Interview with the Executive Board

Jenoptik successfully concluded the fiscal year 2024 with record figures for revenue and earnings. Group revenue was almost 5 percent up year-on-year, with all three divisions contributing to this. At 19.9 percent, the EBITDA margin reached the upper end of the forecast range. We have set up the company more efficiently, and Jenoptik's balance sheet and financial position is very strong. As a result, the company is looking to the future with confidence, even if the environment in its key markets is very challenging in the short term in 2025. Accordingly, the original targets for revenue and an EBITDA margin of around 1.2 billion euros and 21 to 22 percent respectively were postponed to 2026. Details of these issues are explained by Jenoptik Executive Board members Dr. Stefan Traeger, Dr. Prisca Havranek-Kosicek, and Dr. Ralf Kuschnereit in this interview.

Dr. Traeger, first of all, congratulations on the excellent revenue and earnings figures. How has Jenoptik developed over the past year from your perspective?

Stefan Traeger: From a financial perspective, 2024 was another very good year for us, even in a challenging environment. With group revenue of around 1.12 billion euros, we exceeded the prior year's figure by 4.7 percent as guided. At 19.9 percent, the EBITDA margin even reached the upper end of the forecast range. We have also continued to develop in terms of our organization. In the course of the fiscal year 2024, we began to verticalize our businesses, that is to say, we largely dissolved our matrix organization, creating a leaner organizational structure. In doing so, we want to further sharpen the focus on our respective core markets by further increasing customer focus and facilitating clearer responsibilities and shorter decision-making processes. In short, Jenoptik should operate more simply and efficiently.

Why is the stock market currently not rewarding your good financial development?

Stefan Traeger: Well, typically, the stock market reflects the past less than the future. Accordingly, the capital market seems to be giving much greater weight to the delayed recovery in the semiconductor equipment industry and the general economic and political uncertainties, such as the tariffs debate. Irrespective of these short-term uncertainties, we are certain that Jenoptik is on the right track with its focus on the growth areas of semiconductor technology, medical technology, metrology, and smart mobility.

> "We are convinced that Jenoptik is on the right track with its focus on selected growth areas."
>
> Dr. Stefan Traeger

Dr. Havranek-Kosicek, let's begin by talking briefly about the fiscal year 2024 and taking a closer look at the key figures.

Prisca Havranek-Kosicek: First of all, we achieved our goals in 2024. I would also like to emphasize the strong improvement in our earnings per share of 27.6 percent to 1.62 euros. As Chief Financial Officer, the quality of our balance sheet and cash flow are of particular importance to me. Despite continued high capital expenditure, our free cash flow is at a good level of around 103 million euros. We were able to further reduce the ratio of net debt to EBITDA – leverage, in other words – from 2.0x to 1.8x, and our equity ratio is also very solid at 55.6 percent. Jenoptik is therefore a very healthy company.

Dr. Kuschnereit, you are the Executive Board member responsible for the largest division, Advanced Photonic Solutions. How do you assess its developments?

Ralf Kuschnereit: In recent years, through innovations and acquisitions, we have successfully developed Jenoptik into a company whose products are indispensable to our customers. Our growth areas of semiconductor technology, medical technology, metrology and smart mobility promise high growth potential for the mid term. Following the profitable growth spurt of prior years, short-term market uncertainties and the reduction of inventories in the value chains do not alter our conviction that our key customers, and therefore we as a supplier and partner to our customers, will benefit greatly from the megatrends of digitization, AI, electromobility, and robotics. We also see significant growth potential in the other Jenoptik target markets in the medium and long term.

> "We have positioned Jenoptik to benefit from megatrends that will influence our future."
>
> Dr. Ralf Kuschnereit

This brings me to the expansion in Dresden. Do you believe the decision to invest a large sum here was definitely the right thing to do?

Ralf Kuschnereit: Absolutely, we need the capacity created for the expected increase in demand. Our Dresden project is an important foundation for realizing the growth potential in this area. As announced, production began in early 2025. Our plant is state-of-the-art and efficient, supplying our micro-optics and sensors to customers all over the world.

The pressure from customers to keep coming up with new, innovative technologies remains high, doesn’t it?

Stefan Traeger: We wouldn’t have been so successful for so many years if we hadn’t learned to deal well with pressure. So when it comes to innovation, I would prefer to talk about motivation and drive on our part. Almost 15 percent of our group employees work in research and development. Including new products developed in cooperation with our customers, our R+D output amounted to 9.5 percent of group revenue in 2024. We are very proud of our capacity for innovation, and it is being recognized. With regard to our portfolio, our top priority remains the positioning of Jenoptik as a global leader in the photonics markets, and our portfolio will continue to reflect this in the medium term.

You have already indicated that 2025 will not be an easy year, a year of transition. What exactly do you expect?

Prisca Havranek-Kosicek: Due to the news from some of our key end markets we already expected a more difficult market environment in the second half of 2024; this is also reflected in our order intake, which is below that of the prior year. The first half of 2025, in particular, is likely to be more sluggish due to the expected delay in the recovery in the semiconductor equipment industry and the negative impact from the automotive industry. However, we see good opportunities for a market recovery from the middle of the year onwards. So in the fiscal year 2025, we expect group revenue to be at around the same level as in 2024 with a bandwidth of +/- 5 percent, and an EBITDA between 18.0 and 21.0 percent. Following the completion of our major project in Dresden, our capital expenditure will drop noticeably in the current fiscal year. We will then expect free cash flow to increase significantly.

“In 2025, our capital expenditure will reduce significantly.”

Dr. Prisca Havranek-Kosicek

... and after that, from 2026, things will pick up again?

Prisca Havranek-Kosicek: If our expectation of a recovery in the second half of 2025 proves to be true, we firmly believe that this will be the case. In 2026, our aim is to achieve the targets of around 1.2 billion euros in revenue and an EBITDA margin of 21 to 22 percent that were originally set for 2025. The basis for this is solid organic growth, particularly in our semiconductor equipment business.

What can your shareholders expect from you this year?

Stefan Traeger: As already mentioned, our core photonics business has significant profitable growth potential, and we will continue to focus our portfolio on this. We are in an excellent financial position and our free cash flow is set to increase significantly in 2025. Our aim is to continue delivering what we promise, and I am convinced that these positive factors will be reflected in our share price. In addition, we will continue to give our shareholders an appropriate share in the company’s success in the future; our dividend for 2024 is to be increased to 0.38 euros per share.

Mr. Traeger, Ms. Havranek-Kosicek, Mr. Kuschnereit, good luck for 2025 and thank you very much for talking to us!