



IPG Photonics Announces Agreement to Acquire Padtec Submarine Networks Division

Acquisition will leverage core IPG fiber amplifier technology to advance the market for submarine networking systems

OXFORD, Mass., Jan. 22, 2019 (GLOBE NEWSWIRE) -- IPG Photonics Corporation (NASDAQ: IPGP) today announced that it has signed a definitive agreement to acquire the submarine networks division (SND) of Padtec SA, a communications equipment company based in Brazil. Padtec SND is a provider of submarine networking technology and systems. The transaction has been approved by the Board of Directors of each company. Subject to satisfaction of customary closing conditions, the transaction is expected to close in the first quarter of 2019.

Based in São Paulo, Brazil, Padtec SND is a provider of submarine networking technologies, including optical line amplifiers (repeaters), as well as project planning, management, and execution services. Padtec SND's innovative undersea repeater technology and flexible business model align with the technical and business requirements of next-generation data center and Internet technology companies that are increasingly deploying submarine cable networks worldwide.

"The acquisition of Padtech SND enables IPG to leverage core pump laser and fiber amplifier technology to advance the market for submarine networking systems," said Ekaterina Golovchenko, IPG Photonics' Vice President of Telecommunication Systems. "The selection of Padtech SND by a large Internet service provider to manage and execute the deployment of a high capacity submarine cable network in Brazil underscores their advanced submarine networking technologies. Combining Padtech SND's submarine network capabilities with IPG's high-power optical amplifier, Raman pumping, and WDM systems technologies provides us with a leading-edge platform to capitalize on the growing number of undersea cable network deployments around the world."

SND has approximately 30 employees. The acquisition is not expected to be material to IPG's financial results for the fiscal year ended December 31, 2019.

Contact



James Hillier
Vice President of Investor Relations
IPG Photonics Corporation
508-373-1467
jhillier@ipgphotonics.com

About IPG Photonics Corporation

IPG Photonics Corporation is the leader in high-power fiber lasers and amplifiers used primarily in materials processing and other diverse applications. The company's mission is to make its fiber laser technology the tool of choice in mass production. IPG accomplishes this mission by delivering superior performance, reliability and usability at a lower total cost of ownership compared with other types of lasers and non-laser tools, allowing end users to increase productivity and decrease costs. A member of the S&P 500® Index, IPG is headquartered in Oxford, Massachusetts and has more than 25 facilities worldwide. For more information, visit **www.ipgphotonics.com**.

Safe Harbor Statement

Information and statements provided by IPG and its employees, including statements in this press release, that relate to future plans, events or performance are forward-looking statements. These statements involve risks and uncertainties. Any statements in this press release that are not statements of historical fact are forward-looking statements, including, but not limited to, leveraging core IPG pump laser and fiber amplifier technology to advance the market for submarine networking systems; SND's advanced submarine networking technologies; combining Padtech SND's submarine network capabilities with IPG's high-power optical amplifier, Raman pumping, and WDM systems technologies provides us with a leading-edge platform to capitalize on the growing number of undersea cable network deployments around the world; the materiality of the impact of the acquisition on IPG's financial results for the fiscal year ended December 31, 2019; and the expected timetable for closing the SND transaction. Factors that could cause actual results to differ materially include risks and uncertainties, certain of which are beyond IPG's control, including the ability of IPG and Padtec to satisfy the acquisition agreement conditions and consummate the transaction on the anticipated timetable, or at all; risks associated with the acquisition in new businesses and technologies, including integrations, strength or weakness of the business conditions in industries and geographic markets that IPG serves, particularly the effect of downturns in the markets IPG serves; uncertainties and adverse changes in the general economic conditions of markets; IPG's ability to penetrate new applications for fiber lasers and increase market share; the rate of acceptance and penetration of IPG's products; inability to manage risks associated with international customers and operations; changes in trade controls and trade policies; foreign currency fluctuations; high levels of fixed costs from IPG's vertical integration; the appropriateness of IPG's manufacturing capacity for the level of demand; competitive factors, including declining average selling prices; inventory write-downs; asset impairment charges; intellectual property infringement claims

and litigation; interruption in supply of key components; manufacturing risks; government regulations and trade sanctions; and other risks identified in IPG's SEC filings. Readers are encouraged to refer to the risk factors described in IPG's Annual Report on Form 10-K (filed with the SEC on February 28, 2018) and its periodic reports filed with the SEC, as applicable. Actual results, events and performance may differ materially. Readers are cautioned not to rely on the forward-looking statements, which speak only as of the date hereof. IPG undertakes no obligation to update the forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Source: IPG Photonics Corporation