

LPKF: Solid business performance in the first half of 2024

- Revenue up 15% year-on-year, Q2 revenue and earnings in line with forecast
- Reluctance to invest within some target markets leads to a narrowed forecast for the financial year 2024
- Megatrend AI and transformation in the semiconductor market result in strong demand for LIDE products
- Measures to increase profitability underway

Garbsen, July 25, 2024 - LPKF Laser & Electronics SE generated revenue of EUR 55.2 million in the first half of the year (1HY 23: EUR 47.9 million), while earnings before interest and taxes (EBIT) amounted to EUR -5.5 million (1HY 23: EUR -7.1 million). Adjusted EBIT* amounted to EUR -5.1 million.

In the second quarter of 2024, the company generated revenue of EUR 29.8 million (2Q 23: EUR 27.7 million) and EBIT of EUR -1.1 million (2Q 23: EUR -0.4 million). Adjusted EBIT amounted to EUR -0.8 million in the second quarter. LPKF is thus in line with its own forecast for the second quarter (revenue: EUR 28 to 33 million, adjusted EBIT: EUR -3 to 2 million).

At EUR 61.1 million, incoming orders after six months were 8% down on the previous year (1HY 23: EUR 66.2 million). The order backlog fell from EUR 81.4 million in the previous year to EUR 65.5 million.

The Management Board is not satisfied with the order situation. It reflects the reluctance of some customer groups to invest, which LPKF has been experiencing since the beginning of the year. "The first six months have proven to be difficult in terms of converting customer projects into orders, particularly in the Development and Welding segments," says CEO Klaus Fiedler. "At the same time, we are seeing a positive trend in the Semiconductor, Depaneling and Solar segments, which is counteracting the current weak market environment."

LPKF made important strategic progress in the first half of the year. Leading semiconductor manufacturers have announced the switch to glass for the integration of high-performance chips, which is currently leading to a significant increase in demand for LPKF's LIDE technology. This is reflected in a well-filled project pipeline.

With the patented LIDE (Laser Induced Deep Etching) process for glass processing, LPKF has a key technology that semiconductor manufacturers can use to further increase the performance of their microchips. This plays a particularly important role in AI-driven high-performance computing. The company is working with various customers and partners to establish a broad portfolio business.

LPKF is also looking ahead with confidence in the Solar segment. Against the backdrop of rising global demand for production capacities for thin-film solar modules, LPKF expects further orders from various regions in the current year.

The new ARRALYZE division has now entered the commercialization phase. "With CellShepherd, we have launched a promising new product on the biotech market this year," says Fiedler. The analysis system was developed in response to the growing demand for technologies that are capable of analyzing cell populations at the single-cell level.

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The Management Board is working with an experienced external consultant to optimize the Group's cost structure and improve profitability. "Together, we have started to identify further structural improvement opportunities and to continue the operational measures already taken. They should bring us the first operational improvements in the current year," says CFO Christian Witt.

In the current third quarter, the Management Board expects consolidated revenue of EUR 26 - 31 million and adjusted EBIT of between EUR -3 and 2 million.

The continuing reluctance to spend CAPEX within some target markets is also likely to weigh on the second half of the year and has led to a more precise forecast for the year as a whole. For the 2024 financial year, LPKF now expects consolidated revenue of EUR 130 to 135 million (previously: EUR 130 - 140 million) and an adjusted EBIT margin of between 4% and 7% (previously: 4% - 8%).

In the medium term, as already communicated, LPKF aims to achieve an attractive single-digit growth rate for its core business. In addition to the core business, the new business initiatives in the semiconductor, display and biotechnology markets are expected to contribute a total sales in the low three-digit million euro range in the medium term. Based on the growth in sales and the resulting economies of scale, the Management Board aims to achieve an attractive double-digit EBIT margin for the LPKF Group in the coming years.

The half-yearly financial report is available in German and English at <https://www.lpkf.com/en/investor-relations/publications/financial-reports>

Feldfunktion geändert

*Adjusted EBIT is EBIT adjusted for restructuring and severance costs and changes in the long-term incentive (LTI) due to fluctuations in the performance factor or the share price. LPKF expects these costs to amount to 0.5 - 1.5% of revenue in the 2024 financial year. Adjusted EBIT is reported in order to be able to compare operating profitability between periods.

About LPKF

LPKF Laser & Electronics SE is a leading provider of laser-based solutions for the technology industry. LPKF laser systems are of crucial importance to the production of printed circuit boards, microchips, automotive parts, solar modules and a large number of other components. Founded in 1976, the company is headquartered in Garbsen near Hanover and operates worldwide via subsidiaries and representative offices. The shares of LPKF Laser & Electronics SE are traded in the Prime Standard segment of Deutsche Börse (ISIN 0006450000).



Headquarters of LPKF Laser & Electronics SE in Garbsen near Hanover