



»» LPKF EQUITY STORY

LPKF LASER & ELECTRONICS AG | NOVEMBER 2022

LPKF
Laser & Electronics
Vittron 5000

A man with short brown hair, wearing a white lab coat and blue nitrile gloves, is holding a whiteboard. He is looking to the right of the frame. The background is a dark grey wall with a textured pattern. A semi-transparent white horizontal band is overlaid across the middle of the image, containing the text 'COMPANY OVERVIEW & STRATEGY' in blue, uppercase letters. Faint, semi-transparent text 'ELECTRONICS' and 'OSTHOFF' is visible in the background behind the whiteboard.

COMPANY OVERVIEW & STRATEGY

» LPKF AT A GLANCE

A LEADING TECHNOLOGY COMPANY IN LASER-BASED MANUFACTURING SOLUTIONS



» LASER APPLICATION SPECIALIST

Leading supplier of laser-based precision manufacturing solutions

45 years of experience plus **strong innovation pipeline** (>200 patents)

Enabler of new applications in growth markets

Investing around 10% of revenue in R&D and **New Business Initiatives**

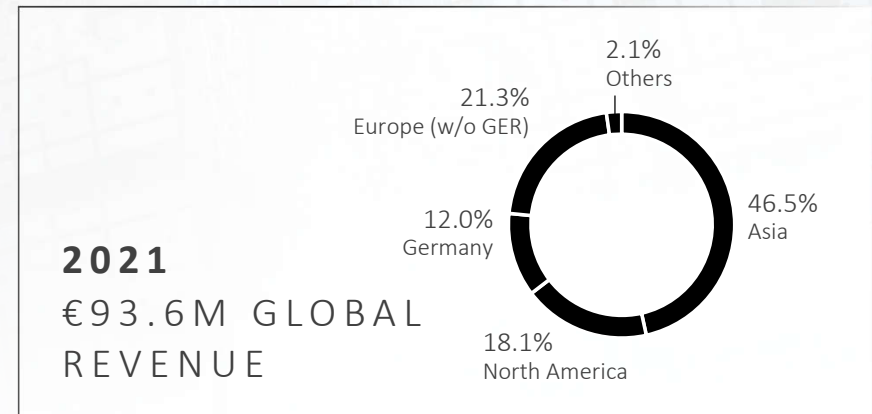
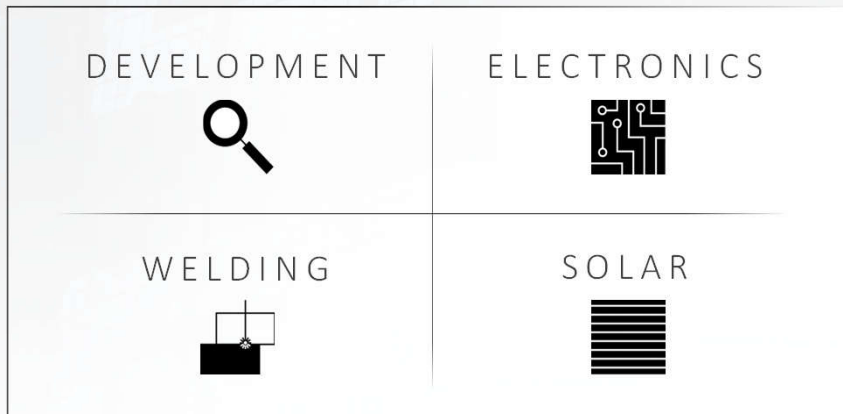
» GLOBAL PLAYER

Selling in more than 60 countries and Export share of $\approx 90\%$

Global Footprint: Four Sales Companies in US and Asia

≈ 750 employees world-wide

Engineering and technology know-how based in Europe



BUSINESS STRUCTURE

FOUR BUSINESS UNITS, TWO NEW BUSINESS INITIATIVES



BU Development



Equipment and Consumables for PCB Prototyping

BU Electronics



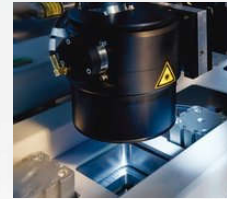
Processing Equipment for Electronics Manufacturing

BU Solar



Processing Equipment for Glass Surface Structuring

BU Welding

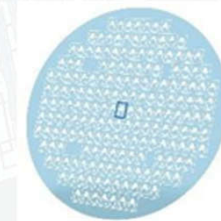


Processing Equipment for Plastic Welding

End-Customer Markets

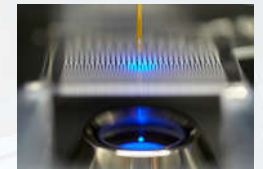
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|--|--|---|--|
| <ul style="list-style-type: none"> ▪ Consumer Electronics ▪ Medical ▪ Defense | <ul style="list-style-type: none"> ▪ Consumer Electronics ▪ Medical ▪ SMT | <ul style="list-style-type: none"> ▪ Solar Modules ▪ Architecture Glass | <ul style="list-style-type: none"> ▪ Automotive/E-Mobility ▪ Medical ▪ Consumer Electronics |
|--|--|---|--|

NBI LIDE



Processing Equipment and Foundry for 3D Glass Structuring

NBI ARRALYZE



Equipment and Consumables for Bio Tech Analysis

End-Customer Markets

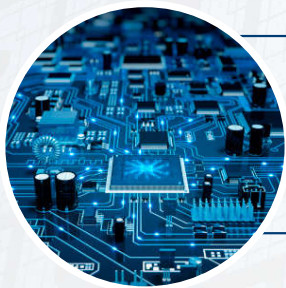
- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Semiconductor Packaging ▪ Displays ▪ MEMS | <ul style="list-style-type: none"> ▪ Drug Development ▪ Cell Therapy |
|---|--|

MARKETS AND MEGATRENDS

MARKET GROWTH IS DRIVEN BY GLOBAL MEGATRENDS



MINIATURIZATION



Increasing density in electronics packaging drives need for precision manufacturing tools



End of Moore's law drives need for novel semiconductor packaging solutions



High density design of electronic devices drives need for precision plastic welding

CARBON NEUTRALITY



Increasing share of solar power in energy production drives need for high volume, high precision manufacturing tools



E-mobility drives demand for battery pack manufacturing tools



Energy consumption of manufacturing processes and end products of increasing importance

CONNECTIVITY



Continuous innovation in mobile devices drives need for novel display design and manufacturing solutions



Growth and increasing complexity in RF solutions drives need for rapid prototyping

AGING POPULATION



Increasing demand for medical devices and consumables drives need for efficient manufacturing solutions



Drug development and personalized medicine drives need for efficient single cell analysis

» GROWTH STRATEGY

CONSISTENT APPROACH ACROSS BUSINESS UNITS



» GROW THE CORE



Superior customer benefit through sustained technology advantage
⇒ *gain share*



Focus on growing application fields
⇒ *increase addressable market*



Active product portfolio management to avoid commoditization
⇒ *sustain margins*



Serviceable Addr. Market
EUR 350 million



Ø Annual Growth Rate
8%

» EXPAND INTO NEW MARKETS



Leverage core competencies to enter new markets with disruptive solutions



Focus on scalable business opportunities



Proactive approach to secure core IP and first mover advantage



Serviceable Addr. Market
EUR 1.4 billion



Ø Annual Growth Rate
17%

COMPANY POSITIONING

ENABLERS AND KEY SUCCESS FACTORS



INNOVATION

We are innovation leaders and always ahead of the curve



MARKET AND TRENDS

We know the needs of our markets and pick up on new trends at an early stage



ENTREPRENEURIAL BOLDNESS

Our actions are characterized by entrepreneurial action and courage



SIMPLIFICATION

Increasing digitization helps us to improve efficiency



SMART PEOPLE

Our success is shaped by our employees and their knowledge



RESPONSIBLE ACTING

We act in partnership and responsibly



KEY SUCCESS FACTORS

We identify new markets and trends at an early stage. We want to develop and invest courageously into disruptive new technologies to provide a superior customer benefit. Our actions are targeted at long term sustainable growth. To achieve this, we drive the following initiatives:

- Increased market focus through a business-driven organization structure, a new marketing setup and an aligned IP management
- Implementation of modern IT systems to support market forecasting and operations
- Set up of a process improvement program called "Simplify" to strengthen scalability and agility
- Establishment of long-term talent management

OPERATING MODEL LEADS TO ATTRACTIVE EBIT

STABLE GROSS MARGIN AND FIXED COST DEGRESSION IN CORE & NEW BUSINESS



Core Business

New Business Initiatives

Gross Margin



Historically stable or improving gross margins



Permanent innovation in technology, application & product



Price increases compensating inflation



Attractive Gross Margins above Core Business

Fixed Cost



fixed cost degression by scaling



Lower additional fixed costs ratio

Profit Margin

Operating leverage and growth leads to attractive EBIT Margin

» ATTRACTIVE CASH CONVERSION CYCLE

SCALING AND OPERATIONAL MEASURES IN CORE AND GROWTH AREAS



Core Business



Equipment

- + Inventory: Supply situation
- DIO improvement when Scaling
- + Inventory is currently consciously increased to assure deliveries
- + DWC not foreseen to go back to 2019 levels due to generally changed environment

New Business Initiatives



Equipment LIDE

- + lower inventory (variants)
- + more down payments
- requirements semi customers



Equipment ARRALYZE

- + lower inventory (standard)



LIDE Foundry & Service

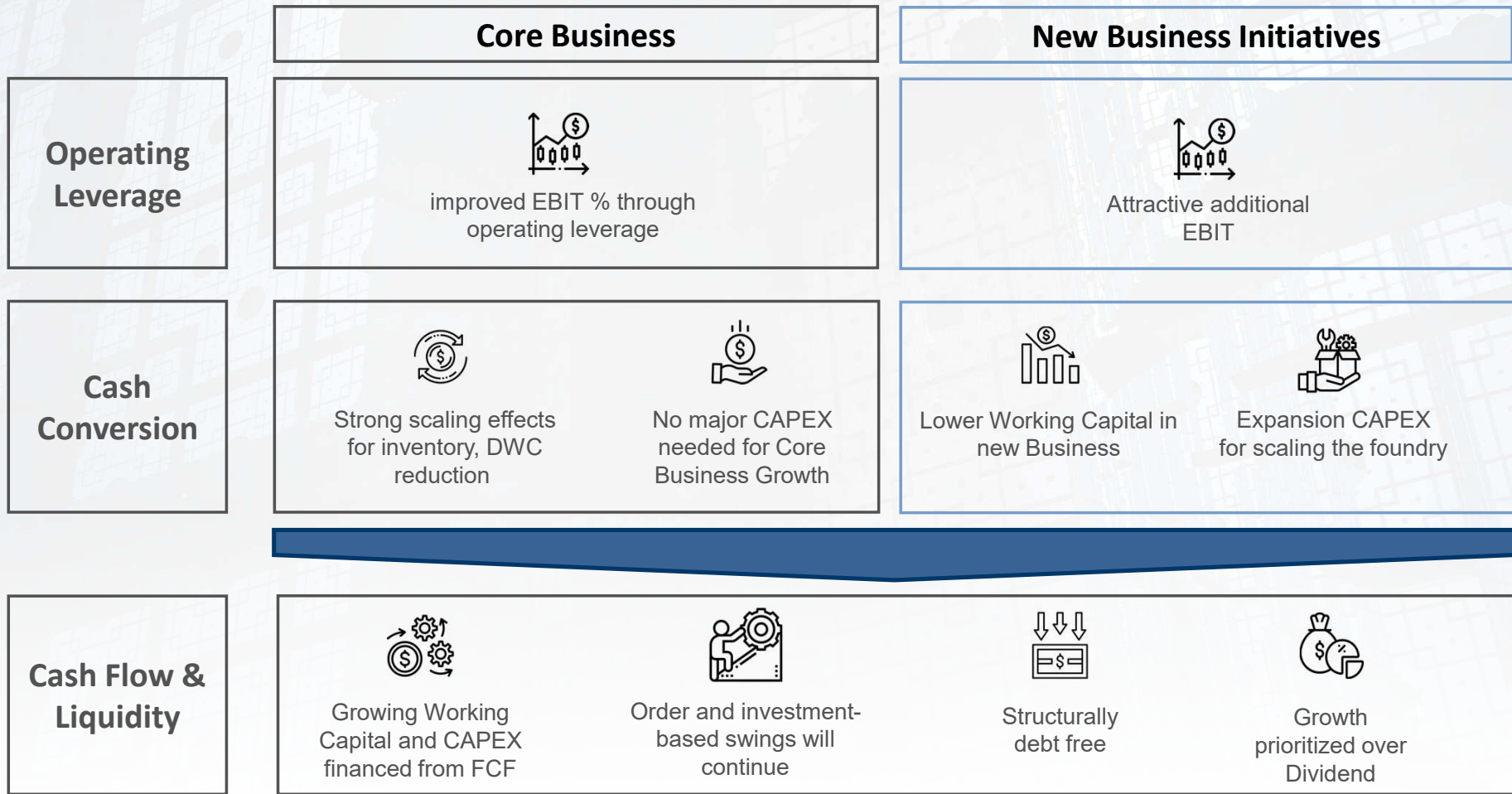
DSO/DWC
≈ 30 – 60 Days

Target: Ø 15% - 20% of annual sales

Target: Ø 10% - 15% of annual sales

SCALING BUSINESS OPERATIONS AND FINANCIALS

GROWTH IN CORE AND NEW BUSINESS FINANCED OUT OF CASH FLOW



» LPKF'S ESG SCOPE

BEAMING SUSTAINABILITY – OUR HOLISTIC SUSTAINABILITY APPROACH



Affordable and Clean Energie



Sustainable consumption and production



Innovation and economic growth



Fair and responsible supply chains



Good Corporate Citizenship



Reduction of CO₂ emissions

We enable Smart Sustainable Solutions

How we enable sustainability for our customers

Sustainability is part of our roots

How we contribute to sustainability ourselves

Products and Life Cycle

We develop efficient and sustainable products & applications to enable smart sustainable solutions for our customers

Resources

We strive for continuous optimization of energy and resource consumption for ourself and our customers

Innovation & Economic Growth

Strategic goal of R&D activities is to achieve or expand innovation leadership and enable customer for a more sustainable economy

Supply Chain

Reduction of environmental impact within our supply chain and fostering of human rights and standards

Employees & Society

We take responsibility for our employees and the people around us. We value diversity and equal opportunities.

Communication & Governance

We communicate transparently with our stakeholders in all respects and demonstrate responsible corporate governance.

LPKF's long-term Sustainability Strategy enables the company to Stakeholder Value Creation

SUSTAINABILITY RATINGS

CONTINUOUS INCREASE IN RATINGS



Rating Agencies	Metrics	Rating History	Peer Group	Awards
		<p>AAA – CCC</p>	<p>TOP 33 % in Peer Group</p>	<p>January 2022 Place 38 of German climate conscious businesses 2022 at <u>Capital Magazin</u>¹</p> <p>By Alpora AG</p>
		<p>A+ - D-</p>	<p>Top 30% in Industry</p>	
		<p>0 – 100 0 Best, 100 Worst</p>	<p>TOP 30 out of 583 in our Industry Group</p>	
		<p>100 – 0 100 Best, 0 Worst</p>	<p>N/A</p>	<h3>Memberships & Certifications</h3>

1) Source: <https://www.capital.de/wirtschaft-politik/deutschlands-klimabewusste-unternehmen-2022>

ROADMAP FOR SCALING LPKF BUSINESS

KEY INITIATIVES TO LEVERAGE THE OPERATING MODEL



Product Efficiencies

Process Efficiencies

Technology Building Blocks

- Increase utilization of common technology building blocks



Flexible Production Sites

- Interoperability of sites



Life Cycle Management

- Market driven Product LCM to drive R&D effectiveness



Working Capital and Financial flexibility

- Operational WC improvements
- Flexibility for bulk orders



Energy efficiency and environmental footprint

- Energy efficiency measures electricity / heat
- Carbon neutral production



Leverage on Group Functions

- More leverage on R&D and Software, HR, and other group functions



Digitalization

- Upgrade ERP/CRM/Service and remaining IT landscape



A welder wearing a green t-shirt and a silver mesh protective sleeve on his right arm is focused on his work. He is using a welding torch to work on a complex stainless steel machine. The background shows a clean industrial environment with various pipes and components. A semi-transparent white banner is overlaid on the left side of the image, containing the text 'BUSINESS UNIT WELDING'. In the top right corner, there is a small white hamburger menu icon.

BUSINESS UNIT
WELDING

BUSINESS UNIT WELDING

KEY FACTS



Location



**FÜRTH,
Germany**



Employees



147
world wide

Main Markets

Automotive



Medical



Consumer



Others



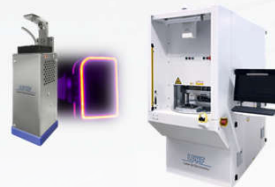
Market Offering

Full Equipment and Services provider for laser plastic welding

Application Center & Consulting



Machines & Tools

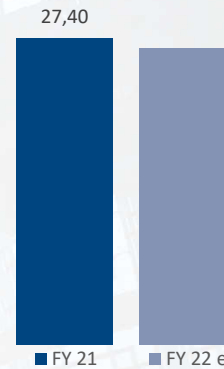


Service & Contract Manufacturing

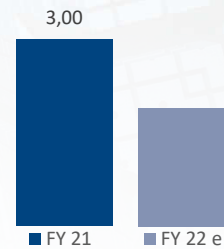


LM LaserMicronics
MICROMACHINING SERVICES

Revenue 2021 – 2022e in mn €



EBIT 2021 – 2022e in mn €



BUSINESS UNIT WELDING

MARKETS AND VALUE PROPOSITION



Markets and Megatrends

Electrification (AUTOMOTIVE)

- E-Mobility & Autonomous driving is increasing the number of control units and sensor equipment per vehicle

AGING POPULATION (MEDICAL)

- Demographic development & regular access to health care is increasing demand for electrical and disposable products

Market Size

€ 135M



Serviceable Addressable Market Development



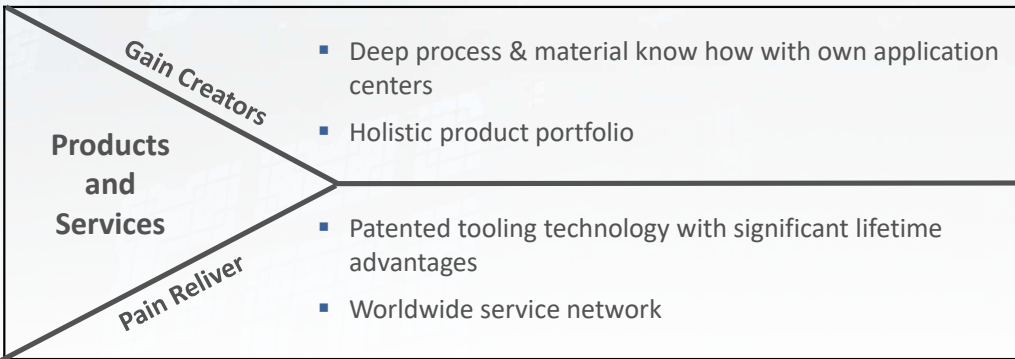
Market Trend



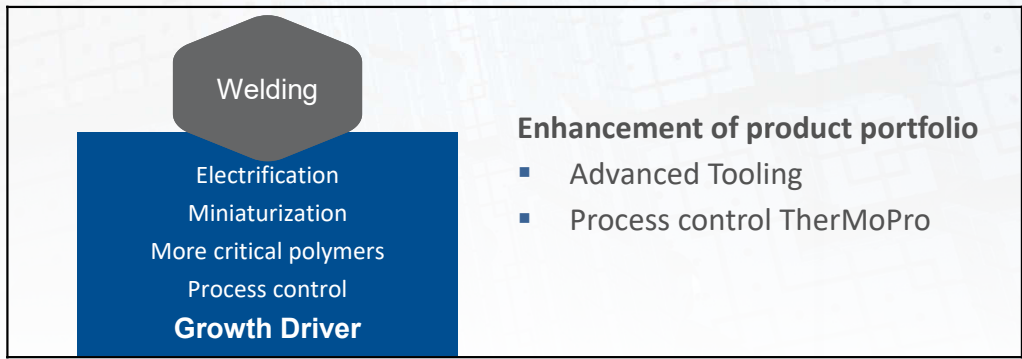
LPKF Trend



Value Proposition

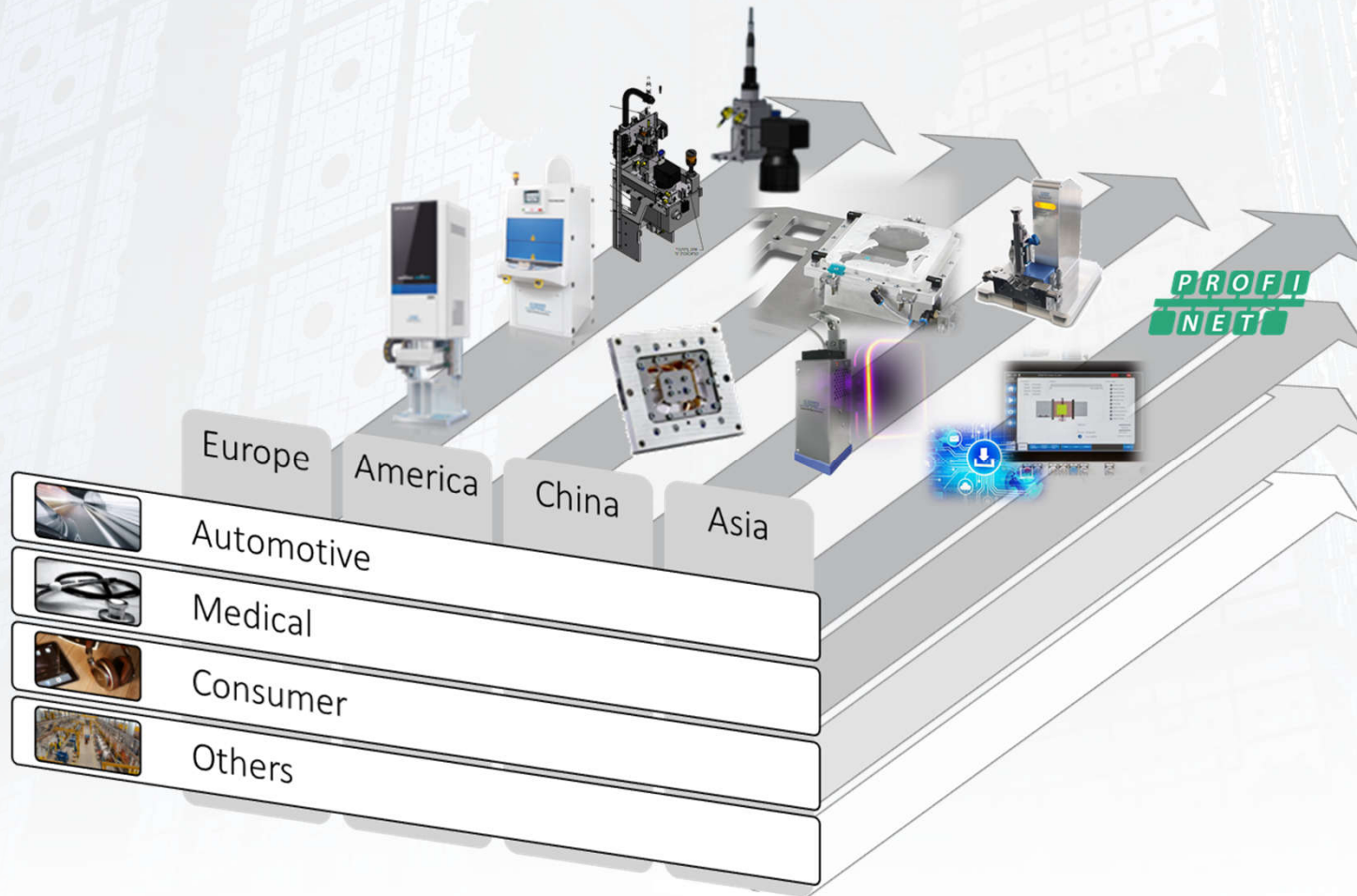


Products and Growth Drivers



TARGET MARKETS AND INDUSTRIES

4 + 4 + TECHNOLOGY FOCUS // PILLAR GROWTH STRATEGY



TECHNOLOGY ROADMAP

- Maintain best in class machine & tooling portfolio
- Patent protected technologies
- Complementary technologies, e.g., process monitoring
- Advanced and sustainable software architecture

4 REGIONS

- Strengthen local presence & capabilities
- Comply with market-specific requirements
- Leverage strength in global customers

4 INDUSTRIES

- Comply with industry-specific requirements
- Develop Application & Customer groups globally

» GROWING BUSINESS IN E-MOBILITY SEGMENT



LASER PLASTIC WELDING FOR E-MOBILITY

- Full electric powertrain
- Fuel cell components



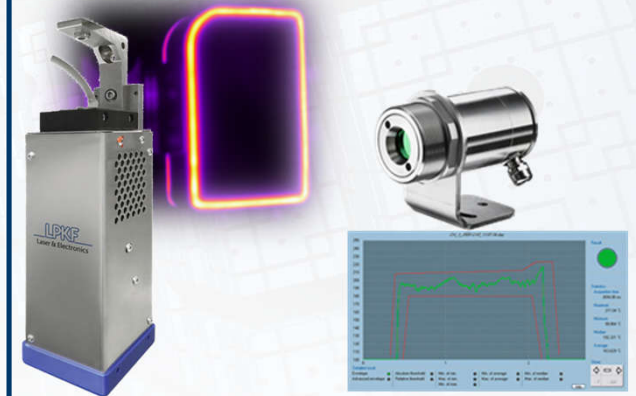
UNIQUE WELDING SYSTEMS FOR MASS- AND PROTOTYPE PRODUCTIONS

- LPKF patented wobble weld function
- Stand alone system PowerWeld 3D8000
- LPKF patented servo clamping modules



LPKF PROCESS CONTROL FOR 100% QUALITY CONTROL

- Using thermocam. / pyrometer and software algorithm – developed by LPKF
- Detailed inspection of welding quality



LASER PLASTIC WELDING FOR MEDICAL

- Strong growth in medical business
- Welding the whole spectrum of medical applications

Microfluidic



Pumps



Insulin pump

SPECIAL WELDING SYSTEMS FOR MEDICAL AND CLEAN ROOM

- Special machine systems for medical production environment



FOCUS ON TOOLING AND CLAMPING TECHNOLOGY

- Hybrid toolings with composites of material
- Vacuum and overpressure concepts

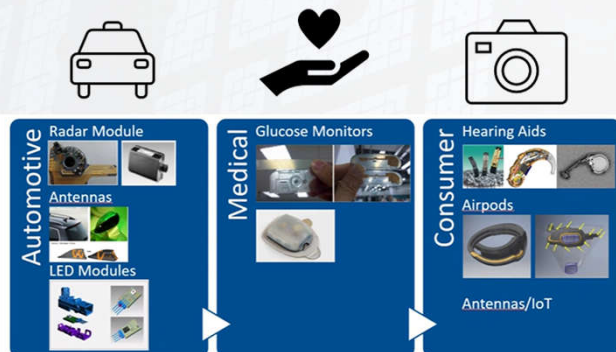


» GROWING BUSINESS IN ELECTRONICS SEGMENT



LASER PLASTIC WELDING FOR LDS APPLICATIONS

- Further development of application concepts for electrification & miniaturization



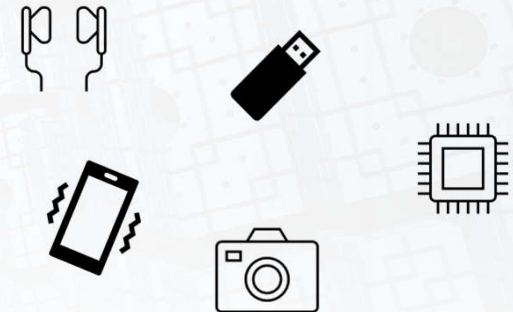
LPKF WELDS TECHNOLOGY

- Developed in 2020
- Synergies of LPKF business units WELDING + ELECTRONICS



FIRST APPLICATION IN SERIAL PRODUCTION

- First successful customer project from consumer electronics industries
- Established in 2021
- Further projects in the pipeline





BUSINESS UNIT
ELECTRONICS

ELECTRONICS AT A GLANCE

KEY FACTS



Location



Garbsen,
Germany



Employees



153
world wide

Main Markets

SMT



Advanced Packaging

Semiconductor

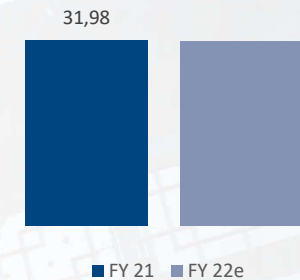


Display

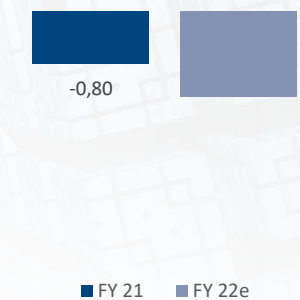
Market Offering



Revenue 2021 – 2022e in mn €



EBIT 2021 – 2022e in mn €



BUSINESS UNIT ELECTRONICS

MARKETS AND VALUE PROPOSITION







Markets and Megatrends





Markets

- Reluctance to increase capacity for consumer electronics in China
- After slow start of 2022, increasing activity in US and Europe
- Continued high interest in LIDE technology, but reluctance to change supply chains

 Re/Nearshoring due to diversification of supply chains
 End of Moore's law shifts the focus of miniaturization to packaging
 Resource efficient production

Market Size



 **€ 130M**
 Service Addressable Market Electronics
 Market Trend
 LPKF Trend

 **€ 500M**
 Service Addressable Market LIDE
 Market Trend
 LPKF Trend

Value Proposition

Products and Services Gain Creators Pain Reliever	Electronics <ul style="list-style-type: none"> Our precision and process knowhow helps the customer to manufacturer more efficiently 	LIDE <ul style="list-style-type: none"> Deep microfeatures in glass unlock new possibilities
	<ul style="list-style-type: none"> direct digital production without design constrains 	<ul style="list-style-type: none"> Processing without micro cracks at acceptable cost

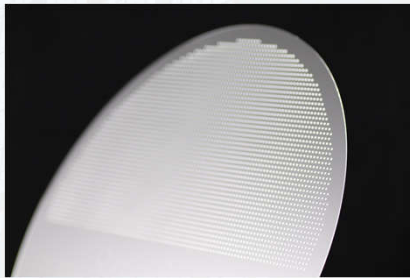
Products and Growth Drivers

 Electronics Lower TCO Innovative Product Portfolio Growth Driver	 LIDE Disruptive Technology Design Freedom Release of superior Material characteristics Growth Driver
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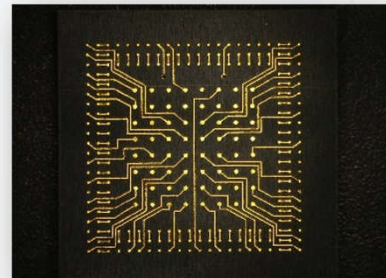
LASER SOLUTIONS FOR ELECTRONICS MANUFACTURING



Laser solutions



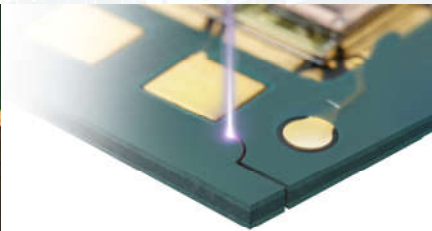
Glass Micro Processing



Additive Metallization



Drilling



Cutting

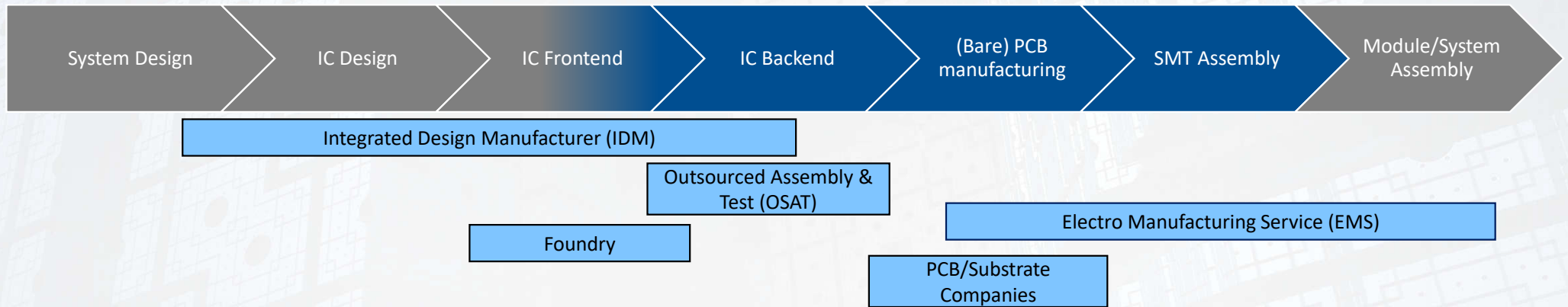
Market segments



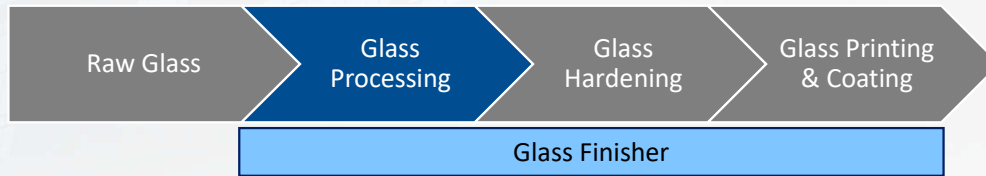
OUR CUSTOMER GROUPS



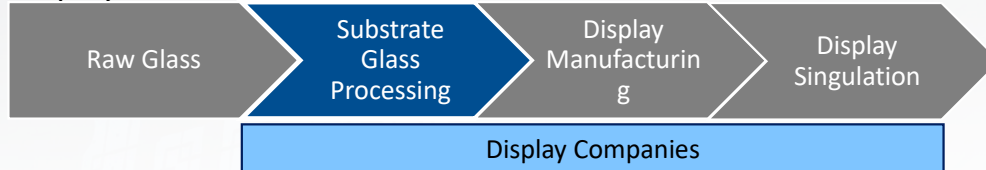
Electronics



Cover Glass



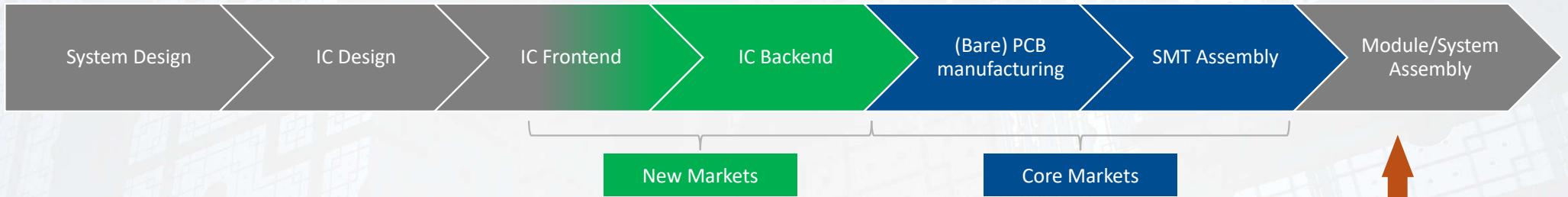
Display



EXPANSION OF PRODUCT OFFERING



Electronics



Cover Glass



Display



» LASER DEPANELING REPLACES MECHANICAL SOLUTIONS



» MECHANICAL METHODS

Mechanical Milling



Pizza Cutter



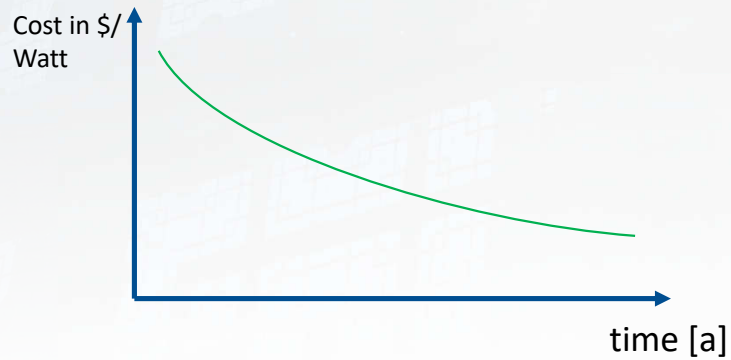
Die Punching



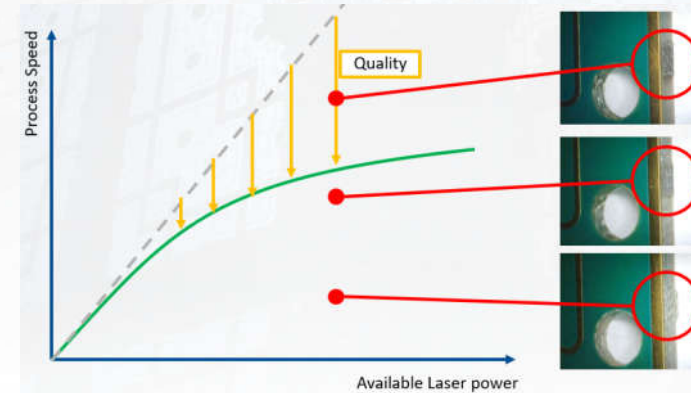
» LASER DEPANELING



» COST PER LASERPOWER



» LASER DEPANELING



» TENSOR TECHNOLOGY

LPKF'S SOLUTION TO THE LASER POWER DILEMMA



- Approach: keeping quality at higher laser powers by high-speed beam deflection

LPKF Tensor

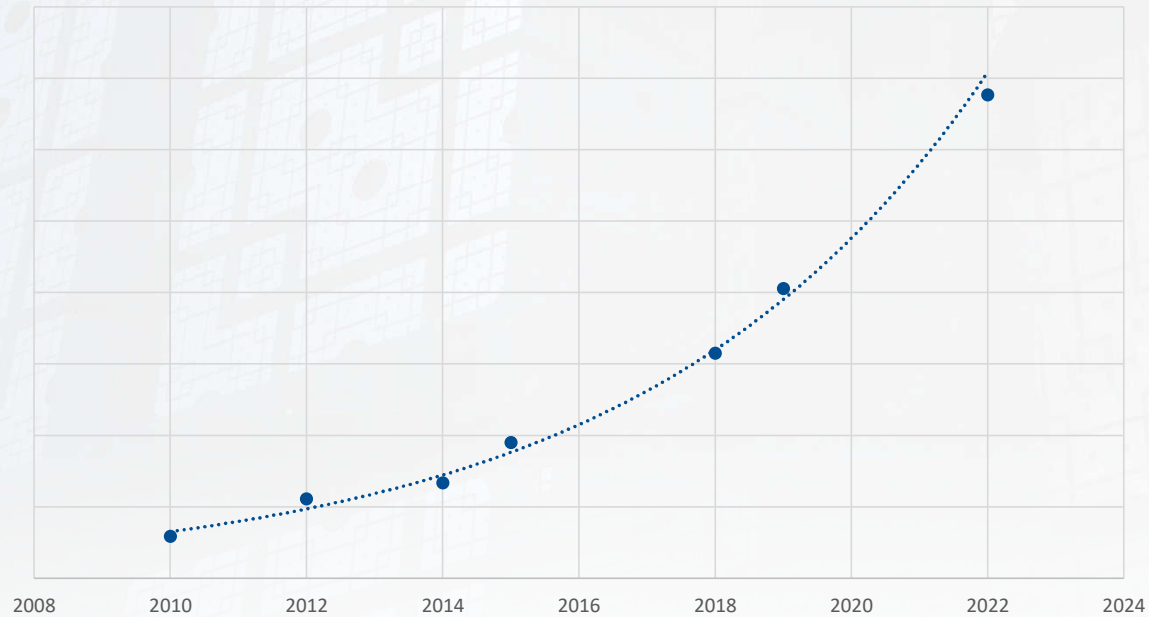
- Supplementary component of our beam delivery system
- Purpose: efficient and clean application of all of the available laser power
- Patented technology based on LPKF LIDE technology
- Up to 70% faster than competitors in the same performance class



LASER DEPANELING GAINING MARKET SHARE



Cutting Performance of Laser Depaneling Tool per Cost [mm/s/€]

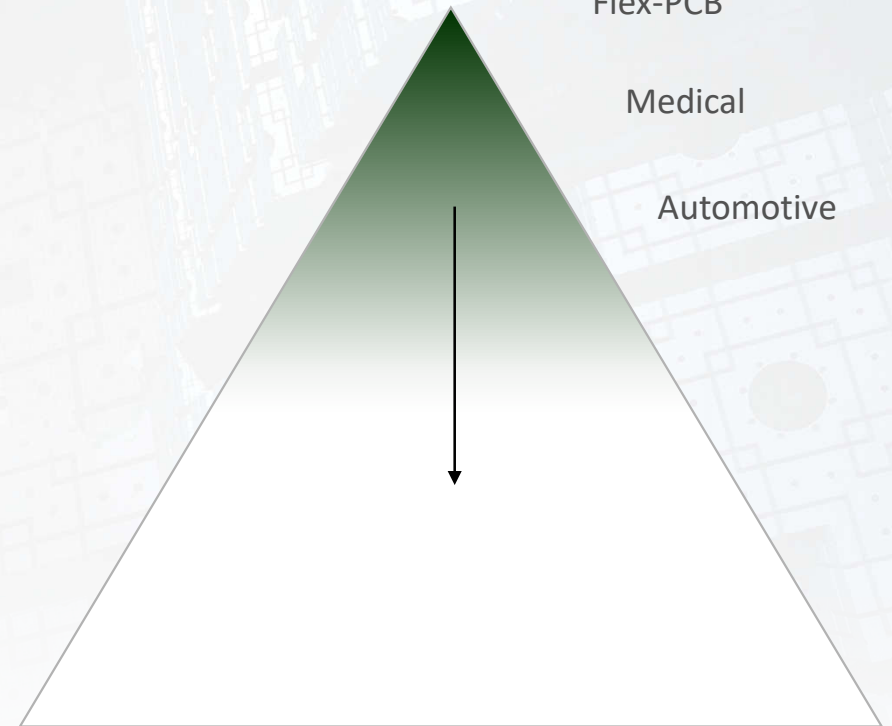


High value/ low quantities

Flex-PCB

Medical

Automotive

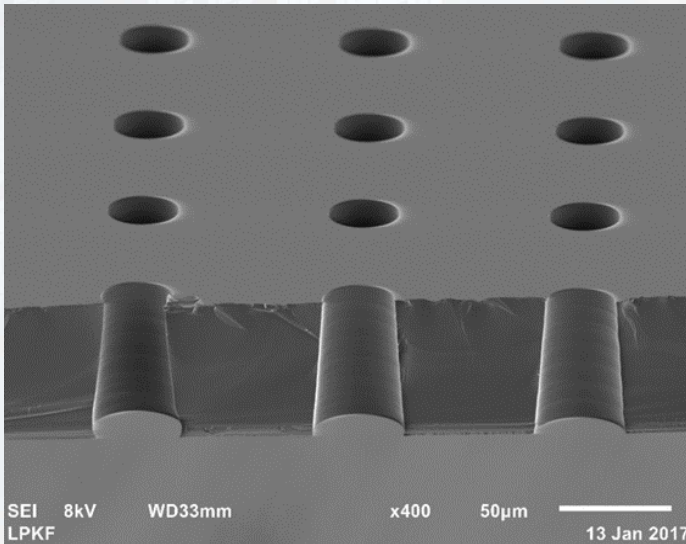




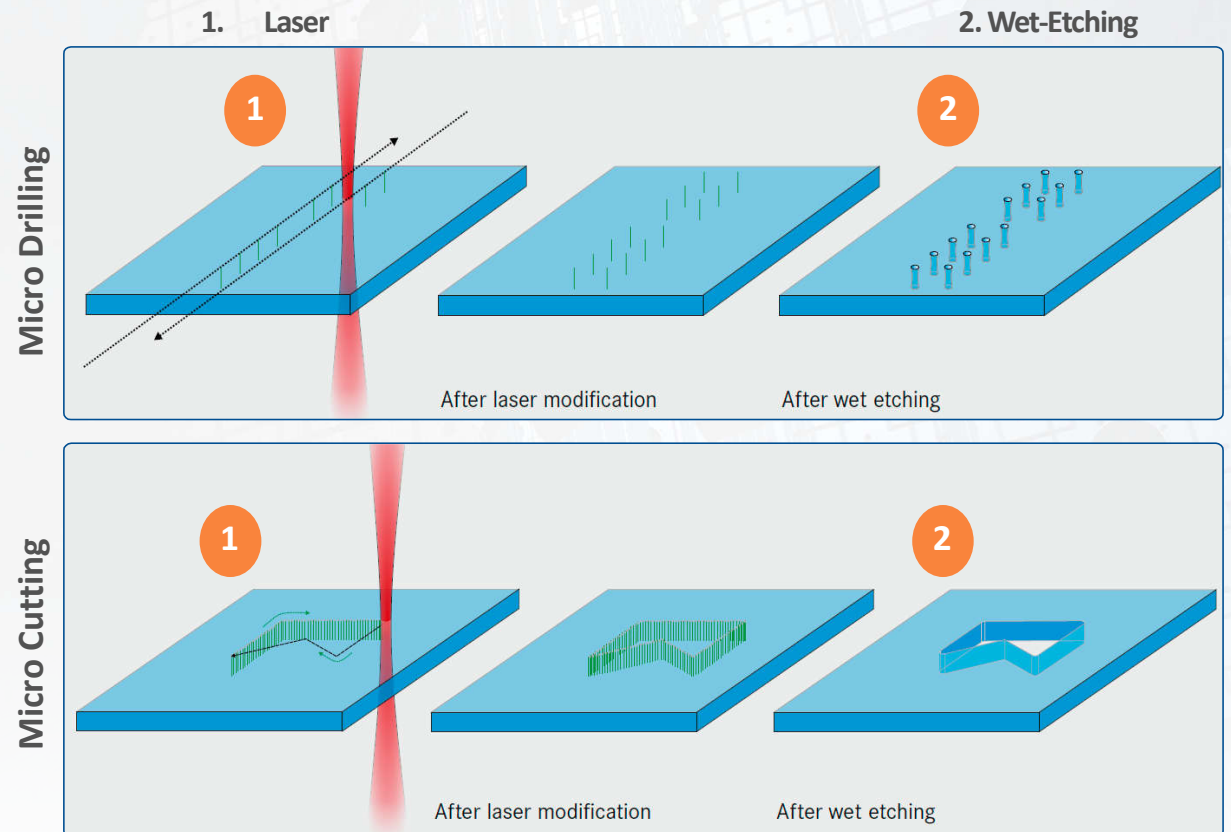
NEW BUSINESS INITIATIVE

LASER INDUCED DEEP ETCHING (LIDE)

LASER INDUCED DEEP ETCHING



Standard laser drilled holes
manufactured by LIDE



» LIDE COMMERCIALIZATION STRATEGY

WE ADAPT FLEXIBLY TO DIFFERENT CUSTOMER SEGMENTS AND APPLICATIONS



Applications

- Semiconductor
- Display
- Microfluidic Chip
- Wafer Level Optics
- e.g. ARRALYZE



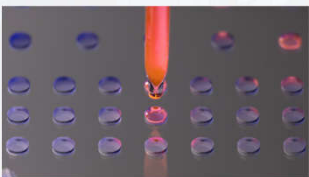
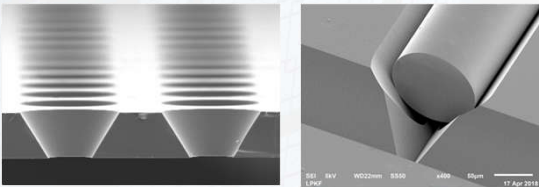
OEM Business



Manufacturing Service



LIDE Based Solutions



» DISPLAY AND SEMICONDUCTOR BUSINESS

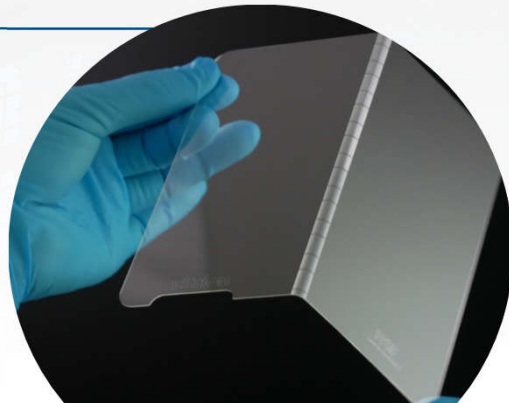
STATUS OF BUSINESS DEVELOPMENT



First LIDE equipment delivered for production of display backplanes

JDA with major mobile display manufacturer running

Continued high sample rate

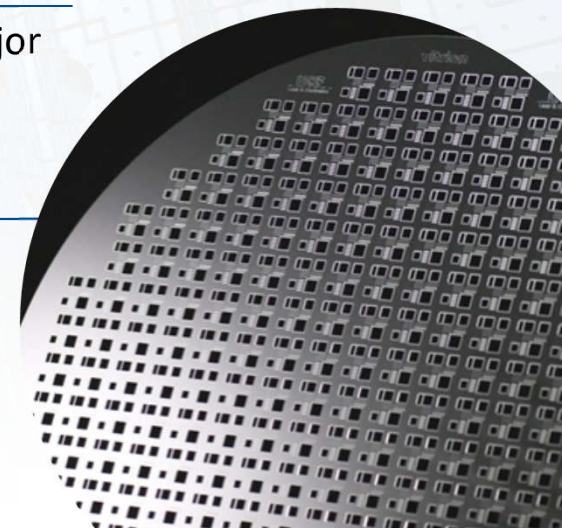


First LIDE equipment delivered for mass production of wafer level packaging components

Umbrella supply agreement concluded with major semiconductor OEM

Multiple projects on TGV with major OEMs

Projects on other application with major OEM






BUSINESS UNIT
DEVELOPMENT

DEVELOPMENT AT A GLANCE

KEY FACTS

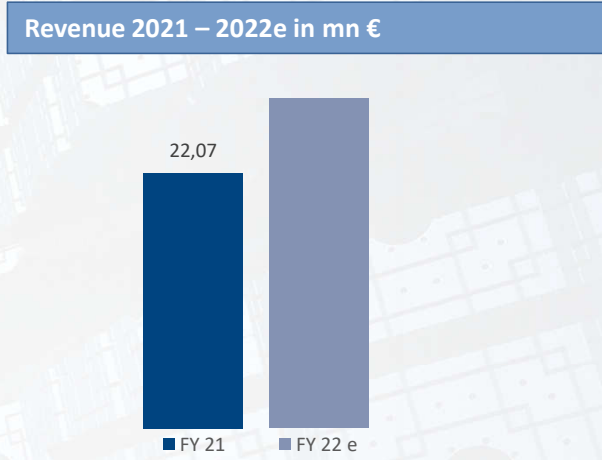


Location



 **Garbsen, Germany**
Naklo, Slovenia



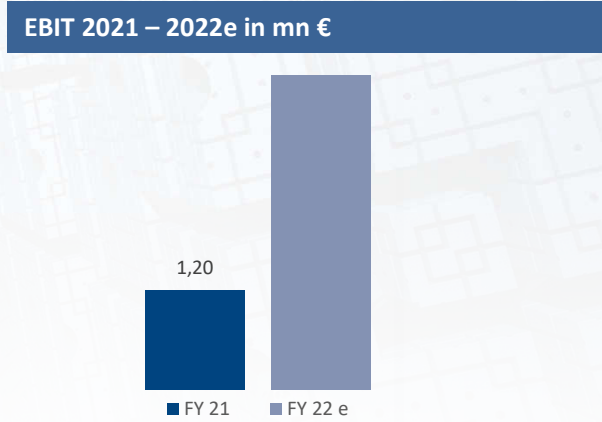
Main Markets

<p>Electronics</p> 	<p>RF & Microwave</p> 	<p>Medical</p> 	<p>Life Science</p> 
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Market Offering **Rapid Prototyping & ARRALYZE**

<p>Equipment for Rapid Prototyping of Circuit Boards</p> 	<p>Equipment for Single Cell Analysis</p> 
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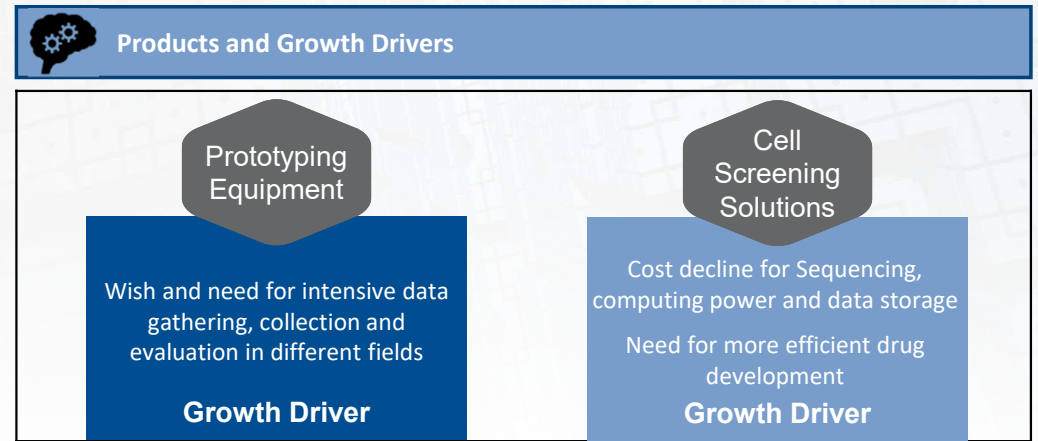
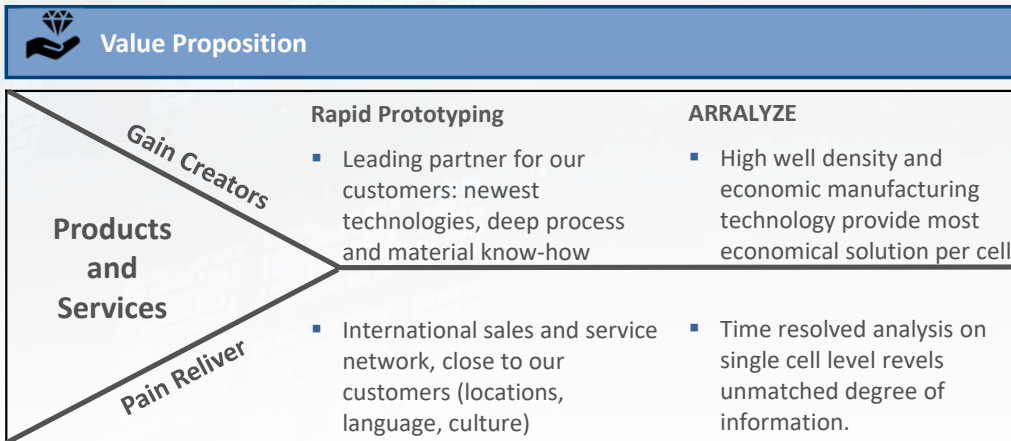
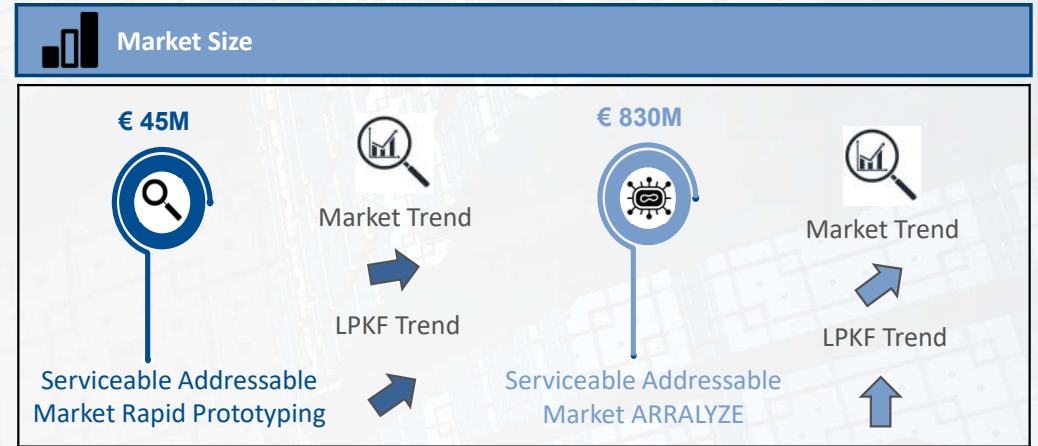
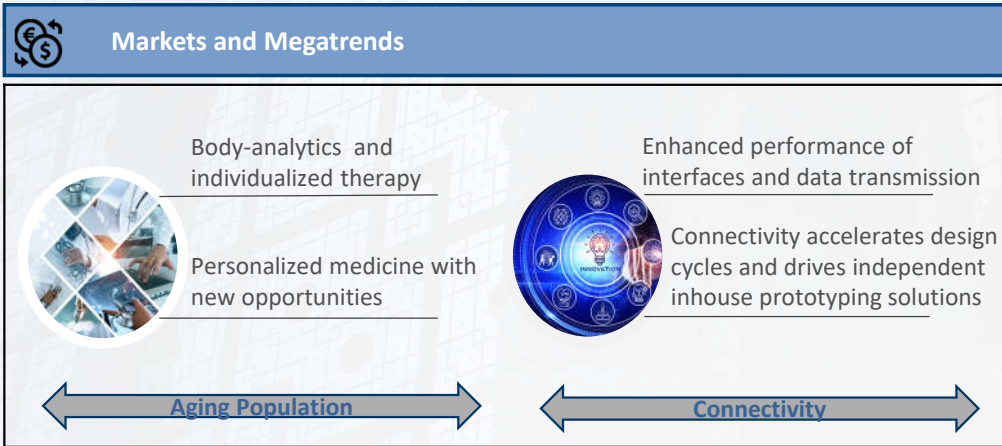




Employees

 **150**
world wide

BUSINESS UNIT DEVELOPMENT

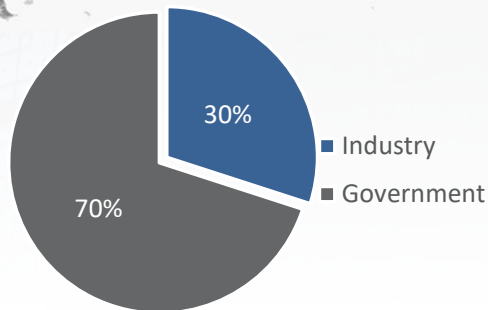
MARKETS AND VALUE PROPOSITION



WORLDWIDE MARKET



CUSTOMER TYPES



CHALLENGE FOR CUSTOMERS

WHY RAPID PROTOTYPING?

- **Time to market:** increasing time pressure
- **Security:** protection of design layout / IP
- **Flexibility:** several iteration steps necessary
- **Quality:** high expectations towards geometric accuracy
- **No waste:** proof of concept before investment
- **Plannable costs:** internal order handling
- **Autonomous responsibility:** maintain control of process
- **No chemicals:** environmental awareness

GROWTH DRIVERS - RAPID PROTOTYPING



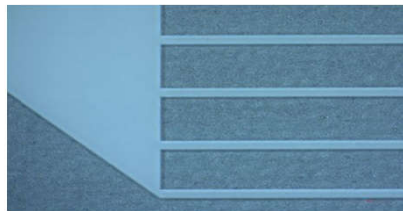
HIGH-END LASER TOOL

1. Focusing on further development of special applications

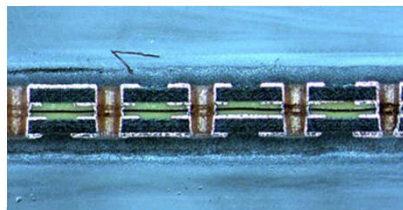
- Market access given (Institutes)
- Further development of new markets (Medical)
- Focus on researchers



ProtoLaser R4



ProtoLaser R4 Glass Processing



MultiPress S4 Flex Substrate Multilayer

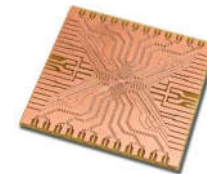
LOW-END LASER TOOL

2. Protecting established PCB Prototyping applications

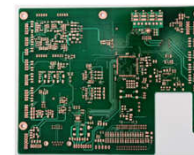
- Establish laser tool as standard
- Simplify processes
- Focus on budget buyers



ProtoLaser H4



HDI Board on FR4



FR4 PCB with Finishing

COMPETITIVE ADVANTAGE

- Process know-how
- Material know-how
- International network
- LPKF Brand
- Complete Line
- Flexibility
- Independence
- Confidentiality

A laboratory setting featuring a microplate with 96 wells. A pipette is positioned over the center well, dispensing a red liquid. The background is dark, and the lighting highlights the wells and the pipette tip. The text 'NEW BUSINESS INITIATIVE' and 'ARRALYZE' is overlaid on the left side of the image.

NEW BUSINESS INITIATIVE
ARRALYZE

» WHY SCREENING LARGE CELL POPULATIONS



Applications that require to screen single cells:



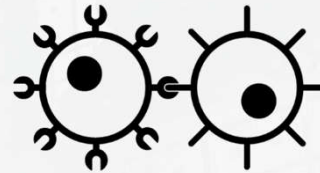
CLD



SynBio



mAb



Cell Therapy

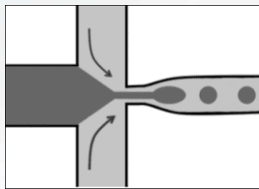
What makes a good cell screening technology:

- allows for large numbers of cells per experiment
- low cost per cell
- gentle to cell
- as close to *in-vivo* as possible
- allows for functional assays
- easy to use

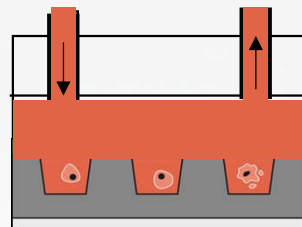
Common technologies for single cell screening:



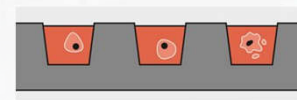
Cytometry



Droplet technology



Enclosed wells



Open wells

MARKET DRIVERS AND TRENDS



Efficiency

Need for more efficient drug development

1

Personalized Medicine

Approaches towards personalized medicine

3

Globalization

Initiatives such as the human cell atlas project

5

2

Cost Decline

Cost decline for sequencing, computing power and data storage

4

Microsystems Technology

Progress in microsystem technologies

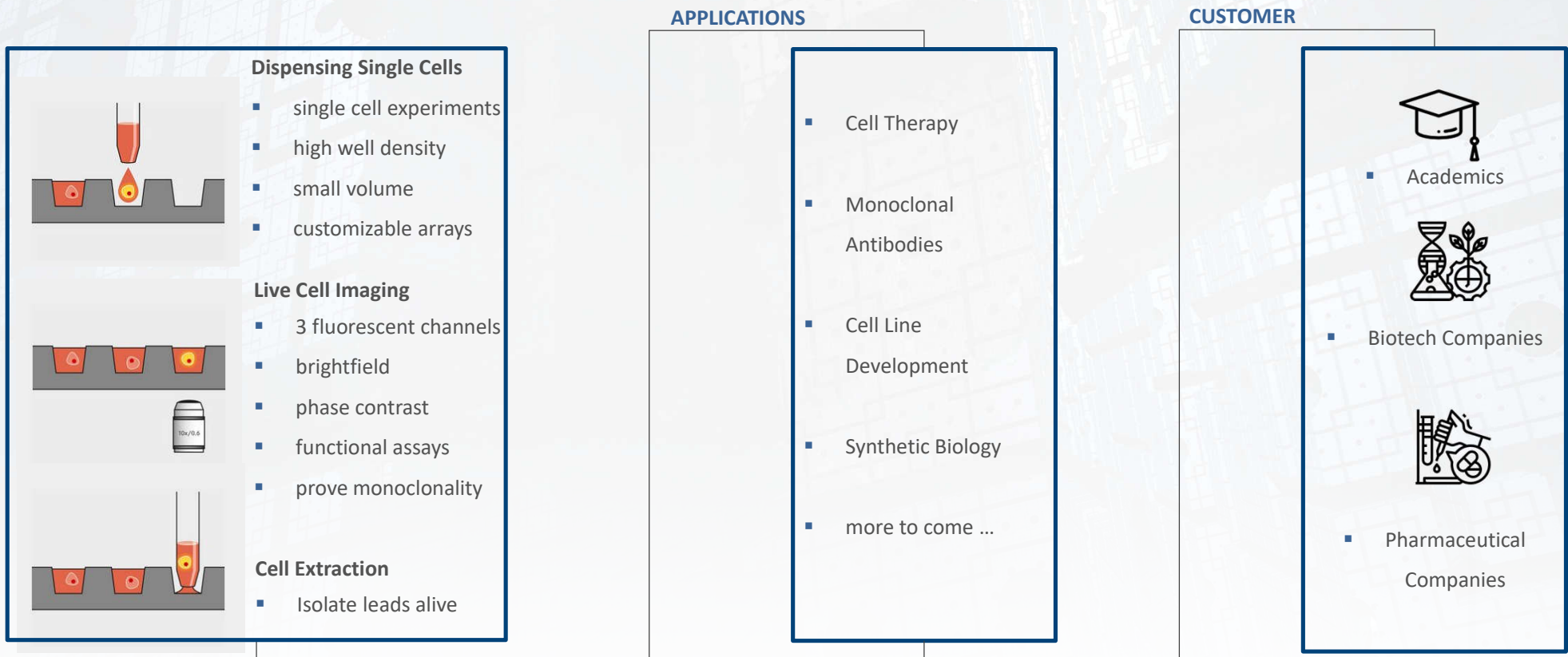
ARRALYZE's Solutions

- Best cost/cell
- Seamless and automated process
- Deeper analysis on single cell level
- Shortening time of discovery
- Isolating hits alive

» WHAT IS ARRALYZE



» ARRALYZE is a Digital Cell Biology Platform for Discovery, Development and Delivering of Cell-Based Products.



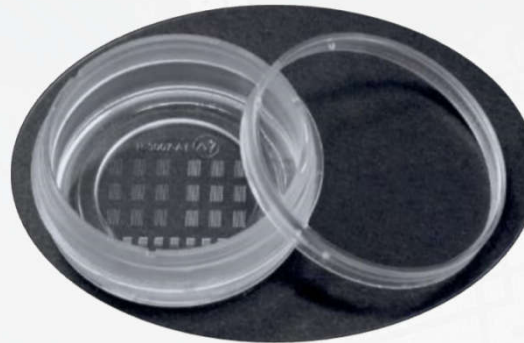
» ARRALYZE enables to screen huge cell populations, identify the cells of interest and isolate them.

Equipment



- CellShepherd®
- Stand-alone workstation
- Dispensing, imaging and isolation of cells

Consumables



- Standardized arrays
- Customizable arrays
- Works seamlessly with CellShepherd®

Software



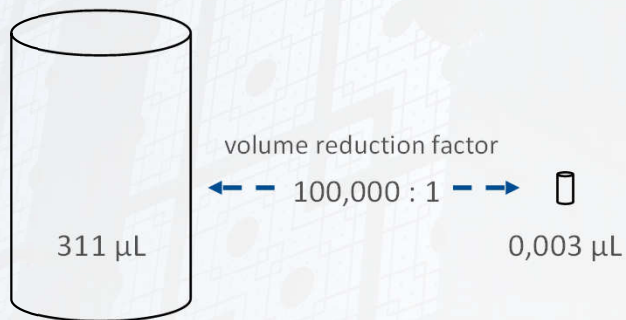
- Basic software licence
- Sophisticated software routines
- Specialized machine learning algorithms

Development of a holistic product portfolio

» THE COMPETITIVE ADVANTAGE OF ARRALYZE



» Miniaturizing saves costly chemistry

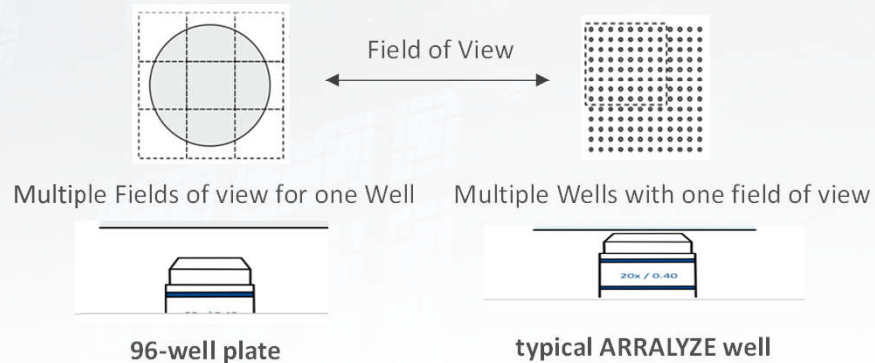


» Miniaturizing enables to screen huge populations



Screening 1,000,000 single cells would require at least 104,417 x 96 well plates vs. one ARRALYZE array with standard format

» Miniaturizing allows to find cells faster in 3D scans



» Miniaturization makes it possible to find better cells in larger populations faster and at a lower cost per cell

- Miniaturization offers the potential for massive cost reduction through the use of less of a very costly chemistry
- Miniaturization allows to screen huge populations on small footprint
- Miniaturization enables faster screening of wells in 2D and 3D, thus significantly increasing throughput

A photograph of two men in a server room. They are leaning over a server rack, looking at a component. The room is dimly lit with blue and purple ambient lighting. The server rack has several yellow fans and red indicator lights. A semi-transparent white banner is overlaid on the left side of the image, containing the text 'BUSINESS UNIT SOLAR'.

BUSINESS UNIT
S O L A R

BUSINESS UNIT SOLAR

KEY FACTS



Location



Suhl,
Germany

Main Markets

Thin film solar



Transportation

Architecture



Revenue 2021 – 2022e in mn €



Market Offering

Allegro



Novaprint



Presto



EBIT 2021 – 2022e in mn €



Employees



130
world wide

BUSINESS UNIT SOLAR

MARKETS AND VALUE PROPOSITION



Markets and Megatrends

Markets

- Green Energy: Strong growth in solar module production leads to increasing demand
- Strong tendency for independence from dominant suppliers will lead to production capacity outside China



Carbon Neutrality

Carbon Neutrality drives solar share in total global electricity generation and investment programs

Market Size

€ 42M



Serviceable Addressable Market Solar



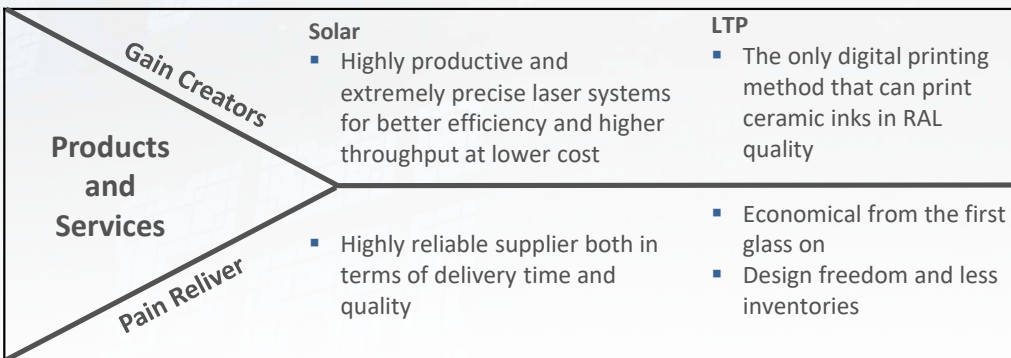
€ 21M



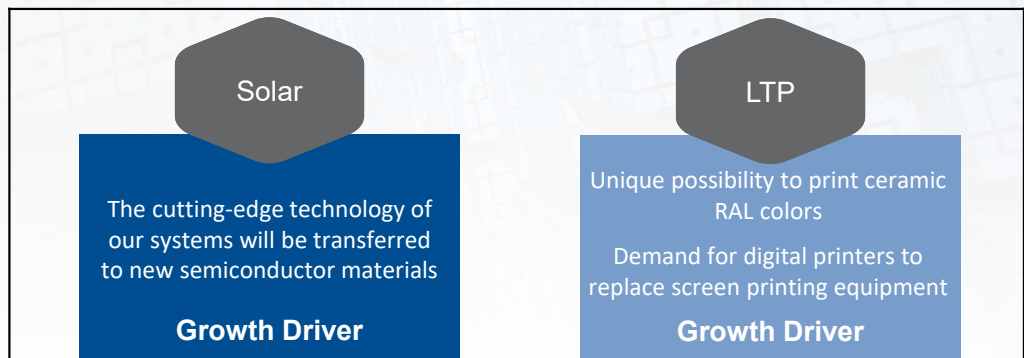
Serviceable Addressable Market LTP



Value Proposition



Products and Growth Drivers



» SOLAR MARKET

ENERGY DEMAND AND CARBON NEUTRALITY



- Solar market passed the 1 TW threshold of installations in May 2022
- It took 16 years to install 500GW but only a little more than 3 years to double this value
- Solar power Europe predicts global solar to more than double to 2.3TW in 2025
- The share of thin film solar is stable in a growing market
- Additional opportunities due to Perovskite semiconductor materials entering the thin film market
- Perovskite technology offers higher potential efficiencies at lower cost giving the potential of an increased share of thin film at the total solar market



» VALUE PROPOSITION



- Highly productive systems offering short cycle times on large formats are in the market
- Productivity increase with latest generation: 40%
- Reduction of dead zone with latest generation: 15%
- The technology platform for CdTe serves disruptive technologies such as Perovskite semiconductor materials in the same way

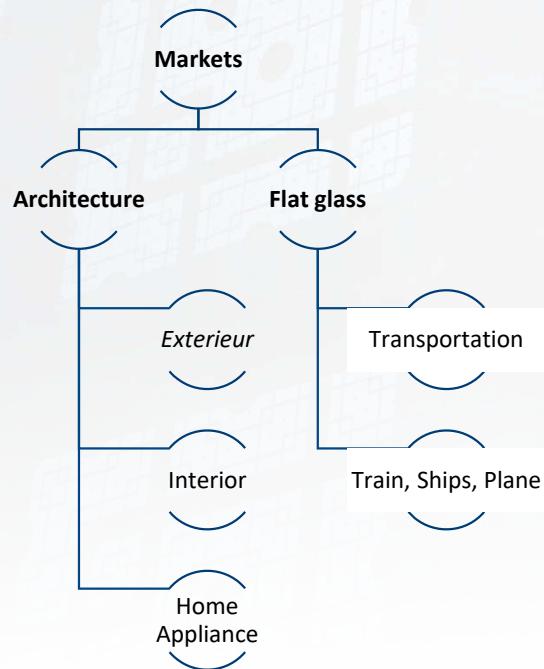


PRINTING SOLUTIONS FOR THE GLASS MARKET



- Laser Transfer Printing is the digital printing solution for ceramic inks
- Market introduction of the new Novaprint machine at Glasstech 2022

Printing solutions for the Glass market



» VALUE PROPOSITION



- LTP is the only digital printing process to produce color fastness
- Guaranteed comparability of color shades to analog printing processes (screen printing, roller coater)
- Layer thicknesses up to 80 μm in one printing process - Inkjet applies 1 μm per print process
- Flexibility in the architectural field is unique
- Fast model changeover without time-consuming machine setup



A photograph of two men in a trading room. The man in the foreground is looking intently at a tablet computer he is holding. The man in the background is also looking at the tablet, with his hand pointing towards the screen. The scene is set in a professional office environment with blurred background elements like computer monitors and office equipment.

CURRENT TRADING & FINANCIALS

» CURRENT TRADING

MARKET DEVELOPMENT & ENVIRONMENT



- Electronic Manufacturing Market still slow due to component shortage and market uncertainty
- Strong demand in Prototyping, Solar, Battery Packs and Medical
- Some cautiousness at customer side to implement disruptive changes in supply chain

- Good market response to new product launches (e.g., Tensor Systems, Prototyping)
- LIDE now in operation for low volume applications, development projects with high volume customers on track
- ARRALYZE test phase with three beta customers has started
- New Product Line LTP (Laser Transfer Printing) launched

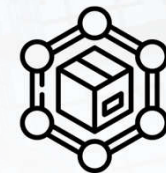
- Ukraine war: no direct impact yet, but global economic slowdown will affect our markets
- Shortage in key components causes delays, but no disruption
- Further increase in working capital to ensure delivery security
- China's zero-COVID policy repeatedly caused closures of critical infrastructure



Market Situation



Business Development



Supply Chain

ENHANCED SALES AND RESULTS IN 2022

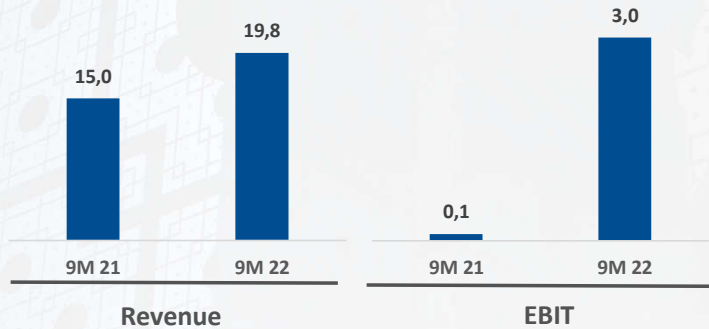
PROFITABILITY DRIVEN BY SALES; INFLATION ROLLED OVER IN PRICING



DEVELOPMENT

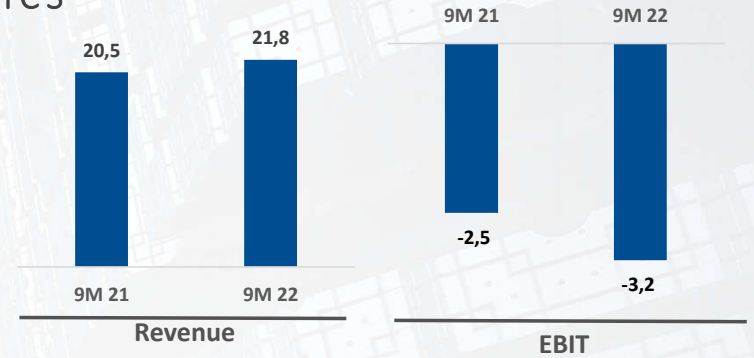


Re-design of components on customer side increases demand for prototyping equipment. Strong demand continues. ARRALYZE test phase with three beta customers in Q4/2022. Strong EBIT despite ramp-up of ARRALYZE.



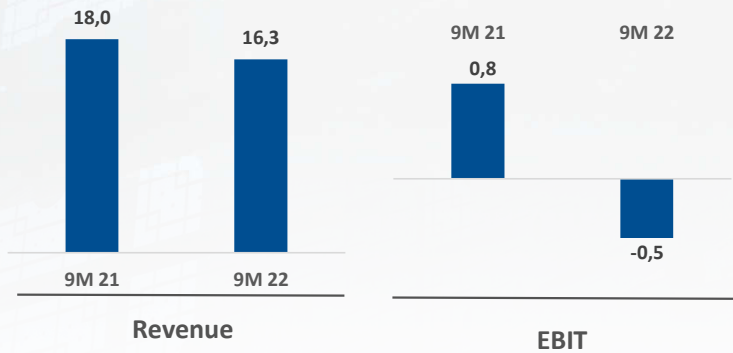
ELECTRONICS

Market headwinds due to demand uncertainty & semi shortage. Further LIDE deliveries. Good demand for tensor technology. Selected stock depreciation (-0,4m) adversely affects EBIT Q3.



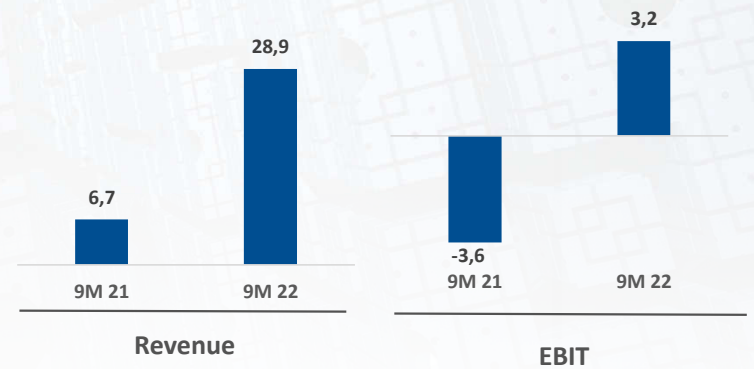
WELDING

Strong order pipeline and sales funnel with broadened customer and application base. Material shortage is the limiting factor for Q3 and 2022 revenue. Clearly profitable in 2022.



SOLAR

Deliveries Q3 as planned. Lower Gross Margin in Q3 due to competitive pricing for a particular order (Q3/4 2022) and additional cost in producing and installing the first tools of the next generation.

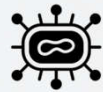


RESILIENCE AND BUSINESS TRENDS

LPKF IS PREPARED FOR A RECESSION SCENARIO, CURRENT TRENDS STILL POSITIVE



Development



ARRALYZE



Electronics



LIDE



Welding



Solar



LTP

Effect of Business Cycle

some

independent

some

not directly

partially

independent

some

Current trend



Operations & Cost



Material Supplies

Stable / slightly improving



Logistics

Currently OK



Energy Dependency & Cost

No process energy
Gas price still fixed for 23



Employee Turnover

slightly increasing,
managed

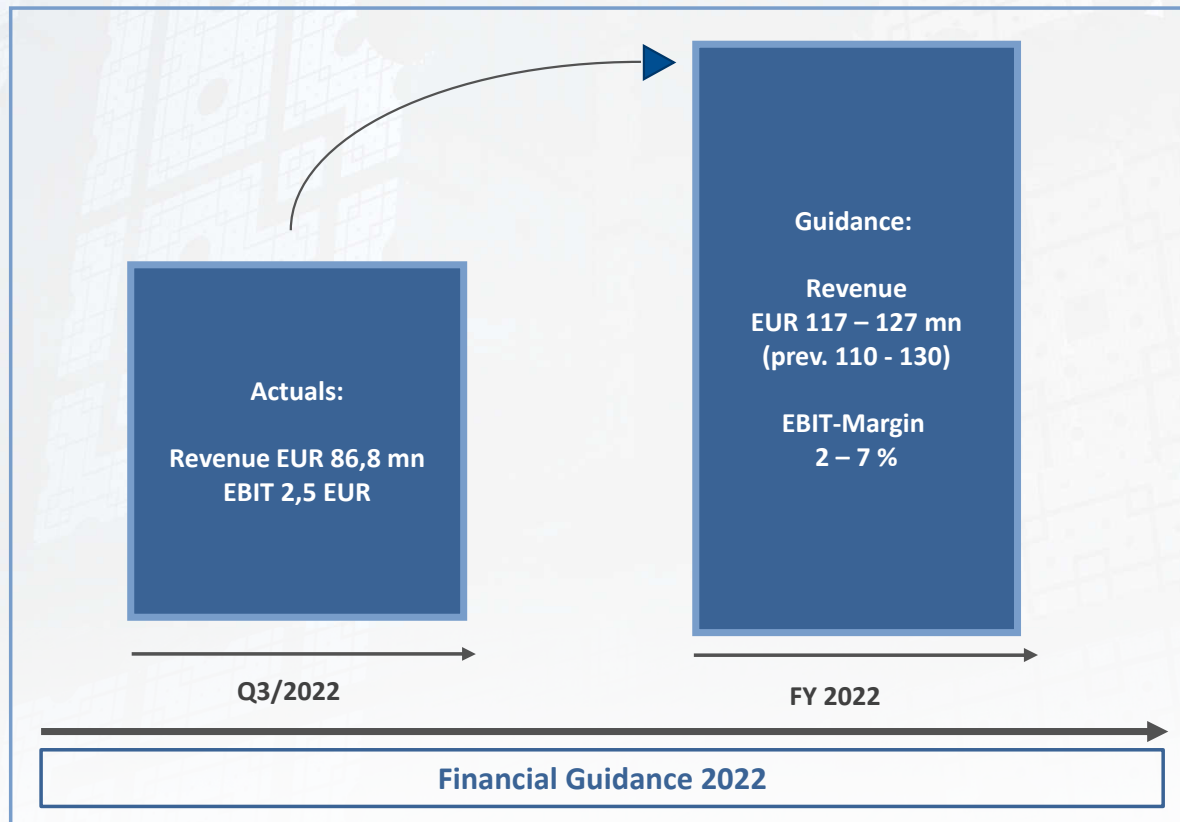


Working Capital

decreasing inventory and
DWC

2022 GUIDANCE AND MID-TERM ASPIRATION

GUIDANCE 2022 CONFIRMED



INVESTMENT HIGHLIGHTS

WHY INVEST IN LPKF?



» WHERE YOU CAN MEET US

UPCOMING EVENTS AND RELEASES



Reporting Dates

March 23, 2023	Annual Financial Report 2022
April 27, 2023	3-Month Financial Report 2023
July 27, 2023	Half-yearly Financial Report 2023
October 26, 2023	9-Month Financial Report 2023

Annual General Meeting

May 17, 2023	Annual General Meeting
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Conferences & Events

November 29, 2022	Deutsches Eigenkapitalforum 2022 in Frankfurt
December 6, 2022	CIC Market Solutions Forum in Paris

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