

Buy EUR 33.00 Price EUR 20.40 Upside 61.8 %	Value Indicators: EUR DCF: 33.00 FCF-Value Potential 24e: 27.40	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 3.0 Balance Sheet Score: 2.0 Market Liquidity Score: 2.0	Description: Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS
	Market Snapshot: EUR m Market cap: 389.6 No. of shares (m): 19.1 EV: 348.6 Freefloat MC: 389.6 Ø Trad. Vol. (30d): 682.40 th	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: 2.0 x Equity Ratio: 59 %

Feedback investor meetings: AI opportunity expected to materialize in H2

We hosted investor meetings with SÜSS's COO Thomas Rohe in London last week. As expected and guided for, **strong demand relating to AI applications continues unabated**. SÜSS's solutions are used by TSMC for its CoWoS packaging process (UV scanners + temporary bonders) and by memory manufacturers for the production of high bandwidth memory (HBM; temporary bonders). HBM is required for the huge amount of data in AI training / inference and is thus an integral part of NVIDIA's AI chips. The production capacities of both CoWoS and HBM are expected to come under strain in H2 owing to the soaring demand and SÜSS's customers are hence expected to extend capacity over the coming quarters.

SÜSS is **expected to take a significant share** of the investment of memory makers (Micron, Samsung SK Hynix) in **temporary bonders**. Against this background, **SÜSS is currently extending its own production capacity for these tools at its Taiwanese site**. This should add revenue potential of roughly EUR 30-40m. SÜSS quantified the **near-term AI opportunity at EUR 40-60m**. Against the background of the strong industry momentum, we **would rather expect AI-related orders to approach the upper end of such a range**. The **current demand is not expected to be a flash in the pan** and there should be further investment in production capacity in the future especially as **HBM is expected to represent one of the fastest growing memory semiconductor technologies** (~ 30% CAGR in the next years). For the first time in its history, SÜSS should record orders worth > EUR 100m for its bonder products in 2023.

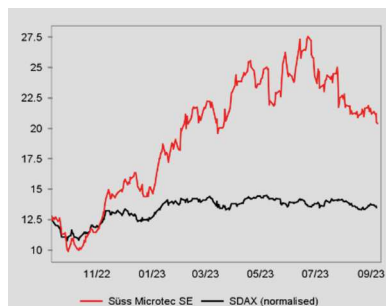
Earlier comments regarding **hybrid bonding and wafer cleaning were reiterated** that alpha tools will be ready for customer evaluation in H2 2023, which aligns with the expected time-line. Both technologies are expected to be major growth contributors in the second half of the decade.

According to the COO, the **supply chain situation continues to improve**. While there are still some supply shortages here and there, the situation should be clearly better by year-end. With this, SÜSS's shipments should be less constrained in 2024.

In recent industry news, it was reported that the US government might extend the regulation for semiconductor equipment exports to advanced packaging technologies. It is worth mentioning that SÜSS would not be affected by US regulations unless the German government introduces similar restrictions. However, such a measure would probably only be part of a wider package including other technologies required for semiconductor design and production and it remains to be seen whether the US government will actually tighten its regulation (which would imply a loss of competitiveness for US suppliers and the potential risk of Chinese countermeasures). Considering the significant sales share with Chinese customers, in line with other suppliers, such discussion might nevertheless weigh on the sentiment, even if the actual impact on affected suppliers remained limited. However, it is generally expected that the volume of semiconductors produced will not be affected over time.

Strong revenue growth ahead in 2024: The order backlog is expected to increase to ~ EUR 400m by year-end (up from EUR 346m at the start of the year). This coupled with an improvement in the supply-chain situation should enable SÜSS to increase its tool shipments next year. On top comes the additional production capacity for temporary bonders. Against this background, we stick to the assumption of >10% sales growth next year (WRE sales forecast is ~5% ahead of consensus) and revenues might even reach the EUR 400m-mark, a year earlier than planned. The loss-making microoptics business is expected to be sold over the next few months, which supports a positive earnings development.

The **bargain valuation (6x EBIT 2024)** does not adequately reflect mid-term prospects. The **Buy rating and PT of EUR 33** are reiterated.

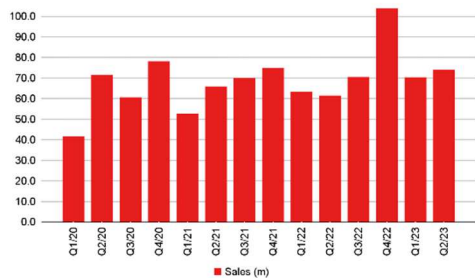


Rel. Performance vs SDAX:	
1 month:	-2.6 %
6 months:	-1.7 %
Year to date:	27.5 %
Trailing 12 months:	55.2 %

Company events:	
14.09.23	SCC LDN
09.11.23	Q3

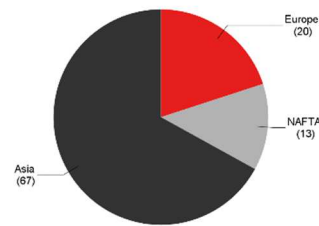
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	10.3 %	213.8	252.1	263.4	299.1	337.0	383.0	401.0
Change Sales yoy		4.8 %	17.9 %	4.5 %	13.6 %	12.7 %	13.6 %	4.7 %
Gross profit margin		23.3 %	33.2 %	35.8 %	36.8 %	36.6 %	38.1 %	39.9 %
EBITDA	18.7 %	-5.2	28.2	29.6	41.9	46.3	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 %	1.2 %	1.5 %	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 %	2.2 %	5.9 %	8.8 %
EV / Sales		1.0 x	0.9 x	1.6 x	0.8 x	1.0 x	0.9 x	0.9 x
EV / EBITDA		n.a.	8.2 x	14.5 x	6.0 x	7.5 x	5.2 x	4.9 x
EV / EBIT		n.a.	11.4 x	19.1 x	7.6 x	9.6 x	6.2 x	5.7 x
P / E		n.a.	19.8 x	28.6 x	11.7 x	15.2 x	10.4 x	10.3 x
P / E adj.	-4.0 %	n.a.	16.5 x	28.6 x	11.7 x	15.2 x	10.4 x	10.3 x
FCF Potential Yield		-4.8 %	13.8 %	5.4 %	12.4 %	9.3 %	13.5 %	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



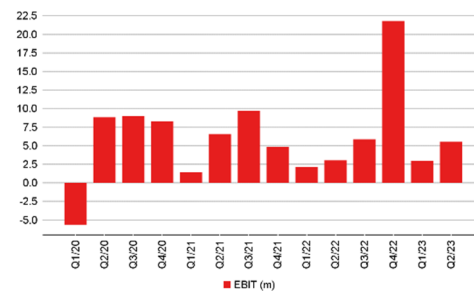
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

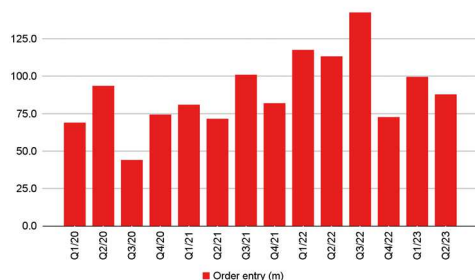
Company Background

- 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

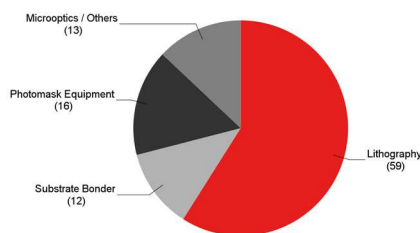
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



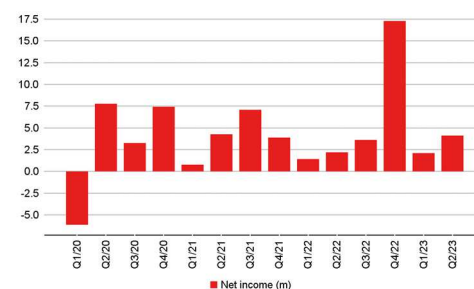
Source: Warburg Research

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 %	9.3 %	13.5 %	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	348.9	330.7	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 %					-2.6 %	34.1 %	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	2.0 x	1.7 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	1.0 x	0.9 x	0.9 x
EV / EBITDA	n.a.	8.2 x	14.5 x	6.0 x	7.5 x	5.2 x	4.9 x
EV / EBIT	n.a.	11.4 x	19.1 x	7.6 x	9.6 x	6.2 x	5.7 x
EV / EBIT adj.*	445.7 x	10.1 x	19.1 x	8.3 x	9.6 x	6.2 x	5.7 x
P / FCF	n.a.	5.2 x	31.2 x	17.8 x	45.5 x	17.0 x	11.4 x
P / E	n.a.	19.8 x	28.6 x	11.7 x	15.2 x	10.4 x	10.3 x
P / E adj.*	n.a.	16.5 x	28.6 x	11.7 x	15.2 x	10.4 x	10.3 x
Dividend Yield	n.a.	n.a.	0.7 %	1.3 %	1.2 %	1.5 %	1.5 %
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	9.3 %	13.5 %	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>	<i>23.3 %</i>	<i>33.2 %</i>	<i>35.8 %</i>	<i>36.8 %</i>	<i>36.6 %</i>	<i>38.1 %</i>	<i>39.9 %</i>
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>	<i>-2.4 %</i>	<i>11.2 %</i>	<i>11.2 %</i>	<i>14.0 %</i>	<i>13.8 %</i>	<i>16.5 %</i>	<i>17.5 %</i>
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>	<i>-6.4 %</i>	<i>8.1 %</i>	<i>8.6 %</i>	<i>11.0 %</i>	<i>10.8 %</i>	<i>13.9 %</i>	<i>15.0 %</i>
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>	<i>-6.6 %</i>	<i>7.9 %</i>	<i>8.4 %</i>	<i>10.9 %</i>	<i>10.8 %</i>	<i>13.9 %</i>	<i>15.0 %</i>
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>	<i>-7.6 %</i>	<i>4.9 %</i>	<i>6.1 %</i>	<i>8.2 %</i>	<i>7.6 %</i>	<i>9.8 %</i>	<i>10.5 %</i>
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

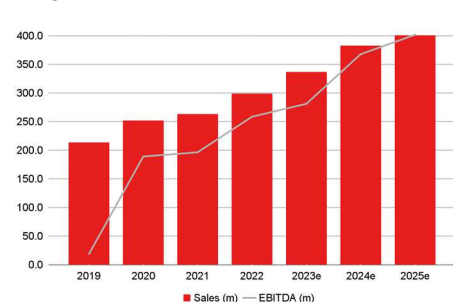
*Adjustments made for:

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

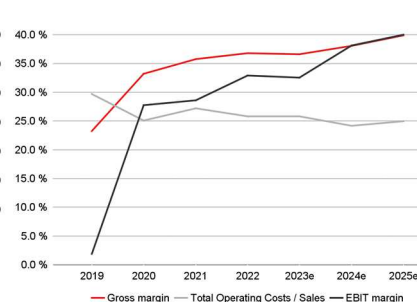
Financial Ratios

	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

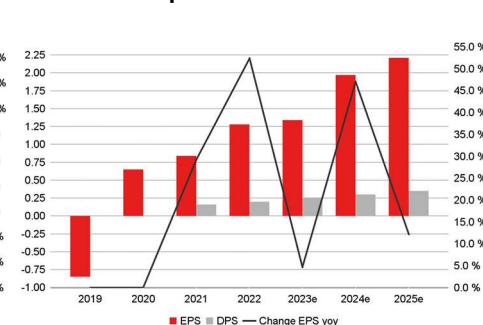
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

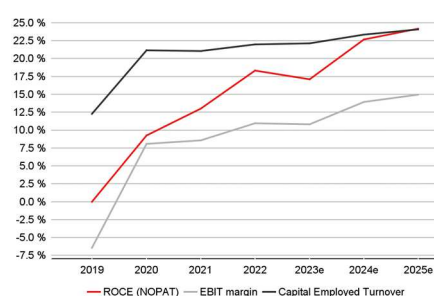
Consolidated balance sheet

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	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

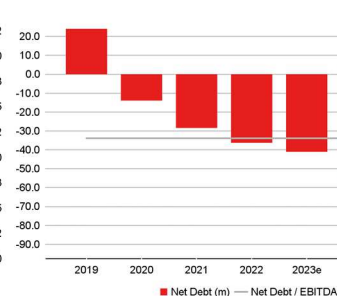
Financial Ratios

	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

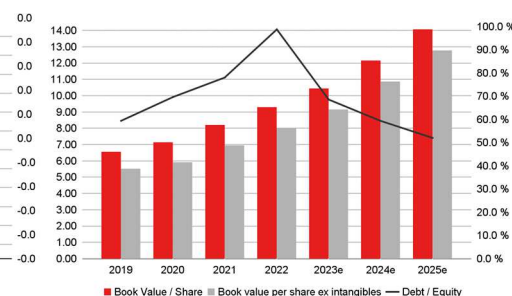
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

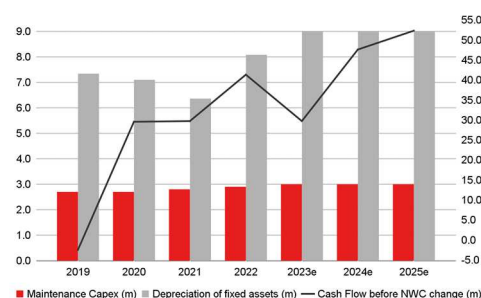
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	-16.3	12.3	16.0	24.5	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

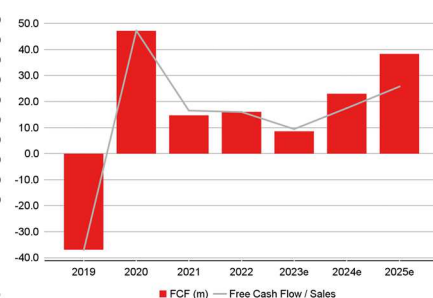
Financial Ratios

	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

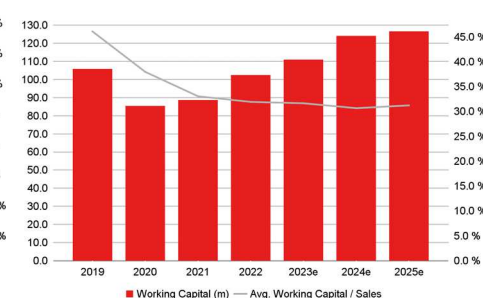
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. 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.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

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	https://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

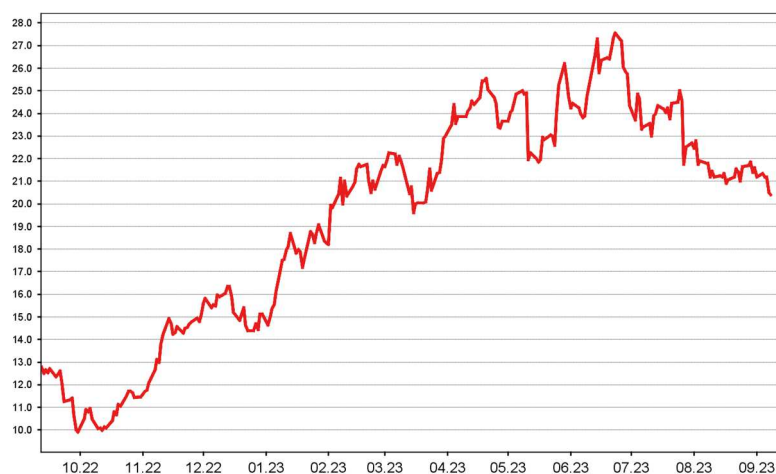
Rating	Number of stocks	% of Universe
Buy	156	75
Hold	44	21
Sell	6	3
Rating suspended	3	1
Total	209	100

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	44	86
Hold	5	10
Sell	0	0
Rating suspended	2	4
Total	51	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 11.09.2023



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.

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 Rüschmeier +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

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@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

Fabio Hölscher +49 40 309537-240
Automobiles, Car Suppliers fhoelscher@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate, Construction pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Hannes Müller +49 40 309537-255
Software, IT hmueller@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

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate, Telco 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

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Rudolf Alexander Michaelis +49 40 3282-2649
Germany rmichaelis@mmwarburg.com

Roman Alexander Niklas +49 69 5050-7412
Switzerland rniklas@mmwarburg.com

Charlotte Wernicke +49 40 3282-2669
Roadshow/Marketing cwernicke@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merkel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Rico Müller +49 40 3282-2685
Sales Trading rmueller@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

DESIGNATED SPONSORING

Marcel Magiera +49 40 3282-2662
Designated Sponsoring mmagiera@mmwarburg.com

Sebastian Schulz +49 40 3282-2631
Designated Sponsoring sschulz@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Designated Sponsoring 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 RESP MMWA GO
FactSet www.factset.com

Refinitiv www.refinitiv.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