

LPKF again increases revenue and profitability

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LPKF

Laser & Electronics AG

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Management

Goetz M. Bendele (CEO)
Christian Witt (CFO)

Share:

Prime Standard
ISIN 0006450000

Garbsen, 14 May 2019 - LPKF Laser & Electronics AG increased its revenue in the first quarter of 2019 by 85% over the previous year to EUR 36.4 million. All four segments of the Group contributed to this development. In the Development segment, sales rose by approx. 10%, in the Electronics, Solar and Welding segments they were even more than twice as high as in the previous year's quarter.

This positive development is also reflected in the earnings figures. Earnings before interest and taxes (EBIT) amounted to EUR 6.1 million after three months, corresponding to an EBIT margin of 16.7%. In the first quarter of 2018, LPKF recorded a significant loss of EUR 2.3 million.

For Goetz M. Bendele, who joined LPKF a year ago as CEO, these figures are reason for confidence: "The operational improvements of the past quarters are having a strong effect, the demand for our solutions and services is high".

Together with his board colleague Christian Witt (CFO) Bendele wants to restore LPKF to sustainable profitability. This goal has at least come within sight with the consistently good results of the last four quarters. In the Welding segment, which was still weak in 2018, the changes and measures implemented are having a rapid impact, which is already reflected in the significant improvement in earnings in this segment. At the same time, the company's net working capital decreased from EUR 37.9 million at the end of 2018 to EUR 34.2 million.

While sales and earnings increased significantly in the first quarter, order intake was weaker. At EUR 21.6 million, it was down on the previous year; orders on hand stood at EUR 43.4 million on 31 March 2019.

Of the four segments, two (Solar and Electronics) are strongly influenced by large orders from individual customers; another (Welding) is also influenced to a lesser extent. This causes clearly visible fluctuations in incoming orders at the quarterly level. After adjusting the order intake for these fluctuations, there was an increase over the prior-year quarter instead of a reduction.

The Managing Board continues to assess the general market demand for LPKF's solutions and services as fundamentally positive and will, as planned, further intensify its efforts in marketing and commercializing the new technologies.

In 2019, subject to stable growth in the global economy, the Management Board estimates consolidated revenue of between EUR 130 million and EUR 135 million and an EBIT margin of between 8% and 12%. This corresponds to a ROCE of between 10% and 15%. Based on the current order position, the Management Board expects revenue of between EUR 30 million and EUR 35 million for the second quarter of 2019 and an EBIT margin of between 8% and 12%.

Over the coming years the Management Board wants to further increase the company's profitability and generate a sustainable EBIT margin of more than 12%.

The complete quarterly 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).