

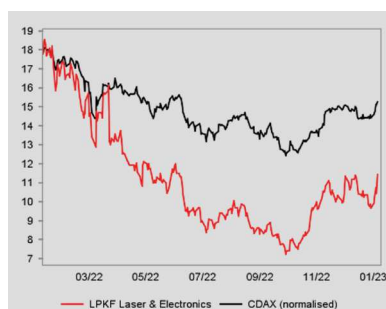
<p>Buy</p> <p>EUR 20.50</p> <p>Price EUR 11.44</p> <p>Upside 79.2 %</p>	<p>Value Indicators: EUR</p> <p>DCF: 20.73</p> <p>FCF-Value Potential 24e: 16.17</p>	<p>Warburg ESG Risk Score: 3.0</p> <p>ESG Score (MSCI based): 2.0</p> <p>Balance Sheet Score: 5.0</p> <p>Market Liquidity Score: 2.0</p>	<p>Description:</p> <p>Highly specialised machine manufacturer developing laser applications for special purposes</p>
	<p>Market Snapshot: EUR m</p> <p>Market cap: 280.2</p> <p>No. of shares (m): 24.5</p> <p>EV: 264.2</p> <p>Freefloat MC: 280.2</p> <p>Ø Trad. Vol. (30d): 592.88 th</p>	<p>Shareholders:</p> <p>Freefloat 100.00 %</p> <p><i>Small Cap World Fund</i> 5.00 %</p> <p><i>JPMorgan AM</i> 3.00 %</p> <p><i>Société Générale</i> 3.00 %</p> <p><i>UBS</i> 3.00 %</p>	<p>Key Figures (WRe): 2022e</p> <p>Beta: 1.3</p> <p>Price / Book: 2.8 x</p> <p>Equity Ratio: 75 %</p>

LPKF closes major contract with leading semiconductor company

LPKF has closed a contract for the development and shipment of production equipment for advanced packaging with a leading semiconductor company. The contract should generate a total volume in the low double-digit millions over a period of three years. We expected the contract to be backend loaded, starting with lower milestone payments for the development this year and higher sales with the delivery of the tools and the end of the contract period. Moreover, following the development period, the customer is planning to ramp up a volume production, which would require a larger number of tools not covered by the contract.

Details on the technology were not disclosed, however, while LPKF was able to leverage several LIDE core competencies, the advance packaging solution will not be LIDE-based. We consider the contract to an important success in LPKF's strategy to penetrate the semiconductor industry further. After a LIDE equipment was delivered last year for its first volume production application last year, the company is now developing a new application for the sector. Although the new tool will be exclusively delivered to one customer, LPKF should be able to leverage its new competencies in similar application for the industry.

Despite the positive news, we will maintain our estimates for the time being. We remain positive in our outlook for 2023 in an economically challenging environment, considering the recently announced solar order and the potential of new LIDE orders throughout the year. However, we expect the sales distribution throughout the year to be backend loaded, with a weaker H1 2023. We confirm our Buy recommendation and our target price for LPKF.



Rel. Performance vs CDAX:

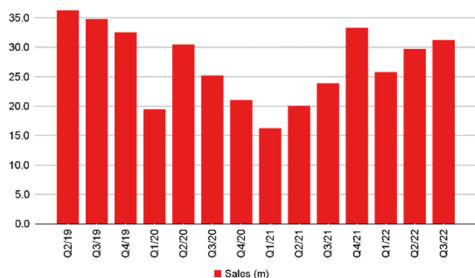
1 month:	-0.3 %
6 months:	15.8 %
Year to date:	12.3 %
Trailing 12 months:	-22.8 %

Company events:

23.03.23	FY 2022
27.04.23	Q1
17.05.23	AGM
27.07.23	Q2

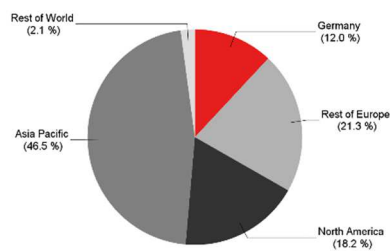
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	36.7 %	120.0	140.0	96.2	93.6	126.4	159.7	239.0
Change Sales yoy		17.5 %	16.7 %	-31.3 %	-2.8 %	35.1 %	26.4 %	49.6 %
Gross profit margin		64.3 %	63.8 %	72.4 %	74.7 %	69.1 %	66.9 %	65.8 %
EBITDA	89.7 %	14.9	26.9	14.8	7.6	17.2	30.0	51.9
Margin		12.4 %	19.2 %	15.4 %	8.1 %	13.6 %	18.8 %	21.7 %
EBIT	782.0 %	6.8	19.2	7.5	0.1	8.6	20.0	40.5
Margin		5.7 %	13.7 %	7.8 %	0.1 %	6.8 %	12.5 %	16.9 %
Net income	-	8.1	13.1	5.3	-0.1	6.0	14.2	28.7
EPS	-	0.33	0.54	0.22	0.00	0.25	0.58	1.17
EPS adj.	-	0.33	0.54	0.22	0.00	0.25	0.58	1.17
DPS	-	0.00	0.10	0.10	0.00	0.00	0.20	0.20
Dividend Yield		n.a.	1.1 %	0.5 %	n.a.	n.a.	1.7 %	1.7 %
FCFPS		0.24	1.72	-0.23	-0.03	-0.15	0.41	0.73
FCF / Market cap		3.1 %	18.3 %	-1.1 %	-0.1 %	-1.3 %	3.6 %	6.4 %
EV / Sales		1.7 x	1.5 x	5.1 x	5.9 x	2.2 x	1.7 x	1.0 x
EV / EBITDA		13.6 x	7.7 x	33.2 x	72.1 x	16.0 x	8.8 x	4.8 x
EV / EBIT		29.5 x	10.8 x	65.4 x	n.a.	32.0 x	13.2 x	6.1 x
P / E		22.9 x	17.4 x	93.8 x	n.a.	45.8 x	19.7 x	9.8 x
P / E adj.		22.9 x	17.4 x	93.8 x	n.a.	45.8 x	19.7 x	9.8 x
FCF Potential Yield		6.5 %	8.9 %	2.2 %	1.1 %	4.4 %	8.0 %	14.3 %
Net Debt		16.6	-22.1	-12.8	-9.6	-6.0	-16.0	-33.8
ROCE (NOPAT)		9.9 %	16.5 %	7.4 %	0.0 %	6.9 %	15.0 %	28.1 %
Guidance:		Sales EUR 117-127m. EBIT margin 2% to 7%						

Sales development
in EUR m



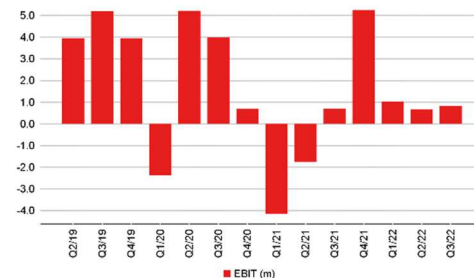
Source: Warburg Research

Sales by regions
2021; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

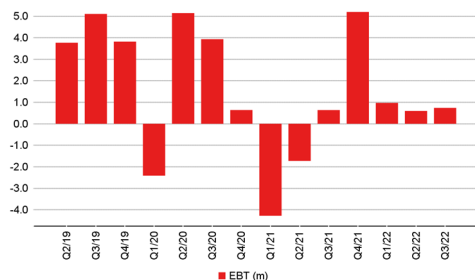
Company Background

- 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

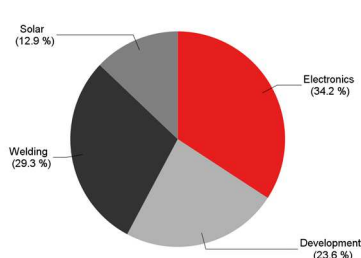
- LPKF is the technologically leading company in the market of laser applications and often first supplier of its customers.
- The high innovative strength of the company ensures the market-leading position and gives LPKF a first-mover advantage in new products that offer highly attractive TCO compared 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



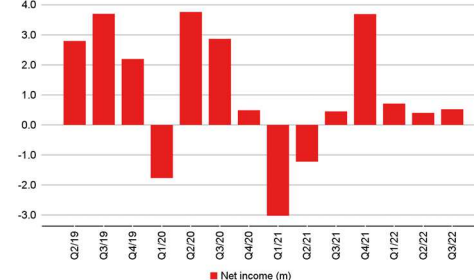
Source: Warburg Research

Sales by segments
2021; 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
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	126.4	159.7	239.0	295.1	324.6	355.4	387.4	420.3	454.0	481.2	500.5	515.5	528.4	
Sales change	35.1 %	26.4 %	49.6 %	23.5 %	10.0 %	9.5 %	9.0 %	8.5 %	8.0 %	6.0 %	4.0 %	3.0 %	2.5 %	2.5 %
EBIT	8.6	20.0	40.5	51.6	60.0	67.5	73.6	79.9	81.7	81.8	80.1	79.9	79.3	
EBIT-margin	6.8 %	12.5 %	16.9 %	17.5 %	18.5 %	19.0 %	19.0 %	19.0 %	18.0 %	17.0 %	16.0 %	15.5 %	15.0 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	6.1	14.2	28.7	36.7	42.6	47.3	51.5	55.9	57.2	57.3	56.1	55.9	55.5	
Depreciation	8.6	10.0	11.4	11.8	13.0	14.2	15.5	16.8	18.2	19.2	20.0	20.6	21.1	
in % of Sales	6.8 %	6.3 %	4.8 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Changes in provisions	0.0	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	5.1	0.7	8.2	6.5	2.4	2.2	2.1	4.0	4.0	3.3	2.3	1.8	1.5	
- Capex	13.8	14.2	14.7	14.8	14.6	14.2	15.5	16.8	18.2	19.2	20.0	20.6	21.1	
Capex in % of Sales	10.9 %	8.9 %	6.2 %	5.0 %	4.5 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
- Other	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	
Free Cash Flow (WACC Model)	-4.2	9.3	17.2	27.4	38.7	45.1	49.5	52.0	53.2	54.1	53.8	54.2	54.0	55
PV of FCF	-4.2	8.4	14.0	20.4	26.3	27.9	27.9	26.7	24.9	23.0	20.9	19.1	17.4	245
share of PVs	3.67 %			47.06 %										49.27 %

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 2034e	253		
Terminal Value	245		
Financial liabilities	5		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	15	No. of shares (m)	24.5
Equity Value	508	Value per share (EUR)	20.73

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 %	17.30	17.51	17.73	17.96	18.21	18.47	18.75	1.49	10.8 %	16.12	16.74	17.35	17.96	18.57	19.19	19.80
1.39	10.3 %	18.47	18.72	18.98	19.25	19.55	19.87	20.20	1.39	10.3 %	17.29	17.94	18.60	19.25	19.91	20.57	21.22
1.35	10.0 %	19.11	19.38	19.66	19.97	20.29	20.64	21.01	1.35	10.0 %	17.93	18.61	19.29	19.97	20.65	21.33	22.01
1.30	9.8 %	19.79	20.08	20.39	20.73	21.08	21.47	21.88	1.30	9.8 %	18.61	19.32	20.02	20.73	21.43	22.14	22.84
1.25	9.5 %	20.51	20.83	21.18	21.54	21.94	22.36	22.82	1.25	9.5 %	19.34	20.08	20.81	21.54	22.28	23.01	23.74
1.21	9.3 %	21.28	21.64	22.01	22.42	22.86	23.33	23.84	1.21	9.3 %	20.13	20.90	21.66	22.42	23.18	23.95	24.71
1.11	8.8 %	23.00	23.42	23.89	24.39	24.93	25.51	26.15	1.11	8.8 %	21.90	22.73	23.56	24.39	25.21	26.04	26.87

- Comparably high growth rates in 2023 and 2024 driven by anticipated LIDE orders
- Margin increase resulting from the high scalability of LPKF's business model

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	2018	2019	2020	2021	2022e	2023e	2024e	
Net Income before minorities	8.1	13.1	5.3	-0.1	6.0	14.2	28.7	
+ Depreciation + Amortisation	8.1	7.7	7.3	7.5	8.6	10.0	11.4	
- Net Interest Income	-0.9	-0.5	-0.2	-0.2	-0.1	-0.1	-0.1	
- Maintenance Capex	3.9	2.8	1.9	1.9	2.5	3.2	4.8	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	13.1	18.5	11.0	5.8	12.2	21.0	35.4	
FCF Potential Yield (on market EV)	6.5 %	8.9 %	2.2 %	1.1 %	4.4 %	8.0 %	14.3 %	
WACC	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	
= Enterprise Value (EV)	202.0	208.3	493.0	547.8	274.2	264.2	246.4	
= Fair Enterprise Value	134.3	189.8	112.3	59.2	125.0	215.7	362.4	
- Net Debt (Cash)	-10.0	-10.0	-10.0	-10.0	-6.4	-16.4	-34.2	
- Pension Liabilities	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
- 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	143.9	199.4	121.9	68.8	131.0	231.7	396.2	
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5	
= Fair value per share (EUR)	5.87	8.14	4.98	2.81	5.35	9.46	16.17	
premium (-) / discount (+) in %					-53.2 %	-17.3 %	41.4 %	
Sensitivity Fair value per Share (EUR)								
	12.76 %	4.58	6.32	3.90	2.24	4.15	7.39	12.69
	11.76 %	4.94	6.82	4.20	2.40	4.48	7.96	13.66
	10.76 %	5.36	7.42	4.55	2.59	4.87	8.64	14.80
WACC	9.76 %	5.87	8.14	4.98	2.81	5.35	9.46	16.17
	8.76 %	6.50	9.02	5.50	3.09	5.93	10.46	17.86
	7.76 %	7.29	10.14	6.16	3.43	6.66	11.73	19.99
	6.76 %	8.31	11.58	7.01	3.88	7.61	13.37	22.74

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

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	2.4 x	2.5 x	5.4 x	6.0 x	2.8 x	2.5 x	2.0 x
Book value per share ex intangibles	2.55	3.06	3.09	2.99	3.16	3.70	4.86
EV / Sales	1.7 x	1.5 x	5.1 x	5.9 x	2.2 x	1.7 x	1.0 x
EV / EBITDA	13.6 x	7.7 x	33.2 x	72.1 x	16.0 x	8.8 x	4.8 x
EV / EBIT	29.5 x	10.8 x	65.4 x	n.a.	32.0 x	13.2 x	6.1 x
EV / EBIT adj.*	22.1 x	11.3 x	65.4 x	n.a.	32.0 x	13.2 x	6.1 x
P / FCF	32.1 x	5.5 x	n.a.	n.a.	n.a.	28.1 x	15.7 x
P / E	22.9 x	17.4 x	93.8 x	n.a.	45.8 x	19.7 x	9.8 x
P / E adj.*	22.9 x	17.4 x	93.8 x	n.a.	45.8 x	19.7 x	9.8 x
Dividend Yield	n.a.	1.1 %	0.5 %	n.a.	n.a.	1.7 %	1.7 %
FCF Potential Yield (on market EV)	6.5 %	8.9 %	2.2 %	1.1 %	4.4 %	8.0 %	14.3 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	120.0	140.0	96.2	93.6	126.4	159.7	239.0
Change Sales yoy	17.5 %	16.7 %	-31.3 %	-2.8 %	35.1 %	26.4 %	49.6 %
Increase / decrease in inventory	0.8	-0.8	0.2	7.3	-4.0	0.2	0.5
Own work capitalised	4.3	4.3	5.3	5.9	6.3	6.1	5.7
Total Sales	125.1	143.6	101.7	106.7	128.6	165.9	245.2
Material expenses	48.0	54.2	32.0	36.8	41.3	59.1	87.9
Gross profit	77.2	89.4	69.7	69.9	87.3	106.8	157.2
<i>Gross profit margin</i>	<i>64.3 %</i>	<i>63.8 %</i>	<i>72.4 %</i>	<i>74.7 %</i>	<i>69.1 %</i>	<i>66.9 %</i>	<i>65.8 %</i>
Personnel expenses	44.3	44.7	41.5	44.3	50.8	56.2	75.0
Other operating income	3.7	4.0	3.8	3.3	3.7	4.2	4.5
Other operating expenses	21.7	21.7	17.1	21.2	23.0	24.8	34.9
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	14.9	26.9	14.8	7.6	17.2	30.0	51.9
<i>Margin</i>	<i>12.4 %</i>	<i>19.2 %</i>	<i>15.4 %</i>	<i>8.1 %</i>	<i>13.6 %</i>	<i>18.8 %</i>	<i>21.7 %</i>
Depreciation of fixed assets	3.9	4.4	4.0	3.8	4.3	5.1	6.0
EBITA	11.0	22.5	10.9	3.8	12.9	24.9	45.9
Amortisation of intangible assets	4.2	3.3	3.3	3.7	4.3	4.9	5.4
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.8	19.2	7.5	0.1	8.6	20.0	40.5
<i>Margin</i>	<i>5.7 %</i>	<i>13.7 %</i>	<i>7.8 %</i>	<i>0.1 %</i>	<i>6.8 %</i>	<i>12.5 %</i>	<i>16.9 %</i>
EBIT adj.	9.1	18.4	7.5	0.1	8.6	20.0	40.5
Interest income	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Interest expenses	0.9	0.5	0.3	0.2	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	6.0	18.7	7.3	-0.2	8.5	19.9	40.4
<i>Margin</i>	<i>5.0 %</i>	<i>13.4 %</i>	<i>7.6 %</i>	<i>-0.2 %</i>	<i>6.7 %</i>	<i>12.5 %</i>	<i>16.9 %</i>
Total taxes	-2.1	5.6	2.0	-0.1	2.5	5.8	11.7
Net income from continuing operations	8.1	13.1	5.3	-0.1	6.0	14.2	28.7
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	8.1	13.1	5.3	-0.1	6.0	14.2	28.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	8.1	13.1	5.3	-0.1	6.0	14.2	28.7
<i>Margin</i>	<i>6.7 %</i>	<i>9.4 %</i>	<i>5.6 %</i>	<i>-0.1 %</i>	<i>4.8 %</i>	<i>8.9 %</i>	<i>12.0 %</i>
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5
EPS	0.33	0.54	0.22	0.00	0.25	0.58	1.17
EPS adj.	0.33	0.54	0.22	0.00	0.25	0.58	1.17

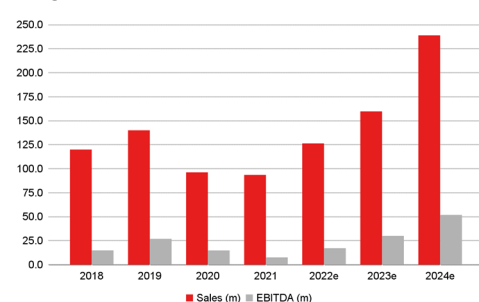
*Adjustments made for:

Guidance: Sales EUR 117-127m. EBIT margin 2% to 7%

Financial Ratios

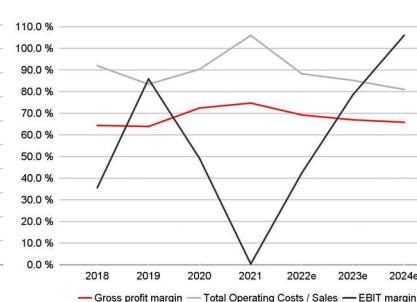
	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	91.9 %	83.3 %	90.2 %	105.9 %	88.2 %	85.1 %	80.9 %
Operating Leverage	4.2 x	10.8 x	1.9 x	35.8 x	411.3 x	5.1 x	2.1 x
EBITDA / Interest expenses	17.4 x	52.0 x	51.2 x	30.8 x	204.7 x	357.6 x	617.6 x
Tax rate (EBT)	-34.5 %	29.9 %	26.9 %	32.9 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	0.0 %	18.7 %	45.9 %	0.0 %	0.0 %	34.6 %	17.1 %
Sales per Employee	183,145	205,328	139,673	125,426	155,274	186,196	219,166

Sales, EBITDA
in EUR m



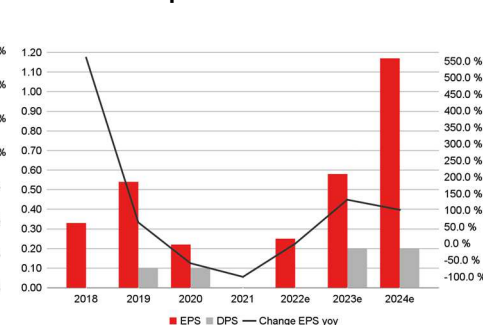
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

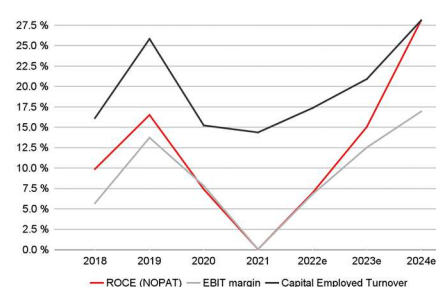
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	15.2	15.9	17.3	19.1	21.1	22.2	22.6
thereof other intangible assets	1.4	1.0	0.7	0.7	0.7	0.7	0.7
thereof Goodwill	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Property, plant and equipment	44.3	44.7	46.0	46.3	49.0	51.5	54.1
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.2	0.1	0.0	0.2	0.2	0.2	0.2
Fixed assets	59.8	60.7	63.4	65.6	70.3	73.9	76.8
Inventories	25.7	19.2	19.8	28.5	25.1	32.0	40.1
Accounts receivable	30.5	11.3	13.2	17.2	19.0	16.6	22.9
Liquid assets	3.7	31.3	20.1	15.2	10.6	20.6	38.4
Other short-term assets	9.1	5.5	5.2	5.8	5.8	5.8	5.8
Current assets	69.0	67.3	58.3	66.7	60.5	74.9	107.2
Total Assets	128.8	128.0	121.7	132.2	130.7	148.9	184.0
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	10.2	12.0	18.0	32.2	60.9
Other equity components	27.5	40.7	42.8	40.2	40.4	40.6	40.8
Shareholders' equity	77.7	90.8	92.9	92.2	98.4	112.8	141.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	77.7	90.8	92.9	92.2	98.4	112.8	141.7
Provisions	5.5	6.1	3.2	2.7	2.7	2.7	2.7
thereof provisions for pensions and similar obligations	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Financial liabilities (total)	20.0	8.9	6.9	5.2	4.2	4.2	4.2
Short-term financial liabilities	2.6	2.0	1.8	1.8	1.8	1.8	1.8
Accounts payable	6.9	5.6	7.6	7.2	7.6	10.5	15.7
Other liabilities	18.6	16.5	11.0	24.9	17.8	18.7	19.7
Liabilities	51.1	37.2	28.7	40.0	32.3	36.1	42.3
Total liabilities and shareholders' equity	128.8	128.0	121.7	132.2	130.7	148.9	184.0

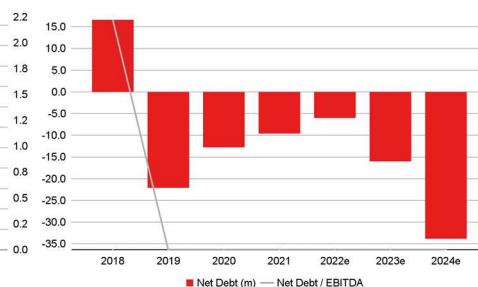
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	1.5 x	2.3 x	1.4 x	1.4 x	1.7 x	2.1 x	2.7 x
Capital Employed Turnover	1.3 x	2.0 x	1.2 x	1.1 x	1.4 x	1.6 x	2.2 x
ROA	13.5 %	21.6 %	8.4 %	-0.2 %	8.6 %	19.2 %	37.3 %
Return on Capital							
ROCE (NOPAT)	9.9 %	16.5 %	7.4 %	0.0 %	6.9 %	15.0 %	28.1 %
ROE	12.2 %	15.6 %	5.8 %	-0.1 %	6.3 %	13.4 %	22.5 %
Adj. ROE	12.2 %	15.6 %	5.8 %	-0.1 %	6.3 %	13.4 %	22.5 %
Balance sheet quality							
Net Debt	16.6	-22.1	-12.8	-9.6	-6.0	-16.0	-33.8
Net Financial Debt	16.3	-22.4	-13.1	-10.0	-6.4	-16.4	-34.2
Net Gearing	21.4 %	-24.3 %	-13.7 %	-10.4 %	-6.1 %	-14.2 %	-23.9 %
Net Fin. Debt / EBITDA	109.7 %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	3.2	3.7	3.8	3.8	4.0	4.6	5.8
Book value per share ex intangibles	2.6	3.1	3.1	3.0	3.2	3.7	4.9

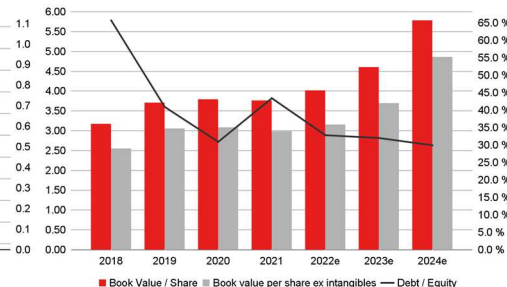
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

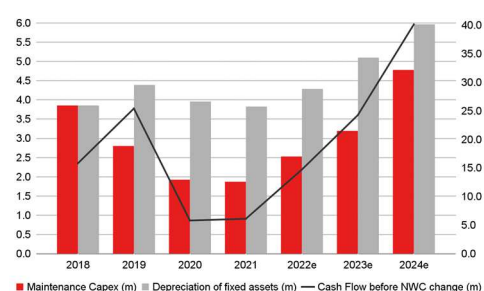
Consolidated cash flow statement

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	8.1	13.1	5.3	-0.1	6.0	14.2	28.7
Depreciation of fixed assets	3.9	4.4	4.0	3.8	4.3	5.1	6.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.2	3.3	3.3	3.7	4.3	4.9	5.4
Increase/decrease in long-term provisions	1.1	0.5	-2.5	-0.5	0.0	0.0	0.0
Other non-cash income and expenses	-1.4	4.1	-4.3	-0.8	0.1	0.1	0.1
Cash Flow before NWC change	15.8	25.4	5.8	6.1	14.7	24.3	40.2
Increase / decrease in inventory	-0.2	6.6	-2.0	-9.4	3.4	-6.9	-8.1
Increase / decrease in accounts receivable	-11.1	19.2	-1.5	-3.6	-1.8	2.4	-6.3
Increase / decrease in accounts payable	3.1	-2.8	2.0	-0.5	-6.7	3.8	6.2
Increase / decrease in other working capital positions	4.0	-0.3	-0.4	15.3	0.6	0.6	0.6
Increase / decrease in working capital (total)	-4.3	22.6	-1.8	1.8	-4.5	-0.1	-7.6
Net cash provided by operating activities [1]	11.5	48.0	4.0	7.9	10.2	24.2	32.6
Investments in intangible assets	-4.0	-4.0	-4.8	-5.4	-6.8	-6.6	-6.2
Investments in property, plant and equipment	-1.8	-1.8	-4.8	-3.2	-7.0	-7.6	-8.5
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	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-5.7	-5.8	-9.5	-8.6	-13.8	-14.2	-14.7
Change in financial liabilities	-13.6	-13.2	-2.2	-2.1	-1.0	0.0	0.0
Dividends paid	0.0	0.0	-2.4	-2.5	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	16.2	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.9	-1.3	-0.7	-0.7	0.0	0.0	0.0
Net cash provided by financing activities [3]	1.8	-14.5	-5.4	-5.2	-1.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	7.6	27.7	-11.0	-5.9	-4.6	10.0	17.8
Effects of exchange-rate changes on cash	0.1	-0.1	-0.3	1.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	11.1	31.3	20.1	15.2	10.6	20.6	38.4

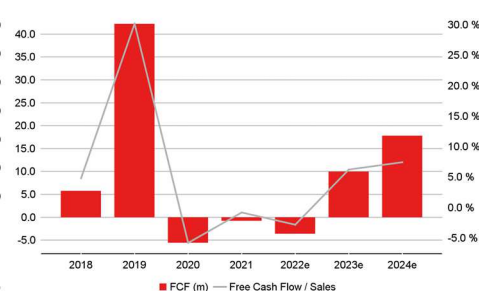
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	5.8	42.2	-5.6	-0.8	-3.6	10.0	17.8
Free Cash Flow / Sales	4.8 %	30.2 %	-5.8 %	-0.8 %	-2.8 %	6.3 %	7.5 %
Free Cash Flow Potential	13.1	18.5	11.0	5.8	12.2	21.0	35.4
Free Cash Flow / Net Profit	71.8 %	321.9 %	-104.1 %	670.2 %	-59.7 %	70.5 %	62.1 %
Interest Received / Avg. Cash	0.1 %	0.1 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	2.8 %	3.6 %	3.7 %	4.1 %	1.8 %	2.0 %	2.0 %
Management of Funds							
Investment ratio	4.8 %	4.1 %	9.9 %	9.3 %	10.9 %	8.9 %	6.2 %
Maint. Capex / Sales	3.2 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Capex / Dep	71.1 %	75.3 %	130.4 %	115.2 %	160.3 %	141.8 %	129.6 %
Avg. Working Capital / Sales	29.7 %	18.9 %	18.4 %	21.2 %	17.3 %	15.5 %	12.2 %
Trade Debtors / Trade Creditors	444.1 %	201.8 %	173.0 %	238.2 %	250.0 %	158.1 %	145.9 %
Inventory Turnover	1.9 x	2.8 x	1.6 x	1.3 x	1.6 x	1.8 x	2.2 x
Receivables collection period (days)	93	30	50	67	55	38	35
Payables payment period (days)	52	38	87	71	67	65	65
Cash conversion cycle (Days)	149	54	133	88	103	90	78

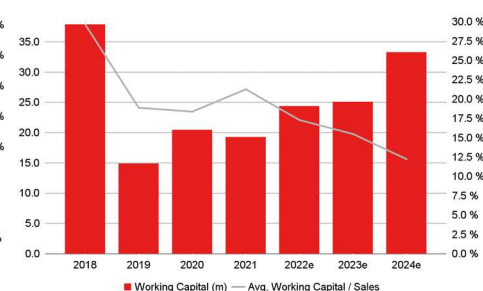
CAPEX and Cash Flow
in EUR m



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	http://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	160	75
Hold	44	21
Sell	6	3
Rating suspended	3	1
Total	213	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	44	86
Hold	6	12
Sell	0	0
Rating suspended	1	2
Total	51	100

PRICE AND RATING HISTORY LPKF AS OF 09.01.2023



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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