

Buy EUR 38.00 Price EUR 19.41 Upside 95.8 %	Value Indicators: EUR DCF: 38.05 FCF-Value Potential 23e: 20.93	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: 475.5 No. of shares (m): 24.5 EV: 457.1 Freefloat MC: 475.5 Ø Trad. Vol. (30d): 3.21 m	Shareholders: Freefloat 100.0 % Small Cap World Fund 5.0 % JPMorgan AM 3.0 % Société Générale 3.0 % UBS 3.0 %	Key Figures (WRe): 2021e Beta: 1.3 Price / Book: 4.7 x Equity Ratio: 76 %

Postponements impact Q3 target; FY guidance confirmed

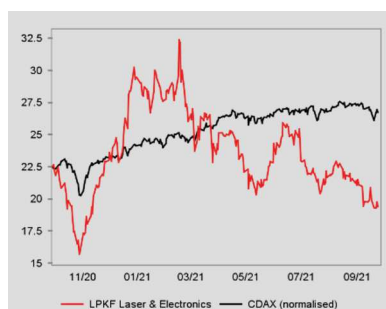
Expected Figures Q3/2021: FY End: 31.12. in EUR m							Comment on Figures: <ul style="list-style-type: none"> Logistical bottlenecks are expected to lead to a shift in revenue from Q3 to Q4 Shipments with a sales volume of EUR 7m were delayed Due to the postponements the Q3 sales target was lowered from EUR 30-35m to EUR 23-28m EBIT outlook was decreased from EUR 3-7m to EUR 0-3m FY guidance was confirmed 						
	Q3 21e	Q3 20	yoy	9M 21e	9M 20	yoy							
Sales	27.1	25.2	8 %	63.5	75.2	-16 %							
EBITDA	3.5	5.6	-38 %	1.5	12.3	-88 %							
Margin	12.7 %	22.2 %		2.3 %	16.4 %								
EBIT	1.9	4.0	-53 %	-4.0	6.8	n.a.							
Margin	7.0 %	15.9 %		-6.3 %	9.1 %								

LPKF has reduced its outlook for the third quarter. Management now expects sales of EUR 23-28m (old: EUR 30-35m) and EBIT of EUR 0-3m (old: EUR 3-7m). The target revision is a result of the current logistical bottleneck when entering China as a consequence of the COVID lockdown measures in the people's republic. Fully produced equipment ready for shipment with a sales volume of approx. EUR 7m, thereof EUR 5m solar equipment for the large order received last year, will not be delivered in Q3 as scheduled, but only at the beginning of Q4.

Since all delayed shipments are expected to be delivered in the current fiscal year, the full-year guidance (sales EUR 110-120m. EBIT margin 10-13%) was confirmed. At the upper end, this implies Q4 sales of EUR 56-61m at an EBIT margin of 31-35%, which we consider ambitious. The lower end, with Q4 sales of EUR 47-51m at an EBIT margin of 27-35%, should be within reach. This is especially true as the ready-to-ship goods provide high visibility and order intake maintains its strong Q2 momentum (intake +69%, book-to-bill 1.5). We have slightly adjusted our outlook for the full year but remain within LPKF's target range.

The revision of the short-term estimates has only a limited impact on our target price, as we still expect significant growth in the next three years, driven by the LIDE technology, which should allow LPKF to close in on its 2024 target of more than EUR 360m in sales at an EBIT margin of at least 25%. Currently, the LIDE business is not reflected in the market valuation. In our forecast, LIDE represents roughly half of the 2024 revenue. Excluding LIDE from our projections (2024e sales EUR 175m, EBIT margin 18%), our DCF model yields a fair value of EUR 18, which is only slightly above the current share price. Against this background, a setback resulting from the Q3 target revision should offer an attractive risk/reward ratio for the LIDE prospect. We confirm our target price and our Buy recommendation for LPKF.

Changes in Estimates: FY End: 31.12. in EUR m							Comment on Changes: <ul style="list-style-type: none"> 2021 estimates reduced towards the lower end of the company's target range to reflect risks of logistical bottlenecks 						
	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -							
Sales	118.6	-4.5 %	178.1	0.0 %	226.1	0.0 %							
EBIT	14.2	-19.6 %	29.0	0.0 %	43.9	0.0 %							
EPS	0.41	-19.5 %	0.84	0.0 %	1.27	0.0 %							



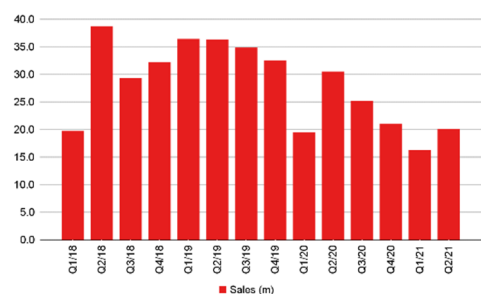
Rel. Performance vs CDAX:

1 month:	-7.7 %
6 months:	-24.0 %
Year to date:	-44.8 %
Trailing 12 months:	-27.1 %

Company events:
28.10.21 Q3

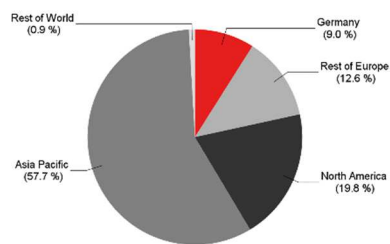
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e		
Sales	32.9 %	102.1	120.0	140.0	96.2	113.3	178.0	226.0		
Change Sales yoy		12.0 %	17.5 %	16.7 %	-31.3 %	17.7 %	57.1 %	27.0 %		
Gross profit margin		69.7 %	64.3 %	63.8 %	72.4 %	69.1 %	65.5 %	66.3 %		
EBITDA	54.2 %	11.6	14.9	26.9	14.8	18.7	38.1	54.5		
Margin		11.4 %	12.4 %	19.2 %	15.4 %	16.5 %	21.4 %	24.1 %		
EBIT	79.8 %	4.0	6.8	19.2	7.5	11.4	29.0	43.9		
Margin		3.9 %	5.7 %	13.7 %	7.8 %	10.1 %	16.3 %	19.4 %		
Net income	79.9 %	1.1	8.1	13.1	5.3	8.1	20.6	31.1		
EPS	79.4 %	0.05	0.33	0.54	0.22	0.33	0.84	1.27		
EPS adj.	79.4 %	0.05	0.33	0.54	0.22	0.33	0.84	1.27		
DPS	26.0 %	0.00	0.00	0.10	0.10	0.10	0.20	0.20		
Dividend Yield		n.a.	n.a.	1.1 %	0.5 %	0.5 %	1.0 %	1.0 %		
FCFPS		0.14	0.24	1.72	-0.23	0.23	0.67	0.96		
FCF / Market cap		1.6 %	3.1 %	18.3 %	-1.1 %	1.2 %	3.5 %	5.0 %		
EV / Sales		2.3 x	1.7 x	1.5 x	5.1 x	4.0 x	2.5 x	1.8 x		
EV / EBITDA		19.9 x	13.6 x	7.7 x	33.2 x	24.5 x	11.6 x	7.7 x		
EV / EBIT		58.6 x	29.5 x	10.8 x	65.4 x	39.9 x	15.2 x	9.5 x		
P / E		173.8 x	22.9 x	17.4 x	93.8 x	58.8 x	23.1 x	15.3 x		
P / E adj.		173.8 x	22.9 x	17.4 x	93.8 x	58.8 x	23.1 x	15.3 x		
FCF Potential Yield		2.5 %	6.5 %	8.9 %	2.2 %	2.9 %	5.9 %	8.9 %		
Net Debt		38.0	16.6	-22.1	-12.8	-18.4	-34.9	-58.6		
ROCE (NOPAT)		1.6 %	9.9 %	16.5 %	7.4 %	10.0 %	24.0 %	33.8 %		
Guidance:		Sales EUR 110-120m. EBIT margin 10-13%								

Sales development
in EUR m



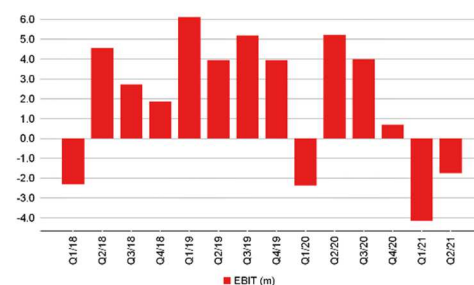
Source: Warburg Research

Sales by regions
2020; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

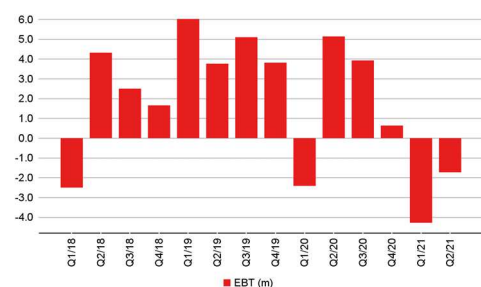
Company Background

- 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

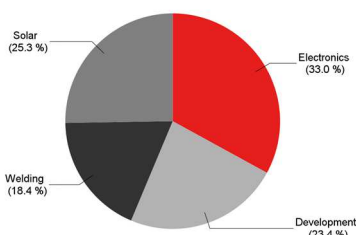
- LPKF is the technologically leading company in the market of laser applications and often first supplier of its customers.
- The high innovative strength of the company ensures the market-leading position and gives LPKF a first-mover advantage in new products that offer highly attractive TCO compared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



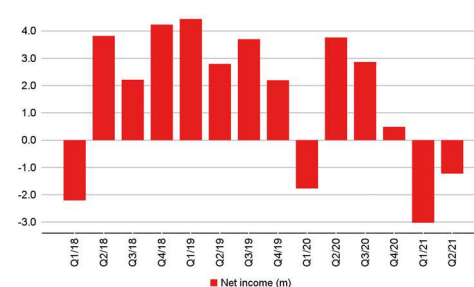
Source: Warburg Research

Sales by segments
2020; 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
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	113.3	178.0	226.0	345.0	390.2	429.2	470.0	512.3	555.8	600.3	636.3	661.7	678.3	
Sales change	17.7 %	57.1 %	27.0 %	52.7 %	13.1 %	10.0 %	9.5 %	9.0 %	8.5 %	8.0 %	6.0 %	4.0 %	2.5 %	2.5 %
EBIT	11.4	29.0	43.9	82.9	90.1	94.4	101.0	107.6	111.2	114.1	108.2	105.9	108.5	
EBIT-margin	10.1 %	16.3 %	19.4 %	24.0 %	23.1 %	22.0 %	21.5 %	21.0 %	20.0 %	19.0 %	17.0 %	16.0 %	16.0 %	
Tax rate (EBT)	28.5 %	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	8.2	20.6	31.1	58.9	64.0	66.1	70.7	75.3	77.8	79.8	75.7	74.1	76.0	
Depreciation	7.3	9.1	10.6	15.9	17.2	18.0	18.8	20.5	22.2	24.0	25.5	26.5	27.1	
in % of Sales	6.4 %	5.1 %	4.7 %	4.6 %	4.4 %	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	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	
Change in Liquidity from														
- Working Capital	-2.0	2.1	7.1	10.3	1.1	3.9	4.1	4.2	4.4	4.4	3.6	2.5	1.7	
- Capex	11.6	11.7	11.7	19.0	19.5	19.3	18.8	20.5	22.2	24.0	25.5	26.5	27.1	
Capex in % of Sales	10.2 %	6.6 %	5.2 %	5.5 %	5.0 %	4.5 %	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)	5.8	15.9	23.0	45.9	60.7	61.0	66.7	71.2	73.5	75.5	72.2	71.6	74.3	76
PV of FCF	5.7	14.5	19.4	35.7	43.7	40.6	41.0	40.4	38.6	36.6	32.4	29.7	28.5	512
share of PVs	4.30 %			39.96 %										55.73 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	Financial Strength	1.10
Cost of debt (after tax)	2.8 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	1.30
Risk free rate	1.50 %	Transparency	1.35
		Others	1.30
WACC	8.20 %	Beta	1.27

Valuation (m)

Present values 2033e	407		
Terminal Value	512		
Financial liabilities	7		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	20	No. of shares (m)	24.5
Equity Value	932	Value per share (EUR)	38.05

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
1.46	9.2 %	30.44	30.94	31.47	32.04	32.66	33.33	34.05	1.46	9.2 %	29.19	30.14	31.09	32.04	32.99	33.95	34.90
1.37	8.7 %	32.84	33.45	34.10	34.80	35.57	36.40	37.30	1.37	8.7 %	31.69	32.73	33.77	34.80	35.84	36.88	37.92
1.32	8.5 %	34.18	34.85	35.57	36.36	37.21	38.14	39.17	1.32	8.5 %	33.10	34.18	35.27	36.36	37.44	38.53	39.62
1.27	8.2 %	35.62	36.36	37.17	38.05	39.01	40.06	41.22	1.27	8.2 %	34.63	35.77	36.91	38.05	39.19	40.33	41.47
1.22	8.0 %	37.18	38.01	38.91	39.90	40.98	42.17	43.49	1.22	8.0 %	36.30	37.50	38.70	39.90	41.09	42.29	43.49
1.17	7.7 %	38.87	39.79	40.81	41.92	43.15	44.50	46.01	1.17	7.7 %	38.14	39.40	40.66	41.92	43.18	44.44	45.70
1.08	7.2 %	42.71	43.89	45.19	46.62	48.22	50.00	52.01	1.08	7.2 %	42.40	43.80	45.21	46.62	48.03	49.44	50.85

- 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	2017	2018	2019	2020	2021e	2022e	2023e	
Net Income before minorities	1.1	8.1	13.1	5.3	8.1	20.6	31.1	
+ Depreciation + Amortisation	7.7	8.1	7.7	7.3	7.3	9.1	10.6	
- Net Interest Income	-0.9	-0.9	-0.5	-0.2	-0.1	-0.1	0.0	
- Maintenance Capex	4.0	3.9	2.8	1.9	2.3	3.6	4.5	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	5.8	13.1	18.5	11.0	13.2	26.1	37.2	
FCF Potential Yield (on market EV)	2.5 %	6.5 %	8.9 %	2.2 %	2.9 %	5.9 %	8.9 %	
WACC	8.20 %	8.20 %	8.20 %	8.20 %	8.20 %	8.20 %	8.20 %	
= Enterprise Value (EV)	231.5	202.0	208.3	493.0	457.1	440.6	416.9	
= Fair Enterprise Value	70.1	159.8	225.8	133.6	160.9	318.8	454.2	
- Net Debt (Cash)	-13.1	-13.1	-13.1	-13.1	-18.8	-35.3	-58.9	
- 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	82.9	172.6	238.6	146.4	179.3	353.7	512.8	
Number of shares, average	22.3	24.5	24.5	24.5	24.5	24.5	24.5	
= Fair value per share (EUR)	3.72	7.04	9.74	5.98	7.32	14.44	20.93	
premium (-) / discount (+) in %					-62.3 %	-25.6 %	7.8 %	
Sensitivity Fair value per Share (EUR)								
	11.20 %	2.62	5.30	7.27	4.51	5.56	10.95	15.97
	10.20 %	2.82	5.77	7.93	4.91	6.03	11.89	17.30
	9.20 %	3.07	6.34	8.74	5.38	6.61	13.03	18.92
WACC	8.20 %	3.38	7.04	9.74	5.98	7.32	14.44	20.93
	7.20 %	3.78	7.95	11.02	6.73	8.23	16.25	23.51
	6.20 %	4.31	9.15	12.71	7.73	9.44	18.64	26.91
	5.20 %	5.04	10.81	15.06	9.12	11.11	21.95	31.63

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

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	3.6 x	2.4 x	2.5 x	5.4 x	4.7 x	3.9 x	3.1 x
Book value per share ex intangibles	1.74	2.55	3.06	3.09	3.36	4.19	5.46
EV / Sales	2.3 x	1.7 x	1.5 x	5.1 x	4.0 x	2.5 x	1.8 x
EV / EBITDA	19.9 x	13.6 x	7.7 x	33.2 x	24.5 x	11.6 x	7.7 x
EV / EBIT	58.6 x	29.5 x	10.8 x	65.4 x	39.9 x	15.2 x	9.5 x
EV / EBIT adj.*	132.1 x	22.1 x	11.3 x	65.4 x	39.9 x	15.2 x	9.5 x
P / FCF	62.9 x	32.1 x	5.5 x	n.a.	84.6 x	28.8 x	20.1 x
P / E	173.8 x	22.9 x	17.4 x	93.8 x	58.8 x	23.1 x	15.3 x
P / E adj.*	173.8 x	22.9 x	17.4 x	93.8 x	58.8 x	23.1 x	15.3 x
Dividend Yield	n.a.	n.a.	1.1 %	0.5 %	0.5 %	1.0 %	1.0 %
FCF Potential Yield (on market EV)	2.5 %	6.5 %	8.9 %	2.2 %	2.9 %	5.9 %	8.9 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	102.1	120.0	140.0	96.2	113.3	178.0	226.0
Change Sales yoy	12.0 %	17.5 %	16.7 %	-31.3 %	17.7 %	57.1 %	27.0 %
Increase / decrease in inventory	-0.7	0.8	-0.8	0.2	0.9	-0.9	1.1
Own work capitalised	3.6	4.3	4.3	5.3	5.3	4.6	5.0
Total Sales	104.9	125.1	143.6	101.7	119.5	181.8	232.1
Material expenses	33.8	48.0	54.2	32.0	41.2	65.2	82.3
Gross profit	71.1	77.2	89.4	69.7	78.3	116.6	149.9
<i>Gross profit margin</i>	<i>69.7 %</i>	<i>64.3 %</i>	<i>63.8 %</i>	<i>72.4 %</i>	<i>69.1 %</i>	<i>65.5 %</i>	<i>66.3 %</i>
Personnel expenses	41.9	44.3	44.7	41.5	46.2	57.3	68.0
Other operating income	5.7	3.7	4.0	3.8	4.3	4.6	4.7
Other operating expenses	23.3	21.7	21.7	17.1	17.7	25.8	32.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	11.6	14.9	26.9	14.8	18.7	38.1	54.5
<i>Margin</i>	<i>11.4 %</i>	<i>12.4 %</i>	<i>19.2 %</i>	<i>15.4 %</i>	<i>16.5 %</i>	<i>21.4 %</i>	<i>24.1 %</i>
Depreciation of fixed assets	4.0	3.9	4.4	4.0	4.1	5.2	6.6
EBITA	7.6	11.0	22.5	10.9	14.6	32.9	47.9
Amortisation of intangible assets	3.7	4.2	3.3	3.3	3.2	3.9	4.1
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.0	6.8	19.2	7.5	11.4	29.0	43.9
<i>Margin</i>	<i>3.9 %</i>	<i>5.7 %</i>	<i>13.7 %</i>	<i>7.8 %</i>	<i>10.1 %</i>	<i>16.3 %</i>	<i>19.4 %</i>
EBIT adj.	1.8	9.1	18.4	7.5	11.4	29.0	43.9
Interest income	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Interest expenses	0.9	0.9	0.5	0.3	0.1	0.1	0.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	3.0	6.0	18.7	7.3	11.3	28.9	43.8
<i>Margin</i>	<i>3.0 %</i>	<i>5.0 %</i>	<i>13.4 %</i>	<i>7.6 %</i>	<i>10.0 %</i>	<i>16.3 %</i>	<i>19.4 %</i>
Total taxes	1.9	-2.1	5.6	2.0	3.2	8.4	12.7
Net income from continuing operations	1.1	8.1	13.1	5.3	8.1	20.6	31.1
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	1.1	8.1	13.1	5.3	8.1	20.6	31.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.1	8.1	13.1	5.3	8.1	20.6	31.1
<i>Margin</i>	<i>1.1 %</i>	<i>6.7 %</i>	<i>9.4 %</i>	<i>5.6 %</i>	<i>7.2 %</i>	<i>11.5 %</i>	<i>13.8 %</i>
Number of shares, average	22.3	24.5	24.5	24.5	24.5	24.5	24.5
EPS	0.05	0.33	0.54	0.22	0.33	0.84	1.27
EPS adj.	0.05	0.33	0.54	0.22	0.33	0.84	1.27

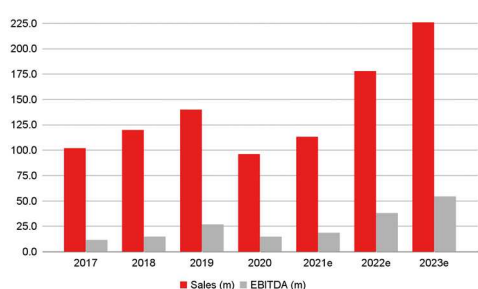
*Adjustments made for:

Guidance: Sales EUR 110-120m. EBIT margin 10-13%

Financial Ratios

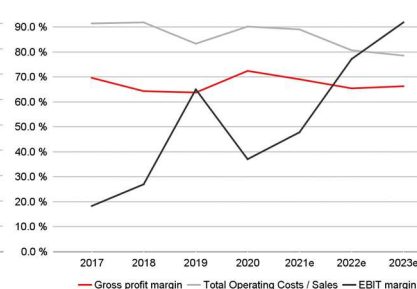
	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	91.4 %	91.9 %	83.3 %	90.2 %	89.0 %	80.7 %	78.6 %
Operating Leverage	n.a.	4.2 x	10.8 x	1.9 x	2.9 x	2.7 x	1.9 x
EBITDA / Interest expenses	12.3 x	17.4 x	52.0 x	51.2 x	168.7 x	509.1 x	1402.5 x
Tax rate (EBT)	61.8 %	-34.5 %	29.9 %	26.9 %	28.5 %	29.0 %	29.0 %
Dividend Payout Ratio	0.0 %	0.0 %	18.7 %	45.9 %	30.2 %	23.8 %	15.8 %
Sales per Employee	149,439	183,145	205,328	137,479	n.a.	n.a.	n.a.

Sales, EBITDA
in EUR m



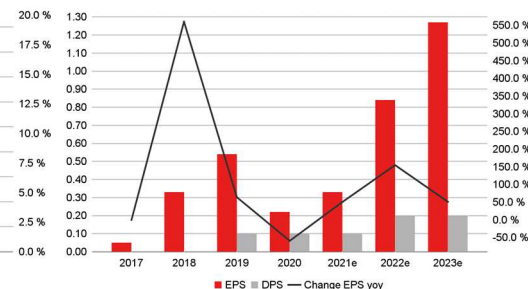
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

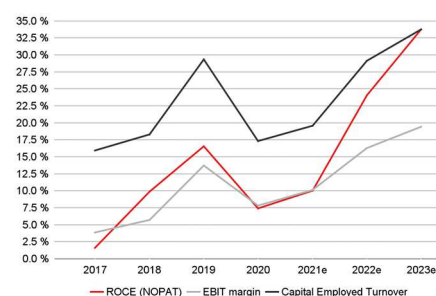
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	15.4	15.2	15.9	17.3	19.5	20.2	21.1
thereof other intangible assets	1.8	1.4	1.0	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	46.5	44.3	44.7	46.0	49.1	50.8	51.2
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.2	0.2	0.1	0.0	0.0	0.0	0.0
Fixed assets	62.1	59.8	60.7	63.4	68.6	71.1	72.3
Inventories	25.5	25.7	19.2	19.8	22.6	23.8	30.1
Accounts receivable	19.4	30.5	11.3	13.2	13.7	19.5	22.3
Liquid assets	3.3	3.7	31.3	20.1	24.3	39.0	60.9
Other short-term assets	6.2	9.1	5.5	5.2	5.2	5.2	5.2
Current assets	54.4	69.0	67.3	58.3	65.8	87.5	118.4
Total Assets	116.6	128.8	128.0	121.7	134.4	158.6	190.8
Liabilities and shareholders' equity							
Subscribed capital	22.3	24.5	24.5	24.5	24.5	24.5	24.5
Capital reserve	1.5	15.5	15.5	15.5	15.5	15.5	15.5
Retained earnings	10.9	10.2	10.2	10.2	18.3	38.8	69.9
Other equity components	19.5	27.5	40.7	42.8	43.6	44.2	45.1
Shareholders' equity	54.2	77.7	90.8	92.9	101.8	123.0	155.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	54.2	77.7	90.8	92.9	101.8	123.0	155.0
Provisions	4.0	5.5	6.1	3.2	3.2	3.2	3.2
thereof provisions for pensions and similar obligations	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Financial liabilities (total)	41.0	20.0	8.9	6.9	5.5	3.7	1.9
Short-term financial liabilities	21.0	2.6	2.0	0.0	-0.4	-1.2	-2.0
Accounts payable	3.2	6.9	5.6	7.6	5.3	7.3	9.3
Other liabilities	14.1	18.6	16.5	11.0	18.5	21.4	21.4
Liabilities	62.3	51.1	37.2	28.7	32.6	35.7	35.9
Total liabilities and shareholders' equity	116.6	128.8	128.0	121.7	134.4	158.6	190.8

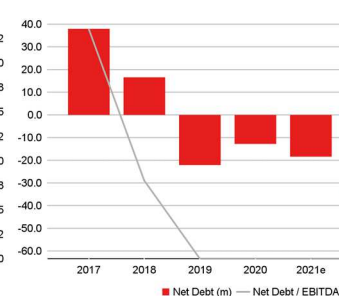
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	1.3 x	1.5 x	2.3 x	1.4 x	1.7 x	2.5 x	2.9 x
Capital Employed Turnover	1.1 x	1.3 x	2.0 x	1.2 x	1.4 x	2.0 x	2.3 x
ROA	1.9 %	13.5 %	21.6 %	8.4 %	11.8 %	28.9 %	43.0 %
Return on Capital							
ROCE (NOPAT)	1.6 %	9.9 %	16.5 %	7.4 %	10.0 %	24.0 %	33.8 %
ROE	2.1 %	12.2 %	15.6 %	5.8 %	8.3 %	18.3 %	22.4 %
Adj. ROE	2.1 %	12.2 %	15.6 %	5.8 %	8.3 %	18.3 %	22.4 %
Balance sheet quality							
Net Debt	38.0	16.6	-22.1	-12.8	-18.4	-34.9	-58.6
Net Financial Debt	37.7	16.3	-22.4	-13.1	-18.8	-35.3	-58.9
Net Gearing	70.0 %	21.4 %	-24.3 %	-13.7 %	-18.1 %	-28.4 %	-37.8 %
Net Fin. Debt / EBITDA	323.8 %	109.7 %	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	2.4	3.2	3.7	3.8	4.2	5.0	6.3
Book value per share ex intangibles	1.7	2.6	3.1	3.1	3.4	4.2	5.5

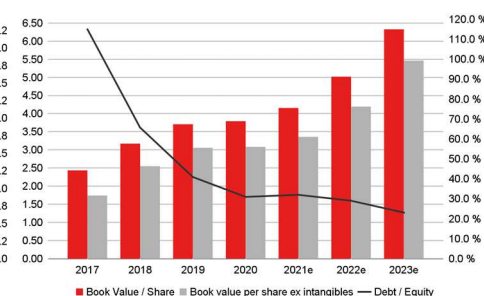
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

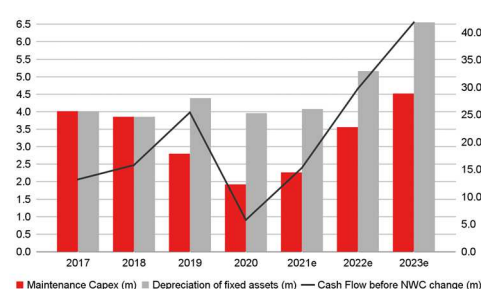
Consolidated cash flow statement

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	1.1	8.1	13.1	5.3	8.1	20.6	31.1
Depreciation of fixed assets	4.0	3.9	4.4	4.0	4.1	5.2	6.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.7	4.2	3.3	3.3	3.2	3.9	4.1
Increase/decrease in long-term provisions	0.6	1.1	0.5	-2.5	0.0	0.0	0.0
Other non-cash income and expenses	3.8	-1.4	4.1	-4.3	-0.1	0.1	0.1
Cash Flow before NWC change	13.1	15.8	25.4	5.8	15.3	29.7	41.8
Increase / decrease in inventory	-0.6	-0.2	6.6	-2.0	-2.8	-1.2	-6.3
Increase / decrease in accounts receivable	0.6	-11.1	19.2	-1.5	-0.5	-5.8	-2.8
Increase / decrease in accounts payable	0.6	3.1	-2.8	2.0	5.2	4.9	2.0
Increase / decrease in other working capital positions	-4.1	4.0	-0.3	-0.4	0.0	0.6	0.6
Increase / decrease in working capital (total)	-3.5	-4.3	22.6	-1.8	2.0	-1.5	-6.5
Net cash provided by operating activities [1]	9.6	11.5	48.0	4.0	17.2	28.2	35.3
Investments in intangible assets	-3.8	-4.0	-4.0	-4.8	-4.4	-4.8	-4.8
Investments in property, plant and equipment	-2.7	-1.8	-1.8	-4.8	-7.2	-6.9	-6.9
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	0.3	0.1	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-6.3	-5.7	-5.8	-9.5	-11.6	-11.7	-11.7
Change in financial liabilities	-9.8	-13.6	-13.2	-2.2	-1.4	-1.8	-1.8
Dividends paid	0.0	0.0	0.0	-2.4	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	16.2	0.0	0.0	0.0	0.0	0.0
Other	-0.9	-0.9	-1.3	-0.7	0.0	0.0	0.0
Net cash provided by financing activities [3]	-10.8	1.8	-14.5	-5.4	-1.4	-1.8	-1.8
Change in liquid funds [1]+[2]+[3]	-7.4	7.6	27.7	-11.0	4.2	14.7	21.8
Effects of exchange-rate changes on cash	-0.1	0.1	-0.1	-0.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	-4.0	11.1	31.3	20.1	24.3	39.0	60.9

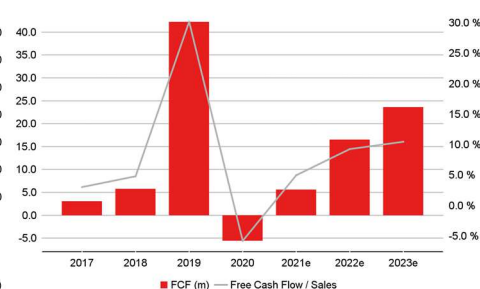
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	3.1	5.8	42.2	-5.6	5.6	16.5	23.6
Free Cash Flow / Sales	3.0 %	4.8 %	30.2 %	-5.8 %	5.0 %	9.3 %	10.5 %
Free Cash Flow Potential	5.8	13.1	18.5	11.0	13.2	26.1	37.2
Free Cash Flow / Net Profit	267.7 %	71.8 %	321.9 %	-104.1 %	69.4 %	80.4 %	76.0 %
Interest Received / Avg. Cash	0.1 %	0.1 %	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	2.2 %	2.8 %	3.6 %	3.7 %	1.8 %	1.6 %	1.4 %
Management of Funds							
Investment ratio	6.4 %	4.8 %	4.1 %	9.9 %	10.2 %	6.6 %	5.2 %
Maint. Capex / Sales	3.9 %	3.2 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Capex / Dep	85.3 %	71.1 %	75.3 %	130.4 %	160.0 %	128.9 %	110.1 %
Avg. Working Capital / Sales	33.7 %	29.7 %	18.9 %	18.4 %	17.2 %	11.0 %	10.7 %
Trade Debtors / Trade Creditors	601.2 %	444.1 %	201.8 %	173.0 %	258.5 %	267.1 %	239.8 %
Inventory Turnover	1.3 x	1.9 x	2.8 x	1.6 x	1.8 x	2.7 x	2.7 x
Receivables collection period (days)	69	93	30	50	44	40	36
Payables payment period (days)	35	52	38	87	47	41	41
Cash conversion cycle (Days)	219	149	54	133	87	46	60

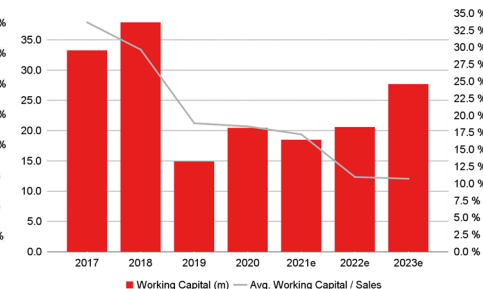
CAPEX and Cash Flow
in EUR m



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	146	68
Hold	60	28
Sell	6	3
Rating suspended	3	1
Total	215	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	45	79
Hold	10	18
Sell	0	0
Rating suspended	2	4
Total	57	100

PRICE AND RATING HISTORY LPKF AS OF 27.09.2021



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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