JENOPTIK

MORE LIGHT

Interim Financial Report of the Jenoptik Group

(unaudited)

January to June 2023

At a glance – Jenoptik Group

	Jan. – June 2023	Jan. – June 2022	Change in %	April – June 2023	April – June 2022	Change in %
Order intake (in million euros)	546.9	608.6	– 10.1	263.9	298.3	– 11.5
Advanced Photonic Solutions	422.4	466.5	– 9.5	210.3	228.4	– 7.9
Smart Mobility Solutions	62.5	75.4	– 17.1	23.7	36.6	– 35.3
Non-Photonic Portfolio Companies	59.7	65.3	– 8.5	29.2	32.8	– 11.1
Other[1]	2.2	1.3		0.8	0.5	
Revenue (in million euros)	504.9	447.2	12.9	270.8	238.7	13.5
Advanced Photonic Solutions	390.0	344.3	13.3	208.2	186.3	11.7
Smart Mobility Solutions	54.7	44.7	22.4	31.7	23.5	34.9
Non-Photonic Portfolio Companies	58.2	57.1	2.0	30.0	28.3	6.0
Other[1]	2.0	1.2		0.9	0.6	
EBITDA (in million euros)	91.6	69.6	31.6	55.0	48.6	13.2
Advanced Photonic Solutions	85.9	77.2	11.3	49.2	50.0	– 1.6
Smart Mobility Solutions	4.4	1.4	225.5	4.5	0.7	561.1
Non-Photonic Portfolio Companies	7.0	– 0.1	n/a	3.8	2.1	84.3
Other[1]	– 5.8	– 8.8		– 2.5	– 4.1	
EBITDA margin	18.1%	15.6%		20.3%	20.4%	
Advanced Photonic Solutions[2]	21.8%	22.4%		23.4%	26.8%	
Smart Mobility Solutions[2]	8.1%	3.0%		14.2%	2.9%	
Non-Photonic Portfolio Companies[2]	11.7%	– 0.2%		12.4%	6.9%	
EBIT (in million euros)	53.9	36.9	46.0	33.9	32.2	5.5
EBIT margin	10.7%	8.3%		12.5%	13.5%	
Earnings after tax (in million euros)	32.7	23.3	40.4	20.9	20.5	2.0
Earnings per share (in euros)	0.56	0.41	36.6	0.35	0.36	– 2.8
Free cash flow (in million euros)	26.1	12.6	106.9	– 2.4	15.7	n/a
Cash conversion rate	28.5%	18.2%		< 0	32.4%	

	June 30, 2023	Dec. 31, 2022	June 30, 2022
Order backlog (in million euros)	766.6	733.7	710.5
Advanced Photonic Solutions	610.1	586.9	561.0
Smart Mobility Solutions	73.7	65.7	86.5
Non-Photonic Portfolio Companies	82.6	81.0	62.8
Employees (headcount and incl. trainees)	4,502	4,435	4,300
Advanced Photonic Solutions	3,173	3,054	2,902
Smart Mobility Solutions	500	485	479
Non-Photonic Portfolio Companies	541	598	623
Other[1]	288	298	296

[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 June 2023

- Order intake remains at a good level: at 546.9 million euros in the first half-year 2023 it was, as expected, down on the very high prior-year figure of 608.6 million euros. The book-to-bill ratio was 1.08 (prior year: 1.36). The order backlog grew to 766.6 million euros (31/12/2022: 733.7 million euros).
  See Earnings position – page 8

- Double-digit revenue growth: Over the reporting period, revenue of 504.9 million euros was up 12.9 percent on the prior-year period (prior year: 447.2 million euros), and growth was particularly driven by the Advanced Photonic Solutions and Smart Mobility Solutions divisions.
  See Earnings position – page 7

- EBITDA margin significantly improved: Due to good operating performance of both divisions and the Non-Photonic Portfolio Companies, EBITDA rose by 31.6 percent to 91.6 million euros (prior year: 69.6 million euros). The EBITDA margin came to 18.1 percent, compared with 15.6 percent in the prior year.
  See Earnings position – page 8

- Balance sheet and financing structure still robust: The equity ratio improved slightly to 50.9 percent (31/12/2022: 50.4 percent). At 26.1 million euros, the free cash flow was sharply up on the prior-year figure of 12.6 million euros, despite higher capital expenditure.
  See Financial and asset position – page 10

- Guidance confirmed: For the fiscal year 2023, the Executive Board is forecasting revenue of between 1,050 and 1,100 million euros and an EBITDA margin of between 19.0 and 19.5 percent.
  See Forecast Report – page 15

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.

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.

On July 13, 2023, Jenoptik signed a contract to acquire a 33.34-percent stake in JENOPTIK Korea Corporation Ltd. (Advanced Photonic Solutions division) from the previous co-shareholder, TELSTAR-HOMMEL CORPORATION, Ltd., in the process of further focusing on its core business. At the same time, Jenoptik is selling its 33.33-percent stake in TELSTAR-HOMMEL CORPORATION, Ltd., which is focused on the automotive market, to this company. The closing of the transaction took place on August 6, 2023.

There were no further company acquisitions or disposals in the first six months of 2023.

Targets and Strategies

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

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

The planned profitable growth will be further supported by efficiency measures, the realization of economies of scale, and by the further expansion of the service business, especially in the Smart Mobility Solutions division.

For more information on the strategic trajectory of the Jenoptik Group, we refer to the 2022 Annual Report and the details given in the "Targets and Strategies" chapter from page 34 on, as well as on the Jenoptik website.

The Jenoptik Share

Geopolitical uncertainties, particularly the war in Ukraine, persistent high inflation, and rising interest rates, as well as the lifting of Covid-19 restrictions in China and improvements in supply chain issues, influenced the stock markets in the first half-year 2023. In the first six months, Germany's benchmark index, the Dax, saw a gain of around 15 percent to 16,147.90 points. The German technology index (TecDax) stood at 3,203.22 points at the end of June 2023, a year-to-date increase of appox. 10 percent. On the last day of trading in the second quarter, the MDax was up around 8 percent, at 27,610.50 points.

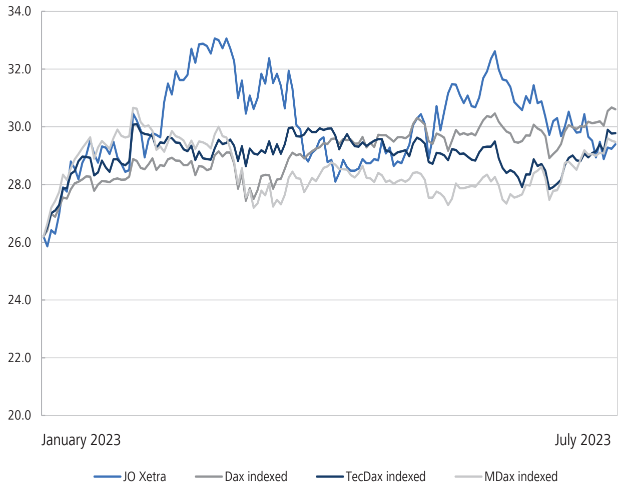
The Jenoptik share gained sharply in value over the reporting period. Starting on the first day of trading in 2023 with a closing price of 26.20 euros, the share improved to 31.44 euros on June 30, 2023, representing growth of 20.0 percent. At the end of June 2023, Jenoptik's market capitalization was 1,799.6 million euros.

The Jenoptik share price fell slightly in July. The closing price on July 31, 2023 was 29.40 euros, corresponding to a market capitalization of 1,682.8 million euros.

Compared to the prior-year period, an average of 104,299 Jenoptik shares changed hands per day on Xetra, the floor exchanges, and Tradegate, significantly less than in the prior year, which was characterized by generally higher trading volumes (prior year: 171,195). On the TecDax, Jenoptik was in 16th place (prior year: 22nd) in terms of free float market capitalization (89.0 percent) as of June 2023. Since March 2023, Jenoptik's share has been traded on the MDax, where it ranked 36th in terms of free float market capitalization among the 50 constituents of the index.

At the in-person Annual General Meeting on June 7, 2023, the shareholders agreed to pay out an increased dividend of 0.30 euros per share (prior year: 0.25 euros), representing a 20 percent increase on the prior year. The total payout thus amounted to 17.2 million euros. Shareholders also approved all other items on the agenda by a clear majority.

A total of fourteen research companies and banks currently report regularly on Jenoptik. At the time this report was prepared, eleven analysts recommended buying the share, while three advised investors to hold their shares. At the end of July, the average price target across all analysts was 36.31 euros.



The company received a number of voting right notifications in the first six months of 2023. A detailed list of voting right notifications can be viewed in the Investors/Share section of the Jenoptik website.

Jenoptik key share figures

	1/1 to 30/6/2023	1/1 to 30/6/2022
Closing share price (Xetra) on 30/6 in euros	31.44	21.28
Highest share price (Xetra) in euros	32.62	37.26
Lowest share price (Xetra) in euros	25.86	21.28
Market capitalization (Xetra) on 30/6 in million euros	1,799.6	1,218.0
Average daily trading volume in shares[1]	104,299	171,195

[1] Source: Deutsche Börse

Earnings per share

	1/1 to 30/6/2023	1/1 to 30/6/2022
Earnings attributable to shareholders in thousand euros	31,943	23,317
Weighted average number of outstanding shares	57,238,115	57,238,115
Earnings per share in euros	0.56	0.41

Earnings per share are the earnings attributable to shareholders divided by the weighted average number of shares outstanding

Development of the Economy as a Whole and of the Jenoptik Sectors

The Jenoptik Group operates in different sectors, each influenced to varying degrees by economic trends. For instance, demand in Life Science & Medical Technology and Smart Mobility remains largely unaffected by economic fluctuations, while business with the semiconductor equipment and electronics industries is partly influenced by economic factors.

The easing of the negative impacts of the Covid-19 pandemic and Russia's war against Ukraine supported global economic development at the beginning of the year. China's economy rebounded after lifting strict Covid-19 measures, while disruptions in supply chains gradually subsided and war-related disturbances in energy and food markets eased. However, the significant tightening of monetary policy to combat high inflation slowed down the pace of global economic expansion.

In this context, gross domestic product in the European Union grew by a moderate 1.0 percent in the first quarter of 2023 (prior year: plus 5.7 percent), according to the OECD. In Germany, the economy contracted by 0.5 percent (prior year: plus 3.8 percent) due to lower government spending and a similar decline in consumer demand. The French economy grew by 0.9 percent in the first quarter (prior year: plus 4.5 percent). Great Britain, another important European market, grew moderately by 0.2 percent in the first quarter, compared to 10.6 percent in the prior year.

The pace of expansion in the world's largest economy, the US, was also moderate in the first quarter, with growth of 1.6 percent. Although consumer spending remained very robust, a significant reduction in inventories in anticipation of weaker demand had a negative impact.

The Chinese economy grew at a much faster pace of 4.5 percent in the first quarter following the lifting of extensive Covid restrictions and the easing of supply bottlenecks.

According to the German SPECTARIS industry association, the photonics sector continues to operate in a growing environment against the backdrop of advancing digitization. The use of light technologies forms the basis for many innovations, including as a basic technology for autonomous driving, for Industry 4.0 and big data applications, for the "smart lab" in analytics and biotechnology, and for quantum technology. According to the latest figures, the industry in Germany last year increased its revenue by more than 18 percent to around 56 billion euros.

According to data from the Semiconductor Industry Association (SIA), the global semiconductor industry recorded a decline in revenue of more than 20 percent in the first quarter of 2023 compared to the same period in the prior year. This was mainly due to high inflation and geopolitical uncertainties, which had a correspondingly negative impact on consumer behavior for electronic products. By contrast, the global semiconductor equipment industry grew by around 9 percent in the first quarter, driven by continued investment in new technologies, particularly in North America and Taiwan, according to Semiconductor Equipment and Materials International (SEMI).

Demand in the global medical technology market is being driven by factors including an aging population, increasing healthcare penetration in emerging markets, and new treatment methods. According to market analysts Frost & Sullivan, the market is expected to grow at an average annual rate of more than 6 percent by 2025. According to the SPECTARIS industry association, the German medical technology industry achieved nominal revenue growth of 5.4 percent in 2022 (latest available data).

Despite the difficult economic environment and high inflation, the German mechanical and plant engineering industry performed well in the first quarter of 2023, growing by 3.1 percent, according to the German Mechanical Engineering Industry Association (VDMA). However, new orders are down sharply on the prior year.

According to the German Association of the Automotive Industry (VDA), the German automotive market recorded significant growth in the first half-year 2023, mainly due to an easing in the supply chains. Despite the increase, the market is still well below pre-Covid crisis levels.

No important new reports were published for other sectors relevant to Jenoptik. We therefore refer to pages 48ff. of the Annual Report 2022.

Earnings, Financial and Asset Position

The tables in the Half-Year Report, 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 has a business model that is in large part resistant to crisis, and is in a good financial and balance sheet position, even in times that remain challenging in view of unchanged high inflation with rising prices and the effects of the ongoing Russia-Ukraine war.

Earnings Position

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

Over this period, the company saw revenue improve to 504.9 million euros, a significant 12.9-percent increase on the prior year (prior year: 447.2 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 six months of 2023, the Smart Mobility Solutions division also posted notably higher revenue, while revenue in the Non-Photonic Portfolio Companies was slightly up on the prior year.

Revenue

in million euros	1/1 to 30/6/2023	1/1 to 30/6/2022	Change in %
Total	504.9	447.2	12.9
Advanced Photonic Solutions	390.0	344.3	13.3
Smart Mobility Solutions	54.7	44.7	22.4
Non-Photonic Portfolio Companies	58.2	57.1	2.0
Other	2.0	1.2	

From January to June 2023, Jenoptik continued to boost 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 238.8 million euros to 276.4 million euros, and in Asia/Pacific, from 81.5 million euros to 100.9 million euros. At 75.2 percent, the share of revenue generated abroad was only slightly down on the prior-year figure of 75.9 percent.

The cost of sales increased to 329.8 million euros (prior year: 301.1 million euros), rising less than revenue in percentage terms. At 175.1 million euros, gross profit was up on the prior-year figure of 146.1 million euros, primarily due to the contributions made by the Advanced Photonic Solutions division and the Non-Photonic Portfolio Companies. The gross margin accordingly improved significantly to 34.7 percent (prior year: 32.7 percent).

Over the reporting period, research and development expenses increased to 29.8 million euros (prior year: 25.4 million euros). The Advanced Photonic Solutions division, in particular, increased its investments in research and development. At 14.1 million euros, the development expenses on behalf of customers posted in cost of sales were almost at the prior-year level of 14.3 million euros. These expenses were primarily influenced by customer projects in the Advanced Photonic Solutions division. The R+D output came to 47.0 million euros, up on the figure of 41.5 million euros in the prior-year period, and accounted for an unchanged 9.3 percent of revenue.

R+D output

in million euros	1/1 to 30/6/2023	1/1 to 30/6/2022	Change in %
R+D output	47.0	41.5	13.3
R+D expenses	29.8	25.4	17.6
Capitalized development costs	3.0	1.8	67.3
Developments on behalf of customers	14.1	14.3	− 1.1

Selling expenses of 52.9 million euros in the reporting period were virtually unchanged from the prior-year figure of 53.0 million euros, despite the increase in revenue; at 10.5 percent, the selling expenses ratio was therefore considerably down on the prior-year level of 11.9 percent.

Administrative expenses totaled 33.0 million euros (prior year: 32.3 million euros). The administrative expenses ratio thus fell to 6.5 percent (prior year: 7.2 percent).

In particular due to lower currency gains, other operating income came to 9.1 million euros, down on the prior year's figure of 11.0 million euros. The increase in other operating expenses to minus 14.6 million euros (prior year: minus 9.4 million euros) was partly influenced by an impairment loss in connection with the sale of shares in TELSTAR-HOMMEL. Together, other operating income and expenses came to minus 5.5 million euros (prior year: 1.5 million euros).

Over the first six months of 2023, EBITDA improved to 91.6 million euros, 31.6 percent up on the prior-year figure of 69.6 million euros, following good operating performance in the divisions and the Non-Photonic Portfolio Companies. The EBITDA margin improved to 18.1 percent in the first half-year 2023 (prior year: 15.6 percent).

This good performance was also reflected in income from operations (EBIT), which at 53.9 million euros in the reporting period was also sharply up on the prior-year figure of 36.9 million euros. The EBIT item includes impacts arising from purchase price allocations for acquisitions in recent years, amounting to minus 10.8 million euros (prior year: minus 14.4 million euros).

EBITDA

in million euros	1/1 to 30/6/2023	1/1 to 30/6/2022	Change in %
Total	**91.6**	**69.6**	**31.6**
Advanced Photonic Solutions	85.9	77.2	11.3
Smart Mobility Solutions	4.4	1.4	225.5
Non-Photonic Portfolio Companies	7.0	− 0.1	n/a
Other	− 5.8	− 8.8	

EBIT

in million euros	1/1 to 30/6/2023	1/1 to 30/6/2022	Change in %
Total	**53.9**	**36.9**	**46.0**
Advanced Photonic Solutions	62.4	54.6	14.1
Smart Mobility Solutions	1.5	− 1.3	n/a
Non-Photonic Portfolio Companies	− 0.5	− 4.7	89.0
Other	− 9.4	− 11.7	

Higher interest expenses, caused by increased interest rates, led to a financial result of minus 7.8 million euros (prior year: minus 1.6 million euros). The prior year also included positive currency effects.

Jenoptik achieved significantly improved earnings before tax of 46.1 million euros (prior year: 35.3 million euros) over the reporting period. Income taxes rose to 13.4 million euros (prior year: 9.7 million euros), which was due to higher income of the tax-paying companies. The tax rate grew to 29.2 percent (prior year: 27.6 percent) which was, among other things, attributable to non-tax-effective impairments; the cash effective tax rate was 17.8 percent (prior year: 16.2 percent).

Group earnings after tax (prior year: incl. VINCORION) rose to 32.7 million euros (prior year: 23.3 million euros). Group earnings per share improved to 0.56 euros (prior year: 0.41 euros).

Order position

In the first half-year 2023, the order intake remained at a good level but as expected failed to match the very high prior-year figure. At 546.9 million euros, it was 10.1 percent down on the prior-year value of 608.6 million euros. The book-to-bill ratio was 1.08 (prior year: 1.36).

The order backlog remained at a consistently high level, increasing 4.5 percent to 766.6 million euros (31/12/2022: 733.7 million euros / 30/6/2022: 710.5 million euros). Of this backlog, 460.1 million euros or around 60.0 percent (prior year: 449.3 million euros or 63.2 percent) is due to be converted to revenue in the present fiscal year.

Order situation

in million euros	1/1 to 30/6/2023	1/1 to 30/6/2022	Change in %
Order intake	**546.9**	**608.6**	**– 10.1**
Advanced Photonic Solutions	422.4	466.5	– 9.5
Smart Mobility Solutions	62.5	75.4	– 17.1
Non-Photonic Portfolio Companies	59.7	65.3	– 8.5
Other	2.2	1.3	

	30/6/2023	31/12/2022	Change in %
Order backlog	**766.6**	**733.7**	**4.5**
Advanced Photonic Solutions	610.1	586.9	3.9
Smart Mobility Solutions	73.7	65.7	12.2
Non-Photonic Portfolio Companies	82.6	81.0	1.9
Other	0.3	0	

The number of Jenoptik employees rose 1.5 percent or by 67 persons as of June 30, 2023, to 4,502 (31/12/2022: 4,435 employees). In the Advanced Photonic Solutions division, the number of employees grew slightly due to an increase in staff in the semiconductor equipment area. At the end of June 2023, 1,640 people were employed at the foreign locations (31/12/2022: 1,595 employees), and Jenoptik had a total of 122 trainees (31/12/2022: 154 trainees).

Employees (headcount and incl. trainees)

	30/6/2023	31/12/2022	Change in %
Total	**4,502**	**4,435**	**1.5**
Advanced Photonic Solutions	3,173	3,054	3.9
Smart Mobility Solutions	500	485	3.1
Non-Photonic Portfolio Companies	541	598	– 9.5
Other	288	298	– 3.4

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.

Compared to the end of December 2022, net debt increased to 500.6 million euros (31/12/2022: 479.0 million euros). As of June 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 2.4. The Group therefore still has sufficient financial leeway to ensure the company's scheduled growth.

Over the reporting period, Jenoptik invested 53.2 million euros in property, plant, and equipment, incl. leases in the amount of 16.5 million euros, intangible assets, and investment property (prior year: 42.1 million euros, incl. leases of 9.9 million euros). At 48.3 million euros, the largest share of capital expenditure was spent on property, plant, and equipment (prior year: 37.1 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 4.9 million euros was practically unchanged on the prior-year figure of 5.0 million euros. Scheduled depreciation and amortization increased to 33.7 million euros (prior year: 32.7 million euros), and includes the impacts arising from the purchase price allocation for the acquisitions made in recent years.

Cash flows from operating activities rose to 50.6 million euros as of June 30, 2023 (prior year: 41.3 million euros). This increase is due mainly to a considerable improvement in EBITDA, and was achieved despite higher negative impacts arising from the change in working capital and higher payments for income tax.

At the end of June 2023, cash flows from investing activities came to minus 30.2 million euros (prior year: 25.2 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 26.1 million euros in the first half-year 2023 (prior year: continuing operations 12.6 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 six months of 2023, the cash conversion rate came to 28.5 percent, significantly up on the prior-year figure of 18.2.

Cash flows from financing activities fell to minus 25.2 million euros in the period covered by the report (prior year: minus 23.5 million euros), and were primarily influenced by the change in bank and lease liabilities, as well as payment of the dividend to shareholders of JENOPTIK AG.

At 1,681.8 million euros as of June 30, 2023, the total assets of the Jenoptik Group were slightly up 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 1,123.4 million euros (31/12/2022: 1,128.5 million euros). This was partly due to a decline in intangible assets, resulting from factors such as amortization, and lower deferred taxes due to the utilization of the loss carryforward. Additionally, the investments accounted for using the at-equity method item decreased, in part due to the sale of shares in HILLOS GmbH and the reclassification of shares in TELSTAR-HOMMEL CORPORATION Ltd. to assets held for sale. By contrast, property, plant, and equipment increased following the investments made.

Current assets grew from 543.3 million euros at the end of 2022 to 558.4 million euros as of the end of June 2023, mainly due to higher inventories. These inventories increased to 291.5 million euros (31/12/2022: 256.0 million euros) due to payments made in advance for future revenue. Trade receivables fell compared to the seasonally high level of receivables at the end of 2022.

Primarily driven by the increase in inventories, the working capital as of June 30, 2023 rose compared to year-end 2022 to 313.1 million euros (31/12/2022: 287.4 million euros / 30/6/2022: 281.0 million euros). The working capital ratio, that of working capital to revenue based on the last twelve months, was 30.2 percent and thus below the value in the prior-year period but slightly up on the figure at the end of 2022 (31/12/2022: 29.3 percent / 30/6/2022: 32.3 percent).

At 855.5 million euros, equity as of June 30, 2023 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 and currency effects had a negative impact. The equity ratio increased slightly to 50.9 percent, compared with 50.4 percent at the end of December 2022.

Non-current liabilities rose to 535.8 million euros (31/12/2022: 519.0 million euros), and in the first half-year 2023 were mainly influenced by the increase in non-current financial debt to 498.0 million euros (31/12/2022: 477.7 million euros) as a result of borrowings and lease agreements.

Current liabilities reduced to 290.5 million euros (31/12/2022: 309.5 million euros), with a sharp decline in current trade accounts payable. Tax provisions, other current provisions, and financial debt all fell. By contrast, contract liabilities increased due to consideration paid by or due from customers arising from project business and to advances, especially in the Advanced Photonic Solutions division. The increase in the other current non-financial liabilities 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 exclusively relate to business with external parties.

Advanced Photonic Solutions

In the first half-year 2023, the Advanced Photonic Solutions divisions generated revenue of 390.0 million euros, a significant 13.3 percent above the prior-year figure of 344.3 million euros. Business with the semiconductor equipment industry, in particular, but also in the industrial solutions area, saw substantial revenue increases in the first six months of 2023.

Revenue increased in almost all regions, with particular growth seen in Asia/Pacific and Europe (incl. Germany), where revenue grew 18.1 percent and 15.3 percent respectively. In the first six months of 2023, the Advanced Photonic Solutions division contributed a total of 77.2 percent of Jenoptik's revenue (prior year: 77.0 percent).

Advanced Photonic Solutions at a glance

in million euros	30/6/2023	30/6/2022	Change in %
Revenue	390.0	344.3	13.3
EBITDA	85.9	77.2	11.3
EBITDA margin in %[1]	21.8	22.4	
EBIT	62.4	54.6	14.1
EBIT margin in %[1]	15.8	15.8	
Capital expenditure	38.9	32.2	20.7
Free cash flow	10.9	32.5	– 66.5
Cash conversion rate in %	12.7	42.2	
Order intake	422.4	466.5	– 9.5
Order backlog[2]	610.1	586.9	3.9
Employees[2]	3,173	3,054	3.9

[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 and mix effects, EBITDA of 85.9 million euros was a sharp 11.3 percent up on the prior-year figure of 77.2 million euros. The division's EBITDA margin came to 21.8 percent, slightly down on the prior-year figure of 22.4 percent. The decline is due to an exceptionally high margin in the second quarter of 2022 as a result of mix effects, which was not replicated this year.

Compared to the prior-year period, EBIT also rose significantly to 62.4 million euros (incl. PPA impacts of minus 9.0 million euros) (prior year: 54.6 million euros, incl. PPA impacts of minus 11.8 million euros).

Demand for products made by the Advanced Photonic Solutions division remained at a good level in the first half-year 2023. Nevertheless, as expected, the division's order intake, worth 422.4 million euros, could not match the very high prior-year level (prior year: 466.5 million euros). The division received fewer new orders in particular in the industrial solutions and biophotonics areas. Set against revenue, this resulted in a book-to-bill ratio of 1.08 for the reporting period, compared with 1.36 in the prior year.

Despite higher revenue, the order backlog grew to 610.1 million euros as of June 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 June 2023, capital expenditure in the Advanced Photonic Solutions division amounted to 38.9 million euros (prior year: 32.2 million euros), The investments included machinery, the newly occupied building in Berlin, and the new factory in Dresden. As a result of rising demand for optics and sensors for the semiconductor industry, Jenoptik is expanding its manufacturing capacities at its Dresden site and will invest over 70 million euros in a state-of-the-art production building for micro-optics and sensors and a new office complex. Groundbreaking took place in September 2022, with production at the new factory due to begin in early 2025.

Due to the buildup of working capital and higher capital expenditure, the free cash flow reduced to 10.9 million euros, compared to 32.5 million euros in the prior year. This also worked to reduce the cash conversion rate to 12.7 percent (prior year: 42.2 percent).

Smart Mobility Solutions

In the first half-year 2023, the Smart Mobility Solutions division generated revenue of 54.7 million euros, 22.4 percent more than in the prior-year period (prior year: 44.7 million euros). The higher revenue was mainly generated in Europe (incl. Germany) and Asia/Pacific. From January through June 2023, the division's share of Jenoptik's revenue came to 10.8 percent (prior year: 10.0 percent).

The increase in revenue primarily led to a significant improvement in EBITDA, which amounted to 4.4 million euros in the reporting period (prior year: 1.4 million euros). The EBITDA margin rose to 8.1 percent, compared with 3.0 percent in the first six months of the prior year.

The division's order intake is subject to typical fluctuations in project business, and at 62.5 million euros in the first half-year 2023 was down on the prior-year value. In the prior year, Smart Mobility Solutions had received major orders, among other things in North America and the Middle East/Africa region. Over the reporting period, the book-to-bill ratio reached a figure of 1.14, compared with 1.69 in the prior-year period.

Despite the lower order intake, the division's order backlog grew by a significant 12.2 percent compared to the figure at year-end 2022, to 73.7 million euros (31/12/2022: 65.7 million euros).

Thanks to improved earnings before tax and the reduction in working capital, the division's free cash flow increased to 1.5 million euros (prior year: minus 0.5 million euros) despite higher capital expenditure.

Smart Mobility Solutions at a glance

in million euros	30/6/2023	30/6/2022	Change in %
Revenue	54.7	44.7	22.4
EBITDA	4.4	1.4	225.5
EBITDA margin in %[1]	8.1	3.0	
EBIT	1.5	– 1.3	n/a
EBIT margin in %[1]	2.7	– 2.8	
Capital expenditure	4.7	3.0	59.6
Free cash flow	1.5	– 0.5	n/a
Cash conversion rate in %	33.4	< 0	
Order intake	62.5	75.4	– 17.1
Order backlog[2]	73.7	65.7	12.2
Employees[2]	500	485	3.1

[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 half-year 2023, the Non-Photonic Portfolio Companies generated revenue of 58.2 million euros, compared with 57.1 million euros in the prior-year period. In the first six months, revenue grew in Europe but declined in America. The Non-Photonic Portofolio Conmpanies' share of Jenoptik's revenue fell to 11.5 percent (prior year: 12.8 percent).

Over the reporting period, the segment's EBITDA rose to 7.0 million euros (prior year: minus 0.1 million euros), in part due to a higher earnings contribution from Prodomax and HOMMEL ETAMIC. In the prior year, EBITDA had been negatively impacted by costs, particularly in connection with automation projects. The EBITDA margin improved from minus 0.2 percent in the prior-year period to 11.7 percent in the first six months of 2023.

Income from operations (EBIT) came to minus 0.5 million euros (incl. PPA impacts of minus 1.8 million euros), compared to minus 4.7 million euros in the prior year (incl. PPA impacts of minus 2.5 million euros). In the second quarter of 2023, EBIT was also negatively affected by an impairment loss related to the sale of shares in TELSTAR-HOMMEL amounting to 4.0 million euros.

Non-Photonic Portfolio Companies at a glance

in million euros	30/6/2023	30/6/2022	Change in %
Revenue	58.2	57.1	2.0
EBITDA	7.0	– 0.1	n/a
EBITDA margin in %[1]	11.7	– 0.2	
EBIT	– 0.5	– 4.7	89.0
EBIT margin in %[1]	– 0.9	– 7.8	
Capital expenditure	5.8	0.8	629.5
Free cash flow	16.0	8.9	78.9
Cash conversion rate in %	228.2	< 0	
Order intake	59.7	65.3	– 8.5
Order backlog[2]	82.6	81.0	1.9
Employees[2]	541	598	– 9.5

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

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

Following a very strong year-end 2022, the order intake, worth 59.7 million euros in the first six months of 2023, was down on the prior-year figure of 65.3 million euros. Over the reporting period, the book-to-bill ratio of 1.03 was below the prior-year figure of 1.14.

At the end of June 2023, the Non-Photonic Portfolio Companies continued to have a considerable order backlog, which at 82.6 million euros at the end of the reporting period was slightly up on the figure at year-end 2022 and will be worked off in the coming months (31/12/2022: 81.0 million euros).

Capital expenditure by the Non-Photonic Portfolio Companies increased mainly due to the extension of lease agreements.

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 16.0 million euros (prior year: 8.9 million euros).

Risk and Opportunity Report

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

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

There remain uncertainties arising from trade and geopolitical conflicts, some of which are increasing again in a number of regions. If the Taiwan-China conflict were to escalate, a significant impact on the global semiconductor market may be assumed – despite the international nature of the semiconductor industry – due to Taiwan's key role in some stages of production. The export restrictions imposed by China on the raw materials of gallium and germanium as of 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.

Forecast Report

Inflation risks have diminished 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 climate-neutral economy, and increasing international protectionism, inflation rates may remain high. Major construction projects of Jenoptik are also affected by the continuing increases in material costs. 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 during the course of the first half-year 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.

Outlook for the Economy as a Whole and the Jenoptik Sectors

According to the International Monetary Fund (IMF), the global economy is in a phase of recovery from the pandemic and Russia's invasion of Ukraine. It states that labor markets are surprisingly strong and the sharp fall in energy and food prices has reduced inflationary pressures faster than expected. In addition, the decisive measures taken following the unexpected collapse of two US banks and Credit Suisse prevented a crisis in the financial sector in the short term. The restrictive monetary policy pursued by central banks to combat inflation remains a source of uncertainty for the development of the global economy.

In this context, the International Monetary Fund's latest forecast predicts global growth of 3.0 percent for the current year, compared with 2.8 percent in its April forecast. Growth is expected to remain unchanged at 3.0 percent through 2024.

Growth forecast of gross domestic product

in %	2023 (forecast July)	2023 (forecast April)	2024
World	3.0	2.8	3.0
USA	1.8	1.6	1.0
Euro zone	0.9	0.8	1.5
Germany	– 0.3	– 0.1	1.3
United Kingdom	0.4	– 0.3	1.0
China	5.2	5.2	4.5
Emerging economies	4.0	3.9	4.1

Source: International Monetary Fund, World Economic Outlook, July and April 2023

The global photonics industry is influenced by a number of long-term trends. Increasing digitization and the resulting steady rise in demand for microchips, new applications in areas such as mobility and health, and a growing focus on greater sustainability are key drivers. Overall, market observers Triton and Verified Market Research expect the global photonics market to grow by an average of 6 to 8 percent per year until 2028. The SPECTARIS industry association also expects the German photonics industry to grow by an average of 7 percent per year.

The global semiconductor industry is currently facing comparatively weak demand due to noticeable consumer restraint and high inventory levels. However, the Semiconductor Industry Association (SIA) expects demand for semiconductors to grow in the long term as chips make the world smarter, more efficient, and better connected. Geopolitical tensions and associated sanctions create uncertainty for the global semiconductor industry and can fundamentally affect regional competitiveness and disrupt supply chains.

The SEMI association expects the global semiconductor equipment market to decline from 107.4 billion US dollars last year to 87.4 billion US dollars in 2023, and to rebound to around 100 billion US dollars in 2024, driven by the development of new capacity through various stimulus programs (e.g., in the US and Europe).

Based on assessments by Frost & Sullivan, the global medical technology market will grow by an average of over 6 percent a year through 2025. Market researcher Fortune Business Insights forecasts the global market for medical technology devices to grow at an annual growth rate of 5.5 percent through 2029. Among the factors driving this market growth are increasing demand for wearable healthcare devices such as fitness trackers, the spread of chronic diseases, and the shift to home care, which requires portable, easy-to-use equipment.

For 2023, the VDMA expects production in the German mechanical and plant engineering industry to fall by two percent in real terms, despite the good interim balance after the first quarter. In the second half of the year, the significant decline in new orders will be felt. The still comparatively high order backlog, with an average lead time of eleven months, will have a dampening effect on the year as a whole.

Following dynamic production growth of around 32 percent in the first half-year, the German Association of the Automotive Industry (VDA) expects growth rates in the German automotive market to weaken for the year as a whole as the high order backlogs are gradually reduced.

No significant new forecasts have been published for the other sectors. We therefore refer to pages 85ff. of the Annual Report 2022.

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

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

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

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

Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

in thousand euros	1/1 to 30/6/2023	1/1 to 30/6/2022	1/4 to 30/6/2023	1/4 to 30/6/2022
Continuing operations				
Revenue	504,905	447,236	270,841	238,694
Cost of sales	329,813	301,123	173,532	152,478
Gross profit	**175,091**	**146,113**	**97,308**	**86,216**
Research and development expenses	29,847	25,384	15,726	13,074
Selling expenses	52,910	53,031	26,675	26,566
General administrative expenses	32,989	32,341	16,854	16,201
Other operating income	9,100	10,989	4,450	6,233
Other operating expenses	14,569	9,448	8,572	4,445
EBIT	**53,877**	**36,897**	**33,933**	**32,163**
Financial income	3,145	8,125	1,161	5,795
Financial expenses	10,899	9,716	5,452	6,893
Financial result	**– 7,754**	**– 1,591**	**– 4,291**	**– 1,098**
Earnings before tax from continuing operations	**46,123**	**35,306**	**29,642**	**31,065**
Income taxes	– 13,447	– 9,742	– 8,746	– 8,585
Earnings after tax from continuing operations	**32,676**	**25,565**	**20,896**	**22,479**
Discontinued operation				
Earnings after tax from discontinued operation	0	– 2,294	0	– 2,000
Group				
Earnings after tax	**32,676**	**23,271**	**20,896**	**20,480**
Results from non-controlling interests	733	– 46	712	145
Earnings attributable to shareholders	31,943	23,317	20,184	20,335
Earnings per share in euros (undiluted = diluted)	**0.56**	**0.41**	**0.35**	**0.36**

Consolidated Comprehensive Income

in thousand euros	1/1 to 30/6/2023	1/1 to 30/6/2022	1/4 to 30/6/2023	1/4 to 30/6/2022
Earnings after tax	**32,676**	**23,271**	**20,896**	**20,480**
Items that will never be reclassified to profit or loss	**0**	**9,138**	**0**	**4,708**
Actuarial gains / losses from the valuation of pensions and similar obligations	0	9,138	0	4,708
thereof: income taxes	0	– 2,664	0	– 848
Items that are or may be reclassified to profit or loss	**– 2,791**	**19,612**	**4,251**	**14,519**
Cash flow hedges	1,698	– 1,575	561	– 679
thereof: income taxes	– 705	667	– 209	280
Foreign currency exchange differences	– 4,488	21,186	3,690	15,198
thereof: income taxes	225	– 2,423	– 287	– 1,716
Total other comprehensive income	**– 2,790**	**28,750**	**4,252**	**19,227**
Total comprehensive income	**29,886**	**52,021**	**25,147**	**39,707**
Thereof attributable to:				
Non-controlling interests	44	202	311	345
Shareholders	29,842	51,819	24,837	39,362

Consolidated Statement of Financial Position

Assets in thousand euros	30/6/2023	31/12/2022	Change	30/6/2022
Non-current assets	**1,123,433**	**1,128,455**	**– 5,022**	**1,141,352**
Intangible assets	720,259	730,642	– 10,383	760,590
Property, plant and equipment	350,597	324,606	25,991	290,129
Investment property	3,526	3,592	– 66	3,587
Investments accounted for using the equity method	155	14,310	– 14,155	14,544
Financial investments	2,920	2,754	166	2,788
Other non-current assets	14,326	13,729	596	11,517
Deferred tax assets	31,651	38,822	– 7,171	58,197
Current assets	**558,366**	**543,309**	**15,057**	**586,969**
Inventories	291,519	255,950	35,569	241,448
Current trade receivables	126,997	138,769	– 11,772	117,301
Contract assets	58,152	58,096	56	80,633
Other current financial assets	9,621	13,423	– 3,802	25,616
Other current non-financial assets	20,098	19,265	833	20,816
Current financial investments	1,538	1,048	490	2,060
Cash and cash equivalents	49,141	56,758	– 7,617	99,094
Assets held for sale	1,300	0	1,300	0
Total assets	**1,681,799**	**1,671,765**	**10,034**	**1,728,321**

Equity and liabilities in thousand euros	30/6/2023	31/12/2022	Change	30/6/2022
Equity	**855,536**	**843,307**	**12,228**	**818,217**
Share capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	501,516	488,846	12,670	462,215
Non-controlling interests	10,914	11,356	– 442	12,897
Non-current liabilities	**535,754**	**518,959**	**16,795**	**552,117**
Pension provisions	4,188	4,262	– 74	5,057
Other non-current provisions	15,316	17,043	– 1,726	17,809
Non-current financial debt	498,026	477,729	20,297	501,470
Other non-current liabilities	3,375	3,863	– 488	3,254
Deferred tax liabilities	14,849	16,062	– 1,213	24,527
Current liabilities	**290,509**	**309,499**	**– 18,989**	**357,988**
Tax provisions	2,319	10,921	– 8,602	3,722
Other current provisions	35,955	43,887	– 7,933	34,449
Current financial debt	53,241	59,052	– 5,811	110,651
Current trade payables	88,600	100,600	– 12,000	91,970
Contract liabilities	74,960	64,856	10,103	66,445
Other current financial liabilities	8,930	10,306	– 1,375	23,582
Other current non-financial liabilities	26,505	19,876	6,629	27,168
Total equity and liabilities	**1,681,799**	**1,671,765**	**10,034**	**1,728,321**

Consolidated Statement of Cash Flows

in thousand euros	1/1 to 30/6/2023	1/1 to 30/6/2022	1/4 to 30/6/2023	1/4 to 30/6/2022
Earnings before tax from continuing operations	46,123	35,306	29,642	31,065
Earnings before tax from discontinued operation	0	– 1,376	0	– 1,368
Earnings before tax	**46,123**	**33,931**	**29,642**	**29,697**
Financial income and expenses	7,754	2,107	4,291	1,434
Depreciation and amortization	33,729	32,700	17,103	16,439
Impairment losses and reversals of impairment losses from non-current assets	3,994	0	3,994	0
Other non-cash income / expenses	534	993	474	820
Dividends received	95	0	95	0
Change in provisions	– 9,359	– 11,036	– 11,710	– 9,665
Change in working capital	– 19,986	– 7,770	– 28,443	– 9,761
Change in other assets and liabilities	4,477	– 1,584	2,318	– 653
Cash flows from operating activities before income tax payments	**67,361**	**49,341**	**17,764**	**28,312**
Income tax payments	– 16,773	– 8,063	– 11,609	– 4,855
Cash flows from operating activities	**50,588**	**41,277**	**6,155**	**23,457**
Capital expenditure for intangible assets	– 4,626	– 9,077	– 2,515	– 4,548
Proceeds from sale of property, plant and equipment	1,593	885	1,484	323
Capital expenditure for property, plant and equipment	– 38,188	– 30,182	– 19,114	– 16,554
Sale of subsidiaries or other business units, net of cash disposed of	2,600	64,925	581	64,925
Acquisition of consolidated entities, net of cash acquired	0	– 1,287	0	– 1,287
Proceeds from sale of investments accounted for using the equity method	8,494	0	8,494	0
Proceeds from other financial investments	151	1	1	1
Capital expenditure for other financial investments and investment properties	– 882	– 621	– 671	– 504
Interest received and similar income	708	543	511	369
Cash flows from investing activities	**– 30,151**	**25,188**	**– 11,229**	**42,725**
Dividends to shareholders of the parent company	– 17,171	– 14,310	– 17,171	– 14,310
Dividends to non-controlling interests	– 485	– 154	0	0
Proceeds from loans	13,311	64,036	– 28	56,669
Repayments of loans	– 7,437	– 57,619	21,914	– 57,327
Payments for leases	– 6,791	– 8,424	– 3,547	– 4,107
Change in group financing	1,026	– 1,903	27	– 1,256
Interest paid and similar expenses	– 7,662	– 5,133	– 2,232	– 1,688
Cash flows from financing activities	**– 25,211**	**– 23,507**	**– 1,038**	**– 22,018**
Cash-effective change in cash and cash equivalents	**– 4,774**	**42,957**	**– 6,112**	**44,164**
Less cash and cash equivalents from discontinued operation	0	46	0	242
Change in cash and cash equivalents from foreign currency effects	– 2,685	1,626	– 1,610	974
Change in cash and cash equivalents from first-time consolidation and valuation	– 158	– 352	60	– 342
Cash and cash equivalents at the beginning of the period	56,758	54,817	56,804	54,057
Cash and cash equivalents at the end of the period	**49,141**	**99,094**	**49,141**	**99,094**

Consolidated Statement of Changes in Equity

in thousand euros	Share capital	Capital reserve	Retained earnings	Equity instruments measured through other comprehensive income	Cash flow hedges
Balance at 1/1/2022	**148,819**	**194,286**	**426,627**	**– 86**	**– 659**
Net profit for the period			23,317		
Other comprehensive income after tax				0	– 1,575
Total comprehensive income			**23,317**	**0**	**– 1,575**
Transactions with owners (dividends)			– 14,310		
Transfer of actuarial effects to retained earnings			– 11,236		
Balance at 30/6/2022	**148,819**	**194,286**	**424,398**	**– 86**	**– 2,234**
Balance at 1/1/2023	**148,819**	**194,286**	**455,858**	**0**	**570**
Net profit for the period			31,943		
Other comprehensive income after tax				0	1,698
Total comprehensive income			**31,943**	**0**	**1,698**
Transactions with owners (dividends)			– 17,171		
Balance at 30/6/2023	**148,819**	**194,286**	**470,630**	**0**	**2,268**

in thousand euros	Cumulative exchange differences	Actuarial effects	Equity attributable to shareholders of JENOPTIK AG	Non-controlling interests	Total
Balance at 1/1/2022	16,644	– 17,820	767,811	12,849	780,659
Net profit for the period			23,317	– 46	23,271
Other comprehensive income after tax	20,939	9,138	28,503	247	28,750
Total comprehensive income	20,939	9,138	51,819	202	52,021
Transactions with owners (dividends)			– 14,310	– 154	– 14,464
Transfer of actuarial effects to retained earnings		11,236	0		0
Balance at 30/6/2022	37,583	2,554	805,320	12,896	818,217
Balance at 1/1/2023	28,605	3,813	831,951	11,356	843,307
Net profit for the period			31,943	733	32,676
Other comprehensive income after tax	– 3,799		– 2,102	– 689	– 2,791
Total comprehensive income	– 3,799		29,842	44	29,885
Transactions with owners (dividends)			– 17,171	– 485	– 17,657
Balance at 30/6/2023	24,805	3,813	844,621	10,914	855,536

Segment Report

January 1 to June 30, 2023

in thousand euros	Advanced Photonic Solutions	Smart Mobility Solutions	Non-Photonic Portfolio Companies	Other	Consolidation	Total
Revenue	394,248	54,677	59,962	28,899	– 32,882	504,905
	(345,131)	(44,675)	(60,768)	(21,234)	(– 24,571)	(447,236)
thereof intragroup revenue	4,222	0	1,723	26,936	– 32,882	0
	(829)	(0)	(3,668)	(20,075)	(– 24,571)	(0)
thereof external revenue	390,026	54,677	58,239	1,963	0	504,905
	(344,302)	(44,675)	(57,100)	(1,159)	(0)	(447,236)
Europe	218,084	34,005	22,369	1,963	0	276,421
	(189,207)	(29,930)	(18,464)	(1,159)	(0)	(238,760)
Americas	70,691	9,077	33,584	0	0	113,351
	(65,286)	(9,026)	(36,424)	(0)	(0)	(110,736)
Middle East / Africa	12,802	1,403	70	0	0	14,274
	(14,915)	(1,287)	(31)	(0)	(0)	(16,234)
Asia / Pacific	88,449	10,192	2,217	0	0	100,858
	(74,894)	(4,432)	(2,181)	(0)	(0)	(81,507)
EBITDA	85,938	4,421	7,009	– 5,496	– 271	91,600
	(77,207)	(1,358)	(– 138)	(– 8,656)	(– 173)	(69,598)
Free cash flow[1]	10,899	1,478	15,993	– 2,070	– 160	26,139
	(32,543)	(– 476)	(8,938)	(– 27,174)	(– 1,195)	(12,636)
Working capital[2]	244,838	31,941	44,390	– 8,922	862	313,108
	(205,051)	(34,141)	(57,795)	(– 9,725)	(97)	(287,359)
Order intake (external)	422,405	62,545	59,744	2,227	0	546,921
	(466,534)	(75,428)	(65,286)	(1,307)	(0)	(608,555)
Additions to intangible assets, property, plant and equipment and investment properties	38,913	4,739	5,778	3,756	0	53,186
	(32,242)	(2,969)	(792)	(6,100)	(0)	(42,103)

The figures in brackets relate to the prior year

[1] Cash flows from operating activities before payment of income taxes, less the inflows and outflows of funds for intangible assets and property, plant and equipment

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

Disclosures on Segment Reporting

Jenoptik has the following reportable segments: the Advanced Photonics Solutions and Smart Mobility Solutions divisions and the Non-Photonic Portfolio Companies. The prior year's figures for Advanced Photonics Solutions and the Non-Photonic Portfolio Companies have been adjusted due to minor changes in the composition of the segments.

Reconciliation of Segment Earnings

EBITDA means earnings before interest, taxes, depreciation, and amortization, including impairment losses and reversals. The reconciliation of the EBITDA with the EBIT reported in the consolidated income statement is shown as follows:

in thousand euros	1/1 to 30/6/2023	1/1 to 30/6/2022
EBITDA	91,600	69,598
Scheduled depreciation and amortization	– 33,729	– 32,700
Impairment losses	– 3,994	0
EBIT	53,877	36,897

Notes to the Interim Consolidated Financial Statements for the First Six Months of 2023

Parent Company

The parent company of the Jenoptik Group is JENOPTIK AG, based in Jena and registered in the Commercial Register at the Jena Local Court under number HRB 200146. JENOPTIK AG is listed on the German Stock Exchange in Frankfurt and traded on the TecDax and, since March 20, 2023, on the MDax (formerly: SDax), among others.

To some extent, the Jenoptik Group's business activities are subject to the influence of seasonal fluctuations. In the past, revenue and earnings contributions were higher in the fourth quarter, in particular, than in the preceding quarters, reflecting stronger year-end business. Consequently, the interim results are only of limited value in forecasting the results for the full fiscal year.

Accounting Principles

In these Interim Consolidated Financial Statements ("Interim Financial Statements") as of June 30, 2023, which have been prepared on the basis of International Accounting Standard (IAS) 34, "Interim Financial Reporting," the same accounting policies have generally been applied as in the Consolidated Financial Statements for the fiscal year 2022, with the exception of the standards or amendments to standards to be applied for the first time in the fiscal year 2023. Accordingly, these Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the fiscal year 2022, which are available on the Jenoptik website at www.jenoptik.com in the Investors/Reports and Presentations section. The latter were prepared in compliance with the International Financial Reporting Standards (IFRS), whose application is mandatory in the European Union.

In the first six months of fiscal year 2023, a number of amendments to standards came into effect that had no impact on the Jenoptik Group's accounting.

The Interim Financial Statements have been prepared in euros, the Group currency, and are stated in thousand euros unless otherwise indicated. Please note that there may be rounding differences compared to the mathematically exact amounts (monetary units, percentages, etc.).

Estimates

The preparation of the Interim Report in accordance with IFRS, as adopted by the EU, requires that assumptions be made for certain items, affecting their recognition in the statement of financial position or in the statement of comprehensive income, as well as the disclosure of contingent receivables and liabilities. All assumptions and estimates are made to the best of the Group's knowledge and belief and aim to provide a true and fair view of the net assets, financial position and result of operation of the Group.

The underlying assumptions and estimates are continually reviewed. This gives the author of the Interim Financial Statements a certain amount of discretionary leeway. The key assumptions and estimates used in preparing these Interim Financial Statements correspond unchanged to the disclosures in the notes to the consolidated financial statements as of December 31, 2022, starting on page 162.

The Group of Entities Consolidated

The Consolidated Financial Statements of JENOPTIK AG include 38 fully consolidated subsidiaries (31/12/2022: 39), of which 6 (31/12/2022: 7) are domiciled in Germany, 32 (31/12/2022: 32) abroad. The decrease is due to the liquidation of a property company.

The Jenoptik Group's scope of consolidation also includes 2 companies (31/12/2022: 3) that are included in the Consolidated Financial Statements using the at-equity method. The 50-percent of the shares in HILLOS GmbH previously held by Jenoptik were sold in the first half of 2023.

Material Transactions

Dividend. On June 7, 2023, the JENOPTIK AG Annual General Meeting resolved to pay out a dividend of 0.30 euros per share. Payment of the dividend reduced cash flows from financing activities by 17,171 thousand euros.

Classification of Material Financial Statement Items

in thousand euros	Advanced Photonic Solutions	Smart Mobility Solutions	Non-Photonic Portfolio Companies	Other	Total
External revenue	390,026	54,677	58,239	1,963	504,905
	(344,302)	(44,675)	(57,100)	(1,159)	(447,236)
thereof recognized over time	141,186	21,525	33,231	1,963	197,904
	(123,342)	(19,653)	(37,642)	(1,159)	(181,796)
thereof recognized at a point in time	248,840	33,152	25,008	0	307,000
	(220,960)	(25,022)	(19,458)	(0)	(265,440)

The figures in brackets relate to the prior year

Revenue. A breakdown of revenues from contracts with customers by divisions and regions is set out in the table on information by segment on page 22. The breakdown of revenue, recognized over time and revenue recognized at a point in time as specified in IFRS 15, is shown in the table above. Revenue recognized over time particularly includes revenue from customer-specific volume production in the Advanced Photonic Solutions division, customer-specific individual production and services performed, such as from customer-specific development projects, and from traffic service provision agreements.

Discontinued operation. With the signing of the agreement to sell the VINCORION division on November 25, 2021, the segment was classified as a discontinued operation. The sale was completed with the closing on June 30, 2022.

Earnings after tax in the discontinued operation, as reported in the prior year, are composed as follows:

Result from discontinued operation

in thousand euros	1/1 to 30/6/2022
Revenue	47,855
Expenses	47,540
EBIT	**315**
Financial result	– 415
Earnings before tax on operating activities	**– 100**
Income taxes	– 918
Earnings from operating activities after taxes	**– 1,019**
Loss from the sale of discontinued operation	– 1,275
Earnings after tax from discontinued operation	**– 2,294**

The net cash flows of VINCORION included in the consolidated statement of cash flows are shown as follows:

Net cash flows from discontinued operation

in thousand euros	1/1 to 30/6/2023	1/1 to 30/6/2022
Operating activities	0	3,331
Investing activities [1]	2,605	60,317
Financing activities	0	– 2,076
Net cash flows	**2,605**	**61,572**

[1] Including receipts from the sale of the discontinued operation

Classification of Material Financial Statement Items

Intangible assets

in thousand euros	30/6/2023	31/12/2022
Goodwill	566,156	567,004
Acquired patents, trademarks, software, customer relationships	135,052	145,490
Development costs arising from internal development projects	15,558	13,252
Internally generated patents	1,226	1,182
Other intangible assets	2,267	3,714
Total	720,259	730,642

Inventories

in thousand euros	30/6/2023	31/12/2022
Raw materials, consumables and supplies	118,793	105,796
Unfinished goods and work in progress	130,282	112,626
Finished goods and merchandise	40,607	35,689
Payments on-account	1,838	1,838
Total	291,519	255,950

Property, plant and equipment

in thousand euros	30/6/2023	31/12/2022
Land, buildings	186,591	177,277
Technical equipment and machinery	89,667	84,104
Other equipment, operating and office equipment	29,448	27,368
Payments on-account and equipment under construction	44,891	35,857
Total	350,597	324,606
thereof rights of use assets	65,311	55,203

Other current financial assets

in thousand euros	30/6/2023	31/12/2022
Receivables arising from contingent considerations	3,652	3,652
Receivables from disposal of companies	2,241	4,846
Receivable arising from surety retention for factoring	1,244	1,248
Other receivables due from non-consolidated associates and investments	19	1,006
Derivatives	1,489	1,385
Other current financial assets	977	1,287
Total	9,621	13,423

Other non-current assets

in thousand euros	30/6/2023	31/12/2022
Derivatives	10,458	10,428
Other non-current financial assets	2,043	2,242
Other non-current non-financial assets	1,823	1,058
Non-current trade receivables	2	2
Total	14,326	13,729

Other current non-financial assets

in thousand euros	30/6/2023	31/12/2022
Accruals	9,502	8,730
Receivables from other taxes	4,593	8,506
Receivables from employees and accrued personnel costs	4,119	135
Receivables from income taxes	1,407	1,393
Other current non-financial assets	476	501
Total	20,098	19,265

Assets held for sale. On July 13, 2023, Jenoptik signed an agreement to sell its previously held 33.33% shares in TELSTAR-HOMMEL CORPORATION, Ltd. The investment, valued in accordance with the at-equity method, was reclassified as an asset held for sale as of June 30, 2023. Due to the valuation at fair value minus selling costs, an impairment of 3,994 thousand euros was recognized in other operating expenses.

Non-current financial debt

in thousand euros	30/6/2023	31/12/2022
Liabilities to banks	446,003	435,369
Liabilities from leases	52,023	42,360
Total	**498,026**	**477,729**

Current financial debt

in thousand euros	30/6/2023	31/12/2022
Liabilities to banks	41,301	47,135
Liabilities from leases	11,940	11,916
Total	**53,241**	**59,052**

Other current financial liabilities

in thousand euros	30/6/2023	31/12/2022
Liabilities from acquisitions or disposals	320	320
Derivatives	1,296	2,015
Liabilities from interest payments	3,468	3,762
Other current financial liabilities	3,847	4,209
Total	**8,930**	**10,306**

Other current non-financial liabilities

in thousand euros	30/6/2023	31/12/2022
Liabilities to employees	16,021	9,056
Liabilities arising from other taxes	6,526	7,560
Liabilities arising from social security payments	2,516	1,969
Liabilities to trade association	951	1,081
Accruals	354	60
Other current non-financial liabilities	137	149
Total	**26,505**	**19,876**

Financial Instruments

Within the framework of its operating activities, the Jenoptik Group is exposed to credit, default, liquidity and market risks. These risks are reflected in the financial assets and liabilities presented below. The non-current and current portions of the balance sheet items are summarized in the following tables:

Financial assets

in thousand euros	Valuation category in accordance with IFRS 9[1]	30/6/2023	31/12/2022
Financial investments			
Current financial investments (cash deposits)	AC	1,538	1,048
Shares in non-consolidated associates and investments	FVTOCI	772	807
Loans and other financial investments	AC	2,147	1,947
Trade receivables	AC	126,999	138,771
Other financial assets			
Receivables from contingent considerations	FVTPL	3,652	3,652
Derivates with hedge relationships			
- Interest and currency swap	---	4,678	6,242
- Foreign exchange forward transactions/foreign exchange swaps	---	2,905	826
- Interest cap	---	3,825	4,088
Derivates without hedge relationships			
- Foreign exchange forward transactions/foreign exchange swaps	FVTPL	262	28
- Interest cap	FVTPL	277	630
Other financial assets	AC	6,523	10,628
Cash and cash equivalents	AC	49,141	56,758
Total		202,719	225,424

[1] AC = Amortised costs
FVTPL = Fair value through Profit & Loss
FVTOCI = Fair value through other comprehensive income

Financial liabilities

in thousand euros	Valuation category in accordance with IFRS 9 [1]	30/6/2023	31/12/2022
Financial debt			
Liabilites to banks	AC	487,304	482,505
Liabilities from leases	-[2]	63,963	54,276
Trade payables	AC	88,718	100,860
Other financial liabilities			
Liabilities from contingent considerations	FVTPL	320	320
Derivatives with hedge relationships			
- Foreign exchange forward transactions/Foreign exchange swaps	---	1,030	1,782
Derivatives without hedge relationships			
- Foreign exchange forward transactions/Foreign exchange swaps	FVTPL	551	596
Other financial liabilities	AC	10,287	11,211
Total		**652,173**	**651,550**

[1] AC = Amortised costs
FVTPL = Fair value through Profit & Loss
FVTOCI = Fair value through other comprehensive income
[2] Valuation in accordance with IFRS 16

The classification in the fair value hierarchy for financial assets and liabilities measured at fair value is shown in the following overview:

in thousand euros	30/6/2023	Level 1	Level 2	Level 3
Shares in non-consolidated associates and investments	772 (807)	0 (0)	0 (0)	772 (807)
Receivables from contingent considerations	3,652 (3,652)	0 (0)	0 (0)	3,652 (3,652)
Derivatives with hedge relationships (assets)	11,408 (11,155)	0 (0)	11,408 (11,155)	0 (0)
Derivatives without hedge relationships (assets)	539 (657)	0 (0)	539 (657)	0 (0)
Payables from contingent considerations	320 (320)	0 (0)	0 (0)	320 (320)
Derivatives with hedge relationships (liabilities)	1,030 (1,782)	0 (0)	1,030 (1,782)	0 (0)
Derivatives without hedge relationships (liabilities)	551 (596)	0 (0)	551 (596)	0 (0)

The figures in brackets relate to the prior year

Fair values available as quoted market prices at all times are allocated to level 1. Fair values determined on the basis of direct or indirect observable parameters are allocated to level 2. Level 3 is based on valuation parameters that are not derived from observable market data.

The fair values of all derivatives are determined using generally recognized measurement methods. In this context, the future cash flows determined via the agreed forward rate or interest rate are discounted using current market data. The market data used in this context is taken from leading financial information systems, such as for example Refinitv. If interpolation of market data is applied, it is done on a straight-line basis.

The fair value of contingent consideration is measured by taking the expected and discounted payment inflows and outflows as of the reporting date. Fair value adjustments recorded through profit or loss are recognized in other operating income or expenses; the compounding is recognized in the financial result.

Contingent considerations. As of June 30, 2023, the recognized receivables and liabilities from contingent considerations result from a revenue-based bonus/malus arrangement related to the acquisition of TRIOPTICS (see disclosures in the Notes as of December 31, 2022, starting from page 207). Regarding the amount of the malus, Jenoptik is currently involved in an arbitration process, the conclusion of which is expected in the second half of 2023.

Disclosures on Contingent Liabilities

Guarantees, letters of patronage, and warranties provided in favor of VINCORION, which was sold in the fiscal year 2022, have reduced to 10,070 thousand euros (31/12/2022: 19,519 thousand euros) in the first half-year 2023. Bank guarantees amounting to 70 thousand euros (31/12/2022: 9,519 thousand euros) have been issued until a liberating debt assumption by VINCORION. The risk of future claims is currently considered to be low.

Related Party Disclosures

No material business transactions were performed with related parties in the current reporting period.

German Corporate Governance Code

The current declaration of the Executive Board and Supervisory Board in accordance with § 161 of the Stock Corporation Act (AktG) on the German Corporate Governance Code is permanently available to shareholders in the Investors/ Corporate Governance section of the Jenoptik website at www.jenoptik.com. The declaration can also be viewed at the company’s registered office.

Litigations

JENOPTIK AG and its group entities are involved in several court or arbitration proceedings. Provisions for litigation risks, respectively litigation expenses, were set aside in the appropriate amounts in order to meet any potential financial burdens resulting from current court or arbitration proceedings. Where these proceedings could have a significant impact on the economic situation of the Group, they are set out in the 2022 Consolidated Financial Statements. As of June 30, 2023, no further litigations arose that could have a material impact on the Group’s financial position.

Events after the Balance Sheet Date

As part of its ongoing focus strategy, on July 13, 2023, Jenoptik signed a contract to acquire the remaining 33.34 percent shares in JENOPTIK Korea Corporation Ltd. from the previous co-shareholder, TELSTAR-HOMMEL CORPORATION, Ltd. As a result of this transaction, Jenoptik holds 100 percent of the shares in the company since the closing on August 6, 2023. At the same time, Jenoptik sold its 33.33-percent share in TELSTAR-HOMMEL CORPORATION, Ltd., which is focused on the automotive market, to the latter (see the section "Assets held for sale").

There were no other events after the date of the statement of financial position of June 30, 2023 that were of significance to the Group or had a significant influence on Jenoptik's earnings, financial, or asset positions.

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Assurance from the Legal Representatives

We give our assurance that, to the best of our knowledge and in accordance with the applicable accounting principles, the Consolidated Interim Financial Statements give a true and fair view of the asset, financial, and earnings position of the Group and that the course of business, including the business result and the position of the Group, is portrayed in such a way in the Group Interim Management Report that a true and accurate picture is conveyed and that the significant opportunities and risks of the Group's future development are fairly described.

Jena, August 8, 2023

Dr. Stefan Traeger
President & CEO

Dr. Prisca Havranek-Kosicek
Chief Financial Officer

Dr. Ralf Kuschnereit
Member of the Executive Board

Dates

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

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