Half-yearly Financial Report

1 January - 30 June 2019

LPKF Laser & Electronics

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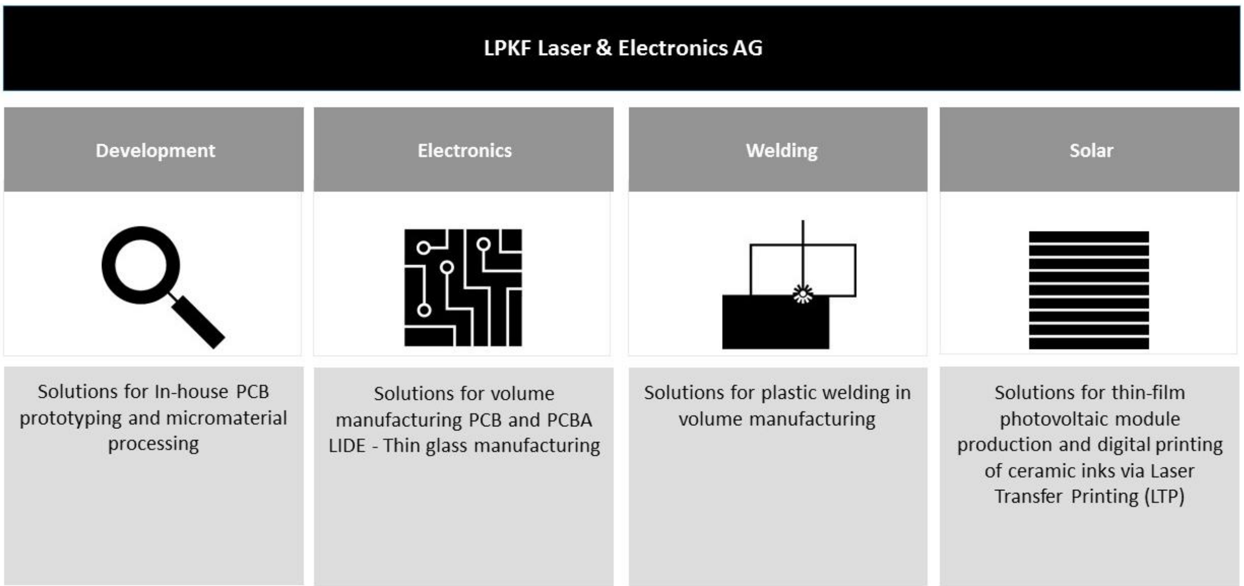
LPKF Laser & Electronics AG at a glance

Key Group figures after 6 months 2019

	6 months 2019	6 months 2018
Revenue (EUR million)	72.7	58.4
EBIT (EUR million)	10.1	2.3
EBIT margin (%)	13.9	3.9
Free cash flow (EUR million)	17.8	-4.8
EPS, diluted (EUR)	0.30	0.07

	As of 30 June 2019	As of 30 June 2018
Net working capital (EUR million)	32.4	43.2
Equity ratio (%)	70.2	43.9
Orders on hand (EUR million)	31.4	52.1
Employees	662	669

Segments and markets



Letter from the CEO

Garbsen, August 14th, 2019

Ladies and Gentlemen,

I am happy to report the figures for the first half of the current financial year.

Following a strong start to the year and a similarly strong second quarter, we have, without doubt, experienced a great first half of the year: the past several quarters' operational improvement efforts continue to have meaningful impact, demand for our solutions and services remains high, and we see increasing financial contributions from our new LIDE technology. With now five consecutive profitable quarters, we have shown that we are now reaching our goal to return LPKF to a position of sustained profitability. I am very happy about that – this is what we all have worked hard to accomplish.

During the second quarter, we have reached another milestone for LPKF – one that is important and that I am very happy to report: our net debt, which as recently as a year ago (as of June 30, 2018) had reached the amount of EUR 42.7 million, has been completely eliminated. Instead, we report – for the first time in many years – EUR 1.1 million in net cash as of June 30, 2019. With that, we have restored LPKF's full capability to act as a technology company, and we can now realize on our own those investments necessary for further growth.

In the first half year, LPKF Group revenue was EUR 72.7 million, around 24% higher than the prior year's figure of EUR 58.4 million. Revenue in all four segments has increased over the prior year period: for Welding, revenue is up by around 10%, for Development, revenue is up by about 11%, and Electronics and Solar are up by around 30% and 34%, respectively.

With the increased revenue figures for the first half year, we have generated considerable earnings (EBIT) for the half year: We have realized EUR 10.1 million in earnings, versus only EUR 2.3 million in earnings for the prior year's first half. At the same time, net working capital was reduced from EUR 37.9 million at the end of 2018 to EUR 34.2 million. With that, our net working capital ratio was reduced from 32% to 24% if calculated, in each case, over the previous four quarters.

On the other hand, at EUR 45.8 million, incoming orders for the first half year were both below our revenue and below the prior year's figure. Orders on hand as of June 30, 2019 were at EUR 31.4 million and with that also below the prior year's figure. For the second quarter, our revenue was EUR 36.3 million (after EUR 36.4 million for the first quarter), and earnings (EBIT) were EUR 4.0 million (after EUR 6.1 million for the first quarter).

Overall, the results for the second quarter were quite similar to those for the first quarter: while revenue was strong with very little change, and earnings – after accounting for the one-time effect during the first quarter and our product mix – were also almost equally positive, incoming orders were still significantly weaker. We are monitoring this very carefully, especially as we consider the current state of the overall economy; that said, our assessment has not changed since the Q1 report in mid-May: two of our four segments (Solar and Electronics) are strongly influenced by large orders from individual customers. Another (Welding) is also influenced to a lesser extent, while the Development segment typically does not experience large individual orders. Since such large orders are not received every quarter, this causes meaningful variations in incoming orders from quarter to quarter.

The three segments Electronics, Solar and Welding have received large orders, amounting to several million EUR each, during the first half of 2018 – unlike during the first half of this year. For the segments Electronics, Solar and Welding, adjusting order intake for large individual orders results in a slight increase versus the prior year period instead of a reduction; order intake for the Development segment has increased anyway.

With that, I believe that market demand for our solutions continues to be strong. We will continue to intensify our efforts to market and commercialize our new technologies.

For 2019, subject to continued stable growth of the world economy, the Management Board estimates revenue between EUR 130 million and EUR 135 million, and an EBIT margin of between 8% and 12%, which corresponds to a ROCE of between 10% and 15%. Based on our current order outlook, we expect revenue between EUR 28 million and EUR 33 million for the third quarter of 2019 and an EBIT margin of between 8% and 12%.

Over the coming years, we want to further increase the company’s profitability and generate a sustainable EBIT margin of more than 12%.

Best regards,

Goetz M. Bendele

Chief Executive Officer

Interim Management Report as of 30 June 2019

1 Basic information on the Group

The basic information on the LPKF Group in the combined management report for 2018 continues to apply unchanged.

2 Report on economic position

2.1 Course of business

2.1.1 Sector-specific environment

In addition to the macroeconomic environment, LPKF AG's business performance is also influenced by the development of individual sectors. These include mechanical and plant engineering, automotive manufacturing, the solar industry, the electronics industry and consumer electronics in particular, and the plastics sector. The development of these sectors during the first half of 2019 is described below.

In the first six months of 2019, incoming orders in the mechanical and plant engineering sector fell by 9%. The industry association Verband Deutscher Maschinen- und Anlagenbau e. V. (VDMA) now anticipates a 2% decline in production for this key sector. Capacity utilization at companies was at 87.4% as of mid-2019.

According to the German Automobile Industry Association (VDA), sales volumes on the international automotive markets decreased in the first half of 2019. The decline came to 3% in Europe, 2% in the USA, and as much 14% in China.

Following a downturn in global installation of solar plants in the previous year, the International Energy Agency anticipates an increase in 2019. The analysts of Trendforce assume an installation volume of more than 120 GW worldwide.

In the smartphones segment of the consumer electronics industry, the market research institute Gartner anticipates a significant decline in sales of 3.8% in 2019.

Incoming orders in the German plastics industry were down 10% in the first quarter of 2019, according to the VDMA. For the year as a whole, a decline in revenue on a similar scale is expected.

2.1.2 Effects on the LPKF Group

Apart from the solar industry, all the relevant sectors for LPKF AG recorded a downturn in the first half of 2019. This weak economic situation has not yet had an impact on the Electronics, Development, and Solar segments. In the Welding segment, the weakness of the automotive industry is slightly noticeable, but is at present more than compensated for by other sectors. There have not yet been any cancellations of orders.

2.2 Net assets, financial position and results of operations of the Group

2.2.1 Results of operations

With revenue of EUR 36.3 million in the second quarter, the LPKF Group followed on seamlessly from the first quarter and was thus up 24% year-on-year after six months. All segments continued to contribute to this development, although some of them now had to be compared against the very good second quarter of 2018. After six months, the Electronics segment was up by a total of 30% year-on-year. The biggest share of this growth was attributable to cutting systems for printed circuit board processing. The Welding segment posted a year-on-year increase of 10% in the first half of the year. In the Solar segment, revenue in Q2 2019 was almost as high as in the previous year's period. After six months the segment is up 34% overall compared to the same period of the previous year. The Development segment stands for constant revenue growth at LPKF. It surpassed the same quarter of the previous year, generating growth of 11% after six months.

EBIT (earnings before interest and taxes) also continued the positive trend from the first quarter. Whereas EBIT of EUR 2.3 million was generated in the first half of 2018, more than four times as much was generated in the same period of 2019 at EUR 10.1 million. The EBIT margin rose from 3.9% to 13.9%. Compared to the first quarter, when a very good margin of 16.7% was achieved, the second quarter was not quite as high at 11.0%. This was chiefly due to a one-off increase in the volume of trade products in the Solar segment in Q2 (see below) and a one-off effect on earnings in the first quarter.

At EUR 24.3 million, incoming orders in the second quarter were 44% below the previous year’s figure of EUR 42.9 million. It should be noted here that in the second quarter of 2018 order intake in the Solar segment totaled EUR 23.9 million due to several larger orders. As of June 30, 2019, orders on hand amounted to EUR 31.4 million (previous year: EUR 52.1 million). After six months, the Group’s book-to-bill ratio reached 0.7 after 1.1 in the previous year's period. The current order situation is described in more detail in the Chairman’s Statement.

Capitalized development costs amounted to EUR 1.7 million in the reporting period (previous year: EUR 1.9 million). Other operating income was up 40% on the figure for the first half of 2018. This increase mainly resulted from a one-off positive effect on earnings of EUR 0.8 million from the settlement of a legal dispute.

The material cost ratio climbed from 40% in the previous year to 43% as a result of higher shares of trade goods in the Solar segment. Adjusted for these effects, the material cost ratio came to 37% (previous year: 38%).

As of June 30, 2019, the Group’s workforce comprised 662 people. It thus increased by seven employees in the first half of the year, mainly to strengthen the sales team. At EUR 21.9 million, staff costs in the reporting period were on par with the previous year’s level.

At EUR 3.8 million, depreciation and amortization in the reporting period was lower than the previous year’s level. IFRS 16 rules are applied for the first time to the depreciation of leased assets. Of the depreciation, EUR 1.4 million relates to capitalized development costs.

Other operating expenses fell from EUR 11.4 million in the previous year to EUR 10.1 million. This was primarily attributable to lower third-party services (EUR -0.4 million), lower impairment on receivables (EUR -0.5 million) and lower currency translation expenses (EUR -0.2 million).

Due to the improved financial position, no interest expenses were incurred for short-term credit. At EUR -0.3 million, net interest was slightly higher than in the previous year.

Consolidated net profit after interest and taxes amounted to EUR 7.2 million. This corresponds to an improvement of EUR 5.6 million year-on-year (EUR 1.6 million).

2.2.2 Financial position

The Group’s cash and cash equivalents rose from EUR 3.7 million to EUR 9.8 million in the reporting period. It should be noted here that loans amounting to EUR 10.0 million were repaid ahead of schedule in the second quarter. The net debt of EUR 16.3 million as of the end of 2018 has now been completely eliminated and there is a surplus of cash and cash equivalents in the amount of EUR 1.1 million. The substantial revenue and earnings growth combined with a significant reduction in working capital resulted in cash flow from operating activities of EUR 20.0 million. Following negative cash flow from investment activities of EUR 2.2 million, there was free cash flow of EUR 17.8 million.

The successful restructuring with the support of the group of banks, the significant reduction in net debt, and the increased profitability provide LPKF with the necessary financial resources for investments and further growth.

2.2.3 Net assets

Analysis of net assets and capital structure

Compared to January 1, 2019, non-current assets rose by EUR 0.9 million. Property, plant and equipment increased by a total of EUR 0.6 million. EUR 1.9 million of property, plant and equipment was due to the initial recognition of rights of use in accordance with IFRS 16. Without this effect, property, plant and equipment thus decreased by EUR 1.3 million.

The continuous reduction of inventories and trade receivables generated corresponding cash inflows. A total of EUR 14.2 million was generated from these items. Compared to the end of the previous year, cash and cash equivalents were up by EUR 6.1 million.

Net working capital was reduced by EUR 5.5 million in the first half of the year. A major reason for this decline was the above-mentioned reduction in trade receivables. Due to the significant rise in revenue, the net working capital ratio of 24.1% was once again below the figure of 31.6% at the end of the previous year.

As a result of consolidated net profit, equity rose by EUR 7.2 million in the reporting period, leading to a further increase in the equity ratio from 60.4% at the end of 2018 to 70.2%.

Non-current liabilities decreased by EUR 7.9 million. Two fixed-rate loans totaling EUR 10.0 million that would have been repayable in the following year were repaid ahead of schedule as part of the financial restructuring. This was countered by a EUR 1.9 million increase in non-current liabilities as a result of the new lease liabilities to be recognized as liabilities in accordance with IFRS 16. Current liabilities decreased, primarily due to lower advances received (down EUR 7.0 million).

Beyond this, the structure of the income statement has not changed significantly.

Capital expenditures

The Group engaged in only limited capital expenditure in the first six months of the year. Other than additions to capitalized development costs in the amount of EUR 1.7 million, the additions related to EUR 0.5 million in property, plant and equipment and other intangible assets.

2.2.4 Segment performance

The following table provides an overview of the operating segments' performance:

	External revenue		**Operating result (EBIT)**	
EUR thsd.	**6 months 2019**	**6 months 2018**	**6 months 2019**	**6 months 2018**
Electronics	20,449	15,756	3,699	-898
Development	12,028	10,820	1,322	945
Welding	11,432	10,384	-748	-1,835
Solar	28,763	21,436	5,801	4,044
Total	**72,672**	**58,396**	**10,074**	**2,256**

The operating result (EBIT) of the segments contains the operating activities of the segments and the attributable intragroup allocations. Compared with the previous year, the Other segment, which contained non-operating components such as Group management functions and exchange rate changes, was allocated to the segments. The Other segment is no longer included in the reporting. The previous year's figure was adjusted accordingly.

2.3 Employees

The following table shows the development in employee numbers in the first six months of 2019:

Area	As of 30 June 2019	As of 31 December 2018
Production	164	158
Sales	127	120
Development	130	141
Service	99	100
Administration	142	136
Total	**662**	**655**

The total number of employees as of June 30, 2019 was 631.4 full-time equivalents (FTEs).

2.4 Overall assessment of the Group's economic situation

The strategic focus of LPKF Laser & Electronics AG is on the development of innovative technologies that have the potential to sustainably change the world of electronics production. The company is spearheading the transition from traditional to laser-based production methods and thereby opening up new opportunities for its customers in product design and efficient production.

Thanks to the positive revenue and earnings development, the company’s financial situation has improved further. LPKF is able to expand its operating activities further through investments in the development of new technologies. The Management Board anticipates the following developments in 2019:

- LPKF will continue to invest in technological development in order to extend its leading position in laser-based micromaterial processing.
- Megatrends such as miniaturization, digitalization, and clean production methods will remain intact and require the precision of the laser as a tool.
- Demand for efficient, laser-based solutions for the production of electronic components and solar modules will remain high. The number of applications will increase further.
- Economic fluctuations on the target markets will affect the company only to a relatively limited extent, as customers’ willingness to invest in laser technology primarily depends on the expected efficiency gains in production.

Overall, LPKF expects further profitable growth, even in a volatile economic environment. The company remains well positioned financially and has the necessary funds for investments.

3 Supplementary report

No significant events with a material effect on the net assets, financial position and results of operations of LPKF have occurred since the reporting date on June 30, 2019.

4 Opportunities and risks

In the combined management report and Group management report for 2018, the opportunities and risks of the LPKF Group are presented and explained in detail in separate reports. These explanations continue to apply unchanged.

5 Report on expected developments

5.1 Management's assessment of the Group's expected development

5.1.1 Economic environment

Despite an unexpectedly good development in the global economy in the first quarter of 2019, the economic experts at the Kiel Institute for the World Economy (IfW) have scaled back their forecast for GDP growth in 2019 as a whole to 3.2% due to global uncertainties. For 2020, they still expect a growth rate of 3.3%. The International Monetary Fund (IMF) has also lowered its forecast for 2019 to 3.2%. Growth of 3.5% is now anticipated for 2020. The forecasts explicitly state that an escalation of international trade conflicts and a no-deal Brexit may have further negative effects on the economic development.

Weaker economic development is therefore also expected for advanced economies. In its summer forecast, the IfW now anticipates an increase in GDP of 1.8% for 2019 and 1.5% for 2020 in these countries.

Following the economic high point last year, the IfW expects economic output in the USA to grow by 2.4% in 2019 and by 1.5% in 2020.

The forecasts for the eurozone were also lowered, despite the good first quarter of 2019. The IfW now anticipates growth of only 1.2% in the current year and 1.4% in 2020. By contrast, the IMF maintained its forecast of 1.3% and slightly increased its forecast for 2020 to 1.6%. The possibility of a no-deal Brexit has not yet been incorporated in this forecast.

Given that Germany is highly dependent on exports, the economic experts at the IfW and the IMF are now forecasting an only 0.7% increase in economic output in the current year. In 2020, the IfW expects 1.2% while the IMF is more optimistic with 1.7%.

As of mid-2019, the economic development in emerging markets is expected to be more moderate again. The IfW expects a GDP increase of only 4.4% in the current year and 4.8% in 2020. This will largely be driven by China, where economic growth of 6.2% is forecast for 2019 and 5.8% for 2020.

5.1.2 Group performance

In mid-2019, the economic researchers lowered their forecasts for 2019 and 2020 due to the further increase in international uncertainties such as trade disputes, growing protectionism, and the possibility of a no-deal Brexit. This particularly applies to the export-driven German economy. As a result, the macroeconomic conditions for the export-oriented LPKF Group have deteriorated further compared to the start of 2019.

LPKF AG has a high degree of diversification that limits its dependence on individual market segments. As a provider of cutting-edge technology, technological progress is more important to LPKF than the economy.

LPKF is thus well positioned for a more difficult overall economic environment. Fluctuations in incoming orders are common in the project business. The Management Board sees continued high demand for the company’s products and solutions and growing demand for new technologies. All segments will contribute to the company’s revenue and earnings growth in 2019.

5.1.3 Key financial indicators

At EUR 72.7 million, revenue in the reporting period was above the previous year's level of EUR 58.4 million. EBIT amounted to EUR 10.1 million after six months and was thus significantly up year-on-year. The EBIT margin came to 13.9% (previous year: 3.9%). Net working capital decreased to EUR 32.4 million (end of 2018: EUR 37.9 million), while the net working capital ratio fell from 31.6% at the end of 2018 to 24.1% (calculated based on the past four quarters).

The Management Board is confirming the forecast for the current financial year and subsequent years.

Forecast for 2019

Subject to stable growth in the global economy, the Management Board estimates consolidated revenue of between EUR 130 million and EUR 135 million and an EBIT margin of between 8% and 12% in 2019. This corresponds to a ROCE of between 10% and 15%. Based on the current order position, the Management Board expects revenue of between EUR 28 million and EUR 33 million in the third quarter of 2019 and an EBIT margin of between 8% and 12%.

Over the coming years the Management Board wants to further increase the company's profitability and generate a sustainable EBIT margin of more than 12%.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated half-year financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Garbsen, August 14, 2019

LPKF Laser & Electronics Aktiengesellschaft

The Management Board

Goetz M. Bendele

Christian Witt

Consolidated financial statements

Consolidated statement of financial position as of 30 June 2019

Assets

EUR thsd.	30 June 2019	31 Dec. 2018
Non-current assets		
Intangible assets		
Goodwill	74	74
Development costs	14,066	13,775
Other intangible assets	1,159	1,362
	15,299	**15,211**
Property, plant and equipment		
Land, similar rights and buildings	37,213	37,769
Plant and machinery	3,004	3,469
Other equipment, operating and office equipment	2,756	3,084
Right of use according to IFRS 16	1,985	0
	44,958	**44,322**
Receivables and other assets		
Trade receivables	326	200
Other assets	625	31
	951	**231**
Deferred taxes	**4,482**	**5,054**
	65,690	**64,818**
Current assets		
Inventories		
(System) parts	9,853	12,811
Work in progress	6,296	5,496
Finished products and goods	7,447	7,192
Advances paid	315	216
	23,911	**25,715**
Receivables and other assets		
Trade receivables	18,106	30,544
Income tax receivables	143	354
Other assets	3,633	3,652
	21,882	**34,550**
Cash and cash equivalents	**9,822**	**3,709**
	55,615	**63,974**
	121,305	**128,792**

Consolidated statement of financial position as of 30 June 2019

Equity and liabilities		
EUR thsd.	**30 June 2019**	**31 Dec. 2018**
Equity		
Subscribed capital	24,497	24,497
Capital reserves	15,463	15,463
Other retained earnings	10,232	10,236
Share-based payment reserve	490	490
Currency translation reserve	535	301
Net retained profits	33,972	26,744
	85,189	**77,731**
Non-current liabilities		
Provisions for pensions and similar obligations	832	267
Non-current liabilities to banks	6,151	17,444
Leasing liabilities according to IFRS 16	1,911	0
Deferred income from grants	554	578
Deferred taxes	1,105	203
	10,553	**18,492**
Current liabilities		
Tax provisions	178	388
Other provisions	3,806	4,880
Current liabilities to banks	2,593	2,603
Trade payables	5,169	6,877
Contract liabilities	5,910	12,762
Other liabilities	7,907	5,059
	25,563	**32,569**
	121,305	**128,792**

Consolidated income statement from 1 January to 30 June 2019

EUR thsd.	01-06 / 2019	01-06 / 2018	04-06 / 2019	04-06 / 2018
Revenue	72,672	58,396	36,273	38,675
Changes in inventories of finished goods and work in progress	905	1,778	-986	-706
Other own work capitalized	1,730	1,929	1,017	1,120
Other operating income	2,260	1,616	852	991
Cost of materials	31,678	24,056	15,696	15,764
Staff costs	21,929	21,905	11,028	11,103
Depreciation and amortization	3,789	4,119	1,848	2,205
Value adjustment according to IFRS 9	3	0	-44	0
Other operating expenses	10,094	11,383	4,630	6,441
Operating result	**10,074**	**2,256**	**3,998**	**4,567**
Finance income	11	2	2	1
Finance costs	290	433	188	245
Earnings before tax	**9,795**	**1,825**	**3,812**	**4,323**
Income taxes	2,566	214	975	506
Consolidated net profit/loss	**7,229**	**1,611**	**2,837**	**3,817**
Earnings per share (basic, EUR)	0.30	0.07	0.12	0.17
Earnings per share (diluted, EUR)	0.30	0.07	0.12	0.17
Weighted average number of shares outstanding (basic, EUR)	24,496,546	22,269,588	24,496,546	22,269,588
Weighted average number of shares outstanding (diluted, EUR)	24,496,546	22,269,588	24,496,546	22,269,588

Consolidated statement of comprehensive income from 1 January to 30 June 2019

EUR thsd.	**01-06 / 2019**	**01-06 / 2018**	**04-06 / 2019**	**04-06 / 2018**
Consolidated net profit/loss	**7,229**	**1,611**	**2,837**	**3,817**
Revaluations (mainly actuarial gains and losses)	-5	-11	0	0
Deferred taxes	1	1	0	0
Currency translation differences	233	130	-409	352
Sum total of changes which will be reclassified to the income statement in the future if certain conditions are met	**233**	**-59**	**-409**	**163**
Total comprehensive income	**7,458**	**1,542**	**2,428**	**3,980**

Consolidated statement of changes in equity as of 30 June 2019

EUR thsd.	Subscribed capital	Capital reserve	Other retained earnings	Cash flow hedge reserve	Share-based payment reserve	Currency translation reserve	Net retained profits	Total Equity
Balance on 01 Jan. 2019	**24,497**	**15,463**	**10,236**	**0**	**490**	**301**	**26,744**	**77,731**
Consolidated net profit/loss							7,229	7,229
Revaluations (mainly actuarial gains and losses)			-5					-5
Deferred taxes on changes recognized directly in equity			1					1
Currency translation differences						233		233
Consolidated total comprehensive income			-4			233	7,229	7,458
Balance on 30 June 2019	**24,497**	**15,463**	**10,232**	**0**	**490**	**534**	**33,973**	**85,189**
Balance on 01 Jan. 2018	**22,270**	**1,489**	**10,942**	**0**	**490**	**338**	**18,703**	**54,232**
Adjustment of retained earnings due to IFRS 9			-73					0
Adjustment of retained earnings due to IFRS 15			-639					0
Balance after adjustments on 01 Jan. 2018	**22,270**	**1,489**	**10,230**	**0**	**490**	**338**	**18,703**	**53,520**
Consolidated net profit/loss							1,611	1,611
Change from measurement of cash flow hedge				-189				-189
Revaluations (mainly actuarial gains and losses)			-11					-11
Deferred taxes on changes recognized directly in equity			1					1
Currency translation differences						130		130
Consolidated total comprehensive income	0	0	-10	-189	0	130	1,611	1,542
Balance on 30 June 2018	**22,270**	**1,489**	**10,220**	**-189**	**490**	**468**	**20,314**	**55,062**

Consolidated statement of cash flows as of 1 January to 30 June 2019

EUR thsd.	01-06 / 2019	01-06 / 2018
Operating activities		
Consolidated net profit/loss	7,229	1,611
Income taxes	2,566	214
Interest expense	290	433
Interest income	-11	-2
Depreciation and amortization	3,789	4,119
Gains/losses from the disposal of non-current assets including reclassification to current assets	8	9
Changes in inventories, receivables and other assets	12,523	-12,135
Changes in provisions	-510	591
Changes in liabilities and other equity and liabilities	-4,935	3,451
Other non-cash expenses and income	160	-30
Interest received	11	2
Income taxes paid	-1,089	-366
Cash flows from operating activities	**20,031**	**-2,103**
Investing activities		
Investments in intangible assets	-1,745	-1,975
Investments in property, plant and equipment	-510	-701
Proceeds from disposal of non-current assets	0	17
Cash flows from investing activities	**-2,255**	**-2,659**
Cash flows from financing activities		
Interest paid	-290	-433
Cash repayments of borrowings	-11,301	-6,905
Cash flows from financing activities	**-11,591**	**-7,338**
Change in cash and cash equivalents		
Change in cash and cash equivalents due to changes in foreign exchange rates	-70	116
Change in cash and cash equivalents	6,185	-12,100
Cash and cash equivalents on 01 Jan.	3,707	-4,012
Cash and cash equivalents on 30 September	**9,822**	**-15,996**
Composition of cash and cash equivalents		
Cash and cash equivalents	9,822	3,400
Overdrafts	0	-19,396
Cash and cash equivalents on 30 September	**9,822**	**-15,996**

Notes on the preparation of the quarterly financial report

This financial report as of 30 June 2019 complies in full with the rules set out in IAS 34. The interpretations of the International Financial Interpretations Committee (IFRIC) are observed. The figures of the previous period were calculated according to the same principles, provided that new standards did not require any changes. The same applies to the accounting and valuation methods and the calculation methods used in the interim financial statements. Standards to be applied in the current financial year have already been applied. Estimates of amounts reported in prior interim periods of the current financial year, the last annual financial statements or in previous financial years have not been changed in this financial report. There have been no significant changes to the contingent liabilities and contingent assets since the last balance sheet date. This financial report has not been audited. Likewise, it has not been subject to a review. Information relating to events of particular importance after the balance sheet date are included in the supplementary report of the interim management report.

Basis of consolidation

The scope of consolidation shown on page 91 of the Annual Report for 2018 remains unchanged.

Transactions with related parties

There are no reportable business relations with persons affiliated to the LPKF Group.

Garbsen, 14 August 2019

LPKF Laser & Electronics Aktiengesellschaft

The Management Board

Goetz M. Bendele

Christian Witt

Financial calendar

11 November 2019	Publication of the nine-months report
24 March 2020	Publication of the Annual Report 2019
05 May 2020	Publication of the three-months report
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