

Buy EUR 18.50 (EUR 17.00) Price EUR 12.08 Upside 53.1 %	Value Indicators: EUR DCF: 18.50 FCF-Value Potential 21e: 13.00	Share data: Bloomberg: SMHN GR Reuters: SMHnN ISIN: DE000A1K0235	Description: Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS
	Market Snapshot: EUR m Market cap: 230.7 No. of shares (m): 19.1 EV: 255.0 Freefloat MC: 230.7 Ø Trad. Vol. (30d): 634.05 th	Shareholders: Freefloat 100.0 % <i>Universal Investment</i> 14.7 % <i>Luxempart</i> 13.3 % <i>Lupus Alpha</i> 5.2 % <i>Kempen</i> 5.0 %	Risk Profile (WR): 2020e Beta: 1.3 Price / Book: 1.8 x Equity Ratio: 62 % Net Fin. Debt / EBITDA: 1.0 x Net Debt / EBITDA: 1.3 x

Blow-out Q2 order intake

SÜSS expects to reach a **record quarterly order intake level of EUR 88 – 96m in Q2** (former high was EUR 80m achieved in Q4 2015). While the Q2+3 order intake guidance was already considered to be conservative, this **order level is significantly higher than the WR expectation of EUR 60m**. Consequently, the company is raising its H1 order intake guidance to EUR 155 – 160m (from EUR 110 – 125m), which will be **~70% above the H1 2019 level** and **~40% above the level of the previous three quarters**.

In addition to the high demand for photomask cleaning systems, the ongoing 5G ramp already contributed to the favourable Q1 orders. **5G-related demand** from customers such as Qorvo or Skyworks is now **considered to be the main driver for the very strong Q2 order level**. Reason: **5G smartphones require not only more semiconductor content / area for bandfilters, antennas and other components. The RF components and their packaging increase in complexity, which requires an increasing use of advanced packaging technologies and thus SÜSS's lithography equipment**. Owing to the still low 5G penetration, related demand is generally not expected to be short-lived. The Q2 order level is nevertheless considered to be exceptional though.

Against the background of the currently very strong order backlog, **FY 2020 sales are raised to EUR 245m**, which is **somewhat above the current company guidance** (EUR 230 – 240m). There are still slight supply-chain uncertainties related to COVID, but the very favourable order level should enable the company to at least reach the high end of the current guidance. Thanks to the strong top line, the adj. EBIT margin should reach a level of just above the 6%-mark (guidance: 4.5 – 5.5%).

While the strong order development again indicates that SÜSS is well on track to reach the expected top-line growth (WR estimates are not yet reflecting the 2025 EUR 400m sales target), a return to stronger profitability should be another driver in the coming quarters. The **PT is raised to EUR 18.50**, as a result of the increased estimates, which still leaves **>50% valuation upside** (and more when 2025 targets are achieved). The **Buy rating** is maintained.

Changes in Estimates:		Comment on Changes:			
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	
Sales	230.0	6.3 %	245.0	3.9 %	▪ Increase in expectations thanks to strong Q2 orders
EBIT	6.9	58.5 %	18.6	10.8 %	▪ SÜSS should somewhat exceed the current 2020 guidance
EBIT adj.	11.9	34.0 %	18.6	10.8 %	▪ Without potential capacity constraints and COVID effects, 2020 sales would likely even surpass the increased expectations.

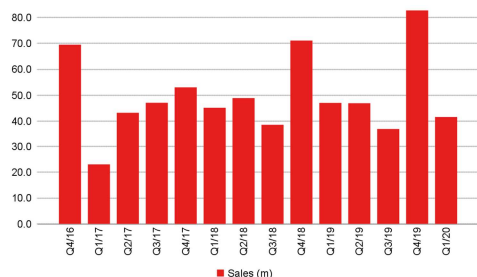


Rel. Performance vs CDAX:	
1 month:	1.4 %
6 months:	11.0 %
Year to date:	9.0 %
Trailing 12 months:	27.2 %

Company events:	
06.08.20	Q2
10.11.20	Q3

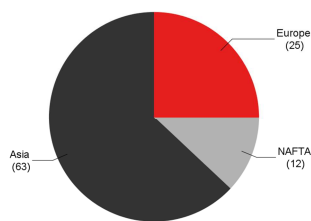
FY End: 31.12. in EUR m	CAGR (19-21e)	2015	2016	2017	2018	2019	2020e	2021e
Sales	9.1 %	148.5	177.6	166.5	203.9	213.8	244.5	254.5
Change Sales yoy		2.2 %	19.6 %	-6.2 %	22.5 %	4.8 %	14.4 %	4.1 %
Gross profit margin		33.2 %	33.0 %	35.7 %	33.0 %	23.3 %	31.5 %	34.0 %
EBITDA	-	9.2	15.3	18.0	15.7	-5.2	18.7	28.9
EBIT	-	5.0	11.1	13.9	10.9	-13.8	11.0	20.6
Margin		3.3 %	6.3 %	8.3 %	5.3 %	-6.4 %	4.5 %	8.1 %
EBIT adj.		5.0	14.2	13.9	10.9	0.5	16.0	20.6
Margin		3.3 %	8.0 %	8.3 %	5.3 %	0.2 %	6.6 %	8.1 %
Net income	-	0.2	5.0	6.7	4.8	-16.3	5.8	14.1
EPS	-	0.01	0.26	0.35	0.25	-0.85	0.30	0.74
EPS adj.	-	0.01	0.38	0.35	0.69	-0.11	0.56	0.74
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		0.07	-0.47	0.15	-0.26	-1.93	0.19	1.15
FCF / Market cap		1.1 %	-6.5 %	1.3 %	-2.0 %	-19.8 %	1.6 %	9.5 %
EV / Sales		n.a.	0.6 x	1.2 x	1.1 x	1.0 x	1.0 x	0.9 x
EV / EBITDA		n.a.	7.4 x	11.2 x	14.8 x	n.a.	13.6 x	8.1 x
EV / EBIT adj.		n.a.	7.9 x	14.5 x	21.4 x	44.7 x	15.9 x	11.3 x
P / E		590.6 x	28.1 x	34.4 x	53.5 x	n.a.	40.3 x	16.3 x
FCF Potential Yield		n.a.	9.4 %	3.2 %	3.1 %	2.0 %	6.4 %	8.6 %
Net Debt		-34.8	-26.3	-28.2	-23.1	24.0	24.3	2.4
ROCE (NOPAT)		0.3 %	5.8 %	6.9 %	4.5 %	n.a.	4.0 %	9.4 %
Guidance:	2020: Sales EUR 230 - 240m; EBIT adj. 4.5 - 5.5%							

Sales development
in EUR m



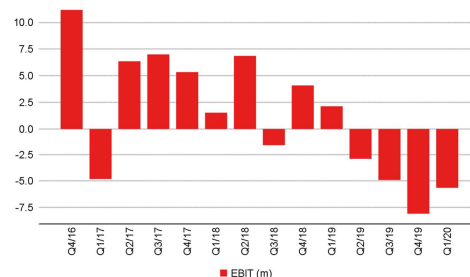
Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

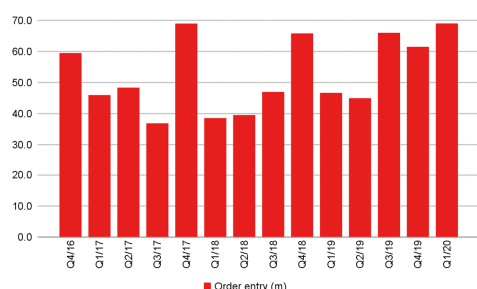
Company Background

- Globally leading manufacturer of systems for the MEMS, advanced packaging, 3D IC and LED niche markets with the product segments lithography (mask aligner,coater), bonder and equipment to clean photomasks.
- MEMS integrate electronic and mechanical components. Fields of application are e.g. pressure sensors (e.g. in tyre pressure control systems) or position and acceleration sensors (e.g. smartphones, tablet PCs).
- Advanced packaging is a special packaging process used as an alternative to the classic wire bonding ("flip chip") for semiconductors where these are directly bonded to the substrate without wire connections.
- 3D packaging is a solution to the increasingly difficult ongoing structural downsizing of semiconductors. CMOS image sensors are an early field of application. This market offers enormous growth potential for SÜSS.
- The majority of production is located at two sites in Germany (Garching, Sternenfels) which offer ample capacity for anticipated growth. SÜSS has ca. 900 employees.

Competitive Quality

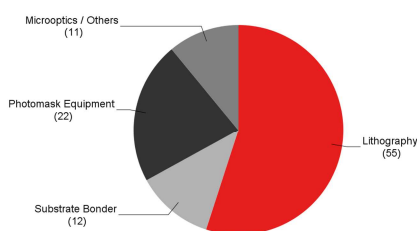
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed markets.
- This and the global service network make the company a preferred supplier for production equipment in particular.
- As the respective markets have a niche character, SÜSS usually only has to face moderate competition and rarely has to compete with the major suppliers of the sector.
- This combined with the high product complexity poses a major barrier to market entry and secures the company a leading position in the respective markets.

Order development
in EUR m



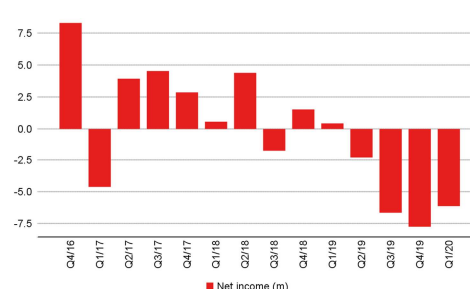
Source: Warburg Research

Sales by segments
2019; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	244.5	254.5	272.3	291.4	311.8	333.6	350.3	367.8	386.2	401.6	413.7	422.0	428.3	1.5 %
Sales change	14.4 %	4.1 %	7.0 %	7.0 %	7.0 %	7.0 %	5.0 %	5.0 %	5.0 %	4.0 %	3.0 %	2.0 %	1.5 %	
EBIT	11.0	20.6	27.8	32.6	36.8	40.0	42.0	44.1	46.3	48.2	49.6	50.6	51.4	12.0 %
EBIT-margin	4.5 %	8.1 %	10.2 %	11.2 %	11.8 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	
Tax rate (EBT)	17.2 %	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	9.1	17.4	23.4	23.3	26.3	28.6	30.1	31.6	33.1	34.5	35.5	36.2	36.7	
Depreciation	7.7	8.3	8.8	8.7	8.7	9.3	9.8	10.3	10.8	11.2	11.6	11.8	12.0	2.8 %
in % of Sales	3.1 %	3.3 %	3.2 %	3.0 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Liquidity from														
- Working Capital	3.1	-6.6	-0.6	3.1	4.2	7.6	5.8	6.1	6.4	5.4	4.2	2.9	2.2	12.8
- Capex	11.0	10.0	10.0	19.3	9.4	10.0	10.5	11.0	11.6	12.0	12.4	12.7	12.8	
Capex in % of Sales	4.5 %	3.9 %	3.7 %	3.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	2.6	22.3	22.8	9.7	21.5	20.3	23.5	24.7	25.9	28.2	30.4	32.5	33.7	34
PV of FCF	2.6	20.5	19.4	7.6	15.6	13.6	14.6	14.1	13.7	13.8	13.8	13.6	13.0	198
share of PVs	11.39 %			35.72 %										52.90 %

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	176		
Terminal Value	198		
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	353	Value per share (EUR)	18.50

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 %	14.99	15.21	15.45	15.70	15.97	16.26	16.57	1.50	9.2 %	13.07	13.95	14.83	15.70	16.58	17.45	18.33
1.40	8.7 %	16.14	16.41	16.70	17.00	17.33	17.68	18.06	1.40	8.7 %	14.19	15.13	16.06	17.00	17.94	18.87	19.81
1.35	8.4 %	16.78	17.07	17.39	17.72	18.09	18.48	18.90	1.35	8.4 %	14.81	15.78	16.75	17.72	18.69	19.66	20.63
1.30	8.2 %	17.46	17.78	18.13	18.50	18.90	19.34	19.81	1.30	8.2 %	15.48	16.49	17.49	18.50	19.51	20.51	21.52
1.25	7.9 %	18.19	18.54	18.93	19.34	19.79	20.27	20.80	1.25	7.9 %	16.20	17.25	18.29	19.34	20.39	21.43	22.48
1.20	7.7 %	18.97	19.37	19.79	20.25	20.75	21.29	21.88	1.20	7.7 %	16.99	18.07	19.16	20.25	21.34	22.42	23.51
1.10	7.2 %	20.73	21.21	21.74	22.31	22.94	23.63	24.38	1.10	7.2 %	18.76	19.95	21.13	22.31	23.50	24.68	25.86

- Growth estimate below company target of EUR 400m by 2025
- Sustainable EBIT margin of 12.5% anticipated...
- ...after operating margins reached 11% in the core business (excl. Tamarack) in 2018

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2015	2016	2017	2018	2019	2020e	2021e	
Net Income before minorities	n.a.	5.0	6.7	4.8	-16.3	5.8	14.1	
+ Depreciation + Amortisation	n.a.	4.2	4.1	4.8	8.6	7.7	8.3	
- Net Interest Income	n.a.	-0.6	-0.2	-0.1	-0.4	-0.5	-0.4	
- Maintenance Capex	n.a.	2.2	2.4	2.5	2.7	2.7	2.7	
+ Other	n.a.	3.1	-2.0	0.0	14.2	5.0	0.0	
= Free Cash Flow Potential	n.a.	10.7	6.5	7.3	4.2	16.3	20.1	
FCF Potential Yield (on market EV)	n/a	9.4 %	3.2 %	3.1 %	2.0 %	6.4 %	8.6 %	
WACC	8.19 %	8.19 %	8.19 %	8.19 %	8.19 %	8.19 %	8.19 %	
= Enterprise Value (EV)	n.a.	113.2	202.1	232.5	210.4	255.2	233.3	
= Fair Enterprise Value	n.a.	130.5	79.8	88.7	50.9	198.9	245.0	
- Net Debt (Cash)	n.a.	18.0	18.0	18.0	18.0	18.3	-3.7	
- Pension Liabilities	n.a.	6.0	6.0	6.0	6.0	6.0	6.0	
- 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.	106.4	55.7	64.7	26.9	174.6	242.6	
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.	5.57	2.91	3.38	1.41	9.13	12.69	
premium (-) / discount (+) in %						-24.4 %	5.1 %	
Sensitivity Fair value per Share (EUR)								
	11.19 %	n.a.	3.74	1.80	2.14	0.69	6.35	9.26
	10.19 %	n.a.	4.23	2.10	2.48	0.88	7.10	10.19
	9.19 %	n.a.	4.83	2.46	2.88	1.12	8.01	11.31
WACC	8.19 %	n.a.	5.57	2.92	3.39	1.41	9.14	12.70
	7.19 %	n.a.	6.52	3.50	4.03	1.78	10.59	14.49
	6.19 %	n.a.	7.78	4.27	4.89	2.27	12.51	16.85
	5.19 %	n.a.	9.52	5.33	6.07	2.95	15.17	20.12

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

Valuation	2015	2016	2017	2018	2019	2020e	2021e
Price / Book	1.0 x	1.1 x	1.8 x	1.8 x	1.5 x	1.8 x	1.6 x
Book value per share ex intangibles	5.16	5.49	5.69	6.42	5.52	5.87	6.82
EV / Sales	n.a.	0.6 x	1.2 x	1.1 x	1.0 x	1.0 x	0.9 x
EV / EBITDA	n.a.	7.4 x	11.2 x	14.8 x	n.a.	13.6 x	8.1 x
EV / EBIT	n.a.	10.2 x	14.5 x	21.4 x	n.a.	23.2 x	11.3 x
EV / EBIT adj.*	n.a.	7.9 x	14.5 x	21.4 x	445.7 x	15.9 x	11.3 x
P / FCF	89.7 x	n.a.	79.7 x	n.a.	n.a.	63.4 x	10.5 x
P / E	590.6 x	28.1 x	34.4 x	53.5 x	n.a.	40.3 x	16.3 x
P / E adj.*	590.6 x	19.2 x	34.4 x	19.4 x	n.a.	21.6 x	16.3 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.	9.4 %	3.2 %	3.1 %	2.0 %	6.4 %	8.6 %

*Adjustments made for: -

Company Specific Items	2015	2016	2017	2018	2019	2020e	2021e
Order entry	188.6	161.0	200.3	191.0	219.2	0.0	0.0
Order backlog	117.6	101.0	133.0	0.0	93.2	0.0	0.0

Consolidated profit and loss

In EUR m	2015	2016	2017	2018	2019	2020e	2021e
Sales	148.5	177.6	166.5	203.9	213.8	244.5	254.5
Change Sales yoy	2.2 %	19.6 %	-6.2 %	22.5 %	4.8 %	14.4 %	4.1 %
COGS	99.2	119.0	107.0	136.7	164.1	167.5	168.0
Gross profit	49.4	58.6	59.5	67.3	49.7	77.0	86.5
<i>Gross margin</i>	<i>33.2 %</i>	<i>33.0 %</i>	<i>35.7 %</i>	<i>33.0 %</i>	<i>23.3 %</i>	<i>31.5 %</i>	<i>34.0 %</i>
Research and development	12.8	14.1	15.2	18.3	20.2	20.5	20.5
Sales and marketing	18.8	20.5	19.6	21.9	22.9	25.0	25.2
Administration expenses	13.3	13.6	13.4	15.9	18.9	20.0	20.0
Other operating expenses	4.4	3.5	3.8	3.5	3.2	0.5	0.2
Other operating income	4.9	4.3	6.3	3.2	1.7	0.0	0.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	9.2	15.3	18.0	15.7	-5.2	18.7	28.9
<i>Margin</i>	<i>6.2 %</i>	<i>8.6 %</i>	<i>10.8 %</i>	<i>7.7 %</i>	<i>-2.4 %</i>	<i>7.7 %</i>	<i>11.4 %</i>
Depreciation of fixed assets	2.9	2.9	2.8	3.6	7.3	6.0	6.5
EBITA	6.2	12.4	15.1	12.1	-12.5	12.7	22.4
Amortisation of intangible assets	1.2	1.3	1.2	1.2	1.2	1.7	1.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	5.0	11.1	13.9	10.9	-13.8	11.0	20.6
<i>Margin</i>	<i>3.3 %</i>	<i>6.3 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.4 %</i>	<i>4.5 %</i>	<i>8.1 %</i>
EBIT adj.	5.0	14.2	13.9	10.9	0.5	16.0	20.6
Interest income	0.3	0.1	0.1	0.0	0.0	0.0	0.0
Interest expenses	0.5	0.7	0.2	0.2	0.4	0.5	0.4
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	4.7	10.5	13.8	10.7	-14.1	10.5	20.2
<i>Margin</i>	<i>3.2 %</i>	<i>5.9 %</i>	<i>8.3 %</i>	<i>5.3 %</i>	<i>-6.6 %</i>	<i>4.3 %</i>	<i>7.9 %</i>
Total taxes	4.5	5.5	7.0	6.0	2.1	4.7	6.2
Net income from continuing operations	0.2	5.0	6.7	4.8	-16.3	5.8	14.1
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	0.2	5.0	6.7	4.8	-16.3	5.8	14.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.2	5.0	6.7	4.8	-16.3	5.8	14.1
<i>Margin</i>	<i>0.2 %</i>	<i>2.8 %</i>	<i>4.0 %</i>	<i>2.3 %</i>	<i>-7.6 %</i>	<i>2.4 %</i>	<i>5.5 %</i>
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1
EPS	0.01	0.26	0.35	0.25	-0.85	0.30	0.74
EPS adj.	0.01	0.38	0.35	0.69	-0.11	0.56	0.74

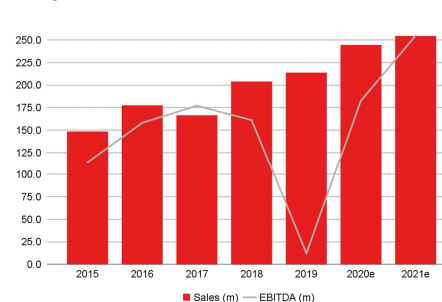
*Adjustments made for:

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

Financial Ratios

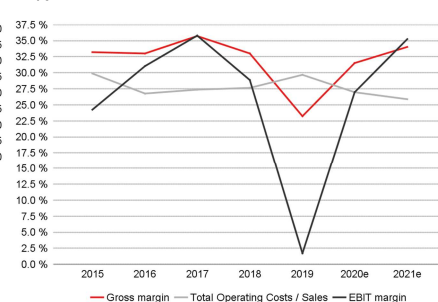
	2015	2016	2017	2018	2019	2020e	2021e
Total Operating Costs / Sales	29.9 %	26.7 %	27.4 %	27.7 %	29.7 %	27.0 %	25.9 %
Operating Leverage	-18.6 x	6.3 x	-4.0 x	-1.0 x	n.a.	n.a.	21.3 x
EBITDA / Interest expenses	17.4 x	21.2 x	86.8 x	90.3 x	n.m.	37.4 x	72.3 x
Tax rate (EBT)	95.2 %	52.4 %	51.2 %	55.4 %	-15.2 %	45.0 %	30.5 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	212,774	249,063	254,235	231,740	228,174	373,282	388,550

Sales, EBITDA
in EUR m



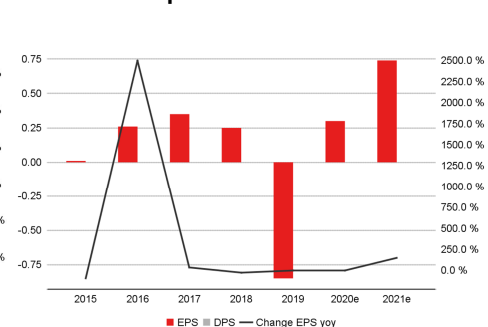
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

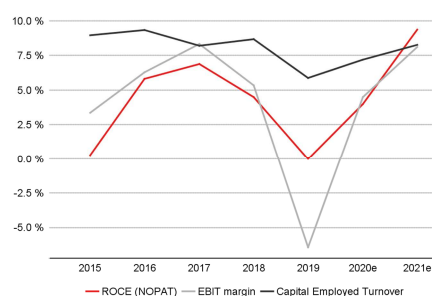
Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019	2020e	2021e
Assets							
Goodwill and other intangible assets	20.0	19.4	18.2	17.7	19.9	18.8	17.5
thereof other intangible assets	4.0	3.3	2.5	1.9	4.2	3.0	1.7
thereof Goodwill	15.8	15.8	15.6	15.7	15.7	15.7	15.7
Property, plant and equipment	20.3	20.6	23.3	26.2	33.9	42.4	45.4
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	40.3	39.9	41.5	43.9	53.8	61.2	62.9
Inventories	68.7	73.8	97.9	93.5	75.0	101.9	97.9
Accounts receivable	13.1	24.1	19.6	25.1	50.2	33.5	31.4
Liquid assets	49.1	35.6	36.5	30.7	10.3	7.6	21.5
Other short-term assets	6.0	6.2	6.4	6.4	10.6	5.9	5.9
Current assets	136.9	139.7	160.5	155.7	146.1	148.9	156.7
Total Assets	177.2	179.6	202.0	199.6	199.9	210.1	219.6
Liabilities and shareholders' equity							
Subscribed capital	19.1	19.1	19.1	19.1	19.1	19.1	19.1
Capital reserve	98.8	103.8	110.3	122.9	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	0.8	1.4	-2.4	-1.5	-0.3	5.3	22.2
Shareholders' equity	118.7	124.4	127.0	140.4	125.4	131.0	147.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	118.7	124.4	127.0	140.4	125.4	131.0	147.9
Provisions	7.5	10.0	7.4	10.3	10.2	10.2	10.2
thereof provisions for pensions and similar obligations	5.1	4.8	4.7	5.1	6.0	6.0	6.0
Financial liabilities (total)	9.1	4.5	3.5	2.5	28.3	25.9	17.9
thereof short-term financial liabilities	1.2	1.0	1.0	1.0	10.4	8.0	0.0
Accounts payable	8.5	3.4	7.3	9.0	10.0	11.4	11.9
Other liabilities	33.4	37.4	56.8	37.3	26.0	31.6	31.6
Liabilities	58.5	55.3	75.0	59.1	74.5	79.2	71.7
Total liabilities and shareholders' equity	177.2	179.6	202.0	199.6	199.9	210.1	219.6

Financial Ratios

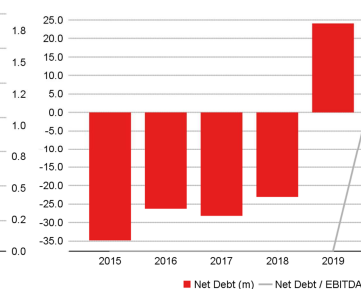
	2015	2016	2017	2018	2019	2020e	2021e
Efficiency of Capital Employment							
Operating Assets Turnover	2.0 x	1.9 x	1.8 x	1.7 x	1.5 x	1.6 x	1.7 x
Capital Employed Turnover	1.8 x	1.8 x	1.7 x	1.7 x	1.4 x	1.6 x	1.7 x
ROA	0.6 %	12.5 %	16.2 %	10.9 %	-30.3 %	9.4 %	22.3 %
Return on Capital							
ROCE (NOPAT)	0.3 %	5.8 %	6.9 %	4.5 %	n.a.	4.0 %	9.4 %
ROE	0.2 %	4.1 %	5.3 %	3.6 %	-12.2 %	4.5 %	10.1 %
Adj. ROE	0.2 %	5.9 %	5.3 %	9.9 %	-1.6 %	8.4 %	10.1 %
Balance sheet quality							
Net Debt	-34.8	-26.3	-28.2	-23.1	24.0	24.3	2.4
Net Financial Debt	-40.0	-31.1	-33.0	-28.2	18.0	18.3	-3.7
Net Gearing	-29.3 %	-21.1 %	-22.2 %	-16.4 %	19.2 %	18.6 %	1.6 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	97.6 %	n.a.
Book Value / Share	6.2	6.5	6.6	7.3	6.6	6.9	7.7
Book value per share ex intangibles	5.2	5.5	5.7	6.4	5.5	5.9	6.8

ROCE Development



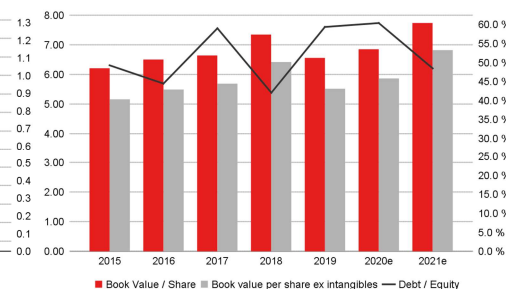
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

Consolidated cash flow statement

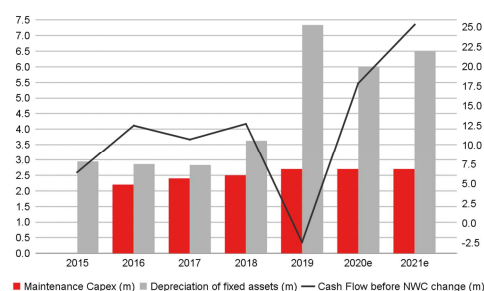
In EUR m	2015	2016	2017	2018	2019	2020e	2021e
Net income	0.2	5.0	6.7	4.8	-16.3	5.8	14.1
Depreciation of fixed assets	2.9	2.9	2.8	3.6	7.3	6.0	6.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	1.3	1.2	1.2	1.2	1.7	1.8
Increase/decrease in long-term provisions	0.4	-0.4	0.3	0.2	0.1	0.0	0.0
Other non-cash income and expenses	1.7	3.8	-0.4	2.9	5.2	4.3	3.0
Cash Flow before NWC change	6.5	12.5	10.7	12.7	-2.4	17.8	25.3
Increase / decrease in inventory	-7.7	-6.1	-28.2	-29.8	4.6	-26.9	4.0
Increase / decrease in accounts receivable	1.3	-10.7	2.9	-1.9	-25.0	16.7	2.1
Increase / decrease in accounts payable	4.7	-1.1	23.9	1.7	-8.0	7.0	0.5
Increase / decrease in other working capital positions	-0.1	0.0	0.0	19.3	0.0	0.0	0.0
Increase / decrease in working capital (total)	-1.8	-17.9	-1.3	-10.8	-28.4	-3.1	6.6
Net cash provided by operating activities [1]	4.7	-5.4	9.4	1.9	-30.8	14.7	31.9
Investments in intangible assets	0.8	0.5	0.5	0.6	3.4	0.5	0.5
Investments in property, plant and equipment	2.6	3.2	6.0	6.3	5.7	10.5	9.5
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	-3.9	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]	-3.4	-3.6	-6.5	-6.9	-6.1	-14.9	-10.0
Change in financial liabilities	-1.2	-4.6	-1.0	-1.0	16.4	-2.4	-8.0
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]	-1.2	-4.6	-1.0	-1.0	16.4	-2.4	-8.0
Change in liquid funds [1]+[2]+[3]	0.1	-13.6	1.9	-6.0	-20.5	-2.7	13.9
Effects of exchange-rate changes on cash	0.7	0.2	-1.0	0.2	0.1	0.0	0.0
Cash and cash equivalent at end of period	48.1	35.7	36.5	30.7	10.3	7.6	21.5

Financial Ratios

	2015	2016	2017	2018	2019	2020e	2021e
Cash Flow							
FCF	1.3	-9.0	2.9	-5.0	-36.9	3.6	21.9
Free Cash Flow / Sales	0.8 %	-5.1 %	1.7 %	-2.5 %	-17.3 %	1.5 %	8.6 %
Free Cash Flow Potential	n.a.	10.7	6.5	7.3	4.2	16.3	20.1
Free Cash Flow / Net Profit	559.1 %	-180.3 %	43.1 %	-105.1 %	226.9 %	62.9 %	155.9 %
Interest Received / Avg. Cash	0.5 %	0.2 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	5.4 %	10.6 %	5.2 %	5.8 %	2.5 %	1.8 %	1.8 %
Management of Funds							
Investment ratio	2.3 %	2.1 %	3.9 %	3.4 %	4.2 %	4.5 %	3.9 %
Maint. Capex / Sales	n.a.	1.2 %	1.4 %	1.2 %	1.3 %	1.1 %	1.1 %
Capex / Dep	81.6 %	87.8 %	159.2 %	143.2 %	105.6 %	143.4 %	120.5 %
Avg. Working Capital / Sales	35.8 %	35.8 %	42.6 %	39.5 %	46.1 %	43.9 %	41.5 %
Trade Debtors / Trade Creditors	154.5 %	717.2 %	269.4 %	278.4 %	501.1 %	293.9 %	263.9 %
Inventory Turnover	1.4 x	1.6 x	1.1 x	1.5 x	2.2 x	1.6 x	1.7 x
Receivables collection period (days)	32	50	43	45	86	50	45
Payables payment period (days)	31	10	25	24	22	25	26
Cash conversion cycle (Days)	187	196	215	222	210	215	199

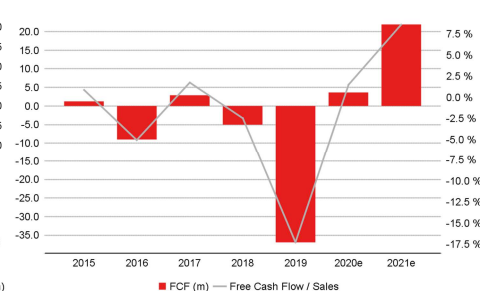
CAPEX and Cash Flow

in EUR m



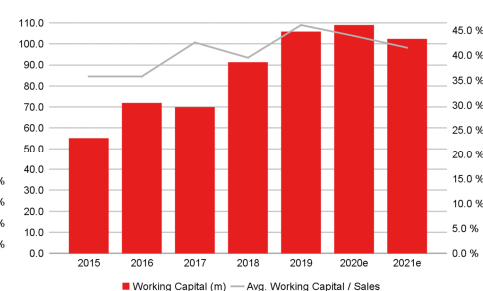
Source: Warburg Research

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.

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	132	64
Hold	55	27
Sell	12	6
Rating suspended	7	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	33	83
Hold	5	13
Sell	0	0
Rating suspended	2	5
Total	40	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 23.06.2020



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.

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, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@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

Patrick Schmidt +49 40 309537-125
Leisure, Internet pschmidt@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

Lyubka Bogdanova +49 69 5050-7411
Ireland, Poland, Australia 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

Tobias Hald +49 40 3282-2695
United Kingdom thald@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 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