

Buy EUR 36.00 Price EUR 22.10 Upside 62.9 %	Value Indicators: EUR DCF: 36.00 FCF-Value Potential 24e: 26.00	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 3.0 Balance Sheet Score: 2.0 Market Liquidity Score: 2.0	Description: Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS
	Market Snapshot: EUR m Market cap: 422.1 No. of shares (m): 19.1 EV: 413.2 Freefloat MC: 422.1 Ø Trad. Vol. (30d): 1.66 m	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: 2.2 x Equity Ratio: 59 %

First Glance: Thursday's conference call underpins investment case

SÜSS held its quarterly conference call on Thursday, providing additional colour on topics such as gross margin and AI-related demand:

The **Q3 gross margin of 29.5%** (after 35.6% in H1; excl. MicroOptics) was a major disappointment in Q3. The reasons were: **1) SÜSS registered a weak product mix** both in the photomask business (probably high sales share of strategic Taiwanese customer) and in the lithography business, where relatively few high-margin tools were delivered during the quarter. This was exacerbated by the delay of shipments to China, which are also expected to have an above-average margin profile (these shipments alone could have increased the margin by 450-500bps WRE). **2) a low-margin project with a strategic customer** diluted gross margins in Q3, which was a one-time effect. **3) Increased outsourcing efforts in Q3** (especially for photomask products) to increase production capacity/flexibility **resulted in ramp-up/qualification costs**.

AI-related demand remains strong. Temporary bonders (for HBM) contributed > EUR 50m to order intake in Q3. Additionally, SÜSS recorded another EUR 50m in October alone, **boosting AI orders to now EUR 100m**. 80% of the orders are from memory manufacturers (all of the Big 3 are expected to be customers; the remaining 20% are likely to be from TSMC and its CoWoS process). **New manufacturing capacities are being build up in Taiwan** and the first tools will be shipped as early as Q1 24. Demand is not expected to be short-lived, as HBM (esp. for AI) is the fastest growing segment in memory semiconductors.

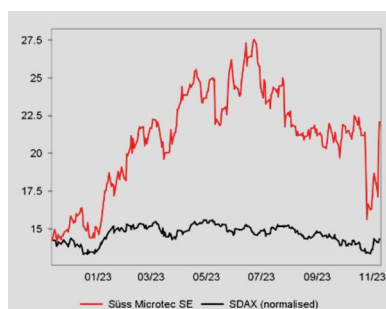
Management expects the sale of the MicroOptics business to the Chinese buyer to be approved in 2-3 months, as the Swiss authorities do not differentiate between Asian (Chinese) and Western buyers. The certainty of the transaction is therefore expected to be high. The funds are expected to remain in the company. SÜSS has already indicated its intention to increase its net cash position to > EUR 100m.

Since August, customs has been forwarding export cases to the export control authorities (BAFA) for intensive documentation. Since then, 27 cases covering the entire product portfolio have been forwarded and only five have been processed without rejection. However, there is no clear visibility or a pattern as to which tools / customers are affected. In the future, however, SÜSS will apply for the documentation right when the order is received, which should align pretty well with the typical lead times and therefore not lead to significant delays. **This effect is hence expected to only affect H2 2023**, with uncertainty as to whether tools can be shipped before year-end or only in early 2024.

SÜSS is fully on track in both hybrid bonding and disruptive wafer cleaning. As planned, the first tools for customer demonstrations have been installed in the cleanroom / application centre. We expect these technologies to contribute to growth from 2025 onwards.

As expected, **SÜSS confirmed its 2025 targets** for revenues of EUR 400m with a 15% EBIT margin excl. the MicroOptics unit. This represents an upgrade of the top-line target and a somewhat more cautious stance on profitability, which is understandable after the Q3 margin.

The **CC fully confirmed our investment case**. SÜSS provided background on the Q3 gross margin weakness, which underpins the expectation that this issue should be temporary. AI-related demand is even stronger than expected owing to early Q4 orders, which will boost 2024 revenues. As growth is the most important margin driver, we remain confident that margins will increase significantly next year. Consensus growth forecasts appear too conservative, especially given the additional bonder capacity. Buy.

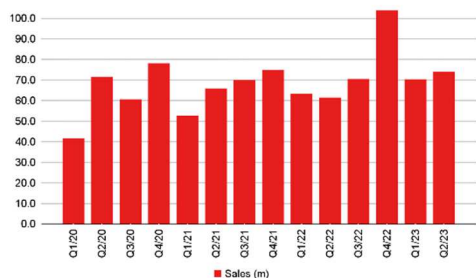


Rel. Performance vs SDAX:	
1 month:	2.5 %
6 months:	-4.0 %
Year to date:	39.8 %
Trailing 12 months:	56.9 %

Company events:	

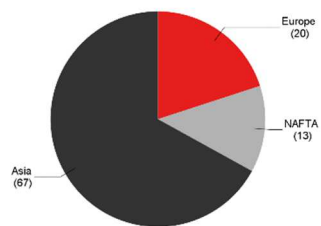
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	9.7 %	213.8	252.1	263.4	299.1	290.0	360.0	395.0
Change Sales yoy		4.8 %	17.9 %	4.5 %	13.6 %	-3.1 %	24.1 %	9.7 %
Gross profit margin		23.3 %	33.2 %	35.8 %	36.8 %	34.9 %	37.0 %	38.3 %
EBITDA	16.2 %	-5.2	28.2	29.6	41.9	30.0	54.5	65.8
Margin		-2.4 %	11.2 %	11.2 %	14.0 %	10.3 %	15.1 %	16.7 %
EBIT		-13.8	20.4	22.6	32.8	23.0	47.2	58.2
Margin		-6.4 %	8.1 %	8.6 %	11.0 %	7.9 %	13.1 %	14.7 %
Net income	18.7 %	-16.3	12.3	16.0	24.5	16.3	33.3	41.0
EPS	18.9 %	-0.85	0.65	0.84	1.28	0.85	1.74	2.15
EPS adj.	18.9 %	-0.11	0.78	0.84	1.28	0.85	1.74	2.15
DPS	20.5 %	0.00	0.00	0.16	0.20	0.16	0.30	0.35
Dividend Yield		n.a.	n.a.	0.7 %	1.3 %	0.7 %	1.4 %	1.6 %
FCFPS		-1.93	2.47	0.77	0.84	-1.23	1.72	1.74
FCF / Market cap		-19.8 %	19.2 %	3.2 %	5.6 %	-5.6 %	7.8 %	7.9 %
EV / Sales		1.0 x	0.9 x	1.6 x	0.8 x	1.4 x	0.9 x	0.7 x
EV / EBITDA		n.a.	8.2 x	14.5 x	6.0 x	13.8 x	5.8 x	4.3 x
EV / EBIT		n.a.	11.4 x	19.1 x	7.6 x	18.0 x	6.6 x	4.9 x
P / E		n.a.	19.8 x	28.6 x	11.7 x	26.0 x	12.7 x	10.3 x
P / E adj.	-4.2 %	n.a.	16.5 x	28.6 x	11.7 x	26.0 x	12.7 x	10.3 x
FCF Potential Yield		-4.8 %	13.8 %	5.4 %	12.4 %	4.9 %	12.0 %	15.9 %
Net Debt		24.0	-13.9	-28.4	-36.3	-8.9	-108.7	-136.3
ROCE (NOPAT)		n.a.	9.3 %	13.0 %	18.3 %	10.0 %	20.0 %	26.4 %
Guidance:		2023: Sales: 280 - 320m; EBIT 7-11% (excl. Microoptics)						

Sales development
in EUR m



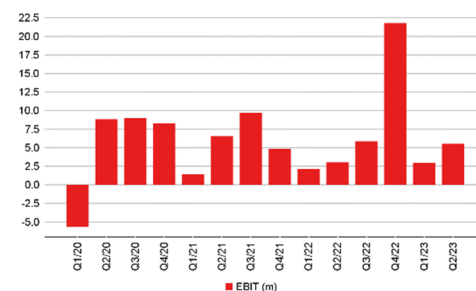
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

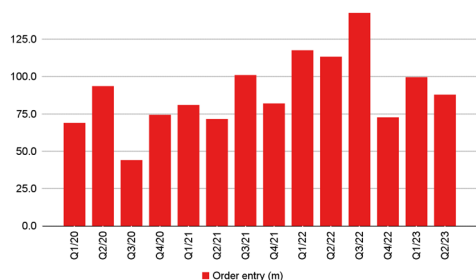
Company Background

- 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

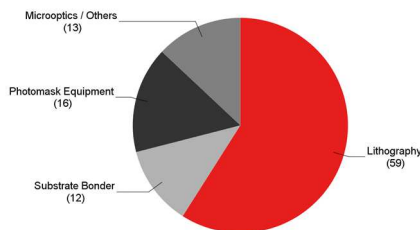
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



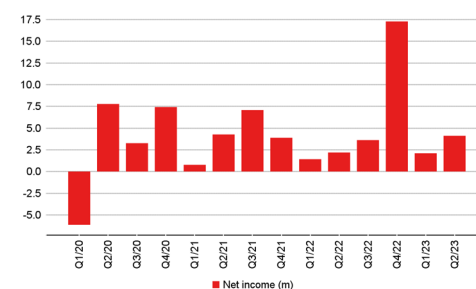
Source: Warburg Research

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	290.0	360.0	395.0	422.7	452.2	483.9	517.8	543.7	565.4	588.0	611.5	623.8	636.2	2.0 %
Sales change	-3.1 %	24.1 %	9.7 %	7.0 %	7.0 %	7.0 %	7.0 %	5.0 %	4.0 %	4.0 %	4.0 %	2.0 %	2.0 %	
EBIT	23.0	47.2	58.2	63.4	67.8	72.6	77.7	81.5	84.8	88.2	91.7	93.6	95.4	15.0 %
EBIT-margin	7.9 %	13.1 %	14.7 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	
Tax rate (EBT)	29.6 %	29.5 %	29.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %
NOPAT	16.2	33.3	41.0	45.3	48.5	51.9	55.5	58.3	60.6	63.1	65.6	66.9	68.2	
Depreciation	7.0	7.3	7.6	8.2	9.0	9.7	10.4	10.9	11.3	11.8	12.2	12.5	12.7	2.0 %
in % of Sales	2.4 %	2.0 %	1.9 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Liquidity from														
- Working Capital	22.2	-1.8	5.8	-1.9	8.9	9.5	10.2	7.8	6.5	6.8	7.1	3.7	3.7	3.7
- Capex	11.6	9.5	9.5	19.7	10.4	10.6	10.9	11.4	11.9	12.3	12.8	13.1	13.4	
Capex in % of Sales	4.0 %	2.6 %	2.4 %	2.3 %	2.3 %	2.2 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %
- 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)	-10.6	32.9	33.3	35.8	38.3	41.4	44.9	50.0	53.5	55.7	57.9	62.6	63.9	65
PV of FCF share of PVs	-10.9	30.7	28.3	27.7	27.1	26.7	26.4	26.8	26.2	24.8	23.5	23.2	21.5	286
	8.19 %			43.18 %										48.63 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	3.00 %	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	9.69 %	Beta	1.30

Valuation (m)

Present values 2035e	302		
Terminal Value	286		
Financial liabilities	20		
Pension liabilities	5		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	126	No. of shares (m)	19.1
Equity Value	689	Value per share (EUR)	36.07

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	10.7 %	31.21	31.51	31.82	32.16	32.51	32.88	33.28	28.88	29.97	31.07	32.16	33.25	34.34	35.43
1.39	10.2 %	32.87	33.23	33.60	33.99	34.41	34.86	35.34	30.52	31.68	32.83	33.99	35.15	36.31	37.47
1.35	9.9 %	33.78	34.16	34.57	35.00	35.46	35.95	36.47	31.42	32.61	33.80	35.00	36.19	37.39	38.58
1.30	9.7 %	34.74	35.16	35.60	36.07	36.58	37.11	37.69	32.37	33.61	34.84	36.07	37.31	38.54	39.77
1.25	9.4 %	35.77	36.22	36.70	37.22	37.77	38.37	39.00	33.40	34.67	35.95	37.22	38.50	39.77	41.04
1.21	9.2 %	36.85	37.35	37.88	38.45	39.06	39.71	40.42	34.49	35.81	37.13	38.45	39.77	41.09	42.41
1.11	8.7 %	39.26	39.86	40.50	41.19	41.93	42.74	43.61	36.94	38.36	39.77	41.19	42.61	44.03	45.44

- 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	16.3	33.3	41.0	
+ Depreciation + Amortisation	8.6	7.8	7.1	9.1	7.0	7.3	7.6	
- 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	20.2	37.6	45.6	
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	4.9 %	12.0 %	15.9 %	
WACC	9.69 %	9.69 %	9.69 %	9.69 %	9.69 %	9.69 %	9.69 %	
= Enterprise Value (EV)	210.4	232.3	430.1	249.4	413.5	313.7	286.1	
= Fair Enterprise Value	n.a.	330.5	240.7	320.1	208.4	387.8	470.9	
- Net Debt (Cash)	-41.3	-41.3	-41.3	-41.3	-14.0	-113.8	-141.4	
- 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.	366.7	277.0	356.4	217.3	496.6	607.2	
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.	19.19	14.49	18.64	11.37	25.98	31.76	
premium (-) / discount (+) in %					-48.6 %	17.5 %	43.7 %	
Sensitivity Fair value per Share (EUR)								
	12.69 %	n.a.	15.11	11.52	14.70	8.80	21.20	25.96
	11.69 %	n.a.	16.24	12.35	15.79	9.51	22.52	27.57
	10.69 %	n.a.	17.58	13.32	17.09	10.36	24.10	29.48
WACC	9.69 %	n.a.	19.19	14.49	18.64	11.37	25.98	31.76
	8.69 %	n.a.	21.19	15.95	20.59	12.63	28.34	34.63
	7.69 %	n.a.	23.70	17.78	23.02	14.22	31.28	38.20
	6.69 %	n.a.	26.96	20.15	26.17	16.27	35.11	42.85

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

Valuation							
	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	1.5 x	1.8 x	2.9 x	1.6 x	2.2 x	1.6 x	1.4 x
Book value per share ex intangibles	5.52	5.92	6.95	8.01	8.66	12.33	14.18
EV / Sales	1.0 x	0.9 x	1.6 x	0.8 x	1.4 x	0.9 x	0.7 x
EV / EBITDA	n.a.	8.2 x	14.5 x	6.0 x	13.8 x	5.8 x	4.3 x
EV / EBIT	n.a.	11.4 x	19.1 x	7.6 x	18.0 x	6.6 x	4.9 x
EV / EBIT adj.*	445.7 x	10.1 x	19.1 x	8.3 x	18.0 x	6.6 x	4.9 x
P / FCF	n.a.	5.2 x	31.2 x	17.8 x	n.a.	12.8 x	12.7 x
P / E	n.a.	19.8 x	28.6 x	11.7 x	26.0 x	12.7 x	10.3 x
P / E adj.*	n.a.	16.5 x	28.6 x	11.7 x	26.0 x	12.7 x	10.3 x
Dividend Yield	n.a.	n.a.	0.7 %	1.3 %	0.7 %	1.4 %	1.6 %
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	4.9 %	12.0 %	15.9 %

*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	458.9	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	290.0	360.0	395.0
Change Sales yoy	4.8 %	17.9 %	4.5 %	13.6 %	-3.1 %	24.1 %	9.7 %
COGS	164.1	168.4	169.2	189.1	188.8	226.8	243.7
Gross profit	49.7	83.7	94.2	110.1	101.2	133.2	151.3
<i>Gross margin</i>	23.3 %	33.2 %	35.8 %	36.8 %	34.9 %	37.0 %	38.3 %
Research and development	20.2	19.8	22.1	25.0	31.1	33.5	37.0
Sales and marketing	22.9	23.5	24.9	28.5	22.5	24.5	26.0
Administration expenses	18.9	20.8	22.9	23.3	24.8	27.0	28.5
Other operating expenses	3.2	3.4	5.9	12.2	4.5	1.0	1.6
Other operating income	1.7	4.3	4.2	11.8	4.6	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	30.0	54.5	65.8
<i>Margin</i>	-2.4 %	11.2 %	11.2 %	14.0 %	10.3 %	15.1 %	16.7 %
Depreciation of fixed assets	7.3	7.1	6.4	8.1	6.0	6.3	6.6
EBITA	-12.5	21.1	23.2	33.8	24.0	48.2	59.2
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	23.0	47.2	58.2
<i>Margin</i>	-6.4 %	8.1 %	8.6 %	11.0 %	7.9 %	13.1 %	14.7 %
EBIT adj.	0.5	23.0	22.6	30.0	23.0	47.2	58.2
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	23.0	47.0	58.0
<i>Margin</i>	-6.6 %	7.9 %	8.4 %	10.9 %	8.0 %	13.1 %	14.7 %
Total taxes	2.1	7.7	6.1	8.0	6.8	13.9	17.2
Net income from continuing operations	-16.3	12.3	16.0	24.5	16.3	33.3	41.0
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	16.3	33.3	41.0
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	16.3	33.3	41.0
<i>Margin</i>	-7.6 %	4.9 %	6.1 %	8.2 %	5.6 %	9.2 %	10.4 %
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	0.85	1.74	2.15
EPS adj.	-0.11	0.78	0.84	1.28	0.85	1.74	2.15

*Adjustments made for:

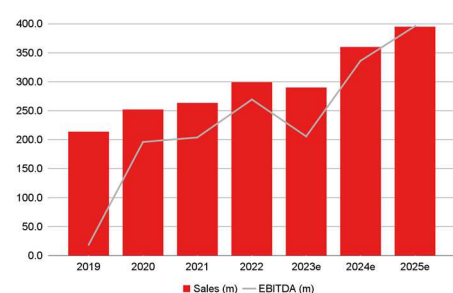
Guidance: 2023: Sales: 280 - 320m; EBIT 7-11% (excl. Microoptics)

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	29.7 %	25.1 %	27.2 %	25.8 %	27.0 %	23.9 %	23.6 %
Operating Leverage	n.a.	n.a.	2.3 x	3.4 x	9.8 x	4.4 x	2.4 x
EBITDA / Interest expenses	n.m.	66.6 x	63.5 x	74.2 x	150.1 x	272.5 x	328.9 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 %	18.8 %	17.2 %	16.3 %
Sales per Employee	228,174	263,139	237,760	248,246	241,667	288,000	603,053

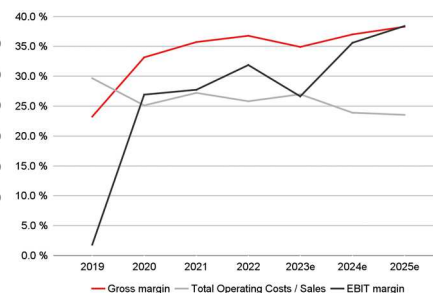
Sales, EBITDA

in EUR m

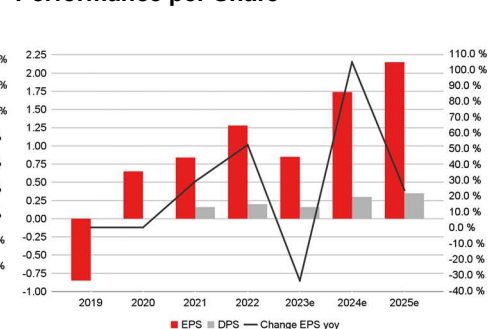


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

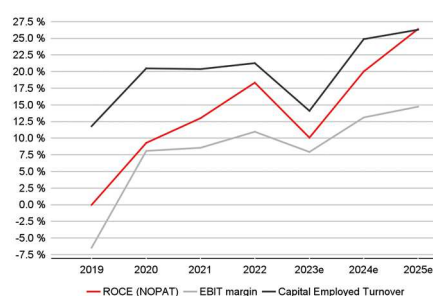
Consolidated balance sheet

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	53.4	25.6	27.5
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	78.0	50.2	52.1
Inventories	75.0	73.0	99.5	150.5	145.0	138.5	141.1
Accounts receivable	50.2	48.0	47.4	57.0	51.6	59.2	64.9
Liquid assets	10.3	40.8	52.1	61.3	32.4	131.5	159.1
Other short-term assets	10.6	5.9	11.6	11.0	18.0	18.0	18.0
Current assets	146.1	167.7	210.7	279.8	247.0	347.2	383.1
Total Assets	199.9	231.4	279.2	353.3	325.1	397.5	435.3
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	14.7	84.9	120.2
Shareholders' equity	125.4	136.5	156.9	177.7	190.3	260.4	295.8
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	190.3	260.4	295.8
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	11.9	14.8	17.3
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	134.8	137.0	139.5
Total liabilities and shareholders' equity	199.9	231.4	279.2	353.3	325.1	397.5	435.3

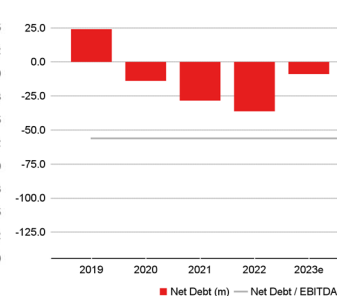
Financial Ratios

	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	1.6 x	2.4 x	2.5 x
Capital Employed Turnover	1.4 x	2.1 x	2.1 x	2.1 x	1.6 x	2.4 x	2.5 x
ROA	-30.3 %	19.4 %	23.4 %	33.4 %	20.9 %	66.2 %	78.7 %
Return on Capital							
ROCE (NOPAT)	n.a.	9.3 %	13.0 %	18.3 %	10.0 %	20.0 %	26.4 %
ROE	-12.2 %	9.4 %	10.9 %	14.7 %	8.9 %	14.8 %	14.7 %
Adj. ROE	-1.6 %	11.4 %	10.9 %	14.7 %	8.9 %	14.8 %	14.7 %
Balance sheet quality							
Net Debt	24.0	-13.9	-28.4	-36.3	-8.9	-108.7	-136.3
Net Financial Debt	18.0	-20.3	-33.8	-41.3	-14.0	-113.8	-141.4
Net Gearing	19.2 %	-10.2 %	-18.1 %	-20.4 %	-4.7 %	-41.8 %	-46.1 %
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	10.0	13.6	15.5
Book value per share ex intangibles	5.5	5.9	7.0	8.0	8.7	12.3	14.2

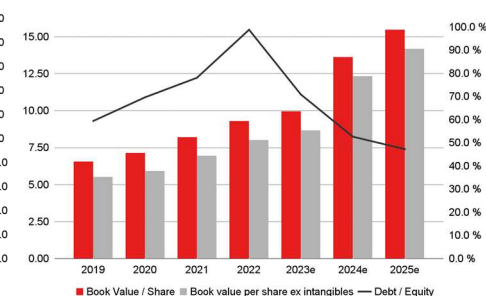
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

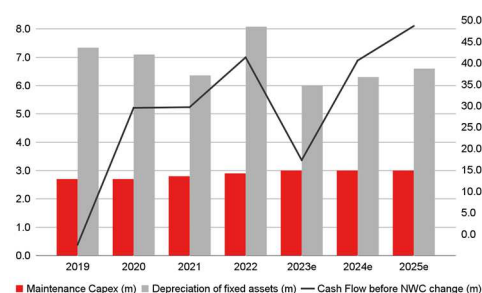
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	-16.3	12.3	16.0	24.5	16.3	33.3	41.0
Depreciation of fixed assets	7.3	7.1	6.4	8.1	6.0	6.3	6.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	0.7	0.7	1.0	1.0	1.0	1.0
Increase/decrease in long-term provisions	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	17.3	40.6	48.6
Increase / decrease in inventory	4.6	9.8	-29.5	-52.8	5.5	6.5	-2.6
Increase / decrease in accounts receivable	-25.0	2.1	1.9	-11.1	5.4	-7.6	-5.7
Increase / decrease in accounts payable	-8.0	13.7	22.3	46.5	-33.1	2.9	2.5
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	-7.0	0.0	0.0
Increase / decrease in working capital (total)	-28.4	25.6	-5.4	-17.4	-29.2	1.8	-5.8
Net cash provided by operating activities [1]	-30.8	55.1	24.3	23.9	-11.9	42.4	42.8
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	10.5	8.5	8.5
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	70.0	0.0
Net cash provided by investing activities [2]	-6.1	-11.2	-9.6	-7.9	-11.6	60.5	-9.5
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	-3.1	-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	-3.8	-5.7
Change in liquid funds [1]+[2]+[3]	-20.5	30.7	10.9	9.3	-28.9	99.1	27.6
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	22.5	121.6	149.2

Financial Ratios

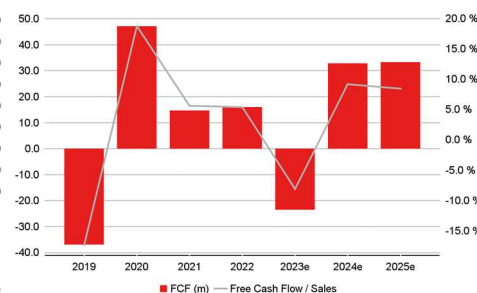
	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	-36.9	47.2	14.7	16.0	-23.5	32.9	33.3
Free Cash Flow / Sales	-17.3 %	18.7 %	5.6 %	5.4 %	-8.1 %	9.1 %	8.4 %
Free Cash Flow Potential	-10.0	32.0	23.3	31.0	20.2	37.6	45.6
Free Cash Flow / Net Profit	226.9 %	382.4 %	91.9 %	65.4 %	-144.4 %	98.8 %	81.2 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.5 %	0.6 %	0.2 %	0.1 %
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 %	2.6 %	2.4 %
Maint. Capex / Sales	1.3 %	1.1 %	1.1 %	1.0 %	1.0 %	0.8 %	0.8 %
Capex / Dep	105.6 %	117.1 %	136.4 %	127.6 %	165.7 %	130.1 %	125.0 %
Avg. Working Capital / Sales	46.1 %	37.9 %	33.0 %	32.0 %	39.2 %	34.4 %	31.8 %
Trade Debtors / Trade Creditors	501.1 %	487.7 %	194.0 %	210.3 %	433.6 %	400.0 %	375.1 %
Inventory Turnover	2.2 x	2.3 x	1.7 x	1.3 x	1.3 x	1.6 x	1.7 x
Receivables collection period (days)	86	69	66	70	65	60	60
Payables payment period (days)	22	21	53	52	23	24	26
Cash conversion cycle (Days)	210	151	155	157	206	163	156

CAPEX and Cash Flow

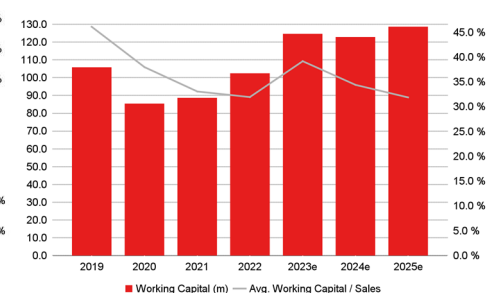
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
SÜSS MicroTec	5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A1K0235.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	155	73
Hold	46	22
Sell	6	3
Rating suspended	6	3
Total	213	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	83
Hold	7	13
Sell	0	0
Rating suspended	2	4
Total	53	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 10.11.2023



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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