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JENOPTIK AG – 1st quarter 2021

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Highlights

Jenoptik – Highlights of the 1st quarter 2021

Debenture bonds with sustainability components of 400 million euros successfully placed on the capital market.

The funds give the technology group room for maneuver for acquisitions and investments in its photonics core business.

Orders for traffic safety equipment orders totaling approx. 20 million euros in the US and Canada secured

New automation orders of more than 40 million USD received in North America

We‘re on it

First images from Perseverance Mars rover through Jenoptik HazCam camera lens assemblies

1st quarter 2021
Group

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Jenoptik started well into fiscal year 2021

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- Rising demand led to strong order intake of 268.3 million euros (plus 26.8%)
- New orders in the automation & integration as well as traffic safety areas received in North America
- Revenue, at 176.0 million euros, higher than in prior year
- Significantly improved profitability (EBITDA margin 11.4%); structural and portfolio measures implemented in 2020 show positive effects
- Debenture bonds of 400 million euros with sustainability component successfully placed, funds give room for maneuver for investments as well as for acquisitions in the photonics core business
- Outlook 2021 confirmed: substantial and profitable growth expected

1st quarter 2021

In 1st quarter 2021 order intake and backlog markedly exceeded prior-year figures – creating good basis for further business development

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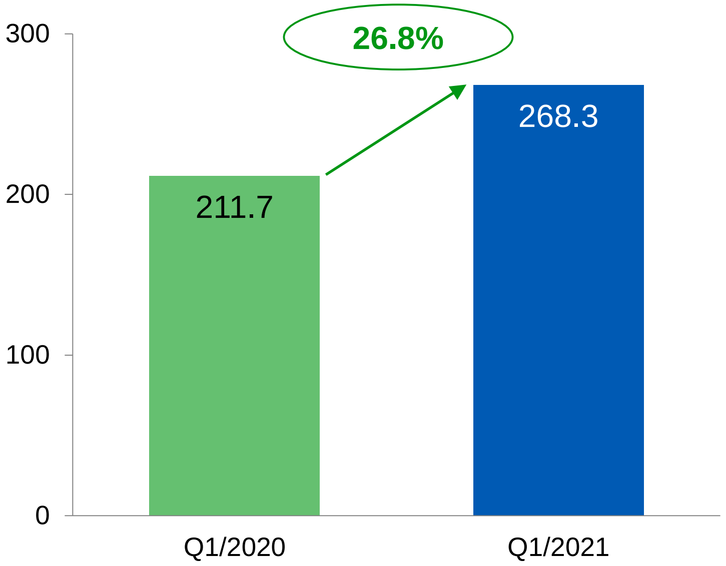
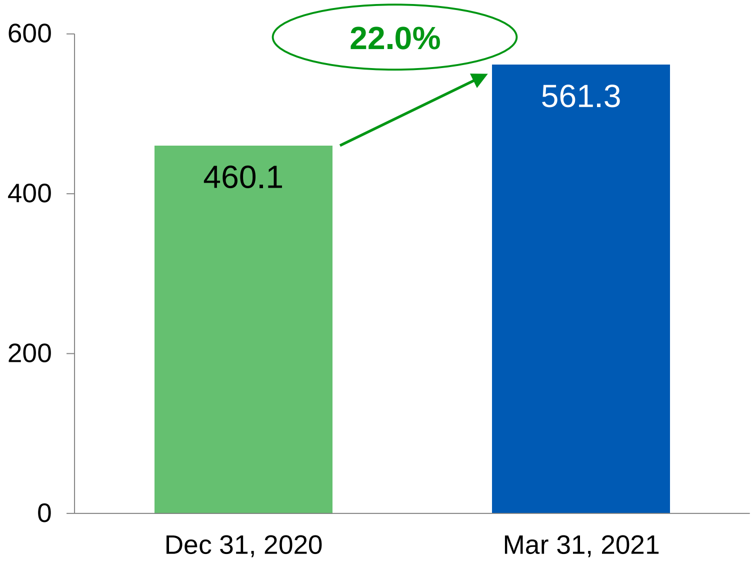
Order intake in million euros



- Light & Optics as well as Light & Safety reported strong growth in order intake, Light & Production too increased in spite of high comparative figure for the prior year; VINCORION with decline
- Book-to-bill ratio grew to 1.52 (prior year 1.29)

Order backlog in million euros

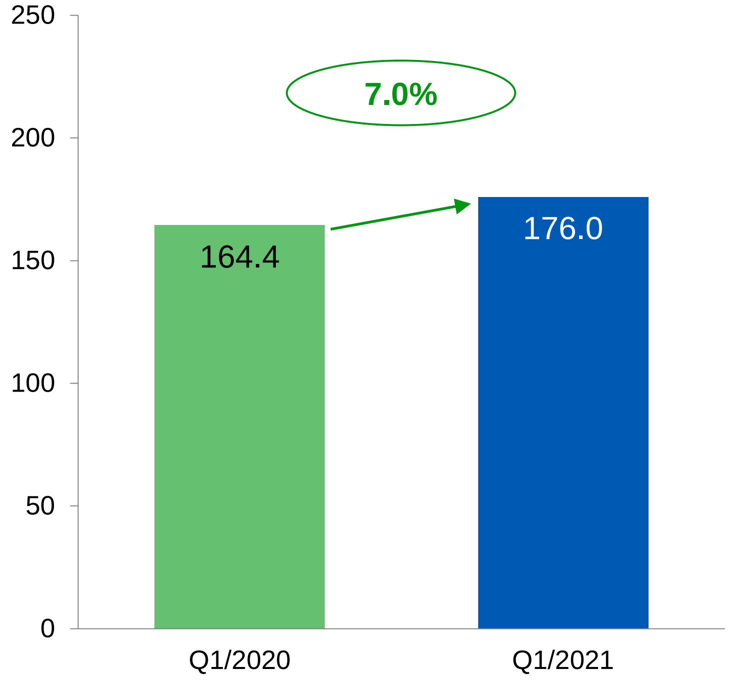


- Order backlog also higher that at year-end 2020
- 74.9% to be converted to revenue in 2021 (prior year 70.1%)

- **Frame contracts** of 46.9 million euros (31.12.20: 42.3m euros)

Significant rise at Light & Optics can more than offset lower revenues from other divisions

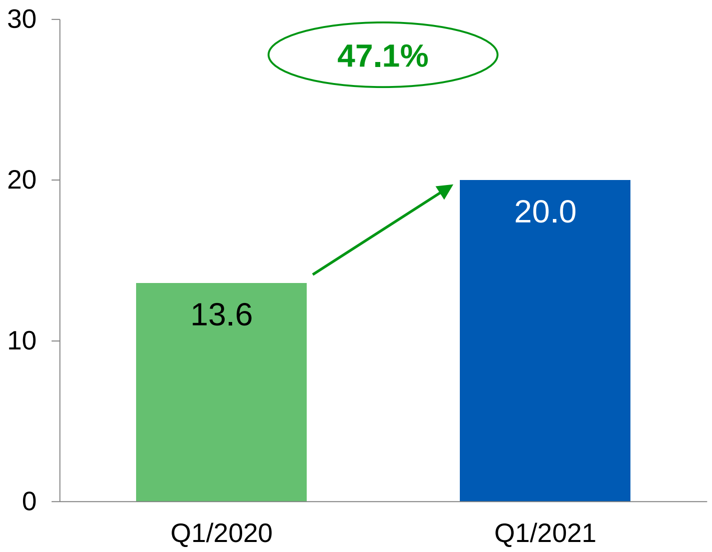
Revenue in million euros



- Contribution from Light & Optics grew significantly due to organic growth and revenue contribution from TRIOPTICS
- Revenue of Light & Production still lower than in prior year
- Substantial decline in revenue of Light & Safety was attributable to project business as well as delays in delivery of electronic components due to the pandemic
- VINCORION reported lower revenue due to development in aviation industry and in Power Systems area

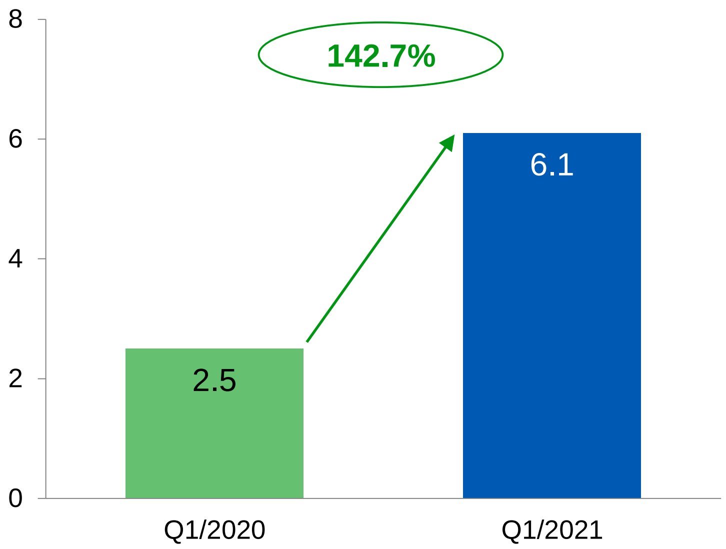
Profitability significantly improved

EBITDA in million euros



- Positive effects of the restructuring measures implemented in 2020
- EBITDA included PPA of minus 1.8 million euros;
  prior year: costs for structural and portfolio measures of 3.7 million euros
- EBITDA margin improved to 11.4% (prior year 8.3%)

EBIT in million euros



- Significant rise also in EBIT
- PPA of minus 5.5 million euros (prior year minus 1.7m euros)
- EBIT margin improved to 3.4% (prior year 1.5%)

Improved profitability is also reflected in earnings after tax

In million euros	Q1/2021	Q1/2020
Revenue	**176.0**	**164.4**
Gross margin	30.3%	32.8%
Functional costs	50.5	49.4
Other operating result	3.1	–2.1
EBITDA	**20.0**	13.6
EBIT	**6.1**	2.5
Financial result	–2.2	–2.8
Earnings before tax	**3.9**	–0.4
Earnings after tax	3.8	–0.4
Earnings per share (euros)	**0.07**	–0.01

- **Gross margin** impacted by higher personnel and materials expenses as well as negative PPA
- Functional costs at prior-year level
  - **R+D expenses** at 9.4 million euros (prior year 11.1m euros), R+D performance at 17.9 million euros (prior year 18.5m euros)
  - **Selling expenses** of 24.8 million euros (prior year 22.1m euros): higher depreciation/ amortization due to PPA resulting in particular from acquisition of TRIOPTICS
  - **Administrative expenses** of 16.2 million euros (prior year 16.1m euros): TRIOPTICS not yet included in prior year, but personnel expenses and travel expenses decreased
- **Other operating result** increased in part due to positive currency effects
- **Tax rate** of 2.5% (prior year minus 16.2%); cash-effective tax rate of 41.6% (prior year <0)

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

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In million euros	Q1/2021	Q1/2020
Operating profit before working capital adjustments	16.7	13.1
Changes in working capital, provisions and other items	8.3	15.3
Cash flows from operating activities before income taxes	25.1	28.3
Cash flows from operative investing activities	–9.3	–13.9
Free cash flow (before interest and taxes)	**15.7**	**14.4**

- Debenture bonds totaling 400 million euros with “green component“ successfully placed, payout of 130 million euros in March
- **Working capital** reduced slightly to 266.1 million euros compared with year-end 2020 (31.12.20: 268.1m euros / 31.03.20: 221.5m euros)
  Working capital ratio of 34.2% - TRIOPTICS included pro rata in revenue, but fully in balance sheet items (31.12.20: 34.9% / 31.03.20: 26.5%)
- **Cash flows from operating activities** impacted in particular by lower positive effects from changes especially in working capital
- **Capital expenditure** was 9.5 million euros (prior year 14.1m euros, new building in Villingen-Schwenningen)
- **Net debt** reduced slightly to 189.4 million euros (31.12.20: 201.0m euros)
- **Equity ratio** fell to 47.3% due to higher total assets (31.12.20: 51.5 %)

1st quarter 2021 Divisions

Light & Optics division: significant increase in key figures

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- Revenue: business with semiconductor equipment industry remained at high level, Biophotonics and Industrial Solutions reported growth; TRIOPTICS generated substantial contribution
- EBITDA increased significantly, PPA of minus 1.8 million euros resulting from acquisition of TRIOPTICS
- Order intake: continuing strong demand from semiconductor equipment industry, more biophotonics orders and noticeable contribution from TRIOPTICS; book-to-bill ratio grew to 1.41 (prior year 1.07)

In million euros	Q1/2021	Q1/2020	Change in %
Revenue	94.2	69.3	35.8
EBITDA	19.3	14.5	32.8
EBITDA margin in %	20.4	20.8	n/a
EBIT	13.1	11.7	11.9
FCF	15.9	3.9	304.9
Order intake	132.7	74.3	78.5
Order backlog	219.0	179.1*	22.3

OTTO integrated into division as of Jan. 1, 2021, prior-year figures adjusted/ *31.12.20

Light & Production division: sharp rise in profitability, order intake and backlog increased

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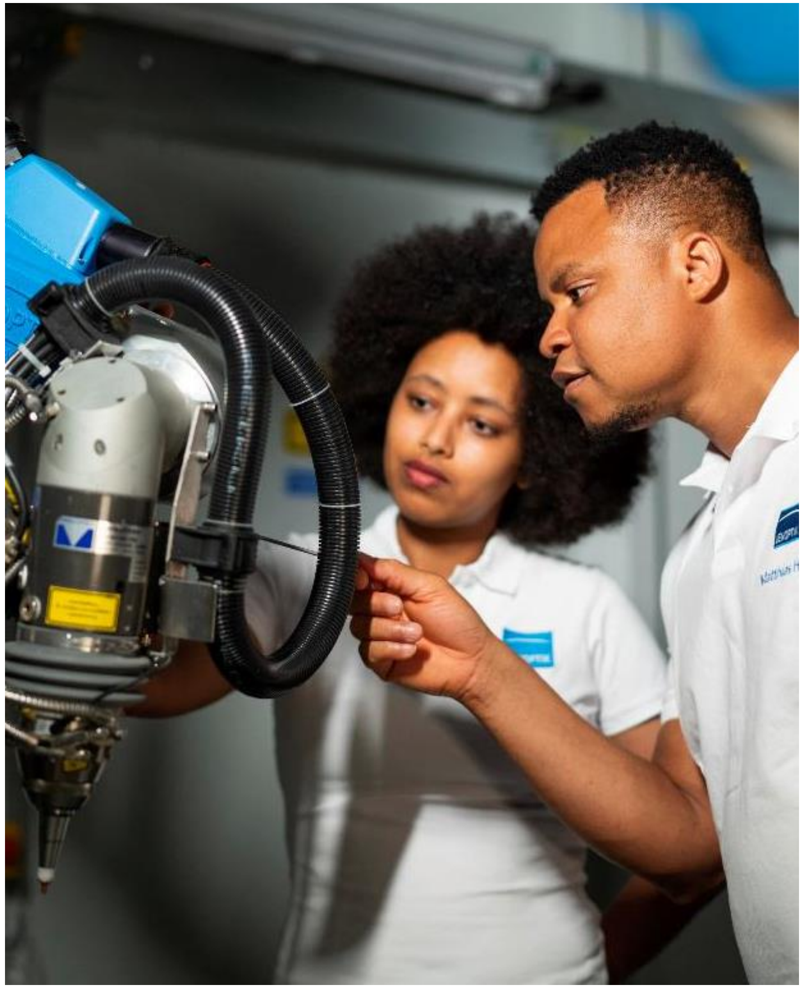
- Revenue: effects of COVID-19 pandemic still visible, in particular in lower order backlog at the beginning of the year; slight rise at Laser Processing; Industrial Metrology and Automation & Integration still below prior year
- Profitability sharply improved, structural and portfolio measures show positive effects
- Order intake exceeded high prior-year figure (included major order which was later cancelled); in Q1/2021 automation orders in North America received; order backlog significantly higher; book-to-bill ratio 1.75 (prior year 1.55)

In million euros	Q1/2021	Q1/2020	Change in %
Revenue	36.7	38.9	–5.8
EBITDA	–0.2	–4.1	95.2
EBITDA margin in %	–0.5	–10.6	n/a
EBIT	–3.0	–7.0	57.4
FCF	5.8	3.6	61.9
Order intake	64.4	60.2	6.9
Order backlog	99.7	74.7*	33.5

OTTO no longer part of division, prior-year figures adjusted/ *31.12.20



Light & Safety division: major orders received in North America contribute to strong rise in order intake and backlog

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- Revenue marked by volatile project business, in addition to COVID-19-related delays in delivery of electronic components this led to a decline in revenue
- Revenue decline is also reflected in lower profitability
- Major orders with a volume of approx. 20 million euros received in North America, sharp rise in order intake and backlog;
  book-to-bill ratio increased to 2.15 (prior year 0.84)
- Decrease in free cash flow was also attributable to lower earnings

In million euros	Q1/2021	Q1/2020	Change in %
Revenue	19.2	26.5	–27.6
EBITDA	0.2	4.9	–96.4
EBITDA margin in %	0.9	18.6	n/a
EBIT	–1.5	3.2	n/a
FCF	–6.6	2.5	n/a
Order intake	41.2	22.3	85.3
Order backlog	69.4	46.0*	50.8

* 31.12.20

VINCORION: profitability improved despite lower revenue

- Higher revenue in the Energy & Drive business; decline in Power Systems and, due to Corona, in the business with the aviation industry
- Profitability improved due to cost reduction measures
- Project delays led to lower order intake, book-to-bill ratio at 1.13 (prior year 1.90)
- Order backlog remained at high level

In million euros	Q1/2021	Q1/2020	Change in %
Revenue	25.4	28.1	–9.7
EBITDA	3.1	1.0	215.9
EBITDA margin in %	12.0	3.4	n/a
EBIT	1.3	–0.7	n/a
FCF	6.5	9.2	–29.1
Order intake	28.8	53.4	–46.1
Order backlog	172.4	160.3*	7.6

* 31.12.20

Outlook

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Outlook 2021 confirmed – Group

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Fiscal year 2021:

Significant growth and increase in profitability expected

Development of key indicators in 2021

- **Revenue growth in the low double-digit percentage range** (incl. TRIOPTICS)
- **EBITDA margin between 16.0 and 17.0 percent** (prior year 14.6% / forecast to be specified in the course of the year)
- **Increase in order intake in the low double-digit percentage range**

Basis for this development in particular

- Good development of order intake in Q4/2020 and Q1/2021, well-filled project pipeline as well as continued promising development in semiconductor equipment business and rising demand in the automotive and biophotonics business
- Effects of restructuring measures taken in 2020 are already bearing fruit, further improvements expected in 2021, and full effects in 2022

Uncertainties remain due to the still ongoing COVID 19 pandemic. However, the planned growth is also dependent on there being no deterioration in the political and economic environment.

Megatrends will drive demand for photonics solutions of the future – Jenoptik well positioned with its broad and innovative portfolio and expertise

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Photonics market estimated to reach **~850 bn USD growing at a CAGR of >7.0%** by 2025

Source: MarketsandMarkets

- **Digitization:** growing demand for chips for various applications; increasing usage of augmented and virtual reality
  >> Jenoptik supplies high-performance optics, microoptics as well as innovative test & measurement systems
- **Health:** increasing demand for therapies, diagnostics and bioimaging
  >> Jenoptik supplies optical systems e.g. for genome sequencing and digital image processing, microscope cameras and laser systems
- **Smart Manufacturing:** requests solutions for more efficiency and automation in production
  >> Jenoptik supplies integrated solutions for automation and laser processing
- **Mobility:** increasing demand for intelligent safety solutions
  >> Jenoptik supplies innovative products for more safety on roads and in cities

Appendix

Dates and contact

11.05.2021	Interim Statement January - March 2021
12.05.2021	UBS Pan European Small and Mid-Cap Conference (virtual)
19.05.2021	Berenberg US Conference (virtual)
09.06.2021	Virtual Annual General Meeting
11.08.2021	Interim Report January – June 2021

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