

Buy EUR 11.00 Price EUR 7.90 Upside 39.2 %	Value Indicators: EUR DCF: 11.08 FCF-Value Potential 26e: 11.45	Warburg ESG Risk Score: 2.8 ESG Score (MSCI based): 2.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.5	Description: Highly specialised machine manufacturer developing laser applications for special purposes
	Market Snapshot: EUR m Market cap: 193.5 No. of shares (m): 24.5 EV: 176.9 Freefloat MC: 193.5 Ø Trad. Vol. (30d): 325.02 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): 2024e Beta: 1.3 Price / Book: 1.9 x Equity Ratio: 67 %

New LIDE order underpins solid mid-term prospect

Stated Figures Q1/2024: FY End: 31.12. in EUR m				Comment on Figures: <ul style="list-style-type: none"> Q1 figures in line with the company's guidance (sales EUR 23-26m, adj. EBIT of EUR -6m to EUR -3m) Solid sales growth compared to the exceptionally weak Q1 2023 Top line was driven by Welding (+43%) and Solar (+54%), while the economic environment for the core business in Electronics and Development remains challenging EBIT was negative due to low sales volume and ramp-up costs 			
	Q1 24	Q1 24e	Q1 23	yoy	24e	23	yoy
Sales	25.4	23.8	20.2	26 %	132.1	124.3	6 %
EBIT adj.	-4.3	-4.4	-6.6	n.a.	8.8	4.4	100 %
Margin	-16.9 %	-18.6 %	-32.4 %		6.7 %	3.5 %	
EBIT	-4.4	-5.0	-6.6	n.a.	7.5	3.7	103 %
Margin	-17.3 %	-21.1 %	-32.4 %		5.7 %	3.0 %	

LPKF has published Q1 figures, in line with its guidance (sales EUR 23-26m, adj. EBIT of EUR -6m to EUR -3m) and our expectations. Sales came in at EUR 25.4m, slightly above our estimate of EUR 23.8m. The notable growth of 25.5% resulted mainly from the comparison with the exceptional weakness in Q1 last year, especially in Welding, which grew by 42.9% (EUR 4.0m). Even in the absence of a major order, the top line in Solar also showed a significant increase of 53.8% (EUR 10.0m) as demand in the industry remains high. Despite the solid yoy development, Q1 should still be the weakest quarter of the year in light of the confirmed FY guidance of EUR 130-140m.

The adj. EBIT of EUR -4.3m (WRe EUR -4.4m) was negative due to the low top-line volume as development and ramp costs for new technologies such as ARRALYZE remain high. The reported EBIT of EUR -4.4m (WRe EUR -5.0m) included restructuring one-offs of EUR 0.1m. For the full year, LPKF expects restructuring costs of EUR 1-2m, most of which should be booked in H2.

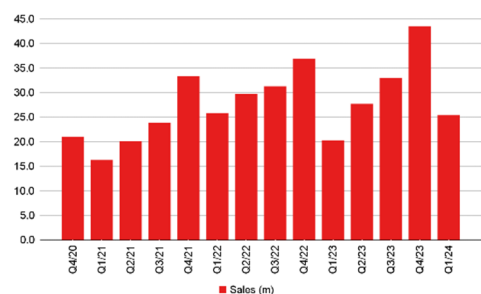
The economic environment remains challenging, especially for the core business in Electronics and automotive in Welding. This is also reflected in the order intake of EUR 33.2m (Q1 23 EUR 39.6m), which included a major solar order with a volume of EUR 15m, scheduled for H1 2025. As a consequence, order backlog declined by 19% to EUR 67.3m (Q1 23 EUR 82.6m). The low order momentum was partly driven by delays in customer projects, which should contribute to the Q2 order intake and sales. For the next quarter, LPKF expects a sequential improvement with sales of EUR 28-33m and an adj. EBIT of EUR -3 to +2m. The implied H1 revenue of EUR 53-58m with a negative adj. EBIT of EUR -7 to -2m and the confirmed full year guidance aiming for EUR 130-140m in sales and an adj. EBIT margin of 4-8% indicate a H2-heavy year.

Despite the current challenges, visibility of a recovery next year and the solid mid-term growth prospects increased notably in the first quarter. The aforementioned major solar order (EUR 15m) received in March should be delivered in H1 next year. The new ARRALYZE CellShepherd has been available since February and is enjoying high demand, which should help to drive growth in the Development segment in the coming years. In addition, leading Korean semiconductor manufacturer ordered a first LIDE system. While we estimate a sales contribution of only a lower single-digit million this year, we expect follow-up orders in the years to come.

Against this background, we remain confident in our 21% growth forecast for next year. We confirm our estimates, our target price of EUR 11 and our Buy recommendation for LPKF.

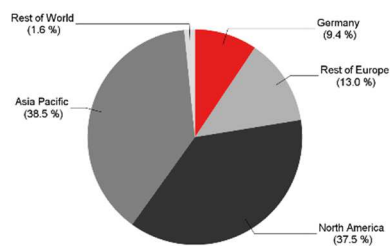
	FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
	Sales	12.1 %	96.2	93.6	123.7	124.3	132.1	160.3	175.1
Change Sales yoy			-31.3 %	-2.8 %	32.2 %	0.5 %	6.2 %	21.4 %	9.2 %
Gross profit margin			72.4 %	74.7 %	70.1 %	70.3 %	70.2 %	68.6 %	69.1 %
EBITDA	36.0 %		14.8	7.6	15.1	12.8	17.0	27.1	32.2
Margin			15.4 %	8.1 %	12.2 %	10.3 %	12.9 %	16.9 %	18.4 %
EBIT	80.3 %		7.5	0.1	6.5	3.7	7.5	17.1	21.7
Margin			7.8 %	0.1 %	5.3 %	3.0 %	5.7 %	10.7 %	12.4 %
Net income	103.1 %		5.3	-0.1	1.4	1.8	4.7	11.5	14.7
EPS	104.7 %		0.22	0.00	0.06	0.07	0.19	0.47	0.60
EPS adj.	104.7 %		0.22	0.00	0.06	0.07	0.19	0.47	0.60
DPS	-		0.10	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield			0.5 %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS			-0.23	-0.03	0.01	-0.45	0.81	0.52	0.75
FCF / Market cap			-1.1 %	-0.1 %	0.1 %	-4.9 %	10.3 %	6.6 %	9.5 %
EV / Sales			5.1 x	5.9 x	2.2 x	1.8 x	1.3 x	1.0 x	0.8 x
EV / EBITDA			33.2 x	72.1 x	17.9 x	17.8 x	10.4 x	6.1 x	4.5 x
EV / EBIT			65.4 x	n.a.	41.5 x	61.8 x	23.6 x	9.6 x	6.7 x
P / E			93.8 x	n.a.	190.2 x	131.1 x	41.6 x	16.8 x	13.2 x
P / E adj.			93.8 x	n.a.	190.2 x	131.1 x	41.6 x	16.8 x	13.2 x
FCF Potential Yield			2.2 %	1.1 %	2.9 %	3.9 %	7.1 %	11.7 %	15.6 %
Net Debt			-12.8	-9.6	-9.0	3.3	-16.6	-29.4	-47.8
ROCE (NOPAT)			7.4 %	0.0 %	1.8 %	2.3 %	5.9 %	14.7 %	19.1 %
Guidance:			Sales EUR 130-140m. EBIT margin 4% to 8%						

Sales development
in EUR m



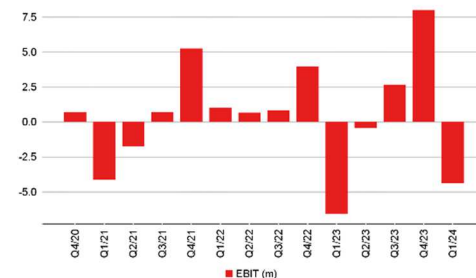
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

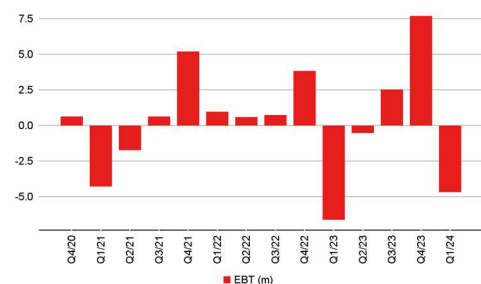
Company Background

- 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

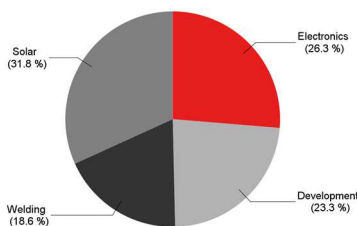
- LPKF is the technologically leading company in the market of laser applications and often first supplier of its customers.
- The high innovative strength of the company ensures the market-leading position and gives LPKF a first-mover advantage in new products that offer highly attractive TCO compared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



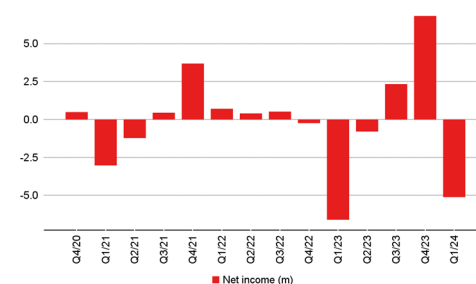
Source: Warburg Research

Sales by segments
2023; 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
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	132.1	160.3	175.1	190.9	207.1	223.7	240.5	257.3	274.0	290.5	302.1	311.1	318.9	
Sales change	6.2 %	21.4 %	9.2 %	9.0 %	8.5 %	8.0 %	7.5 %	7.0 %	6.5 %	6.0 %	4.0 %	3.0 %	2.5 %	2.5 %
EBIT	7.5	17.1	21.7	24.1	26.9	29.1	31.3	33.4	35.6	37.8	39.3	40.4	41.5	
EBIT-margin	5.7 %	10.7 %	12.4 %	12.6 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	5.3	12.1	15.4	16.8	18.8	20.4	21.9	23.4	24.9	26.4	27.5	28.3	29.0	
Depreciation	9.5	10.0	10.6	10.5	10.4	10.1	9.6	10.3	11.0	11.6	12.1	12.4	12.8	
in % of Sales	7.2 %	6.2 %	6.0 %	5.5 %	5.0 %	4.5 %	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	-13.5	1.0	-1.0	0.2	0.2	-0.1	2.0	2.0	2.0	2.0	1.4	1.1	0.9	
- Capex	8.5	8.4	8.6	8.6	8.3	8.9	9.6	10.3	11.0	11.6	12.1	12.4	12.8	
Capex in % of Sales	6.4 %	5.2 %	4.9 %	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)	19.2	12.1	17.8	18.6	20.7	21.6	19.9	21.4	23.0	24.5	26.1	27.2	28.1	29
PV of FCF	18.2	10.5	14.0	13.3	13.5	12.8	10.8	10.6	10.3	10.0	9.7	9.3	8.7	123
share of PVs	15.54 %			39.71 %										44.76 %

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 2036e	152		
Terminal Value	123		
Financial liabilities	14		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	11	No. of shares (m)	24.5
Equity Value	272	Value per share (EUR)	11.08

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 %	9.35	9.45	9.56	9.68	9.80	9.93	10.07	1.49	10.8 %	8.55	8.93	9.30	9.68	10.05	10.43	10.81
1.39	10.3 %	9.94	10.07	10.20	10.33	10.48	10.64	10.81	1.39	10.3 %	9.13	9.53	9.93	10.33	10.74	11.14	11.54
1.35	10.0 %	10.27	10.40	10.54	10.70	10.86	11.03	11.22	1.35	10.0 %	9.45	9.86	10.28	10.70	11.11	11.53	11.95
1.30	9.8 %	10.61	10.76	10.92	11.08	11.26	11.45	11.66	1.30	9.8 %	9.79	10.22	10.65	11.08	11.52	11.95	12.38
1.25	9.5 %	10.98	11.14	11.31	11.50	11.70	11.91	12.14	1.25	9.5 %	10.15	10.60	11.05	11.50	11.95	12.40	12.84
1.21	9.3 %	11.37	11.55	11.74	11.94	12.16	12.40	12.66	1.21	9.3 %	10.55	11.01	11.48	11.94	12.41	12.88	13.34
1.11	8.8 %	12.25	12.46	12.70	12.95	13.22	13.51	13.84	1.11	8.8 %	11.43	11.93	12.44	12.95	13.45	13.96	14.46

- 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	2020	2021	2022	2023	2024e	2025e	2026e	
Net Income before minorities	5.3	-0.1	1.4	1.8	4.7	11.5	14.7	
+ Depreciation + Amortisation	7.3	7.5	8.6	9.1	9.5	10.0	10.6	
- Net Interest Income	-0.2	-0.2	-0.4	-0.6	-1.0	-1.0	-1.0	
- Maintenance Capex	1.9	1.9	2.5	2.5	2.6	3.2	3.5	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	11.0	5.8	7.9	9.0	12.5	19.2	22.7	
FCF Potential Yield (on market EV)	2.2 %	1.1 %	2.9 %	3.9 %	7.1 %	11.7 %	15.6 %	
WACC	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	9.76 %	
= Enterprise Value (EV)	493.0	547.8	270.6	228.1	176.9	164.2	145.8	
= Fair Enterprise Value	112.3	59.2	80.8	92.1	128.0	196.9	232.8	
- Net Debt (Cash)	2.9	2.9	2.9	2.9	-16.9	-29.7	-48.1	
- 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	109.0	56.0	77.5	88.8	144.6	226.2	280.6	
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5	
= Fair value per share (EUR)	4.45	2.28	3.16	3.63	5.90	9.24	11.45	
premium (-) / discount (+) in %					-25.3 %	16.9 %	45.0 %	
Sensitivity Fair value per Share (EUR)								
	12.76 %	3.37	1.72	2.39	2.74	4.67	7.35	9.22
	11.76 %	3.67	1.87	2.60	2.99	5.01	7.87	9.84
	10.76 %	4.02	2.06	2.86	3.28	5.42	8.49	10.57
WACC	9.76 %	4.45	2.28	3.16	3.63	5.90	9.24	11.45
	8.76 %	4.97	2.56	3.54	4.06	6.50	10.15	12.54
	7.76 %	5.63	2.91	4.02	4.60	7.25	11.31	13.90
	6.76 %	6.48	3.36	4.63	5.30	8.22	12.80	15.67

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

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	5.4 x	6.0 x	3.0 x	2.4 x	1.9 x	1.7 x	1.5 x
Book value per share ex intangibles	3.09	2.99	2.99	2.98	3.15	3.63	4.27
EV / Sales	5.1 x	5.9 x	2.2 x	1.8 x	1.3 x	1.0 x	0.8 x
EV / EBITDA	33.2 x	72.1 x	17.9 x	17.8 x	10.4 x	6.1 x	4.5 x
EV / EBIT	65.4 x	n.a.	41.5 x	61.8 x	23.6 x	9.6 x	6.7 x
EV / EBIT adj.*	65.4 x	n.a.	41.5 x	51.9 x	20.1 x	9.6 x	6.7 x
P / FCF	n.a.	n.a.	n.a.	n.a.	9.7 x	15.2 x	10.5 x
P / E	93.8 x	n.a.	190.2 x	131.1 x	41.6 x	16.8 x	13.2 x
P / E adj.*	93.8 x	n.a.	190.2 x	131.1 x	41.6 x	16.8 x	13.2 x
Dividend Yield	0.5 %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	2.2 %	1.1 %	2.9 %	3.9 %	7.1 %	11.7 %	15.6 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	96.2	93.6	123.7	124.3	132.1	160.3	175.1
Change Sales yoy	-31.3 %	-2.8 %	32.2 %	0.5 %	6.2 %	21.4 %	9.2 %
Increase / decrease in inventory	0.2	7.3	-5.2	1.5	-0.4	0.3	0.5
Own work capitalised	5.3	5.9	6.3	5.3	5.7	5.3	5.3
Total Sales	101.7	106.7	124.8	131.2	137.3	165.9	180.9
Material expenses	32.0	36.8	38.0	43.7	44.6	56.0	59.9
Gross profit	69.7	69.9	86.7	87.5	92.7	110.0	121.0
<i>Gross profit margin</i>	<i>72.4 %</i>	<i>74.7 %</i>	<i>70.1 %</i>	<i>70.3 %</i>	<i>70.2 %</i>	<i>68.6 %</i>	<i>69.1 %</i>
Personnel expenses	41.5	44.3	49.5	52.4	53.1	56.4	61.3
Other operating income	3.8	3.3	4.2	4.2	4.1	3.0	3.3
Other operating expenses	17.1	21.2	26.4	26.5	26.7	29.5	30.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	14.8	7.6	15.1	12.8	17.0	27.1	32.2
<i>Margin</i>	<i>15.4 %</i>	<i>8.1 %</i>	<i>12.2 %</i>	<i>10.3 %</i>	<i>12.9 %</i>	<i>16.9 %</i>	<i>18.4 %</i>
Depreciation of fixed assets	4.0	3.8	4.1	4.6	4.6	4.6	4.5
EBITA	10.9	3.8	11.0	8.2	12.5	22.5	27.7
Amortisation of intangible assets	3.3	3.7	4.5	4.5	4.9	5.4	6.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.5	0.1	6.5	3.7	7.5	17.1	21.7
<i>Margin</i>	<i>7.8 %</i>	<i>0.1 %</i>	<i>5.3 %</i>	<i>3.0 %</i>	<i>5.7 %</i>	<i>10.7 %</i>	<i>12.4 %</i>
EBIT adj.	7.5	0.1	6.5	4.4	8.8	17.1	21.7
Interest income	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.3	0.2	0.4	0.6	1.0	1.0	1.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	7.3	-0.2	6.1	3.1	6.6	16.1	20.7
<i>Margin</i>	<i>7.6 %</i>	<i>-0.2 %</i>	<i>5.0 %</i>	<i>2.5 %</i>	<i>5.0 %</i>	<i>10.1 %</i>	<i>11.8 %</i>
Total taxes	2.0	-0.1	4.8	1.3	1.9	4.7	6.0
Net income from continuing operations	5.3	-0.1	1.4	1.8	4.7	11.5	14.7
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	5.3	-0.1	1.4	1.8	4.7	11.5	14.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	5.3	-0.1	1.4	1.8	4.7	11.5	14.7
<i>Margin</i>	<i>5.6 %</i>	<i>-0.1 %</i>	<i>1.1 %</i>	<i>1.4 %</i>	<i>3.5 %</i>	<i>7.1 %</i>	<i>8.4 %</i>
Number of shares, average	24.5	24.5	24.5	24.5	24.5	24.5	24.5
EPS	0.22	0.00	0.06	0.07	0.19	0.47	0.60
EPS adj.	0.22	0.00	0.06	0.07	0.19	0.47	0.60

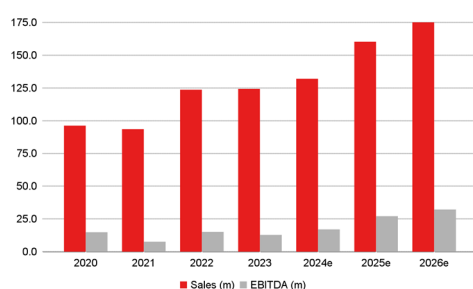
*Adjustments made for:

Guidance: Sales EUR 130-140m. EBIT margin 4% to 8%

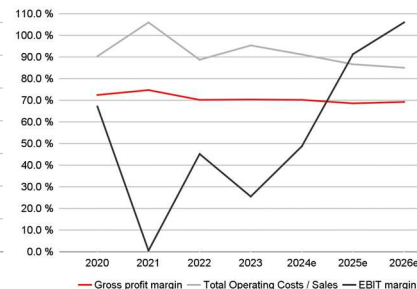
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	90.2 %	105.9 %	88.7 %	95.2 %	91.1 %	86.6 %	84.9 %
Operating Leverage	1.9 x	35.8 x	339.8 x	-84.0 x	16.6 x	6.0 x	2.9 x
EBITDA / Interest expenses	51.2 x	30.8 x	37.9 x	20.7 x	17.9 x	28.4 x	33.8 x
Tax rate (EBT)	26.9 %	32.9 %	77.4 %	43.1 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	45.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	139,673	125,426	167,161	163,386	179,702	215,489	227,557

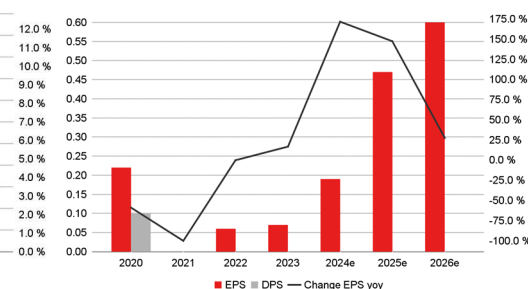
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

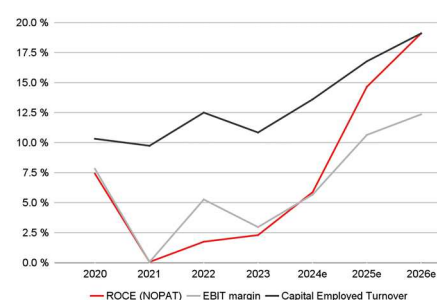
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	17.3	19.1	20.7	22.0	22.8	22.6	21.8
thereof other intangible assets	0.7	0.7	1.0	22.0	22.0	22.0	22.0
thereof Goodwill	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Property, plant and equipment	46.0	46.3	45.0	43.0	40.8	38.8	37.1
Financial assets	0.0	0.0	0.4	0.3	0.3	0.3	0.3
Other long-term assets	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Fixed assets	63.4	65.6	66.1	65.4	63.9	61.7	59.2
Inventories	19.8	28.5	27.7	31.3	28.5	31.8	31.8
Accounts receivable	13.2	17.2	27.5	36.4	22.1	21.1	20.2
Liquid assets	20.1	15.2	12.8	10.7	30.5	43.3	61.7
Other short-term assets	5.2	5.8	4.4	4.7	4.7	4.7	4.7
Current assets	58.3	66.7	72.3	83.0	85.8	100.9	118.4
Total Assets	121.7	132.2	138.4	148.5	149.7	162.6	177.7
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	12.0	12.7	12.2	16.8	28.3	43.0
Other equity components	42.8	40.2	41.2	43.0	43.2	43.3	43.6
Shareholders' equity	92.9	92.2	93.9	95.1	100.0	111.5	126.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	92.9	92.2	93.9	95.1	100.0	111.5	126.5
Provisions	3.2	2.7	3.9	3.6	3.6	3.6	3.6
thereof provisions for pensions and similar obligations	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Financial liabilities (total)	6.9	5.2	3.4	13.6	13.6	13.6	13.6
Short-term financial liabilities	1.8	1.8	1.7	12.2	12.2	12.2	12.2
Accounts payable	7.6	7.2	7.5	10.0	10.1	11.4	11.5
Other liabilities	11.0	24.9	29.7	26.2	22.4	22.4	22.4
Liabilities	28.7	40.0	44.5	53.4	49.7	51.0	51.1
Total liabilities and shareholders' equity	121.7	132.2	138.4	148.5	149.7	162.6	177.7

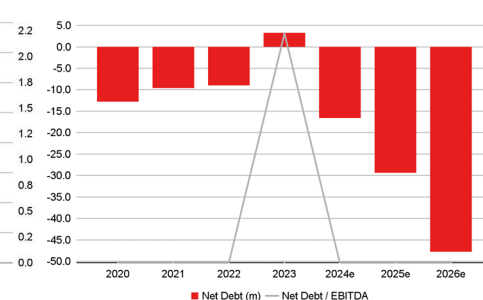
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	1.4 x	1.4 x	1.7 x	1.5 x	2.0 x	2.4 x	2.8 x
Capital Employed Turnover	1.2 x	1.1 x	1.5 x	1.3 x	1.6 x	2.0 x	2.2 x
ROA	8.4 %	-0.2 %	2.1 %	2.7 %	7.3 %	18.6 %	24.8 %
Return on Capital							
ROCE (NOPAT)	7.4 %	0.0 %	1.8 %	2.3 %	5.9 %	14.7 %	19.1 %
ROE	5.8 %	-0.1 %	1.5 %	1.9 %	4.8 %	10.8 %	12.4 %
Adj. ROE	5.8 %	-0.1 %	1.5 %	1.9 %	4.8 %	10.8 %	12.4 %
Balance sheet quality							
Net Debt	-12.8	-9.6	-9.0	3.3	-16.6	-29.4	-47.8
Net Financial Debt	-13.1	-10.0	-9.3	2.9	-16.9	-29.7	-48.1
Net Gearing	-13.7 %	-10.4 %	-9.6 %	3.4 %	-16.6 %	-26.3 %	-37.8 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	22.9 %	n.a.	n.a.	n.a.
Book Value / Share	3.8	3.8	3.8	3.9	4.1	4.6	5.2
Book value per share ex intangibles	3.1	3.0	3.0	3.0	3.2	3.6	4.3

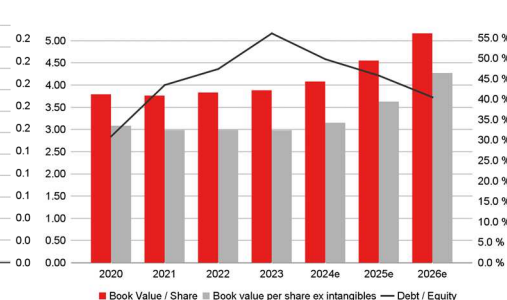
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

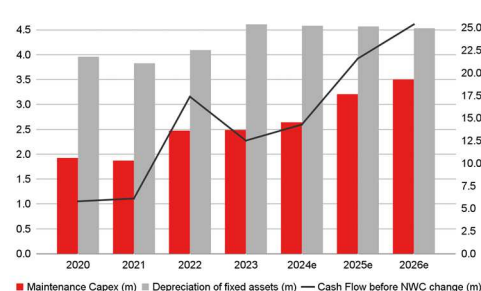
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	5.3	-0.1	1.4	1.8	4.7	11.5	14.7
Depreciation of fixed assets	4.0	3.8	4.1	4.6	4.6	4.6	4.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.3	3.7	4.5	4.5	4.9	5.4	6.0
Increase/decrease in long-term provisions	-2.5	-0.5	1.1	-0.1	0.0	0.0	0.0
Other non-cash income and expenses	-4.3	-0.8	6.3	1.8	0.1	0.1	0.1
Cash Flow before NWC change	5.8	6.1	17.4	12.5	14.3	21.6	25.4
Increase / decrease in inventory	-2.0	-9.4	-0.3	-5.0	2.8	-3.3	0.0
Increase / decrease in accounts receivable	-1.5	-3.6	-10.3	-9.3	14.3	1.0	0.9
Increase / decrease in accounts payable	2.0	-0.5	0.3	2.3	-3.6	1.3	0.1
Increase / decrease in other working capital positions	-0.4	15.3	1.5	-3.8	0.6	0.6	0.6
Increase / decrease in working capital (total)	-1.8	1.8	-8.9	-15.9	14.1	-0.4	1.6
Net cash provided by operating activities [1]	4.0	7.9	8.5	-3.4	28.3	21.2	27.0
Investments in intangible assets	-4.8	-5.4	-6.2	-5.9	-6.2	-5.8	-5.8
Investments in property, plant and equipment	-4.8	-3.2	-2.1	-1.8	-2.3	-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	0.1	0.1	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-9.5	-8.6	-8.2	-7.7	-8.5	-8.4	-8.6
Change in financial liabilities	-2.2	-2.1	-2.3	9.7	0.0	0.0	0.0
Dividends paid	-2.4	-2.5	0.0	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	-0.7	-0.7	-0.8	-1.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-5.4	-5.2	-3.1	8.7	0.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	-11.0	-5.9	-2.9	-2.4	19.9	12.8	18.4
Effects of exchange-rate changes on cash	-0.3	1.0	0.5	0.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	20.1	15.2	12.8	10.7	30.5	43.3	61.7

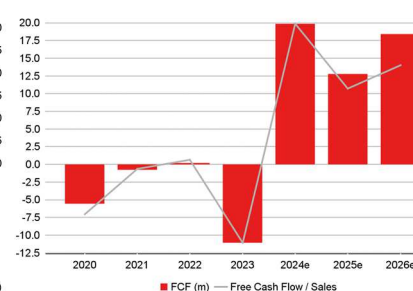
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	-5.6	-0.8	0.2	-11.1	19.9	12.8	18.4
Free Cash Flow / Sales	-5.8 %	-0.8 %	0.2 %	-8.9 %	15.0 %	8.0 %	10.5 %
Free Cash Flow Potential	11.0	5.8	7.9	9.0	12.5	19.2	22.7
Free Cash Flow / Net Profit	-104.1 %	670.2 %	14.5 %	-631.1 %	427.0 %	111.5 %	125.2 %
Interest Received / Avg. Cash	0.2 %	0.1 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	3.7 %	4.1 %	9.2 %	7.3 %	7.0 %	7.0 %	7.0 %
Management of Funds							
Investment ratio	9.9 %	9.3 %	6.7 %	6.2 %	6.4 %	5.2 %	4.9 %
Maint. Capex / Sales	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Capex / Dep	130.4 %	115.2 %	96.5 %	84.5 %	89.0 %	83.8 %	81.0 %
Avg. Working Capital / Sales	18.4 %	21.2 %	18.3 %	26.5 %	25.2 %	16.8 %	15.4 %
Trade Debtors / Trade Creditors	173.0 %	238.2 %	365.8 %	365.3 %	218.8 %	185.1 %	175.7 %
Inventory Turnover	1.6 x	1.3 x	1.4 x	1.4 x	1.6 x	1.8 x	1.9 x
Receivables collection period (days)	50	67	81	107	61	48	42
Payables payment period (days)	87	71	72	83	83	74	70
Cash conversion cycle (Days)	133	88	68	137	97	90	80

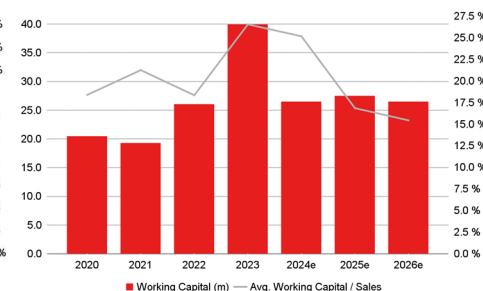
CAPEX and Cash Flow
in EUR m



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	147	71
Hold	46	22
Sell	8	4
Rating suspended	7	3
Total	208	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	46	81
Hold	8	14
Sell	0	0
Rating suspended	3	5
Total	57	100

PRICE AND RATING HISTORY LPKF AS OF 26.04.2024



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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