

Buy EUR 32.00	Value Indicators: EUR DCF: 32.00 FCF-Value Potential 22e: 24.00	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: 453.6 No. of shares (m): 19.1 EV: 423.5 Freefloat MC: 453.6 Ø Trad. Vol. (30d): 2.56 m	Shareholders: Freefloat 100.0 % <i>Universal Investment</i> 9.6 % <i>Luxempart</i> 8.3 % <i>Teslin</i> 6.7 % <i>Henderson</i> 5.0 %	Key Figures (WRE): 2021e Beta: 1.3 Price / Book: 2.8 x Equity Ratio: 63 %
Price EUR 23.75 Upside 34.7 %			

Q1 in line; Share price drop is a buying opportunity

Stated Figures Q1/2021:								Comment on Figures:			
FY End: 31.12. in EUR m	Q1 21	Q1 21e	Q1 20	yoy	21e	20	yoy	<ul style="list-style-type: none"> Q1 in line with expectation Sales are typically lowest in Q1 With revenues just above the break-even threshold, a low EBIT-margin came as expected Q1 2020 burdened by one-offs for closure of US site; adj. EBIT was EUR -1.9m in Q1 2020 			
Order entry	81.0	80.7	69.0	17 %	0.0	281.1	-100 %				
Sales	52.6	51.0	41.7	26 %	287.0	252.1	14 %				
EBIT	1.4	1.6	-5.6	n.a.	32.4	20.4	59 %				
Margin	2.7 %	3.2 %	-13.5 %		11.3 %	8.1 %					

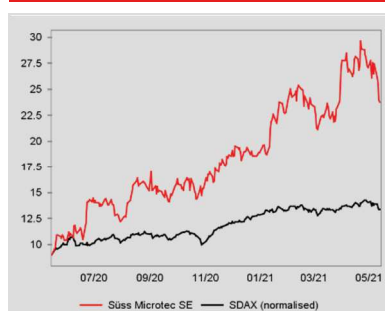
SÜSS released Q1 results in line with the expectations. The **share price came nevertheless under pressure on Wednesday, which we do not consider to be justified** in light of the FY 2021 and long-term prospects coupled with an undemanding valuation.

Sales increased as expected to just above EUR 50m in Q1, which typically represents the weakest quarter in a year. As a result, SÜSS recorded an EBIT of EUR 1.4m, up from EUR -1.9m in (adj. for one-offs) in Q1 2020. The **EBIT-margin of just below 3% might appear to be low at first sight** after double digit margins in the past three quarters. **However, one has to bear in mind that the EBIT break-even is currently being reached at sales of just below the EUR 50m mark.** With sales just slightly above this threshold, a **low margin in a seasonally weak quarter is hence no surprise at all.** Quarterly revenues of EUR 65-70m and above are expected to yield an EBIT-margin of >10%. We are expecting average sales of EUR 78m in Q2-4, which indicates that **earnings generation will be much stronger in the remainder of the year.** The Q1 gross margin of ~33% was largely in line with the expectation. It was however pointed out that the shipment of a higher margin tool was shifted to Q2, which would have increased gross margins by 100bps.

The **strong order** figure of EUR 81m has already been announced in April. The order backlog is now at a record level of almost EUR 150m, which provides **good visibility on the expected growth** given that a change in order pattern is not registered by SÜSS. The **FY guidance was reaffirmed**, we assume that both revenues and earnings margins will approach or slightly surpass the upper half of the guidance range.

Temporary bonding in silicon carbide: In Q1, SÜSS **gained an order for a temporary bond system from a leading SiC manufacturer.** As with 3D stacking in memory applications, a thinning of wafers is also required in the SiC processing. The mid-term move from 6 to 8 inch wafers is expected to drive adoption in this application, as SÜSS' solution has technical advantages in larger diameters. While this is not game changing, it is one of the drivers in the **bonder segment, which is regarded to be one of the most important growth drivers** for SÜSS.

The **lower share price levels are considered to be a buying opportunity** given the strong growth prospects, potential to increase EBIT margins to 15% and above and a positive operating development in the remainder of 2021. The mid-term prospects are not reflected in the share price. Valuation is considered to be a bargain at these lower levels again with an **EV/EBIT 2022 multiple of ~10x, which compares with a peers' valuation of 15x.** The **Buy rating is reiterated.**

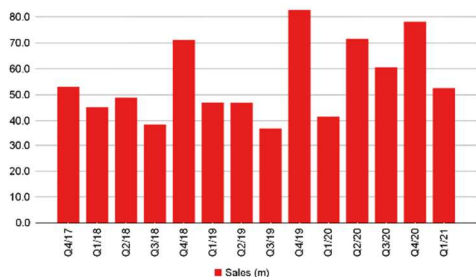


Rel. Performance vs SDAX:	
1 month:	-7.5 %
6 months:	21.6 %
Year to date:	21.7 %
Trailing 12 months:	116.2 %

Company events:	
08.06.21	Warburg Highlights
16.06.21	AGM
05.08.21	Q2
11.11.21	Q3

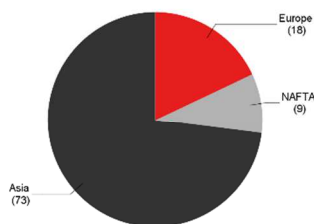
FY End: 31.12. in EUR m	CAGR (20-22e)	2016	2017	2018	2019	2020	2021e	2022e
Sales	10.9 %	177.6	166.5	203.9	213.8	252.1	287.0	310.0
Change Sales yoy		19.6 %	-6.2 %	22.5 %	4.8 %	17.9 %	13.8 %	8.0 %
Gross profit margin		33.0 %	35.7 %	33.0 %	23.3 %	33.2 %	34.2 %	34.9 %
EBITDA	30.0 %	15.3	18.0	15.7	-5.2	28.2	40.7	47.6
EBIT	38.7 %	11.1	13.9	10.9	-13.8	20.4	32.4	39.2
Margin		6.3 %	8.3 %	5.3 %	-6.4 %	8.1 %	11.3 %	12.7 %
EBIT adj.		14.2	13.9	10.9	0.5	23.0	32.4	39.2
Margin		8.0 %	8.3 %	5.3 %	0.2 %	9.1 %	11.3 %	12.7 %
Net income	49.2 %	5.0	6.7	4.8	-16.3	12.3	22.6	27.5
EPS	48.8 %	0.26	0.35	0.25	-0.85	0.65	1.18	1.44
EPS adj.	35.9 %	0.38	0.35	0.69	-0.11	0.78	1.18	1.44
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	2.47	0.85	1.25
FCF / Market cap		-6.5 %	1.3 %	-2.0 %	-19.8 %	19.2 %	3.6 %	5.2 %
EV / Sales		n.a.	1.2 x	1.1 x	1.0 x	0.9 x	1.5 x	1.3 x
EV / EBITDA		n.a.	11.2 x	14.8 x	n.a.	8.2 x	10.4 x	8.4 x
EV / EBIT adj.		n.a.	14.5 x	21.4 x	445.7 x	10.1 x	13.1 x	10.2 x
P / E		28.1 x	34.4 x	53.5 x	n.a.	19.8 x	20.1 x	16.5 x
FCF Potential Yield		n.a.	3.2 %	3.1 %	2.0 %	8.8 %	6.7 %	8.4 %
Net Debt		-26.3	-28.2	-23.1	24.0	-13.9	-30.1	-53.9
ROCE (NOPAT)		5.8 %	6.9 %	4.5 %	n.a.	9.3 %	17.9 %	20.3 %
Guidance:		2021: Sales: 270 - 290m; EBIT 9-11%						

Sales development
in EUR m



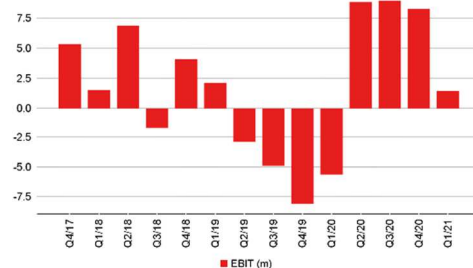
Source: Warburg Research

Sales by regions
2020; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

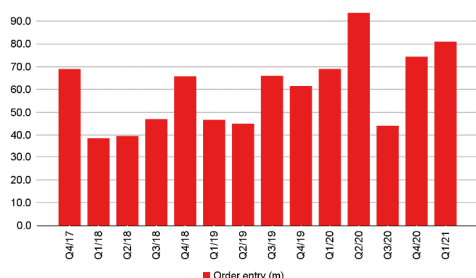
Company Background

- 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

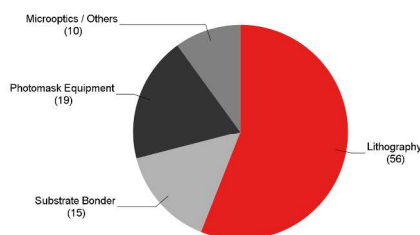
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



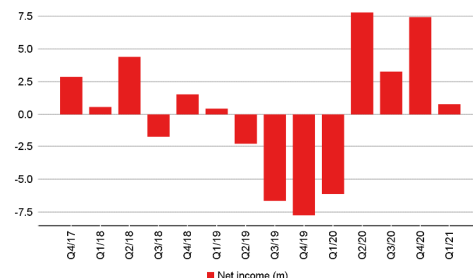
Source: Warburg Research

Sales by segments
2020; 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
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	287.0	310.0	329.0	357.0	387.3	420.2	445.4	467.7	491.1	510.7	531.2	541.8	549.9	
Sales change	13.8 %	8.0 %	6.1 %	8.5 %	8.5 %	8.5 %	6.0 %	5.0 %	5.0 %	4.0 %	4.0 %	2.0 %	1.5 %	1.5 %
EBIT	32.4	39.2	44.8	50.0	56.2	63.0	66.8	70.2	73.7	76.6	79.7	81.3	82.5	
EBIT-margin	11.3 %	12.7 %	13.6 %	14.0 %	14.5 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	
Tax rate (EBT)	14.7 %	17.2 %	29.4 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	
NOPAT	27.6	32.5	31.7	35.7	40.2	45.1	47.8	50.2	52.7	54.8	57.0	58.1	59.0	
Depreciation	8.3	8.4	8.5	10.7	10.8	11.8	12.5	13.1	13.8	14.3	14.9	15.2	15.4	
in % of Sales	2.9 %	2.7 %	2.6 %	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	5.4	5.2	2.9	11.8	9.4	10.2	7.8	6.9	7.2	6.1	6.3	3.3	2.5	
- Capex	14.0	11.6	11.6	21.4	11.6	12.6	13.4	14.0	14.7	15.3	15.9	16.3	16.5	
Capex in % of Sales	4.9 %	3.7 %	3.5 %	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)	16.6	24.1	25.7	13.3	30.0	34.0	39.1	42.3	44.4	47.7	49.6	53.7	55.4	56
PV of FCF	16.8	22.5	22.2	10.6	22.0	23.1	24.5	24.5	23.7	23.5	22.5	22.5	21.4	317
share of PVs	10.31 %			36.58 %										53.11 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	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	8.36 %	Beta	1.30

Valuation (m)

Present values 2033e	280		
Terminal Value	317		
Financial liabilities	20		
Pension liabilities	6		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	41	No. of shares (m)	19.1
Equity Value	610	Value per share (EUR)	31.95

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
1.49	9.4 %	26.43	26.79	27.16	27.56	27.99	28.45	28.93	1.49	9.4 %	24.28	25.37	26.47	27.56	28.66	29.76	30.85
1.40	8.9 %	28.25	28.67	29.12	29.61	30.12	30.67	31.27	1.40	8.9 %	26.09	27.26	28.44	29.61	30.78	31.95	33.12
1.35	8.6 %	29.25	29.71	30.21	30.74	31.30	31.91	32.57	1.35	8.6 %	27.10	28.31	29.53	30.74	31.95	33.16	34.37
1.30	8.4 %	30.32	30.83	31.37	31.95	32.58	33.26	33.99	1.30	8.4 %	28.19	29.44	30.70	31.95	33.21	34.46	35.72
1.25	8.1 %	31.46	32.02	32.62	33.27	33.96	34.71	35.53	1.25	8.1 %	29.36	30.66	31.96	33.27	34.57	35.87	37.17
1.20	7.9 %	32.69	33.31	33.97	34.68	35.46	36.30	37.21	1.20	7.9 %	30.62	31.98	33.33	34.68	36.04	37.39	38.75
1.11	7.4 %	35.44	36.19	37.01	37.89	38.86	39.91	41.07	1.11	7.4 %	33.48	34.95	36.42	37.89	39.36	40.83	42.30

- 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	2016	2017	2018	2019	2020	2021e	2022e	
Net Income before minorities	n.a.	6.7	4.8	-16.3	12.3	22.6	27.5	
+ Depreciation + Amortisation	n.a.	4.1	4.8	8.6	7.8	8.3	8.4	
- Net Interest Income	n.a.	-0.2	-0.1	-0.4	-0.4	-0.4	-0.3	
- Maintenance Capex	n.a.	2.4	2.5	2.7	2.7	2.7	2.7	
+ Other	n.a.	-2.0	0.0	14.2	2.6	0.0	0.0	
= Free Cash Flow Potential	n.a.	6.5	7.3	4.2	20.4	28.6	33.5	
FCF Potential Yield (on market EV)	n/a	3.2 %	3.1 %	2.0 %	8.8 %	6.7 %	8.4 %	
WACC	8.36 %	8.36 %	8.36 %	8.36 %	8.36 %	8.36 %	8.36 %	
= Enterprise Value (EV)	n.a.	202.1	232.5	210.4	232.3	423.9	400.1	
= Fair Enterprise Value	n.a.	78.1	86.9	49.9	244.2	341.6	400.1	
- Net Debt (Cash)	n.a.	-20.3	-20.3	-20.3	-20.3	-36.5	-60.3	
- Pension Liabilities	n.a.	6.4	6.4	6.4	6.4	6.4	6.4	
- 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.	92.0	100.8	63.8	258.2	371.8	454.1	
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.	4.82	5.28	3.34	13.51	19.45	23.75	
premium (-) / discount (+) in %						-18.1 %	0.0 %	
Sensitivity Fair value per Share (EUR)								
	11.36 %	n.a.	3.74	4.08	2.65	10.14	14.74	18.24
	10.36 %	n.a.	4.03	4.40	2.84	11.05	16.01	19.73
	9.36 %	n.a.	4.38	4.79	3.06	12.15	17.55	21.53
WACC	8.36 %	n.a.	4.82	5.28	3.34	13.52	19.46	23.77
	7.36 %	n.a.	5.37	5.90	3.70	15.25	21.89	26.62
	6.36 %	n.a.	6.10	6.71	4.16	17.54	25.09	30.36
	5.36 %	n.a.	7.11	7.83	4.80	20.67	29.47	35.50

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

Valuation							
	2016	2017	2018	2019	2020	2021e	2022e
Price / Book	1.1 x	1.8 x	1.8 x	1.5 x	1.8 x	2.8 x	2.3 x
Book value per share ex intangibles	5.49	5.69	6.42	5.52	5.92	7.21	8.89
EV / Sales	n.a.	1.2 x	1.1 x	1.0 x	0.9 x	1.5 x	1.3 x
EV / EBITDA	n.a.	11.2 x	14.8 x	n.a.	8.2 x	10.4 x	8.4 x
EV / EBIT	n.a.	14.5 x	21.4 x	n.a.	11.4 x	13.1 x	10.2 x
EV / EBIT adj.*	n.a.	14.5 x	21.4 x	445.7 x	10.1 x	13.1 x	10.2 x
P / FCF	n.a.	79.7 x	n.a.	n.a.	5.2 x	28.1 x	19.1 x
P / E	28.1 x	34.4 x	53.5 x	n.a.	19.8 x	20.1 x	16.5 x
P / E adj.*	19.2 x	34.4 x	19.4 x	n.a.	16.5 x	20.1 x	16.5 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.	3.2 %	3.1 %	2.0 %	8.8 %	6.7 %	8.4 %

*Adjustments made for: -

Company Specific Items							
	2016	2017	2018	2019	2020	2021e	2022e
Order entry	161.0	200.3	191.0	219.2	281.1	0.0	0.0
Order backlog	101.0	133.0	0.0	93.2	120.1	0.0	0.0

Consolidated profit and loss

In EUR m	2016	2017	2018	2019	2020	2021e	2022e
Sales	177.6	166.5	203.9	213.8	252.1	287.0	310.0
Change Sales yoy	19.6 %	-6.2 %	22.5 %	4.8 %	17.9 %	13.8 %	8.0 %
COGS	119.0	107.0	136.7	164.1	168.4	188.8	201.8
Gross profit	58.6	59.5	67.3	49.7	83.7	98.2	108.2
<i>Gross margin</i>	<i>33.0 %</i>	<i>35.7 %</i>	<i>33.0 %</i>	<i>23.3 %</i>	<i>33.2 %</i>	<i>34.2 %</i>	<i>34.9 %</i>
Research and development	14.1	15.2	18.3	20.2	19.8	20.5	21.3
Sales and marketing	20.5	19.6	21.9	22.9	23.5	23.0	24.7
Administration expenses	13.6	13.4	15.9	18.9	20.8	21.5	22.2
Other operating expenses	3.5	3.8	3.5	3.2	3.4	0.8	0.8
Other operating income	4.3	6.3	3.2	1.7	4.3	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	28.2	40.7	47.6
<i>Margin</i>	<i>8.6 %</i>	<i>10.8 %</i>	<i>7.7 %</i>	<i>-2.4 %</i>	<i>11.2 %</i>	<i>14.2 %</i>	<i>15.4 %</i>
Depreciation of fixed assets	2.9	2.8	3.6	7.3	7.1	7.5	7.5
EBITA	12.4	15.1	12.1	-12.5	21.1	33.2	40.1
Amortisation of intangible assets	1.3	1.2	1.2	1.2	0.7	0.8	0.9
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	20.4	32.4	39.2
<i>Margin</i>	<i>6.3 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.4 %</i>	<i>8.1 %</i>	<i>11.3 %</i>	<i>12.7 %</i>
EBIT adj.	14.2	13.9	10.9	0.5	23.0	32.4	39.2
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	0.4	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	20.0	32.0	38.9
<i>Margin</i>	<i>5.9 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.6 %</i>	<i>7.9 %</i>	<i>11.2 %</i>	<i>12.6 %</i>
Total taxes	5.5	7.0	6.0	2.1	7.7	9.4	11.5
Net income from continuing operations	5.0	6.7	4.8	-16.3	12.3	22.6	27.5
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	12.3	22.6	27.5
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	12.3	22.6	27.5
<i>Margin</i>	<i>2.8 %</i>	<i>4.0 %</i>	<i>2.3 %</i>	<i>-7.6 %</i>	<i>4.9 %</i>	<i>7.9 %</i>	<i>8.9 %</i>
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	0.65	1.18	1.44
EPS adj.	0.38	0.35	0.69	-0.11	0.78	1.18	1.44

*Adjustments made for:

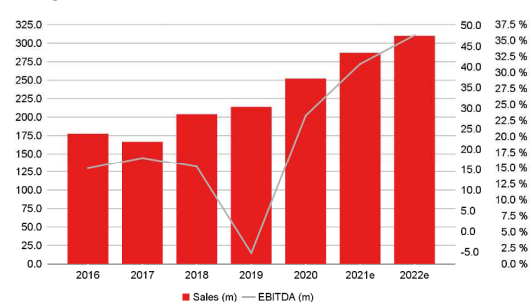
Guidance: 2021: Sales: 270 - 290m; EBIT 9-11%

Financial Ratios

	2016	2017	2018	2019	2020	2021e	2022e
Total Operating Costs / Sales	26.7 %	27.4 %	27.7 %	29.7 %	25.1 %	22.9 %	22.2 %
Operating Leverage	6.3 x	-4.0 x	-1.0 x	n.a.	n.a.	4.2 x	2.6 x
EBITDA / Interest expenses	21.2 x	86.8 x	90.3 x	n.m.	66.6 x	101.8 x	158.8 x
Tax rate (EBT)	52.4 %	51.2 %	55.4 %	-15.2 %	38.3 %	29.5 %	29.5 %
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	263,139	438,168	473,282

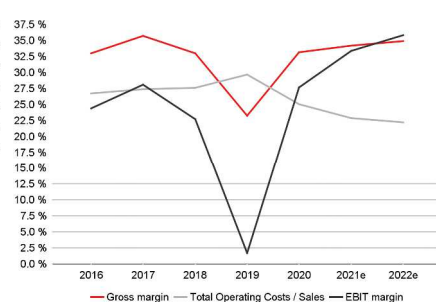
Sales, EBITDA

in EUR m

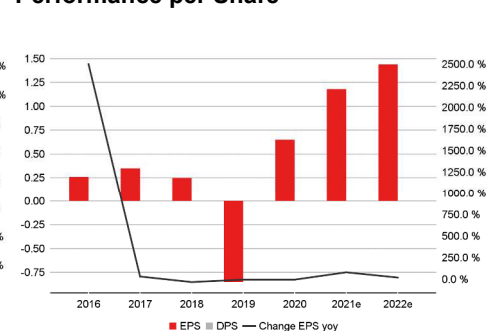


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

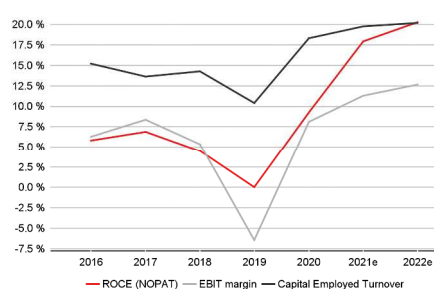
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020	2021e	2022e
Assets							
Goodwill and other intangible assets	19.4	18.2	17.7	19.9	23.4	24.6	24.8
thereof other intangible assets	3.3	2.5	1.9	4.2	5.0	6.2	6.4
thereof Goodwill	15.8	15.6	15.7	15.7	18.3	18.3	18.3
Property, plant and equipment	20.6	23.3	26.2	33.9	40.4	44.9	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	63.7	69.4	72.6
Inventories	73.8	97.9	93.5	75.0	73.0	84.4	91.2
Accounts receivable	24.1	19.6	25.1	50.2	48.0	43.2	42.5
Liquid assets	35.6	36.5	30.7	10.3	40.8	55.6	75.4
Other short-term assets	6.2	6.4	6.4	10.6	5.9	4.6	4.6
Current assets	139.7	160.5	155.7	146.1	167.7	187.7	213.6
Total Assets	179.6	202.0	199.6	199.9	231.4	257.2	286.3
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	119.0	119.0	119.0
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	-1.6	24.4	56.5
Shareholders' equity	124.4	127.0	140.4	125.4	136.5	162.5	194.6
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	136.5	162.5	194.6
Provisions	10.0	7.4	10.3	10.2	10.9	10.9	10.9
thereof provisions for pensions and similar obligations	4.8	4.7	5.1	6.0	6.4	6.4	6.4
Financial liabilities (total)	4.5	3.5	2.5	28.3	20.5	19.0	15.0
Short-term financial liabilities	1.0	1.0	1.0	10.4	1.4	0.0	0.0
Accounts payable	3.4	7.3	9.0	10.0	9.8	11.8	12.7
Other liabilities	37.4	56.8	37.3	26.0	53.7	53.0	53.0
Liabilities	55.3	75.0	59.1	74.5	94.9	94.7	91.6
Total liabilities and shareholders' equity	179.6	202.0	199.6	199.9	231.4	257.2	286.3

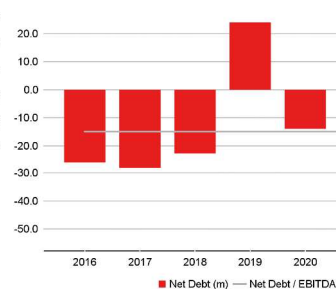
Financial Ratios

	2016	2017	2018	2019	2020	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	1.9 x	1.8 x	1.7 x	1.5 x	2.0 x	2.1 x	2.2 x
Capital Employed Turnover	1.8 x	1.7 x	1.7 x	1.4 x	2.1 x	2.2 x	2.2 x
ROA	12.5 %	16.2 %	10.9 %	-30.3 %	19.4 %	32.5 %	37.8 %
Return on Capital							
ROCE (NOPAT)	5.8 %	6.9 %	4.5 %	n.a.	9.3 %	17.9 %	20.3 %
ROE	4.1 %	5.3 %	3.6 %	-12.2 %	9.4 %	15.1 %	15.4 %
Adj. ROE	5.9 %	5.3 %	9.9 %	-1.6 %	11.4 %	15.1 %	15.4 %
Balance sheet quality							
Net Debt	-26.3	-28.2	-23.1	24.0	-13.9	-30.1	-53.9
Net Financial Debt	-31.1	-33.0	-28.2	18.0	-20.3	-36.5	-60.3
Net Gearing	-21.1 %	-22.2 %	-16.4 %	19.2 %	-10.2 %	-18.5 %	-27.7 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	6.5	6.6	7.3	6.6	7.1	8.5	10.2
Book value per share ex intangibles	5.5	5.7	6.4	5.5	5.9	7.2	8.9

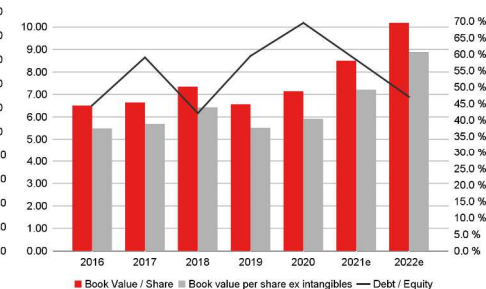
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

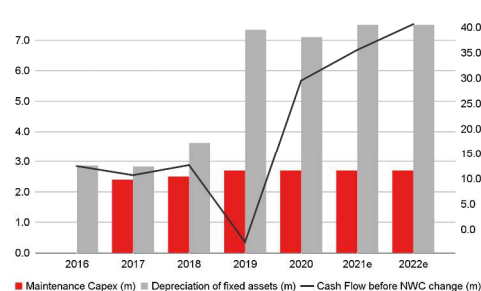
In EUR m	2016	2017	2018	2019	2020	2021e	2022e
Net income	5.0	6.7	4.8	-16.3	12.3	22.6	27.5
Depreciation of fixed assets	2.9	2.8	3.6	7.3	7.1	7.5	7.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.3	1.2	1.2	1.2	0.7	0.8	0.9
Increase/decrease in long-term provisions	-0.4	0.3	0.2	0.1	0.4	0.0	0.0
Other non-cash income and expenses	3.8	-0.4	2.9	5.2	9.1	4.7	4.8
Cash Flow before NWC change	12.5	10.7	12.7	-2.4	29.5	35.5	40.6
Increase / decrease in inventory	-6.1	-28.2	-29.8	4.6	9.8	-11.4	-6.8
Increase / decrease in accounts receivable	-10.7	2.9	-1.9	-25.0	2.1	4.8	0.7
Increase / decrease in accounts payable	-1.1	23.9	1.7	-8.0	13.7	1.3	0.9
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	25.6	-5.4	-5.2
Net cash provided by operating activities [1]	-5.4	9.4	1.9	-30.8	55.1	30.2	35.4
Investments in intangible assets	0.5	0.5	0.6	3.4	1.1	2.0	1.1
Investments in property, plant and equipment	3.2	6.0	6.3	5.7	8.0	12.0	10.5
Payments for acquisitions	0.0	0.0	0.0	0.0	-3.3	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	0.1	0.0	0.0
Net cash provided by investing activities [2]	-3.6	-6.5	-6.9	-6.1	-11.2	-14.0	-11.6
Change in financial liabilities	-4.6	-1.0	-1.0	16.4	-13.3	-1.4	-4.0
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]	-4.6	-1.0	-1.0	16.4	-13.3	-1.4	-4.0
Change in liquid funds [1]+[2]+[3]	-13.6	1.9	-6.0	-20.5	30.7	14.7	19.8
Effects of exchange-rate changes on cash	0.2	-1.0	0.2	0.1	-0.2	0.0	0.0
Cash and cash equivalent at end of period	35.7	36.5	30.7	10.3	40.8	55.6	75.4

Financial Ratios

	2016	2017	2018	2019	2020	2021e	2022e
Cash Flow							
FCF	-9.0	2.9	-5.0	-36.9	47.2	16.2	23.8
Free Cash Flow / Sales	-5.1 %	1.7 %	-2.5 %	-17.3 %	18.7 %	5.6 %	7.7 %
Free Cash Flow Potential	n.a.	6.5	7.3	4.2	20.4	28.6	33.5
Free Cash Flow / Net Profit	-180.3 %	43.1 %	-105.1 %	226.9 %	382.4 %	71.7 %	86.7 %
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 %	1.7 %	2.0 %	1.8 %
Management of Funds							
Investment ratio	2.1 %	3.9 %	3.4 %	4.2 %	3.6 %	4.9 %	3.7 %
Maint. Capex / Sales	n.a.	1.4 %	1.2 %	1.3 %	1.1 %	0.9 %	0.9 %
Capex / Dep	87.8 %	159.2 %	143.2 %	105.6 %	117.1 %	168.7 %	138.1 %
Avg. Working Capital / Sales	35.8 %	42.6 %	39.5 %	46.1 %	37.9 %	30.7 %	30.1 %
Trade Debtors / Trade Creditors	717.2 %	269.4 %	278.4 %	501.1 %	487.7 %	366.1 %	334.6 %
Inventory Turnover	1.6 x	1.1 x	1.5 x	2.2 x	2.3 x	2.2 x	2.2 x
Receivables collection period (days)	50	43	45	86	69	55	50
Payables payment period (days)	10	25	24	22	21	23	23
Cash conversion cycle (Days)	196	215	222	210	151	147	147

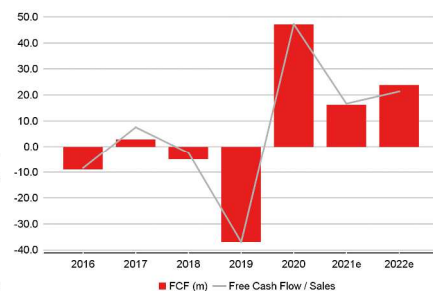
CAPEX and Cash Flow

in EUR m



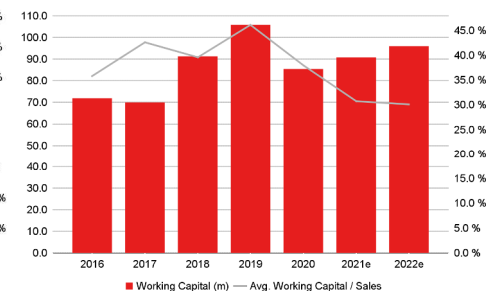
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M. Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

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

INVESTMENT RECOMMENDATION

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	148	70
Hold	54	25
Sell	5	2
Rating suspended	5	2
Total	212	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	42	88
Hold	3	6
Sell	0	0
Rating suspended	3	6
Total	48	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 14.05.2021



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.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemeyer +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Media, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 69 5050-7414
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg RESP MMWA GO
FactSet www.factset.com

Thomson Reuters www.thomsonreuters.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com