

## LPKF reports results for Full Year 2024

- **Despite Challenging Environment: Revenue of EUR 122.9 Million maintained at last year's level with a break even adjusted EBIT**
- **Solid development in core business despite investment restraint**
- **Significant progress achieved in the display and semiconductor sectors**
- **Cost reduction programmes progressing to plan with noticeable impact in 2025**
- **Profitable growth expected for 2025**

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The technology company LPKF Laser & Electronics SE published today its annual report for 2024. Despite the challenging economic conditions for the German mechanical engineering industry, LPKF was able to maintain its revenue slightly below the previous year's level at EUR 122.9 million. As expected, the crisis in the automotive industry has noticeably impacted the company's core business. This set of results remains in line with the company's latest guidance.

In his letter to the shareholders, Klaus Fiedler, CEO of LPKF, makes no secret of his dissatisfaction with the financial results of 2024. At the same time, he emphasizes that LPKF is currently in an exciting phase of development. "Our goal is to explore new application areas that offer us larger markets than our current core business. We have made significant progress in 2024 with our LIDE technology (Laser Induced Deep Etching) in the fields of displays and advanced packaging." Fiedler is confident that LPKF can now reap the fruits of its efforts.

### Financial Indicators

At EUR 122.9 million, revenue in the 2024 financial year almost reached the previous year's value of EUR 124.3 million. EBIT amounted to a loss of EUR 2.5 million (2023: Profit of EUR 3.7 million). Within the second half of 2024 LPKF has implemented numerous measures to increase operational efficiency and reduce costs in order to counteract the cost inflation and underutilization of recent years. The operating result was therefore burdened by non-recurring costs amounting to approximately EUR 2.6 million. The adjusted EBIT amounts to EUR 0.1 million (2023: EUR 4.4 million), in line with the company's latest guidance. The ongoing cost reduction initiatives are expected to take effect as early as the first quarter of 2025 and accelerate through the course of 2025. These savings, coupled with the planned increase in revenue, will have a positive and visible impact on LPKF's profitability in 2025.

The order intake in the 2024 financial year was EUR 114.3 million, 4.8% lower than the previous year (2023: EUR 120.1 million). The order backlog fell from EUR 58.9 million in the previous year to EUR 50.9 million as of 31 December 2024. This reflects the nervousness of customers in committing to capital investments entering 2025. The free cash flow of EUR 1.9 million results mainly from a reduction in net working capital from EUR 40.0 million to EUR 37.2 million over the course of the year. As of 31 December 2024, LPKF has a nearly balanced net cash position and boasts a solid equity ratio of 69.7%.

## Development of Core Business

In 2024, the Welding segment suffered the most within the LPKF Group due to the weakness of the automotive industry. Revenue from systems for laser plastic welding has fallen by almost 20% compared to the previous year. Consistent measures to reduce the fixed cost base have been implemented which will continue in the first half of 2025. At the same time, the development of the ATA (Absorbent-To-Absorbent) pilot project was successfully completed. ATA represents an innovative laser welding process that significantly expands the range of applicable fields. Together with the increasing demand from the medical and consumer goods sectors, this forms the basis for leading the business unit back onto a sustainable profitable path.

In the Electronics segment, the business with laser systems for separating circuit boards (depaneling) has developed well in a weak market environment. Thanks to the outstanding performance of LPKF cutting systems, LPKF has managed to expand its leading market position in the field of depaneling and maintain stable revenue. The company expects sustainable growth in this area in the future.

In 2024, the Development segment demonstrated solid performance despite a difficult overall economic situation. In this regard, revenue development has significantly accelerated in the second half of the year. LPKF remains the market leader in this business sector.

With a revenue of over EUR 40 million, the Solar segment set a new record within the LPKF Group in 2024. The photovoltaic market is growing, and LPKF is the market leader in the structuring of thin-film solar modules. The solar scribes from LPKF continue to be the most efficient in terms of accuracy, throughput, and availability.

## Development of New Technologies

In December, the company received its first order for the delivery of several LIDE systems (Laser Induced Deep Etching) for the mass production of display applications. LPKF has thus taken the first step towards introducing LIDE into the mass production of glass displays and has transferred the first of the three strategic growth areas into operational implementation.

Klaus Fiedler also sees the positive development of LIDE technology in the semiconductor sector. "The current phase of digitization is characterized by the exponential growth of data volumes and increasing demands on data processing, driven by technologies such as Artificial Intelligence and Machine Learning. The need for high and energy-efficient computing power is driving the needs for new materials. The trend towards glass substrates is intensifying and the supply chain is slowly but surely adapting to this. We are well-connected and prepared." Fiedler is confident that the breakthrough will also be achieved here and that LPKF will be able to bring the second strategic growth area into scalable serial production. LPKF has pioneered the development of ARRALYZE as a standalone business unit and ventured into the highly attractive biotechnology market. The Cell-Shepherd® is an innovative, compact solution for the examination and isolation of individual cells. Despite strong interest in the

academic market, the willingness to invest here remains low. While LPKF initially focused on cell and gene therapy, cell line development became increasingly interesting during the year. Cell lines are used for the production of therapeutic proteins, antibodies and vaccines. Another promising application for ARRALYZE is cellular agriculture, which involves the production of animal-based food and raw materials through cell cultures. Fiedler sees great potential for LPKF in the biotech market in the medium term: "With our hardware and software expertise, we can make a contribution in this growing market, which requires high technological quality." Although LPKF is still an unknown player and requires initial investments to address the steep learning curve, Fiedler is confident that the company is on the right track with ARRALYZE.

### Outlook

Backed by the strong customer interest from its latest technological developments LPKF expects consolidated revenue of EUR 125 to 140 million and an adjusted EBIT margin of between 6% and 9% for the 2025 financial year, despite the currently very uncertain global economic and political environment.

In the current first quarter, the Management Board expects consolidated revenue of EUR 25 to 28 million (Q1 2024: 25.4 million) and an adjusted EBIT\* between EUR -3.5 and -1.5 million (Q1 2024: -4.3 million).

In the medium term, LPKF aims to achieve an attractive single-digit growth rate for its core business. New business initiatives in the semiconductor, display, and biotechnology markets, alongside core business, should help deliver low three-digit million euro revenue in the medium term. Drawing on revenue growth and the resulting economies of scale, the Management Board aims to achieve an attractive double-digit EBIT margin for the LPKF Group in the next few years.

\*Adjusted EBIT is EBIT adjusted for restructuring and severance costs and changes to the long-term incentive (LTI) as a result of fluctuations in the performance factor or share price. For the 2025 financial year, LPKF expects costs of between 0.5% and 1.5% of revenue.



Head office of LPKF Laser & Electronics SE in Garbsen near Hanover

## About LPKF

As a high-tech mechanical engineering company, LPKF develops highly precise, scalable manufacturing processes that are used in growth markets such as semiconductors & electronics, life sciences & medical technology, smart mobility, as well as research & development. Founded in 1976, the company is headquartered in Garbsen near Hanover and operates on a worldwide basis via subsidiaries and representative offices. LPKF employs more than 750 people and is relentlessly committed to driving technological progress with innovative solutions and making a sustainable, positive change in the world. The shares of LPKF Laser & Electronics SE are traded on the SDAX of the German Stock Exchange (ISIN 0006450000).

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