

<p>Buy</p> <p>EUR 33.00</p> <p>Price EUR 21.75</p> <p>Upside 51.7 %</p>	<p>Value Indicators: EUR</p> <p>DCF: 33.00</p> <p>FCF-Value Potential 24e: 27.40</p>	<p>Warburg ESG Risk Score: 2.3</p> <p>ESG Score (MSCI based): 3.0</p> <p>Balance Sheet Score: 2.0</p> <p>Market Liquidity Score: 2.0</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: 415.4</p> <p>No. of shares (m): 19.1</p> <p>EV: 374.4</p> <p>Freefloat MC: 415.4</p> <p>Ø Trad. Vol. (30d): 1.52 m</p>	<p>Shareholders:</p> <p>Freefloat 100.00 %</p> <p>Kempen 10.00 %</p> <p>Universal Investment 9.30 %</p> <p>Teslin 7.50 %</p> <p>Luxempart 4.50 %</p>	<p>Key Figures (WRe): 2023e</p> <p>Beta: 1.3</p> <p>Price / Book: 2.1 x</p> <p>Equity Ratio: 59 %</p>

News-flow set to improve in H2

SÜSS released its Q2 report on Thursday, after the announcement of preliminary figures and a revision of the FY guidance last week.

Weak profitability in the Microoptics business caused the cut in the FY guidance. Customers are working through elevated inventory levels which resulted in temporarily muted demand and low utilization. Based on recent discussions with customers, SÜSS expects an improvement in operating development in H2 which should facilitate somewhat better earnings in H2 (but still negative), although the company does not have full visibility owing to the short lead times. The management remained confident that it will be able to sign a deal to sell this non-core business by year-end. This segment will burden profitability by almost 2pp in 2023.

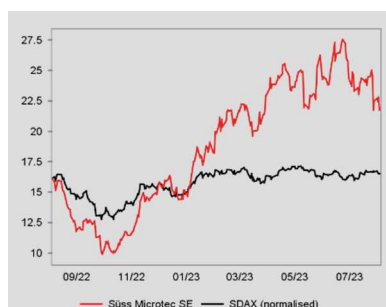
Margins: Excluding the weak Microoptics margins, the gross margin amounted to almost 37% in Q2, despite a relatively low gross margin of just below 32% in the Photomask Solutions segment. The latter is due to mix effects (strategic customer). As the vast majority of the photomask order backlog has a better margin profile, gross profit should improve in H2. The **EBIT margin reached 11.8% in Q2 excluding the Microoptics part**, up from 6.3% in Q1 and 4.6% in Q2 22, which **underlines that SÜSS is well on track to improve profitability in its core equipment business.**

The AI opportunity looks set to unfold in H2: SÜSS confirmed that it expects AI-related orders in H2. While demand from other applications is expected to remain relatively stable in H2, a materialization of AI-related orders should facilitate a return to order levels of >EUR 100m. We are estimating that **AI represents a near-term opportunity of a mid-double-digit million.** Temporary bonders are required for the production of HBM memory, which is used in significant volumes in Nvidias AI chips. Additionally, UV scanners are used in the packaging of these chips.

News-flow to turn around: With last week's guidance revision, the bad news should now be out. With a new CEO starting in September, the new guidance should have been deliberately set sufficiently conservative. AI applications are likely to yield material orders in H2. It appears highly probable that the company will sign a contract for a sale of the Microoptics business by year-end, which should be perceived positively owing to current losses. Additionally, SÜSS is registering clear signs of improvement in the supply chain (even if not fully resolved), which should support a strong start to FY 2024.

Mid-term prospects are more than intact. The order backlog is expected (WRe) to increase to ~EUR 400m by year-end, which provides the basis for clear growth in 2024. Elimination of losses in Microoptics and continued profitability improvements should result in margin expansion. Owing to a **2024 EV/EBIT multiple of only 7x**, the recent set-back provides a **buying opportunity** before positive news in H2.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -		
Sales	350.0	-3.7 %	383.0	0.0 %	401.0	0.0 %	<ul style="list-style-type: none"> ▪ Cut in estimates for the Microoptics segment ▪ As the core equipment business is regarded to be well on track, SÜSS' sales and earnings are expected to be in the upper half of the guidance ▪ Unchanged expectation of clear growth and margin improvement in 2024/25 	
EBIT	41.4	-12.2 %	53.3	0.0 %	60.0	0.0 %		



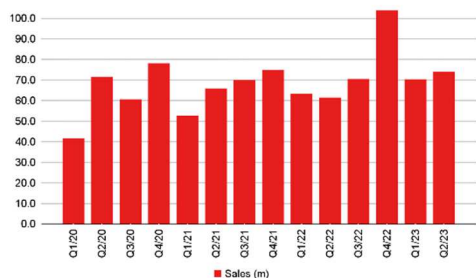
Rel. Performance vs SDAX:

1 month:	-12.9 %
6 months:	11.3 %
Year to date:	32.4 %
Trailing 12 months:	30.3 %

Company events:
09.11.23 Q3

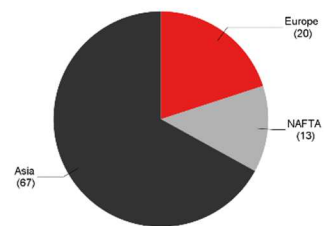
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	10.3 %	213.8	252.1	263.4	299.1	337.0	383.0	401.0
Change Sales yoy		4.8 %	17.9 %	4.5 %	13.6 %	12.7 %	13.6 %	4.7 %
Gross profit margin		23.3 %	33.2 %	35.8 %	36.8 %	36.6 %	38.1 %	39.9 %
EBITDA	18.7 %	-5.2	28.2	29.6	41.9	46.3	63.3	70.0
Margin		-2.4 %	11.2 %	11.2 %	14.0 %	13.8 %	16.5 %	17.5 %
EBIT		-13.8	20.4	22.6	32.8	36.3	53.3	60.0
Margin		-6.4 %	8.1 %	8.6 %	11.0 %	10.8 %	13.9 %	15.0 %
Net income	19.9 %	-16.3	12.3	16.0	24.5	25.7	37.6	42.3
EPS	20.0 %	-0.85	0.65	0.84	1.28	1.34	1.97	2.21
EPS adj.	20.0 %	-0.11	0.78	0.84	1.28	1.34	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 %	1.4 %	1.5 %
FCFPS		-1.93	2.47	0.77	0.84	0.45	1.20	2.00
FCF / Market cap		-19.8 %	19.2 %	3.2 %	5.6 %	2.1 %	5.5 %	8.8 %
EV / Sales		1.0 x	0.9 x	1.6 x	0.8 x	1.1 x	0.9 x	0.9 x
EV / EBITDA		n.a.	8.2 x	14.5 x	6.0 x	8.1 x	5.6 x	4.9 x
EV / EBIT		n.a.	11.4 x	19.1 x	7.6 x	10.3 x	6.7 x	5.7 x
P / E		n.a.	19.8 x	28.6 x	11.7 x	16.2 x	11.0 x	10.3 x
P / E adj.	-4.0 %	n.a.	16.5 x	28.6 x	11.7 x	16.2 x	11.0 x	10.3 x
FCF Potential Yield		-4.8 %	13.8 %	5.4 %	12.4 %	8.7 %	12.5 %	14.3 %
Net Debt		24.0	-13.9	-28.4	-36.3	-41.0	-59.2	-91.8
ROCE (NOPAT)		n.a.	9.3 %	13.0 %	18.3 %	17.1 %	22.7 %	24.1 %
Guidance:		2023: Sales: 320 - 340m; EBIT 9-11%						

Sales development
in EUR m



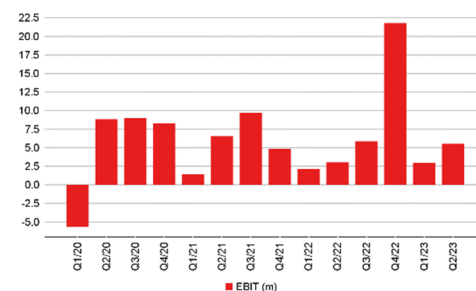
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

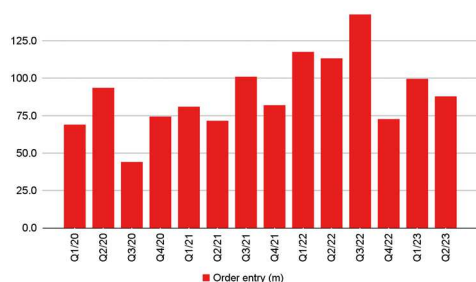
Company Background

- 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

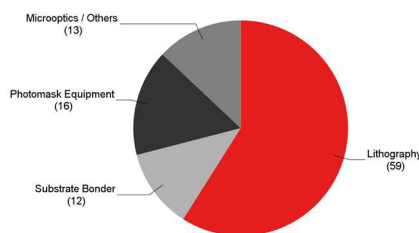
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



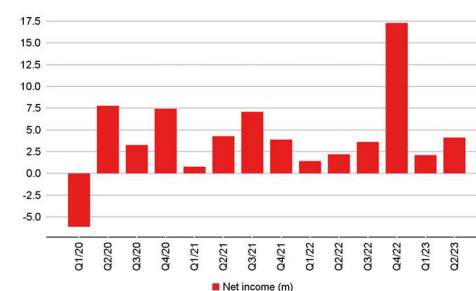
Source: Warburg Research

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	337.0	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	12.7 %	13.6 %	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	36.3	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	10.8 %	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)	17.7 %	20.2 %	26.2 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	
NOPAT	29.9	42.6	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	3.0 %	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	8.5	13.1	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	3.7 %	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)	18.8	28.0	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	18.4	25.0	32.9	24.6	26.7	26.1	25.4	25.9	25.3	24.0	22.8	22.5	20.9	280
share of PVs	12.71 %			40.66 %										46.63 %

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 %	Cyclicalit	1.60
Risk free rate	2.75 %	Transparency	1.10
		Others	1.40
WACC	9.62 %	Beta	1.30

Valuation (m)

Present values 2035e	321		
Terminal Value	280		
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	632	Value per share (EUR)	33.08

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 %	28.20	28.49	28.80	29.13	29.48	29.85	30.24	1.49	10.6 %	25.84	26.93	28.03	29.13	30.23	31.33	32.43
1.39	10.1 %	29.88	30.23	30.59	30.98	31.40	31.84	32.31	1.39	10.1 %	27.48	28.65	29.82	30.98	32.15	33.32	34.48
1.35	9.9 %	30.80	31.17	31.57	32.00	32.45	32.94	33.45	1.35	9.9 %	28.39	29.59	30.80	32.00	33.20	34.41	35.61
1.30	9.6 %	31.77	32.18	32.62	33.08	33.58	34.11	34.69	1.30	9.6 %	29.35	30.60	31.84	33.08	34.33	35.57	36.81
1.25	9.4 %	32.81	33.25	33.73	34.25	34.79	35.38	36.01	1.25	9.4 %	30.39	31.67	32.96	34.25	35.53	36.82	38.10
1.21	9.1 %	33.91	34.40	34.93	35.49	36.09	36.74	37.44	1.21	9.1 %	31.50	32.83	34.16	35.49	36.82	38.15	39.48
1.11	8.6 %	36.35	36.94	37.58	38.27	39.01	39.81	40.68	1.11	8.6 %	33.97	35.40	36.84	38.27	39.70	41.13	42.57

- 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	25.7	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	0.1	0.0	0.0	
- Maintenance Capex	2.7	2.7	2.8	2.9	3.0	3.0	3.0	
+ Other	0.0	14.2	2.6	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	-10.0	32.0	23.3	31.0	32.6	44.6	49.3	
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	8.7 %	12.5 %	14.3 %	
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	374.7	356.5	344.0	
= Fair Enterprise Value	n.a.	332.9	242.5	322.4	338.8	463.6	512.6	
- Net Debt (Cash)	-41.3	-41.3	-41.3	-41.3	-46.1	-64.3	-96.8	
- 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	278.8	358.7	379.9	522.9	604.4	
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	14.58	18.77	19.87	27.35	31.62	
premium (-) / discount (+) in %					-8.6 %	25.8 %	38.7 %	
Sensitivity Fair value per Share (EUR)								
	12.62 %	n.a.	15.18	11.58	14.77	15.67	21.60	25.26
	11.62 %	n.a.	16.33	12.41	15.87	16.83	23.20	27.02
	10.62 %	n.a.	17.69	13.40	17.19	18.22	25.09	29.11
WACC	9.62 %	n.a.	19.31	14.58	18.77	19.87	27.35	31.62
	8.62 %	n.a.	21.35	16.07	20.74	21.95	30.19	34.76
	7.62 %	n.a.	23.90	17.93	23.21	24.55	33.75	38.69
	6.62 %	n.a.	27.23	20.35	26.43	27.93	38.38	43.81

- 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	2.1 x	1.8 x	1.6 x
Book value per share ex intangibles	5.52	5.92	6.95	8.01	9.16	10.87	12.78
EV / Sales	1.0 x	0.9 x	1.6 x	0.8 x	1.1 x	0.9 x	0.9 x
EV / EBITDA	n.a.	8.2 x	14.5 x	6.0 x	8.1 x	5.6 x	4.9 x
EV / EBIT	n.a.	11.4 x	19.1 x	7.6 x	10.3 x	6.7 x	5.7 x
EV / EBIT adj.*	445.7 x	10.1 x	19.1 x	8.3 x	10.3 x	6.7 x	5.7 x
P / FCF	n.a.	5.2 x	31.2 x	17.8 x	48.5 x	18.1 x	11.4 x
P / E	n.a.	19.8 x	28.6 x	11.7 x	16.2 x	11.0 x	10.3 x
P / E adj.*	n.a.	16.5 x	28.6 x	11.7 x	16.2 x	11.0 x	10.3 x
Dividend Yield	n.a.	n.a.	0.7 %	1.3 %	1.1 %	1.4 %	1.5 %
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	8.7 %	12.5 %	14.3 %

*Adjustments made for: -

Company Specific Items							
	2019	2020	2021	2022	2023e	2024e	2025e
Order entry	219.2	281.1	335.6	446.2	400.5	0.0	0.0
Order backlog	93.2	120.1	193.3	346.4	409.9	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	337.0	383.0	401.0
Change Sales yoy	4.8 %	17.9 %	4.5 %	13.6 %	12.7 %	13.6 %	4.7 %
COGS	164.1	168.4	169.2	189.1	213.7	237.1	241.0
Gross profit	49.7	83.7	94.2	110.1	123.3	145.9	160.0
<i>Gross margin</i>	23.3 %	33.2 %	35.8 %	36.8 %	36.6 %	38.1 %	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	25.0	26.5	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	4.5	0.6	1.5
Other operating income	1.7	4.3	4.2	11.8	4.5	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	46.3	63.3	70.0
<i>Margin</i>	-2.4 %	11.2 %	11.2 %	14.0 %	13.8 %	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	37.3	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	36.3	53.3	60.0
<i>Margin</i>	-6.4 %	8.1 %	8.6 %	11.0 %	10.8 %	13.9 %	15.0 %
EBIT adj.	0.5	23.0	22.6	30.0	36.3	53.3	60.0
Interest income	0.0	0.0	0.0	0.3	0.3	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	36.4	53.3	60.0
<i>Margin</i>	-6.6 %	7.9 %	8.4 %	10.9 %	10.8 %	13.9 %	15.0 %
Total taxes	2.1	7.7	6.1	8.0	10.8	15.7	17.7
Net income from continuing operations	-16.3	12.3	16.0	24.5	25.7	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	25.7	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	25.7	37.6	42.3
<i>Margin</i>	-7.6 %	4.9 %	6.1 %	8.2 %	7.6 %	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	1.34	1.97	2.21
EPS adj.	-0.11	0.78	0.84	1.28	1.34	1.97	2.21

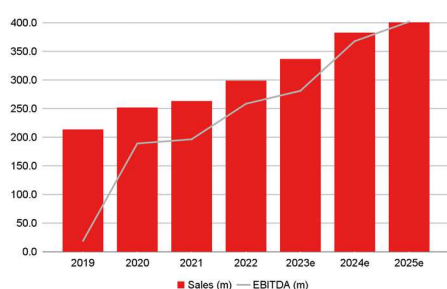
*Adjustments made for:

Guidance: 2023: Sales: 320 - 340m; EBIT 9-11%

Financial Ratios

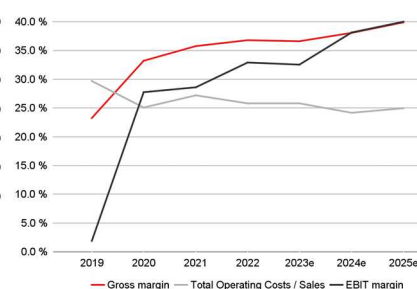
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	29.7 %	25.1 %	27.2 %	25.8 %	25.8 %	24.2 %	24.9 %
Operating Leverage	n.a.	n.a.	2.3 x	3.4 x	0.9 x	3.4 x	2.7 x
EBITDA / Interest expenses	n.m.	66.6 x	63.5 x	74.2 x	231.7 x	316.6 x	350.0 x
Tax rate (EBT)	-15.2 %	38.3 %	27.5 %	24.6 %	29.5 %	29.5 %	29.5 %
Dividend Payout Ratio	0.0 %	0.0 %	19.1 %	15.6 %	18.6 %	15.3 %	15.8 %
Sales per Employee	228,174	263,139	237,760	248,246	280,833	306,400	612,214

Sales, EBITDA
in EUR m



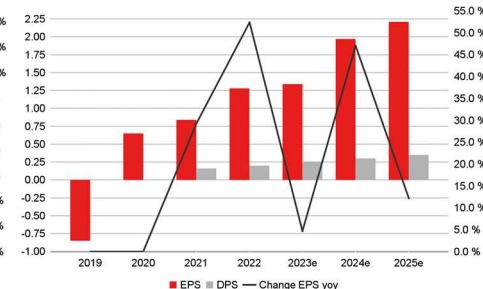
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

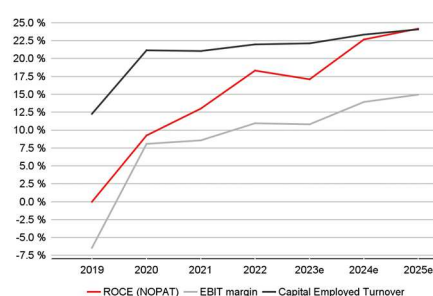
Consolidated balance sheet

In EUR m	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	124.8	136.8	138.3
Accounts receivable	50.2	48.0	47.4	57.0	60.0	63.0	65.9
Liquid assets	10.3	40.8	52.1	61.3	64.5	82.0	114.6
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	260.3	292.8	329.8
Total Assets	199.9	231.4	279.2	353.3	336.4	370.4	408.8
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	24.1	56.8	93.4
Shareholders' equity	125.4	136.5	156.9	177.7	199.7	232.4	269.0
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	199.7	232.4	269.0
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	13.8	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	136.7	137.9	139.8
Total liabilities and shareholders' equity	199.9	231.4	279.2	353.3	336.4	370.4	408.8

Financial Ratios

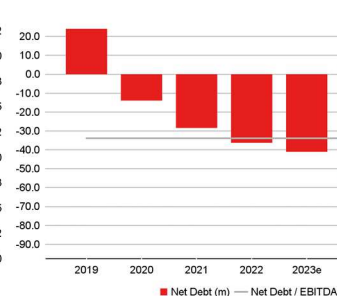
	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	1.5 x	2.0 x	2.0 x	2.0 x	2.1 x	2.2 x	2.2 x
Capital Employed Turnover	1.4 x	2.1 x	2.1 x	2.1 x	2.1 x	2.2 x	2.3 x
ROA	-30.3 %	19.4 %	23.4 %	33.4 %	33.8 %	48.5 %	53.5 %
Return on Capital							
ROCE (NOPAT)	n.a.	9.3 %	13.0 %	18.3 %	17.1 %	22.7 %	24.1 %
ROE	-12.2 %	9.4 %	10.9 %	14.7 %	13.6 %	17.4 %	16.9 %
Adj. ROE	-1.6 %	11.4 %	10.9 %	14.7 %	13.6 %	17.4 %	16.9 %
Balance sheet quality							
Net Debt	24.0	-13.9	-28.4	-36.3	-41.0	-59.2	-91.8
Net Financial Debt	18.0	-20.3	-33.8	-41.3	-46.1	-64.3	-96.8
Net Gearing	19.2 %	-10.2 %	-18.1 %	-20.4 %	-20.5 %	-25.5 %	-34.1 %
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	10.4	12.2	14.1
Book value per share ex intangibles	5.5	5.9	7.0	8.0	9.2	10.9	12.8

ROCE Development



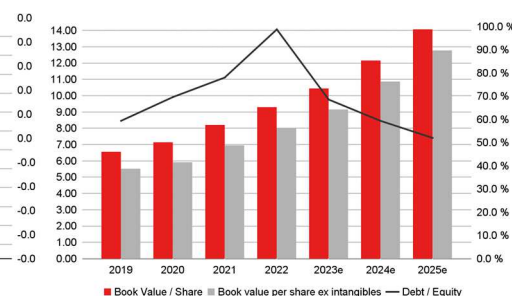
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

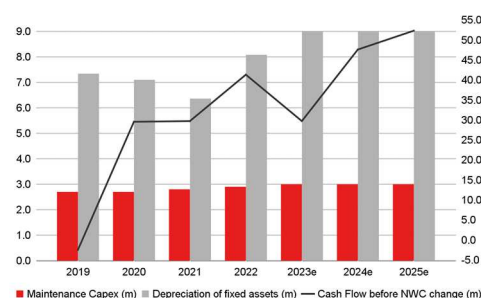
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	-16.3	12.3	16.0	24.5	25.7	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	29.7	47.6	52.3
Increase / decrease in inventory	4.6	9.8	-29.5	-52.8	25.7	-12.0	-1.5
Increase / decrease in accounts receivable	-25.0	2.1	1.9	-11.1	-3.0	-3.0	-2.9
Increase / decrease in accounts payable	-8.0	13.7	22.3	46.5	-31.2	1.9	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	-8.5	-13.1	-2.5
Net cash provided by operating activities [1]	-30.8	55.1	24.3	23.9	21.2	34.5	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	3.2	17.5	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	54.6	72.1	104.6

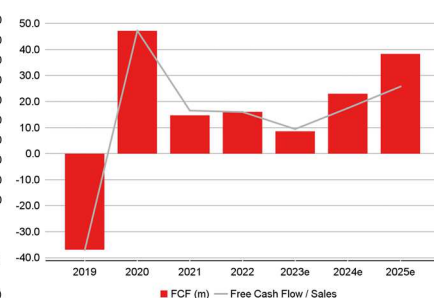
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	-36.9	47.2	14.7	16.0	8.6	23.0	38.3
Free Cash Flow / Sales	-17.3 %	18.7 %	5.6 %	5.4 %	2.5 %	6.0 %	9.6 %
Free Cash Flow Potential	-10.0	32.0	23.3	31.0	32.6	44.6	49.3
Free Cash Flow / Net Profit	226.9 %	382.4 %	91.9 %	65.4 %	33.4 %	61.2 %	90.5 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.5 %	0.5 %	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 %	3.7 %	3.0 %	2.9 %
Maint. Capex / Sales	1.3 %	1.1 %	1.1 %	1.0 %	0.9 %	0.8 %	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 %	31.7 %	30.7 %	31.3 %
Trade Debtors / Trade Creditors	501.1 %	487.7 %	194.0 %	210.3 %	434.8 %	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	152	154	152

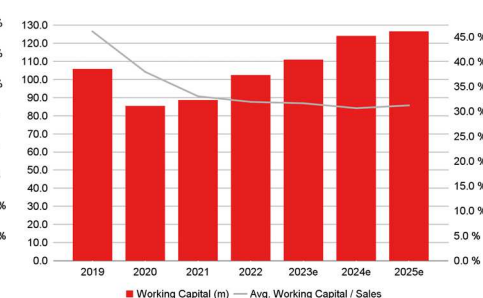
CAPEX and Cash Flow
in EUR m



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	152	73
Hold	44	21
Sell	7	3
Rating suspended	4	2
Total	207	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	88
Hold	4	8
Sell	0	0
Rating suspended	2	4
Total	49	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 04.08.2023



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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