

Continuous growth and progress, **NO STOPPING**

ALEKSANDAR MIŠKOVIĆ

Director LPO

LPO has generated the biggest sales revenue in the company's history

Livnica Preciznih Odlivaka (LPO), with headquarters in Ada, is a branch of Bet Shemesh Engines Ltd. (skraćeno BSEL), located in Israel. LPO is an expert in a vacuum and air casting. The company also casts products that are made from super-alloys and steel, as well as the products for the aviation industry (mostly engine parts). In this interview, director of LPO, Aleksandar Mišković talks about the company's further plans, new investments and doing business in Serbia.

Ten years ago, the Israeli company Bet Shemesh Engines rounded off its ownership of LPO. What changed since then and which principles of the Israeli way of doing business did you adopt?

— Since then, LPO has grown into a company with 185 employs, our revenues have grown exponentially, and our customer base and new product range has become wider too. LPO has been growing year-on-year, becoming a bigger and more mature company that is expanding its capabilities and product and customer portfolio. In the meantime, in mid-2016, Bet Shemesh Engines also changed owners. The private equity fund, FIMI took over the majority of shares in the company, and thus the management of the entire group. This completely changed our business philosophy, and, as a result, LPO is now experiencing really strong growth and is making substantial investments in the amount of US \$15 million. So, to answer your question – we have been continuously growing and progressing since, and there is no surrender or stopping.



Are you satisfied with last year's results?

— The previous year was successful, LPO generated the highest sales revenue in its history, we invested about US \$ 4 million had the largest number of new products in our history, and made a profit. At the same time, we have encountered problems that affect Serbia, and in particular its northern part, in general, which is a large fluctuation of the workforce. This has become a very serious challenge for all companies, but first and foremost, for the leadership of our country.

What percentage of your products do you export and to which countries?

— Our entire production is for export. The very nature of the product, parts of turbo-jet engines, is such that all of our customers are from abroad. LPO is selling its castings to the world's largest engine and engine component manufacturers, such as MTU Aero Engines from Germany, Pratt Whitney

Canada, Pratt Whitney America, ITP from Spain (Rolls Royce Group), and Siemens US.

In fact, the parts manufactured in the LPO plants are built into almost all engines that are now used in commercial aviation.

Five years ago, the company opened a new plant that would produce parts for jet engines. Are you planning new investments or hiring more workers?

— In the meantime, we have started to expand this plant to span over 2,000 square metres. At the same time, we are launching projects for more new plants, so the growth will continue. Also, LPO plans to employ another 200 people in the next 3-4 years.

It is very important to note that the development will continue in two directions: one is in the machining part, primarily parts made of nickel or cobalt alloys; and the other is in casting. Also, I would like to mention that the Group will soon make a decision whether to invest in a brand new foundry for castings that would use with the single crystal (SX) technology which shows how much we are and our country is trusted. There aren't many countries in Europe that can boast of mastering this technology. This also means that we are going to have some of the major companies in the aviation industry as our main customers, and perhaps as partners.

LPO PLANTS

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