

LPKF profitable in the first half of 2020

- Profit in second quarter exceeds expectations

- Continued strong revenue and earnings growth expected in the medium term

Garbsen, 05.08.2020 - The second quarter of 2020 was significantly stronger than the first quarter, despite the global economic impact of the COVID-19 pandemic. At EUR 30.5 million, revenue was in line with the company's forecast but 16% below the prior year figure. Still, LPKF was able to increase earnings before interest and taxes (EBIT) by 30% compared to the prior year figure, to EUR 5.2 million. This corresponds to an EBIT margin of 17.1% for the second quarter.

"Viewed against the current economic environment, we are quite pleased by this", says CEO Goetz M. Bendele. "We were able to further reduce the company's cost base while recruiting additional staff in the LIDE division and continuing to invest in our LPKF Glass-Foundry as planned during the second quarter."

LPKF Group revenue for the first half of the year was EUR 50.0 million, around 30% below the prior year figure. All four segments have recorded a decline in revenue in the first half of the year. Following the weak first quarter, EBIT for the half year was EUR 2.8 million.

This shows that LPKF is now able to generate profit even with comparatively variable revenue levels. For the second half of the year, the company expects higher total revenue and profit than in the first half.

With EUR 17.9 million in the second quarter, incoming orders were below the prior year figure (Q2 2019: EUR 24.3 million). With EUR 21.9 million, order backlog at the end of June was also below the year-end figure (EUR 31.4 million). The order situation continues to be affected by the timing of a few large orders, particularly in the Solar segment.

Regardless of what developments we may see in the coming months, the Management Board is convinced that LPKF is well positioned overall: "We are profitable even with currently lower revenue levels, and we can react immediately to demand increases whenever they may occur", says CFO Christian Witt.

For the third quarter, LPKF expects revenue of EUR 24 to 27 million, and a profit (EBIT) of EUR 1 to 3 million. LPKF continues to expect sustainable, profitable growth in all segments in the coming years, and confirms the medium-term forecast made in February.

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

About LPKF

LPKF Laser & Electronics AG is a leading supplier of laser-based solutions for the technology industry. LPKF 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, Germany, and operates worldwide through subsidiaries and distributors. LPKF shares are traded in the SDAX of the German Stock Exchange (ISIN 0006450000).