

Buy EUR 33.00 Price EUR 23.55 Upside 40.1 %	Value Indicators: EUR DCF: 33.00 FCF-Value Potential 24e: 27.00	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 3.0 Balance Sheet Score: 2.0 Market Liquidity Score: 2.0	Description: Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS
	Market Snapshot: EUR m Market cap: 449.8 No. of shares (m): 19.1 EV: 411.9 Freefloat MC: 449.8 Ø Trad. Vol. (30d): 2.00 m	Shareholders: Freefloat 100.00 % Kempen 10.00 % Universal Investment 9.30 % Teslin 7.50 % Luxempart 4.50 %	Key Figures (WRE): 2023e Beta: 1.3 Price / Book: 2.2 x Equity Ratio: 60 %

Preview Q2: Bulk of 2023 earnings will be generated in H2

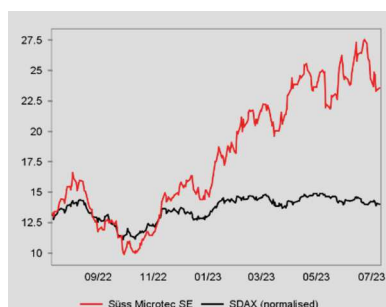
Expected Figures Q2/2023: FY End: 31.12. in EUR m							Comment on Figures: <ul style="list-style-type: none"> Q2 orders expected to come in at EUR 85m. Near-term AI upside expected to materialize in Q3 and Q4 Revenue expected to increase slightly qoq to EUR 75m. Supply shortages should ease but only later in 2023 Slight improvement expected in profitability qoq. H2 should contribute majority of bottom line. 						
	Q2	Q2		6M	6M								
	23e	22	yoy	23e	22	yoy							
Order entry	85.0	113.3	-25 %	184.6	230.9	-20 %							
Sales	75.0	61.5	22 %	145.4	124.8	17 %							
EBIT	5.0	3.0	66 %	8.0	5.1	55 %							
Margin	6.7 %	4.9 %		5.5 %	4.1 %								

The **Q2 report** (due on 03.08) is **expected to show a rather moderate quarter**. Generally, some burdens are expected to have persisted and the **bulk of the FY earnings will be generated in H2**. **Q2 revenues** are expected to have **increased slightly qoq to EUR 75m**. With the Q1 reporting, SÜSS already indicated that the supply bottlenecks are expected to improve but only later in 2023. H2 is expected to contribute almost 60% of 2023 revenues (the H1 growth rate should nevertheless correspond to the full-year expectation as the sales distribution showed a similar pattern in 2022). We are expecting the **gross profit margin to have reached ~35% in Q2**, up from the low level of 33% in Q1 but still below the 37-38% target range. One reason for the still below-target margin is again low profitability in the microoptics business, which (as in Q1) should have suffered from price-cuts and lower utilization as customers digest higher inventories. An improvement here is only expected in H2. Stronger sequential sales growth should lead to **clear double-digit EBIT margins in H2**. **Q2 order intake is expected to reach ~ EUR 85m**. The **near-term AI-related order upside** (temporary bonders + lithography tools such as scanners) is **expected to materialize during Q3 and Q4**.

The **FY 2023 estimates are being revised somewhat**. SÜSS is **still expected to reach the upper half of the guidance range** (EUR 320 – 360m) **at top-line level** owing to the high order backlog and strong Q1 order level. Initial estimates did not incorporate the margin weakness in the microoptics segment, which is the main reason for the adjustment in the earnings expectation, coupled with marginally higher OPEX forecasts. In the upper half of the sales range, SÜSS is now expected to approach the upper end of the margin guidance. Somewhat weaker microoptics margins are also incorporated into 2024 forecasts. We **continue to believe that there is still upside to next year's revenue estimates**. With **AI-related tailwind**, SÜSS could come closer to, or even reach, its EUR 400m sales target a year earlier than planned.

Even on slightly lower 2023 estimates, SÜSS receives a >50% discount (based on EV/EBIT) in comparison to its peers, and this increases even further for 2024 and 25. Solid execution and rising profitability over the next few years should narrow the significant valuation gap. **Buy**.

Changes in Estimates: FY End: 31.12. in EUR m							Comment on Changes: <ul style="list-style-type: none"> Weak profitability in microoptics is behind the reduction in FY23 estimates Marginal increase in 2024 top-line estimates. AI-related upside likely to have an even stronger impact 15% EBIT-margin target should be reached by 2025 						
	2023e	+ / -		2024e	+ / -								
	(old)			(old)									
Sales	350.0	0.0 %		375.0	2.1 %								
EBIT	45.0	-8.0 %		53.3	0.0 %								

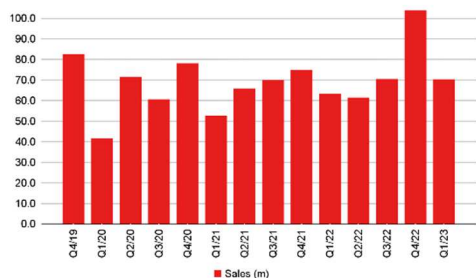


Rel. Performance vs SDAX:	
1 month:	-2.9 %
6 months:	30.4 %
Year to date:	47.0 %
Trailing 12 months:	71.2 %

Company events:	
03.08.23	Q2
09.11.23	Q3

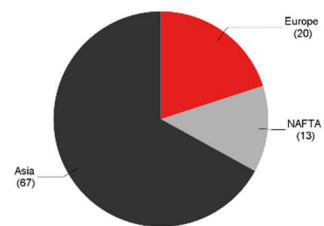
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	10.3 %	213.8	252.1	263.4	299.1	350.0	383.0	401.0
Change Sales yoy		4.8 %	17.9 %	4.5 %	13.6 %	17.0 %	9.4 %	4.7 %
Gross profit margin		23.3 %	33.2 %	35.8 %	36.8 %	37.0 %	38.3 %	39.9 %
EBITDA	18.7 %	-5.2	28.2	29.6	41.9	51.4	63.3	70.0
Margin		-2.4 %	11.2 %	11.2 %	14.0 %	14.7 %	16.5 %	17.5 %
EBIT		-13.8	20.4	22.6	32.8	41.4	53.3	60.0
Margin		-6.4 %	8.1 %	8.6 %	11.0 %	11.8 %	13.9 %	15.0 %
Net income	19.9 %	-16.3	12.3	16.0	24.5	29.0	37.6	42.3
EPS	20.0 %	-0.85	0.65	0.84	1.28	1.52	1.97	2.21
EPS adj.	20.0 %	-0.11	0.78	0.84	1.28	1.52	1.97	2.21
DPS	20.5 %	0.00	0.00	0.16	0.20	0.25	0.30	0.35
Dividend Yield		n.a.	n.a.	0.7 %	1.3 %	1.1 %	1.3 %	1.5 %
FCFPS		-1.93	2.47	0.77	0.84	0.28	1.54	2.00
FCF / Market cap		-19.8 %	19.2 %	3.2 %	5.6 %	1.2 %	6.6 %	8.6 %
EV / Sales		1.0 x	0.9 x	1.6 x	0.8 x	1.2 x	1.0 x	0.9 x
EV / EBITDA		n.a.	8.2 x	14.5 x	6.0 x	8.0 x	6.1 x	5.0 x
EV / EBIT		n.a.	11.4 x	19.1 x	7.6 x	10.0 x	7.3 x	5.9 x
P / E		n.a.	19.8 x	28.6 x	11.7 x	15.5 x	12.0 x	10.6 x
P / E adj.	-3.2 %	n.a.	16.5 x	28.6 x	11.7 x	15.5 x	12.0 x	10.6 x
FCF Potential Yield		-4.8 %	13.8 %	5.4 %	12.5 %	8.9 %	11.6 %	14.1 %
Net Debt		24.0	-13.9	-28.4	-36.3	-37.9	-62.6	-95.2
ROCE (NOPAT)		n.a.	9.3 %	13.0 %	18.3 %	19.0 %	22.2 %	24.1 %
Guidance:		2023: Sales: 320 - 360m; EBIT 10-12%						

Sales development
in EUR m



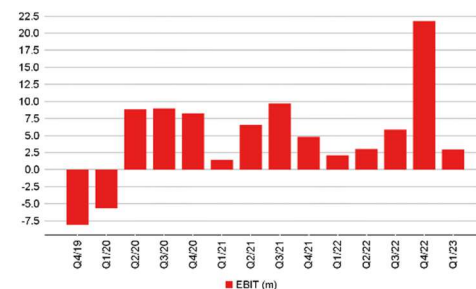
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

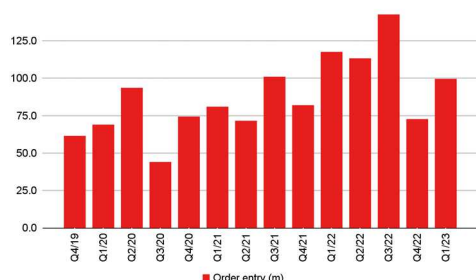
Company Background

- 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.
- 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. 1100 employees.

Competitive Quality

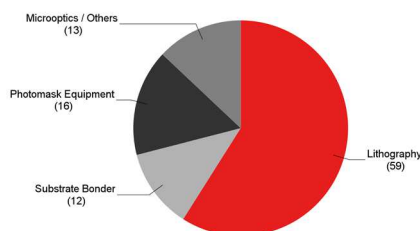
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



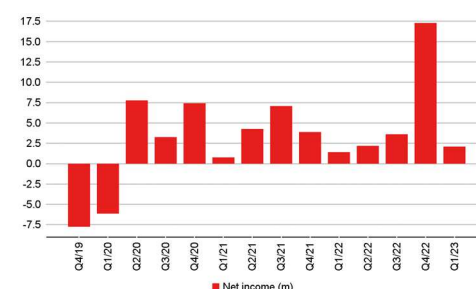
Source: Warburg Research

Sales by segments
2022; 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
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	350.0	383.0	401.0	429.1	459.1	491.2	525.6	551.9	574.0	596.9	620.8	633.2	645.9	
Sales change	17.0 %	9.4 %	4.7 %	7.0 %	7.0 %	7.0 %	7.0 %	5.0 %	4.0 %	4.0 %	4.0 %	2.0 %	2.0 %	2.0 %
EBIT	41.4	53.3	60.0	64.4	68.9	73.7	78.8	82.8	86.1	89.5	93.1	95.0	96.9	
EBIT-margin	11.8 %	13.9 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	
Tax rate (EBT)	15.5 %	22.8 %	26.2 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	
NOPAT	35.0	41.2	44.3	46.0	49.2	52.7	56.4	59.2	61.6	64.0	66.6	67.9	69.3	
Depreciation	10.0	10.0	10.0	12.9	12.9	13.8	14.7	15.5	16.1	16.7	17.4	17.7	18.1	
in % of Sales	2.9 %	2.6 %	2.5 %	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	15.0	6.6	2.5	2.1	9.0	9.6	10.3	7.9	6.6	6.9	7.2	3.7	3.8	
- Capex	12.6	11.5	11.5	23.7	13.8	14.7	15.8	16.6	17.2	17.9	18.6	19.0	19.4	
Capex in % of Sales	3.6 %	3.0 %	2.9 %	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)	17.3	33.1	40.3	33.0	39.3	42.1	45.0	50.2	53.8	55.9	58.2	62.9	64.2	65
PV of FCF	16.8	29.3	32.5	24.3	26.4	25.8	25.2	25.6	25.0	23.7	22.5	22.2	20.7	277
share of PVs	13.17 %			40.45 %										46.38 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	4.00 %	Financial Strength	1.10
Cost of debt (after tax)	2.9 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	1.60
Risk free rate	2.75 %	Transparency	1.10
		Others	1.40
WACC	9.62 %	Beta	1.30

Valuation (m)

Present values 2035e	320		
Terminal Value	277		
Financial liabilities	20		
Pension liabilities	5		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	56	No. of shares (m)	19.1
Equity Value	628	Value per share (EUR)	32.89

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Delta EBIT-margin								
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp		
1.49	10.6 %	28.03	28.32	28.62	28.95	29.29	29.65	30.04	1.49	10.6 %	25.69	26.77	27.86	28.95	30.03	31.12	32.21
1.39	10.1 %	29.70	30.05	30.41	30.79	31.20	31.64	32.10	1.39	10.1 %	27.33	28.48	29.64	30.79	31.95	33.10	34.26
1.35	9.9 %	30.62	30.99	31.39	31.81	32.25	32.73	33.24	1.35	9.9 %	28.23	29.42	30.61	31.81	33.00	34.19	35.38
1.30	9.6 %	31.59	32.00	32.43	32.89	33.38	33.91	34.47	1.30	9.6 %	29.19	30.42	31.66	32.89	34.12	35.35	36.58
1.25	9.4 %	32.62	33.07	33.54	34.05	34.59	35.17	35.79	1.25	9.4 %	30.22	31.50	32.77	34.05	35.32	36.59	37.87
1.21	9.1 %	33.72	34.21	34.73	35.29	35.88	36.53	37.22	1.21	9.1 %	31.33	32.65	33.97	35.29	36.61	37.93	39.24
1.11	8.6 %	36.16	36.75	37.38	38.06	38.79	39.58	40.44	1.11	8.6 %	33.80	35.22	36.64	38.06	39.48	40.90	42.32

- Growth estimate below mid- to long-term ambition of SÜSS
- Sustainable EBIT margin of 15% anticipated...

Free Cash Flow Value Potential

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

in EUR m	2019	2020	2021	2022	2023e	2024e	2025e	
Net Income before minorities	-16.3	12.3	16.0	24.5	29.0	37.6	42.3	
+ Depreciation + Amortisation	8.6	7.8	7.1	9.1	10.0	10.0	10.0	
- Net Interest Income	-0.4	-0.4	-0.5	-0.3	-0.2	0.0	0.0	
- Maintenance Capex	2.7	2.7	2.7	2.7	2.7	2.7	2.7	
+ Other	0.0	14.2	2.6	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	-10.0	32.0	23.4	31.2	36.5	44.9	49.6	
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.5 %	8.9 %	11.6 %	14.1 %	
WACC	9.62 %	9.62 %	9.62 %	9.62 %	9.62 %	9.62 %	9.62 %	
= Enterprise Value (EV)	210.4	232.3	430.1	249.4	412.3	387.6	352.1	
= Fair Enterprise Value	n.a.	332.9	243.5	324.5	380.0	466.8	515.7	
- Net Debt (Cash)	-41.3	-41.3	-41.3	-41.3	-42.9	-67.6	-100.2	
- Pension Liabilities	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
- 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	n.a.	369.2	279.8	360.8	417.8	529.3	610.8	
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.	19.31	14.64	18.87	21.86	27.69	31.95	
premium (-) / discount (+) in %					-7.2 %	17.6 %	36.6 %	
Sensitivity Fair value per Share (EUR)								
	12.62 %	n.a.	15.18	11.62	14.85	17.15	21.90	25.56
	11.62 %	n.a.	16.33	12.45	15.96	18.45	23.51	27.33
	10.62 %	n.a.	17.69	13.45	17.29	20.00	25.41	29.44
WACC	9.62 %	n.a.	19.31	14.64	18.87	21.86	27.69	31.95
	8.62 %	n.a.	21.35	16.13	20.86	24.18	30.55	35.11
	7.62 %	n.a.	23.90	18.00	23.35	27.10	34.13	39.07
	6.62 %	n.a.	27.23	20.43	26.59	30.89	38.79	44.22

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

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	1.5 x	1.8 x	2.9 x	1.6 x	2.2 x	1.9 x	1.6 x
Book value per share ex intangibles	5.52	5.92	6.95	8.01	9.33	11.04	12.96
EV / Sales	1.0 x	0.9 x	1.6 x	0.8 x	1.2 x	1.0 x	0.9 x
EV / EBITDA	n.a.	8.2 x	14.5 x	6.0 x	8.0 x	6.1 x	5.0 x
EV / EBIT	n.a.	11.4 x	19.1 x	7.6 x	10.0 x	7.3 x	5.9 x
EV / EBIT adj.*	445.7 x	10.1 x	19.1 x	8.3 x	10.0 x	7.3 x	5.9 x
P / FCF	n.a.	5.2 x	31.2 x	17.8 x	82.9 x	15.3 x	11.7 x
P / E	n.a.	19.8 x	28.6 x	11.7 x	15.5 x	12.0 x	10.6 x
P / E adj.*	n.a.	16.5 x	28.6 x	11.7 x	15.5 x	12.0 x	10.6 x
Dividend Yield	n.a.	n.a.	0.7 %	1.3 %	1.1 %	1.3 %	1.5 %
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.5 %	8.9 %	11.6 %	14.1 %

*Adjustments made for: -

Company Specific Items	2019	2020	2021	2022	2023e	2024e	2025e
Order entry	219.2	281.1	335.6	446.2	383.0	0.0	0.0
Order backlog	93.2	120.1	193.3	346.4	379.4	0.0	0.0

Consolidated profit and loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	213.8	252.1	263.4	299.1	350.0	383.0	401.0
Change Sales yoy	4.8 %	17.9 %	4.5 %	13.6 %	17.0 %	9.4 %	4.7 %
COGS	164.1	168.4	169.2	189.1	220.5	236.3	241.0
Gross profit	49.7	83.7	94.2	110.1	129.5	146.7	160.0
<i>Gross margin</i>	23.3 %	33.2 %	35.8 %	36.8 %	37.0 %	38.3 %	39.9 %
Research and development	20.2	19.8	22.1	25.0	34.5	36.5	40.0
Sales and marketing	22.9	23.5	24.9	28.5	24.5	26.0	28.0
Administration expenses	18.9	20.8	22.9	23.3	27.5	29.0	30.5
Other operating expenses	3.2	3.4	5.9	12.2	3.5	1.9	1.5
Other operating income	1.7	4.3	4.2	11.8	1.9	0.0	0.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-5.2	28.2	29.6	41.9	51.4	63.3	70.0
<i>Margin</i>	-2.4 %	11.2 %	11.2 %	14.0 %	14.7 %	16.5 %	17.5 %
Depreciation of fixed assets	7.3	7.1	6.4	8.1	9.0	9.0	9.0
EBITA	-12.5	21.1	23.2	33.8	42.4	54.3	61.0
Amortisation of intangible assets	1.2	0.7	0.7	1.0	1.0	1.0	1.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-13.8	20.4	22.6	32.8	41.4	53.3	60.0
<i>Margin</i>	-6.4 %	8.1 %	8.6 %	11.0 %	11.8 %	13.9 %	15.0 %
EBIT adj.	0.5	23.0	22.6	30.0	41.4	53.3	60.0
Interest income	0.0	0.0	0.0	0.3	0.0	0.2	0.2
Interest expenses	0.4	0.4	0.5	0.6	0.2	0.2	0.2
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-14.1	20.0	22.1	32.5	41.2	53.3	60.0
<i>Margin</i>	-6.6 %	7.9 %	8.4 %	10.9 %	11.8 %	13.9 %	15.0 %
Total taxes	2.1	7.7	6.1	8.0	12.2	15.7	17.7
Net income from continuing operations	-16.3	12.3	16.0	24.5	29.0	37.6	42.3
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	-16.3	12.3	16.0	24.5	29.0	37.6	42.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-16.3	12.3	16.0	24.5	29.0	37.6	42.3
<i>Margin</i>	-7.6 %	4.9 %	6.1 %	8.2 %	8.3 %	9.8 %	10.5 %
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1
EPS	-0.85	0.65	0.84	1.28	1.52	1.97	2.21
EPS adj.	-0.11	0.78	0.84	1.28	1.52	1.97	2.21

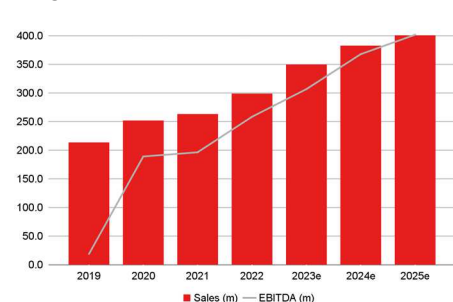
*Adjustments made for:

Guidance: 2023: Sales: 320 - 360m; EBIT 10-12%

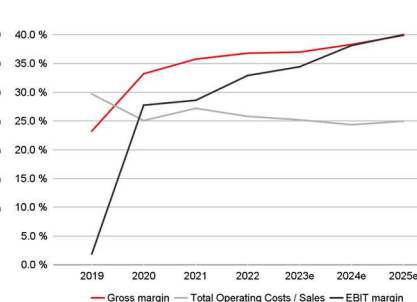
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	29.7 %	25.1 %	27.2 %	25.8 %	25.2 %	24.4 %	24.9 %
Operating Leverage	n.a.	n.a.	2.3 x	3.4 x	1.5 x	3.1 x	2.7 x
EBITDA / Interest expenses	n.m.	66.6 x	63.5 x	74.2 x	257.0 x	316.6 x	350.0 x
Tax rate (EBT)	-15.2 %	38.3 %	27.5 %	24.6 %	29.5 %	29.5 %	29.5 %
Dividend Payout Ratio	0.0 %	0.0 %	19.1 %	15.6 %	16.5 %	15.3 %	15.8 %
Sales per Employee	228,174	263,139	237,760	248,246	291,667	306,400	612,214

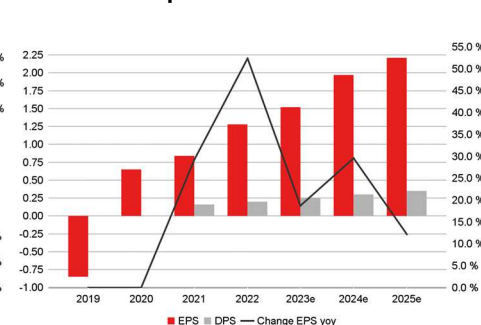
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

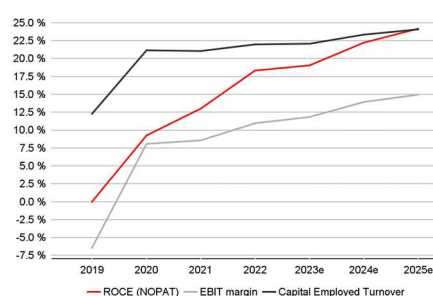
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	19.9	23.4	24.0	24.6	24.7	24.7	24.7
thereof other intangible assets	4.2	5.0	5.6	5.9	6.0	6.0	6.0
thereof Goodwill	15.7	18.3	18.4	18.6	18.6	18.6	18.6
Property, plant and equipment	33.9	40.4	44.5	48.9	51.4	52.9	54.4
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	53.8	63.7	68.5	73.4	76.0	77.5	79.0
Inventories	75.0	73.0	99.5	150.5	129.6	136.8	138.3
Accounts receivable	50.2	48.0	47.4	57.0	62.3	63.0	65.9
Liquid assets	10.3	40.8	52.1	61.3	61.3	85.4	117.9
Other short-term assets	10.6	5.9	11.6	11.0	11.0	11.0	11.0
Current assets	146.1	167.7	210.7	279.8	264.3	296.2	333.2
Total Assets	199.9	231.4	279.2	353.3	340.3	373.7	412.2
Liabilities and shareholders' equity							
Subscribed capital	19.1	19.1	19.1	19.1	19.1	19.1	19.1
Capital reserve	106.6	119.0	135.0	156.5	156.5	156.5	156.5
Retained earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity components	-0.3	-1.6	2.8	2.2	27.4	60.2	96.8
Shareholders' equity	125.4	136.5	156.9	177.7	203.0	235.8	272.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	125.4	136.5	156.9	177.7	203.0	235.8	272.3
Provisions	10.2	10.9	11.2	11.8	11.8	11.8	11.8
thereof provisions for pensions and similar obligations	6.0	6.4	5.3	5.0	5.0	5.0	5.0
Financial liabilities (total)	28.3	20.5	18.3	20.0	18.4	17.7	17.7
Short-term financial liabilities	10.4	1.4	1.2	1.2	1.2	1.2	1.2
Accounts payable	10.0	9.8	24.4	27.1	14.4	15.7	17.6
Other liabilities	26.0	53.7	68.4	116.7	92.7	92.7	92.7
Liabilities	74.5	94.9	122.3	175.5	137.3	137.9	139.8
Total liabilities and shareholders' equity	199.9	231.4	279.2	353.3	340.3	373.7	412.2

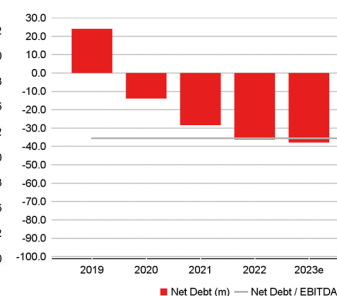
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	1.5 x	2.0 x	2.0 x	2.0 x	2.1 x	2.2 x	2.2 x
Capital Employed Turnover	1.4 x	2.1 x	2.1 x	2.1 x	2.1 x	2.2 x	2.3 x
ROA	-30.3 %	19.4 %	23.4 %	33.4 %	38.2 %	48.5 %	53.5 %
Return on Capital							
ROCE (NOPAT)	n.a.	9.3 %	13.0 %	18.3 %	19.0 %	22.2 %	24.1 %
ROE	-12.2 %	9.4 %	10.9 %	14.7 %	15.3 %	17.1 %	16.6 %
Adj. ROE	-1.6 %	11.4 %	10.9 %	14.7 %	15.3 %	17.1 %	16.6 %
Balance sheet quality							
Net Debt	24.0	-13.9	-28.4	-36.3	-37.9	-62.6	-95.2
Net Financial Debt	18.0	-20.3	-33.8	-41.3	-42.9	-67.6	-100.2
Net Gearing	19.2 %	-10.2 %	-18.1 %	-20.4 %	-18.7 %	-26.5 %	-34.9 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	6.6	7.1	8.2	9.3	10.6	12.3	14.2
Book value per share ex intangibles	5.5	5.9	7.0	8.0	9.3	11.0	13.0

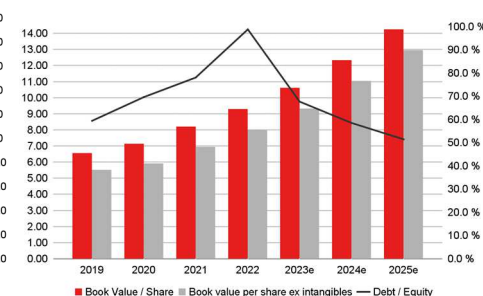
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

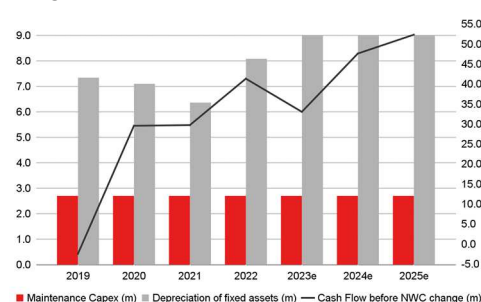
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	-16.3	12.3	16.0	24.5	29.0	37.6	42.3
Depreciation of fixed assets	7.3	7.1	6.4	8.1	9.0	9.0	9.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	0.7	0.7	1.0	1.0	1.0	1.0
Increase/decrease in long-term provisions	0.1	0.4	-1.2	-0.5	0.0	0.0	0.0
Other non-cash income and expenses	5.2	9.1	7.8	8.2	-6.0	0.0	0.0
Cash Flow before NWC change	-2.4	29.5	29.7	41.3	33.0	47.6	52.3
Increase / decrease in inventory	4.6	9.8	-29.5	-52.8	20.9	-7.2	-1.5
Increase / decrease in accounts receivable	-25.0	2.1	1.9	-11.1	-5.3	-0.7	-2.9
Increase / decrease in accounts payable	-8.0	13.7	22.3	46.5	-30.6	1.3	1.9
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-28.4	25.6	-5.4	-17.4	-15.0	-6.6	-2.5
Net cash provided by operating activities [1]	-30.8	55.1	24.3	23.9	18.0	41.0	49.8
Investments in intangible assets	3.4	1.1	1.2	1.1	1.1	1.0	1.0
Investments in property, plant and equipment	5.7	8.0	8.5	10.5	11.5	10.5	10.5
Payments for acquisitions	0.0	-3.3	0.0	0.0	0.0	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	0.1	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-6.1	-11.2	-9.6	-7.9	-12.6	-11.5	-11.5
Change in financial liabilities	16.4	-13.3	-3.8	-3.7	-1.6	-0.7	0.0
Dividends paid	0.0	0.0	0.0	-3.1	-3.8	-4.8	-5.7
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]	16.4	-13.3	-3.8	-6.8	-5.4	-5.5	-5.7
Change in liquid funds [1]+[2]+[3]	-20.5	30.7	10.9	9.3	0.0	24.0	32.6
Effects of exchange-rate changes on cash	0.1	-0.2	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	10.3	40.8	51.7	61.3	51.4	75.4	108.0

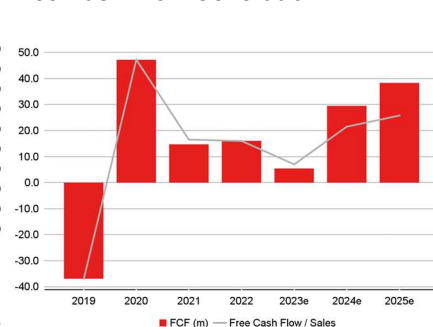
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	-36.9	47.2	14.7	16.0	5.4	29.5	38.3
Free Cash Flow / Sales	-17.3 %	18.7 %	5.6 %	5.4 %	1.6 %	7.7 %	9.6 %
Free Cash Flow Potential	-10.0	32.0	23.4	31.2	36.5	44.9	49.6
Free Cash Flow / Net Profit	226.9 %	382.4 %	91.9 %	65.4 %	18.7 %	78.5 %	90.5 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.5 %	0.0 %	0.3 %	0.2 %
Interest Paid / Avg. Debt	2.5 %	1.7 %	2.4 %	2.9 %	1.0 %	1.1 %	1.1 %
Management of Funds							
Investment ratio	4.2 %	3.6 %	3.7 %	3.9 %	3.6 %	3.0 %	2.9 %
Maint. Capex / Sales	1.3 %	1.1 %	1.0 %	0.9 %	0.8 %	0.7 %	0.7 %
Capex / Dep	105.6 %	117.1 %	136.4 %	127.6 %	126.0 %	115.0 %	115.0 %
Avg. Working Capital / Sales	46.1 %	37.9 %	33.0 %	32.0 %	31.4 %	31.5 %	31.3 %
Trade Debtors / Trade Creditors	501.1 %	487.7 %	194.0 %	210.3 %	432.6 %	401.3 %	374.4 %
Inventory Turnover	2.2 x	2.3 x	1.7 x	1.3 x	1.7 x	1.7 x	1.7 x
Receivables collection period (days)	86	69	66	70	65	60	60
Payables payment period (days)	22	21	53	52	24	24	27
Cash conversion cycle (Days)	210	151	155	157	156	154	152

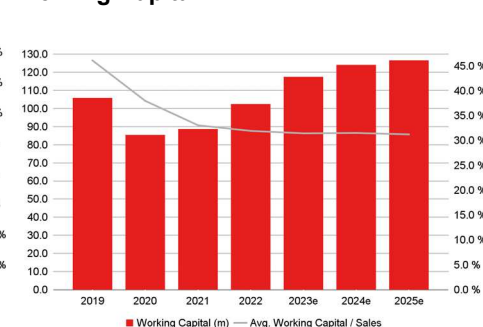
CAPEX and Cash Flow
in EUR m



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	https://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	155	75
Hold	41	20
Sell	7	3
Rating suspended	3	1
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	43	90
Hold	4	8
Sell	0	0
Rating suspended	1	2
Total	48	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 11.07.2023



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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