

LPKF reports another very successful quarter

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Management
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Share:
Prime Standard
ISIN 0006450000

Garbsen, 11 November 2019 - LPKF Laser & Electronics AG has once again experienced a strong quarter. In the third quarter, the Group's revenue of EUR 34.8 million was around 19% higher than the prior year's figure. For the first nine months, revenue was EUR 107.5 million, an increase of 22% over the prior year's period. The strongest growth came from the Electronics segment (plus 32%), the Solar segment (plus 29%), and the Welding segment (plus 23%).

With the higher revenue, the technology company has generated considerable earnings before interest and taxes (EBIT) both in the third quarter and in the first nine months. At EUR 5.2 million for the third quarter, EBIT was more than 90% higher than the prior year's figure, while for the first nine months, it has tripled to EUR 15.3 million.

"With now six consecutive profitable quarters, we have successfully returned LPKF to a position of sustained profitability. We are now in a strong position," says Dr. Goetz M. Bendele, CEO of LPKF. The physicist has now achieved the first major goal he set himself for LPKF when he took office around 18 months ago.

"Overall, the results for the third quarter and the first nine months are remarkable in almost every respect," says CFO Christian Witt. Net working capital was further reduced from EUR 32.4 million at the end of June to EUR 27.9 million at the end of September. LPKF remains free of net debt and the Group's net cash position has increased from EUR 1.1 million at the end of June to EUR 12.4 million at the end of September. "As a technology company, we are now in a position to strengthen sales structures, and to invest further in innovative technologies – this is essential for constantly getting better," says Witt.

After a weak first half of 2019, order intake has recovered to EUR 35.5 million in the third quarter (Q3 2018: EUR 31 million). However, incoming orders for the year to date are still below the prior year's figure. At EUR 32.1 million, orders on hand at the end of September were slightly higher than at the end of June, but still below the prior year's figure.

"We continue to monitor the order situation very carefully, especially considering the unclear macroeconomic outlook," says Bendele. Overall, Bendele continues to see strong market demand for LPKF's solutions and services.

While he sees current developments as clearly positive, Bendele believes that LPKF is not yet close to reaching its overall goal: "We must be relentless in our pursuit of value for our customers," he explains in the quarterly report. Together with his colleagues, Bendele wants to realize the full potential of LPKF. This potential stems from the company's technologies, its ability to integrate them into high-performance solutions, the extraordinary know-how of its employees and the resulting value for its customers. "To date, we have only seen a fraction of this potential," says Bendele.

The Management Board continues to assess the general market demand for LPKF's solutions and services as fundamentally positive and confirms the guidance. For the 2019 financial year, they anticipate a consolidated revenue of between EUR 135 million and EUR 140 million and an EBIT margin of between 12% and 14%, with the global economy remaining stable. This corresponds to a ROCE of between 20% and 25%. In subsequent years, LPKF intends to further increase profitability and generate an EBIT margin of more than 14%.

The quarterly financial report is available in German and English at
<https://www.lpkf.com/de/investor-relations/veroeffentlichungen>

About LPKF

LPKF Laser & Electronics AG is a leading supplier of laser-based solutions for the technology industry. LPKF's laser systems are vital in the manufacture of printed circuit boards, microchips, automotive parts, solar modules and many other components. Founded in 1976, the company is headquartered in Garbsen near Hanover and operates worldwide through subsidiaries and agencies. LPKF Laser & Electronics AG shares are traded in the Prime Standard segment of the German Stock Exchange (ISIN 0006450000).