– 2.2
Non-Photonic Portfolio Companies	695	692	0.4
Other	297	301	– 1.3

The number of Jenoptik employees in continuing operations rose 1.4 percent or by 59 persons as of March 31, 2022, to 4,264 (31/12/2021: 4,205 employees). The Jenoptik Group had 4,949 employees (31/12/2021: 4,905 employees). The number of employees in the Advanced Photonic Solutions division increased slightly due to an increase in staff in the Semiconductor Equipment and Biophotonics areas. At the end of March 2022, 1,569 people were employed at the foreign locations (31/12/2021: 1,525 employees),

The continuing operations had 139 trainees as of March 31, 2022 (31/12/2021: 152 trainees).

Detailed information on the development of the divisions can be found in the Segment Report from page 11 on.

Financial and Asset Position

The Group continues to ensure healthy balance sheet ratios and an ample supply of liquidity, and is thus in a good financial and balance sheet position.

At the end of the first quarter of 2022, the debt-to-equity ratio, that of borrowings to equity, came to 1.26, practically unchanged from the figure at the end of 2021 (1.25).

Net debt increased only marginally on the figure at the end of December 2021, to 554.1 million euros (31/12/2021: 541.4 million euros). The Group therefore has sufficient financial leeway to ensure the company's scheduled strategic growth. As of March 31, 2022, the Group also had unused credit lines of over 275 million euros.

Over the reporting period, continuing operations invested 20.5 million euros in intangible assets and property, plant, and equipment (prior year: 8.6 million euros). At 18.2 million euros, the largest share of capital expenditure was spent on property, plant, and equipment (prior year: 6.5 million euros), in part for new technical equipment and an expansion in production capacities, in particular for the semiconductor equipment industry, and the new site for Jenoptik Medical in Berlin. Capital expenditure for intangible assets of 2.3 million euros was practically unchanged on the prior-year figure of 2.1 million euros. Investment was mainly attributable to costs in connection with setting up and launching a new IT system (SAP S/4 HANA) and the development costs from internal projects to be capitalized. Scheduled depreciation and amortization increased to 16.3 million euros (prior year: 12.2 million euros), due both to the acquisitions in the fiscal year 2021 and impacts arising from the purchase price allocation (PPA impacts) for the companies acquired in 2021.

More minor positive impacts arising from the change in working capital, in particular in connection with the increase in inventories, were offset by negative impacts from the utilization of provisions and the rise in other assets. This resulted in the cash flows from operating activities for the Group (incl. VINCORION) falling to 17.8 million euros as of March 31, 2022 (prior year: 23.2 million euros).

At the end of March 2022, cash flows from investing activities for the Group (incl. VINCORION) came to minus 17.5 million euros (prior year: minus 9.0 million euros). Over the reporting period, this item was particularly affected by higher capital expenditure for intangible assets and property, plant, and equipment.

Due to lower cash flows from operating activities before taxes and an overall strong increase in outflows from investing activities in the reporting period, the free cash flow of the Group reduced to 3.4 million euros (prior year: 15.7 million euros). The free cash flow of continuing operations was minus 3.1 million euros (prior year: 9.2 million euros). In addition to higher capital expenditure, this drop was also due to measures to secure the supply chain and the payment of transaction costs for the acquisition in late 2021. The free cash flow is calculated on the basis of the cash flow from operating activities before taxes less proceeds from and capital expenditure for intangible assets and property, plant, and equipment. In the first three months of 2022, the cash conversion rate was below 0 percent (prior year: 56.0 percent).

The cash flows from financing activities for the Group (incl. VINCORION) amounted to minus 1.5 million euros in the period covered by the report (prior year: 125.7 million euros). In the prior year, this item was particularly influenced by the proceeds from the issue of the debenture bonds placed in March 2021.

At 1,789.1 million euros as of March 31, 2022, the total assets of the Jenoptik Group were marginally up on the 2021 year-end figure of 1,757.0 million euros.

Non-current assets were only slightly changed on the year-end figure for 2021 and were worth 1,120.4 million euros (31/12/2021: 1,110.8 million euros). This minor increase was primarily the result of higher property, plant, and equipment.

Current assets increased from 646.3 million euros at the end of 2021 to 668.6 million euros as of the end of March 2022. This was mainly down to the increase in inventories to 221.6 million euros (31/12/2021: 200.2 million euros), as payments were made in advance for future revenue. Other non-financial assets also saw minor growth. By contrast, trade receivables fell by 3.7 million euros, in particular due to a high level of receivables at year-end 2021 following strong revenue in the fourth quarter. Assets held for sale also fell.

As of March 31, 2022, the working capital rose compared to year-end 2021, to 272.3 million euros (31/12/2021: 260.6 million euros / 31/3/2021: 185.1 million euros excl. VINCORION). On the assets side, the increase in inventories was not offset by the decrease in receivables. On the liabilities side, the increase in contract liabilities was only partially offset by the decline in trade accounts payable. The working capital ratio, that of working capital to revenue based on the last twelve months, was at 33.7 percent below the 2021 year-end figure but up on the figure for the prior-year period (31/12/2021: 34.7 percent / 31/3/2021: 29.4 percent excl. VINCORION). The reason for this is the first-time consolidation; Jenoptik Medical and the SwissOptic Group have been included here on a pro rata basis since December 2021 with regard to revenue but in full in the balance sheet items and thus in working capital.

As of March 31, 2022, equity of 792.8 million euros was above the level at year-end 2021 (31/12/2021: 780.7 million euros), with positive impacts particularly arising from currency differences and actuarial impacts, as well as from the net profit for the period. At 44.3 percent, the equity ratio remained virtually unchanged on the figure at the end of December 2021 (31/12/2021: 44.4 percent).

There was also virtually no change in non-current liabilities, which came to 507.6 million euros (31/12/2021: 503.1 million euros). In the first three months of 2022, this item was mainly influenced by a minor increase in non-current financial debt and deferred taxes, as well as a fall in pension provisions. Due to higher interest rates, pension provisions decreased to 6.0 million euros (31/12/2021: 9.4 million euros).

Current liabilities increased to 488.6 million euros (31/12/2021: 473.3 million euros), with an increase in contract liabilities due to consideration paid by or due from customers arising from project business, especially in the Advanced Photonic Solutions division. Current financial debt increased, in part due to the take-up of short-term loans. The increase in the other current non-financial liabilities item is chiefly due to the accrual of vacation entitlements through-out the year and Christmas bonuses. By contrast, other items such as trade accounts payable and provisions for income taxes decreased.

There were no changes to assets and liabilities not included in the balance sheet; for more information on this, we refer to the details on page 128 of the 2021 Annual Report.

Segment Report

The two divisions, Advanced Photonic Solutions, Smart Mobility Solutions, and the Non-Photonic Portfolio Companies, represent the segments as defined in IFRS 8.

The revenue, order intake, and order backlog figures provided in the Segment Report concern business with external parties only.

Advanced Photonic Solutions

With the closing on November 30, 2021, Jenoptik successfully completed the acquisition of Jenoptik Medical (formerly BG Medical Applications) and the SwissOptic Group, and integrated them into the Advanced Photonic Solutions division. The companies were not included in the financial statements until the closing date and are thus not shown in the prior-year figures such as revenue, earnings, and order intake for the first three months.

In the first quarter of 2022, the Advanced Photonic Solutions divisions generated revenue of 157.1 million euros, a significant 56.2 percent above the prior-year figure of 100.6 million euros. Business with the semiconductor equipment industry continued to grow in the first three months of 2022. The Biophotonics and Industrial Solutions areas also generated higher revenue than in the comparable period in the prior year. The companies acquired in 2021 contributed 33.0 million euros to the increase.

Advanced Photonic Solutions at a glance

in million euros	31/3/2022	31/3/2021	Change in %
Revenue	157.1	100.6	56.2
EBITDA	28.3	22.0	28.3
EBITDA margin in %[1]	18.0	21.9	
EBIT	17.0	15.6	9.2
EBIT margin in %[1]	10.8	15.5	
Capital expenditure	16.4	5.7	190.0
Free cash flow	17.0	14.8	14.8
Cash conversion rate in %	60.0	67.1	
Order intake	232.6	142.7	63.0
Order backlog[2]	503.2	430.2	17.0
Frame contracts[2]	118.7	107.4	10.5
Employees[2]	2,792	2,721	2.6

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

[2] Prior-year figures refer to December 31, 2021

Revenue increased in all regions. The greatest growth was seen in Europe (incl. Germany), where revenue grew from 49.5 million euros to 91.5 million euros. In the first three months of 2022, the Advanced Photonic Solutions division contributed a total of 75.3 percent of the continuing operations' revenue (prior year: 66.8 percent).

EBITDA of 28.3 million euros (incl. PPA impacts of minus 0.8 million euros) was a sharp 28.3 percent up on the prior-year figure of 22.0 million euros (incl. PPA impacts of minus 1.8 million euros), primarily due to excellent operating performance. The prior-year earnings also included a one-off effect of 2.4 million euros in connection with the conditional purchase price components arising from the acquisition of INTEROB. The division's EBITDA margin came to 18.0 percent and was thus down on the prior-year figure of 21.9 percent (prior year: 19.5 percent excl. the above-mentioned one-off effects).

EBIT increased to 17.0 million euros (incl. PPA impacts of minus 4.1 million euros) (prior year: 15.6 million euros, incl. PPA impacts of minus 4.1 million euros and the abovementioned one-off effect of 2.4 million euros).

Demand for products made by the Advanced Photonic Solutions division remained at a consistently high level in the first quarter of 2022. The division posted a significant 63.0-percent increase in its order intake, to 232.6 million euros (prior year: 142.7 million euros). Growth was seen in all areas – particularly from the semiconductor equipment industry and in the Biophotonics and Optical Test & Measurement areas. In addition, growth was further bolstered by new orders from Jenoptik Medical and the SwissOptic Group worth 42.5 million euros. Set against revenue, this resulted in the book-to-bill ratio improving from 1.42 in the prior year to 1.48 in the reporting period.

Due to the strong order intake, the order backlog was 503.2 million euros at the end of March 2022, and significantly exceeded the level at the end of 2021 (31/12/2021: 430.2 million euros).

In the light of very good business performance, the free cash flow (before interest and taxes) increased to 17.0 million euros (prior year: 14.8 million euros), despite the increase in capital expenditure. Higher capital expenditure resulted in a reduction of the cash conversion rate to 60.0 percent (prior year: 67.1 percent).

Compared to the prior-year period, capital expenditure in the Advanced Photonic Solutions division increased strongly to 16.4 million euros in the first quarter of 2022 (prior year: 5.7 million euros). As a result of rising demand for optics and sensors for the semiconductor industry, Jenoptik is expanding its manufacturing capacities and plans to invest in a state-of-the-art production building and a new office complex in Dresden. For this purpose, the Group has acquired a 24,000-squaremeter plot of land at the Airportpark Dresden industrial park in 2021. Construction is due to commence in the second half of 2022, with production at the new factory to begin in early 2025.

Smart Mobility Solutions

In the first three months of 2022, the Smart Mobility Solutions division generated revenue of 21.2 million euros, 10.2 percent more than in the prior-year period (prior year: 19.2 million euros). This growth was seen both in Europe (incl. Germany) and the Americas. The division's share of continuing operations' revenue fell to 10.1 percent (prior year: 12.7 percent).

The rise in revenue was also reflected in the division's profitability. Over the reporting period, EBITDA increased to 0.7 million euros (prior year: 0.2 million euros). The EBITDA margin saw an appreciable improvement from 0.9 percent to 3.2 percent.

The division's order intake is subject to typical fluctuations in project business, and at 38.9 million euros in the first quarter of 2022 was marginally down on the high prior-year figure of 41.2 million euros. In the first quarter of 2022, the division was awarded two bigger orders in North America and in the Middle East/Africa region. In early 2021, the Smart Mobility Solutions division received several orders for traffic safety technology in North America, in total worth around 20 million euros. In the first quarter of 2022, the book-to-bill ratio was 1.84 (prior year: 2.15).

The division's order backlog grew by a significant 33.7 percent to 72.6 million euros (31/12/2021: 54.3 million euros).

As the division had lower payments for building up working capital in the first quarter of 2022, the free cash flow (before interest and taxes) improved from minus 6.6 million euros in the prior year to minus 1.0 million euros.

Smart Mobility Solutions at a glance

in million euros	31/3/2022	31/3/2021	Change in %
Revenue	21.2	19.2	10.2
EBITDA	0.7	0.2	277.5
EBITDA margin in %[1]	3.2	0.9	
EBIT	– 0.6	– 1.5	59.1
EBIT margin in %[1]	– 2.8	– 7.6	
Capital expenditure	1.8	1.2	46.0
Free cash flow	– 1.0	– 6.6	84.8
Cash conversion rate in %	< 0	< 0	
Order intake	38.9	41.2	– 5.8
Order backlog[2]	72.6	54.3	33.7
Frame contracts[2]	26.5	27.7	– 4.6
Employees[2]	480	491	– 2.2

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

[2] Prior-year figures refer to December 31, 2021

Non-Photonic Portfolio Companies

Recent months have seen a slight recovery in the automotive industry, but the impacts of the coronavirus pandemic, supply bottlenecks, and structural issues are still being felt.

In the period from January through March 2022, the Non-Photonic Portfolio Companies generated revenue of 29.7 million euros, almost on a par with the prior year (prior year: 30.3 million euros). The Automation unit saw strong growth in North America, resulting in an appreciable revenue increase in this region. The division's share of continuing operations' revenue fell to 14.3 percent (prior year: 20.1 percent).

Over the reporting period, the division's EBITDA came to minus 3.3 million euros (prior year: minus 3.0 million euros). The EBITDA margin reduced from minus 9.8 percent in the prior-year period to minus 11.0 percent in the first three months of 2022.

EBIT came to minus 5.6 million euros (incl. PPA effects of minus 1.3 million euros) (prior year: minus 5.5 million euros, incl. PPA impacts of minus 1.3 million euros).

In the first quarter of 2022, the order intake was down on the high prior-year figure of 37.9 million euros (prior year: 54.3 million euros), a decline of 30.2 percent. In the prior-year period, the division received several orders for its Automation & Integration unit in North America, worth a total of over 40 million US dollars. The Metrology unit posted a higher order intake in the first quarter of 2022 than in the prior-year period. Over the reporting period, the book-to-bill ratio of 1.28 was considerably below the prior-year figure of 1.79.

The division has a high order backlog, which at 65.9 million euros was significantly up on the figure at year-end 2021. Orders included in the order backlog will be executed in the coming months (31/12/2021: 58.9 million euros).

The considerable build-up of working capital in conjunction with the commencement of work on projects led to a reduction in the free cash flow (before interest and taxes) to minus 2.3 million euros (prior year: 6.9 million euros).

Non-Photonic Portfolio Companies at a glance

in million euros	31/3/2022	31/3/2021	Change in %
Revenue	29.7	30.3	– 1.9
EBITDA	– 3.3	– 3.0	– 8.8
EBITDA margin in %[1]	– 11.0	– 9.8	
EBIT	– 5.6	– 5.5	– 1.3
EBIT margin in %[1]	– 18.9	– 18.2	
Capital expenditure	0.5	0.6	– 24.6
Free cash flow	– 2.3	6.9	n/a
Cash conversion rate in %	< 0	< 0	
Order intake	37.9	54.3	– 30.2
Order backlog[2]	65.9	58.9	11.8
Employees[2]	695	692	0.4

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

[2] Prior-year figures refer to December 31, 2021

Risk and Opportunity Report

Within the framework of the reporting on risk and opportunity management, we refer to the details on pages 141ff. of the 2021 Annual Report published in March 2022.

The ongoing global spread of Covid-19 infections (e.g., mutations) and the potential resulting action to contain the pandemic may continue to have an impact on Jenoptik's business success. Of particular note in this regard is the Chinese government's zero-Covid strategy, which is having a significant impact on international supply chains and also travel.

The war in Ukraine and the sanctions it has triggered may primarily impact on energy supplies to our European locations and on energy prices. It is still not possible to provide a conclusive assessment of the risks posed to Jenoptik by the further course of the war in Ukraine.

All parts of our business remain exposed to risks in the supply chain, in particular regarding the ongoing supply of electronic and, to some extent, plastic components. These risks are the result of various stress factors, such as zero-Covid, and are currently being closely monitored and managed. Our Purchasing department has taken steps to ensure the availability of intermediate products and to investigate the potential consequences of a (partial) energy embargo.

In our Advanced Photonic Solutions division, for example, these supply chain risks are due to accelerated growth in the semiconductor market and high levels of associated demand for raw materials and intermediate products, as well as the increasing demands placed on our suppliers as technology evolves. This, however, also presents opportunities for Jenoptik to participate in this growth as a component supplier.

At the present time, these factors can be managed through close coordination between production, purchasing, and suppliers.

A key focus is on ensuring product availability in the Smart Mobility Solutions division over the long term, as in some countries new developments are subject to a technical approval process, and potential component substitutions may require a renewed approval process, the duration of which we cannot influence.

There were no other major changes in the risks and opportunities described in the Annual Report during the course of the first quarter of 2022.

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, the resultant economies of scale, higher margins from an optimized product mix, increasing service business, and cost discipline. A good asset position and a viable financing structure give Jenoptik sufficient room for maneuver to finance both organic and, through potential acquisitions, non-organic growth.

Jenoptik is a diversified company and also has a well-balanced portfolio of products and services that ensures stability during crises and helps the company to offset fluctuations. In recent months and also at present, both the semiconductor equipment business and business in the Biophotonics and Optical Test & Measurement areas are developing very positively; this development is expected to continue as trends such as digitization increase in importance.

The acquisition of Jenoptik Medical (formerly BG Medical Applications) and the SwissOptic Group serves to boost Jenoptik's global, rapidly growing photonics business. The acquisition will allow the Group to significantly expand its highly attractive medical technology business and further strengthen the semiconductor equipment business. Jenoptik plans to accelerate its growth and sharpen the focus on photonics. In the coming years, revenue in the acquired companies is expected to grow at a low double-digit percentage rate, with a favorable margin.

On the basis of the good order situation, a well-filled product pipeline, and ongoing promising developments in the core photonics businesses, in particular the semiconductor equipment 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 a full fiscal year for the first time, will alsocontribute to 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 on the prior year, excluding one-off effects (2021: 125.2 million euros). The EBITDA margin is expected to be around 18 percent (2021: 16.7 percent (excluding one-off effects)). The scheduled growth, however, presupposes that the Ukraine conflict – with the sanctions that have been put in place 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.

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, 2022

Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

in thousand euros	1/1 to 31/3/2022	1/1 to 31/3/2021[1]
Continuing operations		
Revenue	208,542	150,574
Cost of sales	148,646	103,476
Gross profit	**59,897**	**47,098**
Research and development expenses	12,311	9,110
Selling expenses	26,465	22,629
General administrative expenses	16,140	14,056
Impairment gains and losses	64	– 875
Other operating income	3,441	6,452
Other operating expenses	3,752	2,563
EBIT	**4,734**	**4,318**
Profit or loss from investments	– 9	174
Financial income	2,339	1,083
Financial expenses	2,823	3,265
Financial result	**– 492**	**– 2,008**
Earnings before tax from continuing operations	**4,242**	**2,310**
Income taxes	– 1,156	368
Earnings after tax from continuing operations	**3,085**	**2,678**
Discontinued operation		
Earnings after tax from discontinued operation	**– 294**	**1,077**
Group		
Earnings after tax	**2,791**	**3,755**
Results from non-controlling interests	– 191	– 529
Earnings attributable to shareholders	2,982	4,284
Earnings per share in euros (undiluted = diluted)	**0.05**	**0.07**
Earnings per share from continuing operations in euros (undiluted = diluted)	**0.06**	**0.06**

[1] Adjustment of prior year due to discontinued operation VINCORION

Consolidated Comprehensive Income

in thousand euros	1/1 to 31/3/2022	1/1 to 31/3/2021
Earnings after tax	**2,791**	**3,755**
Items that will never be reclassified to profit or loss	4,431	2,894
Actuarial gains / losses arising from the valuation of pensions and similar obligations	6,246	3,890
Income taxes	– 1,816	– 996
Items that are or may be reclassified to profit or loss	5,092	8,534
Cash flow hedges	– 1,282	– 2,555
Foreign currency exchange differences	6,696	10,962
Income taxes	– 321	127
Total other comprehensive income	**9,523**	**11,427**
Total comprehensive income	**12,314**	**15,182**
Thereof attributable to:		
Non-controlling interests	– 143	– 269
Shareholders	12,457	15,451

Consolidated Statement of Financial Position

Assets in thousand euros	31/3/2022	31/12/2021	Change	31/3/2021
Non-current assets	**1,120,415**	**1,110,770**	**9,645**	**855,320**
Intangible assets	752,394	753,247	– 853	494,121
Property, plant and equipment	276,744	266,656	10,088	264,100
Investment property	3,605	3,638	– 32	4,223
Investments accounted for using the equity method	14,481	14,328	153	13,610
Financial investments	2,981	2,987	– 6	2,846
Other non-current assets	5,921	6,555	– 634	2,722
Deferred tax assets	64,289	63,360	929	73,699
Current assets	**668,635**	**646,271**	**22,364**	**634,564**
Inventories	221,612	200,213	21,400	213,802
Current trade receivables	116,795	120,475	– 3,680	116,400
Contract assets	83,275	81,414	1,862	76,736
Other current financial assets	19,018	19,582	– 564	3,343
Other current non-financial assets	19,515	11,439	8,076	15,450
Current financial investments	1,547	1,555	– 9	4,888
Cash and cash equivalents	54,057	54,817	– 760	203,945
Assets held for sale	152,816	156,777	– 3,961	0
Total assets	**1,789,051**	**1,757,041**	**32,009**	**1,489,884**

Equity and liabilities in thousand euros	31/3/2022	31/12/2021	Change	31/3/2021
Equity	**792,819**	**780,659**	**12,160**	**704,450**
Share capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	437,162	424,705	12,457	350,119
Non-controlling interests	12,552	12,849	– 297	11,226
Non-current liabilities	**507,648**	**503,102**	**4,546**	**339,528**
Pension provisions	6,013	9,379	– 3,366	30,773
Other non-current provisions	17,950	17,886	64	17,854
Non-current financial debt	454,341	448,746	5,595	251,576
Other non-current liabilities	2,364	2,350	14	28,137
Deferred tax liabilities	26,981	24,741	2,240	11,188
Current liabilities	**488,583**	**473,279**	**15,303**	**445,906**
Tax provisions	3,163	6,949	– 3,786	2,584
Other current provisions	40,718	39,907	811	53,723
Current financial debt	155,403	148,993	6,409	146,639
Current trade payables	89,702	94,221	– 4,519	88,041
Contract liabilities	59,693	47,323	12,369	52,752
Other current financial liabilities	19,260	22,023	– 2,763	77,644
Other current non-financial liabilities	25,893	20,249	5,644	24,523
Debt held for sale	94,752	93,613	1,139	0
Total equity and liabilities	**1,789,051**	**1,757,041**	**32,009**	**1,489,884**

Consolidated Statement of Cash Flows

in thousand euros	1/1 to 31/3/2022	1/1 to 31/3/2021
Earnings before tax from continuing operations	4,242	2,310
Earnings before tax from discontinued operation	– 8	1,541
Earnings before tax	**4,234**	**3,851**
Financial income and expenses	673	2,383
Depreciation and amortization	16,261	13,932
Profit / loss from disposals of non-current assets, subsidiaries and other business units	15	– 130
Other non-cash income / expenses	157	– 3,316
Change in provisions	– 1,371	1,115
Change in working capital	1,990	4,552
Change in other assets and liabilities	– 931	2,674
Cash flows from operating activities before income tax payments	**21,028**	**25,060**
Income tax payments	– 3,208	– 1,883
Cash flows from operating activities	**17,820**	**23,177**
Capital expenditure for intangible assets	– 4,529	– 3,518
Proceeds from sale of property, plant and equipment	562	152
Capital expenditure for property, plant and equipment	– 13,628	– 5,947
Proceeds from sale of financial assets within the framework of short-term disposition	0	197
Proceeds from other financial investments	1	334
Capital expenditure for other financial investments	– 117	– 245
Interest received and other income	174	43
Cash flows from investing activities	**– 17,537**	**– 8,985**
Dividends to non-controlling interests	– 154	– 123
Proceeds from loans	7,366	134,185
Repayments of loans	– 292	– 2,427
Payments for leases	– 4,317	– 3,308
Change in group financing	– 647	– 1,195
Interest paid and other expenses	– 3,445	– 1,454
Cash flows from financing activities	**– 1,489**	**125,678**
Cash-effective change in cash and cash equivalents	**– 1,206**	**139,870**
Less cash and cash equivalents from discontinued operation	– 196	0
Change in cash and cash equivalents from foreign currency effects	652	1,127
Changes in cash and cash equivalents due to valuation	– 10	– 457
Cash and cash equivalents at the beginning of the period	54,817	63,405
Cash and cash equivalents at the end of the period	**54,057**	**203,945**

Dates

June 15, 2022
Annual General Meeting 2022 (virtual)

August 10, 2022
Publication of Interim Report
January to June 2022

November 10, 2022
Publication of Quarterly Statement
January to September 2022

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