

Buy EUR 15.00 Price EUR 9.75 Upside 53.8 %	Value Indicators: EUR DCF: 15.16 FCF-Value Potential 25e: 13.61	Warburg ESG Risk Score: 3.0 ESG Score (MSCI based): 2.0 Balance Sheet Score: 5.0 Market Liquidity Score: 2.0	Description: Highly specialised machine manufacturer developing laser applications for special purposes
	Market Snapshot: EUR m Market cap: 238.8 No. of shares (m): 24.5 EV: 220.1 Freefloat MC: 238.8 Ø Trad. Vol. (30d): 532.15 th	Shareholders: Freefloat 100.00 % Small Cap World Fund 5.00 % JPMorgan AM 3.00 % Société Générale 3.00 % UBS 3.00 %	Key Figures (WRe): 2023e Beta: 1.3 Price / Book: 2.4 x Equity Ratio: 73 %

Order momentum picks up in Q1 in all segments

Stated Figures Q1/2023: FY End: 31.12. in EUR m								Comment on Figures: <ul style="list-style-type: none"> Sales declined as a result of component bottlenecks as well as positive effects last year, including the delivery of a large LIDE order and delays in Q4 21. Gross margin was low (73.3% vs. 80.2% in Q1 22), mainly due to a higher share of low-margin traded components in the Solar segment. EBIT margin was further burdened by ramp-up and developments costs for LIDE and ARRALYZE. 									
	Q1 23	Q1 23e	Q1 22	yoy	23e	22	yoy										
Sales	20.2	21.1	25.8	-22 %	131.9	123.7	7 %										
EBITDA	-4.4	-2.8	3.0	n.a.	14.4	15.1	-5 %										
Margin	-21.5 %	-13.3 %	11.5 %		10.9 %	12.2 %											
EBIT	-6.6	-5.2	1.0	n.a.	5.5	6.8	-20 %										
Margin	-32.4 %	-24.5 %	4.0 %		4.1 %	5.5 %											

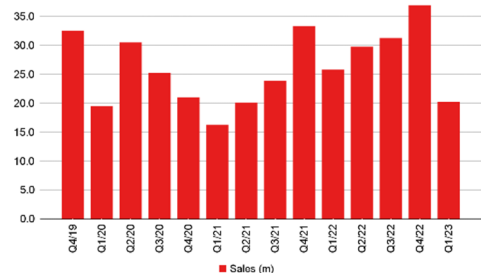
LPKF published figures for the first quarter that were slightly below our estimates but within the company's target range, and provided an outlook for Q2. Sales declined by 21.6% to EUR 20.2m (WRe EUR 21.1m), reaching the lower end of the company's own target of EUR 20-22m. EBIT was only EUR -6.6m (WRe -5.2m) after EUR 1m last year, but reached the guidance (EUR -5m to -7m). The significant decrease was partly the result of last year's strong Q1, which benefitted from delays in Q4 21 that were then delivered in the first quarter, as well as some segment-specific developments:

- Electronics (sales EUR 5.2m, -32% yoy, EBIT EUR -2.5m) saw solid growth in its core business, but was unable to fully compensate for the large LIDE order delivered in Q1 last year.
- Development (sales EUR 5.7m, -21% yoy, EBIT EUR -0.7m) started its first ARRALYZE beta test with a customer, which increased ramp-up and development costs but has not yet generated revenue.
- Welding (sales EUR 2.8m, -35% yoy, EBIT EUR -1.9m) deliveries were impeded by component shortages. Thus, despite a high demand and order backlog, sales declined, but should pick up again in Q2.
- Solar (sales EUR 6.5m, -3% yoy, EBIT EUR -1.5m) sales were stable, despite no major orders being delivered, but mainly driven by traded components with little or no EBIT contribution. In addition, ramp-up costs for the new product line burdened profitability.

Overall, despite the weak figures, we see first indicators of strong prospects, including progress with ARRALYZE, solid visibility for solar deliveries in H2 and mostly temporary burdens on profitability. In addition, order intake increased significantly by 65% to EUR 39.6m due to increasing demand in all segments. The order backlog reached EUR 82.6m (Q1 22 EUR 60.8m), with EUR 67m scheduled for delivery this year. Based on the high demand, LPKF has confirmed its outlook for the full year (sales EUR 125-140m, EBIT margin 3% to 7%) and expects a qoq improvement in Q2 (sales EUR 25-30m, EBIT of EUR -3m to +1m). Even at the upper end, this implies a notable sequential growth acceleration in H2, but this seems plausible considering the large solar order scheduled for delivery mostly in Q4. We confirm our estimates, price target and Buy recommendation for LPKF.

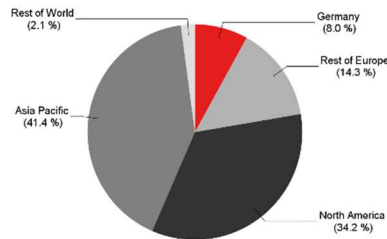
	FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
	Sales	15.2 %	140.0	96.2	93.6	123.7	131.9	166.2	189.2
Change Sales yoy			16.7 %	-31.3 %	-2.8 %	32.2 %	6.6 %	26.0 %	13.8 %
Gross profit margin			63.8 %	72.4 %	74.7 %	70.1 %	69.6 %	70.1 %	69.5 %
EBITDA	37.8 %	26.9	14.8	7.6	15.1	14.4	30.8	39.6	
Margin			19.2 %	15.4 %	8.1 %	12.2 %	10.9 %	18.5 %	20.9 %
EBIT	63.1 %	19.2	7.5	0.1	6.8	5.5	21.2	29.4	
Margin			13.7 %	7.8 %	0.1 %	5.5 %	4.1 %	12.8 %	15.5 %
Net income	132.4 %	13.1	5.3	-0.1	1.7	3.8	15.0	20.8	
EPS	129.8 %	0.54	0.22	0.00	0.07	0.16	0.61	0.85	
EPS adj.	129.8 %	0.54	0.22	0.00	0.07	0.16	0.61	0.85	
DPS	-	0.10	0.10	0.00	0.00	0.20	0.20	0.20	
Dividend Yield			1.1 %	0.5 %	n.a.	n.a.	2.1 %	2.1 %	2.2 %
FCFPS		1.72	-0.23	-0.03	0.01	0.37	0.65	0.80	
FCF / Market cap		18.3 %	-1.1 %	-0.1 %	0.1 %	3.8 %	6.7 %	8.7 %	
EV / Sales		1.5 x	5.1 x	5.9 x	2.2 x	1.7 x	1.2 x	0.9 x	
EV / EBITDA		7.7 x	33.2 x	72.1 x	17.9 x	15.3 x	6.6 x	4.3 x	
EV / EBIT		10.8 x	65.4 x	n.a.	39.8 x	40.3 x	9.6 x	5.8 x	
P / E		17.4 x	93.8 x	n.a.	163.0 x	60.9 x	16.0 x	10.8 x	
P / E adj.		17.4 x	93.8 x	n.a.	163.0 x	60.9 x	16.0 x	10.8 x	
FCF Potential Yield		8.9 %	2.2 %	1.1 %	2.9 %	4.6 %	10.4 %	16.1 %	
Net Debt		-22.1	-12.8	-9.6	-9.6	-18.7	-34.7	-54.2	
ROCE (NOPAT)		16.5 %	7.4 %	0.0 %	2.1 %	4.7 %	18.9 %	26.1 %	
Guidance:	Sales EUR 125-140m. EBIT margin 3% to 7%								

Sales development
in EUR m



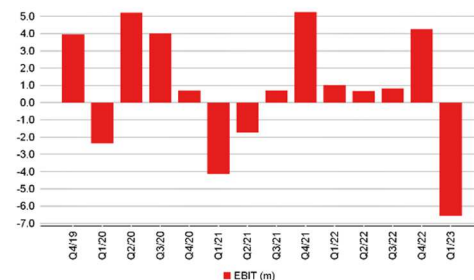
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

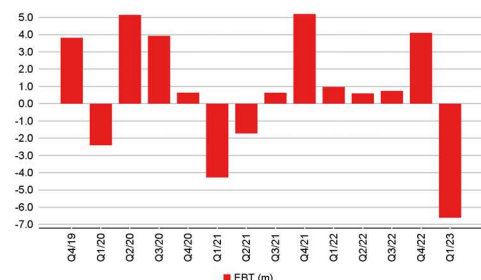
Company Background

- Global market leader/top supplier of laser-based processing tools replacing conventional and non-digital processes.
- LPKF is an innovation leader and usually the first supplier of new laser-based processing technologies.
- Approx. 50% of revenues are generated with the development and production of PCBs (segments Development and Electronics) where LPKF is global market leader with market shares of up to 65% in its applications.
- LPKF's Solar BU offers laser scribe to producers of thin film solar modules. In the future the new LTP technology will also contribute to this segment.
- The Welding segment offers versatile applications for a range of customer industries including automotive, consumer electronics and healthcare

Competitive Quality

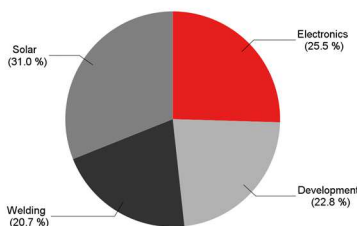
- LPKF is the technologically leading company in the market of laser applications and often first supplier of its customers.
- The high innovative strength of the company ensures the market-leading position and gives LPKF a first-mover advantage in new products that offer highly attractive TCO compared to conventional solutions.
- The company holds a dominant market-leading position in selected niches (e.g. in development and solar segment) but there is also some dependency on single customers.
- International service and distribution network fosters close relationships to customers.
- The focused low-asset business model and high R&D efforts offer high scalability and attractive capital returns.

EBT development
in EUR m



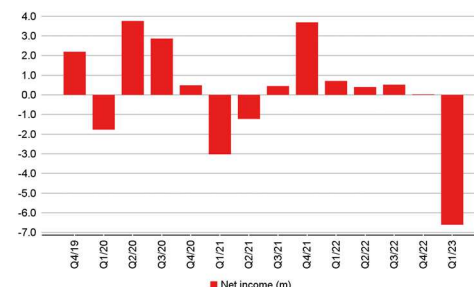
Source: Warburg Research

Sales by segments
2022; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	131.9	166.2	189.2	211.9	235.3	258.8	282.1	306.1	330.5	350.4	364.4	375.3	384.7	
Sales change	6.6 %	26.0 %	13.8 %	12.0 %	11.0 %	10.0 %	9.0 %	8.5 %	8.0 %	6.0 %	4.0 %	3.0 %	2.5 %	2.5 %
EBIT	5.5	21.2	29.4	33.9	38.8	41.4	43.7	47.4	51.2	54.3	56.5	58.2	59.6	
EBIT-margin	4.1 %	12.8 %	15.5 %	16.0 %	16.5 %	16.0 %	15.5 %	15.5 %	15.5 %	15.5 %	15.5 %	15.5 %	15.5 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	29.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	3.9	15.1	20.9	24.1	27.2	29.0	30.6	33.2	35.9	38.0	39.5	40.7	41.7	
Depreciation	8.9	9.5	10.1	10.6	10.8	10.9	11.3	12.2	13.2	14.0	14.6	15.0	15.4	
in % of Sales	6.8 %	5.7 %	5.4 %	5.0 %	4.6 %	4.2 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-5.0	-0.1	3.2	2.4	1.7	2.8	2.8	2.9	2.9	2.4	1.7	1.3	1.1	
- Capex	9.4	9.4	9.0	9.5	9.4	10.4	11.3	12.2	13.2	14.0	14.6	15.0	15.4	
Capex in % of Sales	7.1 %	5.7 %	4.7 %	4.5 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
- Other	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	7.9	14.7	18.2	22.8	26.9	26.7	27.8	30.4	33.0	35.7	37.9	39.4	40.6	42
PV of FCF	7.5	12.7	14.3	16.3	17.5	15.9	15.1	15.0	14.8	14.6	14.1	13.4	12.6	178
share of PVs	9.53 %			41.31 %										49.16 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	2.00 %	Financial Strength	1.10
Cost of debt (after tax)	2.8 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	1.30
Risk free rate	2.75 %	Transparency	1.50
		Others	1.30
WACC	9.76 %	Beta	1.30

Valuation (m)

Present values 2035e	184		
Terminal Value	178		
Financial liabilities	3		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	13	No. of shares (m)	24.5
Equity Value	371	Value per share (EUR)	15.16

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.49	10.8 %	12.68	12.82	12.98	13.15	13.33	13.52	13.72	1.49	10.8 %	11.83	12.27	12.71	13.15	13.59	14.03	14.47
1.39	10.3 %	13.52	13.70	13.89	14.09	14.30	14.53	14.77	1.39	10.3 %	12.67	13.14	13.61	14.09	14.56	15.03	15.50
1.35	10.0 %	13.98	14.18	14.38	14.60	14.84	15.09	15.36	1.35	10.0 %	13.14	13.63	14.11	14.60	15.09	15.58	16.07
1.30	9.8 %	14.48	14.69	14.91	15.16	15.41	15.69	15.99	1.30	9.8 %	13.63	14.14	14.65	15.16	15.66	16.17	16.68
1.25	9.5 %	15.00	15.23	15.48	15.75	16.03	16.34	16.68	1.25	9.5 %	14.17	14.70	15.22	15.75	16.28	16.80	17.33
1.21	9.3 %	15.56	15.82	16.09	16.39	16.70	17.05	17.42	1.21	9.3 %	14.74	15.29	15.84	16.39	16.94	17.48	18.03
1.11	8.8 %	16.81	17.12	17.46	17.82	18.21	18.64	19.11	1.11	8.8 %	16.03	16.63	17.23	17.82	18.42	19.01	19.61

- Comparably high growth rates in 2024 and 2025 driven by anticipated LIDE orders
- Margin increase resulting from the high scalability of LPKF's business model
- The "Others" line comprises adjustments for leasing related depreciations

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2019	2020	2021	2022	2023e	2024e	2025e	
Net Income before minorities	13.1	5.3	-0.1	1.7	3.8	15.0	20.8	
+ Depreciation + Amortisation	7.7	7.3	7.5	8.3	8.9	9.5	10.1	
- Net Interest Income	-0.5	-0.2	-0.2	-0.4	-0.1	-0.1	-0.1	
- Maintenance Capex	2.8	1.9	1.9	2.5	2.6	3.3	3.8	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	18.5	11.0	5.8	7.9	10.2	21.3	27.3	
FCF Potential Yield (on market EV)	8.9 %	2.2 %	1.1 %	2.9 %	4.6 %	10.4 %	16.1 %	
WACC	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	
= Enterprise Value (EV)	208.3	493.0	547.8	269.9	220.1	204.2	169.7	
= Fair Enterprise Value	189.8	112.3	59.2	80.9	104.2	218.2	279.3	
- Net Debt (Cash)	-9.9	-9.9	-9.9	-9.9	-19.0	-34.9	-54.5	
- Pension Liabilities	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	199.3	121.9	68.8	90.4	123.0	252.9	333.5	
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5	
= Fair value per share (EUR)	8.14	4.97	2.81	3.69	5.02	10.32	13.61	
premium (-) / discount (+) in %					-48.5 %	5.9 %	49.0 %	
Sensitivity Fair value per Share (EUR)								
	12.76 %	6.32	3.90	2.24	2.92	4.02	8.23	10.93
	11.76 %	6.82	4.20	2.40	3.13	4.30	8.81	11.67
	10.76 %	7.42	4.55	2.58	3.39	4.62	9.50	12.55
WACC	9.76 %	8.14	4.97	2.81	3.69	5.02	10.32	13.61
	8.76 %	9.02	5.50	3.09	4.07	5.51	11.34	14.92
	7.76 %	10.13	6.16	3.43	4.54	6.12	12.62	16.55
	6.76 %	11.58	7.01	3.88	5.16	6.91	14.28	18.68

▪ To maintain its production, we assume an investment of 2% of sales

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	2.5 x	5.4 x	6.0 x	3.0 x	2.4 x	2.1 x	1.7 x
Book value per share ex intangibles	3.06	3.09	2.99	3.01	3.12	3.71	4.59
EV / Sales	1.5 x	5.1 x	5.9 x	2.2 x	1.7 x	1.2 x	0.9 x
EV / EBITDA	7.7 x	33.2 x	72.1 x	17.9 x	15.3 x	6.6 x	4.3 x
EV / EBIT	10.8 x	65.4 x	n.a.	39.8 x	40.3 x	9.6 x	5.8 x
EV / EBIT adj.*	11.3 x	65.4 x	n.a.	39.8 x	40.3 x	9.6 x	5.8 x
P / FCF	5.5 x	n.a.	n.a.	n.a.	26.1 x	15.0 x	11.5 x
P / E	17.4 x	93.8 x	n.a.	163.0 x	60.9 x	16.0 x	10.8 x
P / E adj.*	17.4 x	93.8 x	n.a.	163.0 x	60.9 x	16.0 x	10.8 x
Dividend Yield	1.1 %	0.5 %	n.a.	n.a.	2.1 %	2.1 %	2.2 %
FCF Potential Yield (on market EV)	8.9 %	2.2 %	1.1 %	2.9 %	4.6 %	10.4 %	16.1 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	140.0	96.2	93.6	123.7	131.9	166.2	189.2
Change Sales yoy	16.7 %	-31.3 %	-2.8 %	32.2 %	6.6 %	26.0 %	13.8 %
Increase / decrease in inventory	-0.8	0.2	7.3	-5.2	-6.5	0.7	0.6
Own work capitalised	4.3	5.3	5.9	6.3	6.5	6.3	5.7
Total Sales	143.6	101.7	106.7	124.8	131.9	173.2	195.5
Material expenses	54.2	32.0	36.8	38.0	40.1	56.7	64.0
Gross profit	89.4	69.7	69.9	86.7	91.8	116.5	131.5
<i>Gross profit margin</i>	<i>63.8 %</i>	<i>72.4 %</i>	<i>74.7 %</i>	<i>70.1 %</i>	<i>69.6 %</i>	<i>70.1 %</i>	<i>69.5 %</i>
Personnel expenses	44.7	41.5	44.3	49.5	55.0	60.2	65.3
Other operating income	4.0	3.8	3.3	4.2	4.1	4.0	4.0
Other operating expenses	21.7	17.1	21.2	26.4	26.5	29.6	30.7
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	26.9	14.8	7.6	15.1	14.4	30.8	39.6
<i>Margin</i>	<i>19.2 %</i>	<i>15.4 %</i>	<i>8.1 %</i>	<i>12.2 %</i>	<i>10.9 %</i>	<i>18.5 %</i>	<i>20.9 %</i>
Depreciation of fixed assets	4.4	4.0	3.8	3.8	3.9	4.0	4.0
EBITA	22.5	10.9	3.8	11.3	10.5	26.8	35.6
Amortisation of intangible assets	3.3	3.3	3.7	4.5	5.0	5.6	6.2
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	19.2	7.5	0.1	6.8	5.5	21.2	29.4
<i>Margin</i>	<i>13.7 %</i>	<i>7.8 %</i>	<i>0.1 %</i>	<i>5.5 %</i>	<i>4.1 %</i>	<i>12.8 %</i>	<i>15.5 %</i>
EBIT adj.	18.4	7.5	0.1	6.8	5.5	21.2	29.4
Interest income	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.5	0.3	0.2	0.4	0.1	0.1	0.1
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	18.7	7.3	-0.2	6.4	5.4	21.1	29.3
<i>Margin</i>	<i>13.4 %</i>	<i>7.6 %</i>	<i>-0.2 %</i>	<i>5.2 %</i>	<i>4.1 %</i>	<i>12.7 %</i>	<i>15.5 %</i>
Total taxes	5.6	2.0	-0.1	4.8	1.6	6.1	8.5
Net income from continuing operations	13.1	5.3	-0.1	1.7	3.8	15.0	20.8
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	13.1	5.3	-0.1	1.7	3.8	15.0	20.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	13.1	5.3	-0.1	1.7	3.8	15.0	20.8
<i>Margin</i>	<i>9.4 %</i>	<i>5.6 %</i>	<i>-0.1 %</i>	<i>1.3 %</i>	<i>2.9 %</i>	<i>9.0 %</i>	<i>11.0 %</i>
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5
EPS	0.54	0.22	0.00	0.07	0.16	0.61	0.85
EPS adj.	0.54	0.22	0.00	0.07	0.16	0.61	0.85

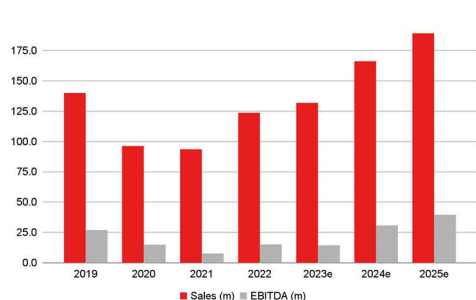
*Adjustments made for:

Guidance: Sales EUR 125-140m. EBIT margin 3% to 7%

Financial Ratios

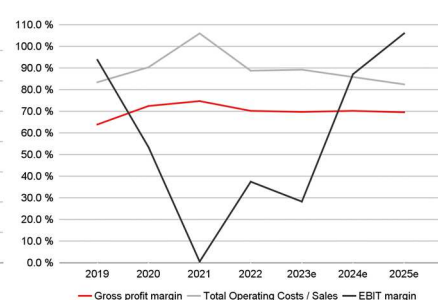
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	83.3 %	90.2 %	105.9 %	88.6 %	89.1 %	85.7 %	82.4 %
Operating Leverage	10.8 x	1.9 x	35.8 x	353.7 x	-3.0 x	11.1 x	2.8 x
EBITDA / Interest expenses	52.0 x	51.2 x	30.8 x	38.6 x	246.1 x	526.6 x	677.2 x
Tax rate (EBT)	29.9 %	26.9 %	32.9 %	74.1 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	18.7 %	45.9 %	0.0 %	0.0 %	127.8 %	32.6 %	23.5 %
Sales per Employee	205,328	139,673	125,426	167,161	168,378	203,659	224,379

Sales, EBITDA
in EUR m



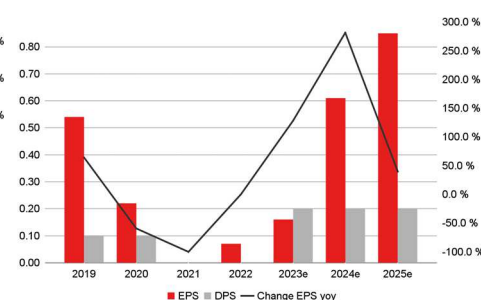
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

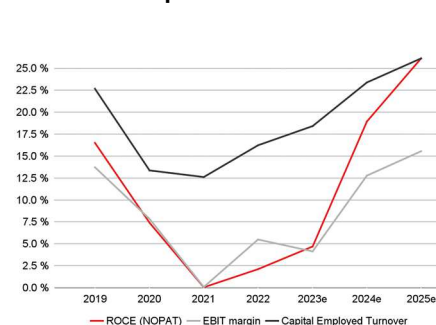
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	15.9	17.3	19.1	20.7	22.2	22.9	22.4
thereof other intangible assets	1.0	0.7	0.7	1.0	1.0	1.0	1.0
thereof Goodwill	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Property, plant and equipment	44.7	46.0	46.3	45.1	43.6	42.2	41.1
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.1	0.0	0.2	0.3	0.3	0.3	0.3
Fixed assets	60.7	63.4	65.6	66.1	66.1	65.4	63.8
Inventories	19.2	19.8	28.5	27.7	24.2	28.5	31.8
Accounts receivable	11.3	13.2	17.2	27.5	18.1	17.3	18.7
Liquid assets	31.3	20.1	15.2	12.8	21.9	37.9	57.4
Other short-term assets	5.5	5.2	5.8	4.4	4.4	4.4	4.4
Current assets	67.3	58.3	66.7	72.3	68.6	88.0	112.2
Total Assets	128.0	121.7	132.2	138.4	134.6	153.4	176.0
Liabilities and shareholders' equity							
Subscribed capital	24.5	24.5	24.5	24.5	24.5	24.5	24.5
Capital reserve	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Retained earnings	10.2	10.2	12.0	12.7	16.5	31.5	52.4
Other equity components	40.7	42.8	40.2	41.9	42.1	42.3	42.5
Shareholders' equity	90.8	92.9	92.2	94.5	98.5	113.8	134.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	90.8	92.9	92.2	94.5	98.5	113.8	134.8
Provisions	6.1	3.2	2.7	3.8	3.8	3.8	3.8
thereof provisions for pensions and similar obligations	0.3	0.4	0.4	0.3	0.3	0.3	0.3
Financial liabilities (total)	8.9	6.9	5.2	2.9	2.9	2.9	2.9
Short-term financial liabilities	2.0	1.8	1.8	0.9	0.9	0.9	0.9
Accounts payable	5.6	7.6	7.2	7.5	8.3	10.9	12.4
Other liabilities	16.5	11.0	24.9	29.7	21.1	22.1	22.1
Liabilities	37.2	28.7	40.0	43.9	36.1	39.7	41.2
Total liabilities and shareholders' equity	128.0	121.7	132.2	138.4	134.6	153.4	176.0

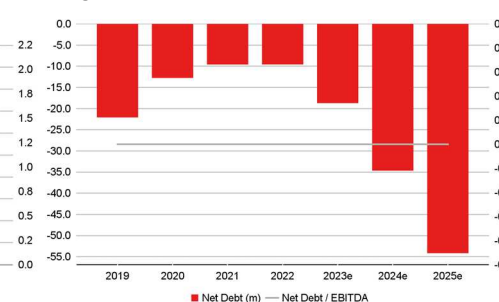
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	2.3 x	1.4 x	1.4 x	1.7 x	2.0 x	2.6 x	2.9 x
Capital Employed Turnover	2.0 x	1.2 x	1.1 x	1.5 x	1.7 x	2.1 x	2.3 x
ROA	21.6 %	8.4 %	-0.2 %	2.5 %	5.8 %	22.9 %	32.7 %
Return on Capital							
ROCE (NOPAT)	16.5 %	7.4 %	0.0 %	2.1 %	4.7 %	18.9 %	26.1 %
ROE	15.6 %	5.8 %	-0.1 %	1.8 %	4.0 %	14.1 %	16.8 %
Adj. ROE	15.6 %	5.8 %	-0.1 %	1.8 %	4.0 %	14.1 %	16.8 %
Balance sheet quality							
Net Debt	-22.1	-12.8	-9.6	-9.6	-18.7	-34.7	-54.2
Net Financial Debt	-22.4	-13.1	-10.0	-9.9	-19.0	-34.9	-54.5
Net Gearing	-24.3 %	-13.7 %	-10.4 %	-10.1 %	-19.0 %	-30.5 %	-40.2 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	3.7	3.8	3.8	3.9	4.0	4.6	5.5
Book value per share ex intangibles	3.1	3.1	3.0	3.0	3.1	3.7	4.6

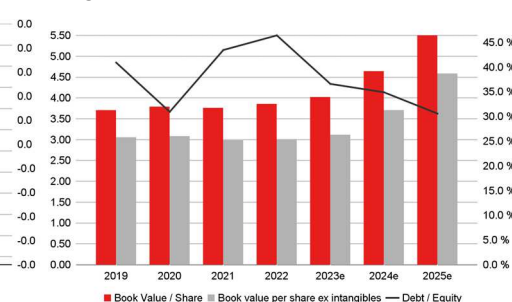
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

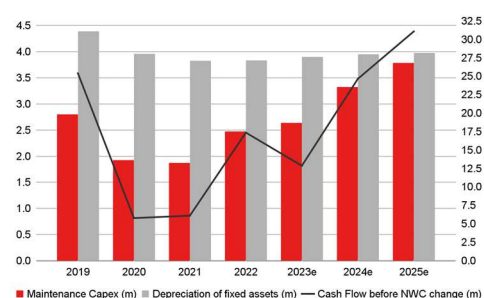
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	13.1	5.3	-0.1	1.7	3.8	15.0	20.8
Depreciation of fixed assets	4.4	4.0	3.8	3.8	3.9	4.0	4.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.3	3.3	3.7	4.5	5.0	5.6	6.2
Increase/decrease in long-term provisions	0.5	-2.5	-0.5	1.1	0.0	0.0	0.0
Other non-cash income and expenses	4.1	-4.3	-0.8	6.3	0.1	0.1	0.1
Cash Flow before NWC change	25.4	5.8	6.1	17.4	12.9	24.7	31.1
Increase / decrease in inventory	6.6	-2.0	-9.4	-0.3	3.5	-4.3	-3.3
Increase / decrease in accounts receivable	19.2	-1.5	-3.6	-10.3	9.4	0.8	-1.4
Increase / decrease in accounts payable	-2.8	2.0	-0.5	0.3	-7.8	3.6	1.5
Increase / decrease in other working capital positions	-0.3	-0.4	15.3	1.5	0.6	0.6	0.6
Increase / decrease in working capital (total)	22.6	-1.8	1.8	-8.9	5.6	0.7	-2.6
Net cash provided by operating activities [1]	48.0	4.0	7.9	8.5	18.5	25.4	28.5
Investments in intangible assets	-4.0	-4.8	-5.4	-6.2	-7.0	-6.8	-6.2
Investments in property, plant and equipment	-1.8	-4.8	-3.2	-2.1	-2.4	-2.6	-2.8
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-5.8	-9.5	-8.6	-8.2	-9.4	-9.4	-9.0
Change in financial liabilities	-13.2	-2.2	-2.1	-2.3	0.0	0.0	0.0
Dividends paid	0.0	-2.4	-2.5	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-1.3	-0.7	-0.7	-0.8	0.0	0.0	0.0
Net cash provided by financing activities [3]	-14.5	-5.4	-5.2	-3.1	0.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	27.7	-11.0	-5.9	-2.8	9.1	15.9	19.5
Effects of exchange-rate changes on cash	-0.1	-0.3	1.0	0.4	0.0	0.0	0.0
Cash and cash equivalent at end of period	31.3	20.1	15.2	12.8	21.9	37.9	57.4

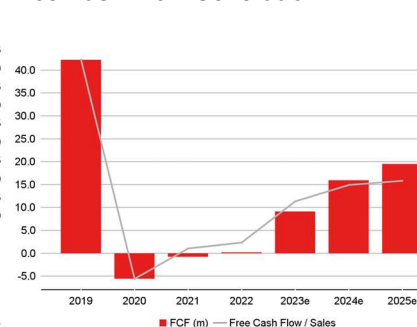
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	42.2	-5.6	-0.8	0.2	9.1	15.9	19.5
Free Cash Flow / Sales	30.2 %	-5.8 %	-0.8 %	0.2 %	6.9 %	9.6 %	10.3 %
Free Cash Flow Potential	18.5	11.0	5.8	7.9	10.2	21.3	27.3
Free Cash Flow / Net Profit	321.9 %	-104.1 %	670.2 %	12.4 %	238.4 %	106.2 %	93.6 %
Interest Received / Avg. Cash	0.1 %	0.2 %	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	3.6 %	3.7 %	4.1 %	9.7 %	2.0 %	2.0 %	2.0 %
Management of Funds							
Investment ratio	4.1 %	9.9 %	9.3 %	6.7 %	7.1 %	5.7 %	4.7 %
Maint. Capex / Sales	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Capex / Dep	75.3 %	130.4 %	115.2 %	99.5 %	105.0 %	98.6 %	88.5 %
Avg. Working Capital / Sales	18.9 %	18.4 %	21.2 %	18.3 %	17.8 %	12.6 %	11.9 %
Trade Debtors / Trade Creditors	201.8 %	173.0 %	238.2 %	365.8 %	218.1 %	158.7 %	150.8 %
Inventory Turnover	2.8 x	1.6 x	1.3 x	1.4 x	1.7 x	2.0 x	2.0 x
Receivables collection period (days)	30	50	67	81	50	38	36
Payables payment period (days)	38	87	71	72	76	70	71
Cash conversion cycle (Days)	54	133	88	68	76	61	67

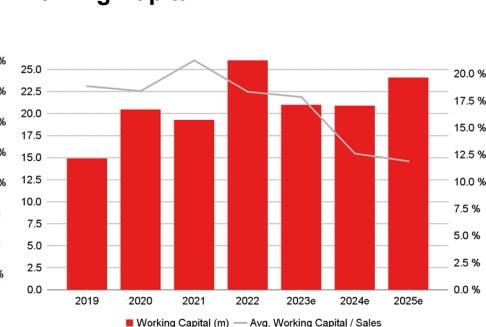
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
LPKF	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0006450000.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

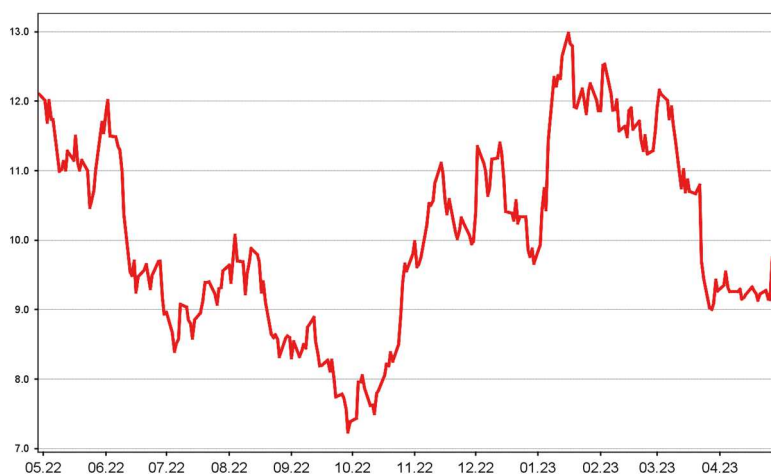
Rating	Number of stocks	% of Universe
Buy	161	76
Hold	41	19
Sell	8	4
Rating suspended	3	1
Total	213	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	45	87
Hold	6	12
Sell	0	0
Rating suspended	1	2
Total	52	100

PRICE AND RATING HISTORY LPKF AS OF 28.04.2023



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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