Quarterly Statement of the Jenoptik Group

January to September 2023

At a glance – Jenoptik Group

	Jan. – Sept. 2023	Jan. – Sept. 2022	Change in %	July – Sept. 2023	July – Sept. 2022	Change in %
Order intake (in million euros)	**835.3**	**884.5**	**– 5.6**	**288.4**	**275.9**	**4.5**
Advanced Photonic Solutions	622.1	683.2	– 8.9	199.7	216.7	– 7.8
Smart Mobility Solutions	87.7	102.6	– 14.5	25.2	27.2	– 7.3
Non-Photonic Portfolio Companies	122.5	96.6	26.8	62.7	31.3	100.4
Other[1]	2.9	2.1		0.7	0.8	
Revenue (in million euros)	**768.7**	**698.0**	**10.1**	**263.8**	**250.7**	**5.2**
Advanced Photonic Solutions	594.3	534.8	11.1	204.3	190.5	7.3
Smart Mobility Solutions	82.7	75.8	9.1	28.0	31.1	– 10.1
Non-Photonic Portfolio Companies	89.3	85.4	4.5	31.1	28.3	9.7
Other[1]	2.4	2.0		0.4	0.8	
EBITDA (in million euros)	**143.0**	**117.8**	**21.4**	**51.4**	**48.2**	**6.7**
Advanced Photonic Solutions	133.2	121.9	9.3	47.2	44.7	5.7
Smart Mobility Solutions	6.7	8.4	– 20.4	2.3	7.1	– 67.6
Non-Photonic Portfolio Companies	12.2	– 1.1	n/a	5.2	– 1.0	n/a
Other[1]	– 9.0	– 11.4		– 3.3	– 2.5	
EBITDA margin	**18.6%**	**16.9%**		**19.5%**	**19.2%**	
Advanced Photonic Solutions[2]	22.1%	22.7%		22.7%	23.3%	
Smart Mobility Solutions[2]	8.1%	11.1%		8.2%	22.7%	
Non-Photonic Portfolio Companies[2]	13.2%	– 1.2%		16.1%	– 3.2%	
EBIT (in million euros)	**88.1**	**68.4**	**28.8**	**34.3**	**31.5**	**8.7**
EBIT margin	**11.5%**	**9.8%**		**13.0%**	**12.6%**	
Earnings after tax (in million euros)	**54.2**	**41.4**	**30.8**	**21.5**	**18.2**	**18.5**
Earnings per share (in euros)	**0.94**	**0.71**	**32.4**	**0.38**	**0.30**	**26.7**
Free cash flow (in million euros)	**56.9**	**28.4**	**100.5**	**30.7**	**15.7**	**95.3**
Cash conversion rate	**39.8%**	**24.1%**		**59.7%**	**32.6%**	

	Sept. 30, 2023	Dec. 31, 2022	Sept. 30, 2022
Order backlog (in million euros)	**794.9**	**733.7**	**749.8**
Advanced Photonic Solutions	608.2	586.9	600.2
Smart Mobility Solutions	71.0	65.7	83.3
Non-Photonic Portfolio Companies	115.1	81.0	66.1
Employees (headcount and incl. trainees)	**4,590**	**4,435**	**4,383**
Advanced Photonic Solutions	3,260	3,054	2,989
Smart Mobility Solutions	511	485	488
Non-Photonic Portfolio Companies	523	598	613

[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 September 2023

- The order intake remained at a good level: At 835.3 million euros in the first nine months of 2023 it was down on the high prior-year figure of 884.5 million euros. The book-to-bill ratio was 1.09 (prior year: 1.27). The order backlog rose to 794.9 million euros (31/12/2022: 733.7 million euros).
See Earnings Position – Page 6
- Double-digit revenue growth: Over the reporting period, revenue of 768.7 million euros was up 10.1 percent on the prior-year period (prior year: 698.0 million euros). All segments contributed to this growth.
See Earnings Position – Page 5
- EBITDA margin significantly improved: EBITDA rose by 21.4 percent to 143.0 million euros (prior year: 117.8 million euros) and at a faster rate than revenue. The EBITDA margin came to 18.6 percent, compared with 16.9 percent in the prior year.
See Earnings Position – Page 6
- Balance sheet and financing structure still very robust: The equity ratio improved to 52.3 percent (31/12/2022: 50.4 percent). At 56.9 million euros, the free cash flow was significantly up on the prior-year figure of 28.4 million euros, despite higher capital expenditure.
See Financial and Asset Position – from Page 8 on
- Margin guidance raised: For the fiscal year 2023, the Executive Board continues to anticipate revenue of between 1,050 and 1,100 million euros, and raises the guidance for the EBITDA margin to around 19.5 percent (before: between 19.0 and 19.5 percent).
See Forecast Report – Page 13

Business and Framework Conditions

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, and on page 4 of the Half-Year Report 2023.

Purchases and sales of companies

The 50-percent stake in HILLOS GmbH previously held by Jenoptik was sold in the first half-year 2023. The former co-shareholder, Hilti Aktiengesellschaft, Liechtenstein, is now the sole shareholder of HILLOS GmbH. The Jena-based company produces laser ranging and positioning equipment for applications in the construction and construction-related industries.

As part of its ongoing strategy of focusing on core activities, Jenoptik acquired a 33.34-percent stake in JENOPTIK Korea Corporation Ltd. (Advanced Photonic Solutions division) from its former co-shareholder, TELSTAR-HOMMEL CORPORATION, Ltd. in August 2023. At the same time, Jenoptik sold its 33.33-percent stake in TELSTAR-HOMMEL CORPORATION, Ltd., which is focused on the automotive market, to this company.

There were no further company acquisitions or disposals in the first nine 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.

According to its own assessment Jenoptik as possesses a business model that is largely resilient to crises, along with strong financial and balance sheet positions, even given the present ongoing challenges of armed conflicts, persistently high inflation, and a difficult overall economic environment.

Earnings Position

In the first nine months of 2023, Jenoptik achieved significant increases in both revenue and EBITDA, had a good order intake, and a high order backlog.

Over this period, the company saw revenue improve to 768.7 million euros, a significant 10.1-percent increase on the prior year (prior year: 698.0 million euros).

In the Advanced Photonic Solutions division, strong revenue growth was particularly facilitated by sustained good business in the Semiconductor Equipment area. In the first nine months of 2023, the Smart Mobility Solutions division also posted notably higher revenue, and revenue of the Non-Photonic Portfolio Companies was up on the prior year.

From January through September 2023, Jenoptik boosted its revenue in all regions except the Middle East/Africa. The Advanced Photonic Solutions division was the main contributor to the strong increase in revenue seen in Europe (incl. Germany), from 368.0 million euros to 423.4 million euros. In Asia/Pacific, revenue increased from 131.1 million euros to 147.2 million euros, with higher revenues achieved by the Advanced Photonic Solutions and Smart Mobility Solutions divisions. At 74.9 percent, the share of revenue generated abroad was slightly down on the prior-year figure of 76.3 percent.

The cost of sales increased to 501.9 million euros (prior year: 459.9 million euros) and thus at a lower rate than revenue. The gross margin accordingly improved to 34.7 percent (prior year: 34.1 percent).

Over the reporting period, research and development expenses increased to 45.4 million euros (prior year: 38.5 million euros). The Advanced Photonic Solutions division, in particular, grew its investments in research and development. At 19.9 million euros, the development expenses on behalf of customers posted in cost of sales were slightly down on the prior-year level of 21.9 million euros. These expenses were primarily influenced by customer projects in the Advanced Photonic Solutions division. The R+D output came to 69.6 million euros, up on the figure of 63.9 million euros in the prior-year period, and accounted for an almost unchanged 9.1 percent of revenue (prior year: 9.2 percent).

Selling expenses of 77.5 million euros in the reporting period were virtually unchanged from the prior-year figure of 78.7 million euros, despite the increase in revenue; at 10.1 percent, the selling expenses ratio was therefore considerably down on the prior-year level of 11.3 percent.

Revenue

in million euros	1/1 to 30/9/2023	1/1 to 30/9/2022	Change in %
Total	**768.7**	**698.0**	**10.1**
Advanced Photonic Solutions	594.3	534.8	11.1
Smart Mobility Solutions	82.7	75.8	9.1
Non-Photonic Portfolio Companies	89.3	85.4	4.5
Other	2.4	2.0	

R+D output

in million euros	1/1 to 30/9/2023	1/1 to 30/9/2022	Change in %
R+D output	**69.6**	**63.9**	**8.9**
R+D expenses	45.4	38.5	17.8
Capitalized development costs	4.4	3.5	25.1
Developments on behalf of customers	19.9	21.9	– 9.2

Administrative expenses amounted to 49.3 million euros (prior year: 52.2 million euros). The administrative expenses ratio thus fell to 6.4 percent (prior year 7.5 percent).

Together, other operating income and expenses came to minus 6.5 million euros (prior year: minus 0.2 million euros), primarily due to an impairment loss in the second quarter relating to the sale of the shares in TELSTAR-HOMMEL.

Over the first nine months of 2023, EBITDA improved to 143.0 million euros, 21.4 percent up on the prior-year figure of 117.8 million euros, following good operating performance in the Advanced Photonic Solutions division and the Non-Photonic Portfolio Companies. The EBITDA margin saw a sharp improvement to 18.6 percent in the reporting period (prior year: 16.9 percent).

This good performance was also reflected in income from operations (EBIT), which, at 88.1 million euros in the first nine months, was also sharply up on the prior-year figure of 68.4 million euros. The EBIT item includes impacts arising from purchase price allocations for acquisitions in recent years, amounting to minus 15.9 million euros (prior year: minus 20.4 million euros).

Higher interest expenses, caused by increased interest rates, led to a financial result of minus 11.5 million euros (prior year: minus 3.6 million euros). Additionally, the prior-year period included positive currency effects.

Over the reporting period, Jenoptik achieved markedly improved earnings before tax of 76.6 million euros (prior year: 64.8 million euros). Income taxes rose to 22.4 million euros (prior year: 18.6 million euros). The tax rate saw a slight increase to 29.3 percent (prior year: 28.7 percent), The cash effective tax rate was 18.6 percent (prior year: 16.0 percent).

Group earnings after tax (prior year: incl. VINCORION) rose to 54.2 million euros (prior year: 41.4 million euros). Group earnings per share improved to 0.94 euros (prior year 0.71 euros).

Order position

In the first nine months of 2023, the order intake remained at a good level but did not match the high prior-year figure. At 835.3 million euros, it was 5.6 percent down on the prior-year value of 884.5 million euros. The book-to-bill ratio for the January through September 2023 period was 1.09 (prior year: 1.27).

In the nine-month period, the order backlog saw continued growth, increasing by 8.3 percent to 794.9 million euros (31/12/2022: 733.7 million euros / 30/09/2022: 749.8 million euros). Of this backlog, approximately 300 million euros, or 37 percent (prior year: approximately 250 million euros or 33 percent), are expected to contribute to revenue in the current fiscal year, with approximately 500 million euros, or 63 percent, contributing to revenue in 2024 and beyond.

EBITDA

in million euros	1/1 to 30/9/2023	1/1 to 30/9/2022	Change in %
Total	**143.0**	**117.8**	**21.4**
Advanced Photonic Solutions	133.2	121.9	9.3
Smart Mobility Solutions	6.7	8.4	– 20.4
Non-Photonic Portfolio Companies	12.2	– 1.1	n/a
Other	– 9.0	– 11.4	

EBIT

in million euros	1/1 to 30/9/2023	1/1 to 30/9/2022	Change in %
Total	**88.1**	**68.4**	**28.8**
Advanced Photonic Solutions	97.3	88.1	10.5
Smart Mobility Solutions	2.2	4.4	– 49.1
Non-Photonic Portfolio Companies	3.1	– 8.1	n/a
Other	– 14.5	– 16.0	

The number of Jenoptik employees rose by 3.5 percent or by 155 persons as of September 30, 2023, to 4,590 (31/12/2022: 4,435 employees). In the Semiconductor Equipment area within the Advanced Photonic Solutions division, and in the Smart Mobility Solutions division the number of employees increased slightly due to an increase in staff. At the end of September 2023, 1,637 people were employed at the foreign locations (31/12/2022: 1,595 employees).

As of September 330, 2023, Jenoptik had a total of 168 trainees (31/12/2022: 154 trainees).

Detailed information on the development of the divisions can be found in the Segment Report from page 9 on.

Order situation

in million euros	1/1 to 30/9/2023	1/1 to 30/9/2022	Change in %
Order intake	**835.3**	**884.5**	**– 5.6**
Advanced Photonic Solutions	622.1	683.2	– 8.9
Smart Mobility Solutions	87.7	102.6	– 14.5
Non-Photonic Portfolio Companies	122.5	96.6	26.8
Other	2.9	2.1	

	30/9/2023	31/12/2022	Change in %
Order backlog	**794.9**	**733.7**	**8.3**
Advanced Photonic Solutions	608.2	586.9	3.6
Smart Mobility Solutions	71.0	65.7	8.0
Non-Photonic Portfolio Companies	115.1	81.0	42.1
Other	0.5	0	

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 increased marginally to 489.3 million euros (31/12/2022: 479.0 million euros). As of September 30, 2023, Jenoptik had unused credit lines worth around 380 million euros. Leverage, net debt in relation to EBITDA, improved from 2.6 at the end of 2022 to 2.3.

Over the reporting period, Jenoptik invested 77.9 million euros in property, plant, and equipment (incl. leases in the amount of 20.7 million euros), intangible assets, and investment property (prior year: 65.9 million euros, incl. leases of 12.3 million euros). At 71.1 million euros, the largest share of capital expenditure was spent on property, plant, and equipment (prior year: 58.3 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 6.9 million euros was slightly down on the prior-year figure of 7.5 million euros. Scheduled depreciation and amortization increased to 51.1 million euros (prior year: 49.4 million euros), and include the impacts arising from the purchase price allocation for the acquisitions made in recent years.

Cash flows from operating activities rose to 85.1 million euros as of September 30, 2023 (prior year: 74.3 million euros). The increase is primarily due to a significantly improved EBITDA and was achieved despite higher payments for income tax and higher negative impacts arising from the change in working capital.

Employees (headcount and incl. trainees)

	30/9/2023	31/12/2022	Change in %
Total	**4,590**	**4,435**	**3.5**
Advanced Photonic Solutions	3,260	3,054	6.7
Smart Mobility Solutions	511	485	5.4
Non-Photonic Portfolio Companies	523	598	– 12.5
Other	296	298	– 0.7

At the end of September 2023, cash flows from investing activities came to minus 38.5 million euros (prior year: minus 4.4 million euros). Over the reporting period, this item was particularly affected by higher capital expenditure for property, plant, and equipment. There were, however, positive impacts from proceeds in connection with the sale of shares in HILLOS GmbH. In the prior year, this item included cash inflows from 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 56.9 million euros in the first nine months of 2023 (prior year: continuing operations 28.4 million euros). The free cash flow is calculated on the basis of the cash flows from operating activities before taxes less the inflows and outflows of funds for intangible assets and property, plant, and equipment. In the first nine months of 2023, the cash conversion rate came to 39.8 percent, significantly up on the prior-year figure of 24.1 percent.

Cash flows from financing activities amounted to minus 66.8 million euros in the period covered by the report (prior year: minus 78.3 million euros), and were primarily influenced by the change in bank and lease liabilities, higher interest payments, payment of the dividend to shareholders of JENOPTIK AG, and non-controlling interests.

At 1,673.3 million euros as of September 30, 2023, the total assets of the Jenoptik Group were virtually unchanged on the 2022 year-end figure of 1,671.8 million euros.

Non-current assets fell in value on the year-end figure for 2022, to 1,110.3 million euros (31/12/2022: 1,128.5 million euros). This was partly due to a decline in intangible assets, resulting e.g. from amortization, and lower deferred taxes due to the utilization of loss carryforwards. Furthermore, the “Investments accounted for using the equity method” item decreased due to the sale of shares in HILLOS GmbH and TELSTAR-HOMMEL CORPORATION Ltd. On the other hand, the investments made led to an increase in property, plant, and equipment, which are also included in non-current assets.

Current assets grew from 543.3 million euros at the end of 2022 to 563.0 million euros as of the end of September 2023, mainly due to increased inventories. These inventories increased to 293.9 million euros (31/12/2022: 256.0 million euros), due to payments made in advance for future revenue. The “Assets held for sale” item includes properties that are highly likely to be sold in the near future. Trade account receivables fell compared to the seasonally high level of receivables at the end of 2022. In addition, cash and cash equivalents decreased.

Primarily driven by the increase in inventories, the working capital as of September 30, 2023 grew compared to year-end 2022 to 323.3 million euros (31/12/2022: 287.4 million euros / 30/9/2022: 294.4 million euros). The working capital ratio, that of working capital to revenue based on the last twelve months, was 30.7 percent and thus below the value in the prior-year period but up on the figure at the end of 2022 (31/12/2022: 29.3 percent / 30/9/2022: 31.7 percent).

As of September 30, 2023, equity amounted to 874.3 million euros, and was up on the figure at year-end 2022 (31/12/2022: 843.3 million euros), primarily due to the net profit for the period, while the dividend had a negative impact. The equity ratio increased to 52.3 percent, compared with 50.4 percent at the end of December 2022.

Non-current liabilities decreased to 507.3 million euros (31/12/2022: 519.0 million euros). Their development over the reporting period was primarily influenced by the reduction in non-current financial debt to 472.7 million euros (31/12/2022: 477.7 million euros), among other things due to the repayment of a debenture bond, and lower other non-current provisions.

Current liabilities reduced to 291.7 million euros (31/12/2022: 309.5 million euros), with declines in current trade accounts payable, income tax payable, and financial debt. By contrast, contract liabilities increased due to consideration paid by or due from customers arising from project business and to advances. The increase in the other current non-financial liabilities item is chiefly due to the accrual of vacation entitlements throughout the year and other commitments toward employees.

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 concern business with external parties only.

Advanced Photonic Solutions

From January through September 2023, the Advanced Photonic Solutions division generated revenue of 594.3 million euros, a significant 11.1 percent above the prior-year figure of 534.8 million euros. Business with the semiconductor equipment industry, in particular, but also in the Industrial Solutions area, saw substantial revenue increases in the first nine months of 2023.

Revenue increased in almost all regions, with particular growth seen in the Americas and Europe (incl. Germany), where revenue grew 11.9 percent and 14.4 percent respectively. In the first three quarters of 2023, the Advanced Photonic Solutions division contributed a total of 77.3 percent of Jenoptik's revenue (prior year: 76.6 percent).

Advanced Photonic Solutions at a glance

in million euros	30/9/2023	30/9/2022	Change in %
Revenue	594.3	534.8	11.1
EBITDA	133.2	121.9	9.3
EBITDA margin in %[1]	22.1	22.7	
EBIT	97.3	88.1	10.5
EBIT margin in %[1]	16.2	16.4	
Capital expenditure	59.5	48.4	23.0
Free cash flow	38.1	62.7	– 39.2
Cash conversion rate in %	28.6	51.4	
Order intake	622.1	683.2	– 8.9
Order backlog[2]	608.2	586.9	3.6
Employees[2]	3,260	3,054	6.7

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

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

On the basis of good revenue growth, EBITDA of 133.2 million euros was a sharp 9.3 percent up on the prior-year figure of 121.9 million euros. The division's EBITDA margin came to 22.1 percent, just marginally down on the prior-year figure of 22.7 percent.

Compared to the prior-year period, EBIT also rose significantly to 97.3 million euros (incl. PPA impacts of minus 13.2 million euros) (prior year: 88.1 million euros, incl. PPA impacts of minus 16.6 million euros).

Demand for products made by the Advanced Photonic Solutions division remained at a good level in the first nine months of 2023. Nevertheless, the division's order intake, worth 622.1 million euros, could not match the very high level in the prior year (prior year: 683.2 million euros). Set against revenue, this resulted in a book-to-bill ratio of 1.05 for the reporting period, thus still above 1 (prior year: 1.28).

Despite higher revenue, the order backlog grew to 608.2 million euros as of September 30, 2023 (31/12/2022: 586.9 million euros). Especially in the Semiconductor Equipment area, it was significantly up on the figure at year-end 2022.

From January through September 2023, capital expenditure in the Advanced Photonic Solutions division amounted to 59.5 million euros (prior year: 48.4 million euros). The investments primarily included machinery, the newly occupied building in Berlin, and the new factory in Dresden. In response to the growing demand for optics and sensors in the semiconductor equipment industry, Jenoptik is expanding its manufacturing capacities at its Dresden site by constructing a state-of-the-art production building for micro-optics and sensors. The construction project is progressing according to time plan, with production scheduled to commence in the new factory in early 2025.

Due to the significant buildup of working capital for revenue recognition in the fourth quarter and higher capital expenditure, the free cash flow reduced to 38.1 million euros, compared with 62.7 million euros in the prior year. This also led to a decline in the cash conversion rate to 28.6 percent (prior year: 51.4 percent).

Smart Mobility Solutions

In the first nine months of 2023, the Smart Mobility Solutions division generated revenue of 82.7 million euros, 9.1 percent more than in the prior-year period (prior year: 75.8 million euros). The higher revenue was mainly generated in Europe (incl. Germany) and Asia/Pacific. From January through September 2023, the division's share of Jenoptik's revenue came to 10.8 percent (prior year: 10.9 percent).

Despite the increase in revenue, EBITDA for the reporting period came to 6.7 million euros (prior year: 8.4 million euros), primarily due to mix effects as well as investments in strategic markets. The EBITDA margin came to 8.1 percent, compared with 11.1 percent in the first nine months of the prior year.

The division's order intake is subject to typical fluctuations in project business, and at 87.7 million euros for the reporting period was down on the prior-year figure of 102.6 million euros. In the prior year, the division secured larger orders in North America and the Middle East/Africa region, among others. In the first nine months of 2023, the book-to-bill ratio reached a figure of 1.06, compared with 1.35 in the prior-year period.

Despite the lower order intake, the division's order backlog grew by 8.0 percent compared with the figure at year-end 2022, to 71.0 million euros (31/12/2022: 65.7 million euros).

The reduction in working capital (prior year: increase) led to an increase in the division's free cash flow, which amounted to 4.8 million euros (prior year: 0.0 million euros).

Smart Mobility Solutions at a glance

in million euros	30/9/2023	30/9/2022	Change in %
Revenue	82.7	75.8	9.1
EBITDA	6.7	8.4	– 20.4
EBITDA margin in %[1]	8.1	11.1	
EBIT	2.2	4.4	– 49.1
EBIT margin in %[1]	2.7	5.8	
Capital expenditure	7.4	5.9	25.5
Free cash flow	4.8	– 0.0	n/a
Cash conversion rate in %	71.4	< 0	
Order intake	87.7	102.6	– 14.5
Order backlog[2]	71.0	65.7	8.0
Employees[2]	511	485	5.4

[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 first nine months of 2023, the Non-Photonic Portfolio Companies generated revenue of 89.3 million euros, compared with 85.4 million euros in the prior-year period. Revenue growth during this period was primarily achieved in Europe and Asia/Pacific, while revenues in the Americas did not reach the very high level of the prior year. The Non-Photonic Portofolio Companies' share of Jenoptik's revenue came to 11.6 percent (prior year: 12.2 percent).

Over the reporting period, the segment's EBITDA rose significantly to 12.2 million euros (prior year: minus 1.1 million euros), in part due to an improved earnings contribution from all areas. In the prior year, EBITDA had been negatively impacted by costs, particularly in connection with Automation projects. The EBITDA margin improved from minus 1.2 percent in the prior-year period to 13.2 percent in the first nine months of 2023.

Income from operations (EBIT) rose to 3.1 million euros (incl. PPA impacts of minus 2.6 million euros), compared to minus 8.1 million euros in the prior year (incl. PPA impacts of minus 3.7 million euros). In the second quarter of 2023, EBIT was also negatively affected in the amount of 4.0 million euros by an impairment loss related to the sale of shares in TELSTAR-HOMMEL.

The order intake saw significant growth, rising to 122.5 million euros in the first nine months of 2023 (prior year: 96.6 million euros). Prodomax secured a major order to design, construct, and commission four welding robot assembly lines in North America, valued at over 30 million euros. HOMMEL ETAMIC also posted significant order growth in the first nine months compared to the prior year. Over the reporting period, the book-to-bill ratio came to 1.37 (prior year: 1.13).

At the end of September 2023, the Non-Photonic Portfolio Companies had a substantial order backlog worth 115.1 million euros (31/12/2022: 81.0 million euros).

Capital expenditure of the Non-Photonic Portfolio Companies increased primarily due to the extension of lease agreements for Prodomax's production and administrative buildings in Barrie, Canada.

Higher cash flows from operating activities, in part due to the improved EBITDA, were particularly responsible for the increase in the free cash flow to 20.5 million euros (prior year: 5.1 million euros).

Non-Photonic Portfolio Companies at a glance

in million euros	30/9/2023	30/9/2022	Change in %
Revenue	89.3	85.4	4.5
EBITDA	12.2	– 1.1	n/a
EBITDA margin in %[1]	13.2	– 1.2	
EBIT	3.1	– 8.1	n/a
EBIT margin in %[1]	3.4	– 8.8	
Capital expenditure	6.1	1.2	409.8
Free cash flow	20.5	5.1	299.9
Cash conversion rate in %	168.1	< 0	
Order intake	122.5	96.6	26.8
Order backlog[2]	115.1	81.0	42.1
Employees[2]	523	598	– 12.5

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

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

Opportunity and Risk 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, and to page 13f of the Half-Year Report.

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 export restrictions imposed by China on the raw materials of gallium and germanium since August 1, 2023, do not pose direct and immediate risks for Jenoptik. In the medium term, however, there could be an impact on prices and delivery times for certain high-performance chips and microelectronic components. Russia's 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 escalation of the Middle East conflict poses potential purchasing and sales risks for our business with the semiconductor equipment industry. These are dependent, among other things, on the potential geographical expansion of the conflict into Israeli territory.

Inflation risks have diminished further as a result of lower inflation rates. However, due to fundamental structural factors such as US labor market data, the costs of the transition to a low-carbon economy, and increasing international protectionism, inflation rates may remain high. Jenoptik continues to actively counter these 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 the Jenoptik Group's earnings, financial, and asset position.

There were no other major changes in the risks and opportunities described in the Annual Report and Half-Year Report during the course of the third 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. 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 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 despite the increasingly challenging business environment. The Board continues to anticipate revenue of 1,050 million euros to 1,100 million euros and raises the EBITDA margin guidance to around 19.5 percent for 2023 (before 19.0 to 19.5 percent). 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 presupposes that geopolitical risks do not worsen. These include, for example, the war in Ukraine with the sanctions that have been put in place and potential impacts on price developments, energy supplies, and supply chains, and the conflict in the Middle East. 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, November 8, 2023

Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

in thousand euros	1/1 to 30/9/2023	1/1 to 30/9/2022	1/7 to 30/9/2023	1/7 to 30/9/2022
Continuing operations				
Revenue	768,714	697,985	263,809	250,749
Cost of sales	501,879	459,928	172,065	158,805
Gross profit	**266,835**	**238,058**	**91,744**	**91,945**
Research and development expenses	45,363	38,513	15,516	13,129
Selling expenses	77,528	78,718	24,619	25,687
General administrative expenses	49,308	52,227	16,320	19,886
Other operating income	13,187	16,956	4,087	5,967
Other operating expenses	19,691	17,138	5,122	7,690
EBIT	**88,132**	**68,418**	**34,255**	**31,520**
Financial income	4,245	12,572	1,099	4,446
Financial expenses	15,782	16,186	4,883	6,470
Financial result	**– 11,538**	**– 3,615**	**– 3,784**	**– 2,024**
Earnings before tax from continuing operations	**76,594**	**64,803**	**30,471**	**29,496**
Income taxes	– 22,410	– 18,599	– 8,962	– 8,857
Earnings after tax from continuing operations	**54,184**	**46,204**	**21,509**	**20,639**
Discontinued operation				
Earnings after tax from discontinued operation	0	– 4,782	0	– 2,488
Group				
Earnings after tax	**54,184**	**41,422**	**21,509**	**18,152**
Results from non-controlling interests	308	672	– 425	718
Earnings attributable to shareholders	53,877	40,751	21,933	17,434
Earnings per share in euros (undiluted = diluted)	**0.94**	**0.71**	**0.38**	**0.30**

Consolidated Comprehensive Income

in thousand euros	1/1 to 30/9/2023	1/1 to 30/9/2022	1/7 to 30/9/2023	1/7 to 30/9/2022
Earnings after tax	**54,184**	**41,422**	**42,405**	**18,152**
Items that will never be reclassified to profit or loss	**– 188**	**9,512**	**– 188**	**373**
Actuarial gains / losses from the valuation of pensions and similar obligations	– 189	9,512	– 189	374
thereof: income taxes	0	– 2,792	0	– 128
Equity instruments measured at fair value through other comprehensive income	0	– 1	0	– 1
thereof: income taxes	0	0	0	0
Items that are or may be reclassified to profit or loss	**– 414**	**34,377**	**6,628**	**14,765**
Cash flow hedges	– 1,836	– 1,718	– 2,973	– 143
thereof: income taxes	777	658	1,273	– 8
Foreign currency exchange differences	1,422	36,094	9,601	14,908
thereof: income taxes	148	– 2,978	– 364	– 555
Total other comprehensive income	**– 602**	**43,888**	**6,440**	**15,138**
Total comprehensive income	**53,582**	**85,311**	**48,844**	**33,289**
Thereof attributable to:				
Non-controlling interests	– 355	1,017	– 88	815
Shareholders	53,937	84,294	48,932	32,474

Consolidated Statement of Financial Position

Assets in thousand euros	30/9/2023	31/12/2022	Change	30/9/2022
Non-current assets	**1,110,302**	**1,128,455**	**– 18,153**	**1,166,297**
Intangible assets	719,142	730,642	– 11,500	765,850
Property, plant and equipment	343,182	324,606	18,576	305,606
Investment property	3,494	3,592	– 99	3,555
Investments accounted for using the equity method	155	14,310	– 14,155	14,500
Financial investments	1,085	2,754	– 1,669	2,751
Other non-current assets	13,759	13,729	30	19,770
Deferred tax assets	29,486	38,822	– 9,336	54,265
Current assets	**562,974**	**543,309**	**19,664**	**573,676**
Inventories	293,949	255,950	37,999	264,978
Current trade receivables	124,223	138,769	– 14,546	132,108
Contract assets	68,068	58,096	9,972	77,804
Other current financial assets	7,105	13,423	– 6,318	23,604
Other current non-financial assets	21,314	19,265	2,049	25,237
Current financial investments	454	1,048	– 594	1,101
Cash and cash equivalents	34,622	56,758	– 22,137	48,844
Assets held for sale	13,238	0	13,238	0
Total assets	**1,673,276**	**1,671,765**	**1,511**	**1,739,973**

Equity and liabilities in thousand euros	30/9/2023	31/12/2022	Change	30/9/2022
Equity	**874,304**	**843,307**	**30,997**	**850,751**
Share capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	525,112	488,846	36,266	494,689
Non-controlling interests	6,087	11,356	– 5,269	12,957
Non-current liabilities	**507,289**	**518,959**	**– 11,670**	**557,455**
Pension provisions	4,017	4,262	– 244	4,714
Other non-current provisions	13,642	17,043	– 3,401	18,336
Non-current financial debt	472,719	477,729	– 5,010	502,634
Other non-current liabilities	2,803	3,863	– 1,060	6,173
Deferred tax liabilities	14,108	16,062	– 1,955	25,598
Current liabilities	**291,683**	**309,499**	**– 17,816**	**331,767**
Income tax payable	237	10,921	– 10,684	5,305
Other current provisions	41,599	43,887	– 2,289	38,813
Current financial debt	51,613	59,052	– 7,438	67,614
Current trade payables	90,298	100,600	– 10,303	99,353
Contract liabilities	72,692	64,856	7,835	81,126
Other current financial liabilities	11,188	10,306	883	13,636
Other current non-financial liabilities	24,057	19,876	4,180	25,921
Total equity and liabilities	**1,673,276**	**1,671,765**	**1,511**	**1,739,973**

Consolidated Statement of Cash Flows

in thousand euros	1/1 to 30/9/2023	1/1 to 30/9/2022	1/7 to 30/9/2023	1/7 to 30/9/2022
Earnings before tax from continuing operations	76,594	64,803	30,471	29,496
Earnings before tax from discontinued operation	0	– 3,863	0	– 2,488
Earnings before tax	**76,594**	**60,939**	**30,471**	**27,009**
Financial income and expenses	11,538	4,092	3,784	1,985
Depreciation and amortization	51,129	49,393	17,400	16,693
Impairment losses and reversals of impairment losses from non-current assets	3,783	0	– 211	0
Other non-cash income / expenses	1,567	2,812	1,033	1,820
Dividends received	95	0	0	0
Change in provisions	– 5,849	– 6,360	3,511	4,676
Change in working capital	– 30,551	– 18,015	– 10,565	– 10,245
Change in other assets and liabilities	2,220	– 7,205	– 2,257	– 5,621
Cash flows from operating activities before income tax payments	**110,526**	**85,658**	**43,166**	**36,317**
Income tax payments	– 25,387	– 11,373	– 8,614	– 3,310
Cash flows from operating activities	**85,139**	**74,285**	**34,552**	**33,008**
Capital expenditure for intangible assets	– 6,945	– 12,033	– 2,319	– 2,956
Proceeds from sale of property, plant and equipment	8,801	1,084	7,209	199
Capital expenditure for property, plant and equipment	– 55,514	– 48,009	– 17,326	– 17,827
Sale of subsidiaries or other business units, net of cash disposed of	3,697	53,381	1,097	– 11,544
Acquisition of subsidiaries, net of cash acquired	0	713	0	2,000
Proceeds from sale of investments accounted for using the equity method	8,494	0	0	0
Proceeds from other financial investments	3,058	1,012	2,907	1,012
Capital expenditure for other financial investments and investment properties	– 882	– 621	0	0
Interest received and similar income	810	77	102	– 467
Cash flows from investing activities	**– 38,481**	**– 4,397**	**– 8,330**	**– 29,585**
Dividends to shareholders of the parent company	– 17,171	– 14,310	0	0
Dividends to non-controlling interests	– 4,083	– 909	– 3,598	– 755
Proceeds from loans	13,148	105,597	– 163	41,561
Repayments of loans	– 36,022	– 145,615	– 28,585	– 87,996
Payments for leases	– 10,339	– 11,445	– 3,548	– 3,021
Change in group financing	1,017	– 3,916	– 9	– 2,013
Interest paid and similar expenses	– 13,388	– 7,688	– 5,726	– 2,555
Cash flows from financing activities	**– 66,840**	**– 78,287**	**– 41,629**	**– 54,780**
Cash-effective change in cash and cash equivalents	**– 20,182**	**– 8,400**	**– 15,408**	**– 51,357**
Change in cash and cash equivalents from foreign currency effects	– 1,964	2,407	721	781
Change of loss allowance and consolidation-related changes in cash and cash equivalents	9	– 26	167	327
Cash and cash equivalents at the beginning of the period	56,758	54,817	49,141	99,094
Cash and cash equivalents at the end of the period	**34,622**	**48,844**	**34,622**	**48,844**

Dates

February 7, 2024
Publication of the preliminary results
for the fiscal year 2023

March 27, 2024
Publication of the consolidated financial statements
for the fiscal year 2023

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