

Buy EUR 12.00 Price EUR 8.70 Upside 37.9 %	Value Indicators: EUR DCF: 12.00 FCF-Value Potential 19e: 11.60	Share data: Bloomberg: SMHN GR Reuters: SMHnN ISIN: DE000A1K0235	Description: Leading solution provider for niche markets advanced packaging, 3D integration, LED, MEMS
	Market Snapshot: EUR m Market cap: 166.2 No. of shares (m): 19.1 EV: 132.4 Freefloat MC: 166.2 Ø Trad. Vol. (30d): 1.01 m	Shareholders: Freefloat 100.0 % Sycomore 5.2 % Universal Investment 5.1 % Henderson Global 4.6 % Lupus Alpha 3.2 %	Risk Profile (WRe): 2016e Beta: 1.4 Price / Book: 1.1 x Equity Ratio: 69 %

Guidance hike to follow shortly

Stated Figures Q4/2016:								
FY End: 31.12. in EUR m	Q4 16	Q4 16e	Q4 15	yoy	16	16e	15	yoy
Order entry	59.5	59.5	79.7	-25 %	161.0	161.0	188.6	-15 %
Sales	69.5	69.5	55.1	26 %	177.6	177.6	148.5	20 %
EBIT	11.2	11.1	6.7	66 %	11.1	11.1	5.0	124 %

Comment on Figures:

- The high Q4 order intake (2015 Q4 level was unusually high) was a result of a high order level for photomask equipment tools, solid bonder orders and strong orders for lithography tools.

SÜSS released the final 2016 results, which corresponded with the preliminary results.

The annual report reflects that SÜSS made **substantial progress in the bonder business**. In the full year, an **~80% order intake increase** for the bonder systems reflect the successful establishment of the newly introduced XB8 manual bonder. Additionally, **bonder gross margins reached 36%**, which is a considerable improvement as margins did not exceed 20% in the previous years.

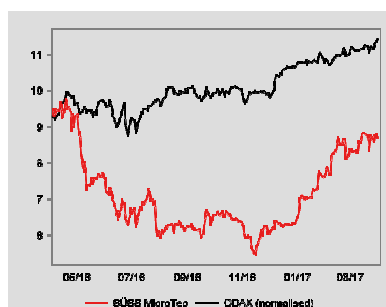
SÜSS reiterated the FY 2017 guidance of sales in a range of EUR 160–170m. However, in light of the increased order intake guidance for Q1, it is **only a matter of time before SÜSS raises the FY guidance**. Thanks to the strong Q1 orders (EUR 35 – 45m), SÜSS should surpass the EUR 170m-mark in the current FY.

Gross margin to increase: As expected, the gross margin reached 33% in the full year, including a negative gross profit contribution from Tamarack. Excluding the latter, gross margins should have reached roughly 37%, according to our estimate. This indicates that a clear margin improvement should be expected in 2017.

The weak free cash flow of EUR -9m in 2016 was mainly due to a strong rise in working capital (+ EUR 18m yoy) as a result of high December sales. Free cash flow should reach a level of close to ~ EUR 10m in 2017/18 due to the better profitability (however, working capital changes might typically lead to some volatility).

We **expect SÜSS to return to a 10% EBIT margin by 2019**. The forecast **sales growth will mostly be driven by the bonder segment**, as market share gains in permanent bond applications and a gradual rise in the adoption of 3D ICs should drive this segment's sales to EUR 40-50m in 3-4 years. Additionally, Tamarack's losses (WRe EUR 10m in 2016 alone) will cease with the resolution of technical issues or closure (or relocation) of the operations. The other areas, photomask equipment and microoptics, should also contribute to growth on a smaller scale.

We are **reiterating the Buy rating and PT of EUR 12**. We are considering an EV/EBIT 2018 multiple of ~8x as still attractive as SÜSS should achieve proportionately higher earnings growth in subsequent years.



Rel. Performance vs CDAX:	
1 month:	2.4 %
6 months:	17.6 %
Year to date:	29.1 %
Trailing 12 months:	-25.0 %

Company events:	
04.05.17	Q1
31.05.17	AGM
10.08.17	Q2
09.11.17	Q3

FY End: 31.12. in EUR m	CAGR (16-19e)	2013	2014	2015	2016	2017e	2018e	2019e
Sales	3.2 %	134.5	145.3	148.5	177.6	173.0	183.0	195.0
Change Sales yoy		-17.9 %	8.0 %	2.2 %	19.6 %	-2.6 %	5.8 %	6.6 %
Gross profit margin		16.2 %	33.6 %	33.2 %	33.0 %	36.4 %	36.4 %	36.5 %
EBITDA	15.3 %	-13.4	12.6	9.2	15.3	17.8	20.3	23.5
Margin		-10.0 %	8.7 %	6.2 %	8.6 %	10.3 %	11.1 %	12.0 %
EBIT	20.8 %	-19.4	8.4	5.0	11.1	14.0	16.5	19.7
Margin		-14.4 %	5.8 %	3.3 %	6.3 %	8.1 %	9.0 %	10.1 %
Net income	39.8 %	-16.0	4.6	0.2	5.0	8.4	11.4	13.7
EPS	40.4 %	-0.84	0.24	0.01	0.26	0.44	0.60	0.72
EPS adj.	23.7 %	-0.27	0.24	0.01	0.38	0.44	0.60	0.72
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		0.21	0.11	0.07	-0.47	0.39	0.66	0.52
FCF / Market cap		2.7 %	1.7 %	1.1 %	-6.5 %	4.5 %	7.6 %	6.0 %
EV / Sales		0.9 x	0.6 x	0.5 x	0.6 x	0.8 x	0.7 x	0.6 x
EV / EBITDA		n.a.	7.2 x	8.5 x	7.4 x	7.4 x	5.9 x	4.7 x
EV / EBIT		n.a.	10.9 x	15.7 x	10.2 x	9.5 x	7.3 x	5.6 x
P / E		n.a.	27.2 x	590.6 x	28.1 x	19.8 x	14.5 x	12.1 x
P / E adj.		n.a.	27.2 x	590.6 x	19.2 x	19.8 x	14.5 x	12.1 x
FCF Yield Potential		-11.7 %	21.9 %	2.7 %	6.7 %	9.1 %	10.6 %	13.4 %
Net Debt		-31.8	-33.3	-34.8	-26.3	-33.8	-46.5	-56.4
ROCE (NOPAT)		n.a.	5.9 %	0.3 %	5.8 %	8.5 %	11.6 %	13.7 %
Guidance:	2017: Revenues EUR 160 - 170m, EBIT EUR 9-13m							

Analyst

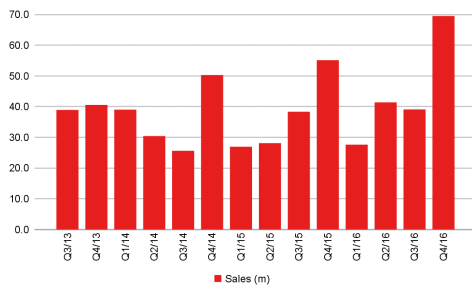
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COMMENT

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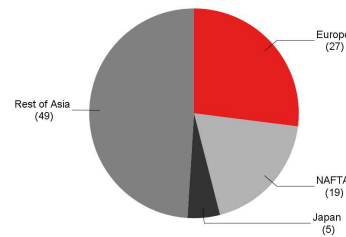
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Sales development
in EUR m



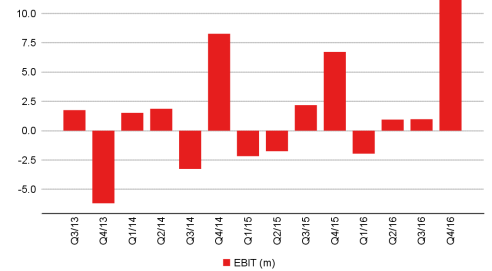
Source: Warburg Research

Sales by regions
2015; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

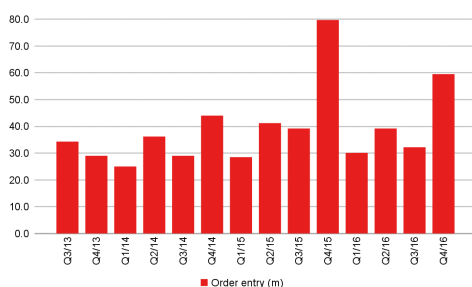
Company Background

- Globally leading manufacturer of systems for the MEMS, advanced packaging, 3D integration and LED niche markets with the product segments lithography (mask aligner, coater), bonder and equipment to clean photomasks.
- MEMS integrate electronic and mechanical components. Fields of application are e.g. pressure sensors (e.g. in tyre pressure control systems) or position and acceleration sensors (e.g. smartphones, tablet PCs).
- 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. 690 employees.

Competitive Quality

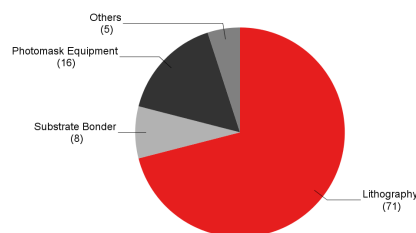
- SÜSS consistently focuses on the core topics (precision, reliability and low total cost of ownership) in all segments and gears the products to the customers' needs.
- The 60-year company history and the consistently high product quality have firmly established SÜSS as a brand-name in the addressed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



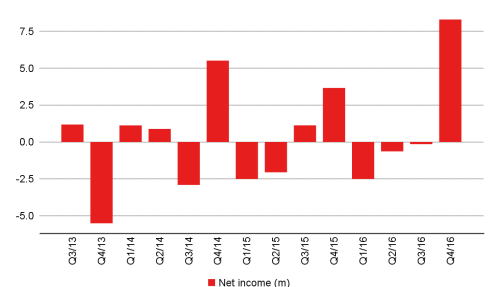
Source: Warburg Research

Sales by segments
2015; 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
	2016	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	
Sales	177.6	173.0	183.0	195.0	204.8	215.0	225.7	234.8	244.2	253.9	261.5	269.4	274.8	1.5 %
Sales change	19.6 %	-2.6 %	5.8 %	6.6 %	5.0 %	5.0 %	5.0 %	4.0 %	4.0 %	4.0 %	3.0 %	3.0 %	2.0 %	
EBIT	11.1	14.0	16.5	19.7	20.5	21.5	22.6	23.5	24.4	25.4	26.2	26.9	27.5	10.0 %
EBIT-margin	6.3 %	8.1 %	9.0 %	10.1 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	
Tax rate (EBT)	52.4 %	40.0 %	30.5 %	30.5 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	28.5 %	28.5 %	19.6
NOPAT	5.3	8.4	11.4	13.7	14.9	15.7	16.5	17.1	17.8	18.5	19.1	19.3	19.6	
Depreciation	4.2	3.8	3.8	3.8	4.1	4.3	4.5	4.7	4.9	5.1	5.2	5.4	5.5	2.0 %
in % of Sales	2.3 %	2.2 %	2.1 %	1.9 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	
Changes in provisions	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8
Change in Liquidity from														
- Working Capital	16.8	-1.4	-0.9	4.0	0.0	1.5	3.8	0.8	2.0	2.0	2.5	2.6	1.8	5.6
- Capex	3.6	6.0	3.5	3.5	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.5	5.6	
Capex in % of Sales	2.1 %	3.5 %	1.9 %	1.8 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-11.3	7.5	12.6	10.0	14.8	14.1	12.6	16.2	15.7	16.4	16.4	16.5	17.7	19
PV of FCF	0.0	7.6	11.7	8.5	11.6	10.0	8.3	9.8	8.7	8.3	7.7	7.1	7.0	
share of PVs	13.65 %			41.81 %										44.54 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	4.00 %	Financial Strength	1.10
Cost of debt (after tax)	2.9 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	2.00
Risk free rate	1.50 %	Transparency	1.10
		Others	1.50
WACC	8.95 %	Beta	1.40

Valuation (m)

Present values 2028e	113		
Terminal Value	91		
Financial liabilities	5		
Pension liabilities	5		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	36	No. of shares (m)	19.1
Equity Value	230	Value per share (EUR)	12.02

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.59	9.9 %	10.44	10.53	10.63	10.74	10.86	10.98	11.11	1.59	9.9 %	9.17	9.69	10.22	10.74	11.27	11.79	12.31
1.49	9.4 %	10.98	11.09	11.21	11.34	11.48	11.62	11.78	1.49	9.4 %	9.67	10.23	10.78	11.34	11.90	12.45	13.01
1.45	9.2 %	11.27	11.40	11.53	11.67	11.82	11.98	12.15	1.45	9.2 %	9.94	10.52	11.09	11.67	12.24	12.82	13.39
1.40	8.9 %	11.59	11.72	11.86	12.02	12.18	12.36	12.55	1.40	8.9 %	10.24	10.83	11.42	12.02	12.61	13.21	13.80
1.35	8.7 %	11.92	12.07	12.23	12.39	12.58	12.77	12.98	1.35	8.7 %	10.55	11.17	11.78	12.39	13.01	13.62	14.24
1.31	8.4 %	12.27	12.44	12.61	12.80	13.00	13.21	13.45	1.31	8.4 %	10.89	11.53	12.16	12.80	13.43	14.07	14.71
1.21	7.9 %	13.06	13.26	13.47	13.70	13.95	14.21	14.50	1.21	7.9 %	11.64	12.33	13.01	13.70	14.39	15.07	15.76

- Growth in segment bonder and of Tamarack should boost the revenues to > EUR 200m in the mid term
- Sustainable EBIT margin of 10% anticipated...
- ...after operating margins reached 14% in the core business (excl. Tamarack) in 2016

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	2013	2014	2015	2016	2017e	2018e	2019e	
Net Income before minorities	-16.0	4.6	0.2	5.0	8.4	11.4	13.7	
+ Depreciation + Amortisation	6.0	4.2	4.2	4.2	3.8	3.8	3.8	
- Net Interest Income	-0.1	-0.2	-0.3	-0.6	0.0	0.0	0.0	
- Maintenance Capex	2.2	2.2	2.2	2.2	2.4	2.5	2.7	
+ Other	-1.8	13.2	-0.4	0.0	2.2	0.0	0.0	
= Free Cash Flow Potential	-13.8	20.1	2.1	7.6	12.0	12.7	14.8	
Free Cash Flow Yield Potential	-11.7 %	21.9 %	2.7 %	6.7 %	9.1 %	10.6 %	13.4 %	
WACC	8.95 %	8.95 %	8.95 %	8.95 %	8.95 %	8.95 %	8.95 %	
= Enterprise Value (EV)	117.7	91.6	78.1	113.2	132.5	119.9	109.9	
= Fair Enterprise Value	n.a.	224.2	23.2	84.7	134.1	142.4	165.1	
- Net Debt (Cash)	-31.1	-31.1	-31.1	-31.1	-38.7	-51.3	-61.3	
- Pension Liabilities	4.8	4.8	4.8	4.8	4.8	4.8	4.8	
- 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.	250.5	49.5	111.0	167.9	188.9	221.6	
No. of shares (total) (m)	19.1	19.1	19.1	19.1	19.1	19.1	19.1	
= Fair value per share (EUR)	n.a.	13.11	2.59	5.81	8.79	9.89	11.60	
premium (-) / discount (+) in %					1.0 %	13.7 %	33.3 %	
Sensitivity Fair value per Share (EUR)								
WACC	11.95 %	n.a.	10.17	2.29	4.70	7.03	8.02	9.43
	10.95 %	n.a.	10.97	2.37	5.00	7.51	8.53	10.02
	9.95 %	n.a.	11.93	2.47	5.37	8.09	9.14	10.73
	8.95 %	n.a.	13.11	2.59	5.81	8.79	9.89	11.60
	7.95 %	n.a.	14.59	2.74	6.37	9.67	10.83	12.69
	6.95 %	n.a.	16.49	2.94	7.09	10.81	12.04	14.09
	5.95 %	n.a.	19.04	3.20	8.05	12.33	13.65	15.96

■ Increasing sales (Tamarack + bonder) and margins result in higher value indications in coming years

Valuation							
	2013	2014	2015	2016	2017e	2018e	2019e
Price / Book	1.4 x	1.1 x	1.0 x	1.1 x	1.3 x	1.2 x	1.1 x
Book value per share ex intangibles	4.69	5.02	5.16	5.49	5.95	6.58	7.32
EV / Sales	0.9 x	0.6 x	0.5 x	0.6 x	0.8 x	0.7 x	0.6 x
EV / EBITDA	n.a.	7.2 x	8.5 x	7.4 x	7.4 x	5.9 x	4.7 x
EV / EBIT	n.a.	10.9 x	15.7 x	10.2 x	9.5 x	7.3 x	5.6 x
EV / EBIT adj.*	n.a.	11.5 x	15.7 x	7.9 x	9.5 x	7.3 x	5.6 x
P / FCF	36.5 x	58.7 x	89.7 x	n.a.	22.0 x	13.2 x	16.7 x
P / E	n.a.	27.2 x	590.6 x	28.1 x	19.8 x	14.5 x	12.1 x
P / E adj.*	n.a.	27.2 x	590.6 x	19.2 x	19.8 x	14.5 x	12.1 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Free Cash Flow Yield Potential	-11.7 %	21.9 %	2.7 %	6.7 %	9.1 %	10.6 %	13.4 %
*Adjustments made for: -							

Company Specific Items							
	2013	2014	2015	2016	2017e	2018e	2019e
Order entry	134.0	134.2	188.6	161.0	0.0	0.0	0.0
Order backlog	85.7	75.6	117.6	101.0	0.0	0.0	0.0

Consolidated profit and loss

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Sales	134.5	145.3	148.5	177.6	173.0	183.0	195.0
Change Sales yoy	-17.9 %	8.0 %	2.2 %	19.6 %	-2.6 %	5.8 %	6.6 %
COGS	112.7	96.5	99.2	119.0	110.0	116.4	123.8
Gross profit	21.8	48.8	49.4	58.6	63.0	66.6	71.2
Gross margin	16.2 %	33.6 %	33.2 %	33.0 %	36.4 %	36.4 %	36.5 %
Research and development	10.2	10.5	12.8	14.1	14.6	15.0	15.4
Sales and marketing	17.5	17.5	18.8	20.5	20.3	20.5	21.2
Administration expenses	15.0	14.2	13.3	13.6	13.6	14.3	14.7
Other operating expenses	4.1	2.7	4.4	3.5	0.5	0.3	0.2
Other operating income	5.5	4.5	4.9	4.3	0.0	0.0	0.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-13.4	12.6	9.2	15.3	17.8	20.3	23.5
Margin	-10.0 %	8.7 %	6.2 %	8.6 %	10.3 %	11.1 %	12.0 %
Depreciation of fixed assets	2.6	2.7	2.9	2.9	2.8	2.8	2.8
EBITA	-16.0	9.9	6.2	12.4	15.0	17.5	20.7
Amortisation of intangible assets	3.5	1.5	1.2	1.3	1.0	1.0	1.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-19.4	8.4	5.0	11.1	14.0	16.5	19.7
Margin	-14.4 %	5.8 %	3.3 %	6.3 %	8.1 %	9.0 %	10.1 %
EBIT adj.	-6.2	8.0	5.0	14.2	14.0	16.5	19.7
Interest income	0.5	0.3	0.3	0.1	0.2	0.2	0.2
Interest expenses	0.6	0.5	0.5	0.7	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	-19.6	8.2	4.7	10.5	14.0	16.5	19.7
Margin	-14.5 %	5.6 %	3.2 %	5.9 %	8.1 %	9.0 %	10.1 %
Total taxes	-3.6	3.6	4.5	5.5	5.6	5.0	6.0
Net income from continuing operations	-16.0	4.6	0.2	5.0	8.4	11.4	13.7
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	-16.0	4.6	0.2	5.0	8.4	11.4	13.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-16.0	4.6	0.2	5.0	8.4	11.4	13.7
Margin	-11.9 %	3.2 %	0.2 %	2.8 %	4.9 %	6.3 %	7.0 %
Number of shares, average	19.1	19.1	19.1	19.1	19.1	19.1	19.1
EPS	-0.84	0.24	0.01	0.26	0.44	0.60	0.72
EPS adj.	-0.27	0.24	0.01	0.38	0.44	0.60	0.72

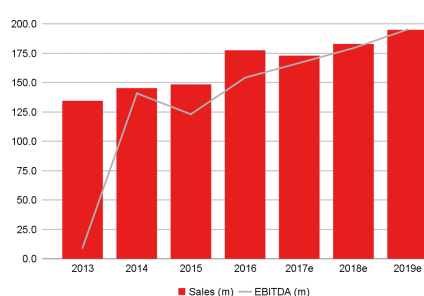
*Adjustments made for:

Guidance: 2017: Revenues EUR 160 - 170m, EBIT EUR 9-13m

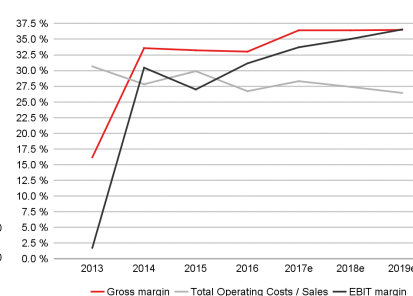
Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Total Operating Costs / Sales	30.6 %	27.8 %	29.9 %	26.7 %	28.3 %	27.4 %	26.4 %
Operating Leverage	n.a.	n.a.	-18.6 x	6.3 x	-9.9 x	3.1 x	3.0 x
EBITDA / Interest expenses	n.m.	23.2 x	17.4 x	21.2 x	89.0 x	101.3 x	117.4 x
Tax rate (EBT)	18.3 %	43.7 %	95.2 %	52.4 %	40.0 %	30.5 %	30.5 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	205,356	221,879	212,774	249,063	264,122	279,389	297,710

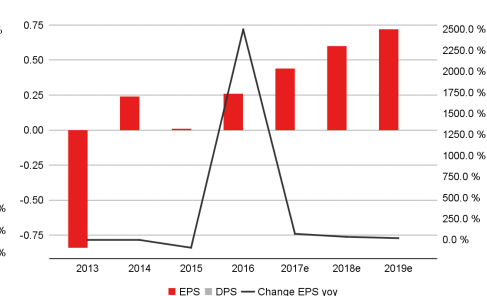
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

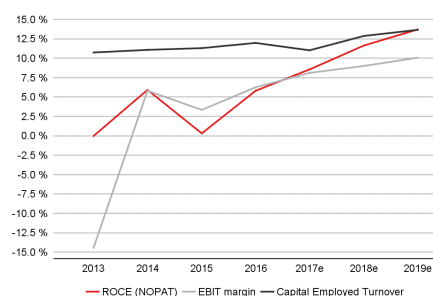
Consolidated balance sheet

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Assets							
Goodwill and other intangible assets	19.8	20.0	20.0	19.4	18.9	18.4	17.9
thereof other intangible assets	3.7	4.1	4.0	3.3	2.8	2.3	1.8
thereof Goodwill	15.3	15.5	15.8	15.8	15.8	15.8	15.8
Property, plant and equipment	20.9	20.2	20.3	20.6	23.3	23.5	23.7
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	40.7	40.2	40.3	39.9	42.2	41.9	41.6
Inventories	71.1	58.9	68.7	73.8	78.6	79.6	83.0
Accounts receivable	11.1	13.4	13.1	24.1	17.5	18.6	19.8
Liquid assets	47.1	48.3	49.1	35.6	45.2	56.6	66.6
Other short-term assets	9.8	7.1	6.0	6.2	6.2	6.2	6.2
Current assets	139.1	127.7	136.9	139.7	147.4	161.0	175.6
Total Assets	179.9	168.0	177.2	179.6	189.6	202.9	217.1
Liabilities and shareholders' equity							
Subscribed capital	19.1	19.1	19.1	19.1	19.1	19.1	19.1
Capital reserve	94.0	98.6	98.8	103.8	103.8	103.8	103.8
Retained earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity components	-3.7	-1.6	0.8	1.4	9.8	21.4	34.9
Shareholders' equity	109.4	116.1	118.7	124.4	132.7	144.3	157.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	109.4	116.1	118.7	124.4	132.7	144.3	157.9
Provisions	9.8	8.0	7.5	10.0	10.0	10.0	10.0
thereof provisions for pensions and similar obligations	3.8	4.8	5.1	4.8	4.8	4.8	4.8
Financial liabilities (total)	11.5	10.3	9.1	4.5	6.5	5.3	5.3
thereof short-term financial liabilities	1.2	1.2	1.2	1.0	1.0	1.0	1.0
Accounts payable	5.6	3.4	8.5	3.4	8.5	8.5	9.1
Other liabilities	43.6	30.2	33.4	37.4	31.8	34.8	34.8
Liabilities	70.4	51.9	58.5	55.3	56.8	58.6	59.2
Total liabilities and shareholders' equity	179.9	168.0	177.2	179.6	189.6	202.9	217.1

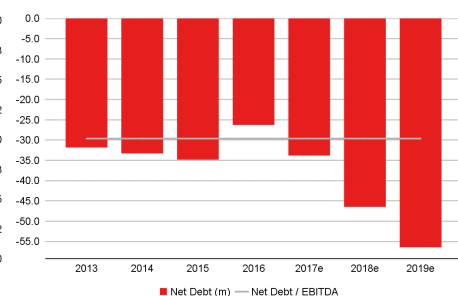
Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Efficiency of Capital Employment							
Operating Assets Turnover	2.0 x	2.0 x	2.0 x	1.9 x	1.8 x	2.0 x	2.0 x
Capital Employed Turnover	1.7 x	1.8 x	1.8 x	1.8 x	1.7 x	1.9 x	1.9 x
ROA	-39.2 %	11.5 %	0.6 %	12.5 %	19.9 %	27.3 %	32.9 %
Return on Capital							
ROCE (NOPAT)	n.a.	5.9 %	0.3 %	5.8 %	8.5 %	11.6 %	13.7 %
ROE	-13.4 %	4.1 %	0.2 %	4.1 %	6.5 %	8.3 %	9.1 %
Adj. ROE	-4.4 %	4.1 %	0.2 %	5.9 %	6.5 %	8.3 %	9.1 %
Balance sheet quality							
Net Debt	-31.8	-33.3	-34.8	-26.3	-33.8	-46.5	-56.4
Net Financial Debt	-35.7	-38.0	-40.0	-31.1	-38.7	-51.3	-61.3
Net Gearing	-29.1 %	-28.7 %	-29.3 %	-21.1 %	-25.5 %	-32.2 %	-35.8 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	5.7	6.1	6.2	6.5	6.9	7.5	8.3
Book value per share ex intangibles	4.7	5.0	5.2	5.5	6.0	6.6	7.3

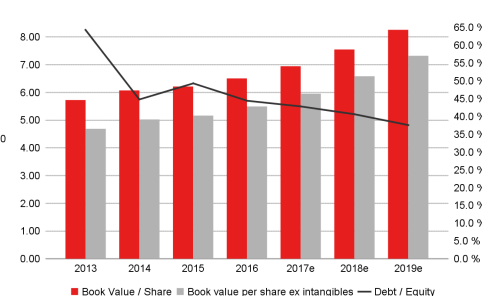
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

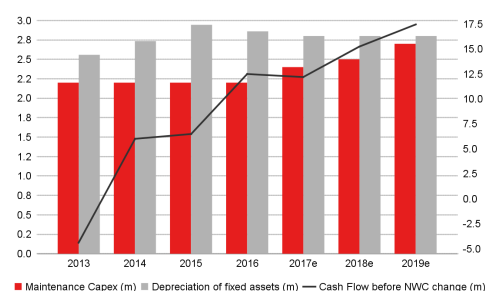
In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Net income	-16.0	4.6	0.2	5.0	8.4	11.4	13.7
Depreciation of fixed assets	2.6	2.7	2.9	2.9	2.8	2.8	2.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.5	1.5	1.2	1.3	1.0	1.0	1.0
Increase/decrease in long-term provisions	-0.4	0.5	0.4	-0.4	0.0	0.0	0.0
Other non-cash income and expenses	5.9	-3.3	1.7	3.8	0.0	0.0	0.0
Cash Flow before NWC change	-4.4	6.0	6.5	12.5	12.2	15.2	17.5
Increase / decrease in inventory	-0.1	14.0	-7.7	-6.1	-4.8	-1.0	-3.4
Increase / decrease in accounts receivable	8.2	0.4	1.3	-10.7	6.6	-1.1	-1.2
Increase / decrease in accounts payable	12.7	-15.3	4.7	-1.1	-0.5	3.0	0.6
Increase / decrease in other working capital positions	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	20.7	-0.9	-1.8	-17.9	1.4	0.9	-4.0
Net cash provided by operating activities [1]	16.3	5.1	4.7	-5.4	13.5	16.1	13.5
Investments in intangible assets	0.6	1.2	0.8	0.5	0.5	0.5	0.5
Investments in property, plant and equipment	11.6	1.8	2.6	3.2	5.5	3.0	3.0
Payments for acquisitions	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-12.2	-3.0	-3.4	-3.6	-6.0	-3.5	-3.5
Change in financial liabilities	7.2	-1.2	-1.2	-4.6	2.0	-1.2	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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]	7.2	-1.2	-1.2	-4.6	2.0	-1.2	0.0
Change in liquid funds [1]+[2]+[3]	11.3	0.9	0.1	-13.6	9.5	11.4	10.0
Effects of exchange-rate changes on cash	-0.5	0.3	0.7	0.2	0.0	0.0	0.0
Cash and cash equivalent at end of period	36.0	46.3	48.1	35.7	45.2	56.6	66.6

Financial Ratios

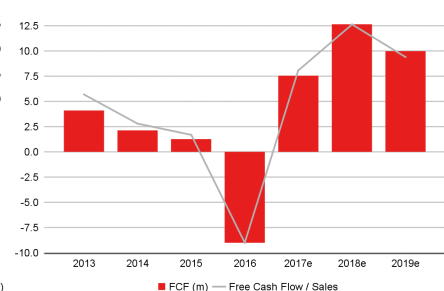
	2013	2014	2015	2016	2017e	2018e	2019e
Cash Flow							
FCF	4.1	2.1	1.3	-9.0	7.5	12.6	10.0
Free Cash Flow / Sales	3.0 %	1.5 %	0.8 %	-5.1 %	4.4 %	6.9 %	5.1 %
Free Cash Flow Potential	-13.8	20.1	2.1	7.6	12.0	12.7	14.8
Free Cash Flow / Net Profit	-25.7 %	46.1 %	559.1 %	-180.3 %	89.9 %	110.5 %	72.9 %
Interest Received / Avg. Cash	1.1 %	0.7 %	0.5 %	0.2 %	0.5 %	0.4 %	0.3 %
Interest Paid / Avg. Debt	7.6 %	5.0 %	5.4 %	10.6 %	3.6 %	3.4 %	3.8 %
Management of Funds							
Investment ratio	9.1 %	2.0 %	2.3 %	2.1 %	3.5 %	1.9 %	1.8 %
Maint. Capex / Sales	1.6 %	1.5 %	1.5 %	1.2 %	1.4 %	1.4 %	1.4 %
Capex / Dep	202.7 %	69.6 %	81.6 %	87.8 %	157.9 %	92.1 %	92.1 %
Avg. Working Capital / Sales	46.6 %	33.4 %	35.8 %	35.8 %	41.2 %	38.3 %	36.8 %
Trade Debtors / Trade Creditors	199.0 %	388.6 %	154.5 %	717.2 %	205.9 %	218.8 %	217.6 %
Inventory Turnover	1.6 x	1.6 x	1.4 x	1.6 x	1.4 x	1.5 x	1.5 x
Receivables collection period (days)	30	34	32	50	37	37	37
Payables payment period (days)	18	13	31	10	28	27	27
Cash conversion cycle (Days)	132	163	177	178	203	186	184

CAPEX and Cash Flow

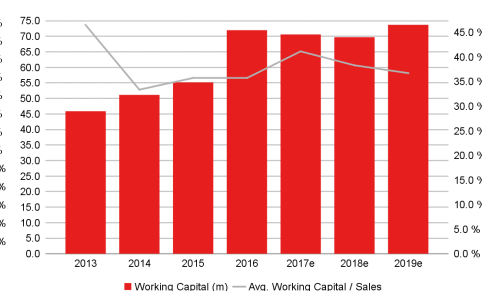
in EUR m



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, 6	http://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	119	60
Hold	69	35
Sell	8	4
Rating suspended	1	1
Total	197	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	27	73
Hold	7	19
Sell	2	5
Rating suspended	1	3
Total	37	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 03.04.2017

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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