

Buy EUR 21.00 Price EUR 16.48 Upside 27.4 %	Value Indicators: EUR DCF: 21.00 FCF-Value Potential 22e: 19.40	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: 314.8 No. of shares (m): 19.1 EV: 320.1 Freefloat MC: 314.8 Ø Trad. Vol. (30d): 1.79 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 %	Key Figures (WRe): 2020e Beta: 1.3 Price / Book: 2.3 x Equity Ratio: 64 % Net Debt / EBITDA: 0.2 x

Share price setback on lower orders represents a buying opportunity

Stated Figures Q3/2020:										Comment on Figures:	
FY End: 31.12. in EUR m	Q3 20	Q3 20e	Q3 19	yoy	9M 20	9M 20e	9M 19	yoy			
Order entry	44.1	50.0	66.0	-33 %	206.7	212.6	157.7	31 %			Q3 order intake fell short of expectations but this should clearly represent a temporary situation (quarterly volatility is not unusual) as the pipeline remains strong and customer activity high
Sales	60.6	60.6	37.1	64 %	173.9	173.9	131.1	33 %			High Q3 profitability largely a result of high 40% quarterly gross margin
EBIT	9.0	9.0	-4.9	n.a.	12.2	12.2	-5.7	n.a.			FCF reached EUR 10.6m in Q3 and EUR 28m in 9M, significantly improved from EUR -29m in 9M 2019.
Margin	14.8 %	14.9 %	-13.2 %		7.0 %	7.0 %	-4.3 %				

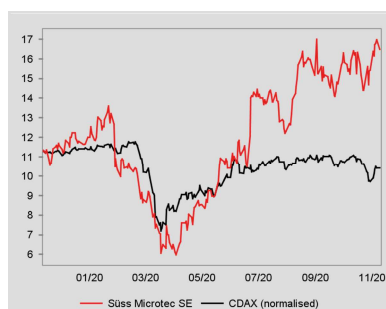
Lower order intake is proving to be a burden on today's share price. As this should clearly be temporary, lower share-price levels represent a buying opportunity.

The order intake reached EUR 44m in Q3, which is comparable with levels in H1 2019. It is lower than the WR estimate of EUR 50m but in line with SÜSS's guidance for >EUR 90m of total orders in H2. Temporary lower levels were expected after Q2's blow-out orders (EUR 94m), as the company recorded a bulk order, which would normally have stretched over several quarters. In the photomask business, orders reached only EUR 3m after EUR 16m each in Q1/2. High ASPs and orders for typically not more than 1-3 systems per quarter lead to typically high order intake volatility. Additionally, orders remained at a low level in the substrate bonder business as well after a record Q2 level.

Semiconductor capex will remain at a high level. There are no indications of any change in general demand trends. For the coming two quarters, SÜSS is guiding for orders of EUR 100–110m, hence above the H2 order level. Our assumption for FY 2020 orders of ~EUR 260m remains largely unchanged, which is a quarterly run rate of ~ EUR 65m. The bonder segment (low orders in Q3) in particular is expected to drive growth from 2021 onwards thanks to rising adoption of 3D ICs, hybrid bonding and permanent bonding. New markets such as imprint lithography, disruptive jet coating or MEMS wafer cleaning should also add to sales as of 2021. Hence a number of drivers are expected to provide tailwind for future growth and a quarter or two of lower orders is not a cause for concern. This is fully underpinned by management's expectation of growth in 2021, which implies average orders of > EUR 65m. A return to a >EUR 60m order run rate could also be reached in the shorter term as SÜSS continues to register high customer activity with pressure on lead times (typically a positive sign). The order guidance reflects some general pandemic-related caution and often limited visibility on actual timing.

The strong Q3 profitability was, as expected, mostly a result of a high gross margin of >40%, last achieved in Q2 2018. Gross margin improvement was recorded in all segments, which indicates that initiated efficiency measures are starting to bear fruit together with the effects of a positive product-mix. SÜSS regards its recently raised FY margin guidance (EBIT 5.5–7.5%) as conservative. We continue to assume that SÜSS will finally beat its targets, as a high Q4 top line should again result in a double-digit EBIT margin.

Despite the lower quarterly orders than expected, the investment case is considered to be fully intact. The company is well on track to achieve future growth and the expected margin recovery. Hence, lower share price levels are a clear buying opportunity.

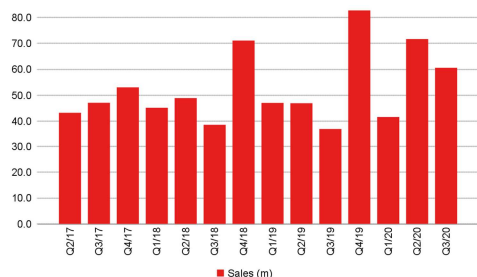


Rel. Performance vs CDAX:	
1 month:	8.9 %
6 months:	67.3 %
Year to date:	45.8 %
Trailing 12 months:	58.3 %

Company events:	

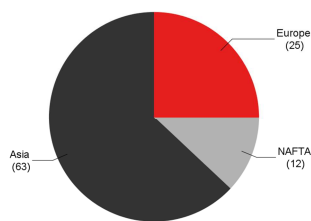
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
	9.7 %							
Sales		177.6	166.5	203.9	213.8	253.5	264.5	282.5
Change Sales yoy		19.6 %	-6.2 %	22.5 %	4.8 %	18.6 %	4.3 %	6.8 %
Gross profit margin		33.0 %	35.7 %	33.0 %	23.3 %	33.0 %	34.0 %	34.7 %
EBITDA	-	15.3	18.0	15.7	-5.2	28.1	34.0	39.3
EBIT	-	11.1	13.9	10.9	-13.8	19.9	25.7	30.5
Margin		6.3 %	8.3 %	5.3 %	-6.4 %	7.9 %	9.7 %	10.8 %
EBIT adj.		14.2	13.9	10.9	0.5	24.4	25.7	30.5
Margin		8.0 %	8.3 %	5.3 %	0.2 %	9.6 %	9.7 %	10.8 %
Net income	-	5.0	6.7	4.8	-16.3	12.4	17.6	21.0
EPS	-	0.26	0.35	0.25	-0.85	0.65	0.92	1.10
EPS adj.	-	0.38	0.35	0.69	-0.11	0.89	0.92	1.10
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	1.18	0.99	1.33
FCF / Market cap		-6.5 %	1.3 %	-2.0 %	-19.8 %	7.2 %	6.0 %	8.0 %
EV / Sales		0.6 x	1.2 x	1.1 x	1.0 x	1.3 x	1.1 x	1.0 x
EV / EBITDA		7.4 x	11.2 x	14.8 x	n.a.	11.4 x	8.9 x	7.0 x
EV / EBIT adj.		7.9 x	14.5 x	21.4 x	445.7 x	13.1 x	11.7 x	9.0 x
P / E		28.1 x	34.4 x	53.5 x	n.a.	25.4 x	17.9 x	15.0 x
FCF Potential Yield		9.4 %	3.2 %	3.1 %	2.0 %	7.8 %	7.8 %	9.9 %
Net Debt		-26.3	-28.2	-23.1	24.0	5.3	-13.7	-39.0
ROCE (NOPAT)		5.8 %	6.9 %	4.5 %	n.a.	8.6 %	12.2 %	14.4 %
Guidance:		2020: Sales EUR 240 - 260m; EBIT 5.5 - 7.5%						

Sales development
in EUR m



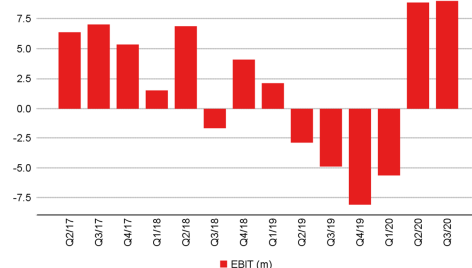
Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

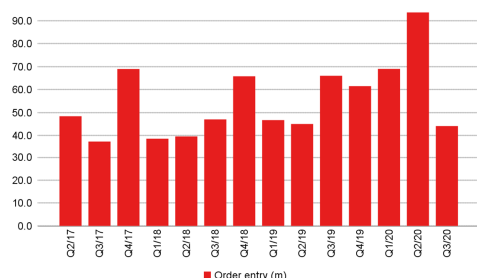
Company Background

- 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

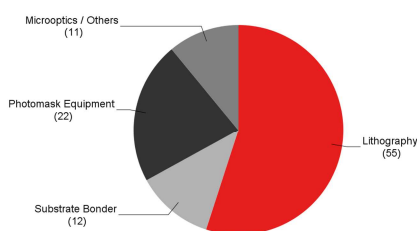
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



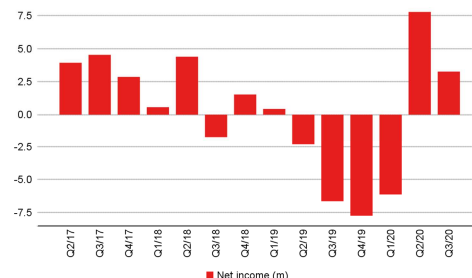
Source: Warburg Research

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	264.5	282.5	305.1	329.5	349.3	366.7	385.1	404.3	420.5	433.1	441.8	448.4	1.5 %
Sales change	18.6 %	4.3 %	6.8 %	8.0 %	8.0 %	6.0 %	5.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.0 %	1.5 %	
EBIT	19.9	25.7	30.5	35.1	39.5	41.9	44.0	46.2	48.5	50.5	52.0	53.0	53.8	
EBIT-margin	7.9 %	9.7 %	10.8 %	11.5 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	
Tax rate (EBT)	14.0 %	15.6 %	15.7 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	
NOPAT	17.1	21.7	25.7	25.1	28.3	30.0	31.5	33.0	34.7	36.1	37.2	37.9	38.5	
Depreciation	8.2	8.3	8.8	9.2	9.2	9.8	10.3	10.8	11.3	11.8	12.1	12.4	12.6	
in % of Sales	3.2 %	3.1 %	3.1 %	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	-6.4	0.6	-1.1	7.8	8.5	6.9	6.1	6.4	6.7	5.7	4.4	3.0	2.3	
- Capex	11.0	10.0	10.0	19.8	9.9	10.5	11.0	11.6	12.1	12.6	13.0	13.3	13.5	
Capex in % of Sales	4.4 %	3.8 %	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)	20.6	19.4	25.6	6.7	19.1	22.3	24.6	25.9	27.1	29.6	31.9	34.0	35.3	
PV of FCF	21.5	18.7	22.9	5.5	14.5	15.7	16.0	15.6	15.1	15.2	15.1	14.9	14.3	217
share of PVs	14.93 %			33.63 %										51.44 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	8.00 %	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	8.19 %	Beta	1.30

Valuation (m)

Present values 2032e	205		
Terminal Value	217		
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	402	Value per share (EUR)	21.06

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 %	17.31	17.56	17.82	18.10	18.40	18.72	19.06	1.50	9.2 %	15.19	16.16	17.13	18.10	19.07	20.04	21.01
1.40	8.7 %	18.53	18.82	19.14	19.48	19.84	20.23	20.65	1.40	8.7 %	16.37	17.41	18.44	19.48	20.51	21.54	22.58
1.35	8.4 %	19.20	19.52	19.87	20.24	20.64	21.07	21.53	1.35	8.4 %	17.03	18.10	19.17	20.24	21.31	22.38	23.45
1.30	8.2 %	19.92	20.27	20.65	21.06	21.50	21.98	22.50	1.30	8.2 %	17.74	18.85	19.95	21.06	22.17	23.28	24.39
1.25	7.9 %	20.68	21.08	21.50	21.95	22.44	22.97	23.55	1.25	7.9 %	18.50	19.65	20.80	21.95	23.10	24.25	25.40
1.20	7.7 %	21.51	21.94	22.41	22.91	23.46	24.05	24.70	1.20	7.7 %	19.33	20.52	21.72	22.91	24.11	25.30	26.49
1.10	7.2 %	23.36	23.89	24.47	25.10	25.78	26.53	27.36	1.10	7.2 %	21.21	22.51	23.80	25.10	26.39	27.69	28.98

- Growth estimate below company target of EUR 400m by 2025
- Sustainable EBIT margin of 12% 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	12.4	17.6	21.0	
+ Depreciation + Amortisation	4.2	4.1	4.8	8.6	8.2	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	6.5	0.0	0.0	
= Free Cash Flow Potential	10.7	6.5	7.3	4.2	24.9	23.6	27.4	
FCF Potential Yield (on market EV)	9.4 %	3.2 %	3.1 %	2.0 %	7.8 %	7.8 %	9.9 %	
WACC	8.19 %	8.19 %	8.19 %	8.19 %	8.19 %	8.19 %	8.19 %	
= Enterprise Value (EV)	113.2	202.1	232.5	210.4	320.3	301.4	276.0	
= Fair Enterprise Value	130.5	79.8	88.7	50.9	304.4	287.9	334.8	
- Net Debt (Cash)	18.0	18.0	18.0	18.0	-0.7	-19.7	-45.0	
- 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	106.4	55.7	64.7	26.9	299.1	301.6	373.8	
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1	
= Fair value per share (EUR)	5.57	2.91	3.38	1.41	15.65	15.78	19.55	
premium (-) / discount (+) in %					-5.0 %	-4.3 %	18.7 %	
Sensitivity Fair value per Share (EUR)								
	11.19 %	3.74	1.80	2.14	0.69	11.39	11.75	14.87
	10.19 %	4.23	2.10	2.48	0.88	12.53	12.83	16.13
	9.19 %	4.83	2.46	2.88	1.12	13.93	14.15	17.66
WACC	8.19 %	5.57	2.92	3.39	1.41	15.66	15.79	19.57
	7.19 %	6.52	3.50	4.03	1.78	17.88	17.89	22.01
	6.19 %	7.78	4.27	4.89	2.27	20.81	20.66	25.24
	5.19 %	9.52	5.33	6.07	2.95	24.88	24.51	29.71

- 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	2.3 x	2.0 x	1.7 x
Book value per share ex intangibles	5.49	5.69	6.42	5.52	6.33	7.52	8.92
EV / Sales	0.6 x	1.2 x	1.1 x	1.0 x	1.3 x	1.1 x	1.0 x
EV / EBITDA	7.4 x	11.2 x	14.8 x	n.a.	11.4 x	8.9 x	7.0 x
EV / EBIT	10.2 x	14.5 x	21.4 x	n.a.	16.1 x	11.7 x	9.0 x
EV / EBIT adj.*	7.9 x	14.5 x	21.4 x	445.7 x	13.1 x	11.7 x	9.0 x
P / FCF	n.a.	79.7 x	n.a.	n.a.	13.9 x	16.6 x	12.4 x
P / E	28.1 x	34.4 x	53.5 x	n.a.	25.4 x	17.9 x	15.0 x
P / E adj.*	19.2 x	34.4 x	19.4 x	n.a.	18.5 x	17.9 x	15.0 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 %	7.8 %	7.8 %	9.9 %

*Adjustments made for: -

Company Specific Items	2016	2017	2018	2019	2020e	2021e	2022e
Order entry	161.0	200.3	191.0	219.2	262.0	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	264.5	282.5
Change Sales yoy	19.6 %	-6.2 %	22.5 %	4.8 %	18.6 %	4.3 %	6.8 %
COGS	119.0	107.0	136.7	164.1	169.8	174.6	184.5
Gross profit	58.6	59.5	67.3	49.7	83.7	89.9	98.0
<i>Gross margin</i>	<i>33.0 %</i>	<i>35.7 %</i>	<i>33.0 %</i>	<i>23.3 %</i>	<i>33.0 %</i>	<i>34.0 %</i>	<i>34.7 %</i>
Research and development	14.1	15.2	18.3	20.2	20.0	20.5	21.0
Sales and marketing	20.5	19.6	21.9	22.9	21.5	22.0	24.0
Administration expenses	13.6	13.4	15.9	18.9	20.5	21.0	21.8
Other operating expenses	3.5	3.8	3.5	3.2	2.9	0.8	0.8
Other operating income	4.3	6.3	3.2	1.7	1.1	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	28.1	34.0	39.3
<i>Margin</i>	<i>8.6 %</i>	<i>10.8 %</i>	<i>7.7 %</i>	<i>-2.4 %</i>	<i>11.1 %</i>	<i>12.8 %</i>	<i>13.9 %</i>
Depreciation of fixed assets	2.9	2.8	3.6	7.3	6.5	6.5	7.0
EBITA	12.4	15.1	12.1	-12.5	21.6	27.5	32.3
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	19.9	25.7	30.5
<i>Margin</i>	<i>6.3 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.4 %</i>	<i>7.9 %</i>	<i>9.7 %</i>	<i>10.8 %</i>
EBIT adj.	14.2	13.9	10.9	0.5	24.4	25.7	30.5
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	19.4	25.3	30.2
<i>Margin</i>	<i>5.9 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.6 %</i>	<i>7.7 %</i>	<i>9.6 %</i>	<i>10.7 %</i>
Total taxes	5.5	7.0	6.0	2.1	7.0	7.7	9.2
Net income from continuing operations	5.0	6.7	4.8	-16.3	12.4	17.6	21.0
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	12.4	17.6	21.0
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	12.4	17.6	21.0
<i>Margin</i>	<i>2.8 %</i>	<i>4.0 %</i>	<i>2.3 %</i>	<i>-7.6 %</i>	<i>4.9 %</i>	<i>6.6 %</i>	<i>7.4 %</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	0.92	1.10
EPS adj.	0.38	0.35	0.69	-0.11	0.89	0.92	1.10

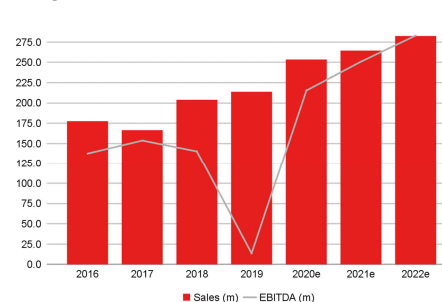
*Adjustments made for:

Guidance: 2020: Sales EUR 240 - 260m; EBIT 5.5 - 7.5%

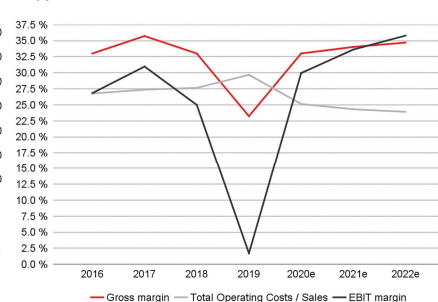
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	26.7 %	27.4 %	27.7 %	29.7 %	25.2 %	24.3 %	23.9 %
Operating Leverage	6.3 x	-4.0 x	-1.0 x	n.a.	n.a.	6.7 x	2.8 x
EBITDA / Interest expenses	21.2 x	86.8 x	90.3 x	n.m.	56.2 x	84.9 x	131.1 x
Tax rate (EBT)	52.4 %	51.2 %	55.4 %	-15.2 %	36.0 %	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	403,817	431,298

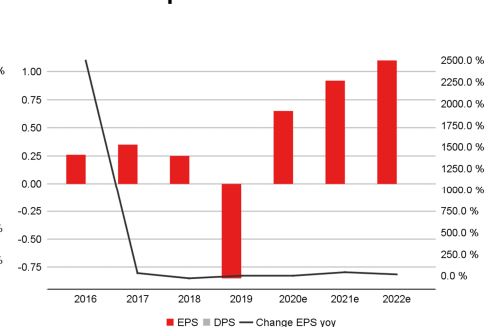
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

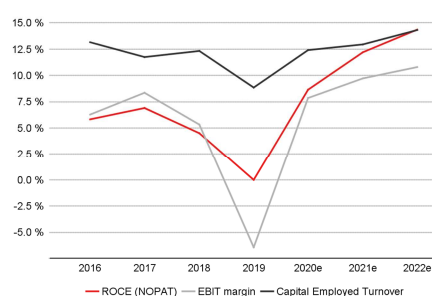
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	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	41.9	44.9	47.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	39.9	41.5	43.9	53.8	60.7	62.4	63.6
Inventories	73.8	97.9	93.5	75.0	87.4	91.2	97.4
Accounts receivable	24.1	19.6	25.1	50.2	38.9	36.2	34.8
Liquid assets	35.6	36.5	30.7	10.3	26.6	37.6	57.4
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	158.8	170.8	195.5
Total Assets	179.6	202.0	199.6	199.9	219.5	233.3	259.1
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	14.2	35.6	61.0
Shareholders' equity	124.4	127.0	140.4	125.4	139.9	161.3	186.7
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	139.9	161.3	186.7
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	12.3	13.2
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	72.1	72.5
Total liabilities and shareholders' equity	179.6	202.0	199.6	199.9	219.5	233.3	259.1

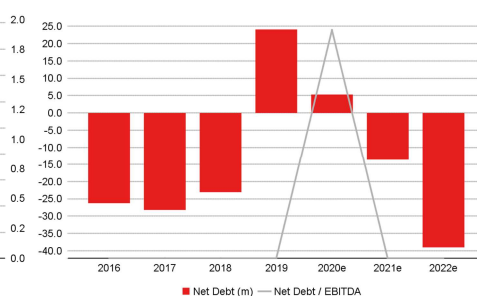
Financial Ratios

	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	1.8 x	1.8 x	1.9 x
Capital Employed Turnover	1.8 x	1.7 x	1.7 x	1.4 x	1.7 x	1.8 x	1.9 x
ROA	12.5 %	16.2 %	10.9 %	-30.3 %	20.5 %	28.1 %	33.0 %
Return on Capital							
ROCE (NOPAT)	5.8 %	6.9 %	4.5 %	n.a.	8.6 %	12.2 %	14.4 %
ROE	4.1 %	5.3 %	3.6 %	-12.2 %	9.4 %	11.7 %	12.1 %
Adj. ROE	5.9 %	5.3 %	9.9 %	-1.6 %	12.8 %	11.7 %	12.1 %
Balance sheet quality							
Net Debt	-26.3	-28.2	-23.1	24.0	5.3	-13.7	-39.0
Net Financial Debt	-31.1	-33.0	-28.2	18.0	-0.7	-19.7	-45.0
Net Gearing	-21.1 %	-22.2 %	-16.4 %	19.2 %	3.8 %	-8.5 %	-20.9 %
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	7.3	8.4	9.8
Book value per share ex intangibles	5.5	5.7	6.4	5.5	6.3	7.5	8.9

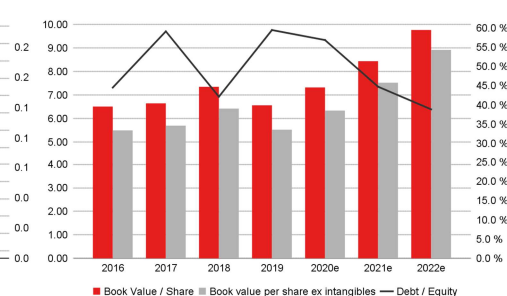
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

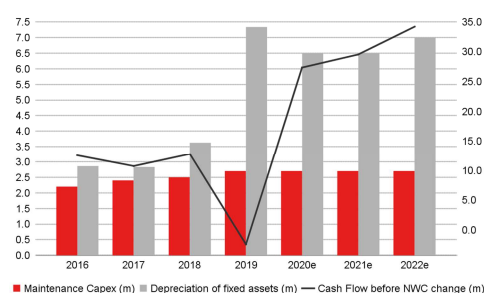
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	5.0	6.7	4.8	-16.3	12.4	17.6	21.0
Depreciation of fixed assets	2.9	2.8	3.6	7.3	6.5	6.5	7.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.3	1.2	1.2	1.2	1.7	1.8	1.8
Increase/decrease in long-term provisions	-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	6.7	3.7	4.4
Cash Flow before NWC change	12.5	10.7	12.7	-2.4	27.3	29.6	34.2
Increase / decrease in inventory	-6.1	-28.2	-29.8	4.6	-12.4	-3.8	-6.2
Increase / decrease in accounts receivable	-10.7	2.9	-1.9	-25.0	11.3	2.7	1.4
Increase / decrease in accounts payable	-1.1	23.9	1.7	-8.0	7.4	0.5	5.9
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	6.4	-0.6	1.1
Net cash provided by operating activities [1]	-5.4	9.4	1.9	-30.8	33.7	29.0	35.3
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	16.3	11.0	19.8
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	26.6	37.6	57.4

Financial Ratios

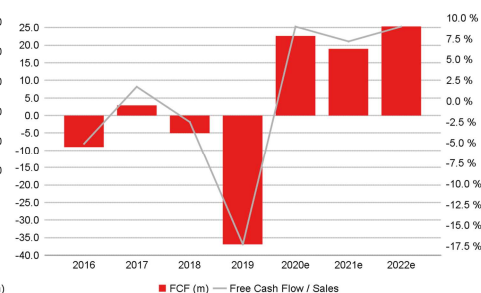
	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	-9.0	2.9	-5.0	-36.9	22.6	19.0	25.3
Free Cash Flow / Sales	-5.1 %	1.7 %	-2.5 %	-17.3 %	8.9 %	7.2 %	9.0 %
Free Cash Flow Potential	10.7	6.5	7.3	4.2	24.9	23.6	27.4
Free Cash Flow / Net Profit	-180.3 %	43.1 %	-105.1 %	226.9 %	182.2 %	108.0 %	120.6 %
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 %	3.8 %	3.5 %
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 %	134.7 %	120.5 %	113.6 %
Avg. Working Capital / Sales	35.8 %	42.6 %	39.5 %	46.1 %	40.5 %	37.7 %	35.2 %
Trade Debtors / Trade Creditors	717.2 %	269.4 %	278.4 %	501.1 %	329.7 %	294.3 %	263.6 %
Inventory Turnover	1.6 x	1.1 x	1.5 x	2.2 x	1.9 x	1.9 x	1.9 x
Receivables collection period (days)	50	43	45	86	56	50	45
Payables payment period (days)	10	25	24	22	25	26	26
Cash conversion cycle (Days)	196	215	222	210	186	184	172

CAPEX and Cash Flow

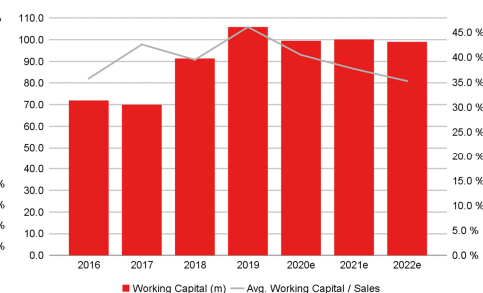
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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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	134	65
Hold	56	27
Sell	9	4
Rating suspended	6	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	37	82
Hold	6	13
Sell	0	0
Rating suspended	2	4
Total	45	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 10.11.2020



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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