

<p>Buy</p> <p>EUR 20.00</p>	<p>Value Indicators: EUR</p> <p>DCF: 20.00</p> <p>FCF-Value Potential 22e: 18.20</p>	<p>Share data:</p> <p>Bloomberg: SMHN GR</p> <p>Reuters: SMHnN</p> <p>ISIN: DE000A1K0235</p>	<p>Description:</p> <p>Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS</p>
	<p>Market Snapshot: EUR m</p> <p>Market cap: 283.1</p> <p>No. of shares (m): 19.1</p> <p>EV: 298.0</p> <p>Freefloat MC: 283.1</p> <p>Ø Trad. Vol. (30d): 1.06 m</p>	<p>Shareholders:</p> <p>Freefloat: 100.0 %</p> <p>Universal Investment: 14.7 %</p> <p>Luxempart: 13.3 %</p> <p>Lupus Alpha: 5.2 %</p> <p>Kempen: 5.0 %</p>	<p>Risk Profile (WRe): 2020e</p> <p>Beta: 1.3</p> <p>Price / Book: 2.1 x</p> <p>Equity Ratio: 63 %</p> <p>Net Fin. Debt / EBITDA: 0.4 x</p> <p>Net Debt / EBITDA: 0.7 x</p>
<p>Price: EUR 14.82</p> <p>Upside: 35.0 %</p>			

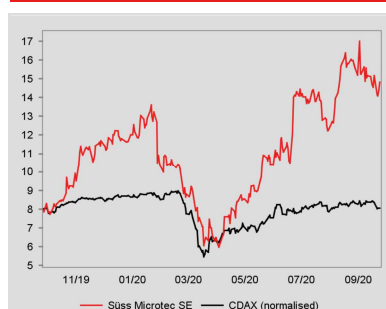
CMD confirms investment case

Thursday's virtual CMD fully supported the investment case. SÜSS thus remains a favorite pick with >30% valuation upside (base case). 2025 targets, which are not yet factored in, would justify a doubling of the share price to ~EUR 30. The main drivers remain an increasingly complex chip packaging, which determines the IC performance increase and requires SÜSS's equipment, in addition to themes such as 5G, increasing use of sensors etc. Furthermore, SÜSS is applying its technologies to new products for adjacent markets. The CEO stated that growth is not seen to be heavily back-end loaded, hence further sales growth should be seen in the near future as well. Segment highlights include:

- The **bonder segment** is seen as **one of the main growth drivers**. SÜSS aims to increase sales to ~EUR 90m by 2025 (<30m today), which is perfectly in line with WRe. Growth will be driven by the adoption of 3D ICs (esp. stacked DRAM), where SÜSS has dominant position in required temporary bonders, and by the permanent bonders suited for so-called hybrid bonding, which is increasingly being adopted in chip packaging (e.g. another tool is likely to enter volume production at TSMC), and for MEMS production (first orders now reached).
- The **photomask segment** is expected to be another strong growth contributor (sales should more or less double to EUR 100m by 2025), as the **penetration of adjacent markets** should add to the top line. One major new product is a cleaner for MEMS wafers. SÜSS is benefiting from bans on certain chemicals, as it is the only supplier of a "green" chemical-free process. The tool will be introduced in 2021 and SÜSS expects to take a market share of >20% in a market, which should grow strongly from a size of USD 135m today to USD 300m in five years.
- **Lithography:** While new products (e.g. imprint lithography or disruptive jet coating) should add to the revenues as well, a **strong recovery in segment EBIT margin** from <10% today to the former 15-20% range (last reached in 2017) should be a strong driver of group margins.
- In the **microoptics business**, growth in traditional applications and with automotive customers (interior and exterior lighting) should fill the second production line (completed by end of 2020), which should lead to a **doubling of segment sales by 2025**.

Earnings recovery is also an important driver. SÜSS provided **additional insight** as to what went wrong in 2018/19, which was largely a **combination of several unfortunate factors**. These include some one-offs, production inefficiencies (re-assembly of production lines to cope with high growth, low data transparency, above-average sickness rate) or sourcing issues (outsourced modules had to be reworked and a change in the sourcing strategy led to significantly higher prices). SÜSS lost about EUR 10m in gross profit contributions, which equals 400-500bps. The company has already introduced countermeasures, especially in sourcing and internal organisation, and **aims to recover most of the lost margin** (we estimate this will probably take a year or two). The additional insight provides reassurance that the margin loss was mostly attributable to **internal inefficiencies, which can be largely reversed** (GM to recover to a mid-30s level). **At EBIT level**, the company officially issued a **>15% margin target** on sales of EUR 400m in 2018. **This target has now been reiterated and provides significant scope for proportionately higher earnings growth** (EBIT could double from ~ EUR 30m to EUR 60m in the 2022-25 timeframe).

As expected, the 2025 targets were confirmed, including the aim of reaching a >15% EBIT margin. Nor should the near-term development be disappointing. We regard the 2020 guidance as conservative and a beat might be on the cards. Additionally, most of the new products will be introduced in the next 15 months, which should fuel shorter term growth. **Remains a clear Buy with PT of EUR 20.**



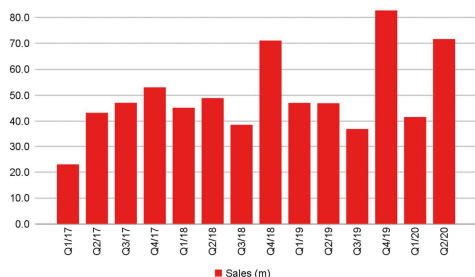
Rel. Performance vs CDAX:

1 month:	-3.9 %
6 months:	85.5 %
Year to date:	30.4 %
Trailing 12 months:	89.0 %

Company events:
10.11.20 Q3

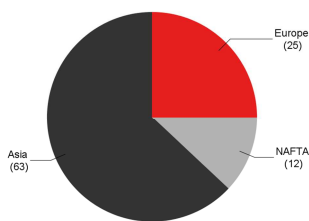
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	9.7 %	177.6	166.5	203.9	213.8	253.5	264.5	282.5
Change Sales yoy		19.6 %	-6.2 %	22.5 %	4.8 %	18.6 %	4.3 %	6.8 %
Gross profit margin		33.0 %	35.7 %	33.0 %	23.3 %	30.6 %	33.4 %	34.7 %
EBITDA	-	15.3	18.0	15.7	-5.2	20.0	31.4	37.8
EBIT	-	11.1	13.9	10.9	-13.8	12.3	23.1	29.0
Margin		6.3 %	8.3 %	5.3 %	-6.4 %	4.9 %	8.7 %	10.3 %
EBIT adj.		14.2	13.9	10.9	0.5	18.8	23.1	29.0
Margin		8.0 %	8.3 %	5.3 %	0.2 %	7.4 %	8.7 %	10.3 %
Net income	-	5.0	6.7	4.8	-16.3	6.7	15.8	20.0
EPS	-	0.26	0.35	0.25	-0.85	0.35	0.83	1.04
EPS adj.	-	0.38	0.35	0.69	-0.11	0.61	0.83	1.04
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	0.68	0.83	1.25
FCF / Market cap		-6.5 %	1.3 %	-2.0 %	-19.8 %	4.6 %	5.6 %	8.4 %
EV / Sales		0.6 x	1.2 x	1.1 x	1.0 x	1.2 x	1.1 x	0.9 x
EV / EBITDA		7.4 x	11.2 x	14.8 x	n.a.	14.9 x	9.0 x	6.8 x
EV / EBIT adj.		7.9 x	14.5 x	21.4 x	445.7 x	15.8 x	12.2 x	8.9 x
P / E		28.1 x	34.4 x	53.5 x	n.a.	42.3 x	17.9 x	14.3 x
FCF Potential Yield		9.4 %	3.2 %	3.1 %	2.0 %	6.3 %	7.7 %	10.2 %
Net Debt		-26.3	-28.2	-23.1	24.0	14.9	-1.0	-24.9
ROCE (NOPAT)		5.8 %	6.9 %	4.5 %	n.a.	4.7 %	10.7 %	13.3 %
Guidance:		2020: Sales EUR 240 - 260m; EBIT 3 - 5%						

Sales development
in EUR m



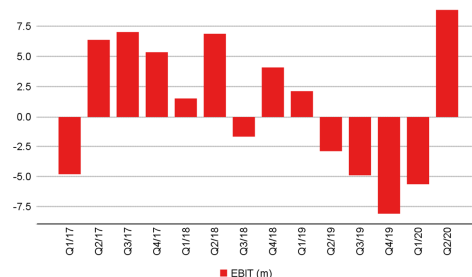
Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

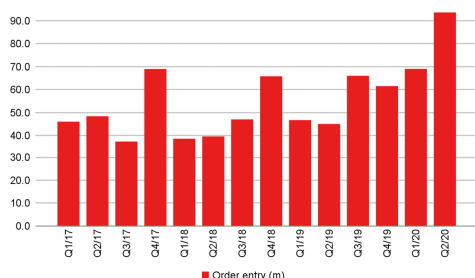
Company Background

- 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

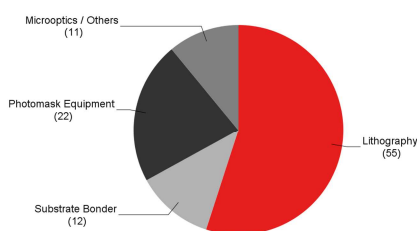
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



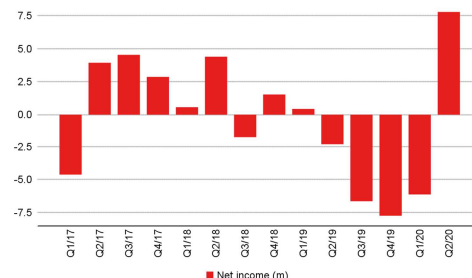
Source: Warburg Research

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	12.3	23.1	29.0	35.1	39.5	41.9	44.0	46.2	48.5	50.5	52.0	53.0	53.8	12.0 %
EBIT-margin	4.9 %	8.7 %	10.3 %	11.5 %	12.0 %	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	19.5	24.5	25.1	28.3	30.0	31.5	33.0	34.7	36.1	37.2	37.9	38.5	
Depreciation	7.7	8.3	8.8	9.2	9.2	9.8	10.3	10.8	11.3	11.8	12.1	12.4	12.6	2.8 %
in % of Sales	3.0 %	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	0.0
Change in Liquidity from														
- Working Capital	-4.1	1.5	-0.9	4.4	8.5	6.9	6.1	6.4	6.7	5.7	4.4	3.0	2.3	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 %	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)	11.0	16.3	24.2	10.1	19.1	22.3	24.6	25.9	27.1	29.6	31.9	34.0	35.3	36
PV of FCF	11.2	15.4	21.1	8.1	14.2	15.4	15.7	15.2	14.8	14.9	14.8	14.6	14.0	212
share of PVs	11.88 %			35.25 %										52.87 %

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	189		
Terminal Value	212		
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	381	Value per share (EUR)	19.97

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 %	16.26	16.50	16.75	17.03	17.32	17.63	17.97	1.50	9.2 %	14.20	15.14	16.08	17.03	17.97	18.92	19.86
1.40	8.7 %	17.47	17.76	18.07	18.39	18.75	19.13	19.54	1.40	8.7 %	15.37	16.38	17.39	18.39	19.40	20.41	21.42
1.35	8.4 %	18.14	18.45	18.79	19.15	19.54	19.96	20.42	1.35	8.4 %	16.03	17.07	18.11	19.15	20.20	21.24	22.28
1.30	8.2 %	18.85	19.20	19.57	19.97	20.41	20.87	21.38	1.30	8.2 %	16.73	17.81	18.89	19.97	21.05	22.14	23.22
1.25	7.9 %	19.62	20.00	20.41	20.86	21.34	21.86	22.42	1.25	7.9 %	17.49	18.61	19.74	20.86	21.98	23.10	24.22
1.20	7.7 %	20.44	20.87	21.32	21.81	22.35	22.93	23.56	1.20	7.7 %	18.31	19.48	20.65	21.81	22.98	24.15	25.31
1.10	7.2 %	22.29	22.81	23.37	23.99	24.66	25.39	26.20	1.10	7.2 %	20.19	21.45	22.72	23.99	25.26	26.52	27.79

- 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	6.7	15.8	20.0	
+ 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	6.5	0.0	0.0	
= Free Cash Flow Potential	10.7	6.5	7.3	4.2	18.7	21.8	26.4	
FCF Potential Yield (on market EV)	9.4 %	3.2 %	3.1 %	2.0 %	6.3 %	7.7 %	10.2 %	
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	298.2	282.3	258.4	
= Fair Enterprise Value	130.5	79.8	88.7	50.9	228.5	266.4	322.1	
- Net Debt (Cash)	18.0	18.0	18.0	18.0	8.9	-7.0	-30.9	
- 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	213.6	267.4	346.9	
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	11.17	13.99	18.15	
premium (-) / discount (+) in %					-24.6 %	-5.6 %	22.5 %	
Sensitivity Fair value per Share (EUR)								
	11.19 %	3.74	1.80	2.14	0.69	7.97	10.26	13.64
	10.19 %	4.23	2.10	2.48	0.88	8.83	11.26	14.85
	9.19 %	4.83	2.46	2.88	1.12	9.88	12.48	16.33
WACC	8.19 %	5.57	2.92	3.39	1.41	11.18	14.00	18.16
	7.19 %	6.52	3.50	4.03	1.78	12.85	15.94	20.51
	6.19 %	7.78	4.27	4.89	2.27	15.05	18.51	23.61
	5.19 %	9.52	5.33	6.07	2.95	18.10	22.06	27.92

▪ 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	2.1 x	1.9 x	1.6 x
Book value per share ex intangibles	5.49	5.69	6.42	5.52	5.98	7.05	8.38
EV / Sales	0.6 x	1.2 x	1.1 x	1.0 x	1.2 x	1.1 x	0.9 x
EV / EBITDA	7.4 x	11.2 x	14.8 x	n.a.	14.9 x	9.0 x	6.8 x
EV / EBIT	10.2 x	14.5 x	21.4 x	n.a.	24.2 x	12.2 x	8.9 x
EV / EBIT adj.*	7.9 x	14.5 x	21.4 x	445.7 x	15.8 x	12.2 x	8.9 x
P / FCF	n.a.	79.7 x	n.a.	n.a.	21.8 x	17.8 x	11.9 x
P / E	28.1 x	34.4 x	53.5 x	n.a.	42.3 x	17.9 x	14.3 x
P / E adj.*	19.2 x	34.4 x	19.4 x	n.a.	24.3 x	17.9 x	14.3 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 %	7.7 %	10.2 %

*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	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	175.9	176.2	184.5
Gross profit	58.6	59.5	67.3	49.7	77.6	88.3	98.0
<i>Gross margin</i>	<i>33.0 %</i>	<i>35.7 %</i>	<i>33.0 %</i>	<i>23.3 %</i>	<i>30.6 %</i>	<i>33.4 %</i>	<i>34.7 %</i>
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	23.0	24.0	26.5
Administration expenses	13.6	13.4	15.9	18.9	20.1	20.2	21.0
Other operating expenses	3.5	3.8	3.5	3.2	2.8	0.5	0.5
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	20.0	31.4	37.8
<i>Margin</i>	<i>8.6 %</i>	<i>10.8 %</i>	<i>7.7 %</i>	<i>-2.4 %</i>	<i>7.9 %</i>	<i>11.9 %</i>	<i>13.4 %</i>
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	14.0	24.9	30.8
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	12.3	23.1	29.0
<i>Margin</i>	<i>6.3 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.4 %</i>	<i>4.9 %</i>	<i>8.7 %</i>	<i>10.3 %</i>
EBIT adj.	14.2	13.9	10.9	0.5	18.8	23.1	29.0
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	11.8	22.7	28.7
<i>Margin</i>	<i>5.9 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.6 %</i>	<i>4.7 %</i>	<i>8.6 %</i>	<i>10.2 %</i>
Total taxes	5.5	7.0	6.0	2.1	5.1	6.9	8.8
Net income from continuing operations	5.0	6.7	4.8	-16.3	6.7	15.8	20.0
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	6.7	15.8	20.0
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	6.7	15.8	20.0
<i>Margin</i>	<i>2.8 %</i>	<i>4.0 %</i>	<i>2.3 %</i>	<i>-7.6 %</i>	<i>2.6 %</i>	<i>6.0 %</i>	<i>7.1 %</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	0.35	0.83	1.04
EPS adj.	0.38	0.35	0.69	-0.11	0.61	0.83	1.04

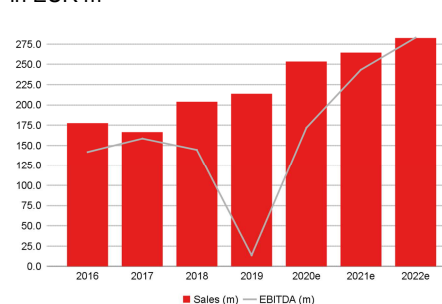
*Adjustments made for:

Guidance: 2020: Sales EUR 240 - 260m; EBIT 3 - 5%

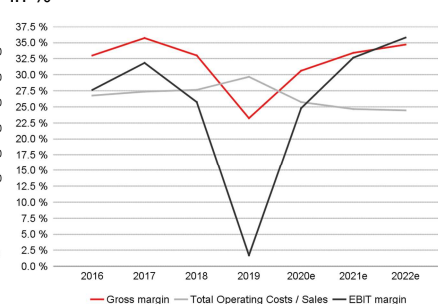
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	26.7 %	27.4 %	27.7 %	29.7 %	25.8 %	24.7 %	24.4 %
Operating Leverage	6.3 x	-4.0 x	-1.0 x	n.a.	n.a.	20.2 x	3.7 x
EBITDA / Interest expenses	21.2 x	86.8 x	90.3 x	n.m.	40.1 x	78.6 x	126.1 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	403,817	431,298

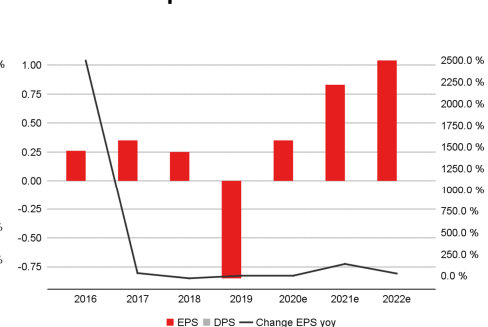
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

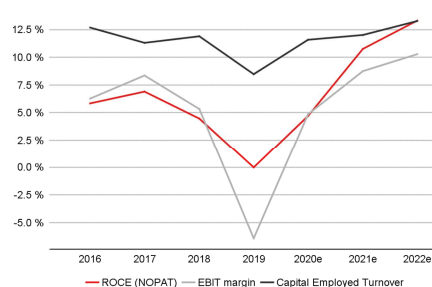
Consolidated balance sheet

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	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	93.9	98.0	104.6
Accounts receivable	24.1	19.6	25.1	50.2	34.7	32.6	31.0
Liquid assets	35.6	36.5	30.7	10.3	17.0	24.9	43.3
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	151.4	161.4	184.8
Total Assets	179.6	202.0	199.6	199.9	212.7	224.3	248.9
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	7.5	26.5	50.7
Shareholders' equity	124.4	127.0	140.4	125.4	133.2	152.2	176.5
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	133.2	152.2	176.5
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	212.7	224.3	248.9

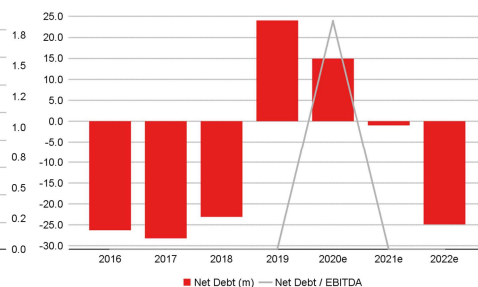
Financial Ratios

	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	1.7 x	1.9 x
ROA	12.5 %	16.2 %	10.9 %	-30.3 %	11.0 %	25.1 %	31.1 %
Return on Capital							
ROCE (NOPAT)	5.8 %	6.9 %	4.5 %	n.a.	4.7 %	10.7 %	13.3 %
ROE	4.1 %	5.3 %	3.6 %	-12.2 %	5.2 %	11.1 %	12.1 %
Adj. ROE	5.9 %	5.3 %	9.9 %	-1.6 %	9.1 %	11.1 %	12.1 %
Balance sheet quality							
Net Debt	-26.3	-28.2	-23.1	24.0	14.9	-1.0	-24.9
Net Financial Debt	-31.1	-33.0	-28.2	18.0	8.9	-7.0	-30.9
Net Gearing	-21.1 %	-22.2 %	-16.4 %	19.2 %	11.2 %	-0.7 %	-14.1 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	44.4 %	n.a.	n.a.
Book Value / Share	6.5	6.6	7.3	6.6	7.0	8.0	9.2
Book value per share ex intangibles	5.5	5.7	6.4	5.5	6.0	7.0	8.4

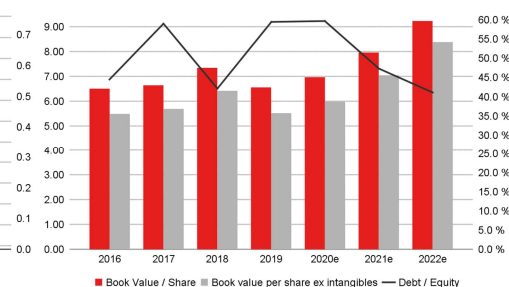
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

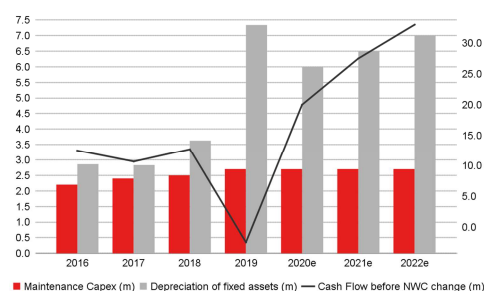
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	5.0	6.7	4.8	-16.3	6.7	15.8	20.0
Depreciation of fixed assets	2.9	2.8	3.6	7.3	6.0	6.5	7.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.3	1.2	1.2	1.2	1.7	1.8	1.8
Increase/decrease in long-term provisions	-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	5.6	3.3	4.2
Cash Flow before NWC change	12.5	10.7	12.7	-2.4	20.0	27.4	33.0
Increase / decrease in inventory	-6.1	-28.2	-29.8	4.6	-18.9	-4.1	-6.6
Increase / decrease in accounts receivable	-10.7	2.9	-1.9	-25.0	15.5	2.1	1.6
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	4.1	-1.5	0.9
Net cash provided by operating activities [1]	-5.4	9.4	1.9	-30.8	24.1	25.9	33.9
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	6.7	7.9	18.4
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	17.0	24.9	43.3

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	-9.0	2.9	-5.0	-36.9	13.0	15.9	23.9
Free Cash Flow / Sales	-5.1 %	1.7 %	-2.5 %	-17.3 %	5.1 %	6.0 %	8.5 %
Free Cash Flow Potential	10.7	6.5	7.3	4.2	18.7	21.8	26.4
Free Cash Flow / Net Profit	-180.3 %	43.1 %	-105.1 %	226.9 %	193.9 %	100.8 %	119.6 %
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 %	143.4 %	120.5 %	113.6 %
Avg. Working Capital / Sales	35.8 %	42.6 %	39.5 %	46.1 %	41.0 %	38.8 %	36.4 %
Trade Debtors / Trade Creditors	717.2 %	269.4 %	278.4 %	501.1 %	294.1 %	265.0 %	234.8 %
Inventory Turnover	1.6 x	1.1 x	1.5 x	2.2 x	1.9 x	1.8 x	1.8 x
Receivables collection period (days)	50	43	45	86	50	45	40
Payables payment period (days)	10	25	24	22	24	25	26
Cash conversion cycle (Days)	196	215	222	210	189	191	181

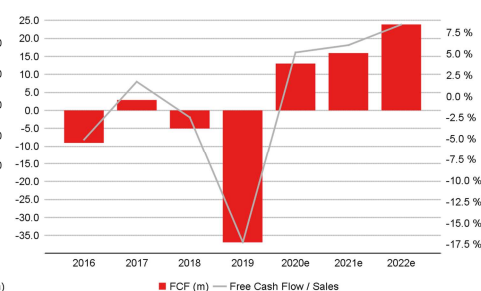
CAPEX and Cash Flow

in EUR m



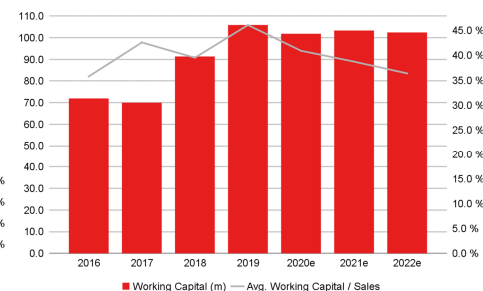
Source: Warburg Research

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	134	65
Hold	54	26
Sell	12	6
Rating suspended	6	3
Total	206	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	34	87
Hold	3	8
Sell	0	0
Rating suspended	2	5
Total	39	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 25.09.2020



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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