

| | | | |
|---|---|--|--|
| Hold EUR 56.50 Price EUR 62.50 Downside -9.6 % | Value Indicators: EUR DCF: 56.50 FCF-Value Potential 26e: 41.00 | 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: 1,193.8 No. of shares (m): 19.1 EV: 1,069.0 Freefloat MC: 1,193.8 Ø Trad. Vol. (30d): 4.63 m | Shareholders: Freefloat 100.00 % Kempen 10.00 % Teslin 7.50 % Henderson 5.00 % JP Morgan 3.20 % | Key Figures (WRE): 2024e Beta: 1.3 Price / Book: 4.7 x Equity Ratio: 59 % |

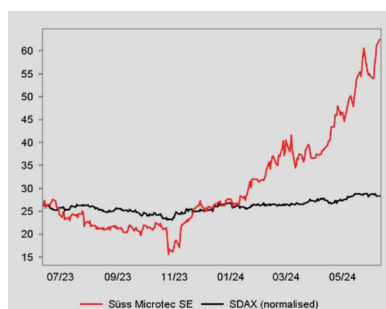
Well on track for continued growth and margin expansion

Meeting Highlights

- Recent demand trends appear to be largely unchanged.** As previously indicated, HBM customers are expected to provide demand forecasts for SÜSS' temporary bonders for the coming quarters in Q2/Q3. SÜSS' customers include two of the three memory IDMs. One customer aims to roughly double its HBM capacity for AI applications in 2025, which supports the expectation that strong equipment demand will continue. Improvements in equipment throughput will help to achieve higher capacity. Demand for lithography tools has not yet picked up. Planned capacities for coaters, however, can largely be used for the production of temporary bonders. Such positive mix-effects should also support gross margins owing to stronger competitive pressure especially in the coater business.
- As outlined more than once before, raising operating efficiency remains key.** The company will discontinue ~25% of its product portfolio, manual tools for low-volume and mostly R&D customers. While these did not contribute a significant sales share (single-digit), a huge variety added complexity to production and to the supply chain. Other measures include the establishment of shared product platforms, outsourcing of submodules, focus on major key accounts, review of processes, harmonization of IT systems, introduction of digital twins etc. Unlocking this self-help potential coupled with positive mix effects (rising share of temporary bonders) is still expected to facilitate the achievement of sustainable gross margins of 40% or more.
- The outsourcing of submodules provides higher flexibility against the background of demand cycles but is also freeing up capacity.** Nevertheless, SÜSS is likely to take a decision in H2 regarding further capacity extensions in Taiwan and/or at other sites in light of the expected growth.
- New applications** such as hybrid bonding, MEMS wafer cleaning or EMI shielding (cooperation with Heraeus) remain **major growth drivers** for the second half of this decade. Each represent a significant revenue opportunity, which should enable the company to reach double-digit growth rates in the years to come. The D2W hybrid bonding solution will be launched in late 2024. Pilot orders for wafer cleaning and EMI shielding applications are expected in to be received in 2026.

Conclusion

- SÜSS appears to be well on track to reach the upper end of its FY 2024 targets.** We continue to assume that the company will beat its cautious profitability forecast and hike its guidance, potentially with the upcoming Q2 reporting. The order backlog would also support revenues in excess of EUR 370m (upper end of guidance range). If SÜSS is able to execute properly and squeeze in some more tools, there might be scope to beat the revenue target as well. The mid-term prospects remain positive and current strength in temporary bonders more than offsets the weakness in core lithography products. Further growth drivers will kick in in 2025/26 with hybrid bonding, wafer cleaning etc. to support continued growth despite a potential softening in demand from China (or in AI, if the current pressure for capacity additions eases a bit). Our PT reflects a scenario of continued double-digit growth rates and the achievement of high-teens EBIT margins. A bull case with even stronger profitability (EBIT > 20% is on the cards in the medium term) would provide further upside.

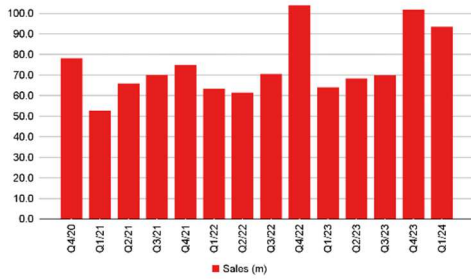


| Rel. Performance vs SDAX: | |
|---------------------------|---------|
| 1 month: | 24.5 % |
| 6 months: | 131.2 % |
| Year to date: | 119.8 % |
| Trailing 12 months: | 143.1 % |

| Company events: | |
|-----------------|-----|
| 11.06.24 | AGM |
| 07.08.24 | Q2 |
| 07.11.24 | Q3 |

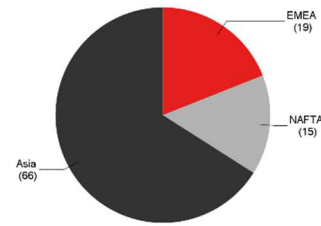
| FY End: 31.12. in EUR m | CAGR (23-26e) | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|----------------------------|---------------|--------------------------------------|--------|--------|--------|--------|--------|--------|
| Sales | 16.8 % | 252.1 | 263.4 | 299.1 | 304.3 | 370.0 | 445.0 | 485.1 |
| Change Sales yoy | | 17.9 % | 4.5 % | 13.6 % | 1.7 % | 21.6 % | 20.3 % | 9.0 % |
| Gross profit margin | | 33.2 % | 35.8 % | 36.8 % | 34.1 % | 37.2 % | 38.0 % | 39.0 % |
| EBITDA | 36.7 % | 28.2 | 29.6 | 41.9 | 34.7 | 55.4 | 76.7 | 88.6 |
| Margin | | 11.2 % | 11.2 % | 14.0 % | 11.4 % | 15.0 % | 17.2 % | 18.3 % |
| EBIT | | 20.4 | 22.6 | 32.8 | 27.8 | 48.1 | 69.1 | 80.7 |
| Margin | | 8.1 % | 8.6 % | 11.0 % | 9.1 % | 13.0 % | 15.5 % | 16.6 % |
| Net income | 129.0 % | 12.3 | 16.0 | 24.5 | 4.7 | 92.9 | 49.1 | 56.9 |
| EPS | 128.4 % | 0.65 | 0.84 | 1.28 | 0.25 | 4.86 | 2.57 | 2.98 |
| EPS adj. | 48.5 % | 0.78 | 0.84 | 1.28 | 0.91 | 1.82 | 2.57 | 2.98 |
| DPS | 31.0 % | 0.00 | 0.16 | 0.20 | 0.20 | 0.30 | 0.40 | 0.45 |
| Dividend Yield | | n.a. | 0.7 % | 1.3 % | 0.9 % | 0.5 % | 0.6 % | 0.7 % |
| FCFPS | | 2.47 | 0.77 | 0.84 | 0.41 | 1.43 | 1.22 | 2.22 |
| FCF / Market cap | | 19.2 % | 3.2 % | 5.6 % | 1.8 % | 2.3 % | 2.0 % | 3.5 % |
| EV / Sales | | 0.9 x | 1.6 x | 0.8 x | 1.3 x | 2.9 x | 2.4 x | 2.1 x |
| EV / EBITDA | | 8.2 x | 14.5 x | 6.0 x | 11.5 x | 19.3 x | 13.7 x | 11.5 x |
| EV / EBIT | | 11.4 x | 19.1 x | 7.6 x | 14.3 x | 22.2 x | 15.2 x | 12.6 x |
| P / E | | 19.8 x | 28.6 x | 11.7 x | 89.7 x | 12.9 x | 24.3 x | 21.0 x |
| P / E adj. | -5.2 % | 16.5 x | 28.6 x | 11.7 x | 24.6 x | 34.3 x | 24.3 x | 21.0 x |
| FCF Potential Yield | | 7.7 % | 5.4 % | 12.4 % | 2.0 % | 3.4 % | 4.9 % | 5.9 % |
| Net Debt | | -13.9 | -28.4 | -36.3 | -31.2 | -124.8 | -142.4 | -177.1 |
| ROCE (NOPAT) | | 9.3 % | 13.0 % | 18.3 % | 11.9 % | 24.5 % | 33.6 % | 34.5 % |
| Guidance: | | 2024: Sales: 340 - 370m; EBIT 10-12% | | | | | | |

Sales development
in EUR m



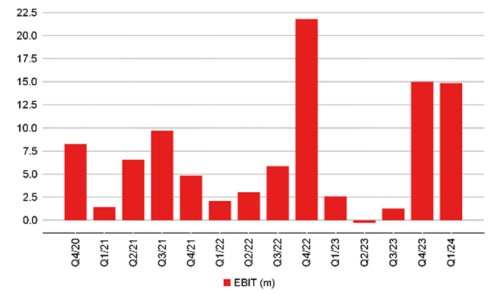
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

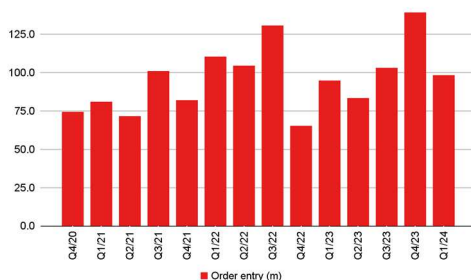
Company Background

- 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 three sites (Garching, Sternenfels, Taiwan) which offer ample capacity for anticipated growth. SÜSS has ca. 1100 employees.

Competitive Quality

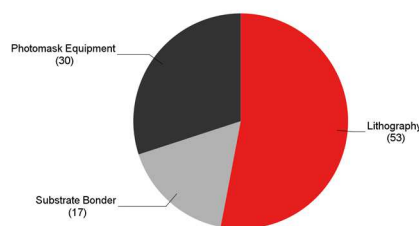
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 75-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed 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



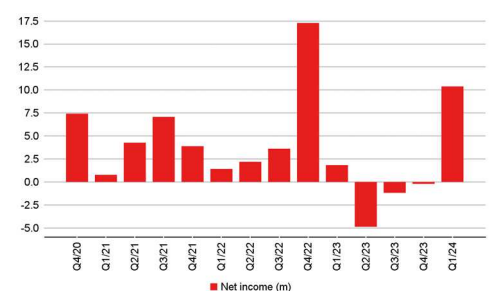
Source: Warburg Research

Sales by segments
2023; 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 |
|-----------------------------|--------------------------|--------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
| | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | 2035e | 2036e | |
| Sales | 370.0 | 445.0 | 485.1 | 538.4 | 597.6 | 663.4 | 729.7 | 766.2 | 804.5 | 836.7 | 870.1 | 887.6 | 905.3 | |
| Sales change | 21.6 % | 20.3 % | 9.0 % | 11.0 % | 11.0 % | 11.0 % | 10.0 % | 5.0 % | 5.0 % | 4.0 % | 4.0 % | 2.0 % | 2.0 % | 2.0 % |
| EBIT | 48.1 | 69.1 | 80.7 | 96.9 | 107.6 | 119.4 | 135.0 | 141.7 | 148.8 | 154.8 | 161.0 | 164.2 | 167.5 | |
| EBIT-margin | 13.0 % | 15.5 % | 16.6 % | 18.0 % | 18.0 % | 18.0 % | 18.5 % | 18.5 % | 18.5 % | 18.5 % | 18.5 % | 18.5 % | 18.5 % | |
| Tax rate (EBT) | 30.3 % | 29.8 % | 29.5 % | 28.5 % | 28.5 % | 28.5 % | 28.5 % | 28.5 % | 28.5 % | 28.5 % | 28.5 % | 28.5 % | 28.5 % | |
| NOPAT | 33.6 | 48.5 | 56.9 | 69.3 | 76.9 | 85.4 | 96.5 | 101.3 | 106.4 | 110.7 | 115.1 | 117.4 | 119.7 | |
| Depreciation | 7.3 | 7.6 | 7.9 | 10.5 | 12.0 | 13.3 | 14.6 | 15.3 | 16.1 | 16.7 | 17.4 | 17.8 | 18.1 | |
| in % of Sales | 2.0 % | 1.7 % | 1.6 % | 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 | 2.8 | 15.4 | 11.4 | 15.7 | 16.6 | 18.4 | 18.6 | 10.2 | 10.7 | 9.0 | 9.4 | 4.9 | 5.0 | |
| - Capex | 12.0 | 18.0 | 11.0 | 22.4 | 13.7 | 14.6 | 15.3 | 16.1 | 16.9 | 17.6 | 18.3 | 18.6 | 19.0 | |
| Capex in % of Sales | 3.2 % | 4.0 % | 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) | 26.0 | 22.7 | 42.4 | 41.8 | 58.5 | 65.6 | 77.2 | 90.4 | 94.9 | 100.8 | 104.9 | 111.6 | 113.9 | 116 |
| PV of FCF | 25.3 | 20.4 | 34.8 | 31.3 | 40.1 | 41.0 | 44.1 | 47.1 | 45.1 | 43.8 | 41.6 | 40.4 | 37.6 | 503 |
| share of PVs | 8.06 % | | | 41.07 % | | | | | | | | | | 50.87 % |

Model parameter

| | | | |
|--------------------------|---------------|---------------------|-------------|
| Derivation of WACC: | | Derivation of Beta: | |
| Debt ratio | 1.50 % | Financial Strength | 1.10 |
| Cost of debt (after tax) | 2.9 % | Liquidity (share) | 1.30 |
| Market return | 8.25 % | Cyclicalilty | 1.40 |
| Risk free rate | 2.75 % | Transparency | 1.05 |
| | | Others | 1.40 |
| WACC | 9.52 % | Beta | 1.25 |

Valuation (m)

| | | | |
|----------------------------|--------------|------------------------------|--------------|
| Present values 2036e | 486 | | |
| Terminal Value | 503 | | |
| Financial liabilities | 15 | | |
| Pension liabilities | 2 | | |
| Hybrid capital | 0 | | |
| Minority interest | 0 | | |
| Market val. of investments | 0 | | |
| Liquidity | 107 | No. of shares (m) | 19.1 |
| Equity Value | 1,079 | Value per share (EUR) | 56.47 |

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 | | |
| 1.43 | 10.5 % | 47.72 | 48.25 | 48.81 | 49.40 | 50.03 | 50.69 | 51.40 | 1.43 | 10.5 % | 45.06 | 46.51 | 47.95 | 49.40 | 50.84 | 52.29 | 53.73 |
| 1.34 | 10.0 % | 50.71 | 51.34 | 52.00 | 52.71 | 53.46 | 54.26 | 55.11 | 1.34 | 10.0 % | 48.08 | 49.62 | 51.16 | 52.71 | 54.25 | 55.79 | 57.33 |
| 1.30 | 9.8 % | 52.35 | 53.03 | 53.75 | 54.53 | 55.35 | 56.23 | 57.17 | 1.30 | 9.8 % | 49.74 | 51.34 | 52.93 | 54.53 | 56.12 | 57.71 | 59.31 |
| 1.25 | 9.5 % | 54.08 | 54.83 | 55.62 | 56.47 | 57.38 | 58.34 | 59.39 | 1.25 | 9.5 % | 51.52 | 53.17 | 54.82 | 56.47 | 58.12 | 59.77 | 61.42 |
| 1.20 | 9.3 % | 55.94 | 56.75 | 57.63 | 58.56 | 59.55 | 60.62 | 61.78 | 1.20 | 9.3 % | 53.42 | 55.13 | 56.84 | 58.56 | 60.27 | 61.98 | 63.69 |
| 1.16 | 9.0 % | 57.92 | 58.81 | 59.77 | 60.79 | 61.90 | 63.08 | 64.36 | 1.16 | 9.0 % | 55.47 | 57.24 | 59.02 | 60.79 | 62.57 | 64.35 | 66.12 |
| 1.07 | 8.5 % | 62.30 | 63.38 | 64.55 | 65.80 | 67.16 | 68.62 | 70.22 | 1.07 | 8.5 % | 60.04 | 61.96 | 63.88 | 65.80 | 67.72 | 69.65 | 71.57 |

- Growth estimates mirror 10% CAGR past 2025
- Sustainable EBIT margin of 18.5% 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 | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e | |
|---|---------------|--------------|--------------|--------------|----------------|----------------|----------------|--------------|
| Net Income before minorities | 12.3 | 16.0 | 24.5 | 4.7 | 92.9 | 49.1 | 56.9 | |
| + Depreciation + Amortisation | 7.8 | 7.1 | 9.1 | 6.9 | 7.3 | 7.6 | 7.9 | |
| - Net Interest Income | -0.4 | -0.5 | -0.3 | 0.5 | 1.3 | 0.6 | 0.0 | |
| - Maintenance Capex | 2.7 | 2.8 | 2.9 | 3.0 | 4.0 | 5.0 | 5.0 | |
| + Other | 0.0 | 2.6 | 0.0 | 0.0 | -58.0 | 0.0 | 0.0 | |
| = Free Cash Flow Potential | 17.8 | 23.3 | 31.0 | 8.1 | 36.9 | 51.1 | 59.8 | |
| FCF Potential Yield (on market EV) | 7.7 % | 5.4 % | 12.4 % | 2.0 % | 3.4 % | 4.9 % | 5.9 % | |
| WACC | 9.52 % | 9.52 % | 9.52 % | 9.52 % | 9.52 % | 9.52 % | 9.52 % | |
| = Enterprise Value (EV) | 232.3 | 430.1 | 249.4 | 397.2 | 1,070.0 | 1,052.4 | 1,017.6 | |
| = Fair Enterprise Value | 187.1 | 244.9 | 325.7 | 84.7 | 387.0 | 537.0 | 627.6 | |
| - Net Debt (Cash) | -32.8 | -32.8 | -32.8 | -32.8 | -126.3 | -143.9 | -178.7 | |
| - Pension Liabilities | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | |
| - 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 | 218.3 | 276.1 | 356.9 | 115.9 | 511.8 | 679.3 | 804.7 | |
| Number of shares, average | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 | |
| = Fair value per share (EUR) | 11.42 | 14.45 | 18.67 | 6.06 | 26.77 | 35.54 | 42.10 | |
| premium (-) / discount (+) in % | | | | | -57.2 % | -43.1 % | -32.6 % | |
| Sensitivity Fair value per Share (EUR) | | | | | | | | |
| | 12.52 % | 9.08 | 11.39 | 14.60 | 5.01 | 21.94 | 28.83 | 34.26 |
| | 11.52 % | 9.73 | 12.23 | 15.73 | 5.30 | 23.28 | 30.69 | 36.43 |
| | 10.52 % | 10.50 | 13.24 | 17.07 | 5.65 | 24.87 | 32.90 | 39.01 |
| WACC | 9.52 % | 11.42 | 14.45 | 18.67 | 6.06 | 26.77 | 35.54 | 42.10 |
| | 8.52 % | 12.58 | 15.96 | 20.69 | 6.59 | 29.17 | 38.87 | 45.99 |
| | 7.52 % | 14.04 | 17.87 | 23.22 | 7.25 | 32.18 | 43.04 | 50.87 |
| | 6.52 % | 15.94 | 20.35 | 26.53 | 8.11 | 36.11 | 48.50 | 57.24 |

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

| Valuation | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Price / Book | 1.8 x | 2.9 x | 1.6 x | 2.4 x | 4.7 x | 4.0 x | 3.4 x |
| Book value per share ex intangibles | 5.92 | 6.95 | 8.01 | 7.98 | 12.16 | 14.44 | 17.01 |
| EV / Sales | 0.9 x | 1.6 x | 0.8 x | 1.3 x | 2.9 x | 2.4 x | 2.1 x |
| EV / EBITDA | 8.2 x | 14.5 x | 6.0 x | 11.5 x | 19.3 x | 13.7 x | 11.5 x |
| EV / EBIT | 11.4 x | 19.1 x | 7.6 x | 14.3 x | 22.2 x | 15.2 x | 12.6 x |
| EV / EBIT adj.* | 10.1 x | 19.1 x | 8.3 x | 14.3 x | 22.2 x | 15.2 x | 12.6 x |
| P / FCF | 5.2 x | 31.2 x | 17.8 x | 54.1 x | 43.7 x | 51.2 x | 28.2 x |
| P / E | 19.8 x | 28.6 x | 11.7 x | 89.7 x | 12.9 x | 24.3 x | 21.0 x |
| P / E adj.* | 16.5 x | 28.6 x | 11.7 x | 24.6 x | 34.3 x | 24.3 x | 21.0 x |
| Dividend Yield | n.a. | 0.7 % | 1.3 % | 0.9 % | 0.5 % | 0.6 % | 0.7 % |
| FCF Potential Yield (on market EV) | 7.7 % | 5.4 % | 12.4 % | 2.0 % | 3.4 % | 4.9 % | 5.9 % |

*Adjustments made for: -

| Company Specific Items | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|------------------------|-------|-------|-------|-------|-------|-------|-------|
| Order entry | 281.1 | 335.6 | 410.9 | 420.5 | 0.0 | 0.0 | 0.0 |
| Order backlog | 120.1 | 193.3 | 346.4 | 452.5 | 0.0 | 0.0 | 0.0 |

Consolidated profit and loss

| In EUR m | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Sales | 252.1 | 263.4 | 299.1 | 304.3 | 370.0 | 445.0 | 485.1 |
| Change Sales yoy | 17.9 % | 4.5 % | 13.6 % | 1.7 % | 21.6 % | 20.3 % | 9.0 % |
| COGS | 168.4 | 169.2 | 189.1 | 200.4 | 232.4 | 275.9 | 295.9 |
| Gross profit | 83.7 | 94.2 | 110.1 | 103.9 | 137.6 | 169.1 | 189.2 |
| <i>Gross margin</i> | <i>33.2 %</i> | <i>35.8 %</i> | <i>36.8 %</i> | <i>34.1 %</i> | <i>37.2 %</i> | <i>38.0 %</i> | <i>39.0 %</i> |
| Research and development | 19.8 | 22.1 | 25.0 | 31.3 | 36.0 | 40.0 | 44.0 |
| Sales and marketing | 23.5 | 24.9 | 28.5 | 21.4 | 24.5 | 27.0 | 29.5 |
| Administration expenses | 20.8 | 22.9 | 23.3 | 24.2 | 28.0 | 30.5 | 32.5 |
| Other operating expenses | 3.4 | 5.9 | 12.2 | 6.5 | 2.1 | 2.5 | 2.5 |
| Other operating income | 4.3 | 4.2 | 11.8 | 7.3 | 1.1 | 0.0 | 0.0 |
| Unfrequent items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | 28.2 | 29.6 | 41.9 | 34.7 | 55.4 | 76.7 | 88.6 |
| <i>Margin</i> | <i>11.2 %</i> | <i>11.2 %</i> | <i>14.0 %</i> | <i>11.4 %</i> | <i>15.0 %</i> | <i>17.2 %</i> | <i>18.3 %</i> |
| Depreciation of fixed assets | 7.1 | 6.4 | 8.1 | 5.3 | 6.3 | 6.6 | 6.9 |
| EBITA | 21.1 | 23.2 | 33.8 | 29.3 | 49.1 | 70.1 | 81.7 |
| Amortisation of intangible assets | 0.7 | 0.7 | 1.0 | 1.5 | 1.0 | 1.0 | 1.0 |
| Goodwill amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 20.4 | 22.6 | 32.8 | 27.8 | 48.1 | 69.1 | 80.7 |
| <i>Margin</i> | <i>8.1 %</i> | <i>8.6 %</i> | <i>11.0 %</i> | <i>9.1 %</i> | <i>13.0 %</i> | <i>15.5 %</i> | <i>16.6 %</i> |
| EBIT adj. | 23.0 | 22.6 | 30.0 | 27.8 | 48.1 | 69.1 | 80.7 |
| Interest income | 0.0 | 0.0 | 0.3 | 1.0 | 1.5 | 0.8 | 0.2 |
| Interest expenses | 0.4 | 0.5 | 0.6 | 0.4 | 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 | 20.0 | 22.1 | 32.5 | 28.3 | 49.4 | 69.7 | 80.7 |
| <i>Margin</i> | <i>7.9 %</i> | <i>8.4 %</i> | <i>10.9 %</i> | <i>9.3 %</i> | <i>13.4 %</i> | <i>15.7 %</i> | <i>16.6 %</i> |
| Total taxes | 7.7 | 6.1 | 8.0 | 11.0 | 14.6 | 20.6 | 23.8 |
| Net income from continuing operations | 12.3 | 16.0 | 24.5 | 17.3 | 34.9 | 49.1 | 56.9 |
| Income from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | -12.6 | 58.0 | 0.0 | 0.0 |
| Net income before minorities | 12.3 | 16.0 | 24.5 | 4.7 | 92.9 | 49.1 | 56.9 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | 12.3 | 16.0 | 24.5 | 4.7 | 92.9 | 49.1 | 56.9 |
| <i>Margin</i> | <i>4.9 %</i> | <i>6.1 %</i> | <i>8.2 %</i> | <i>1.6 %</i> | <i>25.1 %</i> | <i>11.0 %</i> | <i>11.7 %</i> |
| Number of shares, average | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 |
| EPS | 0.65 | 0.84 | 1.28 | 0.25 | 4.86 | 2.57 | 2.98 |
| EPS adj. | 0.78 | 0.84 | 1.28 | 0.91 | 1.82 | 2.57 | 2.98 |

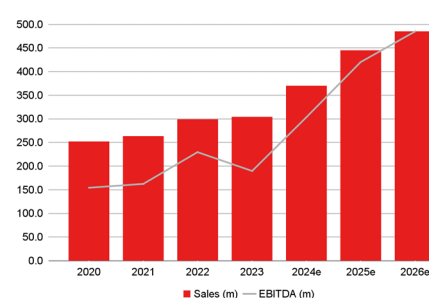
*Adjustments made for:

Guidance: 2024: Sales: 340 - 370m; EBIT 10-12%

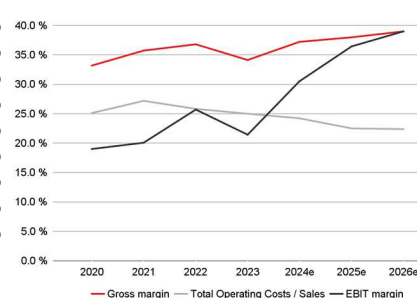
Financial Ratios

| | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Total Operating Costs / Sales | 25.1 % | 27.2 % | 25.8 % | 25.0 % | 24.2 % | 22.5 % | 22.4 % |
| Operating Leverage | n.a. | 2.3 x | 3.4 x | -8.9 x | 3.4 x | 2.1 x | 1.9 x |
| EBITDA / Interest expenses | 66.6 x | 63.5 x | 74.2 x | 82.9 x | 277.2 x | 383.5 x | 442.8 x |
| Tax rate (EBT) | 38.3 % | 27.5 % | 24.6 % | 38.8 % | 29.5 % | 29.5 % | 29.5 % |
| Dividend Payout Ratio | 0.0 % | 19.1 % | 15.6 % | 22.1 % | 16.5 % | 15.6 % | 15.1 % |
| Sales per Employee | 263,139 | 237,760 | 248,246 | 252,081 | 296,000 | 679,389 | 740,534 |

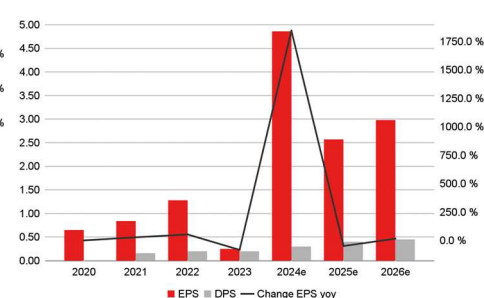
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

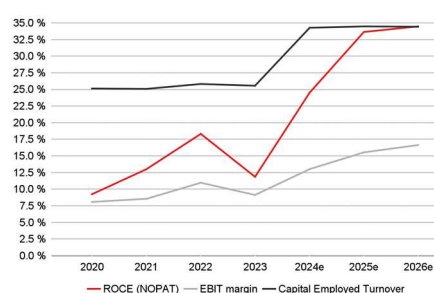
Consolidated balance sheet

| In EUR m | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 23.4 | 24.0 | 24.6 | 24.1 | 24.1 | 24.1 | 24.1 |
| thereof other intangible assets | 5.0 | 5.6 | 5.9 | 5.5 | 5.5 | 5.5 | 5.5 |
| thereof Goodwill | 18.3 | 18.4 | 18.6 | 18.5 | 18.5 | 18.5 | 18.5 |
| Property, plant and equipment | 40.4 | 44.5 | 48.9 | 31.1 | 35.8 | 46.2 | 49.3 |
| 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 | 63.7 | 68.5 | 73.4 | 55.2 | 59.9 | 70.3 | 73.4 |
| Inventories | 73.0 | 99.5 | 150.5 | 166.7 | 160.9 | 164.8 | 161.7 |
| Accounts receivable | 48.0 | 47.4 | 57.0 | 52.9 | 62.8 | 74.4 | 79.7 |
| Liquid assets | 40.8 | 52.1 | 61.3 | 48.0 | 140.5 | 158.1 | 192.8 |
| Other short-term assets | 5.9 | 11.6 | 11.0 | 46.9 | 12.9 | 12.9 | 12.9 |
| Current assets | 167.7 | 210.7 | 279.8 | 314.5 | 377.1 | 410.2 | 447.1 |
| Total Assets | 231.4 | 279.2 | 353.3 | 369.7 | 437.0 | 480.5 | 520.5 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 | 19.1 |
| Capital reserve | 119.0 | 135.0 | 156.5 | 157.3 | 157.3 | 157.3 | 157.3 |
| Retained earnings | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other equity components | -1.6 | 2.8 | 2.2 | 0.2 | 80.2 | 123.6 | 172.8 |
| Shareholders' equity | 136.5 | 156.9 | 177.7 | 176.6 | 256.6 | 300.1 | 349.3 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total equity | 136.5 | 156.9 | 177.7 | 176.6 | 256.6 | 300.1 | 349.3 |
| Provisions | 10.9 | 11.2 | 11.8 | 10.6 | 10.6 | 10.6 | 10.6 |
| thereof provisions for pensions and similar obligations | 6.4 | 5.3 | 5.0 | 1.6 | 1.6 | 1.6 | 1.6 |
| Financial liabilities (total) | 20.5 | 18.3 | 20.0 | 15.2 | 14.2 | 14.2 | 14.2 |
| Short-term financial liabilities | 1.4 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Accounts payable | 9.8 | 24.4 | 27.1 | 27.1 | 30.4 | 30.5 | 21.3 |
| Other liabilities | 53.7 | 68.4 | 116.7 | 140.2 | 125.2 | 125.2 | 125.2 |
| Liabilities | 94.9 | 122.3 | 175.5 | 193.1 | 180.4 | 180.5 | 171.3 |
| Total liabilities and shareholders' equity | 231.4 | 279.2 | 353.3 | 369.7 | 437.0 | 480.5 | 520.5 |

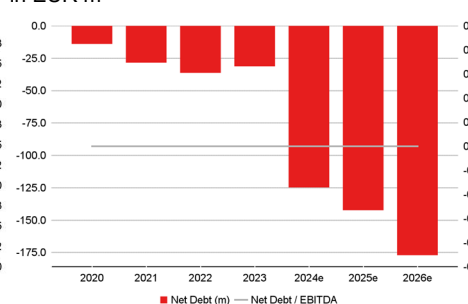
Financial Ratios

| | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|---|---------|---------|---------|---------|---------|---------|---------|
| Efficiency of Capital Employment | | | | | | | |
| Operating Assets Turnover | 2.0 x | 2.0 x | 2.0 x | 2.2 x | 2.6 x | 2.6 x | 2.6 x |
| Capital Employed Turnover | 2.1 x | 2.1 x | 2.1 x | 2.1 x | 2.8 x | 2.8 x | 2.8 x |
| ROA | 19.4 % | 23.4 % | 33.4 % | 8.6 % | 154.9 % | 69.9 % | 77.4 % |
| Return on Capital | | | | | | | |
| ROCE (NOPAT) | 9.3 % | 13.0 % | 18.3 % | 11.9 % | 24.5 % | 33.6 % | 34.5 % |
| ROE | 9.4 % | 10.9 % | 14.7 % | 2.7 % | 42.9 % | 17.7 % | 17.5 % |
| Adj. ROE | 11.4 % | 10.9 % | 14.7 % | 9.8 % | 16.1 % | 17.7 % | 17.5 % |
| Balance sheet quality | | | | | | | |
| Net Debt | -13.9 | -28.4 | -36.3 | -31.2 | -124.8 | -142.4 | -177.1 |
| Net Financial Debt | -20.3 | -33.8 | -41.3 | -32.8 | -126.3 | -143.9 | -178.7 |
| Net Gearing | -10.2 % | -18.1 % | -20.4 % | -17.7 % | -48.6 % | -47.4 % | -50.7 % |
| Net Fin. Debt / EBITDA | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Book Value / Share | 7.1 | 8.2 | 9.3 | 9.2 | 13.4 | 15.7 | 18.3 |
| Book value per share ex intangibles | 5.9 | 7.0 | 8.0 | 8.0 | 12.2 | 14.4 | 17.0 |

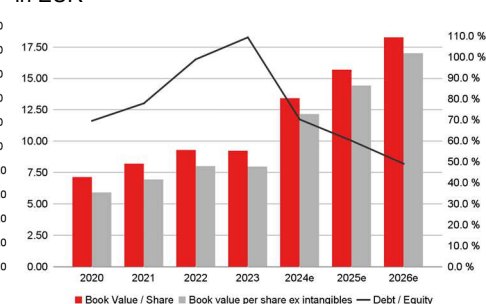
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

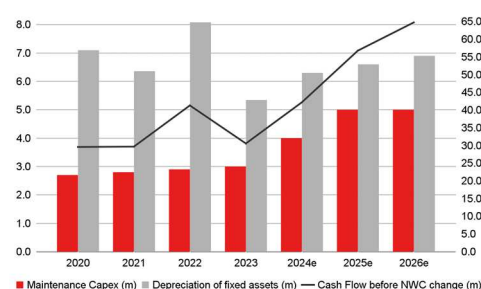
Consolidated cash flow statement

| In EUR m | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|--|--------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Net income | 12.3 | 16.0 | 24.5 | 4.7 | 92.9 | 49.1 | 56.9 |
| Depreciation of fixed assets | 7.1 | 6.4 | 8.1 | 5.3 | 6.3 | 6.6 | 6.9 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.7 | 0.7 | 1.0 | 1.5 | 1.0 | 1.0 | 1.0 |
| Increase/decrease in long-term provisions | 0.4 | -1.2 | -0.5 | -0.1 | 0.0 | 0.0 | 0.0 |
| Other non-cash income and expenses | 9.1 | 7.8 | 8.2 | 19.0 | -58.0 | 0.0 | 0.0 |
| Cash Flow before NWC change | 29.5 | 29.7 | 41.3 | 30.5 | 42.2 | 56.7 | 64.8 |
| Increase / decrease in inventory | 9.8 | -29.5 | -52.8 | -29.4 | 5.8 | -3.9 | 3.1 |
| Increase / decrease in accounts receivable | 2.1 | 1.9 | -11.1 | 0.2 | -9.9 | -11.6 | -5.3 |
| Increase / decrease in accounts payable | 13.7 | 22.3 | 46.5 | 11.2 | 1.3 | 0.1 | -9.2 |
| 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) | 25.6 | -5.4 | -17.4 | -18.0 | -2.8 | -15.4 | -11.4 |
| Net cash provided by operating activities [1] | 55.1 | 24.3 | 23.9 | 12.5 | 39.3 | 41.3 | 53.4 |
| Investments in intangible assets | 1.1 | 1.2 | 1.1 | 1.1 | 1.0 | 1.0 | 1.0 |
| Investments in property, plant and equipment | 8.0 | 8.5 | 10.5 | 10.5 | 11.0 | 17.0 | 10.0 |
| Payments for acquisitions | -3.3 | 0.0 | 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 | 0.1 | 0.0 | 0.0 | 0.0 | 70.0 | 0.0 | 0.0 |
| Net cash provided by investing activities [2] | -11.2 | -9.6 | -7.9 | -4.6 | 58.0 | -18.0 | -11.0 |
| Change in financial liabilities | -13.3 | -3.8 | -3.7 | -3.4 | -1.0 | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | -3.1 | -3.8 | -3.8 | -5.7 | -7.6 |
| 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] | -13.3 | -3.8 | -6.8 | -7.2 | -4.8 | -5.7 | -7.6 |
| Change in liquid funds [1]+[2]+[3] | 30.7 | 10.9 | 9.3 | 0.7 | 92.5 | 17.6 | 34.7 |
| Effects of exchange-rate changes on cash | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash and cash equivalent at end of period | 40.8 | 51.7 | 61.3 | 52.0 | 130.6 | 148.2 | 182.9 |

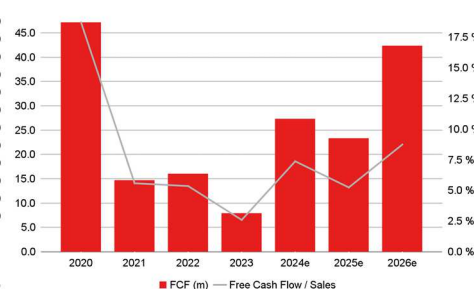
Financial Ratios

| | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Cash Flow | | | | | | | |
| FCF | 47.2 | 14.7 | 16.0 | 7.9 | 27.3 | 23.3 | 42.4 |
| Free Cash Flow / Sales | 18.7 % | 5.6 % | 5.4 % | 2.6 % | 7.4 % | 5.2 % | 8.7 % |
| Free Cash Flow Potential | 17.8 | 23.3 | 31.0 | 8.1 | 36.9 | 51.1 | 59.8 |
| Free Cash Flow / Net Profit | 382.4 % | 91.9 % | 65.4 % | 167.2 % | 29.4 % | 47.5 % | 74.5 % |
| Interest Received / Avg. Cash | 0.0 % | 0.0 % | 0.5 % | 1.7 % | 1.6 % | 0.5 % | 0.1 % |
| Interest Paid / Avg. Debt | 1.7 % | 2.4 % | 2.9 % | 2.4 % | 1.4 % | 1.4 % | 1.4 % |
| Management of Funds | | | | | | | |
| Investment ratio | 3.6 % | 3.7 % | 3.9 % | 3.8 % | 3.2 % | 4.0 % | 2.3 % |
| Maint. Capex / Sales | 1.1 % | 1.1 % | 1.0 % | 1.0 % | 1.1 % | 1.1 % | 1.0 % |
| Capex / Dep | 117.1 % | 136.4 % | 127.6 % | 169.0 % | 164.4 % | 236.8 % | 139.2 % |
| Avg. Working Capital / Sales | 37.9 % | 33.0 % | 32.0 % | 34.2 % | 28.9 % | 26.1 % | 26.7 % |
| Trade Debtors / Trade Creditors | 487.7 % | 194.0 % | 210.3 % | 195.2 % | 206.6 % | 243.9 % | 374.2 % |
| Inventory Turnover | 2.3 x | 1.7 x | 1.3 x | 1.2 x | 1.4 x | 1.7 x | 1.8 x |
| Receivables collection period (days) | 69 | 66 | 70 | 63 | 62 | 61 | 60 |
| Payables payment period (days) | 21 | 53 | 52 | 49 | 48 | 40 | 26 |
| Cash conversion cycle (Days) | 151 | 155 | 157 | 159 | 133 | 126 | 128 |

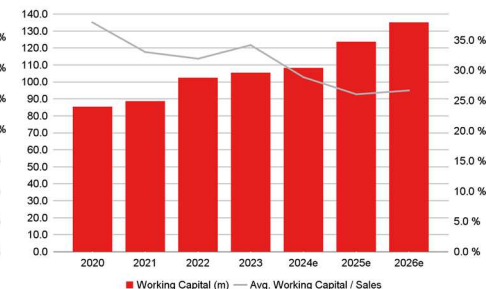
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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|---------------|------------|---|
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INVESTMENT RECOMMENDATION

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| | | |
|-----|--------------------------|---|
| -B- | Buy: | The price of the analysed financial instrument is expected to rise over the next 12 months. |
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| “-“ | Rating suspended: | The available information currently does not permit an evaluation of the company. |

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

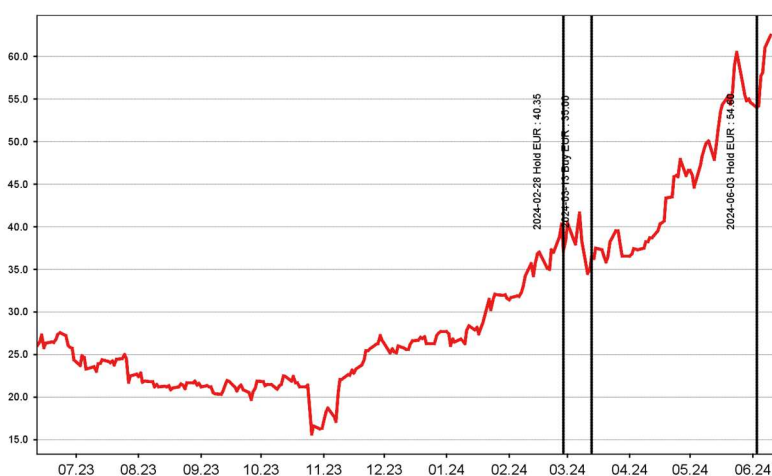
| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 142 | 70 |
| Hold | 46 | 23 |
| Sell | 9 | 4 |
| Rating suspended | 7 | 3 |
| Total | 204 | 100 |

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 | 46 | 79 |
| Hold | 9 | 16 |
| Sell | 0 | 0 |
| Rating suspended | 3 | 5 |
| Total | 58 | 100 |

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 11.06.2024



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.

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