

Buy EUR 11.00 Price EUR 8.00 Upside 37.5 %	Value Indicators: EUR DCF: 11.12 FCF-Value Potential 26e: 10.92	Warburg ESG Risk Score: 2.8 ESG Score (MSCI based): 2.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.5	Description: Highly specialised machine manufacturer developing laser applications for special purposes
	Market Snapshot: EUR m Market cap: 196.0 No. of shares (m): 24.5 EV: 182.1 Freefloat MC: 196.0 Ø Trad. Vol. (30d): 269.29 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): 2024e Beta: 1.3 Price / Book: 2.0 x Equity Ratio: 66 %

LIDE business with semiconductor industry gains traction

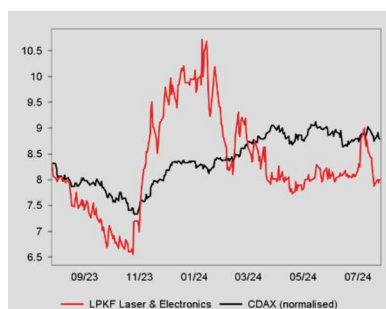
Stated Figures Q2/2024:										Comment on Figures: <ul style="list-style-type: none"> Q2 figures just below the midpoint of the company's target range (sales EUR 28-33m, adj. EBIT -3m to 2m). Sales were driven by Solar (+86%), while all other segments remained below last year's levels. Adj. EBIT declined mainly due to higher input prices and increased wages. In Q2, restructuring costs of EUR 0.3m were adjusted. 									
FY End: 31.12. in EUR m	Q2 24	Q2 24e	Q2 23	yoy	6M 24	6M 24e	6M 23	yoy											
Sales	29.8	31.3	27.7	8 %	55.2	56.7	47.9	15 %											
EBIT adj.	-0.8	0.6	-0.4	n.a.	-5.1	-3.7	-7.0	n.a.											
Margin	-2.7 %	2.0 %	-1.6 %		-9.2 %	-6.5 %	-14.6 %												
EBIT	-1.1	0.4	-0.4	n.a.	-5.5	-4.0	-7.0	n.a.											
Margin	-3.7 %	1.4 %	-1.6 %		-10.0 %	-7.0 %	-14.6 %												

LPKF released Q2 results, which were in line with the company's targets but slightly weaker than we had anticipated. Revenue increased by 7.6% to EUR 29.8m, reaching the guided range of EUR 28-33m. Sales were driven solely by the Solar segment (+EUR 5.9m) and the continued solid demand for LPKF's perovskite technology, which compensated for the decline in revenue in all other segments. In particular, Development (sales EUR 4.2m, -34% yoy) was weaker than expected due to a general reluctance to invest in the market. Sales in Electronics decreased by 12.8% to EUR 6.8m, driven by a declining business with legacy products and especially stencil lasers, which overshadowed the solid demand for Tensor. Welding revenue declined by 9.1% to EUR 6.0m due to a market softness especially in automotive applications.

Despite the higher top line, EBIT declined from EUR -0.4m last year to EUR -1.1m, mainly due to higher input prices and increased wages, while the number of FTEs declined slightly from 763 to 760. In addition, the ongoing restructuring measures caused one-offs of EUR 0.3m. Adj. EBIT was EUR -0.8m and thus within the target range of EUR -3m to +2m.

After the weaker Q2, LPKF has narrowed its FY guidance to EUR 130-135m in sales (previously: EUR 130-140m) with an EBIT margin of 4-7% (previously: 4-8%) and expects sales of EUR 26-31m and EBIT of EUR -3m to +2m for Q3. This implies a stronger Q4 with sales of at least EUR 45m and EBIT of EUR 8.3m. While both Solar and Welding should be below last year's figures in Q4, we expect the last quarter to be driven by Electronics. In addition to solid demand for depaneling, the semiconductor industry is showing increasing interest in advanced glass packaging and LIDE, which should lead to increasing sales contributions in Q4. These deliveries should also have significant potential for follow-up orders and increase visibility for 2025 and beyond. We have slightly adjusted our estimates, but confirm our target price and our Buy recommendation.

Changes in Estimates:							Comment on Changes: <ul style="list-style-type: none"> 2024 forecast lowered after weaker-than-expected Q2 figures. We have also increased our estimated interest expenses for all years. 												
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -													
Sales	132.1	-1.3 %	160.3	0.0 %	175.1	0.0 %													
EBIT	7.5	-45.8 %	17.1	0.5 %	21.7	0.0 %													
EPS	0.19	-57.9 %	0.47	-2.1 %	0.60	-1.7 %													



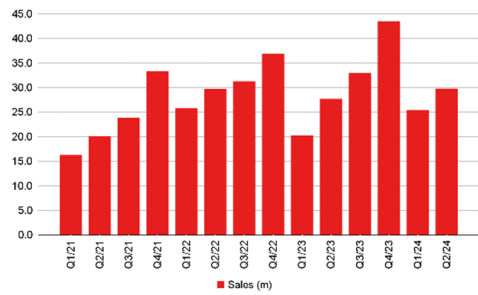
Rel. Performance vs CDAX:

1 month:	-1.2 %
6 months:	-23.1 %
Year to date:	-24.7 %
Trailing 12 months:	-10.1 %

Company events:
24.10.24 Q3

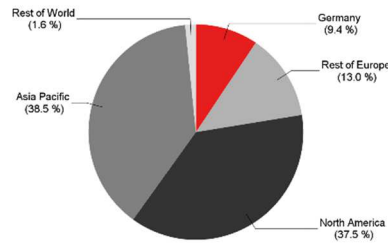
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	12.1 %	96.2	93.6	123.7	124.3	130.3	160.3	175.1
Change Sales yoy		-31.3 %	-2.8 %	32.2 %	0.5 %	4.8 %	23.0 %	9.2 %
Gross profit margin		72.4 %	74.7 %	70.1 %	70.3 %	71.3 %	68.4 %	68.7 %
EBITDA	34.8 %	14.8	7.6	15.1	12.8	12.8	26.3	31.3
Margin		15.4 %	8.1 %	12.2 %	10.3 %	9.8 %	16.4 %	17.9 %
EBIT	80.4 %	7.5	0.1	6.5	3.7	4.1	17.2	21.7
Margin		7.8 %	0.1 %	5.3 %	3.0 %	3.1 %	10.7 %	12.4 %
Net income	102.3 %	5.3	-0.1	1.4	1.8	2.0	11.3	14.5
EPS	103.5 %	0.22	0.00	0.06	0.07	0.08	0.46	0.59
EPS adj.	103.5 %	0.22	0.00	0.06	0.07	0.08	0.46	0.59
DPS	-	0.10	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		0.5 %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		-0.23	-0.03	0.01	-0.45	0.70	0.47	0.71
FCF / Market cap		-1.1 %	-0.1 %	0.1 %	-4.9 %	8.8 %	5.9 %	8.9 %
EV / Sales		5.1 x	5.9 x	2.2 x	1.8 x	1.4 x	1.1 x	0.9 x
EV / EBITDA		33.2 x	72.1 x	17.9 x	17.8 x	14.3 x	6.5 x	4.9 x
EV / EBIT		65.4 x	n.a.	41.5 x	61.8 x	44.8 x	9.9 x	7.1 x
P / E		93.8 x	n.a.	190.2 x	131.1 x	100.0 x	17.4 x	13.6 x
P / E adj.		93.8 x	n.a.	190.2 x	131.1 x	100.0 x	17.4 x	13.6 x
FCF Potential Yield		2.2 %	1.1 %	2.9 %	3.9 %	5.1 %	10.8 %	14.3 %
Net Debt		-12.8	-9.6	-9.0	3.3	-13.9	-25.5	-42.9
ROCE (NOPAT)		7.4 %	0.0 %	1.8 %	2.3 %	3.2 %	14.6 %	18.8 %
Guidance:		Sales EUR 130-135m. EBIT margin 4% to 7%						

Sales development
in EUR m



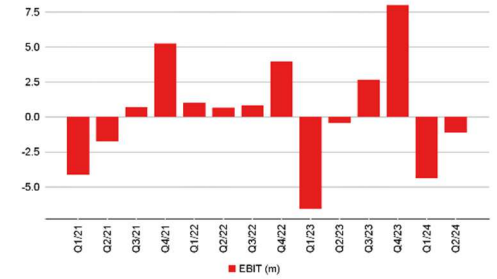
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

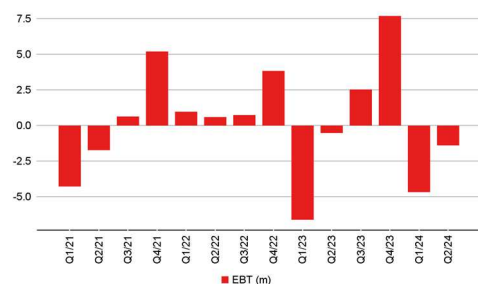
Company Background

- 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

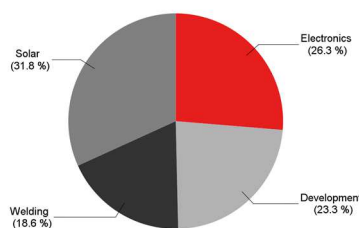
- LPKF is the technologically leading company in the market of laser applications and often first supplier of its customers.
- The high innovative strength of the company ensures the market-leading position and gives LPKF a first-mover advantage in new products that offer highly attractive TCO compared 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



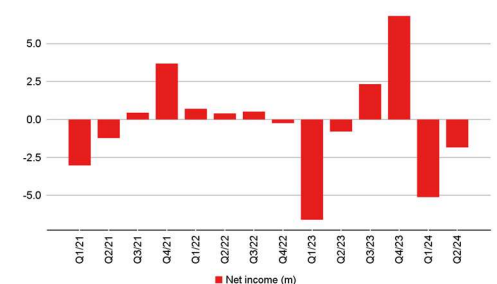
Source: Warburg Research

Sales by segments
2023; 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
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	130.3	160.3	175.1	190.9	207.1	223.7	240.4	257.3	274.0	290.4	302.0	311.1	318.9	
Sales change	4.8 %	23.0 %	9.2 %	9.0 %	8.5 %	8.0 %	7.5 %	7.0 %	6.5 %	6.0 %	4.0 %	3.0 %	2.5 %	2.5 %
EBIT	4.1	17.2	21.7	24.0	26.5	28.6	30.8	32.9	35.1	37.2	38.7	39.8	40.8	
EBIT-margin	3.1 %	10.7 %	12.4 %	12.6 %	12.8 %	12.8 %	12.8 %	12.8 %	12.8 %	12.8 %	12.8 %	12.8 %	12.8 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	2.9	12.2	15.4	16.8	18.6	20.0	21.5	23.1	24.5	26.0	27.1	27.9	28.6	
Depreciation	8.7	9.1	9.7	10.5	10.4	10.1	9.6	10.3	11.0	11.6	12.1	12.4	12.8	
in % of Sales	6.7 %	5.7 %	5.5 %	5.5 %	5.0 %	4.5 %	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	-13.7	1.2	-1.1	0.3	0.2	-0.1	2.0	2.0	2.0	2.0	1.4	1.1	0.9	
- Capex	7.9	8.4	8.6	8.6	8.3	8.9	9.6	10.3	11.0	11.6	12.1	12.4	12.8	
Capex in % of Sales	6.0 %	5.2 %	4.9 %	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)	16.8	11.1	17.0	18.5	20.5	21.3	19.6	21.1	22.6	24.1	25.7	26.8	27.7	29
PV of FCF	16.3	9.8	13.7	13.5	13.7	12.9	10.8	10.6	10.4	10.1	9.8	9.3	8.8	126
share of PVs	14.42 %			39.92 %										45.66 %

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 2036e	150		
Terminal Value	126		
Financial liabilities	14		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	11	No. of shares (m)	24.5
Equity Value	272	Value per share (EUR)	11.12

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 %	9.37	9.48	9.59	9.71	9.84	9.97	10.11	1.49	10.8 %	8.55	8.94	9.32	9.71	10.10	10.48	10.87
1.39	10.3 %	9.97	10.09	10.23	10.37	10.52	10.68	10.85	1.39	10.3 %	9.13	9.54	9.96	10.37	10.78	11.19	11.60
1.35	10.0 %	10.29	10.43	10.58	10.73	10.90	11.08	11.27	1.35	10.0 %	9.45	9.88	10.30	10.73	11.16	11.58	12.01
1.30	9.8 %	10.64	10.79	10.95	11.12	11.30	11.50	11.71	1.30	9.8 %	9.79	10.24	10.68	11.12	11.56	12.00	12.45
1.25	9.5 %	11.01	11.17	11.35	11.54	11.74	11.96	12.19	1.25	9.5 %	10.16	10.62	11.08	11.54	11.99	12.45	12.91
1.21	9.3 %	11.40	11.58	11.78	11.98	12.21	12.45	12.71	1.21	9.3 %	10.55	11.03	11.51	11.98	12.46	12.94	13.41
1.11	8.8 %	12.27	12.50	12.73	12.99	13.27	13.57	13.90	1.11	8.8 %	11.44	11.96	12.47	12.99	13.51	14.02	14.54

- 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	2020	2021	2022	2023	2024e	2025e	2026e	
Net Income before minorities	5.3	-0.1	1.4	1.8	2.0	11.3	14.5	
+ Depreciation + Amortisation	7.3	7.5	8.6	9.1	8.7	9.1	9.7	
- Net Interest Income	-0.2	-0.2	-0.4	-0.6	-1.2	-1.2	-1.2	
- Maintenance Capex	1.9	1.9	2.5	2.5	2.6	3.2	3.5	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	11.0	5.8	7.9	9.0	9.3	18.5	21.9	
FCF Potential Yield (on market EV)	2.2 %	1.1 %	2.9 %	3.9 %	5.1 %	10.8 %	14.3 %	
WACC	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	
= Enterprise Value (EV)	493.0	547.8	270.6	228.1	182.1	170.5	153.1	
= Fair Enterprise Value	112.3	59.2	80.8	92.1	95.7	189.2	224.6	
- Net Debt (Cash)	2.9	2.9	2.9	2.9	-14.3	-25.8	-43.2	
- 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	109.0	56.0	77.5	88.8	109.6	214.6	267.5	
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5	
= Fair value per share (EUR)	4.45	2.28	3.16	3.63	4.47	8.76	10.92	
premium (-) / discount (+) in %					-44.1 %	9.5 %	36.5 %	
Sensitivity Fair value per Share (EUR)								
	12.76 %	3.37	1.72	2.39	2.74	3.56	6.95	8.76
	11.76 %	3.67	1.87	2.60	2.99	3.81	7.45	9.36
	10.76 %	4.02	2.06	2.86	3.28	4.11	8.04	10.07
WACC	9.76 %	4.45	2.28	3.16	3.63	4.47	8.76	10.92
	8.76 %	4.97	2.56	3.54	4.06	4.92	9.64	11.96
	7.76 %	5.63	2.91	4.02	4.60	5.48	10.75	13.28
	6.76 %	6.48	3.36	4.63	5.30	6.21	12.19	14.99

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

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	5.4 x	6.0 x	3.0 x	2.4 x	2.0 x	1.8 x	1.6 x
Book value per share ex intangibles	3.09	2.99	2.99	2.98	3.05	3.51	4.12
EV / Sales	5.1 x	5.9 x	2.2 x	1.8 x	1.4 x	1.1 x	0.9 x
EV / EBITDA	33.2 x	72.1 x	17.9 x	17.8 x	14.3 x	6.5 x	4.9 x
EV / EBIT	65.4 x	n.a.	41.5 x	61.8 x	44.8 x	9.9 x	7.1 x
EV / EBIT adj.*	65.4 x	n.a.	41.5 x	51.9 x	33.9 x	9.9 x	7.1 x
P / FCF	n.a.	n.a.	n.a.	n.a.	11.4 x	17.0 x	11.2 x
P / E	93.8 x	n.a.	190.2 x	131.1 x	100.0 x	17.4 x	13.6 x
P / E adj.*	93.8 x	n.a.	190.2 x	131.1 x	100.0 x	17.4 x	13.6 x
Dividend Yield	0.5 %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	2.2 %	1.1 %	2.9 %	3.9 %	5.1 %	10.8 %	14.3 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	96.2	93.6	123.7	124.3	130.3	160.3	175.1
Change Sales yoy	-31.3 %	-2.8 %	32.2 %	0.5 %	4.8 %	23.0 %	9.2 %
Increase / decrease in inventory	0.2	7.3	-5.2	1.5	-0.4	0.3	0.5
Own work capitalised	5.3	5.9	6.3	5.3	5.1	5.3	5.3
Total Sales	101.7	106.7	124.8	131.2	135.0	165.9	180.9
Material expenses	32.0	36.8	38.0	43.7	42.1	56.3	60.6
Gross profit	69.7	69.9	86.7	87.5	92.9	109.6	120.3
<i>Gross profit margin</i>	<i>72.4 %</i>	<i>74.7 %</i>	<i>70.1 %</i>	<i>70.3 %</i>	<i>71.3 %</i>	<i>68.4 %</i>	<i>68.7 %</i>
Personnel expenses	41.5	44.3	49.5	52.4	58.8	56.6	61.3
Other operating income	3.8	3.3	4.2	4.2	3.5	3.0	3.2
Other operating expenses	17.1	21.2	26.4	26.5	24.9	29.8	30.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	14.8	7.6	15.1	12.8	12.8	26.3	31.3
<i>Margin</i>	<i>15.4 %</i>	<i>8.1 %</i>	<i>12.2 %</i>	<i>10.3 %</i>	<i>9.8 %</i>	<i>16.4 %</i>	<i>17.9 %</i>
Depreciation of fixed assets	4.0	3.8	4.1	4.6	4.2	4.2	4.1
EBITA	10.9	3.8	11.0	8.2	8.6	22.1	27.2
Amortisation of intangible assets	3.3	3.7	4.5	4.5	4.5	5.0	5.5
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.5	0.1	6.5	3.7	4.1	17.2	21.7
<i>Margin</i>	<i>7.8 %</i>	<i>0.1 %</i>	<i>5.3 %</i>	<i>3.0 %</i>	<i>3.1 %</i>	<i>10.7 %</i>	<i>12.4 %</i>
EBIT adj.	7.5	0.1	6.5	4.4	5.4	17.2	21.7
Interest income	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.3	0.2	0.4	0.6	1.2	1.2	1.2
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	7.3	-0.2	6.1	3.1	2.8	15.9	20.4
<i>Margin</i>	<i>7.6 %</i>	<i>-0.2 %</i>	<i>5.0 %</i>	<i>2.5 %</i>	<i>2.2 %</i>	<i>9.9 %</i>	<i>11.7 %</i>
Total taxes	2.0	-0.1	4.8	1.3	0.8	4.6	5.9
Net income from continuing operations	5.3	-0.1	1.4	1.8	2.0	11.3	14.5
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	5.3	-0.1	1.4	1.8	2.0	11.3	14.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	5.3	-0.1	1.4	1.8	2.0	11.3	14.5
<i>Margin</i>	<i>5.6 %</i>	<i>-0.1 %</i>	<i>1.1 %</i>	<i>1.4 %</i>	<i>1.5 %</i>	<i>7.1 %</i>	<i>8.3 %</i>
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5
EPS	0.22	0.00	0.06	0.07	0.08	0.46	0.59
EPS adj.	0.22	0.00	0.06	0.07	0.08	0.46	0.59

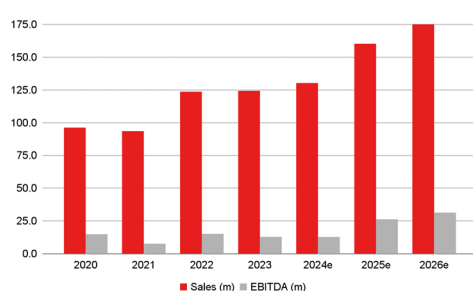
*Adjustments made for:

Guidance: Sales EUR 130-135m. EBIT margin 4% to 7%

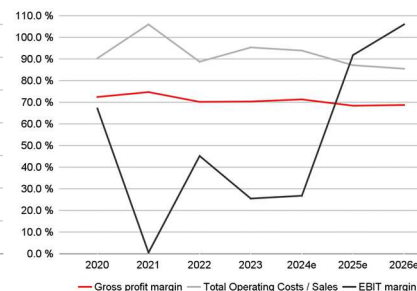
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	90.2 %	105.9 %	88.7 %	95.2 %	93.8 %	87.1 %	85.4 %
Operating Leverage	1.9 x	35.8 x	339.8 x	-84.0 x	2.1 x	14.0 x	2.8 x
EBITDA / Interest expenses	51.2 x	30.8 x	37.9 x	20.7 x	10.4 x	21.5 x	25.6 x
Tax rate (EBT)	26.9 %	32.9 %	77.4 %	43.1 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	45.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	139,673	125,426	167,161	163,386	160,178	214,879	227,557

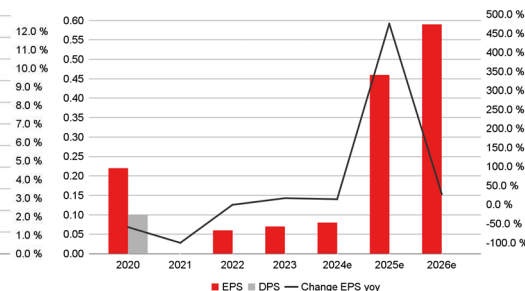
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

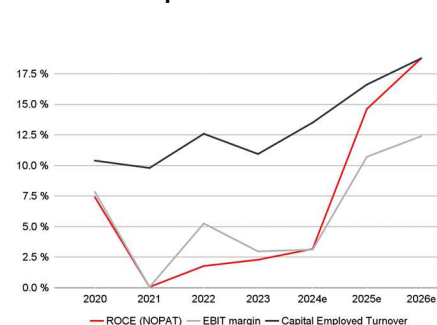
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	17.3	19.1	20.7	22.0	22.6	22.9	22.7
thereof other intangible assets	0.7	0.7	1.0	22.0	22.0	22.0	22.0
thereof Goodwill	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Property, plant and equipment	46.0	46.3	45.0	43.0	41.2	39.6	38.3
Financial assets	0.0	0.0	0.4	0.3	0.3	0.3	0.3
Other long-term assets	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Fixed assets	63.4	65.6	66.1	65.4	64.1	62.9	61.2
Inventories	19.8	28.5	27.7	31.3	28.5	31.8	31.8
Accounts receivable	13.2	17.2	27.5	36.4	21.8	21.1	20.1
Liquid assets	20.1	15.2	12.8	10.7	27.9	39.4	56.9
Other short-term assets	5.2	5.8	4.4	4.7	4.7	4.7	4.7
Current assets	58.3	66.7	72.3	83.0	82.9	97.0	113.5
Total Assets	121.7	132.2	138.4	148.5	147.0	159.9	174.7
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	12.0	12.7	12.2	14.2	25.5	40.0
Other equity components	42.8	40.2	41.2	43.0	43.2	43.4	43.6
Shareholders' equity	92.9	92.2	93.9	95.1	97.3	108.9	123.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	92.9	92.2	93.9	95.1	97.3	108.9	123.6
Provisions	3.2	2.7	3.9	3.6	3.6	3.6	3.6
thereof provisions for pensions and similar obligations	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Financial liabilities (total)	6.9	5.2	3.4	13.6	13.6	13.6	13.6
Short-term financial liabilities	1.8	1.8	1.7	12.2	12.2	12.2	12.2
Accounts payable	7.6	7.2	7.5	10.0	10.0	11.4	11.5
Other liabilities	11.0	24.9	29.7	26.2	22.4	22.4	22.4
Liabilities	28.7	40.0	44.5	53.4	49.6	51.0	51.1
Total liabilities and shareholders' equity	121.7	132.2	138.4	148.5	147.0	159.9	174.7

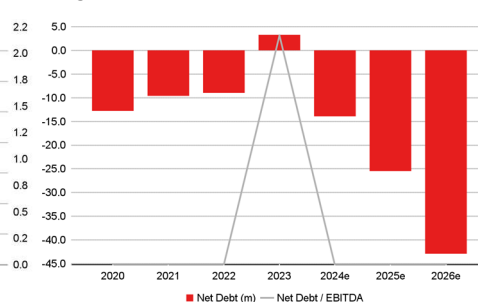
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	1.4 x	1.4 x	1.7 x	1.5 x	1.9 x	2.4 x	2.7 x
Capital Employed Turnover	1.2 x	1.1 x	1.5 x	1.3 x	1.6 x	1.9 x	2.2 x
ROA	8.4 %	-0.2 %	2.1 %	2.7 %	3.1 %	18.0 %	23.7 %
Return on Capital							
ROCE (NOPAT)	7.4 %	0.0 %	1.8 %	2.3 %	3.2 %	14.6 %	18.8 %
ROE	5.8 %	-0.1 %	1.5 %	1.9 %	2.1 %	11.0 %	12.5 %
Adj. ROE	5.8 %	-0.1 %	1.5 %	1.9 %	2.1 %	11.0 %	12.5 %
Balance sheet quality							
Net Debt	-12.8	-9.6	-9.0	3.3	-13.9	-25.5	-42.9
Net Financial Debt	-13.1	-10.0	-9.3	2.9	-14.3	-25.8	-43.2
Net Gearing	-13.7 %	-10.4 %	-9.6 %	3.4 %	-14.3 %	-23.4 %	-34.7 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	22.9 %	n.a.	n.a.	n.a.
Book Value / Share	3.8	3.8	3.8	3.9	4.0	4.4	5.0
Book value per share ex intangibles	3.1	3.0	3.0	3.0	3.1	3.5	4.1

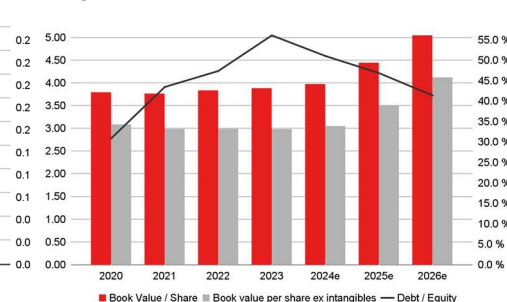
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

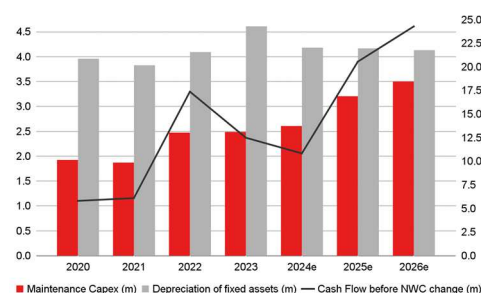
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	5.3	-0.1	1.4	1.8	2.0	11.3	14.5
Depreciation of fixed assets	4.0	3.8	4.1	4.6	4.2	4.2	4.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.3	3.7	4.5	4.5	4.5	5.0	5.5
Increase/decrease in long-term provisions	-2.5	-0.5	1.1	-0.1	0.0	0.0	0.0
Other non-cash income and expenses	-4.3	-0.8	6.3	1.8	0.1	0.1	0.1
Cash Flow before NWC change	5.8	6.1	17.4	12.5	10.8	20.5	24.3
Increase / decrease in inventory	-2.0	-9.4	-0.3	-5.0	2.8	-3.3	0.0
Increase / decrease in accounts receivable	-1.5	-3.6	-10.3	-9.3	14.6	0.7	1.0
Increase / decrease in accounts payable	2.0	-0.5	0.3	2.3	-3.7	1.4	0.1
Increase / decrease in other working capital positions	-0.4	15.3	1.5	-3.8	0.6	0.6	0.6
Increase / decrease in working capital (total)	-1.8	1.8	-8.9	-15.9	14.3	-0.6	1.7
Net cash provided by operating activities [1]	4.0	7.9	8.5	-3.4	25.1	19.9	26.0
Investments in intangible assets	-4.8	-5.4	-6.2	-5.9	-5.6	-5.8	-5.8
Investments in property, plant and equipment	-4.8	-3.2	-2.1	-1.8	-2.3	-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	0.1	0.1	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-9.5	-8.6	-8.2	-7.7	-7.9	-8.4	-8.6
Change in financial liabilities	-2.2	-2.1	-2.3	9.7	0.0	0.0	0.0
Dividends paid	-2.4	-2.5	0.0	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	-0.7	-0.7	-0.8	-1.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-5.4	-5.2	-3.1	8.7	0.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	-11.0	-5.9	-2.9	-2.4	17.2	11.5	17.4
Effects of exchange-rate changes on cash	-0.3	1.0	0.5	0.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	20.1	15.2	12.8	10.7	27.9	39.4	56.9

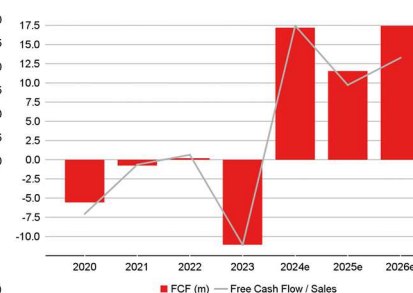
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	-5.6	-0.8	0.2	-11.1	17.2	11.5	17.4
Free Cash Flow / Sales	-5.8 %	-0.8 %	0.2 %	-8.9 %	13.2 %	7.2 %	10.0 %
Free Cash Flow Potential	11.0	5.8	7.9	9.0	9.3	18.5	21.9
Free Cash Flow / Net Profit	-104.1 %	670.2 %	14.5 %	-631.1 %	851.8 %	102.0 %	120.1 %
Interest Received / Avg. Cash	0.2 %	0.1 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	3.7 %	4.1 %	9.2 %	7.3 %	9.0 %	9.0 %	9.0 %
Management of Funds							
Investment ratio	9.9 %	9.3 %	6.7 %	6.2 %	6.0 %	5.2 %	4.9 %
Maint. Capex / Sales	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Capex / Dep	130.4 %	115.2 %	96.5 %	84.5 %	90.6 %	92.0 %	88.4 %
Avg. Working Capital / Sales	18.4 %	21.2 %	18.3 %	26.5 %	25.4 %	16.8 %	15.4 %
Trade Debtors / Trade Creditors	173.0 %	238.2 %	365.8 %	365.3 %	218.0 %	185.1 %	174.8 %
Inventory Turnover	1.6 x	1.3 x	1.4 x	1.4 x	1.5 x	1.8 x	1.9 x
Receivables collection period (days)	50	67	81	107	61	48	42
Payables payment period (days)	87	71	72	83	87	74	69
Cash conversion cycle (Days)	133	88	68	137	100	90	80

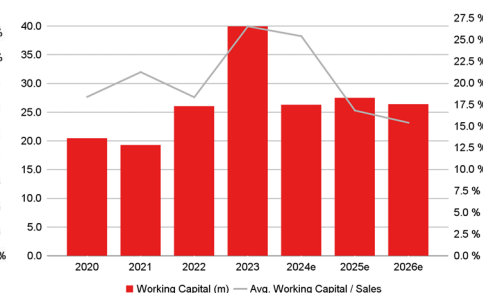
CAPEX and Cash Flow
in EUR m



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	https://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	138	69
Hold	46	23
Sell	10	5
Rating suspended	6	3
Total	200	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	42	76
Hold	10	18
Sell	1	2
Rating suspended	2	4
Total	55	100

PRICE AND RATING HISTORY LPKF AS OF 26.07.2024



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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