

Capital Markets Day 2019

LPKF Increases Guidance and Informs Investors and Analysts in Garbsen

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Management Board:
Dr. Goetz M. Bendele (CEO)
Christian Witt (CFO)

Share:
Prime Standard
ISIN 0006450000

Garbsen, 9 September 2019 - LPKF Laser & Electronics AG intends to further improve its performance following the successful development of its business over the past 12 months. During the Garbsen-based laser specialist's first Capital Markets Day, the Management Board presented the company's ambitious growth and profit targets, as well as the effects of changes that have been made, to approx. 50 institutional investors and analysts.

Prior to the event, LPKF had increased its revenue and EBIT guidance for 2019, as well as its long-term profitability target. For 2019, with a stable development of the global economy, the Management Board now expects an increased revenue of between EUR 135 million and EUR 140 million (previously: EUR 130 million and EUR 135 million) and an increased EBIT margin of between 12% and 14% (previously: 8% and 12%). This corresponds to a ROCE of between 20% and 25% (previously: between 10% and 15%).

In the following years, LPKF intends to further increase profitability and generate an EBIT margin of more than 14% (previously: more than 12%).

"As a high tech company, we are in great shape to take advantage of key megatrends, even in times of macroeconomic uncertainty," said CEO Goetz M. Bendele. The company's laser-based technologies are used, for example, in the electronics industry to process components more precisely, faster and more gently. One key megatrend is the increasing miniaturization in electronics manufacturing and microsystems technology.

Christian Witt, LPKF's Chief Financial Officer since September 2018, reported that one important milestone has already been reached: the company is generating sustainable profits and a substantial, positive cash flow. Net debt, which was EUR 42.7 million as recently as one year ago, has been completely eliminated by the end of the second quarter. "We have taken targeted measures to increase growth in all four segments on the one hand, and to maintain cost discipline on the other hand. Now we are seeing results," Witt said.

The Management Board believes that an even stronger focus on customer value, together with the company's innovation strength, is key to LPKF's future development. "We are particularly successful when our solutions deliver measurable competitive advantage to our customers," said Bendele. LPKF continuously invests around 10% of revenue in research and development, and 80 percent of the company's products are less than three years old. Based on this, the Management

Board wants to both increase profitability further and invest in new, transformative technologies. "These are the best basis for sustained profitable growth, an attractive return on capital, and dividends," said Witt.

In a series of subject matter presentations, LPKF employees described the challenges of the various markets, and the solutions LPKF develops for its customers. For more than 40 years, the company has been establishing completely new production methods in electronics manufacturing, replacing traditional processes. LPKF is in a leading global positions in all four business segments.

Roman Ostholt, Managing Director of the Electronics segment, explained the advantages of high-precision laser technologies in PCB manufacturing to the investor audience. They expressed particular interest in LPKF's innovative LIDE technology (Laser Induced Deep Etching). This process for high-precision processing of ultra-thin glass has the potential to significantly expand the range of applications for glass in microsystems technology. "Together with our customers, we are working intensely on the qualification of this process for their microsystems technology applications. In parallel, we are building a new production clean room facility to execute these volume manufacturing projects," said Ostholt.

"We understand the drivers that determine our customers' economic success," emphasized Britta Schulz, Managing Director of the Development segment. In this segment, LPKF offers researchers and developers a full range of equipment to produce PCB prototypes very quickly, in their own facility, and without the use of chemicals.

In the Solar segment, LPKF supplies laser systems for structuring thin-film solar modules. The company is the world market leader in this field. Ultra-precise structuring with LPKF laser systems drives a significant increase in the conversion efficiency of solar modules. This increases the competitiveness of solar-generated power, independent of government subsidies. "With our Scriber technology, we are making a real contribution to climate protection, and at the same time we operate a very successful business," said Juergen Bergedieck, Managing Director of the Solar segment.

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).