

Buy EUR 19.00 Price EUR 12.80 Upside 48.4 %	Value Indicators: EUR DCF: 19.00 FCF-Value Potential 21e: 13.40	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: 244.5 No. of shares (m): 19.1 EV: 272.1 Freefloat MC: 244.5 Ø Trad. Vol. (30d): 1.15 m	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: 1.9 x Equity Ratio: 62 % Net Fin. Debt / EBITDA: 1.1 x Net Debt / EBITDA: 1.4 x

Q2 orders at high end of range and earnings ahead of expectations

Figures Q2/2020: FY End: 31.12. in EUR m										Comment on Figures: <ul style="list-style-type: none"> Orders of EUR 94m at high end of preliminary range (EUR 88-96m) Revenues of EUR 72m above expectations as a result of very high contributions from photomask business EBIT reached a high level of EUR 8.8m in Q2 and surpassed expectations It is assumed that costs for the closure of the US scanner site stood at just above EUR 0.5m in Q2 (EUR 4.3m in H1). The adj. EBIT margin is thus expected to have reached ~13% in Q2 and 6.6% in H1 									
	Q2	Q2	Q2		6M	6M	6M												
	20	20e	19	yoy	20	20e	19	yoy											
Order entry	94.0	90.0	45.0	109 %	163.0	159.0	91.7	78 %											
Sales	72.0	65.2	47.0	53 %	113.7	106.9	94.1	21 %											
EBIT	8.8	5.2	-2.9	n.a.	3.2	-0.5	-0.8	n.a.											
Margin	12.2 %	7.9 %	-6.2 %		2.8 %	-0.4 %	-0.8 %												
EBIT adj.	9.4	6.5	-2.9	n.a.	7.5	4.5	-0.8	n.a.											
Margin	13.1 %	9.9 %	-6.2 %		6.6 %	4.2 %	-0.8 %												

SÜSS released Q2 revenues and earnings, which were higher than forecast, and increased the FY guidance at operating level, as expected.

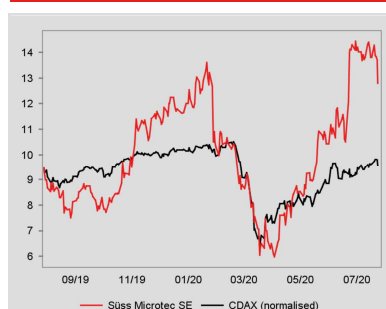
Q2 profitability is ahead of expectations. SÜSS has not yet released an adjusted earnings figure (excl. costs for closure of US scanner site). Based on the above assumptions, the adj. EBIT margin of ~13% is well above the expected 10% level. As the higher top line explains ~2pp of the beat, the gross margin recovery should have been even slightly better than expected (WRe 32-33%) or OPEX developed more favourably.

The hike of the FY 2020 revenue guidance was not unexpected after the record quarterly order level. SÜSS is now expecting sales of EUR 240 – 260m (up from EUR 230 – 240m), which compares with WRe EUR 253.5m. At EBIT level, SÜSS is now guiding for a 3 – 5% reported margin which compares with the previous guidance for 4.5 – 5.5% adjusted. One-off costs for the closure of the US site are expected to reach ~2.5% of sales, which translates into a margin target of 5.5 – 7.5% at adjusted level.

At the sales midpoint (EUR 250m), SÜSS requires H2 EBIT of just below EUR 7m to reach the margin midpoint (4% or EUR 10m). As the bulk of the one-off costs were registered in H1, ~ EUR 2m should be accounted in H2, which implies an adj. EBIT of just below EUR 9m in H2 (after EUR 7.5m in H1) or a similar adj. EBIT margin of ~6.5%. This **assumption appears conservative** as the clearly higher sales base (+20%) should have positive operating leverage effects. It is hence expected that profitability development will be ahead of the new guidance.

After the high orders, the **better Q2 profitability signals that SÜSS is well on track to reach the expected earnings improvement.** It is expected that Q3+4 will confirm this trend. The investment case is hence considered to be intact. **Buy with unchanged PT of EUR 19.**

Changes in Estimates: FY End: 31.12. in EUR m							Comment on Changes: <ul style="list-style-type: none"> Costs of EUR 6.5m (EUR 5m so far) for the closure of the US scanner site are now assumed for 2020 (SÜSS is guiding for a mid single-digit million figure vs. high single-digit in early 2020). EUR 4.3m should have been accounted in H1, and an additional ~EUR 2m should affect H2 Assumptions for operating development unchanged. 												
	2020e	+ / -	2021e	+ / -	2022e	+ / -													
	(old)		(old)		(old)														
Sales	253.5	0.0 %	259.0	0.0 %	273.0	0.0 %													
EBIT	13.9	-10.8 %	21.9	0.0 %	27.3	0.0 %													
EBIT adj.	18.9	0.0 %	21.9	0.0 %	27.3	0.0 %													

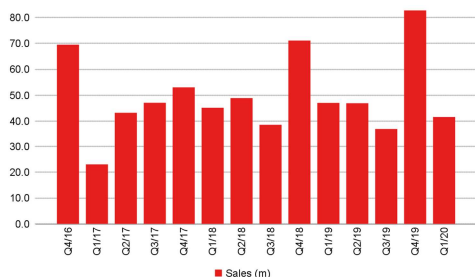


Rel. Performance vs CDAX:	
1 month:	-15.6 %
6 months:	6.3 %
Year to date:	12.3 %
Trailing 12 months:	34.7 %

Company events:	
06.08.20	Q2
10.11.20	Q3

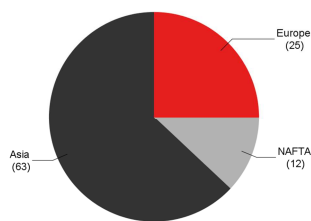
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	8.5 %	177.6	166.5	203.9	213.8	253.5	259.0	273.0
Change Sales yoy		19.6 %	-6.2 %	22.5 %	4.8 %	18.6 %	2.2 %	5.4 %
Gross profit margin		33.0 %	35.7 %	33.0 %	23.3 %	31.3 %	34.0 %	34.9 %
EBITDA	-	15.3	18.0	15.7	-5.2	20.1	30.2	36.1
EBIT	-	11.1	13.9	10.9	-13.8	12.4	21.9	27.3
Margin		6.3 %	8.3 %	5.3 %	-6.4 %	4.9 %	8.4 %	10.0 %
EBIT adj.		14.2	13.9	10.9	0.5	18.9	21.9	27.3
Margin		8.0 %	8.3 %	5.3 %	0.2 %	7.4 %	8.4 %	10.0 %
Net income	-	5.0	6.7	4.8	-16.3	6.7	14.9	18.7
EPS	-	0.26	0.35	0.25	-0.85	0.35	0.78	0.98
EPS adj.	-	0.38	0.35	0.69	-0.11	0.61	0.78	0.98
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		-0.47	0.15	-0.26	-1.93	0.02	1.33	1.24
FCF / Market cap		-6.5 %	1.3 %	-2.0 %	-19.8 %	0.1 %	10.4 %	9.7 %
EV / Sales		0.6 x	1.2 x	1.1 x	1.0 x	1.1 x	1.0 x	0.8 x
EV / EBITDA		7.4 x	11.2 x	14.8 x	n.a.	13.6 x	8.2 x	6.2 x
EV / EBIT adj.		7.9 x	14.5 x	21.4 x	445.7 x	14.4 x	11.3 x	8.2 x
P / E		28.1 x	34.4 x	53.5 x	n.a.	36.6 x	16.4 x	13.1 x
FCF Potential Yield		9.4 %	3.2 %	3.1 %	2.0 %	6.3 %	8.5 %	11.3 %
Net Debt		-26.3	-28.2	-23.1	24.0	27.6	2.2	-21.5
ROCE (NOPAT)		5.8 %	6.9 %	4.5 %	n.a.	4.5 %	9.7 %	12.5 %
Guidance:		2020: Sales EUR 230 - 240m; EBIT adj. 4.5 - 5.5%						

Sales development
in EUR m



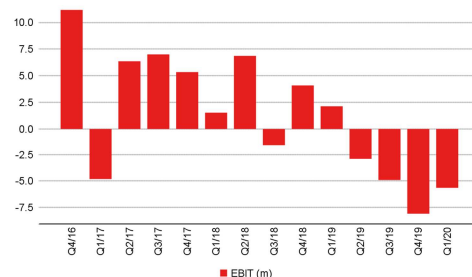
Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

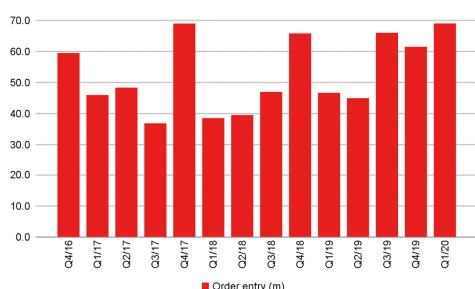
Company Background

- 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

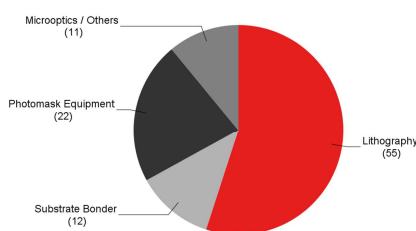
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



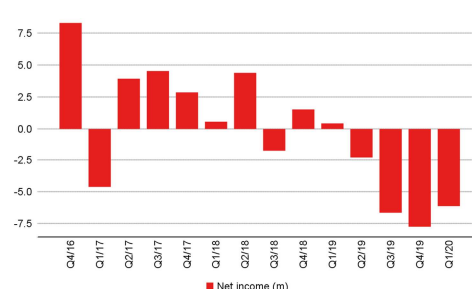
Source: Warburg Research

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	253.5	259.0	273.0	292.1	312.6	334.4	351.2	368.7	387.2	402.6	414.7	423.0	429.4	1.5 %
Sales change	18.6 %	2.2 %	5.4 %	7.0 %	7.0 %	7.0 %	5.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.0 %	1.5 %	
EBIT	12.4	21.9	27.3	32.7	36.9	40.1	42.1	44.2	46.5	48.3	49.8	50.8	51.5	12.0 %
EBIT-margin	4.9 %	8.4 %	10.0 %	11.2 %	11.8 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	
Tax rate (EBT)	16.6 %	15.6 %	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	10.3	18.5	23.0	23.4	26.4	28.7	30.1	31.6	33.2	34.5	35.6	36.3	36.8	
Depreciation	7.7	8.3	8.8	8.8	8.8	9.4	9.8	10.3	10.8	11.3	11.6	11.8	12.0	2.8 %
in % of Sales	3.0 %	3.2 %	3.2 %	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	7.6	-9.1	-2.2	3.0	4.2	7.7	5.9	6.1	6.5	5.4	4.2	2.9	2.2	12.9
- Capex	11.0	10.0	10.0	19.3	9.4	10.0	10.5	11.1	11.6	12.1	12.4	12.7	12.9	
Capex in % of Sales	4.4 %	3.9 %	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)	-0.7	25.9	24.0	9.8	21.5	20.4	23.6	24.8	26.0	28.3	30.5	32.5	33.8	34
PV of FCF	-0.7	24.0	20.6	7.8	15.8	13.8	14.8	14.3	13.9	14.0	14.0	13.8	13.2	201
share of PVs	11.52 %			35.57 %										52.91 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	8.50 %	Financial Strength	1.10
Cost of debt (after tax)	2.9 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicalit	1.60
Risk free rate	1.50 %	Transparency	1.10
		Others	1.40
WACC	8.16 %	Beta	1.30

Valuation (m)

Present values 2032e	179		
Terminal Value	201		
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	361	Value per share (EUR)	18.89

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 %	15.32	15.54	15.79	16.05	16.33	16.62	16.94	1.50	9.2 %	13.36	14.26	15.15	16.05	16.94	17.84	18.73
1.40	8.7 %	16.49	16.76	17.05	17.37	17.70	18.06	18.45	1.40	8.7 %	14.50	15.45	16.41	17.37	18.32	19.28	20.23
1.35	8.4 %	17.13	17.43	17.75	18.10	18.47	18.87	19.30	1.35	8.4 %	15.13	16.12	17.11	18.10	19.09	20.08	21.07
1.30	8.2 %	17.82	18.15	18.51	18.89	19.30	19.74	20.23	1.30	8.2 %	15.81	16.83	17.86	18.89	19.91	20.94	21.97
1.25	7.9 %	18.56	18.92	19.32	19.74	20.20	20.69	21.23	1.25	7.9 %	16.54	17.61	18.67	19.74	20.81	21.87	22.94
1.20	7.7 %	19.35	19.76	20.19	20.66	21.17	21.73	22.34	1.20	7.7 %	17.34	18.45	19.55	20.66	21.77	22.88	23.99
1.10	7.2 %	21.14	21.63	22.17	22.76	23.40	24.11	24.88	1.10	7.2 %	19.14	20.35	21.56	22.76	23.97	25.17	26.38

- 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	2016	2017	2018	2019	2020e	2021e	2022e	
Net Income before minorities	5.0	6.7	4.8	-16.3	6.7	14.9	18.7	
+ Depreciation + Amortisation	4.2	4.1	4.8	8.6	7.7	8.3	8.8	
- Net Interest Income	-0.6	-0.2	-0.1	-0.4	-0.5	-0.4	-0.3	
- Maintenance Capex	2.2	2.4	2.5	2.7	2.7	2.7	2.7	
+ Other	3.1	-2.0	0.0	14.2	5.0	0.0	0.0	
= Free Cash Flow Potential	10.7	6.5	7.3	4.2	17.2	20.9	25.1	
FCF Potential Yield (on market EV)	9.4 %	3.2 %	3.1 %	2.0 %	6.3 %	8.5 %	11.3 %	
WACC	8.16 %	8.16 %	8.16 %	8.16 %	8.16 %	8.16 %	8.16 %	
= Enterprise Value (EV)	113.2	202.1	232.5	210.4	272.3	246.9	223.2	
= Fair Enterprise Value	130.9	80.0	89.1	51.1	211.0	256.4	308.3	
- Net Debt (Cash)	18.0	18.0	18.0	18.0	21.6	-3.9	-27.6	
- Pension Liabilities	6.0	6.0	6.0	6.0	6.0	6.0	6.0	
- 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	106.9	56.0	65.0	27.1	183.4	254.2	329.8	
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1	
= Fair value per share (EUR)	5.59	2.93	3.40	1.42	9.59	13.30	17.25	
premium (-) / discount (+) in %					-25.1 %	3.9 %	34.8 %	
Sensitivity Fair value per Share (EUR)								
	11.16 %	3.75	1.81	2.15	0.70	6.63	9.70	12.93
	10.16 %	4.25	2.11	2.49	0.89	7.43	10.67	14.09
	9.16 %	4.85	2.47	2.89	1.12	8.39	11.84	15.50
WACC	8.16 %	5.60	2.93	3.40	1.42	9.60	13.31	17.27
	7.16 %	6.55	3.52	4.06	1.79	11.14	15.18	19.52
	6.16 %	7.82	4.29	4.92	2.29	13.19	17.67	22.51
	5.16 %	9.58	5.37	6.12	2.97	16.03	21.12	26.66

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

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	1.1 x	1.8 x	1.8 x	1.5 x	1.9 x	1.6 x	1.4 x
Book value per share ex intangibles	5.49	5.69	6.42	5.52	5.93	6.94	8.19
EV / Sales	0.6 x	1.2 x	1.1 x	1.0 x	1.1 x	1.0 x	0.8 x
EV / EBITDA	7.4 x	11.2 x	14.8 x	n.a.	13.6 x	8.2 x	6.2 x
EV / EBIT	10.2 x	14.5 x	21.4 x	n.a.	22.0 x	11.3 x	8.2 x
EV / EBIT adj.*	7.9 x	14.5 x	21.4 x	445.7 x	14.4 x	11.3 x	8.2 x
P / FCF	n.a.	79.7 x	n.a.	n.a.	780.5 x	9.6 x	10.3 x
P / E	28.1 x	34.4 x	53.5 x	n.a.	36.6 x	16.4 x	13.1 x
P / E adj.*	19.2 x	34.4 x	19.4 x	n.a.	21.0 x	16.4 x	13.1 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	9.4 %	3.2 %	3.1 %	2.0 %	6.3 %	8.5 %	11.3 %

*Adjustments made for: -

Company Specific Items	2016	2017	2018	2019	2020e	2021e	2022e
Order entry	161.0	200.3	191.0	219.2	263.0	0.0	0.0
Order backlog	101.0	133.0	0.0	93.2	0.0	0.0	0.0

Consolidated profit and loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	177.6	166.5	203.9	213.8	253.5	259.0	273.0
Change Sales yoy	19.6 %	-6.2 %	22.5 %	4.8 %	18.6 %	2.2 %	5.4 %
COGS	119.0	107.0	136.7	164.1	174.1	170.9	177.7
Gross profit	58.6	59.5	67.3	49.7	79.4	88.1	95.3
Gross margin	33.0 %	35.7 %	33.0 %	23.3 %	31.3 %	34.0 %	34.9 %
Research and development	14.1	15.2	18.3	20.2	20.5	20.5	21.0
Sales and marketing	20.5	19.6	21.9	22.9	25.0	25.5	26.5
Administration expenses	13.6	13.4	15.9	18.9	20.0	20.0	20.5
Other operating expenses	3.5	3.8	3.5	3.2	1.5	0.2	0.0
Other operating income	4.3	6.3	3.2	1.7	0.0	0.0	0.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	15.3	18.0	15.7	-5.2	20.1	30.2	36.1
Margin	8.6 %	10.8 %	7.7 %	-2.4 %	7.9 %	11.6 %	13.2 %
Depreciation of fixed assets	2.9	2.8	3.6	7.3	6.0	6.5	7.0
EBITA	12.4	15.1	12.1	-12.5	14.1	23.7	29.1
Amortisation of intangible assets	1.3	1.2	1.2	1.2	1.7	1.8	1.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	11.1	13.9	10.9	-13.8	12.4	21.9	27.3
Margin	6.3 %	8.3 %	5.3 %	-6.4 %	4.9 %	8.4 %	10.0 %
EBIT adj.	14.2	13.9	10.9	0.5	18.9	21.9	27.3
Interest income	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.7	0.2	0.2	0.4	0.5	0.4	0.3
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	10.5	13.8	10.7	-14.1	11.9	21.5	27.0
Margin	5.9 %	8.3 %	5.3 %	-6.6 %	4.7 %	8.3 %	9.9 %
Total taxes	5.5	7.0	6.0	2.1	5.1	6.5	8.2
Net income from continuing operations	5.0	6.7	4.8	-16.3	6.7	14.9	18.7
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	5.0	6.7	4.8	-16.3	6.7	14.9	18.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	5.0	6.7	4.8	-16.3	6.7	14.9	18.7
Margin	2.8 %	4.0 %	2.3 %	-7.6 %	2.6 %	5.8 %	6.9 %
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1
EPS	0.26	0.35	0.25	-0.85	0.35	0.78	0.98
EPS adj.	0.38	0.35	0.69	-0.11	0.61	0.78	0.98

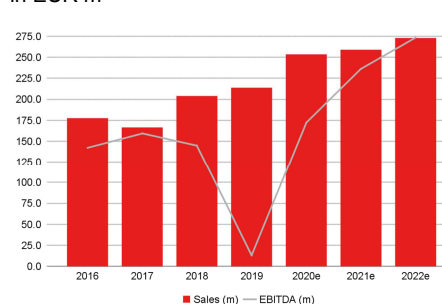
*Adjustments made for:

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

Financial Ratios

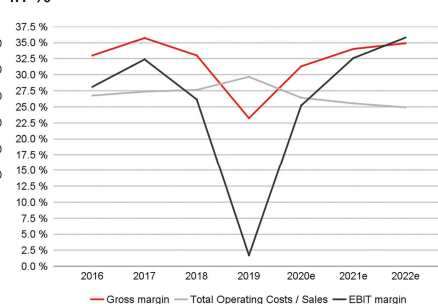
	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	26.7 %	27.4 %	27.7 %	29.7 %	26.4 %	25.6 %	24.9 %
Operating Leverage	6.3 x	-4.0 x	-1.0 x	n.a.	n.a.	35.5 x	4.6 x
EBITDA / Interest expenses	21.2 x	86.8 x	90.3 x	n.m.	40.1 x	75.4 x	120.3 x
Tax rate (EBT)	52.4 %	51.2 %	55.4 %	-15.2 %	43.4 %	30.5 %	30.5 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	249,063	254,235	231,740	228,174	387,023	395,420	416,794

Sales, EBITDA
in EUR m



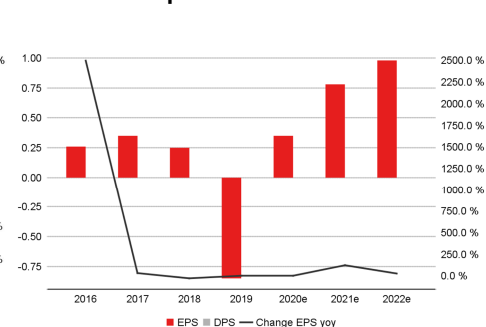
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

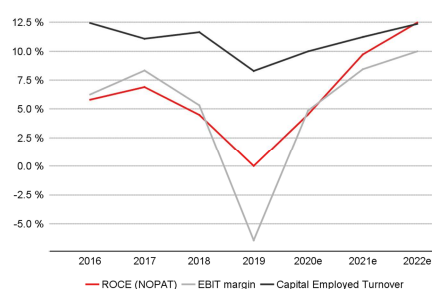
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	19.4	18.2	17.7	19.9	18.8	17.5	16.2
thereof other intangible assets	3.3	2.5	1.9	4.2	3.0	1.7	0.4
thereof Goodwill	15.8	15.6	15.7	15.7	15.7	15.7	15.7
Property, plant and equipment	20.6	23.3	26.2	33.9	42.4	45.4	47.9
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	39.9	41.5	43.9	53.8	61.2	62.9	64.1
Inventories	73.8	97.9	93.5	75.0	105.6	99.6	105.0
Accounts receivable	24.1	19.6	25.1	50.2	34.7	31.9	29.9
Liquid assets	35.6	36.5	30.7	10.3	4.3	21.8	39.9
Other short-term assets	6.2	6.4	6.4	10.6	5.9	5.9	5.9
Current assets	139.7	160.5	155.7	146.1	150.5	159.1	180.7
Total Assets	179.6	202.0	199.6	199.9	211.7	222.0	244.8
Liabilities and shareholders' equity							
Subscribed capital	19.1	19.1	19.1	19.1	19.1	19.1	19.1
Capital reserve	103.8	110.3	122.9	106.6	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	1.4	-2.4	-1.5	-0.3	6.4	24.4	47.1
Shareholders' equity	124.4	127.0	140.4	125.4	132.1	150.1	172.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	124.4	127.0	140.4	125.4	132.1	150.1	172.9
Provisions	10.0	7.4	10.3	10.2	10.2	10.2	10.2
thereof provisions for pensions and similar obligations	4.8	4.7	5.1	6.0	6.0	6.0	6.0
Financial liabilities (total)	4.5	3.5	2.5	28.3	25.9	17.9	12.4
thereof short-term financial liabilities	1.0	1.0	1.0	10.4	8.0	0.0	0.0
Accounts payable	3.4	7.3	9.0	10.0	11.8	12.1	12.7
Other liabilities	37.4	56.8	37.3	26.0	31.6	31.6	36.6
Liabilities	55.3	75.0	59.1	74.5	79.6	71.9	72.0
Total liabilities and shareholders' equity	179.6	202.0	199.6	199.9	211.7	222.0	244.8

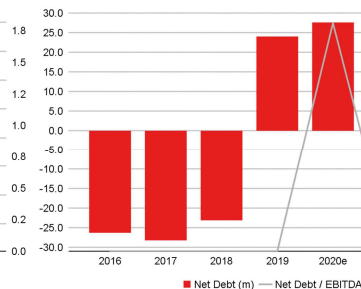
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	1.9 x	1.8 x	1.7 x	1.5 x	1.6 x	1.7 x	1.8 x
Capital Employed Turnover	1.8 x	1.7 x	1.7 x	1.4 x	1.6 x	1.7 x	1.8 x
ROA	12.5 %	16.2 %	10.9 %	-30.3 %	11.0 %	23.7 %	29.2 %
Return on Capital							
ROCE (NOPAT)	5.8 %	6.9 %	4.5 %	n.a.	4.5 %	9.7 %	12.5 %
ROE	4.1 %	5.3 %	3.6 %	-12.2 %	5.2 %	10.6 %	11.6 %
Adj. ROE	5.9 %	5.3 %	9.9 %	-1.6 %	9.1 %	10.6 %	11.6 %
Balance sheet quality							
Net Debt	-26.3	-28.2	-23.1	24.0	27.6	2.2	-21.5
Net Financial Debt	-31.1	-33.0	-28.2	18.0	21.6	-3.9	-27.6
Net Gearing	-21.1 %	-22.2 %	-16.4 %	19.2 %	20.9 %	1.4 %	-12.5 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	107.7 %	n.a.	n.a.
Book Value / Share	6.5	6.6	7.3	6.6	6.9	7.9	9.0
Book value per share ex intangibles	5.5	5.7	6.4	5.5	5.9	6.9	8.2

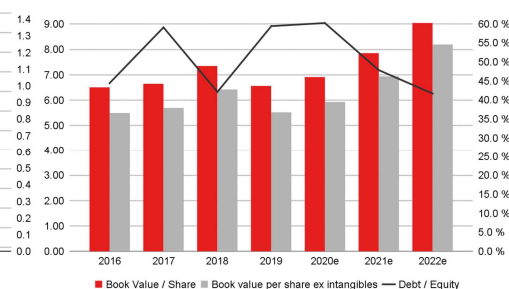
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

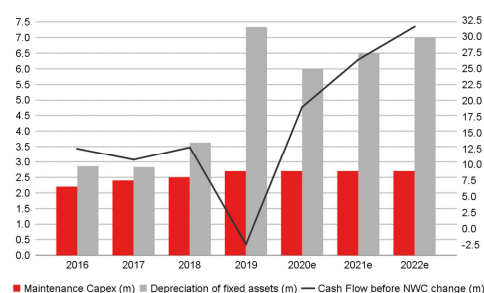
Consolidated cash flow statement

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	5.0	6.7	4.8	-16.3	6.7	14.9	18.7
Depreciation of fixed assets	2.9	2.8	3.6	7.3	6.0	6.5	7.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.3	1.2	1.2	1.2	1.7	1.8	1.8
Increase/decrease in long-term provisions	-0.4	0.3	0.2	0.1	0.0	0.0	0.0
Other non-cash income and expenses	3.8	-0.4	2.9	5.2	4.6	3.1	3.9
Cash Flow before NWC change	12.5	10.7	12.7	-2.4	19.0	26.4	31.5
Increase / decrease in inventory	-6.1	-28.2	-29.8	4.6	-30.6	6.0	-5.4
Increase / decrease in accounts receivable	-10.7	2.9	-1.9	-25.0	15.5	2.8	2.0
Increase / decrease in accounts payable	-1.1	23.9	1.7	-8.0	7.4	0.3	5.6
Increase / decrease in other working capital positions	0.0	0.0	19.3	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-17.9	-1.3	-10.8	-28.4	-7.6	9.1	2.2
Net cash provided by operating activities [1]	-5.4	9.4	1.9	-30.8	11.4	35.5	33.7
Investments in intangible assets	0.5	0.5	0.6	3.4	0.5	0.5	0.5
Investments in property, plant and equipment	3.2	6.0	6.3	5.7	10.5	9.5	9.5
Payments for acquisitions	0.0	0.0	0.0	0.0	-3.9	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]	-3.6	-6.5	-6.9	-6.1	-14.9	-10.0	-10.0
Change in financial liabilities	-4.6	-1.0	-1.0	16.4	-2.4	-8.0	-5.5
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]	-4.6	-1.0	-1.0	16.4	-2.4	-8.0	-5.5
Change in liquid funds [1]+[2]+[3]	-13.6	1.9	-6.0	-20.5	-6.0	17.5	18.2
Effects of exchange-rate changes on cash	0.2	-1.0	0.2	0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	35.7	36.5	30.7	10.3	4.3	21.8	39.9

Financial Ratios

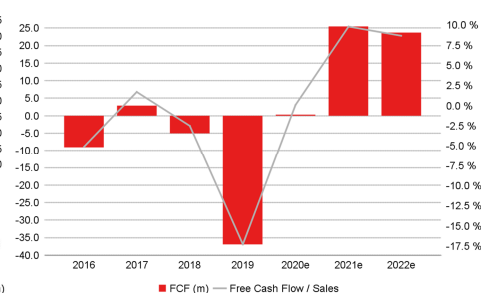
	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	-9.0	2.9	-5.0	-36.9	0.3	25.5	23.7
Free Cash Flow / Sales	-5.1 %	1.7 %	-2.5 %	-17.3 %	0.1 %	9.8 %	8.7 %
Free Cash Flow Potential	10.7	6.5	7.3	4.2	17.2	20.9	25.1
Free Cash Flow / Net Profit	-180.3 %	43.1 %	-105.1 %	226.9 %	4.7 %	170.7 %	126.4 %
Interest Received / Avg. Cash	0.2 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	10.6 %	5.2 %	5.8 %	2.5 %	1.8 %	1.8 %	2.0 %
Management of Funds							
Investment ratio	2.1 %	3.9 %	3.4 %	4.2 %	4.4 %	3.9 %	3.7 %
Maint. Capex / Sales	1.2 %	1.4 %	1.2 %	1.3 %	1.1 %	1.0 %	1.0 %
Capex / Dep	87.8 %	159.2 %	143.2 %	105.6 %	143.4 %	120.5 %	113.6 %
Avg. Working Capital / Sales	35.8 %	42.6 %	39.5 %	46.1 %	43.3 %	42.1 %	37.8 %
Trade Debtors / Trade Creditors	717.2 %	269.4 %	278.4 %	501.1 %	294.1 %	263.6 %	235.4 %
Inventory Turnover	1.6 x	1.1 x	1.5 x	2.2 x	1.6 x	1.7 x	1.7 x
Receivables collection period (days)	50	43	45	86	50	45	40
Payables payment period (days)	10	25	24	22	25	26	26
Cash conversion cycle (Days)	196	215	222	210	215	200	188

CAPEX and Cash Flow
in EUR m



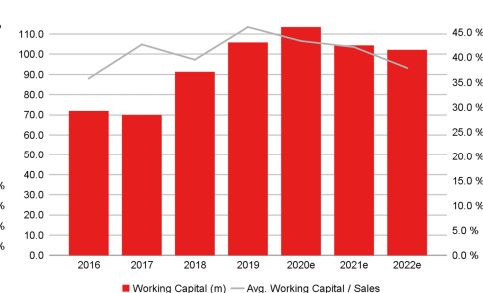
Source: Warburg Research

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)
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	128	62
Hold	58	28
Sell	12	6
Rating suspended	7	3
Total	205	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	32	80
Hold	6	15
Sell	0	0
Rating suspended	2	5
Total	40	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 27.07.2020



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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