

## Successful 2018 Financial Year for LPKF

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

Share:  
Prime Standard  
ISIN 0006450000

*Garbsen, March 26, 2019* – LPKF Laser & Electronics AG ended the 2018 financial year with significantly higher revenue, order entry, and profit. Revenue grew by 18% to EUR 120 million. Order entry has increased to EUR 140 million, which is 23% higher than the previous year. Earnings before interest and taxes (EBIT) rose by 73% to EUR 6.8 million.

With revenue at EUR 120 million, LPKF has reached the top of its own forecast range, which was raised twice during the past financial year. As of December 31, 2018, orders on hand amounted to EUR 58 million, exceeding the prior-year figure by 51%. At 5.7%, the EBIT margin is significantly higher than in the previous year (2017: 3.9% with positive non-recurring effects overall), even as non-recurring expenses of EUR 2.3 million are already included.

“Following the restructuring phase of the last few years, LPKF is back on a profitable growth trajectory,” is how CEO Dr. Goetz M. Bendele summarized this development. Together with his Management Board colleague Christian Witt, he intends to further strengthen LPKF’s position as a leading technology company.

Overall, key financial figures have also improved substantially: Free cash flow has reached EUR 5.8 million, after EUR 3.3 million in the previous year. Furthermore, the proceeds of EUR 16.2 million from the capital increase which was successfully executed in August have made a significant contribution to improving the company’s capital resources. The equity ratio increased from 46.5% to 60.4% during 2018. Net debt to banks were reduced from EUR 37.7 million to EUR 16.3 million.

Despite the positive results in the past financial year, the Management Board and the Supervisory Board will propose to the Annual General Meeting on June 6, 2019 that no dividend be paid for 2018. The Management Board and the Supervisory Board agree that reducing the company’s debt, investing in new technologies and thus safeguarding LPKF’s future take priority over the distribution of profits. If performance is in line with plan, the Management Board and the Supervisory Board intend to propose a dividend to the 2020 Annual General Meeting.

Assuming a stable development of the global economy, the Management Board expects a Group-revenue of between EUR 130 million and EUR 135 million and an EBIT margin of between 8% and 12% for the financial year 2019. This corresponds to a ROCE of between 10% and 15%.

In the following years, the Management Board intends to further increase the profitability of the company and generate a sustainable EBIT margin of more than 12%.

The full annual report is available in German and English at <https://www.lpkf.com/en/investor-relations/publications>.

#### 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).