

LPKF Back in the Black

- Orders on hand up 39% year-on-year
- Dr. Goetz Bendele appointed new CEO from May on
- Smaller Supervisory Board

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LPKF

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Management

Kai Bentz
(Spokesman, CFO)
Bernd Lange (CTO)
Dr. Christian Bieniek (COO)

Share:

Prime Standard
ISIN 0006450000

Garbsen, March 26, 2018 – The LPKF Group closed the 2017 financial year with revenue growth of 12% and earnings before interest and taxes (EBIT) of EUR 4.0 million. The Management Board is not yet satisfied with the EBIT margin of 3.9% that was achieved, but believes that LPKF is heading toward a profitable growth path.

Total revenue in 2017 amounted to EUR 102.1 million, with all four segments of the company contributing to this revenue growth. Business with systems for structuring thin-film solar cells posted strong growth of 48%. At EUR 113.2 million, incoming orders in 2017 were up 7% on the previous year's level. Orders on hand at the end of the year amounted to EUR 38.8 million and were thus as much as 39% higher than the previous year's figure of EUR 27.8 million. This results in a book-to-bill ratio of 1.1.

Improved management of inventories and receivables kept them at a lower level during the year, too, resulting in net working capital of EUR 33.3 million as of the end of the year (previous year: EUR 35.2 million). As a result, the net working capital ratio fell to 32.6% as against 38.7% in the previous year. Focused investing activity meant that a positive free cash flow of EUR 3.3 million (previous year: EUR -1.8 million) was generated overall.

“With a great deal of discipline, we succeeded in further optimizing the cost base and thereby establishing a sound basis for future profitable growth,” says Spokesman of the Management Board Kai Bentz. “In 2018, there will be an increased focus on improving profitability in the individual product areas, particularly in the Welding and Electronics segment.” In order to optimize the capital requirements for this, greater attention will be paid to ROCE (return on capital employed) as a key figure.

In research and development, LPKF is focusing on future technologies for applications driving forward megatrends such as miniaturization and digitalization. Despite extensive cost-cutting measures, the company has made targeted investments in completely new technologies and processes.

If the global economy remains stable, the Management Board anticipates consolidated revenue of between EUR 103 million and EUR 108 million and a return on capital employed (ROCE) of between 2% and 7% in 2018. An EBIT margin of up to 6% is expected. LPKF is aiming to achieve a ROCE of between 10% and 15% by 2020. This improvement is to be achieved by means of growing business with new products in particular and through an optimized fixed cost base.

On March 15, 2018, the Supervisory Board appointed a new CEO for LPKF. Dr. Goetz Bendele will take on this role as of May 1, 2018; his contract has a term of three years. “We are very pleased to have gained a proven technology expert in

Goetz Bendele, who has been working in the semiconductor, electronics and solar industry for many years,” says the Chairman of the Supervisory Board, Dr. Markus Peters. “He also has experience in establishing new business areas on international markets and can implement the growth strategy purposefully together with the LPKF team.”

The Deputy Chairman of the Supervisory Board, Dr. Heino Buesching, has announced that he will step down from his position as a member of the Supervisory Board with effect from the end of the Annual General Meeting on May 31, 2018. The Management Board and the Supervisory Board regret the resignation of Dr. Buesching, who has successfully supported the company since its IPO in 1998 as a member and Chairman of the Supervisory Board. The Management Board and the Supervisory Board will propose to the Annual General Meeting that instead of electing a new member, the number of Supervisory Board members should be reduced from four to three again in the future.

The full annual report is available in German and English at www.lpkf.com/investor-relations/news-publications/financial-reports/index.htm.

The report on the first quarter of 2018 will be published on May 15, 2018. The Annual General Meeting of LPKF Laser & Electronics AG will be held at Hanover Congress Centrum on May 31.

About LPKF

LPKF Laser & Electronics AG specializes in the production of laser systems for micro material processing and is a global leader in several areas. 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 AG are traded in the Prime Standard segment of Deutsche Börse (ISIN 0006450000).