

Buy EUR 30.00 (EUR 32.00) Price EUR 15.54 Upside 93.1 %	Value Indicators: EUR DCF: 30.00 FCF-Value Potential 23e: 23.50	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 3.0 Balance Sheet Score: 2.0 Market Liquidity Score: 2.0	Description: Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS
	Market Snapshot: EUR m Market cap: 296.8 No. of shares (m): 19.1 EV: 280.0 Freefloat MC: 296.8 Ø Trad. Vol. (30d): 348.00 th	Shareholders: Freefloat 100.00 % Universal Investment 9.60 % Luxempart 8.30 % Teslin 6.70 % Henderson 5.00 %	Key Figures (WRe): 2022e Beta: 1.3 Price / Book: 1.8 x Equity Ratio: 61 %

Strong orders; Guidance confirmed; Silver lining on supply horizon

Stated Figures Q2/2022:					Comment on Figures:				
FY End: 31.12. in EUR m	Q2 22	Q2 22e	Q2 21	yoy	6M 22	6M 22e	6M 21	yoy	
Order entry	113.3	87.0	71.6	58 %	230.9	204.6	152.6	51 %	Orders of EUR 113m clearly ahead of expectations
Sales	61.5	65.3	65.8	-7 %	124.8	128.6	118.5	5 %	Slightly lower sales reflect supply-chain issues. SÜSS expects H2 sales to increase significantly vs H1
EBIT	3.0	3.3	6.6	-54 %	5.1	5.4	8.0	-36 %	EBIT almost in line despite revenue shortfall thanks to better gross margin of 37% (after 33% in Q1)
Margin	4.9 %	5.1 %	10.0 %		4.1 %	4.2 %	6.8 %		Positive FCF of EUR 6m in H1 as down payments offset inventory increase

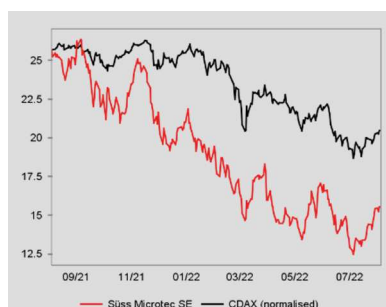
Orders again reached a very high level of EUR 113m in Q2, a clear beat of WRe EUR 87m. The order mix is also positive, as orders in the bonder segment almost tripled in H1 to EUR 45m. Here, growth was driven by all bonding technologies (hybrid bonding order was already recorded in Q1) with automated permanent bond tools making the strongest contribution. This proves that SÜSS has finally successfully established its product in the market and is gaining market share from its competitors. Besides these share gains, SÜSS also expects to have reached a higher market share in lithography exposure tools (mask aligners + UV scanners).

SÜSS reiterated its FY guidance for sales of EUR 270–300m. During the conference call, the CEO confirmed that his confidence has increased in recent weeks and that the guidance should be reached unless the supply-chain issues worsen, which is not expected at this stage. On the contrary, some suppliers have begun to indicate (verbally, not through confirmed deliveries) an easing of the supply situation, with expected parts deliveries to increase in late 2022/early 2023. The positive indications from suppliers support our expectation that significant catch-up effects should lead to significant revenue growth in 2023.

Revenues were slightly below expectations at EUR 61.5m. Despite the slight shortfall, EBIT of EUR 3m almost reached the WR estimate. This is largely a result of a gross margin of 37% in the quarter, which improved from a low 33% in Q1.

Despite the strong order intake, the company also registered some project postponements related to consumer applications in China. A healthy project pipeline should support a positive order development in the coming months. However, it should not necessarily be assumed that order levels will continue to exceed EUR 100m in the coming quarters. Our model is based on an average order intake of ~EUR 90m in Q2-4.

Conclusion: Q2 reporting is seen as clearly positive, with strong orders, a recovered gross margin, rising management confidence regarding the FY guidance and, most importantly, a silver lining on the supply horizon. The order backlog has already increased to >EUR 300m at the end of June. The catch-up in deliveries and revenue recognition should materialise from early 2023 onwards, leading to a sales and earnings boost next year. This is not reflected in current consensus forecasts (WRe '23 EBIT est. >20% above cons.). Rising confidence in strong 2023 growth with an easing supply situation should be a major share price driver in the months to come. Owing to a hefty 60% valuation discount in comparison to peers (5.4x EBIT '23 vs. 13x) and ~100% upside to the PT of EUR 30 (slightly lowered due to higher market rates), the risk/reward ratio appears excellent at current levels. Buy.

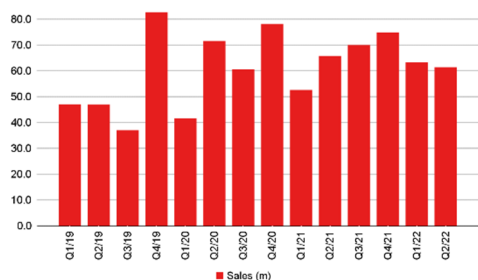


Rel. Performance vs CDAX:	
1 month:	15.7 %
6 months:	3.8 %
Year to date:	-6.4 %
Trailing 12 months:	-23.4 %

Company events:	
10.08.22	RS-Calls
10.11.22	Q3

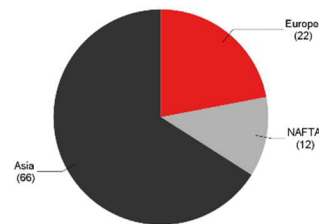
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	12.5 %	203.9	213.8	252.1	263.4	270.0	355.0	375.0
Change Sales yoy		22.5 %	4.8 %	17.9 %	4.5 %	2.5 %	31.5 %	5.6 %
Gross profit margin		33.0 %	23.3 %	33.2 %	35.8 %	36.0 %	36.0 %	36.3 %
EBITDA	27.8 %	15.7	-5.2	28.2	29.6	29.4	56.1	61.8
EBIT	33.2 %	10.9	-13.8	20.4	22.6	21.5	47.6	53.3
Margin		5.3 %	-6.4 %	8.1 %	8.6 %	8.0 %	13.4 %	14.2 %
EBIT adj.		10.9	0.5	23.0	22.6	21.5	47.6	53.3
Margin		5.3 %	0.2 %	9.1 %	8.6 %	8.0 %	13.4 %	14.2 %
Net income	32.9 %	4.8	-16.3	12.3	16.0	14.9	33.4	37.6
EPS	32.9 %	0.25	-0.85	0.65	0.84	0.78	1.75	1.97
EPS adj.	32.9 %	0.69	-0.11	0.78	0.84	0.78	1.75	1.97
DPS	16.0 %	0.00	0.00	0.00	0.16	0.16	0.25	0.25
Dividend Yield		n.a.	n.a.	n.a.	0.7 %	1.0 %	1.6 %	1.6 %
FCFPS		-0.26	-1.93	2.47	0.77	-0.45	1.33	1.41
FCF / Market cap		-2.0 %	-19.8 %	19.2 %	3.2 %	-2.9 %	8.6 %	9.1 %
EV / Sales		1.1 x	1.0 x	0.9 x	1.6 x	1.0 x	0.7 x	0.6 x
EV / EBITDA		14.8 x	n.a.	8.2 x	14.5 x	9.5 x	4.6 x	3.8 x
EV / EBIT adj.		21.4 x	445.7 x	10.1 x	19.1 x	13.0 x	5.4 x	4.4 x
P / E		53.5 x	n.a.	19.8 x	28.6 x	19.9 x	8.9 x	7.9 x
FCF Potential Yield		2.3 %	-4.8 %	13.8 %	5.4 %	7.3 %	15.3 %	18.4 %
Net Debt		-23.1	24.0	-13.9	-28.4	-16.8	-39.2	-61.3
ROCE (NOPAT)		4.5 %	n.a.	9.3 %	13.0 %	10.9 %	21.7 %	22.9 %
Guidance:		2022: Sales: 270-300m; EBIT 8.5-10.5%						

Sales development
in EUR m



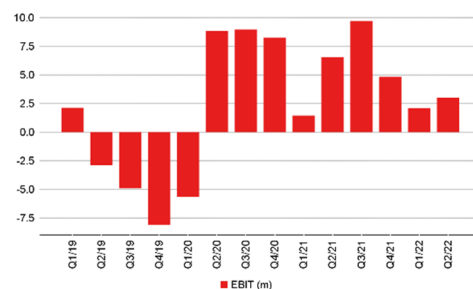
Source: Warburg Research

Sales by regions
2021; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

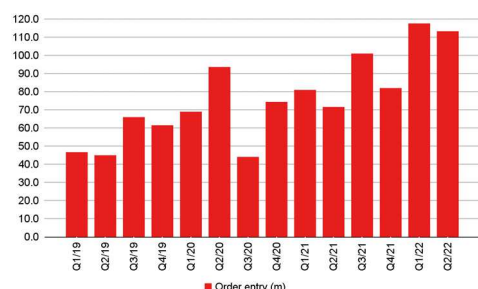
Company Background

- 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

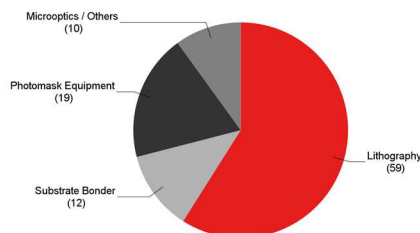
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed 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



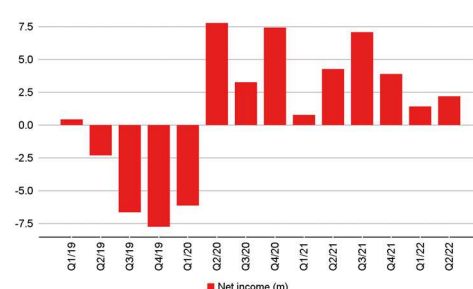
Source: Warburg Research

Sales by segments
2021; 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
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	270.0	355.0	375.0	405.0	433.4	463.7	486.9	511.2	531.7	552.9	575.0	586.5	598.3	
Sales change	2.5 %	31.5 %	5.6 %	8.0 %	7.0 %	7.0 %	5.0 %	5.0 %	4.0 %	4.0 %	4.0 %	2.0 %	2.0 %	2.0 %
EBIT	21.5	47.6	53.3	60.8	65.0	69.6	73.0	76.7	79.7	82.9	86.3	88.0	89.7	
EBIT-margin	8.0 %	13.4 %	14.2 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	
Tax rate (EBT)	29.1 %	29.4 %	29.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	
NOPAT	15.2	33.6	37.6	43.4	46.5	49.7	52.2	54.8	57.0	59.3	61.7	62.9	64.2	
Depreciation	7.9	8.5	8.5	12.2	12.1	13.0	13.6	14.3	14.9	15.5	16.1	16.4	16.8	
in % of Sales	2.9 %	2.4 %	2.3 %	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	
Change in Liquidity from														
- Working Capital	19.8	4.9	7.7	4.5	8.8	9.4	7.2	7.5	6.3	6.6	6.9	3.6	3.6	
- Capex	11.6	11.6	11.5	23.0	13.0	13.9	14.6	15.3	15.9	16.6	17.3	17.6	17.9	
Capex in % of Sales	4.3 %	3.3 %	3.1 %	3.2 %	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)	-8.3	25.6	26.9	28.2	36.8	39.4	44.1	46.3	49.6	51.6	53.7	58.2	59.3	61
PV of FCF	-8.5	24.1	23.1	22.1	26.3	25.7	26.2	25.1	24.5	23.3	22.1	21.8	20.3	272
share of PVs	7.05 %			43.30 %										49.64 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	4.00 %	Financial Strength	1.10
Cost of debt (after tax)	2.9 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicalit	1.60
Risk free rate	2.75 %	Transparency	1.10
		Others	1.40
WACC	9.62 %	Beta	1.30

Valuation (m)

Present values 2034e	276		
Terminal Value	272		
Financial liabilities	18		
Pension liabilities	5		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	47	No. of shares (m)	19.1
Equity Value	572	Value per share (EUR)	29.92

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.49	10.6 %	25.31	25.59	25.89	26.21	26.55	26.91	27.29	1.49	10.6 %	23.06	24.11	25.16	26.21	27.26	28.31	29.36
1.39	10.1 %	26.88	27.22	27.57	27.95	28.35	28.78	29.24	1.39	10.1 %	24.61	25.72	26.84	27.95	29.06	30.18	31.29
1.35	9.9 %	27.74	28.10	28.49	28.90	29.34	29.82	30.32	1.35	9.9 %	25.46	26.61	27.76	28.90	30.05	31.20	32.35
1.30	9.6 %	28.65	29.04	29.47	29.92	30.41	30.92	31.48	1.30	9.6 %	26.36	27.55	28.74	29.92	31.11	32.29	33.48
1.25	9.4 %	29.61	30.05	30.51	31.01	31.54	32.11	32.72	1.25	9.4 %	27.33	28.56	29.78	31.01	32.24	33.46	34.69
1.21	9.1 %	30.64	31.12	31.63	32.18	32.76	33.39	34.07	1.21	9.1 %	28.37	29.64	30.91	32.18	33.45	34.71	35.98
1.11	8.6 %	32.92	33.50	34.12	34.78	35.50	36.27	37.11	1.11	8.6 %	30.69	32.05	33.42	34.78	36.15	37.51	38.87

- Growth estimate slightly below company target of EUR 400m by 2025
- Sustainable EBIT margin of 15% anticipated...

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	2018	2019	2020	2021	2022e	2023e	2024e	
Net Income before minorities	4.8	-16.3	12.3	16.0	14.9	33.4	37.6	
+ Depreciation + Amortisation	4.8	8.6	7.8	7.1	7.9	8.5	8.5	
- Net Interest Income	-0.1	-0.4	-0.4	-0.5	-0.3	-0.2	0.0	
- Maintenance Capex	2.5	2.7	2.7	2.7	2.7	2.7	2.7	
+ Other	-2.0	0.0	14.2	2.6	0.0	0.0	0.0	
= Free Cash Flow Potential	5.3	-10.0	32.0	23.4	20.4	39.4	43.4	
FCF Potential Yield (on market EV)	2.3 %	-4.8 %	13.8 %	5.4 %	7.3 %	15.3 %	18.4 %	
WACC	9.62 %	9.62 %	9.62 %	9.62 %	9.62 %	9.62 %	9.62 %	
= Enterprise Value (EV)	232.5	210.4	232.3	430.1	280.3	257.9	235.8	
= Fair Enterprise Value	54.7	n.a.	332.9	243.5	212.6	409.8	451.2	
- Net Debt (Cash)	-33.8	-33.8	-33.8	-33.8	-22.1	-44.5	-66.6	
- Pension Liabilities	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
- 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	83.1	n.a.	361.3	271.9	229.4	449.0	512.4	
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1	
= Fair value per share (EUR)	4.35	n.a.	18.90	14.23	12.00	23.49	26.81	
premium (-) / discount (+) in %					-22.8 %	51.1 %	72.5 %	
Sensitivity Fair value per Share (EUR)								
	12.62 %	3.67	n.a.	14.77	11.21	9.36	18.40	21.21
	11.62 %	3.86	n.a.	15.92	12.04	10.09	19.81	22.76
	10.62 %	4.08	n.a.	17.27	13.04	10.96	21.49	24.60
WACC	9.62 %	4.35	n.a.	18.90	14.23	12.00	23.49	26.81
	8.62 %	4.69	n.a.	20.94	15.72	13.30	26.00	29.57
	7.62 %	5.11	n.a.	23.49	17.58	14.93	29.14	33.03
	6.62 %	5.65	n.a.	26.82	20.02	17.05	33.23	37.54

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

Valuation							
	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	1.8 x	1.5 x	1.8 x	2.9 x	1.8 x	1.5 x	1.3 x
Book value per share ex intangibles	6.42	5.52	5.92	6.95	7.48	9.07	10.79
EV / Sales	1.1 x	1.0 x	0.9 x	1.6 x	1.0 x	0.7 x	0.6 x
EV / EBITDA	14.8 x	n.a.	8.2 x	14.5 x	9.5 x	4.6 x	3.8 x
EV / EBIT	21.4 x	n.a.	11.4 x	19.1 x	13.0 x	5.4 x	4.4 x
EV / EBIT adj.*	21.4 x	445.7 x	10.1 x	19.1 x	13.0 x	5.4 x	4.4 x
P / FCF	n.a.	n.a.	5.2 x	31.2 x	n.a.	11.7 x	11.0 x
P / E	53.5 x	n.a.	19.8 x	28.6 x	19.9 x	8.9 x	7.9 x
P / E adj.*	19.4 x	n.a.	16.5 x	28.6 x	19.9 x	8.9 x	7.9 x
Dividend Yield	n.a.	n.a.	n.a.	0.7 %	1.0 %	1.6 %	1.6 %
FCF Potential Yield (on market EV)	2.3 %	-4.8 %	13.8 %	5.4 %	7.3 %	15.3 %	18.4 %

*Adjustments made for: -

Company Specific Items							
	2018	2019	2020	2021	2022e	2023e	2024e
Order entry	191.0	219.2	281.1	335.6	375.0	0.0	0.0
Order backlog	0.0	93.2	120.1	193.3	298.3	0.0	0.0

Consolidated profit and loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	203.9	213.8	252.1	263.4	270.0	355.0	375.0
Change Sales yoy	22.5 %	4.8 %	17.9 %	4.5 %	2.5 %	31.5 %	5.6 %
COGS	136.7	164.1	168.4	169.2	172.8	227.2	238.9
Gross profit	67.3	49.7	83.7	94.2	97.2	127.8	136.1
<i>Gross margin</i>	<i>33.0 %</i>	<i>23.3 %</i>	<i>33.2 %</i>	<i>35.8 %</i>	<i>36.0 %</i>	<i>36.0 %</i>	<i>36.3 %</i>
Research and development	18.3	20.2	19.8	22.1	25.5	27.5	28.0
Sales and marketing	21.9	22.9	23.5	24.9	25.5	27.0	28.0
Administration expenses	15.9	18.9	20.8	22.9	24.0	25.0	26.0
Other operating expenses	3.5	3.2	3.4	5.9	0.7	0.7	0.8
Other operating income	3.2	1.7	4.3	4.2	0.0	0.0	0.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	15.7	-5.2	28.2	29.6	29.4	56.1	61.8
<i>Margin</i>	<i>7.7 %</i>	<i>-2.4 %</i>	<i>11.2 %</i>	<i>11.2 %</i>	<i>10.9 %</i>	<i>15.8 %</i>	<i>16.5 %</i>
Depreciation of fixed assets	3.6	7.3	7.1	6.4	7.0	7.5	7.5
EBITA	12.1	-12.5	21.1	23.2	22.4	48.6	54.3
Amortisation of intangible assets	1.2	1.2	0.7	0.7	0.9	1.0	1.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.9	-13.8	20.4	22.6	21.5	47.6	53.3
<i>Margin</i>	<i>5.3 %</i>	<i>-6.4 %</i>	<i>8.1 %</i>	<i>8.6 %</i>	<i>8.0 %</i>	<i>13.4 %</i>	<i>14.2 %</i>
EBIT adj.	10.9	0.5	23.0	22.6	21.5	47.6	53.3
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Interest expenses	0.2	0.4	0.4	0.5	0.3	0.2	0.2
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	10.7	-14.1	20.0	22.1	21.2	47.4	53.3
<i>Margin</i>	<i>5.3 %</i>	<i>-6.6 %</i>	<i>7.9 %</i>	<i>8.4 %</i>	<i>7.9 %</i>	<i>13.4 %</i>	<i>14.2 %</i>
Total taxes	6.0	2.1	7.7	6.1	6.3	14.0	15.7
Net income from continuing operations	4.8	-16.3	12.3	16.0	14.9	33.4	37.6
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	4.8	-16.3	12.3	16.0	14.9	33.4	37.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	4.8	-16.3	12.3	16.0	14.9	33.4	37.6
<i>Margin</i>	<i>2.3 %</i>	<i>-7.6 %</i>	<i>4.9 %</i>	<i>6.1 %</i>	<i>5.5 %</i>	<i>9.4 %</i>	<i>10.0 %</i>
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1
EPS	0.25	-0.85	0.65	0.84	0.78	1.75	1.97
EPS adj.	0.69	-0.11	0.78	0.84	0.78	1.75	1.97

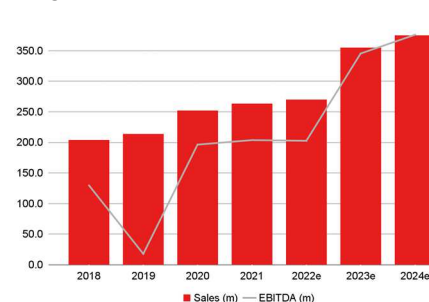
*Adjustments made for:

Guidance: 2022: Sales: 270-300m; EBIT 8.5-10.5%

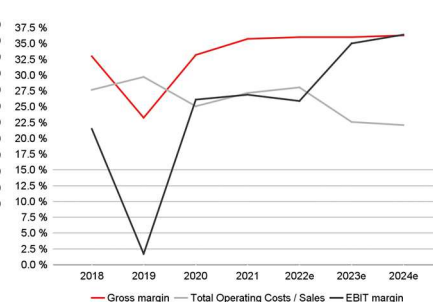
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	27.7 %	29.7 %	25.1 %	27.2 %	28.0 %	22.6 %	22.1 %
Operating Leverage	-1.0 x	n.a.	n.a.	2.3 x	-1.9 x	3.9 x	2.1 x
EBITDA / Interest expenses	90.3 x	n.m.	66.6 x	63.5 x	98.0 x	280.5 x	309.1 x
Tax rate (EBT)	55.4 %	-15.2 %	38.3 %	27.5 %	29.5 %	29.5 %	29.5 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	19.1 %	20.5 %	14.3 %	12.7 %
Sales per Employee	231,740	228,174	263,139	237,760	234,783	295,833	300,000

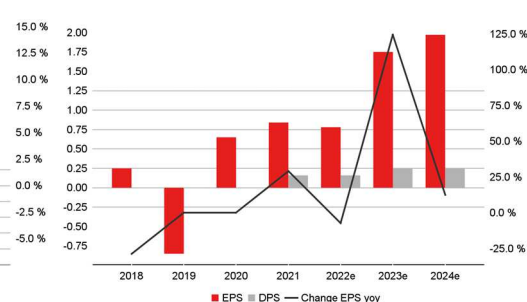
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

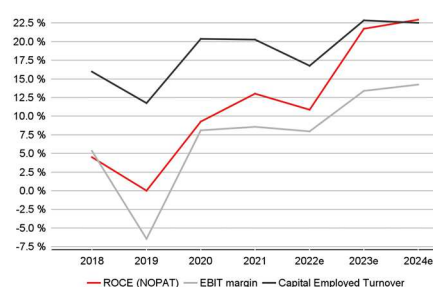
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	17.7	19.9	23.4	24.0	24.3	24.4	24.4
thereof other intangible assets	1.9	4.2	5.0	5.6	5.8	5.9	5.9
thereof Goodwill	15.7	15.7	18.3	18.4	18.4	18.4	18.4
Property, plant and equipment	26.2	33.9	40.4	44.5	48.0	51.0	54.0
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	43.9	53.8	63.7	68.5	72.3	75.4	78.4
Inventories	93.5	75.0	73.0	99.5	110.2	104.4	110.3
Accounts receivable	25.1	50.2	48.0	47.4	44.4	48.6	46.2
Liquid assets	30.7	10.3	40.8	52.1	37.6	60.0	81.4
Other short-term assets	6.4	10.6	5.9	11.6	10.2	10.2	10.2
Current assets	155.7	146.1	167.7	210.7	202.4	223.2	248.1
Total Assets	199.6	199.9	231.4	279.2	274.7	298.6	326.5
Liabilities and shareholders' equity							
Subscribed capital	19.1	19.1	19.1	19.1	19.1	19.1	19.1
Capital reserve	122.9	106.6	119.0	135.0	135.0	135.0	135.0
Retained earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity components	-1.5	-0.3	-1.6	2.8	13.3	43.7	76.5
Shareholders' equity	140.4	125.4	136.5	156.9	167.4	197.8	230.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	140.4	125.4	136.5	156.9	167.4	197.8	230.6
Provisions	10.3	10.2	10.9	11.2	11.2	11.2	11.2
thereof provisions for pensions and similar obligations	5.1	6.0	6.4	5.3	5.3	5.3	5.3
Financial liabilities (total)	2.5	28.3	20.5	18.3	15.5	15.5	14.8
Short-term financial liabilities	1.0	10.4	1.4	1.2	1.2	1.2	1.2
Accounts payable	9.0	10.0	9.8	24.4	11.1	14.6	15.4
Other liabilities	37.3	26.0	53.7	68.4	69.5	59.5	54.5
Liabilities	59.1	74.5	94.9	122.3	107.3	100.8	95.9
Total liabilities and shareholders' equity	199.6	199.9	231.4	279.2	274.7	298.6	326.5

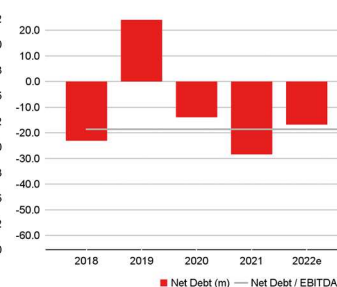
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	1.7 x	1.5 x	2.0 x	2.0 x	1.7 x	2.2 x	2.1 x
Capital Employed Turnover	1.7 x	1.4 x	2.1 x	2.1 x	1.8 x	2.2 x	2.2 x
ROA	10.9 %	-30.3 %	19.4 %	23.4 %	20.7 %	44.3 %	47.9 %
Return on Capital							
ROCE (NOPAT)	4.5 %	n.a.	9.3 %	13.0 %	10.9 %	21.7 %	22.9 %
ROE	3.6 %	-12.2 %	9.4 %	10.9 %	9.2 %	18.3 %	17.5 %
Adj. ROE	9.9 %	-1.6 %	11.4 %	10.9 %	9.2 %	18.3 %	17.5 %
Balance sheet quality							
Net Debt	-23.1	24.0	-13.9	-28.4	-16.8	-39.2	-61.3
Net Financial Debt	-28.2	18.0	-20.3	-33.8	-22.1	-44.5	-66.6
Net Gearing	-16.4 %	19.2 %	-10.2 %	-18.1 %	-10.0 %	-19.8 %	-26.6 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	7.3	6.6	7.1	8.2	8.8	10.3	12.1
Book value per share ex intangibles	6.4	5.5	5.9	7.0	7.5	9.1	10.8

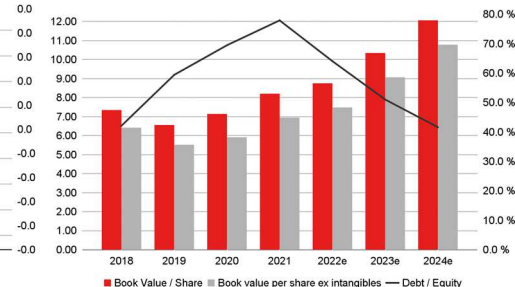
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

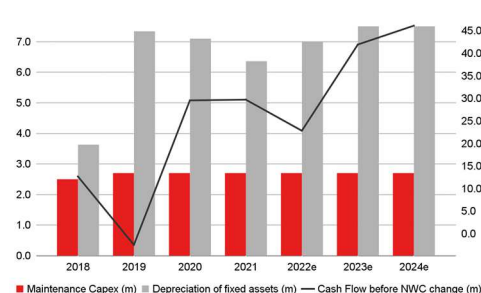
Consolidated cash flow statement

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	4.8	-16.3	12.3	16.0	14.9	33.4	37.6
Depreciation of fixed assets	3.6	7.3	7.1	6.4	7.0	7.5	7.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	1.2	0.7	0.7	0.9	1.0	1.0
Increase/decrease in long-term provisions	0.2	0.1	0.4	-1.2	0.0	0.0	0.0
Other non-cash income and expenses	2.9	5.2	9.1	7.8	0.0	0.0	0.0
Cash Flow before NWC change	12.7	-2.4	29.5	29.7	22.8	41.9	46.1
Increase / decrease in inventory	-29.8	4.6	9.8	-29.5	-10.7	5.8	-5.9
Increase / decrease in accounts receivable	-1.9	-25.0	2.1	1.9	3.0	-4.2	2.4
Increase / decrease in accounts payable	1.7	-8.0	13.7	22.3	-12.2	-6.5	-4.2
Increase / decrease in other working capital positions	19.3	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-10.8	-28.4	25.6	-5.4	-19.8	-4.9	-7.7
Net cash provided by operating activities [1]	1.9	-30.8	55.1	24.3	3.0	37.0	38.4
Investments in intangible assets	0.6	3.4	1.1	1.2	1.1	1.1	1.0
Investments in property, plant and equipment	6.3	5.7	8.0	8.5	10.5	10.5	10.5
Payments for acquisitions	0.0	0.0	-3.3	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	0.1	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-6.9	-6.1	-11.2	-9.6	-11.6	-11.6	-11.5
Change in financial liabilities	-1.0	16.4	-13.3	-3.8	-2.8	0.0	-0.7
Dividends paid	0.0	0.0	0.0	0.0	-3.1	-3.1	-4.8
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]	-1.0	16.4	-13.3	-3.8	-5.9	-3.1	-5.5
Change in liquid funds [1]+[2]+[3]	-6.0	-20.5	30.7	10.9	-14.4	22.4	21.4
Effects of exchange-rate changes on cash	0.2	0.1	-0.2	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	30.7	10.3	40.8	51.7	37.6	60.0	81.4

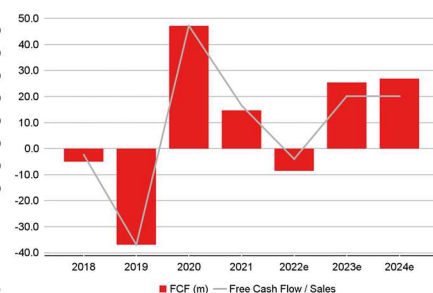
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	-5.0	-36.9	47.2	14.7	-8.6	25.4	26.9
Free Cash Flow / Sales	-2.5 %	-17.3 %	18.7 %	5.6 %	-3.2 %	7.2 %	7.2 %
Free Cash Flow Potential	5.3	-10.0	32.0	23.4	20.4	39.4	43.4
Free Cash Flow / Net Profit	-105.1 %	226.9 %	382.4 %	91.9 %	-57.3 %	76.1 %	71.5 %
Interest Received / Avg. Cash	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.3 %
Interest Paid / Avg. Debt	5.8 %	2.5 %	1.7 %	2.4 %	1.8 %	1.3 %	1.3 %
Management of Funds							
Investment ratio	3.4 %	4.2 %	3.6 %	3.7 %	4.3 %	3.3 %	3.1 %
Maint. Capex / Sales	1.2 %	1.3 %	1.1 %	1.0 %	1.0 %	0.8 %	0.7 %
Capex / Dep	143.2 %	105.6 %	117.1 %	136.4 %	146.8 %	136.5 %	135.3 %
Avg. Working Capital / Sales	39.5 %	46.1 %	37.9 %	33.0 %	36.5 %	31.3 %	31.3 %
Trade Debtors / Trade Creditors	278.4 %	501.1 %	487.7 %	194.0 %	400.0 %	332.9 %	300.0 %
Inventory Turnover	1.5 x	2.2 x	2.3 x	1.7 x	1.6 x	2.2 x	2.2 x
Receivables collection period (days)	45	86	69	66	60	50	45
Payables payment period (days)	24	22	21	53	23	23	24
Cash conversion cycle (Days)	222	210	151	155	195	154	159

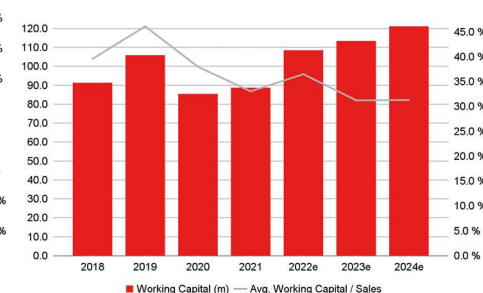
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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SOURCES

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
SÜSS MicroTec	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A1K0235.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.

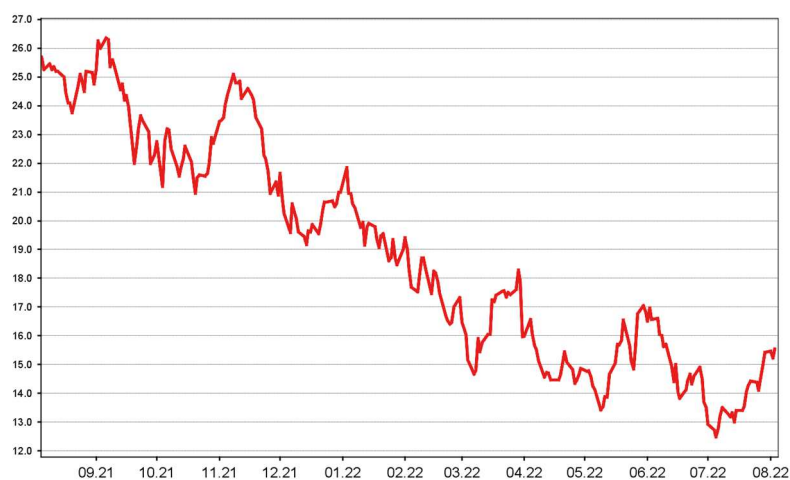
WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	163	76
Hold	43	20
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	49	83
Hold	7	12
Sell	1	2
Rating suspended	2	3
Total	59	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 04.08.2022


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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