

Buy EUR 17.00 (EUR 17.50) Price EUR 6.11 Upside 178.2 %	Value Indicators: EUR DCF: 17.00 FCF-Value Potential 21e: 12.00	Share data: Bloomberg: SMHN GR Reuters: SMHnN ISIN: DE000A1K0235	Description: Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS
	Market Snapshot: EUR m Market cap: 116.7 No. of shares (m): 19.1 EV: 131.3 Freefloat MC: 116.7 Ø Trad. Vol. (30d): 490.15 th	Shareholders: Freefloat 100.0 % <i>Universal Investment</i> 14.7 % <i>Luxempart</i> 13.3 % <i>Lupus Alpha</i> 5.2 % <i>Kempen</i> 5.0 %	Risk Profile (WRe): 2020e Beta: 1.3 Price / Book: 0.9 x Equity Ratio: 62 % Net Fin. Debt / EBITDA: 0.6 x Net Debt / EBITDA: 1.0 x

Growth expected in 2020

Final 2019 results released by SÜSS were slightly lower than the preliminaries (see First Glance dated April 02). The development of **Free Cash Flow was very weak at EUR -37m**, mainly owing to a **strong rise in contractual assets** (systems delivered to customers) after high sales in December (working capital ratio climbed to ~50% in the full year). This **development should normalise in H1 2020**.

COVID-19 impact: Demand is continuing to develop positively as indicated by the H1 order guidance of EUR 100–110m (up 10-20% yoy). Customers are still pushing for shorter delivery times. The supply chain has remained very stable so far. SÜSS registered very few push-outs and no orders have been cancelled so far (a rare occurrence, even in 2009). The impact should be more pronounced in the microoptics business as a result of higher automotive exposure. Visibility for H2 is lower though, as customers might push out orders or deliveries.

Positive revenue guidance despite COVID-19: SÜSS is guiding for sales of EUR 230–240m, which is marginally ahead of WRe EUR 230m and implies ~10% growth. This is backed by higher order backlog at the beginning of 2020 (EUR 93m, up 10% yoy) and the expected order intake of EUR 100–110m in H1 (strong Q1 orders of EUR 50-60m expected already).

Thematically, 5G is expected to be a positive driver in 2020. SÜSS's lithography systems are used in the **production of RF components**, which could materialise in record levels of single orders (would be ~ EUR 20m or higher). Besides, **demand for photomask cleaning tools, tied to the ramp of most advanced nodes, should remain solid.** SÜSS indicated that it is seeing strong interest in its permanent bonder production line. Demand should pick up later in 2020 and permanent bonder tools should start to contribute to growth next year.

Profitability still needs to improve. SÜSS is **guiding for an adj. EBIT margin** (excluding one-offs amounting to EUR 5m related to the closure of the scanner business) **of 4.5–5.5%** in 2020 (after a balanced adj. EBIT in 2019). The company's target is to achieve a **gross margin recovery to 33%** in 2020 (up from adjusted 30% in 2019). **If SÜSS achieves such a gross margin, an EBIT margin of ~7% could be reached.** However, going on the experience of the past two fiscal years when profitability ran below budget and considering the potential friction caused by the coronavirus (e.g. new two-shift production), a certain degree of caution appears reasonable. Increased sourcing and production in Asia and greater efficiency in design and production should support positive margin development in future. **The FCF is expected to recover to positive territory in 2020.** Tax repayments (tax receivables of EUR 4m) and a turnaround in working capital development as a result of more even business development are among the main drivers. The equity ratio is still solid with > 60%.

The PT is marginally revised to EUR 17. A **share price 10% below book value should buffer the downside.** The **valuation upside is close to 200%.** As the order development reflects, SÜSS is well on track for growth. Profitability should rise in the next two to three years. Buy.

Changes in Estimates:					Comment on Changes:				
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	<ul style="list-style-type: none"> Lower estimates reflect potential friction related to the coronavirus. Achievement of 33% gross margin could allow for upside later in 2020. FCF should benefit from release of working capital and tax repayments in 2020 				
Sales	230.0	0.0 %	245.0	0.0 %					
EBIT	9.9	-30.2 %	23.9	-22.0 %					

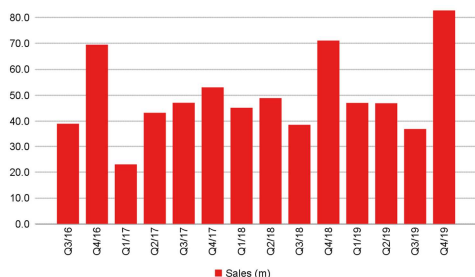


Rel. Performance vs CDAX:	
1 month:	-10.9 %
6 months:	-2.7 %
Year to date:	-21.4 %
Trailing 12 months:	-18.2 %

Company events:	
08.05.20	Q1
20.05.20	AGM
06.08.20	Q2
10.11.20	Q3

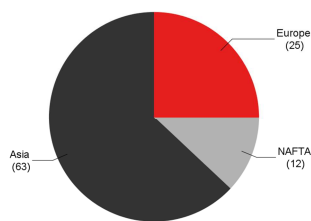
FY End: 31.12. in EUR m	CAGR (19-21e)	2015	2016	2017	2018	2019	2020e	2021e
Sales	7.0 %	148.5	177.6	166.5	203.9	213.8	230.0	245.0
Change Sales yoy		2.2 %	19.6 %	-6.2 %	22.5 %	4.8 %	7.6 %	6.5 %
Gross profit margin		33.2 %	33.0 %	35.7 %	33.0 %	23.3 %	31.5 %	34.5 %
EBITDA	-	9.2	15.3	18.0	15.7	-5.2	14.7	26.9
EBIT	-	5.0	11.1	13.9	10.9	-13.8	6.9	18.6
Margin		3.3 %	6.3 %	8.3 %	5.3 %	-6.4 %	3.0 %	7.6 %
EBIT adj.		5.0	14.2	13.9	10.9	0.5	12.0	18.6
Margin		3.3 %	8.0 %	8.3 %	5.3 %	0.2 %	5.2 %	7.6 %
Net income	-	0.2	5.0	6.7	4.8	-16.3	3.0	12.7
EPS	-	0.01	0.26	0.35	0.25	-0.85	0.15	0.66
EPS adj.	-	0.01	0.38	0.35	0.69	-0.11	0.42	0.66
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		0.07	-0.47	0.15	-0.26	-1.93	0.50	0.90
FCF / Market cap		1.1 %	-6.5 %	1.3 %	-2.0 %	-19.8 %	8.1 %	14.8 %
EV / Sales		n.a.	0.6 x	1.2 x	1.1 x	1.0 x	0.6 x	0.5 x
EV / EBITDA		n.a.	7.4 x	11.2 x	14.8 x	n.a.	9.0 x	4.2 x
EV / EBIT adj.		n.a.	7.9 x	14.5 x	21.4 x	44.7 x	11.0 x	6.1 x
P / E		590.6 x	28.1 x	34.4 x	53.5 x	n.a.	40.7 x	9.3 x
FCF Potential Yield		n.a.	9.4 %	3.2 %	3.1 %	2.0 %	10.2 %	16.4 %
Net Debt		-34.8	-26.3	-28.2	-23.1	24.0	14.6	-2.7
ROCE (NOPAT)		0.3 %	5.8 %	6.9 %	4.5 %	n.a.	2.2 %	9.1 %
Guidance:		2020: Sales EUR 230 - 240m; EBIT adj. 4.5 - 5.5%						

Sales development
in EUR m



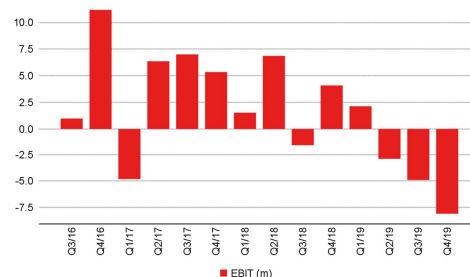
Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

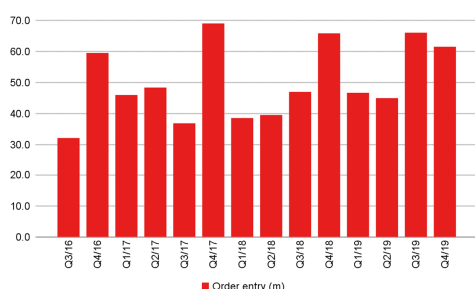
Company Background

- Globally leading manufacturer of systems for the MEMS, advanced packaging, 3D IC and LED niche markets with the product segments lithography (mask aligner,coater), bonder and equipment to clean photomasks.
- MEMS integrate electronic and mechanical components. Fields of application are e.g. pressure sensors (e.g. in tyre pressure control systems) or position and acceleration sensors (e.g. smartphones, tablet PCs).
- Advanced packaging is a special packaging process used as an alternative to the classic wire bonding ("flip chip") for semiconductors where these are directly bonded to the substrate without wire connections.
- 3D packaging is a solution to the increasingly difficult ongoing structural downsizing of semiconductors. CMOS image sensors are an early field of application. This market offers enormous growth potential for SÜSS.
- The majority of production is located at two sites in Germany (Garching, Sternenfels) which offer ample capacity for anticipated growth. SÜSS has ca. 900 employees.

Competitive Quality

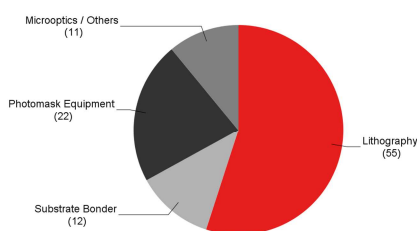
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed markets.
- This and the global service network make the company a preferred supplier for production equipment in particular.
- As the respective markets have a niche character, SÜSS usually only has to face moderate competition and rarely has to compete with the major suppliers of the sector.
- This combined with the high product complexity poses a major barrier to market entry and secures the company a leading position in the respective markets.

Order development
in EUR m



Source: Warburg Research

Sales by segments
2019; 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
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	230.0	245.0	267.1	285.7	305.7	327.1	343.5	360.7	378.7	393.9	405.7	413.8	420.0	1.5 %
Sales change	7.6 %	6.5 %	9.0 %	7.0 %	7.0 %	7.0 %	5.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.0 %	1.5 %	
EBIT	6.9	18.6	26.5	31.4	35.2	39.3	41.2	43.3	45.4	47.3	48.7	49.7	50.4	12.0 %
EBIT-margin	3.0 %	7.6 %	9.9 %	11.0 %	11.5 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	
Tax rate (EBT)	20.1 %	15.5 %	15.7 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %
NOPAT	5.6	15.7	22.3	22.5	25.1	28.1	29.5	30.9	32.5	33.8	34.8	35.5	36.0	
Depreciation	7.7	8.3	8.8	8.6	8.6	9.2	9.6	10.1	10.6	11.0	11.4	11.6	11.8	2.8 %
in % of Sales	3.3 %	3.4 %	3.3 %	3.0 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	
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	0.0
Change in Liquidity from														
- Working Capital	-4.3	-3.6	1.6	3.3	4.1	7.5	5.7	6.0	6.3	5.3	4.1	2.8	2.2	12.6
- Capex	11.0	10.0	10.0	19.1	9.2	9.8	10.3	10.8	11.4	11.8	12.2	12.4	12.6	
Capex in % of Sales	4.8 %	4.1 %	3.7 %	3.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
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)	6.5	17.6	19.5	8.6	20.4	19.9	23.1	24.2	25.4	27.7	29.9	31.8	33.0	34
PV of FCF	6.1	15.5	15.8	6.5	14.1	12.7	13.6	13.2	12.8	12.9	12.9	12.7	12.1	184
share of PVs	10.86 %			35.86 %										53.28 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	7.50 %	Financial Strength	1.10
Cost of debt (after tax)	2.9 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	1.60
Risk free rate	1.50 %	Transparency	1.10
		Others	1.40
WACC	8.22 %	Beta	1.30

Valuation (m)

Present values 2032e	161		
Terminal Value	184		
Financial liabilities	28		
Pension liabilities	6		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	14	No. of shares (m)	19.1
Equity Value	325	Value per share (EUR)	16.99

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.50	9.2 %	13.66	13.86	14.08	14.32	14.56	14.83	15.12	1.50	9.2 %	11.89	12.70	13.51	14.32	15.12	15.93	16.74
1.40	8.7 %	14.76	15.01	15.27	15.56	15.86	16.19	16.54	1.40	8.7 %	12.96	13.82	14.69	15.56	16.42	17.29	18.16
1.35	8.5 %	15.37	15.64	15.94	16.25	16.58	16.94	17.33	1.35	8.5 %	13.55	14.45	15.35	16.25	17.15	18.05	18.95
1.30	8.2 %	16.03	16.32	16.65	16.99	17.36	17.76	18.20	1.30	8.2 %	14.19	15.12	16.06	16.99	17.92	18.86	19.79
1.25	8.0 %	16.73	17.06	17.41	17.79	18.21	18.66	19.14	1.25	8.0 %	14.88	15.85	16.82	17.79	18.77	19.74	20.71
1.20	7.7 %	17.48	17.84	18.24	18.66	19.13	19.63	20.17	1.20	7.7 %	15.63	16.64	17.65	18.66	19.68	20.69	21.70
1.10	7.2 %	19.17	19.62	20.11	20.64	21.22	21.86	22.56	1.10	7.2 %	17.33	18.43	19.54	20.64	21.74	22.85	23.95

- Growth estimate below company target of EUR 400m by 2025
- Sustainable EBIT margin of 12.5% anticipated...
- ...after operating margins reached 11% in the core business (excl. Tamarack) in 2018

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	2015	2016	2017	2018	2019	2020e	2021e	
Net Income before minorities	n.a.	5.0	6.7	4.8	-16.3	3.0	12.7	
+ Depreciation + Amortisation	n.a.	4.2	4.1	4.8	8.6	7.7	8.3	
- Net Interest Income	n.a.	-0.6	-0.2	-0.1	-0.4	-0.5	-0.4	
- Maintenance Capex	n.a.	2.2	2.4	2.5	2.7	2.7	2.7	
+ Other	n.a.	3.1	-2.0	0.0	14.2	5.0	0.0	
= Free Cash Flow Potential	n.a.	10.7	6.5	7.3	4.2	13.5	18.7	
FCF Potential Yield (on market EV)	n/a	9.4 %	3.2 %	3.1 %	2.0 %	10.2 %	16.4 %	
WACC	8.22 %	8.22 %	8.22 %	8.22 %	8.22 %	8.22 %	8.22 %	
= Enterprise Value (EV)	n.a.	113.2	202.1	232.5	210.4	131.4	114.1	
= Fair Enterprise Value	n.a.	130.0	79.5	88.4	50.7	163.8	227.2	
- Net Debt (Cash)	n.a.	18.0	18.0	18.0	18.0	8.5	-8.7	
- Pension Liabilities	n.a.	6.0	6.0	6.0	6.0	6.0	6.0	
- Other	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	n.a.	106.0	55.4	64.4	26.7	149.2	229.9	
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1	
= Fair value per share (EUR)	n.a.	5.54	2.90	3.37	1.40	7.81	12.02	
premium (-) / discount (+) in %						27.8 %	96.8 %	
Sensitivity Fair value per Share (EUR)								
	11.22 %	n.a.	3.73	1.79	2.13	0.69	5.52	8.85
	10.22 %	n.a.	4.22	2.09	2.46	0.88	6.13	9.71
	9.22 %	n.a.	4.81	2.45	2.87	1.11	6.88	10.74
WACC	8.22 %	n.a.	5.55	2.90	3.37	1.40	7.81	12.03
	7.22 %	n.a.	6.49	3.48	4.01	1.77	9.00	13.68
	6.22 %	n.a.	7.74	4.24	4.86	2.25	10.57	15.86
	5.22 %	n.a.	9.46	5.30	6.03	2.93	12.75	18.88

▪ Increasing sales and margins result in higher value indications in coming years

Valuation							
	2015	2016	2017	2018	2019	2020e	2021e
Price / Book	1.0 x	1.1 x	1.8 x	1.8 x	1.5 x	0.9 x	0.8 x
Book value per share ex intangibles	5.16	5.49	5.69	6.42	5.52	5.78	6.65
EV / Sales	n.a.	0.6 x	1.2 x	1.1 x	1.0 x	0.6 x	0.5 x
EV / EBITDA	n.a.	7.4 x	11.2 x	14.8 x	n.a.	9.0 x	4.2 x
EV / EBIT	n.a.	10.2 x	14.5 x	21.4 x	n.a.	18.9 x	6.1 x
EV / EBIT adj.*	n.a.	7.9 x	14.5 x	21.4 x	445.7 x	11.0 x	6.1 x
P / FCF	89.7 x	n.a.	79.7 x	n.a.	n.a.	12.3 x	6.8 x
P / E	590.6 x	28.1 x	34.4 x	53.5 x	n.a.	40.7 x	9.3 x
P / E adj.*	590.6 x	19.2 x	34.4 x	19.4 x	n.a.	14.5 x	9.3 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	n.a.	9.4 %	3.2 %	3.1 %	2.0 %	10.2 %	16.4 %

*Adjustments made for: -

Company Specific Items							
	2015	2016	2017	2018	2019	2020e	2021e
Order entry	188.6	161.0	200.3	191.0	219.2	0.0	0.0
Order backlog	117.6	101.0	133.0	0.0	93.2	0.0	0.0

Consolidated profit and loss

In EUR m	2015	2016	2017	2018	2019	2020e	2021e
Sales	148.5	177.6	166.5	203.9	213.8	230.0	245.0
Change Sales yoy	2.2 %	19.6 %	-6.2 %	22.5 %	4.8 %	7.6 %	6.5 %
COGS	99.2	119.0	107.0	136.7	164.1	157.6	160.5
Gross profit	49.4	58.6	59.5	67.3	49.7	72.5	84.5
<i>Gross margin</i>	<i>33.2 %</i>	<i>33.0 %</i>	<i>35.7 %</i>	<i>33.0 %</i>	<i>23.3 %</i>	<i>31.5 %</i>	<i>34.5 %</i>
Research and development	12.8	14.1	15.2	18.3	20.2	20.5	20.5
Sales and marketing	18.8	20.5	19.6	21.9	22.9	24.5	25.2
Administration expenses	13.3	13.6	13.4	15.9	18.9	20.0	20.0
Other operating expenses	4.4	3.5	3.8	3.5	3.2	0.5	0.2
Other operating income	4.9	4.3	6.3	3.2	1.7	0.0	0.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	9.2	15.3	18.0	15.7	-5.2	14.7	26.9
<i>Margin</i>	<i>6.2 %</i>	<i>8.6 %</i>	<i>10.8 %</i>	<i>7.7 %</i>	<i>-2.4 %</i>	<i>6.4 %</i>	<i>11.0 %</i>
Depreciation of fixed assets	2.9	2.9	2.8	3.6	7.3	6.0	6.5
EBITA	6.2	12.4	15.1	12.1	-12.5	8.6	20.4
Amortisation of intangible assets	1.2	1.3	1.2	1.2	1.2	1.7	1.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	5.0	11.1	13.9	10.9	-13.8	6.9	18.6
<i>Margin</i>	<i>3.3 %</i>	<i>6.3 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.4 %</i>	<i>3.0 %</i>	<i>7.6 %</i>
EBIT adj.	5.0	14.2	13.9	10.9	0.5	12.0	18.6
Interest income	0.3	0.1	0.1	0.0	0.0	0.0	0.0
Interest expenses	0.5	0.7	0.2	0.2	0.4	0.5	0.4
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	4.7	10.5	13.8	10.7	-14.1	6.4	18.2
<i>Margin</i>	<i>3.2 %</i>	<i>5.9 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.6 %</i>	<i>2.8 %</i>	<i>7.4 %</i>
Total taxes	4.5	5.5	7.0	6.0	2.1	3.5	5.6
Net income from continuing operations	0.2	5.0	6.7	4.8	-16.3	3.0	12.7
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	0.2	5.0	6.7	4.8	-16.3	3.0	12.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.2	5.0	6.7	4.8	-16.3	3.0	12.7
<i>Margin</i>	<i>0.2 %</i>	<i>2.8 %</i>	<i>4.0 %</i>	<i>2.3 %</i>	<i>-7.6 %</i>	<i>1.3 %</i>	<i>5.2 %</i>
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1
EPS	0.01	0.26	0.35	0.25	-0.85	0.15	0.66
EPS adj.	0.01	0.38	0.35	0.69	-0.11	0.42	0.66

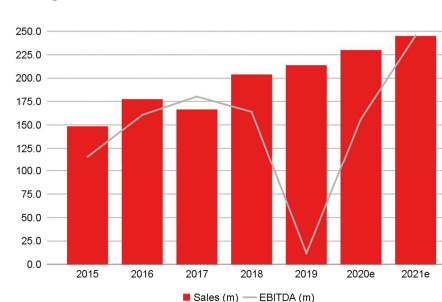
*Adjustments made for:

Guidance: 2020: Sales EUR 230 - 240m; EBIT adj. 4.5 - 5.5%

Financial Ratios

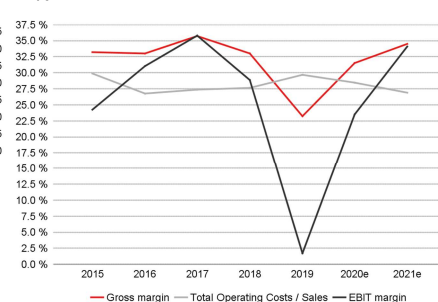
	2015	2016	2017	2018	2019	2020e	2021e
Total Operating Costs / Sales	29.9 %	26.7 %	27.4 %	27.7 %	29.7 %	28.5 %	26.9 %
Operating Leverage	-18.6 x	6.3 x	-4.0 x	-1.0 x	n.a.	n.a.	25.8 x
EBITDA / Interest expenses	17.4 x	21.2 x	86.8 x	90.3 x	n.m.	29.3 x	67.3 x
Tax rate (EBT)	95.2 %	52.4 %	51.2 %	55.4 %	-15.2 %	54.1 %	30.5 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	212,774	249,063	254,235	231,740	228,174	351,145	374,046

Sales, EBITDA
in EUR m



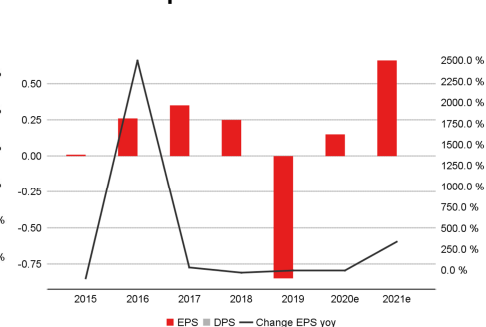
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

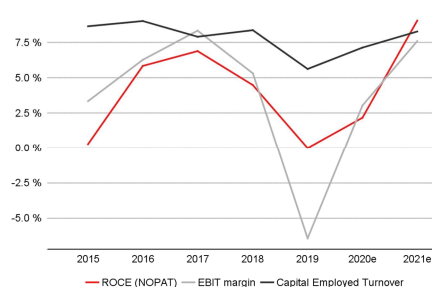
Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019	2020e	2021e
Assets							
Goodwill and other intangible assets	20.0	19.4	18.2	17.7	19.9	18.8	17.5
thereof other intangible assets	4.0	3.3	2.5	1.9	4.2	3.0	1.7
thereof Goodwill	15.8	15.8	15.6	15.7	15.7	15.7	15.7
Property, plant and equipment	20.3	20.6	23.3	26.2	33.9	38.4	41.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	40.3	39.9	41.5	43.9	53.8	57.2	58.9
Inventories	68.7	73.8	97.9	93.5	75.0	95.8	94.2
Accounts receivable	13.1	24.1	19.6	25.1	50.2	31.5	30.2
Liquid assets	49.1	35.6	36.5	30.7	10.3	17.4	26.6
Other short-term assets	6.0	6.2	6.4	6.4	10.6	5.9	5.9
Current assets	136.9	139.7	160.5	155.7	146.1	150.5	156.8
Total Assets	177.2	179.6	202.0	199.6	199.9	207.7	215.8
Liabilities and shareholders' equity							
Subscribed capital	19.1	19.1	19.1	19.1	19.1	19.1	19.1
Capital reserve	98.8	103.8	110.3	122.9	106.6	106.6	106.6
Retained earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity components	0.8	1.4	-2.4	-1.5	-0.3	3.5	18.9
Shareholders' equity	118.7	124.4	127.0	140.4	125.4	129.2	144.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	118.7	124.4	127.0	140.4	125.4	129.2	144.6
Provisions	7.5	10.0	7.4	10.3	10.2	10.2	10.2
thereof provisions for pensions and similar obligations	5.1	4.8	4.7	5.1	6.0	6.0	6.0
Financial liabilities (total)	9.1	4.5	3.5	2.5	28.3	25.9	17.9
thereof short-term financial liabilities	1.2	1.0	1.0	1.0	10.4	8.0	0.0
Accounts payable	8.5	3.4	7.3	9.0	10.0	10.7	11.4
Other liabilities	33.4	37.4	56.8	37.3	26.0	31.6	31.6
Liabilities	58.5	55.3	75.0	59.1	74.5	78.5	71.2
Total liabilities and shareholders' equity	177.2	179.6	202.0	199.6	199.9	207.7	215.8

Financial Ratios

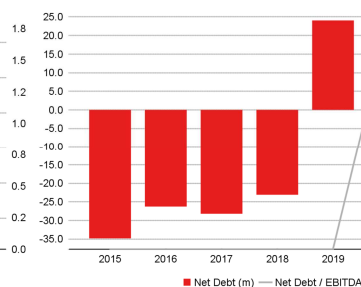
	2015	2016	2017	2018	2019	2020e	2021e
Efficiency of Capital Employment							
Operating Assets Turnover	2.0 x	1.9 x	1.8 x	1.7 x	1.5 x	1.6 x	1.8 x
Capital Employed Turnover	1.8 x	1.8 x	1.7 x	1.7 x	1.4 x	1.6 x	1.7 x
ROA	0.6 %	12.5 %	16.2 %	10.9 %	-30.3 %	5.2 %	21.5 %
Return on Capital							
ROCE (NOPAT)	0.3 %	5.8 %	6.9 %	4.5 %	n.a.	2.2 %	9.1 %
ROE	0.2 %	4.1 %	5.3 %	3.6 %	-12.2 %	2.3 %	9.3 %
Adj. ROE	0.2 %	5.9 %	5.3 %	9.9 %	-1.6 %	6.3 %	9.3 %
Balance sheet quality							
Net Debt	-34.8	-26.3	-28.2	-23.1	24.0	14.6	-2.7
Net Financial Debt	-40.0	-31.1	-33.0	-28.2	18.0	8.5	-8.7
Net Gearing	-29.3 %	-21.1 %	-22.2 %	-16.4 %	19.2 %	11.3 %	-1.8 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	58.3 %	n.a.
Book Value / Share	6.2	6.5	6.6	7.3	6.6	6.8	7.6
Book value per share ex intangibles	5.2	5.5	5.7	6.4	5.5	5.8	6.6

ROCE Development



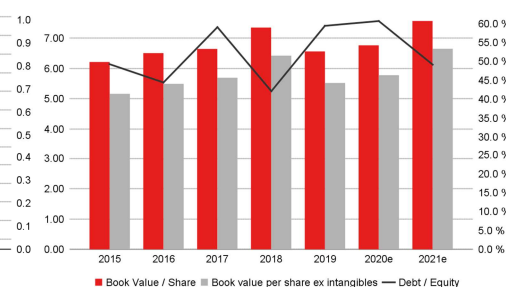
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

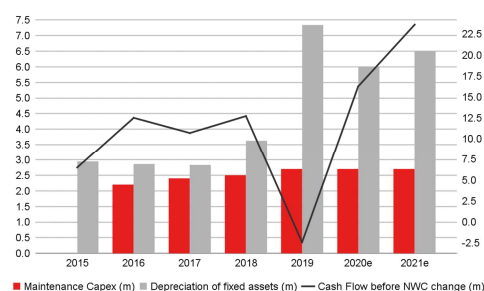
Consolidated cash flow statement

In EUR m	2015	2016	2017	2018	2019	2020e	2021e
Net income	0.2	5.0	6.7	4.8	-16.3	3.0	12.7
Depreciation of fixed assets	2.9	2.9	2.8	3.6	7.3	6.0	6.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	1.3	1.2	1.2	1.2	1.7	1.8
Increase/decrease in long-term provisions	0.4	-0.4	0.3	0.2	0.1	0.0	0.0
Other non-cash income and expenses	1.7	3.8	-0.4	2.9	5.2	5.6	2.7
Cash Flow before NWC change	6.5	12.5	10.7	12.7	-2.4	16.3	23.6
Increase / decrease in inventory	-7.7	-6.1	-28.2	-29.8	4.6	-20.8	1.6
Increase / decrease in accounts receivable	1.3	-10.7	2.9	-1.9	-25.0	18.7	1.3
Increase / decrease in accounts payable	4.7	-1.1	23.9	1.7	-8.0	6.3	0.7
Increase / decrease in other working capital positions	-0.1	0.0	0.0	19.3	0.0	0.0	0.0
Increase / decrease in working capital (total)	-1.8	-17.9	-1.3	-10.8	-28.4	4.3	3.6
Net cash provided by operating activities [1]	4.7	-5.4	9.4	1.9	-30.8	20.5	27.2
Investments in intangible assets	0.8	0.5	0.5	0.6	3.4	0.5	0.5
Investments in property, plant and equipment	2.6	3.2	6.0	6.3	5.7	10.5	9.5
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	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-3.4	-3.6	-6.5	-6.9	-6.1	-11.0	-10.0
Change in financial liabilities	-1.2	-4.6	-1.0	-1.0	16.4	-2.4	-8.0
Dividends paid	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-1.2	-4.6	-1.0	-1.0	16.4	-2.4	-8.0
Change in liquid funds [1]+[2]+[3]	0.1	-13.6	1.9	-6.0	-20.5	7.1	9.2
Effects of exchange-rate changes on cash	0.7	0.2	-1.0	0.2	0.1	0.0	0.0
Cash and cash equivalent at end of period	48.1	35.7	36.5	30.7	10.3	17.4	26.6

Financial Ratios

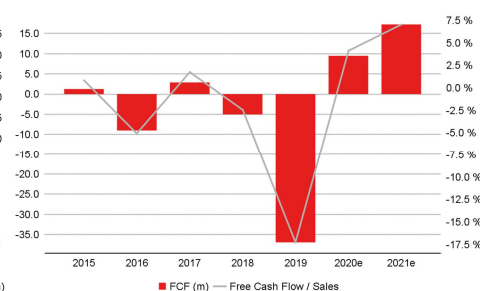
	2015	2016	2017	2018	2019	2020e	2021e
Cash Flow							
FCF	1.3	-9.0	2.9	-5.0	-36.9	9.5	17.2
Free Cash Flow / Sales	0.8 %	-5.1 %	1.7 %	-2.5 %	-17.3 %	4.1 %	7.0 %
Free Cash Flow Potential	n.a.	10.7	6.5	7.3	4.2	13.5	18.7
Free Cash Flow / Net Profit	559.1 %	-180.3 %	43.1 %	-105.1 %	226.9 %	320.2 %	136.1 %
Interest Received / Avg. Cash	0.5 %	0.2 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	5.4 %	10.6 %	5.2 %	5.8 %	2.5 %	1.8 %	1.8 %
Management of Funds							
Investment ratio	2.3 %	2.1 %	3.9 %	3.4 %	4.2 %	4.8 %	4.1 %
Maint. Capex / Sales	n.a.	1.2 %	1.4 %	1.2 %	1.3 %	1.2 %	1.1 %
Capex / Dep	81.6 %	87.8 %	159.2 %	143.2 %	105.6 %	143.4 %	120.5 %
Avg. Working Capital / Sales	35.8 %	35.8 %	42.6 %	39.5 %	46.1 %	45.1 %	40.7 %
Trade Debtors / Trade Creditors	154.5 %	717.2 %	269.4 %	278.4 %	501.1 %	294.4 %	264.9 %
Inventory Turnover	1.4 x	1.6 x	1.1 x	1.5 x	2.2 x	1.6 x	1.7 x
Receivables collection period (days)	32	50	43	45	86	50	45
Payables payment period (days)	31	10	25	24	22	25	26
Cash conversion cycle (Days)	187	196	215	222	210	212	199

CAPEX and Cash Flow
in EUR m



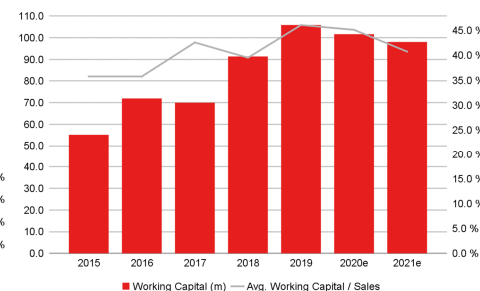
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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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.

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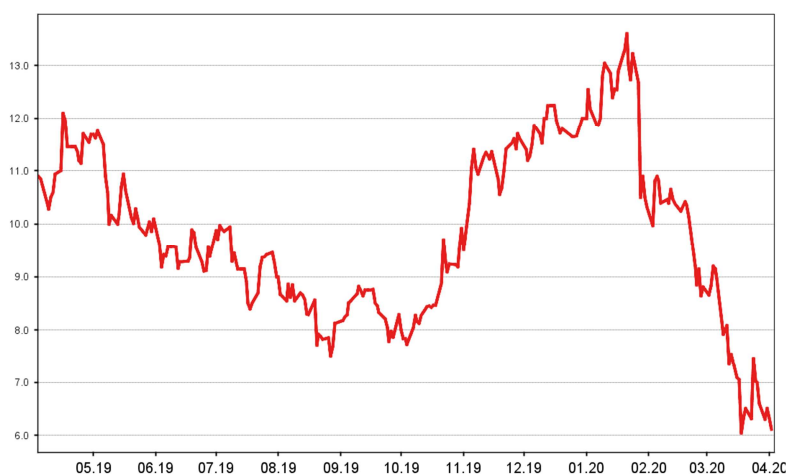
Rating	Number of stocks	% of Universe
Buy	126	62
Hold	62	30
Sell	10	5
Rating suspended	6	3
Total	204	100

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	34	81
Hold	5	12
Sell	0	0
Rating suspended	3	7
Total	42	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 03.04.2020



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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