

## LPKF: Looking Back on Successful 2020 Financial Year in Spite of COVID-19

**- LPKF intends to once again propose a dividend of 0.10 Euro per share to the AGM**

**- Company continues to expect strong medium-term revenue and earnings growth**

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

Shares:  
Prime Standard  
ISIN 0006450000

*Garbsen, March 24, 2021* - In the annual report of LPKF Laser & Electronics AG published today, the Management Board reports the development of the technology company's business in 2020. In spite of a revenue drop due to delays of customer projects in this challenging year, LPKF has delivered earnings, has continued to invest in new technologies as planned, and has further developed the company in line with its strategic growth plan.

With revenue for the year of EUR 96.2 million (- 31 %), LPKF has reached the lower end of its own forecast (EUR 96 - 102 million). Earnings before interest and taxes (EBIT) has decreased to EUR 7.5 million. The EBIT margin was 7.8% after 13.7% in 2019. At EUR 102.2 million in 2020, incoming orders were 10.3% below the prior year figure, while order backlog on December 31, 2020 was EUR 38.3 million, up EUR 6 million (18.3%) from the prior year figure of EUR 32.3 million. The revenue drop was largely due to major projects with two key customers which were postponed beyond 2020 or suspended due to the impact of the COVID-19 pandemic.

LPKF has generated a profit in three of its four segments in 2020, with only the Welding segment which has been affected by the automotive sector weakness in addition to the pandemic reporting a loss. Overall, operating cash flow remained positive in 2020 at EUR 4.0 million. At the same time, and regardless of the pandemic, the company has invested close to EUR 10 million in future technologies, compared to almost EUR 6 million in the year before. LPKF continues to be (net) debt-free and has an adequate net cash reserve.

"Today, LPKF is a stronger and better-performing company – in spite of the difficulties we have faced since the start of the COVID-19 pandemic," says CEO Goetz M. Bendele. "Our learnings since then – how we serve our customers; how we design, manufacture, deliver and install our systems; and how we work with each other – will continue to help us grow and succeed going forward." That said, LPKF did not meet its growth targets in 2020. "Much remains to be done for 2021 and subsequent years – especially once the pandemic recedes", said Bendele.

For CFO Christian Witt, the company has shown that it has sufficient financial resources to invest in research & development even during a severe economic crisis. "During the pandemic, we were able to reduce our fixed cost base and have reached a reasonable operating result, considering the size of our revenue drop. At the same time, we have invested more in the expansion of our future technologies than we did in previous years, and we have started to work closely with customers on both pilot and initial volume manufacturing solutions in the LIDE area."

With the profitable business development, solid financing and positive outlook, the Management Board and Supervisory Board will again propose to the Annual General Meeting on May 20, 2021 that a dividend of EUR 0.10 per share be paid to the shareholders.

LPKF shareholders can look back on a very successful trading year 2020. Due to the recent increases in trading volume and market capitalization, the shares were included in the SDAX index in February 2020, and in the TecDAX index in August 2020. Overall, the share price rose by 77% in 2020, significantly more than SDAX (17%) and TecDAX (6%) averages.

Witt and Bendele expect that LPKF will resume growth in 2021. However, the timing and speed of the expected macroeconomic recovery in the markets is still uncertain. This limits the ability to forecast the current financial year 2021.

For subsequent years, the company continues to expect sustainable, profitable growth in each business unit. The innovative LIDE (Laser Induced Deep Etching) technology will add to this growth, and LPKF continues to assess its sales and earnings potential as high. Together with the sales and earnings contribution from LIDE, LPKF continues to expect consolidated revenue of more than EUR 360 million, and an EBIT margin of more than 25 % in 2024, with further growth after that.

The fact that Bendele will leave LPKF at the end of April 2021 when his contract expires does not change the company's confidence. "LPKF is financially stable, has a broad and growing portfolio of innovative technologies, and is on an attractive growth path despite the impact of the pandemic," says Witt. "The high level of commitment of our employees, their experience, know-how and creativity are key to our continued success in this regard."

The Supervisory Board has started the search for a new CEO.

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

#### 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 Prime Standard segment of the German Stock Exchange (ISIN 0006450000).