

Buy EUR 15.00 Price EUR 7.18 Upside 109.1 %	Value Indicators: EUR DCF: 15.79 FCF-Value Potential 25e: 13.58	Warburg ESG Risk Score: 3.0 ESG Score (MSCI based): 2.0 Balance Sheet Score: 5.0 Market Liquidity Score: 2.0	Description: Highly specialised machine manufacturer developing laser applications for special purposes
	Market Snapshot: EUR m Market cap: 175.8 No. of shares (m): 24.5 EV: 170.6 Freefloat MC: 175.8 Ø Trad. Vol. (30d): 279.29 th	Shareholders: Freefloat 100.00 % Small Cap World Fund 5.00 % JPMorgan AM 3.00 % Société Générale 3.00 % UBS 3.00 %	Key Figures (WRe): 2023e Beta: 1.3 Price / Book: 1.8 x Equity Ratio: 74 %

Solid visibility for further growth acceleration in Q4

Stated Figures Q3/2023: FY End: 31.12. in EUR m										Comment on Figures: <ul style="list-style-type: none"> Q3 sales growth driven by solid demand for Tensor and first deliveries of the major Solar order. Profitability is still burdened by development and ramp-up expenses for new product However, the EBIT margin turned positive in Q3, mainly driven by the segments of Solar (EBIT margin 20.9%) and Development (EBIT margin 17.3%) 										
	Q3	Q3	Q3		9M	9M	9M													
	23	23e	22	yoy	23	23e	22	yoy												
Sales	33.0	31.7	31.3	6 %	80.9	79.6	86.8	-7 %												
EBITDA	4.8	4.9	3.1	57 %	2.3	2.4	8.8	-74 %												
Margin	14.7 %	15.5 %	9.8 %		2.9 %	3.0 %	10.2 %													
EBIT	2.7	2.6	0.8	224 %	-4.3	-4.4	2.5	n.a.												
Margin	8.1 %	8.3 %	2.6 %		-5.3 %	-5.5 %	2.9 %													

LPKF has published Q3 figures, which are at the upper end of the target ranges (sales EUR 28-33m, EBIT -1m to 3m) and in line with our estimates (WRe sales EUR 31.7m, EBIT EUR 2.6m). Q3 sales increased by only 5.5% yoy to EUR 33.0m, but the sequential growth momentum continued apace after Q1 revenues of EUR 20.2m and Q2 revenues of EUR 27.7m. This was driven by solid demand for LPKF's Tensor technology (Electronics segment) and first deliveries of the major Solar order in the third quarter, of which the bulk is scheduled for Q4.

The EBIT margin is still burdened by expenses for the ramp-up of new products, especially ARRALYZE, which resulted in a negative 9M EBIT margin of -5.3%. However, driven by the solid top-line development and first deliveries related to the major order in Solar, the EBIT margin in Q3 already improved notably to 8.1% (2.6% in Q3 2022),

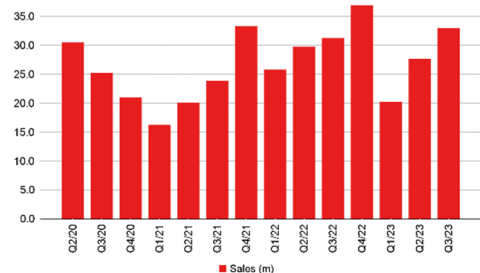
The demand recovery was also reflected in the order intake in the first nine months, which grew by 29% to EUR 94.0m (book-to-bill 1.2) and in the order backlog, which reached EUR 76.2m (+56% yoy). Of these orders, EUR 40m are scheduled for delivery in Q4, providing solid visibility for the last quarter.

Against this background, LPKF confirmed the guidance for the full year, targeting sales of EUR 125-135m and an EBIT margin of 3-7%. We have not changed our estimates for 2023 and expect the company to reach its goals at around the midpoint of the ranges provided with sales of EUR 131.7m and an EBIT margin of 4.1%. This implies a notable growth acceleration to a top line of EUR 50.8m (+37.6% yoy) and an EBIT margin improvement to 19.2% (Q4 22 11.5%). This strong development should be driven by the delivery of the major order in Solar, which usually comes with high quarterly margins, the strong demand for Tensor as reflected in the high order backlog, but also by a solid top-line contribution from the traditional Electronics business. While the supply situation has already improved significantly, past shortages have delayed some orders, which should result in a Q4-heavy development in the Electronics segment overall. Moreover, LPKF, with its +70% gross margin, should benefit from significant economies of scale driven by the anticipated increase in sales volume in Q4.

Since Q3 was fully in line with our expectations, we confirm our estimates, our price target and our Buy recommendation for LPKF.

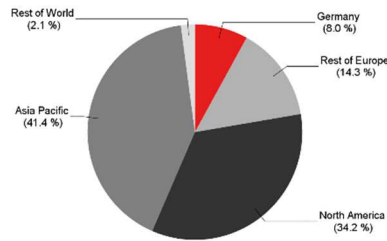
	FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
	Sales	15.2 %	140.0	96.2	93.6	123.7	131.7	166.2	189.2
Change Sales yoy		16.7 %	-31.3 %	-2.8 %	32.2 %	6.4 %	26.2 %	13.8 %	
Gross profit margin		63.8 %	72.4 %	74.7 %	70.1 %	68.2 %	70.1 %	69.5 %	
EBITDA	37.8 %	26.9	14.8	7.6	15.1	14.3	30.8	39.6	
Margin		19.2 %	15.4 %	8.1 %	12.2 %	10.9 %	18.5 %	20.9 %	
EBIT	63.2 %	19.2	7.5	0.1	6.8	5.4	21.3	29.5	
Margin		13.7 %	7.8 %	0.1 %	5.5 %	4.1 %	12.8 %	15.6 %	
Net income	132.6 %	13.1	5.3	-0.1	1.7	3.8	15.1	20.9	
EPS	129.8 %	0.54	0.22	0.00	0.07	0.16	0.61	0.85	
EPS adj.	129.8 %	0.54	0.22	0.00	0.07	0.16	0.61	0.85	
DPS	-	0.10	0.10	0.00	0.00	0.20	0.20	0.20	
Dividend Yield		1.1 %	0.5 %	n.a.	n.a.	2.8 %	2.8 %	2.8 %	
FCFPS		1.72	-0.23	-0.03	0.01	-0.18	0.92	1.05	
FCF / Market cap		18.3 %	-1.1 %	-0.1 %	0.1 %	-2.5 %	12.9 %	14.7 %	
EV / Sales		1.5 x	5.1 x	5.9 x	2.2 x	1.3 x	0.9 x	0.6 x	
EV / EBITDA		7.7 x	33.2 x	72.1 x	17.9 x	11.9 x	4.8 x	3.1 x	
EV / EBIT		10.8 x	65.4 x	n.a.	39.8 x	31.3 x	7.0 x	4.1 x	
P / E		17.4 x	93.8 x	n.a.	163.0 x	44.8 x	11.8 x	8.4 x	
P / E adj.		17.4 x	93.8 x	n.a.	163.0 x	44.8 x	11.8 x	8.4 x	
FCF Potential Yield		8.9 %	2.2 %	1.1 %	2.9 %	5.9 %	14.4 %	22.3 %	
Net Debt		-22.1	-12.8	-9.6	-9.6	-5.2	-27.8	-53.6	
ROCE (NOPAT)		16.5 %	7.4 %	0.0 %	2.1 %	4.3 %	16.8 %	24.9 %	
Guidance:	Sales EUR 125-135m. EBIT margin 3% to 7%								

Sales development
in EUR m



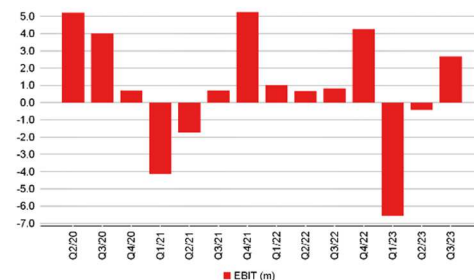
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

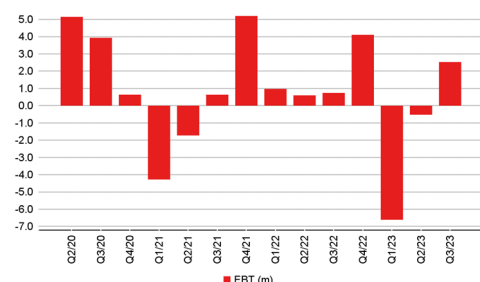
Company Background

- Global market leader/top supplier of laser-based processing tools replacing conventional and non-digital processes.
- LPKF is an innovation leader and usually the first supplier of new laser-based processing technologies.
- Approx. 50% of revenues are generated with the development and production of PCBs (segments Development and Electronics) where LPKF is global market leader with market shares of up to 65% in its applications.
- LPKF's Solar BU offers laser scribe to producers of thin film solar modules. In the future the new LTP technology will also contribute to this segment.
- The Welding segment offers versatile applications for a range of customer industries including automotive, consumer electronics and healthcare

Competitive Quality

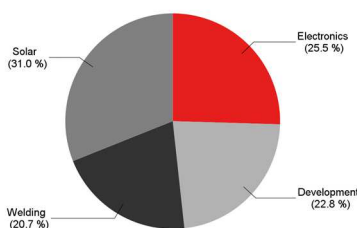
- LPKF is the technologically leading company in the market of laser applications and often first supplier of its customers.
- The high innovative strength of the company ensures the market-leading position and gives LPKF a first-mover advantage in new products that offer highly attractive TCO compared to conventional solutions.
- The company holds a dominant market-leading position in selected niches (e.g. in development and solar segment) but there is also some dependency on single customers.
- International service and distribution network fosters close relationships to customers.
- The focused low-asset business model and high R&D efforts offer high scalability and attractive capital returns.

EBT development
in EUR m



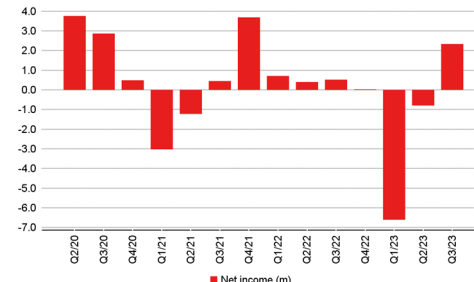
Source: Warburg Research

Sales by segments
2022; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	131.7	166.2	189.2	211.9	235.3	258.8	282.1	306.1	330.5	350.4	364.4	375.3	384.7	
Sales change	6.4 %	26.2 %	13.8 %	12.0 %	11.0 %	10.0 %	9.0 %	8.5 %	8.0 %	6.0 %	4.0 %	3.0 %	2.5 %	2.5 %
EBIT	5.4	21.3	29.5	33.9	38.8	41.4	43.7	47.4	51.2	54.3	56.5	58.2	59.6	
EBIT-margin	4.1 %	12.8 %	15.6 %	16.0 %	16.5 %	16.0 %	15.5 %	15.5 %	15.5 %	15.5 %	15.5 %	15.5 %	15.5 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	29.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	3.9	15.1	20.9	24.1	27.2	29.0	30.6	33.2	35.9	38.0	39.5	40.7	41.7	
Depreciation	8.9	9.5	10.1	10.6	10.8	10.9	11.3	12.2	13.2	14.0	14.6	15.0	15.4	
in % of Sales	6.8 %	5.7 %	5.3 %	5.0 %	4.6 %	4.2 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	9.0	-6.8	-3.1	2.0	1.8	2.1	2.8	2.9	2.9	2.4	1.7	1.3	1.1	
- Capex	8.9	9.4	9.0	9.5	9.4	10.4	11.3	12.2	13.2	14.0	14.6	15.0	15.4	
Capex in % of Sales	6.8 %	5.7 %	4.7 %	4.5 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
- Other	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-5.7	21.4	24.5	23.1	26.8	27.4	27.8	30.4	33.0	35.7	37.9	39.4	40.6	42
PV of FCF	-5.6	19.3	20.2	17.4	18.3	17.1	15.8	15.7	15.5	15.3	14.8	14.0	13.2	186
share of PVs	8.98 %			41.66 %										49.37 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	2.00 %	Financial Strength	1.10
Cost of debt (after tax)	2.8 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	1.30
Risk free rate	2.75 %	Transparency	1.50
		Others	1.30
WACC	9.76 %	Beta	1.30

Valuation (m)

Present values 2035e	191		
Terminal Value	186		
Financial liabilities	3		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	13	No. of shares (m)	24.5
Equity Value	387	Value per share (EUR)	15.79

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.49	10.8 %	13.25	13.40	13.57	13.75	13.93	14.13	14.34	1.49	10.8 %	12.36	12.82	13.28	13.75	14.21	14.67	15.13
1.39	10.3 %	14.11	14.29	14.49	14.70	14.93	15.17	15.42	1.39	10.3 %	13.22	13.71	14.21	14.70	15.20	15.69	16.19
1.35	10.0 %	14.58	14.78	15.00	15.23	15.48	15.74	16.02	1.35	10.0 %	13.69	14.21	14.72	15.23	15.74	16.25	16.77
1.30	9.8 %	15.08	15.30	15.54	15.79	16.07	16.36	16.67	1.30	9.8 %	14.20	14.73	15.26	15.79	16.32	16.86	17.39
1.25	9.5 %	15.62	15.86	16.12	16.40	16.70	17.02	17.37	1.25	9.5 %	14.75	15.30	15.85	16.40	16.95	17.50	18.05
1.21	9.3 %	16.19	16.46	16.74	17.05	17.38	17.74	18.13	1.21	9.3 %	15.33	15.91	16.48	17.05	17.62	18.20	18.77
1.11	8.8 %	17.46	17.78	18.13	18.51	18.92	19.37	19.85	1.11	8.8 %	16.65	17.27	17.89	18.51	19.13	19.75	20.37

- Comparably high growth rates in 2024 and 2025 driven by anticipated LIDE orders
- Margin increase resulting from the high scalability of LPKF's business model
- The "Others" line comprises adjustments for leasing related depreciations

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2019	2020	2021	2022	2023e	2024e	2025e	
Net Income before minorities	13.1	5.3	-0.1	1.7	3.8	15.1	20.9	
+ Depreciation + Amortisation	7.7	7.3	7.5	8.3	8.9	9.5	10.1	
- Net Interest Income	-0.5	-0.2	-0.2	-0.4	-0.1	-0.1	-0.1	
- Maintenance Capex	2.8	1.9	1.9	2.5	2.6	3.3	3.8	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	18.5	11.0	5.8	7.9	10.1	21.3	27.2	
FCF Potential Yield (on market EV)	8.9 %	2.2 %	1.1 %	2.9 %	5.9 %	14.4 %	22.3 %	
WACC	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	
= Enterprise Value (EV)	208.3	493.0	547.8	269.9	170.6	148.0	122.2	
= Fair Enterprise Value	189.8	112.3	59.2	80.9	104.0	218.0	279.1	
- Net Debt (Cash)	-9.9	-9.9	-9.9	-9.9	-5.4	-28.1	-53.8	
- Pension Liabilities	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	199.3	121.9	68.8	90.4	109.1	245.8	332.7	
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5	
= Fair value per share (EUR)	8.14	4.97	2.81	3.69	4.45	10.03	13.58	
premium (-) / discount (+) in %					-37.9 %	39.9 %	89.3 %	
Sensitivity Fair value per Share (EUR)								
	12.76 %	6.32	3.90	2.24	2.92	3.46	7.94	10.90
	11.76 %	6.82	4.20	2.40	3.13	3.73	8.52	11.64
	10.76 %	7.42	4.55	2.58	3.39	4.06	9.21	12.52
WACC	9.76 %	8.14	4.97	2.81	3.69	4.45	10.03	13.58
	8.76 %	9.02	5.50	3.09	4.07	4.94	11.05	14.88
	7.76 %	10.13	6.16	3.43	4.54	5.55	12.33	16.52
	6.76 %	11.58	7.01	3.88	5.16	6.34	13.99	18.64

▪ To maintain its production, we assume an investment of 2% of sales

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	2.5 x	5.4 x	6.0 x	3.0 x	1.8 x	1.5 x	1.3 x
Book value per share ex intangibles	3.06	3.09	2.99	3.01	3.14	3.73	4.60
EV / Sales	1.5 x	5.1 x	5.9 x	2.2 x	1.3 x	0.9 x	0.6 x
EV / EBITDA	7.7 x	33.2 x	72.1 x	17.9 x	11.9 x	4.8 x	3.1 x
EV / EBIT	10.8 x	65.4 x	n.a.	39.8 x	31.3 x	7.0 x	4.1 x
EV / EBIT adj.*	11.3 x	65.4 x	n.a.	39.8 x	31.3 x	7.0 x	4.1 x
P / FCF	5.5 x	n.a.	n.a.	n.a.	n.a.	7.8 x	6.8 x
P / E	17.4 x	93.8 x	n.a.	163.0 x	44.8 x	11.8 x	8.4 x
P / E adj.*	17.4 x	93.8 x	n.a.	163.0 x	44.8 x	11.8 x	8.4 x
Dividend Yield	1.1 %	0.5 %	n.a.	n.a.	2.8 %	2.8 %	2.8 %
FCF Potential Yield (on market EV)	8.9 %	2.2 %	1.1 %	2.9 %	5.9 %	14.4 %	22.3 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	140.0	96.2	93.6	123.7	131.7	166.2	189.2
Change Sales yoy	16.7 %	-31.3 %	-2.8 %	32.2 %	6.4 %	26.2 %	13.8 %
Increase / decrease in inventory	-0.8	0.2	7.3	-5.2	-6.5	0.7	0.6
Own work capitalised	4.3	5.3	5.9	6.3	6.2	6.3	5.7
Total Sales	143.6	101.7	106.7	124.8	131.4	173.2	195.5
Material expenses	54.2	32.0	36.8	38.0	41.6	56.7	64.0
Gross profit	89.4	69.7	69.9	86.7	89.8	116.5	131.5
<i>Gross profit margin</i>	<i>63.8 %</i>	<i>72.4 %</i>	<i>74.7 %</i>	<i>70.1 %</i>	<i>68.2 %</i>	<i>70.1 %</i>	<i>69.5 %</i>
Personnel expenses	44.7	41.5	44.3	49.5	54.4	60.2	65.3
Other operating income	4.0	3.8	3.3	4.2	4.1	4.0	4.0
Other operating expenses	21.7	17.1	21.2	26.4	25.2	29.6	30.7
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	26.9	14.8	7.6	15.1	14.3	30.8	39.6
<i>Margin</i>	<i>19.2 %</i>	<i>15.4 %</i>	<i>8.1 %</i>	<i>12.2 %</i>	<i>10.9 %</i>	<i>18.5 %</i>	<i>20.9 %</i>
Depreciation of fixed assets	4.4	4.0	3.8	3.8	3.9	4.0	4.0
EBITA	22.5	10.9	3.8	11.3	10.4	26.8	35.6
Amortisation of intangible assets	3.3	3.3	3.7	4.5	5.0	5.5	6.1
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	19.2	7.5	0.1	6.8	5.4	21.3	29.5
<i>Margin</i>	<i>13.7 %</i>	<i>7.8 %</i>	<i>0.1 %</i>	<i>5.5 %</i>	<i>4.1 %</i>	<i>12.8 %</i>	<i>15.6 %</i>
EBIT adj.	18.4	7.5	0.1	6.8	5.4	21.3	29.5
Interest income	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.5	0.3	0.2	0.4	0.1	0.1	0.1
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	18.7	7.3	-0.2	6.4	5.4	21.2	29.4
<i>Margin</i>	<i>13.4 %</i>	<i>7.6 %</i>	<i>-0.2 %</i>	<i>5.2 %</i>	<i>4.1 %</i>	<i>12.8 %</i>	<i>15.5 %</i>
Total taxes	5.6	2.0	-0.1	4.8	1.6	6.2	8.5
Net income from continuing operations	13.1	5.3	-0.1	1.7	3.8	15.1	20.9
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	13.1	5.3	-0.1	1.7	3.8	15.1	20.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	13.1	5.3	-0.1	1.7	3.8	15.1	20.9
<i>Margin</i>	<i>9.4 %</i>	<i>5.6 %</i>	<i>-0.1 %</i>	<i>1.3 %</i>	<i>2.9 %</i>	<i>9.1 %</i>	<i>11.0 %</i>
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5
EPS	0.54	0.22	0.00	0.07	0.16	0.61	0.85
EPS adj.	0.54	0.22	0.00	0.07	0.16	0.61	0.85

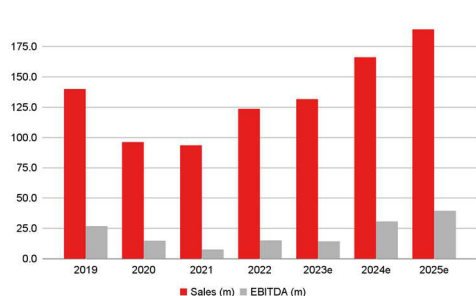
*Adjustments made for:

Guidance: Sales EUR 125-135m. EBIT margin 3% to 7%

Financial Ratios

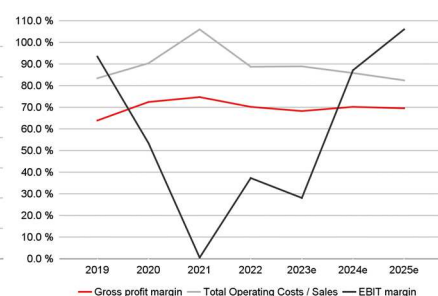
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	83.3 %	90.2 %	105.9 %	88.6 %	88.9 %	85.7 %	82.4 %
Operating Leverage	10.8 x	1.9 x	35.8 x	353.7 x	-3.1 x	11.1 x	2.8 x
EBITDA / Interest expenses	52.0 x	51.2 x	30.8 x	38.6 x	245.5 x	526.6 x	677.2 x
Tax rate (EBT)	29.9 %	26.9 %	32.9 %	74.1 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	18.7 %	45.9 %	0.0 %	0.0 %	128.1 %	32.5 %	23.5 %
Sales per Employee	205,328	139,673	125,426	167,161	170,009	203,659	224,379

Sales, EBITDA
in EUR m



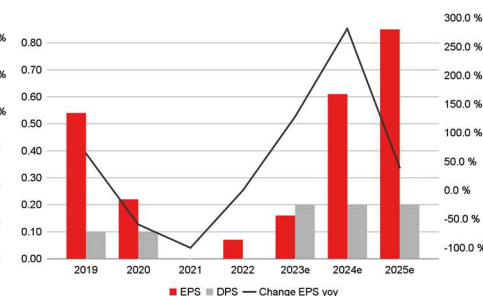
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

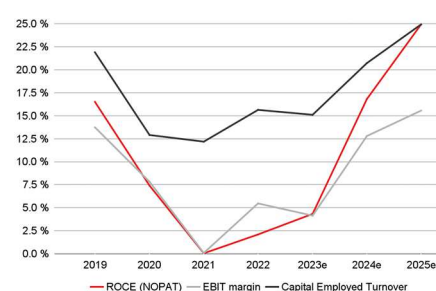
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	15.9	17.3	19.1	20.7	21.9	22.7	22.3
thereof other intangible assets	1.0	0.7	0.7	1.0	1.0	1.0	1.0
thereof Goodwill	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Property, plant and equipment	44.7	46.0	46.3	45.1	43.6	42.2	41.1
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.1	0.0	0.2	0.3	0.3	0.3	0.3
Fixed assets	60.7	63.4	65.6	66.1	65.8	65.2	63.6
Inventories	19.2	19.8	28.5	27.7	24.2	28.5	31.8
Accounts receivable	11.3	13.2	17.2	27.5	30.7	23.7	19.7
Liquid assets	31.3	20.1	15.2	12.8	8.4	31.0	56.8
Other short-term assets	5.5	5.2	5.8	4.4	4.4	4.4	4.4
Current assets	67.3	58.3	66.7	72.3	67.6	87.5	112.6
Total Assets	128.0	121.7	132.2	138.4	133.4	152.8	176.3
Liabilities and shareholders' equity							
Subscribed capital	24.5	24.5	24.5	24.5	24.5	24.5	24.5
Capital reserve	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Retained earnings	10.2	10.2	12.0	12.7	16.5	31.6	52.4
Other equity components	40.7	42.8	40.2	41.9	42.3	42.5	42.7
Shareholders' equity	90.8	92.9	92.2	94.5	98.7	114.0	135.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	90.8	92.9	92.2	94.5	98.7	114.0	135.1
Provisions	6.1	3.2	2.7	3.8	3.8	3.8	3.8
thereof provisions for pensions and similar obligations	0.3	0.4	0.4	0.3	0.3	0.3	0.3
Financial liabilities (total)	8.9	6.9	5.2	2.9	2.9	2.9	2.9
Short-term financial liabilities	2.0	1.8	1.8	0.9	0.9	0.9	0.9
Accounts payable	5.6	7.6	7.2	7.5	6.9	10.0	12.4
Other liabilities	16.5	11.0	24.9	29.7	21.1	22.1	22.1
Liabilities	37.2	28.7	40.0	43.9	34.7	38.8	41.2
Total liabilities and shareholders' equity	128.0	121.7	132.2	138.4	133.4	152.8	176.3

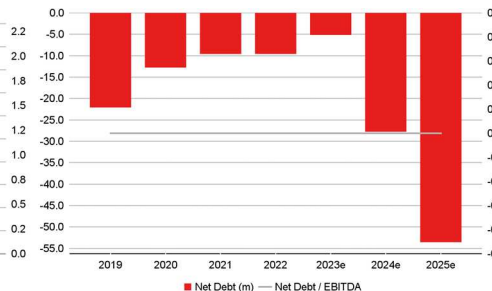
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	2.3 x	1.4 x	1.4 x	1.7 x	1.7 x	2.4 x	2.9 x
Capital Employed Turnover	2.0 x	1.2 x	1.1 x	1.5 x	1.4 x	1.9 x	2.3 x
ROA	21.6 %	8.4 %	-0.2 %	2.5 %	5.8 %	23.1 %	32.8 %
Return on Capital							
ROCE (NOPAT)	16.5 %	7.4 %	0.0 %	2.1 %	4.3 %	16.8 %	24.9 %
ROE	15.6 %	5.8 %	-0.1 %	1.8 %	4.0 %	14.2 %	16.8 %
Adj. ROE	15.6 %	5.8 %	-0.1 %	1.8 %	4.0 %	14.2 %	16.8 %
Balance sheet quality							
Net Debt	-22.1	-12.8	-9.6	-9.6	-5.2	-27.8	-53.6
Net Financial Debt	-22.4	-13.1	-10.0	-9.9	-5.4	-28.1	-53.8
Net Gearing	-24.3 %	-13.7 %	-10.4 %	-10.1 %	-5.2 %	-24.4 %	-39.7 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	3.7	3.8	3.8	3.9	4.0	4.7	5.5
Book value per share ex intangibles	3.1	3.1	3.0	3.0	3.1	3.7	4.6

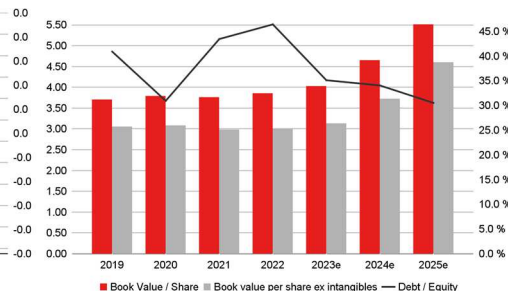
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

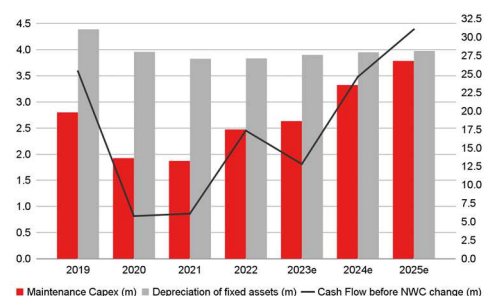
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	13.1	5.3	-0.1	1.7	3.8	15.1	20.9
Depreciation of fixed assets	4.4	4.0	3.8	3.8	3.9	4.0	4.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.3	3.3	3.7	4.5	5.0	5.5	6.1
Increase/decrease in long-term provisions	0.5	-2.5	-0.5	1.1	0.0	0.0	0.0
Other non-cash income and expenses	4.1	-4.3	-0.8	6.3	0.1	0.1	0.1
Cash Flow before NWC change	25.4	5.8	6.1	17.4	12.8	24.6	31.1
Increase / decrease in inventory	6.6	-2.0	-9.4	-0.3	3.5	-4.3	-3.3
Increase / decrease in accounts receivable	19.2	-1.5	-3.6	-10.3	-3.3	7.0	4.0
Increase / decrease in accounts payable	-2.8	2.0	-0.5	0.3	-9.2	4.1	2.4
Increase / decrease in other working capital positions	-0.3	-0.4	15.3	1.5	0.6	0.6	0.6
Increase / decrease in working capital (total)	22.6	-1.8	1.8	-8.9	-8.4	7.4	3.7
Net cash provided by operating activities [1]	48.0	4.0	7.9	8.5	4.5	32.0	34.8
Investments in intangible assets	-4.0	-4.8	-5.4	-6.2	-6.5	-6.8	-6.2
Investments in property, plant and equipment	-1.8	-4.8	-3.2	-2.1	-2.4	-2.6	-2.8
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-5.8	-9.5	-8.6	-8.2	-8.9	-9.4	-9.0
Change in financial liabilities	-13.2	-2.2	-2.1	-2.3	0.0	0.0	0.0
Dividends paid	0.0	-2.4	-2.5	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-1.3	-0.7	-0.7	-0.8	0.0	0.0	0.0
Net cash provided by financing activities [3]	-14.5	-5.4	-5.2	-3.1	0.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	27.7	-11.0	-5.9	-2.8	-4.4	22.6	25.8
Effects of exchange-rate changes on cash	-0.1	-0.3	1.0	0.4	0.0	0.0	0.0
Cash and cash equivalent at end of period	31.3	20.1	15.2	12.8	8.4	31.0	56.8

Financial Ratios

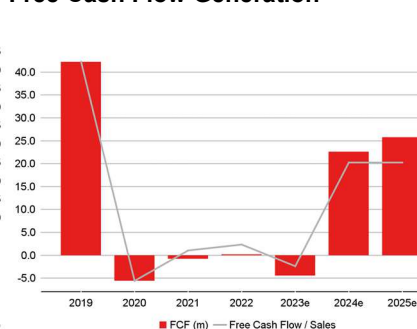
	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	42.2	-5.6	-0.8	0.2	-4.4	22.6	25.8
Free Cash Flow / Sales	30.2 %	-5.8 %	-0.8 %	0.2 %	-3.4 %	13.6 %	13.6 %
Free Cash Flow Potential	18.5	11.0	5.8	7.9	10.1	21.3	27.2
Free Cash Flow / Net Profit	321.9 %	-104.1 %	670.2 %	12.4 %	-115.9 %	150.2 %	123.5 %
Interest Received / Avg. Cash	0.1 %	0.2 %	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	3.6 %	3.7 %	4.1 %	9.7 %	2.0 %	2.0 %	2.0 %
Management of Funds							
Investment ratio	4.1 %	9.9 %	9.3 %	6.7 %	6.8 %	5.7 %	4.7 %
Maint. Capex / Sales	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Capex / Dep	75.3 %	130.4 %	115.2 %	99.5 %	100.1 %	99.3 %	89.1 %
Avg. Working Capital / Sales	18.9 %	18.4 %	21.2 %	18.3 %	23.2 %	19.0 %	14.1 %
Trade Debtors / Trade Creditors	201.8 %	173.0 %	238.2 %	365.8 %	444.9 %	237.0 %	158.9 %
Inventory Turnover	2.8 x	1.6 x	1.3 x	1.4 x	1.7 x	2.0 x	2.0 x
Receivables collection period (days)	30	50	67	81	85	52	38
Payables payment period (days)	38	87	71	72	61	64	71
Cash conversion cycle (Days)	54	133	88	68	123	81	69

CAPEX and Cash Flow

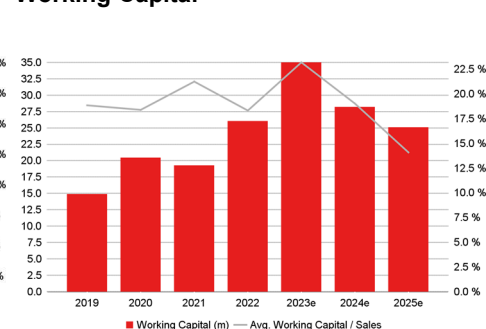
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
LPKF	5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE0006450000.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	155	73
Hold	46	22
Sell	6	3
Rating suspended	5	2
Total	212	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	43	83
Hold	7	13
Sell	0	0
Rating suspended	2	4
Total	52	100

PRICE AND RATING HISTORY LPKF AS OF 27.10.2023



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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