

Buy EUR 33.00 Price EUR 19.00 Upside 73.7 %	Value Indicators: EUR DCF: 33.00 FCF-Value Potential 24e: 23.90	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: 362.9 No. of shares (m): 19.1 EV: 357.9 Freefloat MC: 362.9 Ø Trad. Vol. (30d): 814.69 th	Shareholders: Freefloat 100.00 % Kempen 10.00 % Universal Investment 9.30 % Teslin 7.50 % Henderson 4.00 %	Key Figures (WRe): 2023e Beta: 1.3 Price / Book: 2.0 x Equity Ratio: 58 %

Unexpected profit warning overshadows good AI-driven orders

SÜSS surprisingly issued a profit warning yesterday, which overshadowed the good order intake. Revenues reached EUR 75m in Q3 (WRe EUR 80m) with a **gross margin of only 27%** (WRe 36.6%). Due to the margin weakness, SÜSS **reduced its EBIT-margin target to 4-8%** from 9-11% previously. The **only positive was a strong order intake** of EUR 107m (WRe EUR 104m), up 20% qoq, reflecting strong demand for the company's temporary bonder for AI applications (HBM). **Three issues burden Q3 / H2 results: 1) further weakness in the microoptic segment** with a negative gross margin in Q3; **2) pending export licences** for Chinese customers and **3) disappointing gross margins** at group level.

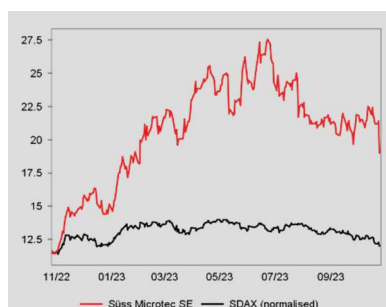
SÜSS has been registering **significant intensification in the documentation process for Chinese customers since August** and tools worth > EUR 20m had not been shipped at the end of Q3. Owing to the uncertainty as to whether required approvals will be received in Q4, **SÜSS widened its revenue guidance range to EUR 300–340m** (was EUR 320–340m). This **should be a timing issue only**, as there are no new regulations affecting SÜSS's tools.

The **microoptics business recorded a negative gross margin in Q3**, reflecting a worsening situation in comparison to Q2. The MO-gross margin is expected to have diluted the group's margin by ~2pp. With this, the FY 2023 losses will most likely amount to between EUR -8m and EUR -9m (rather than the EUR -5 to EUR -6m forecast). A disposal of this unit is still expected to be realized, which would clearly improve the earnings margins.

The **real disappointment is a Q3 gross margin of just 27%** (or ~29% excluding the microoptics burden). This is clearly below the H1 level of ~34% and stands in stark contrast to the expected H2 level of ~38%. As a **consequence, SÜSS reduced its gross-margin forecast** further by 350bps to 32-34%, which is a **clear set-back** after the two years of margin expansion in 2021/22 (~150bps can be explained by microoptics). Visibility on project-margins or cost-overruns appears to be poorer than expected at the moment, otherwise, SÜSS would have already adjusted its forecast with the Q2 reporting. It is **not fully clear what caused this margin weakness** apart from the microoptics segment. The delayed shipments to China (typically higher-margin tools) might have played a minor role as well as a relatively high number of internal efficiency projects (including the ramp-up of additional bonder capacity in Taiwan), which should ultimately lead to margin gains. This **margin weakness might be somewhat temporary**, as the FY guidance implies a return to a 35-37% margin level in Q4 again. However, 2024/25 gross margin assumptions are lowered by ~150bps owing to the reduced visibility on the margin progression. Generally, the target of a 40% gross margin is still considered reasonable owing to the competitiveness of the products and the measures initiated to lift operating efficiency.

We are sticking to our **Buy**-recommendation with a PT of EUR 33 as the current challenges are expected to be only temporary. Growth and mid-term margin prospects remain unchanged as well as the expectation, that SÜSS will reach strong growth in 2024 based on a record order backlog and AI-tailwind. Even on reduced estimates, the valuation remains a bargain with 7x EBIT 2024. An optics-sale might provide positive news.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -	
Sales	337.0	-7.3 %	383.0	0.0 %	401.0	0.0 %	<ul style="list-style-type: none"> 2023 revenues + EBIT reduced to lower half of new range owing to near-term uncertainty regarding China export licences 2024/25 gross margins lowered because of reduced visibility SÜSS should generally be able to reach its 40% gross / 15% EBIT margin targets
EBIT	36.3	-59.9 %	53.3	-13.6 %	60.0	-9.4 %	

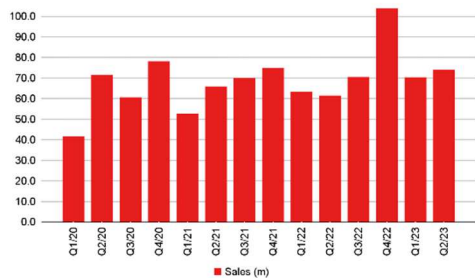


Rel. Performance vs SDAX:	
1 month:	0.3 %
6 months:	-5.8 %
Year to date:	26.4 %
Trailing 12 months:	58.6 %

Company events:	
09.11.23	Q3

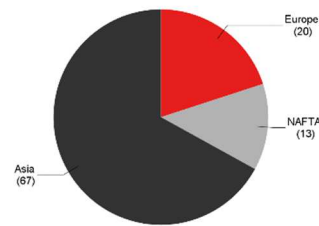
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	10.3 %	213.8	252.1	263.4	299.1	312.5	383.0	401.0
Change Sales yoy		4.8 %	17.9 %	4.5 %	13.6 %	4.5 %	22.6 %	4.7 %
Gross profit margin		23.3 %	33.2 %	35.8 %	36.8 %	32.5 %	36.2 %	38.5 %
EBITDA	15.4 %	-5.2	28.2	29.6	41.9	24.6	56.0	64.4
Margin		-2.4 %	11.2 %	11.2 %	14.0 %	7.9 %	14.6 %	16.1 %
EBIT		-13.8	20.4	22.6	32.8	14.6	46.0	54.4
Margin		-6.4 %	8.1 %	8.6 %	11.0 %	4.7 %	12.0 %	13.6 %
Net income	16.1 %	-16.3	12.3	16.0	24.5	10.3	32.5	38.3
EPS	16.2 %	-0.85	0.65	0.84	1.28	0.54	1.70	2.01
EPS adj.	16.2 %	-0.11	0.78	0.84	1.28	0.54	1.70	2.01
DPS	20.5 %	0.00	0.00	0.16	0.20	0.10	0.30	0.35
Dividend Yield		n.a.	n.a.	0.7 %	1.3 %	0.5 %	1.6 %	1.8 %
FCFPS		-1.93	2.47	0.77	0.84	-1.44	1.75	2.06
FCF / Market cap		-19.8 %	19.2 %	3.2 %	5.6 %	-7.6 %	9.2 %	10.9 %
EV / Sales		1.0 x	0.9 x	1.6 x	0.8 x	1.1 x	0.9 x	0.7 x
EV / EBITDA		n.a.	8.2 x	14.5 x	6.0 x	14.6 x	5.8 x	4.6 x
EV / EBIT		n.a.	11.4 x	19.1 x	7.6 x	24.6 x	7.1 x	5.4 x
P / E		n.a.	19.8 x	28.6 x	11.7 x	35.2 x	11.2 x	9.5 x
P / E adj.	-6.8 %	n.a.	16.5 x	28.6 x	11.7 x	35.2 x	11.2 x	9.5 x
FCF Potential Yield		-4.8 %	13.8 %	5.4 %	12.4 %	4.8 %	12.1 %	15.5 %
Net Debt		24.0	-13.9	-28.4	-36.3	-5.0	-36.5	-70.2
ROCE (NOPAT)		n.a.	9.3 %	13.0 %	18.3 %	6.4 %	18.2 %	21.6 %
Guidance:		2023: Sales: 300 - 340m; EBIT 4-8%						

Sales development
in EUR m



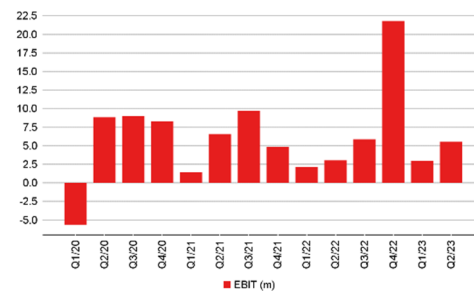
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

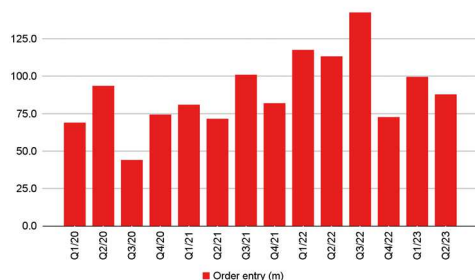
Company Background

- 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

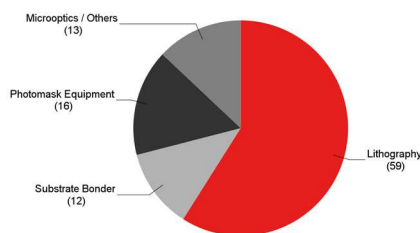
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



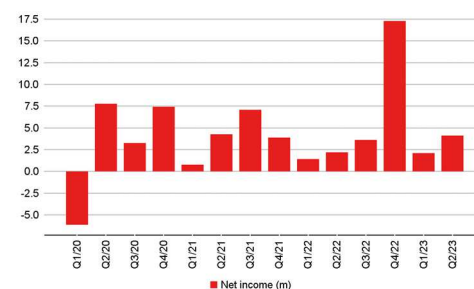
Source: Warburg Research

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	312.5	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	4.5 %	22.6 %	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	14.6	46.0	54.4	64.4	68.9	73.7	78.8	82.8	86.1	89.5	93.1	95.0	96.9	
EBIT-margin	4.7 %	12.0 %	13.6 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	
Tax rate (EBT)	44.2 %	9.4 %	25.0 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	
NOPAT	8.1	41.7	40.8	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	3.2 %	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	29.2	-2.5	-2.6	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	4.0 %	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)	-23.7	42.7	41.9	33.0	39.3	42.1	45.0	50.2	53.8	55.9	58.2	62.9	64.2	65
PV of FCF	-24.2	39.9	35.7	25.7	27.9	27.2	26.5	27.0	26.4	25.0	23.8	23.4	21.8	292
share of PVs	8.58 %			42.59 %										48.83 %

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	306		
Terminal Value	292		
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	629	Value per share (EUR)	32.95

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 %	27.97	28.27	28.60	28.94	29.30	29.69	30.10	1.49	10.6 %	25.54	26.67	27.80	28.94	30.07	31.21	32.34
1.39	10.1 %	29.67	30.03	30.41	30.82	31.25	31.71	32.20	1.39	10.1 %	27.21	28.41	29.62	30.82	32.02	33.23	34.43
1.35	9.9 %	30.60	30.99	31.41	31.85	32.33	32.83	33.37	1.35	9.9 %	28.13	29.37	30.61	31.85	33.09	34.33	35.57
1.30	9.6 %	31.58	32.01	32.47	32.95	33.47	34.03	34.62	1.30	9.6 %	29.11	30.39	31.67	32.95	34.23	35.52	36.80
1.25	9.4 %	32.63	33.10	33.60	34.13	34.70	35.31	35.97	1.25	9.4 %	30.16	31.49	32.81	34.13	35.46	36.78	38.10
1.21	9.1 %	33.75	34.26	34.81	35.39	36.02	36.70	37.43	1.21	9.1 %	31.29	32.66	34.03	35.39	36.76	38.13	39.50
1.11	8.6 %	36.22	36.84	37.50	38.21	38.98	39.81	40.72	1.11	8.6 %	33.80	35.27	36.74	38.21	39.68	41.16	42.63

- 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	10.3	32.5	38.3	
+ 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	17.2	39.5	45.3	
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	4.8 %	12.1 %	15.5 %	
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	358.2	326.7	293.0	
= Fair Enterprise Value	n.a.	332.9	242.5	322.4	179.2	410.3	471.4	
- Net Debt (Cash)	-41.3	-41.3	-41.3	-41.3	-10.0	-41.6	-75.3	
- 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	184.2	446.8	541.6	
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1	
= Fair value per share (EUR)	n.a.	19.31	14.58	18.77	9.63	23.37	28.33	
premium (-) / discount (+) in %					-49.3 %	23.0 %	49.1 %	
Sensitivity Fair value per Share (EUR)								
	12.62 %	n.a.	15.18	11.58	14.77	7.41	18.29	22.49
	11.62 %	n.a.	16.33	12.41	15.87	8.03	19.70	24.11
	10.62 %	n.a.	17.69	13.40	17.19	8.76	21.37	26.03
WACC	9.62 %	n.a.	19.31	14.58	18.77	9.63	23.37	28.33
	8.62 %	n.a.	21.35	16.07	20.74	10.73	25.89	31.22
	7.62 %	n.a.	23.90	17.93	23.21	12.11	29.03	34.84
	6.62 %	n.a.	27.23	20.35	26.43	13.90	33.13	39.54

- 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	1.5 x
Book value per share ex intangibles	5.52	5.92	6.95	8.01	8.35	9.95	11.66
EV / Sales	1.0 x	0.9 x	1.6 x	0.8 x	1.1 x	0.9 x	0.7 x
EV / EBITDA	n.a.	8.2 x	14.5 x	6.0 x	14.6 x	5.8 x	4.6 x
EV / EBIT	n.a.	11.4 x	19.1 x	7.6 x	24.6 x	7.1 x	5.4 x
EV / EBIT adj.*	445.7 x	10.1 x	19.1 x	8.3 x	24.6 x	7.1 x	5.4 x
P / FCF	n.a.	5.2 x	31.2 x	17.8 x	n.a.	10.9 x	9.2 x
P / E	n.a.	19.8 x	28.6 x	11.7 x	35.2 x	11.2 x	9.5 x
P / E adj.*	n.a.	16.5 x	28.6 x	11.7 x	35.2 x	11.2 x	9.5 x
Dividend Yield	n.a.	n.a.	0.7 %	1.3 %	0.5 %	1.6 %	1.8 %
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	4.8 %	12.1 %	15.5 %

*Adjustments made for: -

Company Specific Items	2019	2020	2021	2022	2023e	2024e	2025e
Order entry	219.2	281.1	335.6	446.2	402.5	0.0	0.0
Order backlog	93.2	120.1	193.3	346.4	436.4	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	312.5	383.0	401.0
Change Sales yoy	4.8 %	17.9 %	4.5 %	13.6 %	4.5 %	22.6 %	4.7 %
COGS	164.1	168.4	169.2	189.1	210.9	244.4	246.6
Gross profit	49.7	83.7	94.2	110.1	101.6	138.6	154.4
<i>Gross margin</i>	<i>23.3 %</i>	<i>33.2 %</i>	<i>35.8 %</i>	<i>36.8 %</i>	<i>32.5 %</i>	<i>36.2 %</i>	<i>38.5 %</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	24.6	56.0	64.4
<i>Margin</i>	<i>-2.4 %</i>	<i>11.2 %</i>	<i>11.2 %</i>	<i>14.0 %</i>	<i>7.9 %</i>	<i>14.6 %</i>	<i>16.1 %</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	15.6	47.0	55.4
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	14.6	46.0	54.4
<i>Margin</i>	<i>-6.4 %</i>	<i>8.1 %</i>	<i>8.6 %</i>	<i>11.0 %</i>	<i>4.7 %</i>	<i>12.0 %</i>	<i>13.6 %</i>
EBIT adj.	0.5	23.0	22.6	30.0	14.6	46.0	54.4
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	14.7	46.0	54.4
<i>Margin</i>	<i>-6.6 %</i>	<i>7.9 %</i>	<i>8.4 %</i>	<i>10.9 %</i>	<i>4.7 %</i>	<i>12.0 %</i>	<i>13.6 %</i>
Total taxes	2.1	7.7	6.1	8.0	4.3	13.6	16.0
Net income from continuing operations	-16.3	12.3	16.0	24.5	10.3	32.5	38.3
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	10.3	32.5	38.3
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	10.3	32.5	38.3
<i>Margin</i>	<i>-7.6 %</i>	<i>4.9 %</i>	<i>6.1 %</i>	<i>8.2 %</i>	<i>3.3 %</i>	<i>8.5 %</i>	<i>9.6 %</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	0.54	1.70	2.01
EPS adj.	-0.11	0.78	0.84	1.28	0.54	1.70	2.01

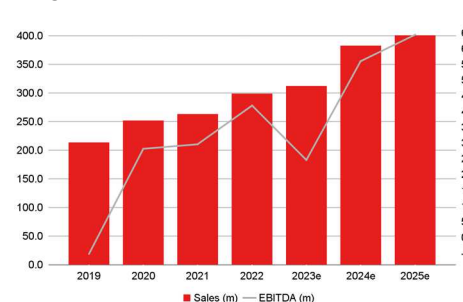
*Adjustments made for:

Guidance: 2023: Sales: 300 - 340m; EBIT 4-8%

Financial Ratios

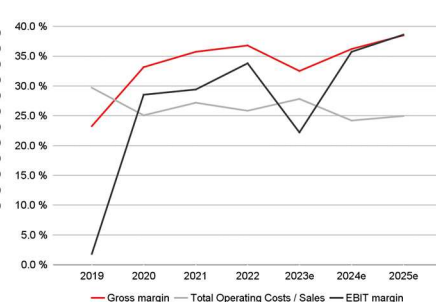
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	29.7 %	25.1 %	27.2 %	25.8 %	27.8 %	24.2 %	24.9 %
Operating Leverage	n.a.	n.a.	2.3 x	3.4 x	-12.4 x	9.6 x	3.9 x
EBITDA / Interest expenses	n.m.	66.6 x	63.5 x	74.2 x	122.8 x	280.2 x	321.9 x
Tax rate (EBT)	-15.2 %	38.3 %	27.5 %	24.6 %	29.5 %	29.5 %	29.5 %
Dividend Payout Ratio	0.0 %	0.0 %	19.1 %	15.6 %	18.5 %	17.7 %	17.4 %
Sales per Employee	228,174	263,139	237,760	248,246	260,417	306,400	612,214

Sales, EBITDA
in EUR m



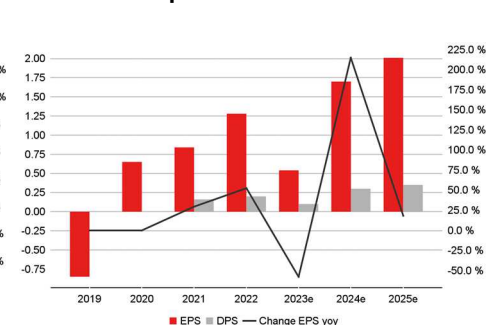
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

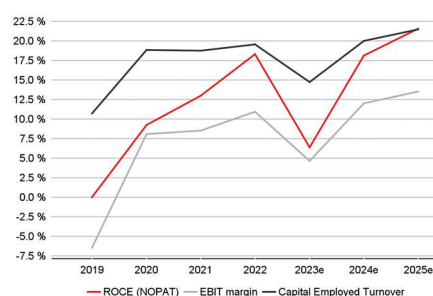
Consolidated balance sheet

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	148.8	141.9	138.3
Accounts receivable	50.2	48.0	47.4	57.0	55.7	63.0	65.9
Liquid assets	10.3	40.8	52.1	61.3	28.4	59.3	93.0
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	244.0	275.2	308.2
Total Assets	199.9	231.4	279.2	353.3	320.0	352.8	387.3
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	8.7	39.3	71.9
Shareholders' equity	125.4	136.5	156.9	177.7	184.2	214.9	247.5
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	184.2	214.9	247.5
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	12.8	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	135.7	137.9	139.8
Total liabilities and shareholders' equity	199.9	231.4	279.2	353.3	320.0	352.8	387.3

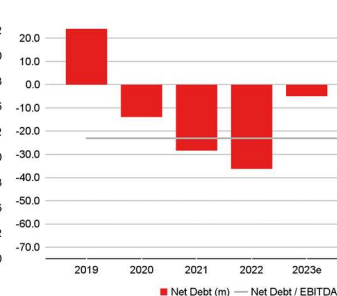
Financial Ratios

	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	1.7 x	2.1 x	2.2 x
Capital Employed Turnover	1.4 x	2.1 x	2.1 x	2.1 x	1.7 x	2.1 x	2.3 x
ROA	-30.3 %	19.4 %	23.4 %	33.4 %	13.6 %	41.9 %	48.5 %
Return on Capital							
ROCE (NOPAT)	n.a.	9.3 %	13.0 %	18.3 %	6.4 %	18.2 %	21.6 %
ROE	-12.2 %	9.4 %	10.9 %	14.7 %	5.7 %	16.3 %	16.6 %
Adj. ROE	-1.6 %	11.4 %	10.9 %	14.7 %	5.7 %	16.3 %	16.6 %
Balance sheet quality							
Net Debt	24.0	-13.9	-28.4	-36.3	-5.0	-36.5	-70.2
Net Financial Debt	18.0	-20.3	-33.8	-41.3	-10.0	-41.6	-75.3
Net Gearing	19.2 %	-10.2 %	-18.1 %	-20.4 %	-2.7 %	-17.0 %	-28.4 %
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	9.6	11.2	12.9
Book value per share ex intangibles	5.5	5.9	7.0	8.0	8.3	10.0	11.7

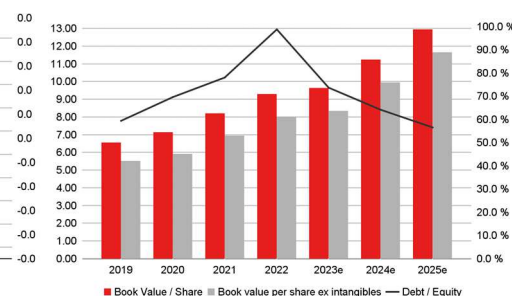
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

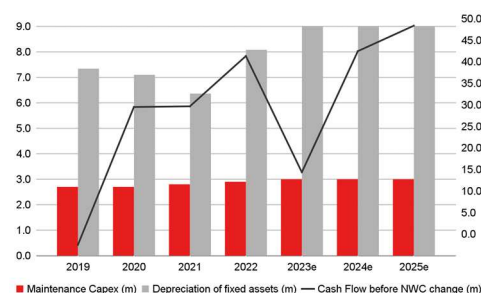
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	-16.3	12.3	16.0	24.5	10.3	32.5	38.3
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	14.3	42.5	48.3
Increase / decrease in inventory	4.6	9.8	-29.5	-52.8	1.7	6.9	3.6
Increase / decrease in accounts receivable	-25.0	2.1	1.9	-11.1	1.3	-7.3	-2.9
Increase / decrease in accounts payable	-8.0	13.7	22.3	46.5	-32.2	2.9	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	-29.2	2.5	2.6
Net cash provided by operating activities [1]	-30.8	55.1	24.3	23.9	-14.9	45.0	50.9
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	-1.9	-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	-2.6	-5.7
Change in liquid funds [1]+[2]+[3]	-20.5	30.7	10.9	9.3	-32.9	30.9	33.7
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	18.5	49.4	83.1

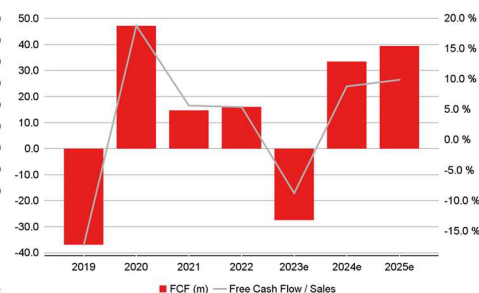
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	-36.9	47.2	14.7	16.0	-27.5	33.5	39.4
Free Cash Flow / Sales	-17.3 %	18.7 %	5.6 %	5.4 %	-8.8 %	8.7 %	9.8 %
Free Cash Flow Potential	-10.0	32.0	23.3	31.0	17.2	39.5	45.3
Free Cash Flow / Net Profit	226.9 %	382.4 %	91.9 %	65.4 %	-265.8 %	103.1 %	102.9 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.5 %	0.7 %	0.5 %	0.3 %
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 %	4.0 %	3.0 %	2.9 %
Maint. Capex / Sales	1.3 %	1.1 %	1.1 %	1.0 %	1.0 %	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 %	37.5 %	34.1 %	31.9 %
Trade Debtors / Trade Creditors	501.1 %	487.7 %	194.0 %	210.3 %	435.2 %	401.3 %	374.4 %
Inventory Turnover	2.2 x	2.3 x	1.7 x	1.3 x	1.4 x	1.7 x	1.8 x
Receivables collection period (days)	86	69	66	70	65	60	60
Payables payment period (days)	22	21	53	52	22	23	26
Cash conversion cycle (Days)	210	151	155	157	197	159	150

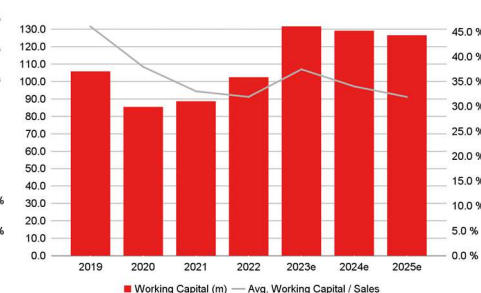
CAPEX and Cash Flow
in EUR m



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	156	74
Hold	46	22
Sell	6	3
Rating suspended	4	2
Total	212	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	83
Hold	7	13
Sell	0	0
Rating suspended	2	4
Total	52	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 26.10.2023



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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