

Buy (Hold) EUR 44.00 (EUR 42.50) Price EUR 35.00 Upside 25.7 %	Value Indicators: EUR DCF: 44.00 FCF-Value Potential 25e: 33.00	Warburg ESG Risk Score: 3.8 ESG Score (MSCI based): 4.0 Balance Sheet Score: 5.0 Market Liquidity Score: 2.5	Description: Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS
	Market Snapshot: EUR m Market cap: 668.5 No. of shares (m): 19.1 EV: 571.4 Freefloat MC: 668.5 Ø Trad. Vol. (30d): 5.18 m	Shareholders: Freefloat 100.00 % Kempen 10.00 % Teslin 7.50 % Henderson 5.00 % Universal Investment 4.70 %	Key Figures (WRe): 2023e Beta: 1.3 Price / Book: 3.7 x Equity Ratio: 57 % Net Fin. Debt / EBITDA: 0.2 x Net Debt / EBITDA: 0.3 x

Upgrade to Buy after share drops despite positive news

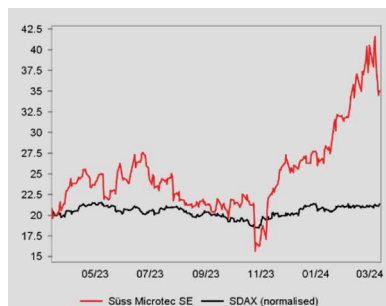
The decline in the share price by 16% since the end of last week was triggered by a setback in the share price of Nvidia, a similar movement of peer BESI and news regarding a delay in the **adoption of hybrid bonding in HBM**. While the latter is negative for the market leader BESI, it is **rather positive for SÜSS**. Additionally, the company announced a **cooperation with Heraeus last week, which provides additional mid-term revenue potential** (WRe: double-digit million). At these mid 30s share-price levels, **SÜSS is trading at a discount to its peers again** and at a relatively low 2025 multiple of <9x EBIT. We continue to regard the consensus top-line forecasts for FY 2024 to be too conservative. In light of the more attractive valuation now coupled with the upcoming guidance at the end of March, the **rating is upgraded to Buy again**.

Delayed adoption of hybrid bonding in HBM should be net positive for SÜSS: According to news from Asia, the next generation of HBM (high bandwidth memory incorporated into Nvidia's AI chips; HBM4) will not incorporate hybrid bonding yet (as a slightly higher stack height enables continued use of incumbent thermo compression bonding). This news contributed to the significant drop in the share price of peer BESI over the past few days. While a **delay in the adoption in this application is negative for BESI** as the current market leader, the **opposite is true for SÜSS**. As SÜSS is still working on its evaluation tool, an adoption in HBM4 with commercialization planned for 2026, might have come too early to penetrate this higher volume application at this stage. SÜSS should have gained competitiveness by the time tool orders are placed.

We remain optimistic as regards the upcoming 2024 guidance. Based on the strong AI-related demand for temporary bonders (130m in orders in H2), the bonder business is expected to grow strongly in 2024, enabled by the new production capacity in Taiwan. We are expecting **bonder revenues to more than double from ~ EUR 55-60m to ~ EUR 130m**, representing the company's main growth engine at the moment. Such growth will more than offset a cyclical decline in revenues for imaging & coater products (WRe -15% yoy) and should result in sales of ~ EUR 360m. While the **guidance midpoint** might not fully mirror our assumption, it **should exceed the current consensus forecast** of EUR 339m. This figure is deemed to be somewhat too low owing to the strong tailwind in the bonder business.

After rather disappointing gross-margin development in 2023, there is some uncertainty regarding the magnitude of the margin recovery in 2024. Last year's gross margin was burdened by a somewhat unfavourable product mix, ramp-up of Taiwan production, qualification of outsourcing suppliers and smaller one-off items. The 2023 gross margin of a mere 34% compares with >38% achieved in 2022 excluding microoptics. We are expecting **strong tailwind from the product mix in 2024** owing to the surging bonder business. Temporary bonders typically carry higher margins than group average. This should be especially true in a buoyant current environment and when a large number of the same systems are produced. This provides the basis for the expected gross margin of 37%. With clear operating leverage effects driven by the growth, the EBIT margin is still expected to amount to 13% (on sales of EUR 360m).

In a nutshell, there has been positive news in the past two weeks. The **delayed adoption of hybrid bonding in HBM (+ for SÜSS)** and the **cooperation with Heraeus** will both contribute to mid-term growth. **Despite this, the share dropped by slightly more than 15%** since the end of last week. Based on an undemanding **valuation of <9x EBIT 2025** (based on WRe; incl. funds from microoptics sale) **coupled with the expectation that the guidance will exceed consensus forecasts**, we **upgrade to Buy again with a marginally higher PT of EUR 44** (mid-term growth rates increased by 100bps based on the above-mentioned positive drivers), which would correspond to a 12x '25 EBIT multiple.

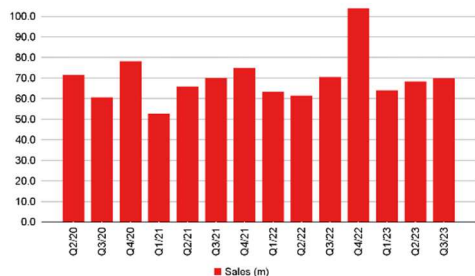


Rel. Performance vs SDAX:	
1 month:	0.1 %
6 months:	56.1 %
Year to date:	26.3 %
Trailing 12 months:	65.8 %

Company events:	
27.03.24	FY 2023
08.05.24	Q1
11.06.24	AGM
07.08.24	Q2

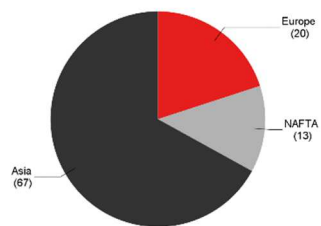
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	11.1 %	213.8	252.1	263.4	299.1	304.3	360.0	410.0
Change Sales yoy		4.8 %	17.9 %	4.5 %	13.6 %	1.7 %	18.3 %	13.9 %
Gross profit margin		23.3 %	33.2 %	35.8 %	36.8 %	34.1 %	37.0 %	38.0 %
EBITDA	18.3 %	-5.2	28.2	29.6	41.9	34.7	54.5	69.3
Margin		-2.4 %	11.2 %	11.2 %	14.0 %	11.4 %	15.1 %	16.9 %
EBIT		-13.8	20.4	22.6	32.8	27.7	47.2	61.7
Margin		-6.4 %	8.1 %	8.6 %	11.0 %	9.1 %	13.1 %	15.0 %
Net income	21.0 %	-16.3	12.3	16.0	24.5	4.7	91.3	43.5
EPS	21.2 %	-0.85	0.65	0.84	1.28	0.24	4.77	2.28
EPS adj.	21.2 %	-0.11	0.78	0.84	1.28	0.90	1.74	2.28
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 %	0.5 %	0.9 %	1.0 %
FCFPS		-1.93	2.47	0.77	0.84	-2.32	2.20	1.50
FCF / Market cap		-19.8 %	19.2 %	3.2 %	5.6 %	-6.6 %	6.3 %	4.3 %
EV / Sales		1.0 x	0.9 x	1.6 x	0.8 x	2.2 x	1.6 x	1.3 x
EV / EBITDA		n.a.	8.2 x	14.5 x	6.0 x	19.6 x	10.5 x	7.9 x
EV / EBIT		n.a.	11.4 x	19.1 x	7.6 x	24.5 x	12.1 x	8.9 x
P / E		n.a.	19.8 x	28.6 x	11.7 x	145.8 x	7.3 x	15.4 x
P / E adj.	9.5 %	n.a.	16.5 x	28.6 x	11.7 x	38.9 x	20.1 x	15.4 x
FCF Potential Yield		-4.8 %	13.8 %	5.4 %	12.4 %	1.3 %	6.6 %	8.8 %
Net Debt		24.0	-13.9	-28.4	-36.3	11.9	-97.1	-120.1
ROCE (NOPAT)		n.a.	9.3 %	13.0 %	18.3 %	10.4 %	19.5 %	27.3 %
Guidance:		2023: Sales: 280 - 320m; EBIT 7-11% (excl. Microoptics)						

Sales development
in EUR m



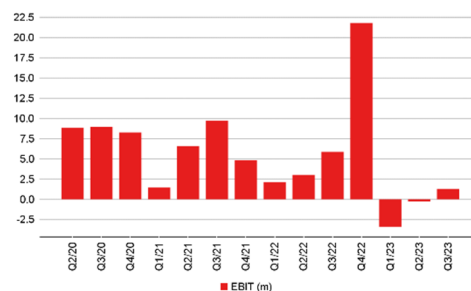
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

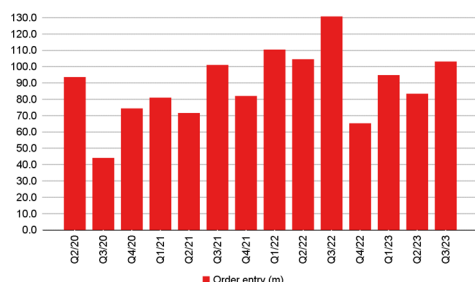
Company Background

- 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, which is e.g. used in AI related ICs. 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

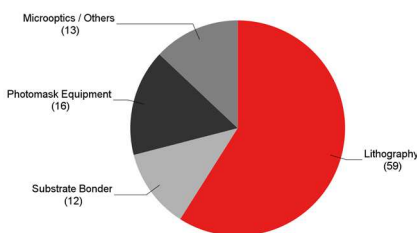
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 70-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed 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



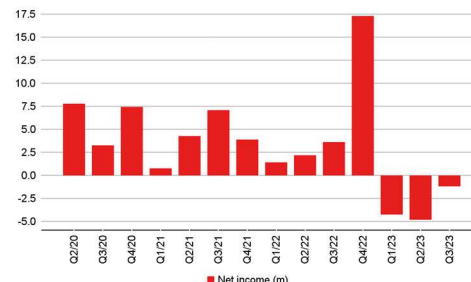
Source: Warburg Research

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	304.3	360.0	410.0	455.1	505.2	555.7	611.2	672.4	699.3	727.2	756.3	771.5	786.9	
Sales change	1.7 %	18.3 %	13.9 %	11.0 %	11.0 %	10.0 %	10.0 %	10.0 %	4.0 %	4.0 %	4.0 %	2.0 %	2.0 %	2.0 %
EBIT	27.7	47.2	61.7	68.3	75.8	83.4	91.7	100.9	104.9	109.1	113.4	115.7	118.0	
EBIT-margin	9.1 %	13.1 %	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)	38.1 %	29.5 %	29.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	28.5 %	
NOPAT	17.2	33.3	43.5	48.8	54.2	59.6	65.6	72.1	75.0	78.0	81.1	82.7	84.4	
Depreciation	7.0	7.3	7.6	8.9	10.1	11.1	12.2	13.4	14.0	14.5	15.1	15.4	15.7	
in % of Sales	2.3 %	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	
Change in Liquidity from														
- Working Capital	31.4	-11.0	12.9	0.7	15.0	15.2	16.7	18.3	8.1	8.4	8.7	4.5	4.6	
- Capex	11.6	9.5	9.5	20.5	11.6	12.2	12.8	14.1	14.7	15.3	15.9	16.2	16.5	
Capex in % of Sales	3.8 %	2.6 %	2.3 %	2.3 %	2.3 %	2.2 %	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)	-18.9	42.1	28.7	36.5	37.6	43.3	48.3	53.1	66.2	68.9	71.6	77.4	79.0	85
PV of FCF	-20.1	40.8	25.4	29.4	27.7	29.0	29.5	29.6	33.6	31.9	30.2	29.8	27.7	388
share of PVs	6.24 %			41.28 %										52.48 %

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 %	Cyclicality	1.60
Risk free rate	2.75 %	Transparency	1.10
		Others	1.40
WACC	9.69 %	Beta	1.30

Valuation (m)

Present values 2035e	351		
Terminal Value	388		
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	841	Value per share (EUR)	44.01

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	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 %	37.63	38.03	38.46	38.91	39.40	39.90	40.45	1.49	10.7 %	34.74	36.13	37.52	38.91	40.31	41.70	43.09
1.39	10.2 %	39.78	40.26	40.76	41.30	41.87	42.48	43.13	1.39	10.2 %	36.86	38.34	39.82	41.30	42.78	44.26	45.74
1.35	9.9 %	40.96	41.47	42.03	42.61	43.23	43.90	44.61	1.35	9.9 %	38.03	39.56	41.08	42.61	44.14	45.66	47.19
1.30	9.7 %	42.20	42.77	43.37	44.01	44.69	45.42	46.20	1.30	9.7 %	39.28	40.85	42.43	44.01	45.59	47.16	48.74
1.25	9.4 %	43.53	44.15	44.80	45.50	46.25	47.06	47.92	1.25	9.4 %	40.61	42.24	43.87	45.50	47.14	48.77	50.40
1.21	9.2 %	44.95	45.62	46.34	47.11	47.93	48.82	49.77	1.21	9.2 %	42.04	43.73	45.42	47.11	48.80	50.49	52.18
1.11	8.7 %	48.07	48.88	49.75	50.68	51.69	52.78	53.95	1.11	8.7 %	45.22	47.04	48.86	50.68	52.50	54.32	56.14

- Growth estimates mirror 10% CAGR past 2025
- 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	4.7	91.3	43.5	
+ 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	-58.0	0.0	
= Free Cash Flow Potential	-10.0	32.0	23.3	31.0	8.6	37.6	48.1	
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	1.3 %	6.6 %	8.8 %	
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	680.9	571.9	549.0	
= Fair Enterprise Value	n.a.	330.5	240.7	320.1	88.4	387.8	496.4	
- Net Debt (Cash)	-41.3	-41.3	-41.3	-41.3	6.9	-102.1	-125.1	
- 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	76.5	484.9	616.5	
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	4.00	25.37	32.25	
premium (-) / discount (+) in %					-88.6 %	-27.5 %	-7.9 %	
Sensitivity Fair value per Share (EUR)								
	12.69 %	n.a.	15.11	11.52	14.70	2.91	20.59	26.13
	11.69 %	n.a.	16.24	12.35	15.79	3.21	21.92	27.83
	10.69 %	n.a.	17.58	13.32	17.09	3.57	23.49	29.85
WACC	9.69 %	n.a.	19.19	14.49	18.64	4.00	25.37	32.25
	8.69 %	n.a.	21.19	15.95	20.59	4.54	27.73	35.27
	7.69 %	n.a.	23.70	17.78	23.02	5.21	30.67	39.04
	6.69 %	n.a.	26.96	20.15	26.17	6.08	34.50	43.94

▪ 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	3.7 x	2.7 x	2.3 x
Book value per share ex intangibles	5.52	5.92	6.95	8.01	8.05	11.72	13.70
EV / Sales	1.0 x	0.9 x	1.6 x	0.8 x	2.2 x	1.6 x	1.3 x
EV / EBITDA	n.a.	8.2 x	14.5 x	6.0 x	19.6 x	10.5 x	7.9 x
EV / EBIT	n.a.	11.4 x	19.1 x	7.6 x	24.5 x	12.1 x	8.9 x
EV / EBIT adj.*	445.7 x	10.1 x	19.1 x	8.3 x	24.5 x	12.1 x	8.9 x
P / FCF	n.a.	5.2 x	31.2 x	17.8 x	n.a.	15.9 x	23.3 x
P / E	n.a.	19.8 x	28.6 x	11.7 x	145.8 x	7.3 x	15.4 x
P / E adj.*	n.a.	16.5 x	28.6 x	11.7 x	38.9 x	20.1 x	15.4 x
Dividend Yield	n.a.	n.a.	0.7 %	1.3 %	0.5 %	0.9 %	1.0 %
FCF Potential Yield (on market EV)	-4.8 %	13.8 %	5.4 %	12.4 %	1.3 %	6.6 %	8.8 %

*Adjustments made for: -

Company Specific Items	2019	2020	2021	2022	2023e	2024e	2025e
Order entry	219.2	281.1	335.6	410.9	420.5	0.0	0.0
Order backlog	93.2	120.1	193.3	346.4	452.5	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	304.3	360.0	410.0
Change Sales yoy	4.8 %	17.9 %	4.5 %	13.6 %	1.7 %	18.3 %	13.9 %
COGS	164.1	168.4	169.2	189.1	200.5	226.8	254.2
Gross profit	49.7	83.7	94.2	110.1	103.8	133.2	155.8
<i>Gross margin</i>	<i>23.3 %</i>	<i>33.2 %</i>	<i>35.8 %</i>	<i>36.8 %</i>	<i>34.1 %</i>	<i>37.0 %</i>	<i>38.0 %</i>
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	22.0	24.5	26.5
Administration expenses	18.9	20.8	22.9	23.3	24.8	27.0	29.0
Other operating expenses	3.2	3.4	5.9	12.2	4.7	1.0	1.6
Other operating income	1.7	4.3	4.2	11.8	6.5	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	34.7	54.5	69.3
<i>Margin</i>	<i>-2.4 %</i>	<i>11.2 %</i>	<i>11.2 %</i>	<i>14.0 %</i>	<i>11.4 %</i>	<i>15.1 %</i>	<i>16.9 %</i>
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	28.7	48.2	62.7
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	27.7	47.2	61.7
<i>Margin</i>	<i>-6.4 %</i>	<i>8.1 %</i>	<i>8.6 %</i>	<i>11.0 %</i>	<i>9.1 %</i>	<i>13.1 %</i>	<i>15.0 %</i>
EBIT adj.	0.5	23.0	22.6	30.0	27.7	47.2	61.7
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	27.8	47.0	61.7
<i>Margin</i>	<i>-6.6 %</i>	<i>7.9 %</i>	<i>8.4 %</i>	<i>10.9 %</i>	<i>9.2 %</i>	<i>13.1 %</i>	<i>15.0 %</i>
Total taxes	2.1	7.7	6.1	8.0	10.6	13.9	18.2
Net income from continuing operations	-16.3	12.3	16.0	24.5	17.3	33.3	43.5
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	-12.6	58.0	0.0
Net income before minorities	-16.3	12.3	16.0	24.5	4.7	91.3	43.5
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	4.7	91.3	43.5
<i>Margin</i>	<i>-7.6 %</i>	<i>4.9 %</i>	<i>6.1 %</i>	<i>8.2 %</i>	<i>1.5 %</i>	<i>25.4 %</i>	<i>10.6 %</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	0.24	4.77	2.28
EPS adj.	-0.11	0.78	0.84	1.28	0.90	1.74	2.28

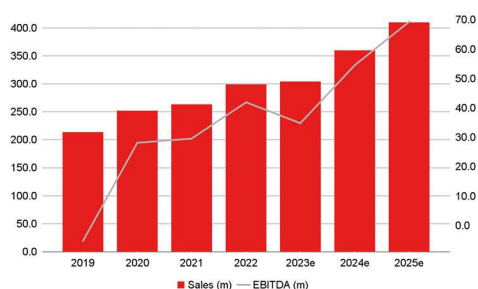
*Adjustments made for:

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

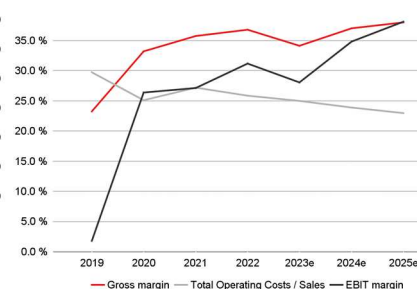
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	29.7 %	25.1 %	27.2 %	25.8 %	25.0 %	23.9 %	23.0 %
Operating Leverage	n.a.	n.a.	2.3 x	3.4 x	-8.9 x	3.8 x	2.2 x
EBITDA / Interest expenses	n.m.	66.6 x	63.5 x	74.2 x	173.7 x	272.5 x	346.5 x
Tax rate (EBT)	-15.2 %	38.3 %	27.5 %	24.6 %	38.0 %	29.5 %	29.5 %
Dividend Payout Ratio	0.0 %	0.0 %	19.1 %	15.6 %	17.7 %	17.2 %	15.4 %
Sales per Employee	228,174	263,139	237,760	248,246	253,583	288,000	625,954

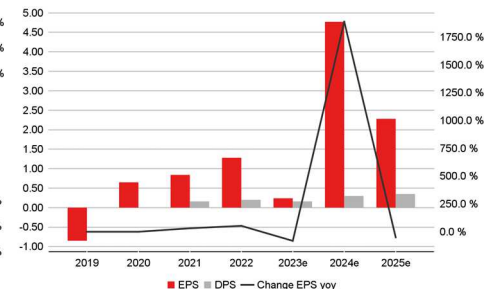
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

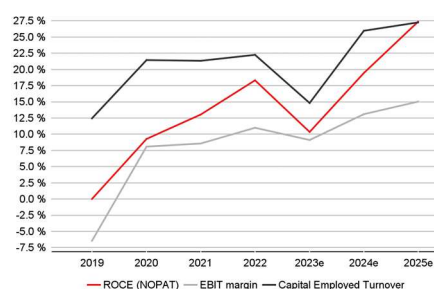
Consolidated balance sheet

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	152.2	138.5	146.4
Accounts receivable	50.2	48.0	47.4	57.0	54.2	59.2	67.4
Liquid assets	10.3	40.8	52.1	61.3	11.6	119.9	142.8
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	236.0	335.6	374.7
Total Assets	199.9	231.4	279.2	353.3	314.0	385.8	426.8
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	3.0	73.2	111.0
Shareholders' equity	125.4	136.5	156.9	177.7	178.6	248.8	286.6
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	178.6	248.8	286.6
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	12.5	14.8	18.0
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	135.4	137.0	140.2
Total liabilities and shareholders' equity	199.9	231.4	279.2	353.3	314.0	385.8	426.8

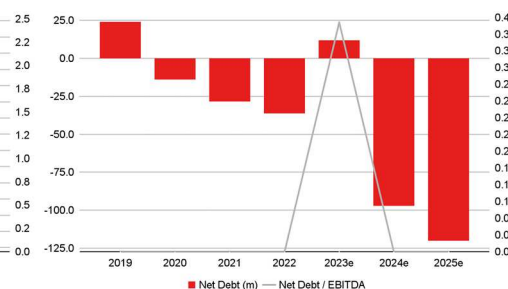
Financial Ratios

	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	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 %	6.0 %	181.7 %	83.4 %
Return on Capital							
ROCE (NOPAT)	n.a.	9.3 %	13.0 %	18.3 %	10.4 %	19.5 %	27.3 %
ROE	-12.2 %	9.4 %	10.9 %	14.7 %	2.6 %	42.7 %	16.3 %
Adj. ROE	-1.6 %	11.4 %	10.9 %	14.7 %	9.7 %	15.6 %	16.3 %
Balance sheet quality							
Net Debt	24.0	-13.9	-28.4	-36.3	11.9	-97.1	-120.1
Net Financial Debt	18.0	-20.3	-33.8	-41.3	6.9	-102.1	-125.1
Net Gearing	19.2 %	-10.2 %	-18.1 %	-20.4 %	6.7 %	-39.0 %	-41.9 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	19.8 %	n.a.	n.a.
Book Value / Share	6.6	7.1	8.2	9.3	9.3	13.0	15.0
Book value per share ex intangibles	5.5	5.9	7.0	8.0	8.1	11.7	13.7

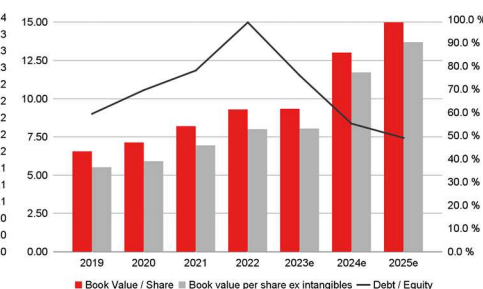
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

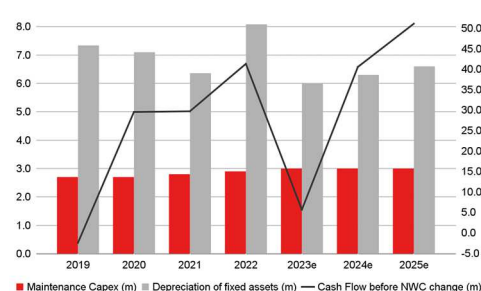
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	-16.3	12.3	16.0	24.5	4.7	91.3	43.5
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	-58.0	0.0
Cash Flow before NWC change	-2.4	29.5	29.7	41.3	5.7	40.6	51.1
Increase / decrease in inventory	4.6	9.8	-29.5	-52.8	-1.7	13.7	-7.9
Increase / decrease in accounts receivable	-25.0	2.1	1.9	-11.1	2.8	-5.0	-8.2
Increase / decrease in accounts payable	-8.0	13.7	22.3	46.5	-32.5	2.3	3.2
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	-38.4	11.0	-12.9
Net cash provided by operating activities [1]	-30.8	55.1	24.3	23.9	-32.8	51.6	38.2
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	-49.7	108.3	23.0
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	1.6	109.9	132.9

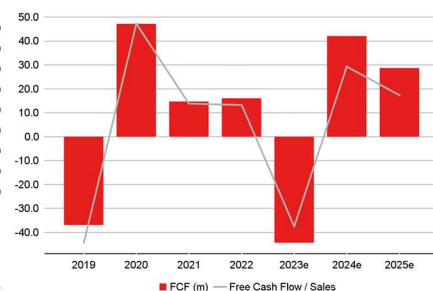
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	-36.9	47.2	14.7	16.0	-44.4	42.1	28.7
Free Cash Flow / Sales	-17.3 %	18.7 %	5.6 %	5.4 %	-14.6 %	11.7 %	7.0 %
Free Cash Flow Potential	-10.0	32.0	23.3	31.0	8.6	37.6	48.1
Free Cash Flow / Net Profit	226.9 %	382.4 %	91.9 %	65.4 %	-950.8 %	46.1 %	66.0 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.5 %	0.8 %	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 %	3.8 %	2.6 %	2.3 %
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 %	165.7 %	130.1 %	125.0 %
Avg. Working Capital / Sales	46.1 %	37.9 %	33.0 %	32.0 %	38.8 %	35.7 %	31.5 %
Trade Debtors / Trade Creditors	501.1 %	487.7 %	194.0 %	210.3 %	433.6 %	400.0 %	374.4 %
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	210	163	158

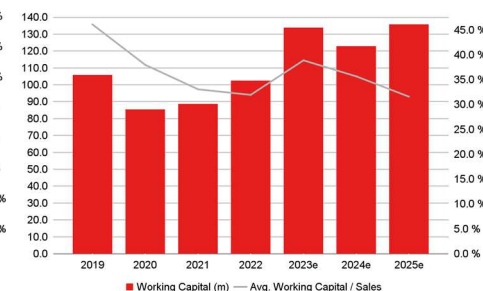
CAPEX and Cash Flow
in EUR m



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	148	70
Hold	48	23
Sell	8	4
Rating suspended	7	3
Total	211	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	48	83
Hold	7	12
Sell	0	0
Rating suspended	3	5
Total	58	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 13.03.2024



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 Rüschemeyer +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

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

Antonia Möller +49 69 5050-7417
Roadshow/Marketing amoeller@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 omerkel@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

LSEG www.lseg.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