

# SUSS MICROTEC SE CAPITAL MARKETS DAY ONLINE CONFERENCE

September 24, 2020



TIME	PRESENTATIONS	PRESENTER
10:00 – 10:05	Welcome	Dr. Franz Richter, CEO
10:05 – 10:45	Markets and Business outlook	Dr. Franz Richter, CEO, Oliver Albrecht, CFO
10:45 – 11:05	Productivity Improvement	Erik Apple, COO
11:05 – 11:30	Insights Photomask Equipment	Yuta Nagai, Business Unit Manager Photomask
11:30 – 11:55	Insights MicroOptics	Dr. Reinhard Voelkel, CEO, SUSS MicroOptics SA
11:55 – 12:20	Insights Bonder	Stefan Lutter, Business Unit Manager Bonder
12:20 – 12:50	Break	
12:50 – 13:15	Insights Lithography – Exposure	Dr. Markus Arendt, Business Unit Manager Lithography
13:15 – 13:40	Insights Lithography – Coater	Dr. Ing. Thomas Grund, Business Unit Manager Coater
13:40 – 14:00	Closing Remarks	Dr. Franz Richter, CEO

## SÜSS MicroTec SE Capital Markets Day 2020

# CAPITAL MARKETS DAY 2020

## MARKET AND BUSINESS OUTLOOK

September 24, 2020

Dr. Franz Richter, CEO  
Oliver Albrecht, CFO



## DISCLAIMER

This presentation contains forward-looking statements relating to the business, financial performance and earnings of SÜSS MicroTec SE and its subsidiaries and associates. Forward-looking statements are based on current plans, estimates, projections and expectations and are therefore subject to risks and uncertainties, most of which are difficult to estimate and which in general are beyond the control of SÜSS MicroTec SE. Consequently, actual developments as well as actual earnings and performance may differ materially from those which explicitly or implicitly assumed in the forward-looking statements. SÜSS MicroTec SE does not intend or accept any obligation to publish updates of these forward-looking statements.



- I. **SUSS Positioning in the Market**
- II. Strategy SUSS 2025
- III. Remarks on Q1 and Q2 / 2020

## SUSS Markets

- + SUSS MicroTec SE is serving attractive market segments in the semiconductor industry
- + SUSS provides equipment, process & application support and after sales service
- + Semiconductor Industry is very innovative, fast changing and very demanding
- + Cyclic nature of the business is a challenge to all market participants

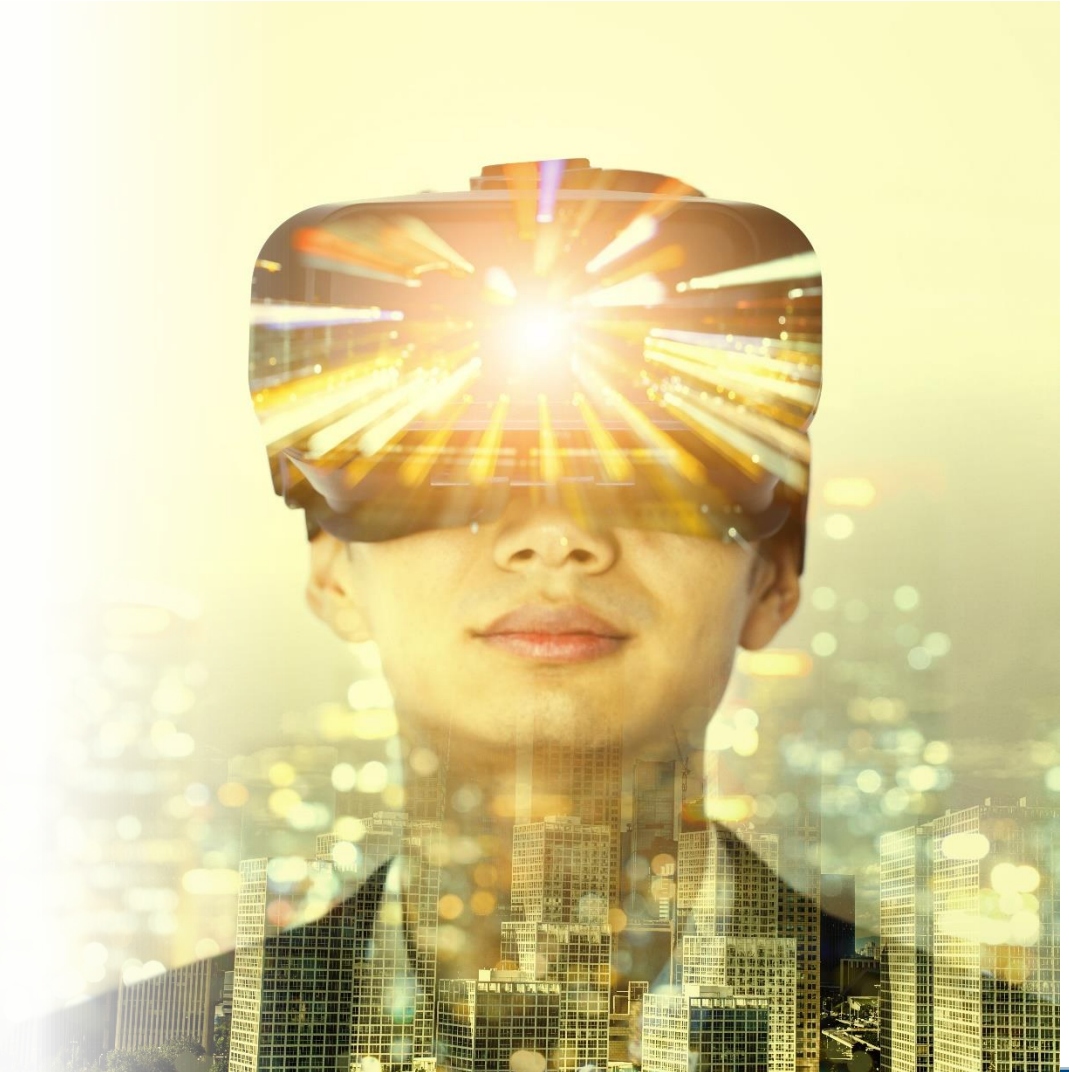
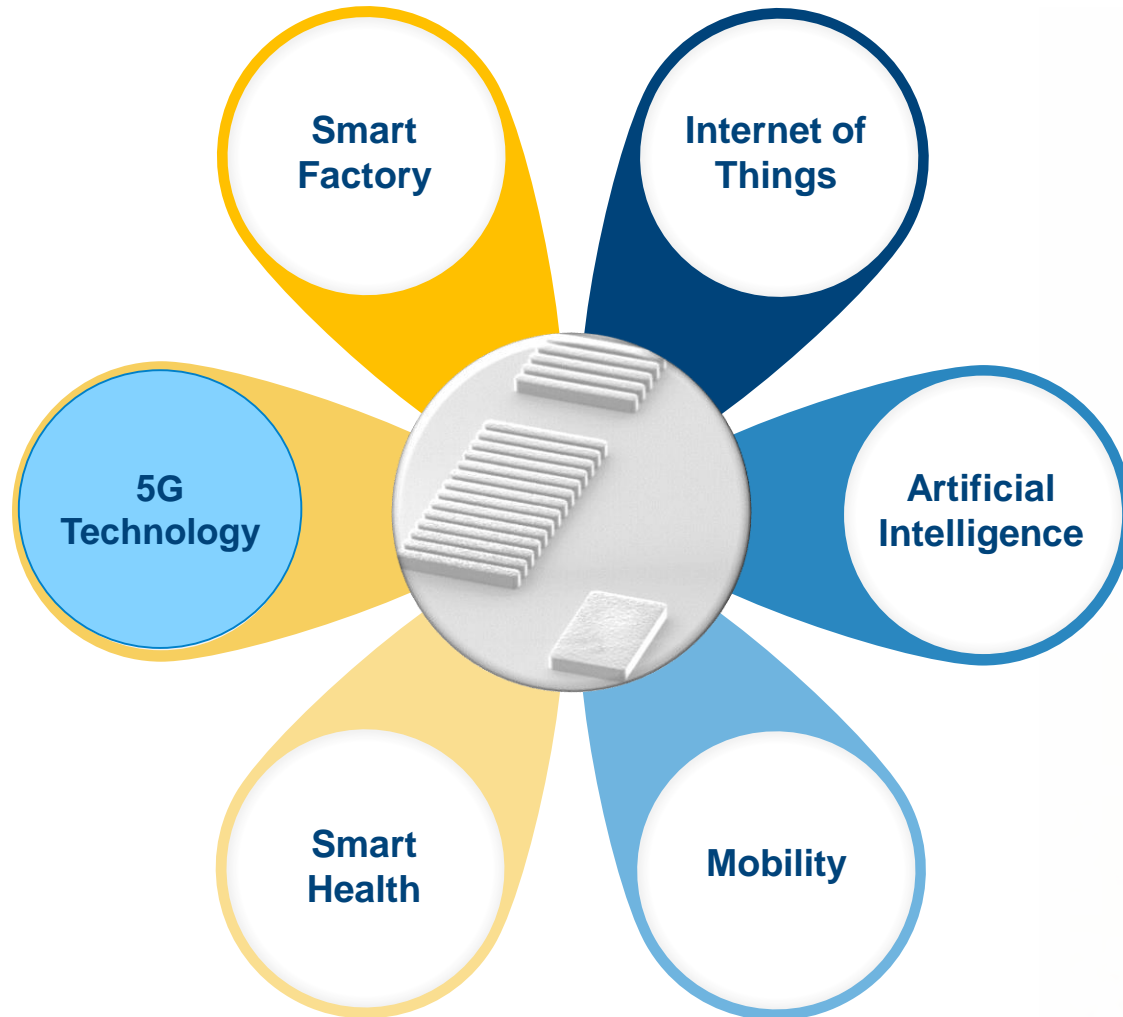
## Key to success are to follow certain principles:

- + Focus on attractive growth segments
- + Analyze market environment - understand specific market needs
- + Develop innovative solutions as “unique selling proposition” (USP)
- + Apply operational excellence to reach lowest “Cost of Ownership” (CoO)

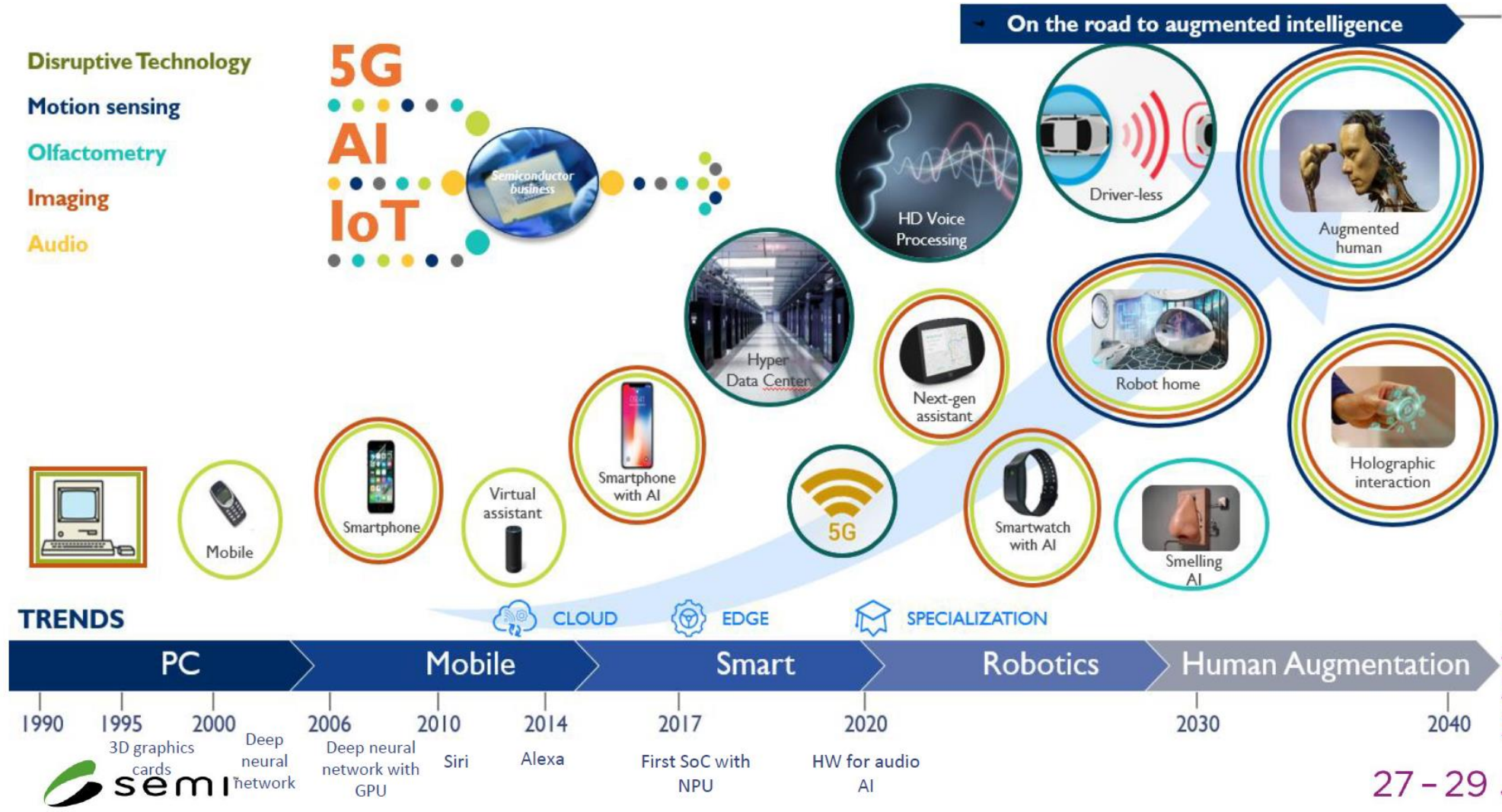
## **Let's have a look to our market environment**



# MEGATRENDS ARE DRIVING FUTURE TECHNOLOGY



# ROADMAP OF ELECTRONIC MEGA TRENDS

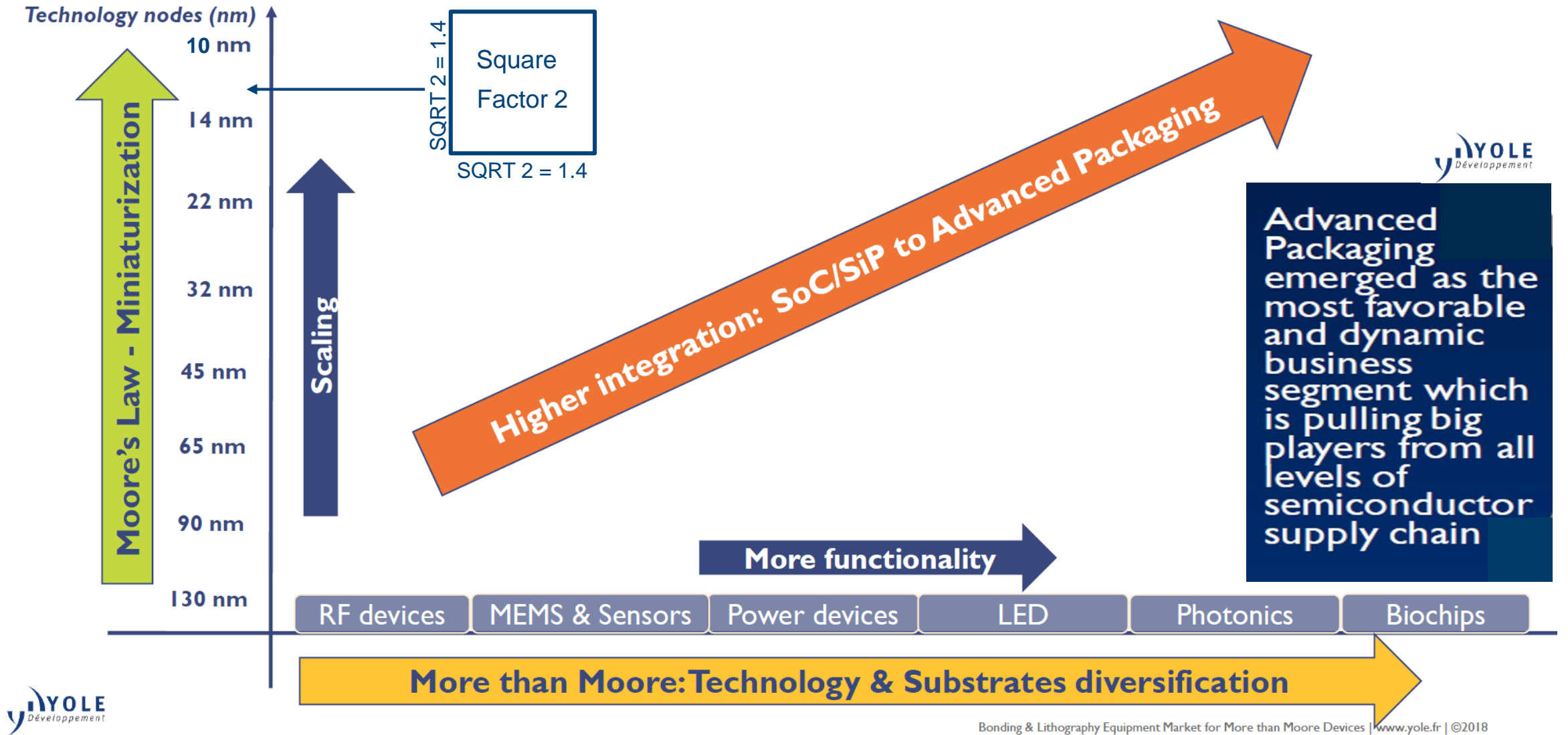


**3D & SYSTEMS SUMMIT**

**27 - 29 JAN 2020**



# FROM "MOORE'S LAW" (SCALING) TO "MORE THAN MOORE" (FUNCTIONAL INTEGRATION)



# PACKAGING TECHNOLOGIES OVERVIEW → MtM-APPLICATION

ARCHITECTURE	WIRE BOND	FLIPPED DIE	EMBEDDED DIE	2.5D	3D	EMERGING
	Traditional Packaging	Advanced Packaging	Advanced Packaging	Advanced Packaging	Advanced Packaging	Advanced Packaging
SUBSTRATE TYPES	IC Substrate (Organic)	FC BGA	EMIB (Intel) LSI (TSMC)	Si Interposers CoWoS (TSMC) Foveros (Intel)	3DS TSV (Samsung)	SoIC in CoWoS – SoC Hybrid Bonding (TSMC)
		FC CSP	CO-EMIB (Intel)	HBM TSV (Samsung) (SK Hynix)	Production in 2021	
		WB CSP WB BGA	FC SiP Metal Shielding (JCET)	Embedded Die / Passives (SEMCO)	NAND TSV (Toshiba)	Production after 2025
	No Substrate	BOC	Fan-Out on Substrate inFO_oS (TSMC)	ePLP / FOPLP (Samsung)	Cu-Cu Hybrid Bonding – WoW (SONY)	SoIC in Fan-Out – SoC Hybrid Bonding (TSMC)
		COB	Fan-Out inFO_PoP	Fan-Out eWLB/M-series	TSV, after bonding – WoW (SONY)	Production after 2021
		Fan-In (WLCSP)	CPGA			
Ceramic Substrate	LTCC HTCC					
Lead frame Substrate	DIP QFP, LCC etc.	SOT/TSOP QFN	FC QFN			

### “More-than-Moore” Market Segment:

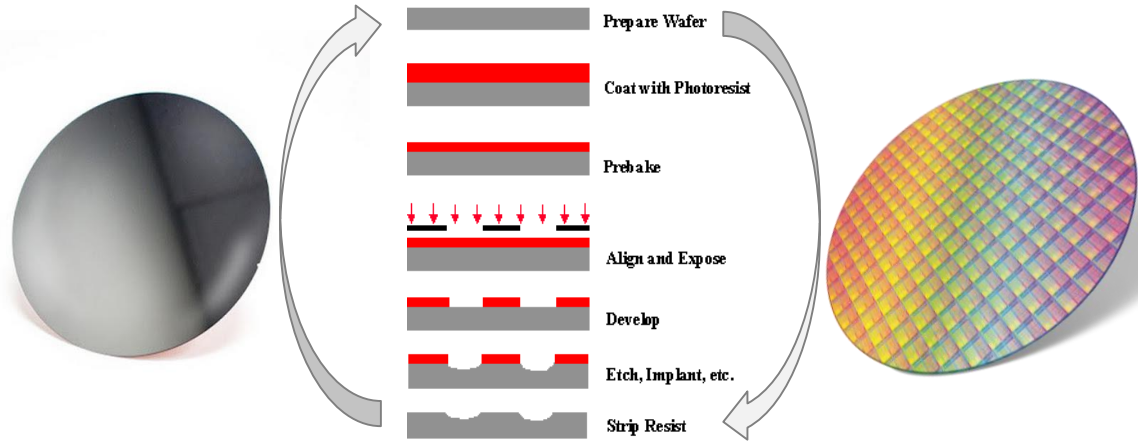
- + Very diversified → much lower volume per product design compared to FeoL
- + Many customer have very specific process needs → higher degree of customization
- + Complex wafer architectures: Topography, warped wafers, complex material combinations, etc.
- + High valued wafer to be handled! Most important: No wafer losses, Minimize yield loss
- + Optimized process steps per application, tailored equipment per application needed

### Consequences for SÜSS:

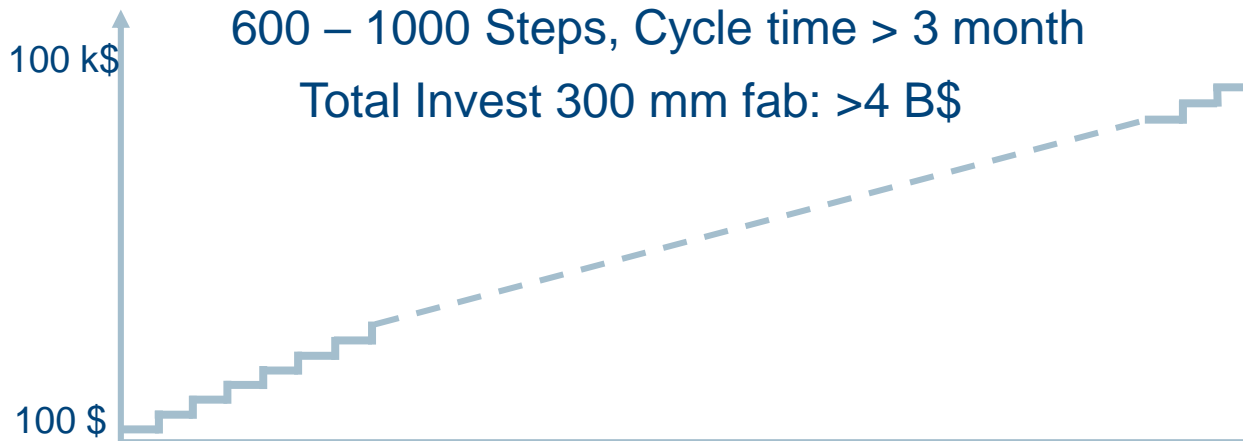
- + We need to have the best understanding of the application
- + Reliability is key! Safety features and methods need to be applied and incorporated
- + Metrology will become more important than in the past
- + Traceability and Process Control using AI-SW-Packages

# SEMICONDUCTOR PROCESS FLOW

## “Moore’s Law” Front End Wafer Fab



600 – 1000 Steps, Cycle time > 3 month  
Total Invest 300 mm fab: >4 B\$



## “More than Moore” Wafer level Packaging.

### SÜSS field of activity

Supporting key processes:  
Coating  
Litho  
Bonding  
Cleaning  
etc.

Wafer @ peak value  
up to 80-100 k\$

We are handling  
semiconductor „Gold“

## Die packaging Dicing, Molding, etc.

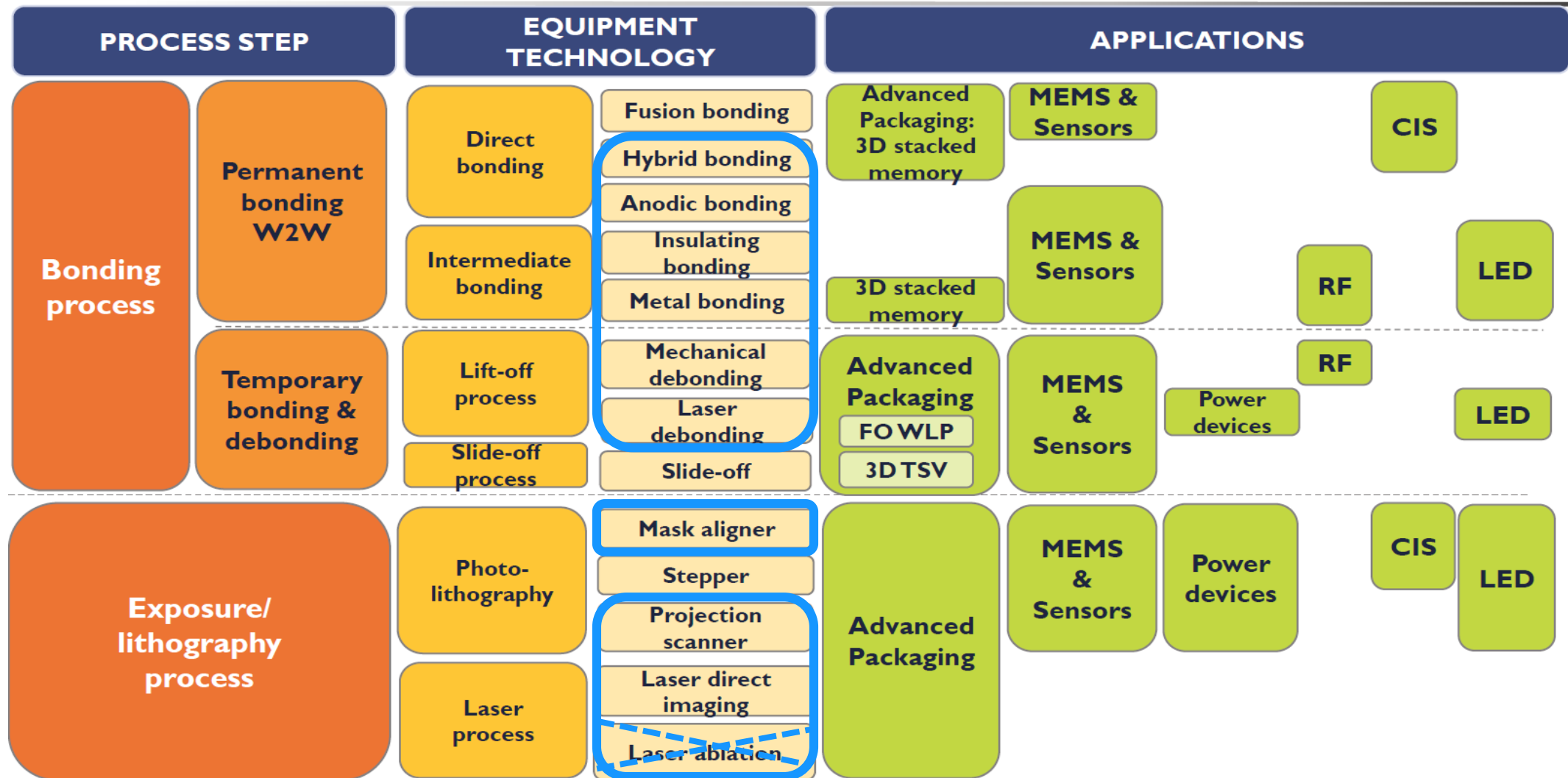


After dicing: Chip-handling

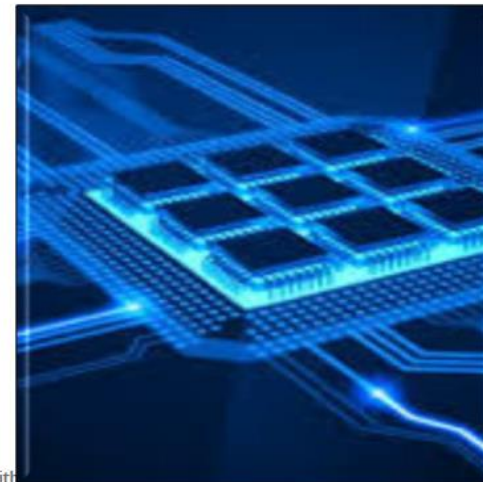
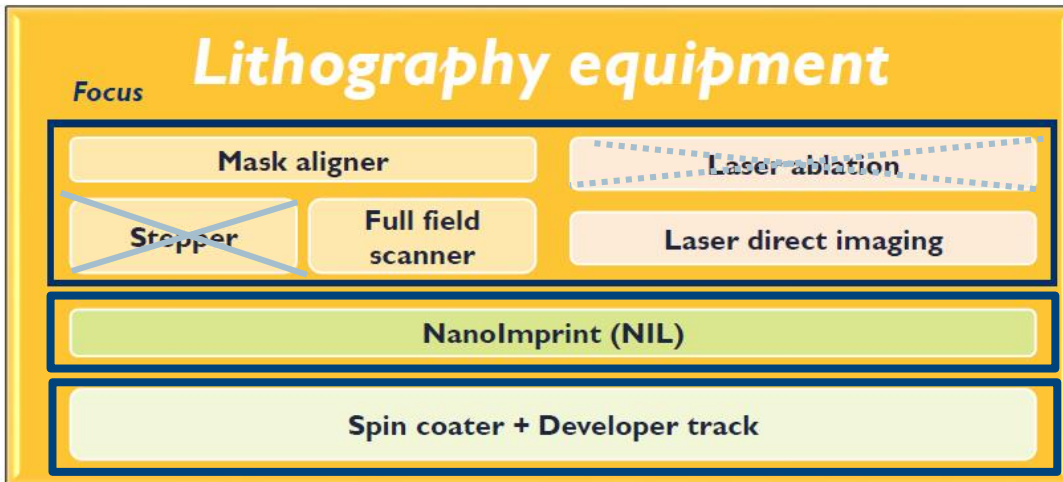
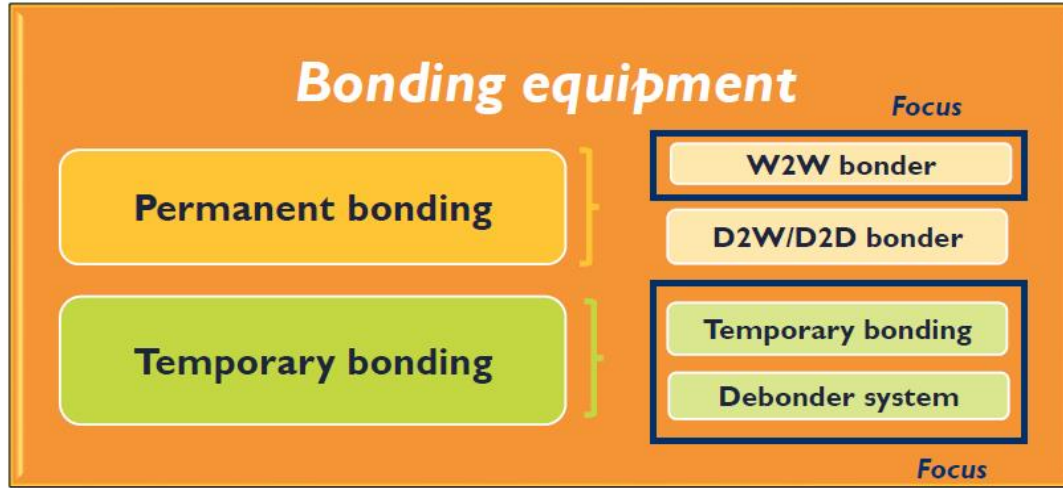
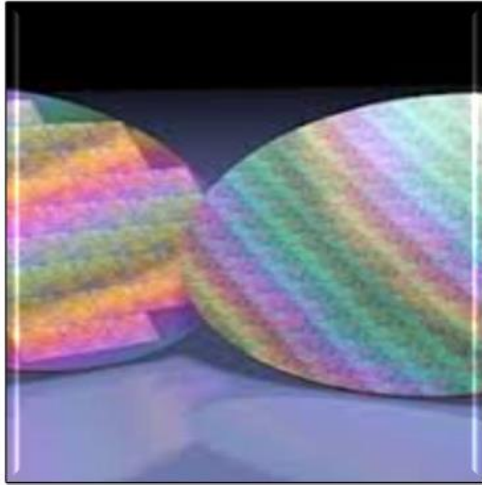
**1/10 of a percent yield improvement is real big money!**



# BONDING AND LITHOGRAPHY PROCESSES IN THE “MtM” FIELD



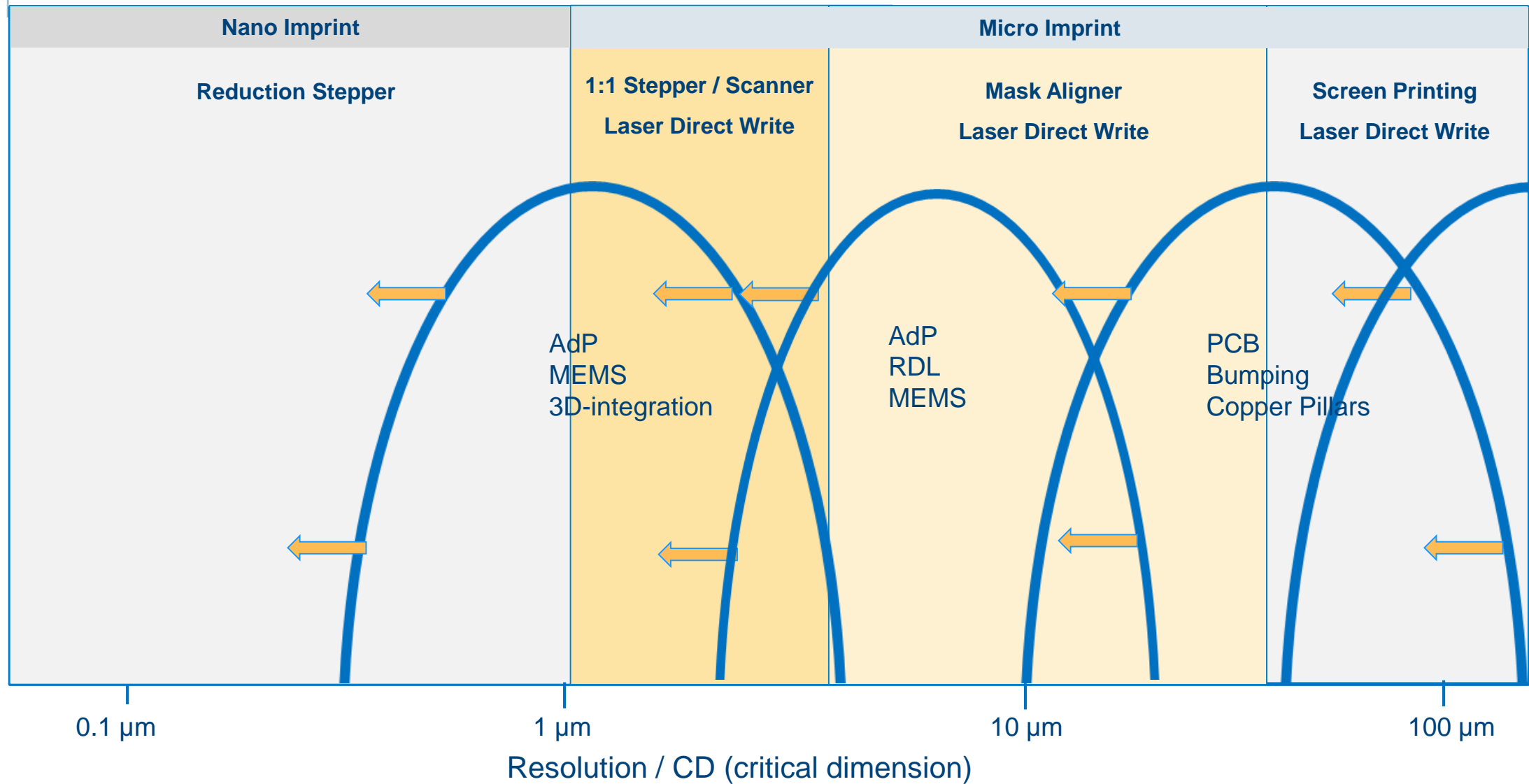
# SUSS' EQUIPMENT FOCUS FOR "MtM" APPLICATION



## SUSS is offering:

- + The widest range of equipment for "More than Moore" applications
- + The best suited equipment for non-standardized processes
- + High degree of customization as processes are different at each customer
- + Equipment optimized for safest operation in 24/7 environments
- + SUSS is known for reliability, efficiency and best-in-class performance

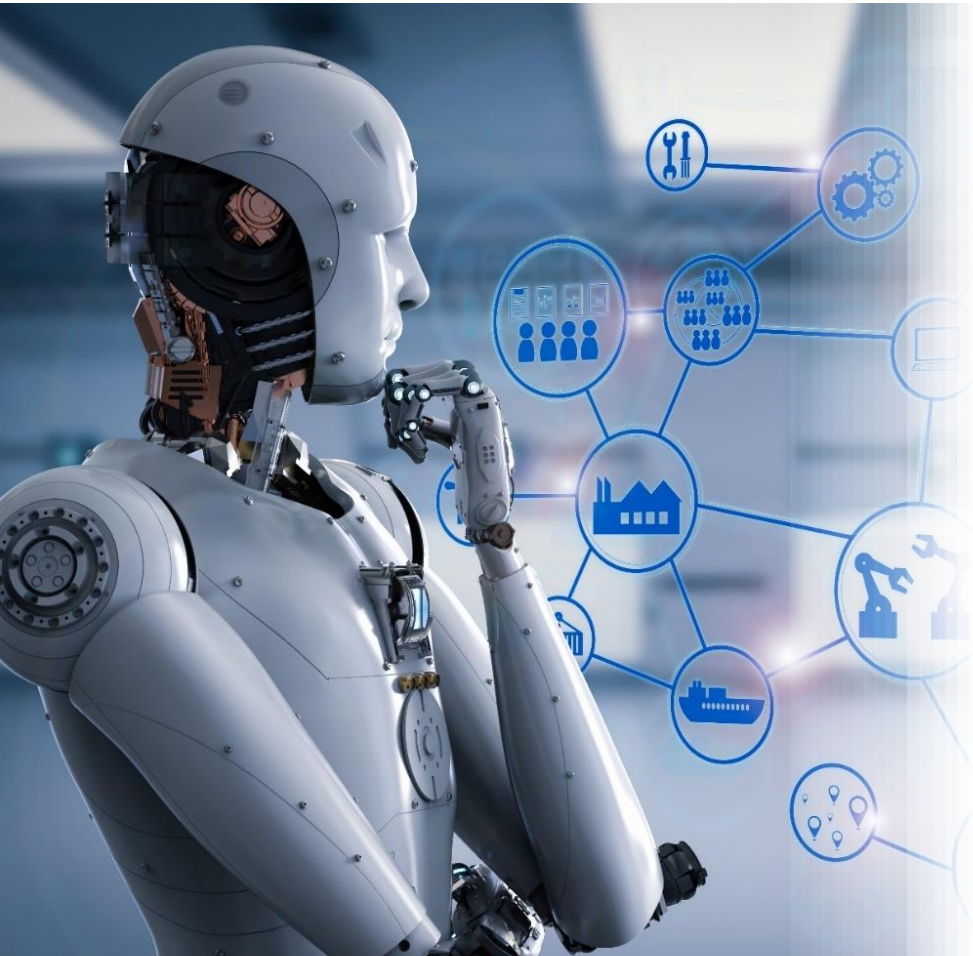
# EXPOSURE – BEST FIT FOR DIFFERENT APPLICATIONS





- I. SUSS Positioning in the Market
- II. **Strategy SUSS 2025**
- III. Remarks on Q1 and Q2 / 2020





## STRATEGIC TARGETS

- + **Top-line growth**
  - Attractive products for maximum productivity and best in class yield
  - Additional features to increase reliability
- + **Improved operational performance and profitability**
  - Operational efficiency to be improved, programs are running
  - Cost reduction through out-sourcing and global purchasing
  - Increase cash flow by better inventory management
- + **Focus on strategic growth areas**
  - Strong product offering already – short term growth possible
  - Platform design programs – longer term potential for margin increase

**Goal 2025: € 400 million with > 15% EBIT**

## + Where we started in 2018 when the strategy was defined

- Suss had not show any significant growth for more than 15 years
- Only a few Business Units had developed meaningful USP's
- But, there was significant momentum in the market

## + Identified growth areas and USP's

- Advanced Packaging / More-than-Moore applications show significant growth potential
- SUSS is positioned in Lithography and Bonding
- Imprint is becoming well accepted technology for structuring in  $\mu\text{m}$  and upper-nm scale

## + But: certain shortcomings were discovered on SUSS side

- Permanent Production Bonder were discontinued some years ago
- Imprint was not seen as a production method (no automated equipment available)
- No remarkable USP's for Mask Aligner and Spin Coater available

# UMSÄTZE SÜSS MICROTEC 1999 – 2017

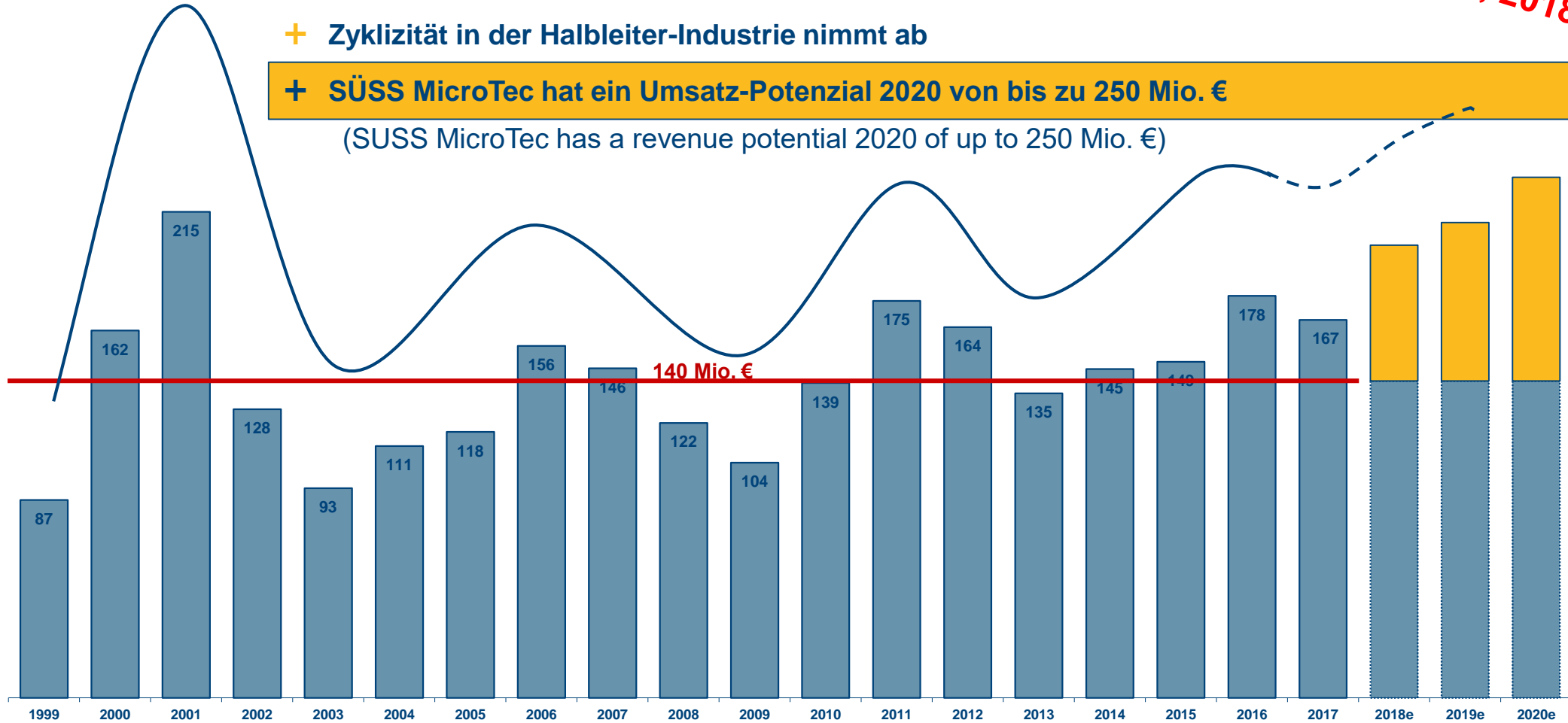
From Annual Shareholder Meeting held on June 6, 2018

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+ Zyklizität in der Halbleiter-Industrie nimmt ab

+ SÜSS MicroTec hat ein Umsatz-Potenzial 2020 von bis zu 250 Mio. €

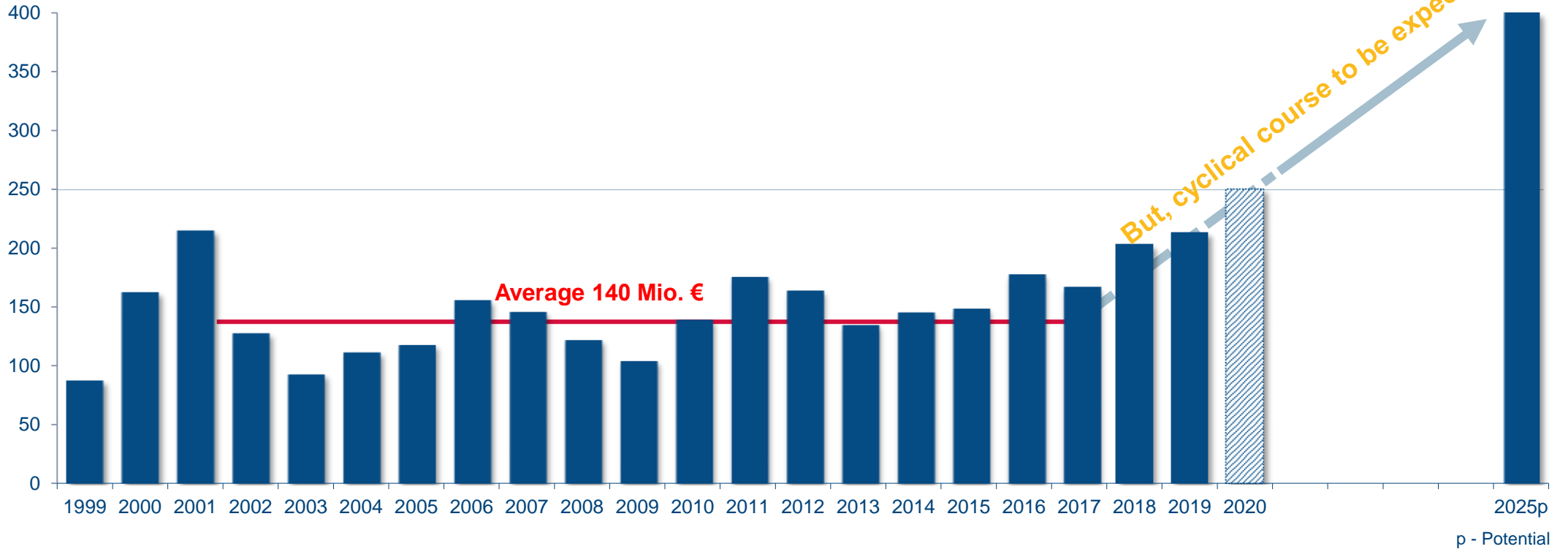
(SÜSS MicroTec has a revenue potential 2020 of up to 250 Mio. €)



Durchschnittliches Umsatzniveau 1999 – 2017: ca. 140 Mio. €

# SUSS 2025 STRATEGY: INCREASE IN SALES

Sales in € million

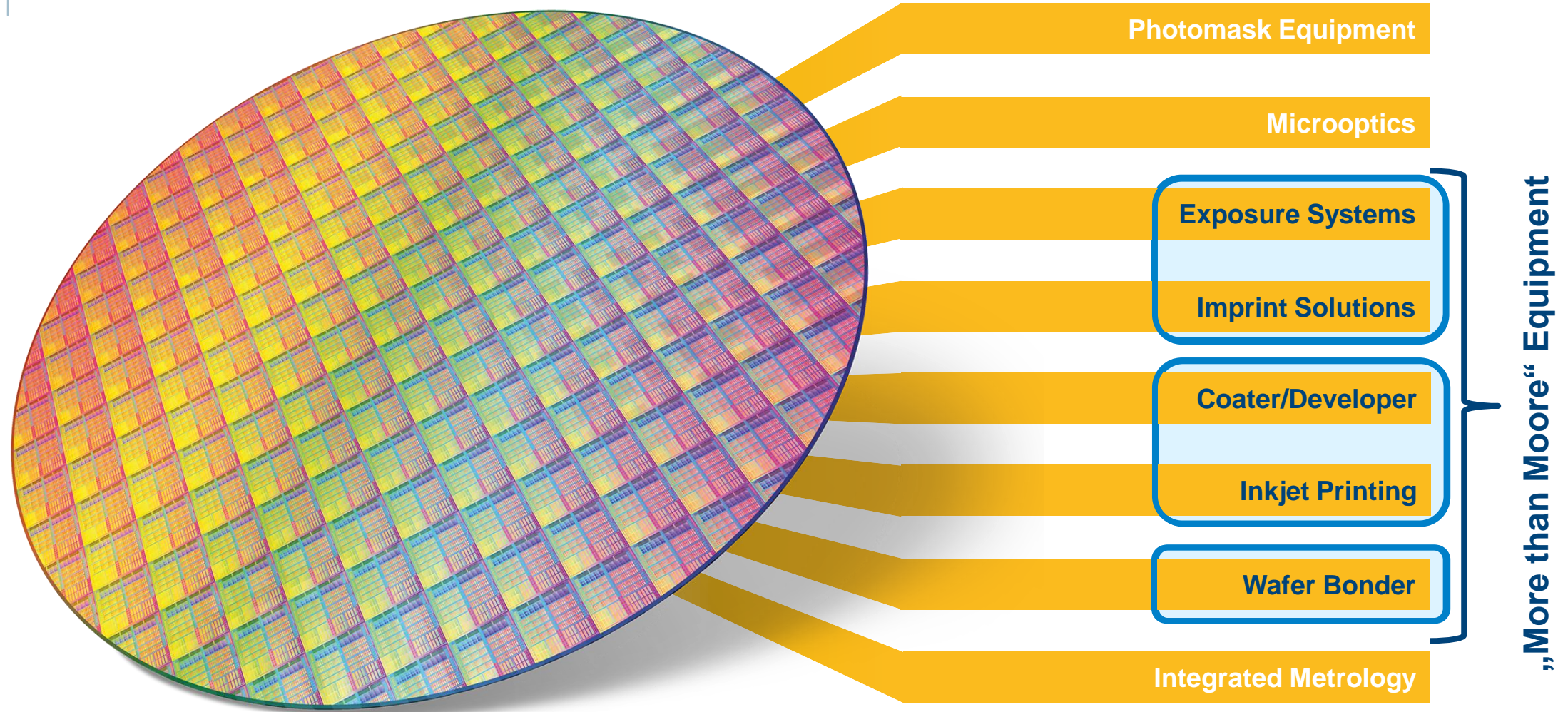


**Growth in the coming years through market growth, new products and market share gains**



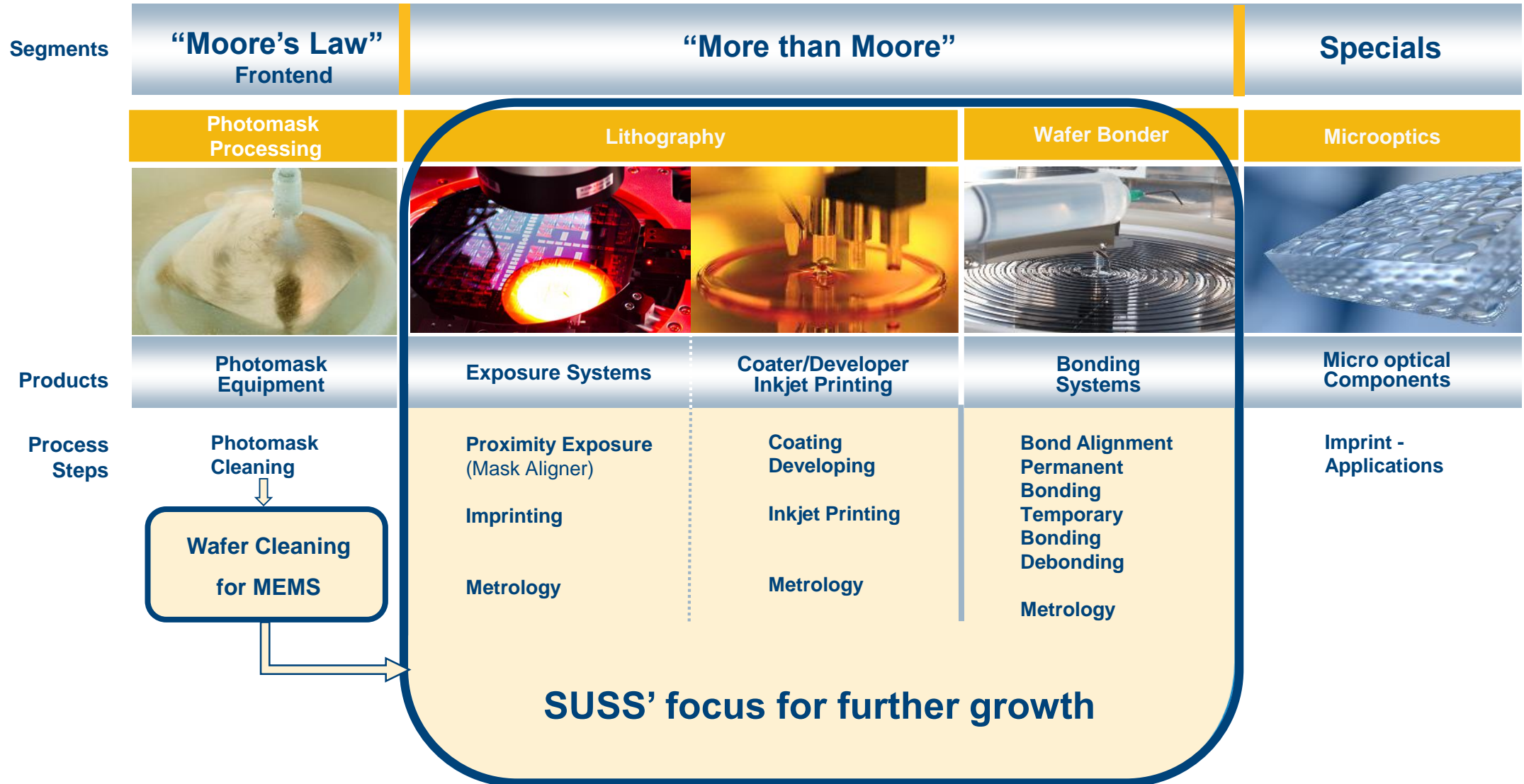
# PROCESSING SUBSTRATES FOR MOST DIVERSE MARKETS

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SUSS offers the widest range of equipment for “More than Moore” applications → strong market position

# EQUIPMENT FOR DIFFERENT SEGMENTS AND MARKETS




## STRATEGY SUSS 2025 - FOCUS OF ACTIVITY

- + **Operational Improvements: Erik Appel**
  - Margin Analysis 2017 – 2019
  - Improvements initiated
- + **Coater /Developer: Dr. Thomas Grund**
  - Jet-Coating based on Ink Jet Printing
  - High performance, lowest CoO 300mm Tool
- + **Exposure Tool: Dr. Markus Arendt**
  - Automated Imprinting
  - Direct Write
- + **Bonder: Stefan Lutter**
  - Automated Permanent Bonder (200mm & 300mm)
  - Hybrid Bonding (<100 nm post bond overlay)
- + **PhotoMask Equipment: Yuta Nagai**
  - Insitu-UV for Wafer application, automated tools
  - AI-SW-Packages for Smart-Cleaning
- + **SMO: Dr. Reinhard Völkel**
  - Expand business to automotive applications

- + **Operational performance improving**
- + **New products and innovative solutions are coming to market**



- 
- A photograph of three scientists in a cleanroom environment. They are wearing white lab coats, hairnets, and safety glasses. One scientist is pointing at a monitor, while the others look on attentively. The background is a brightly lit cleanroom with yellowish walls.
- I. SUSS Positioning in the Market
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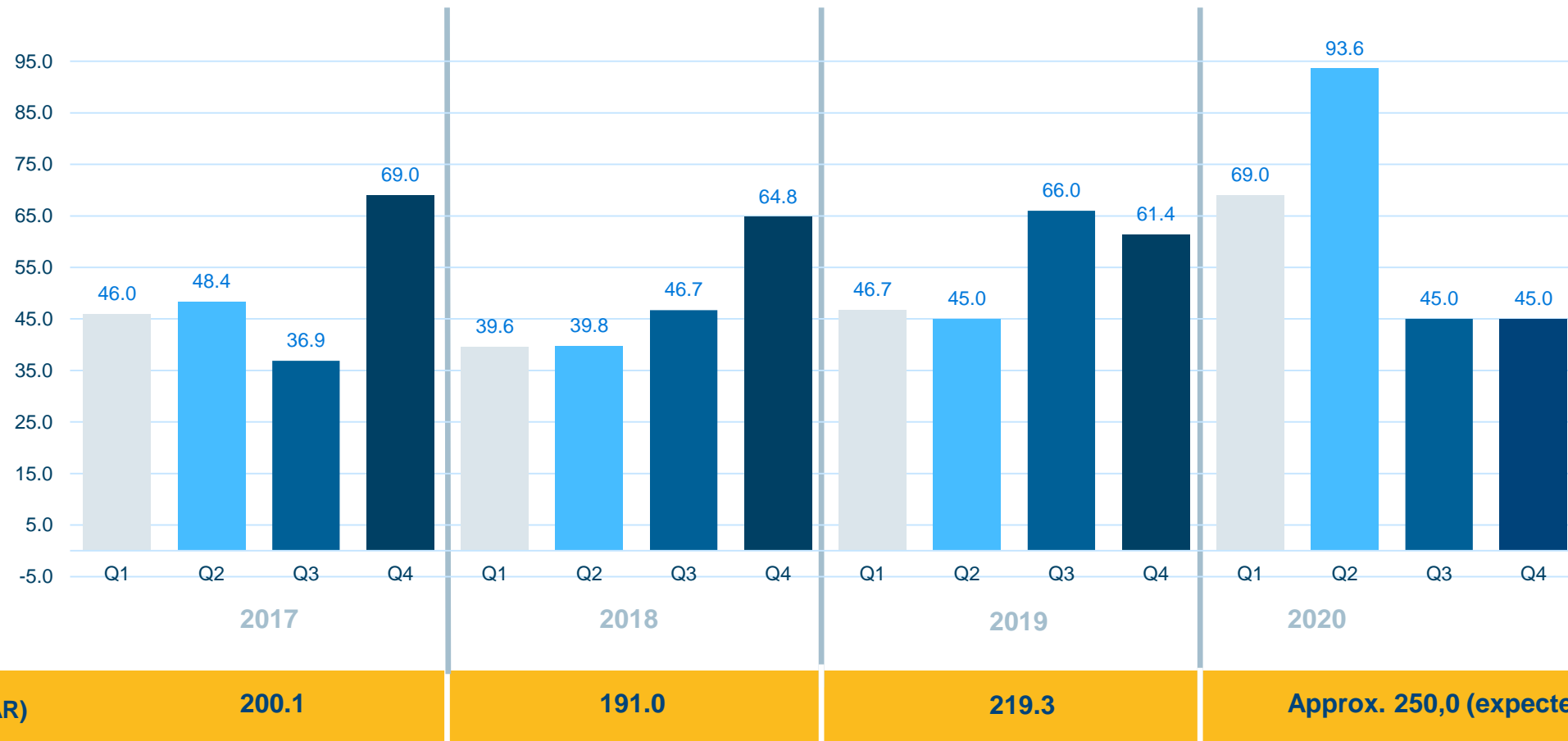
# GENERAL BUSINESS UPDATE

- + First half year 2020
  - Strong order entry of €162.6 m (due to package deal)
  - Good contribution by all segments
  
- + Q2
  - Sales of €71.6 m
  - Positive EBIT with €8.8 m
  - EBIT margin 12.3 %
  - Strong business development in Photomask Equipment and Lithography
  
- + Industry status
  - increased activity in broad band communication segment (5G)
  - Focus on delivery and installations
  
- + COVID-19 pandemic, Impact on current business
  - Low impact on shipments by customer postponements
  - Low impact on shipments from supply chain
  - Uncertainty remains high



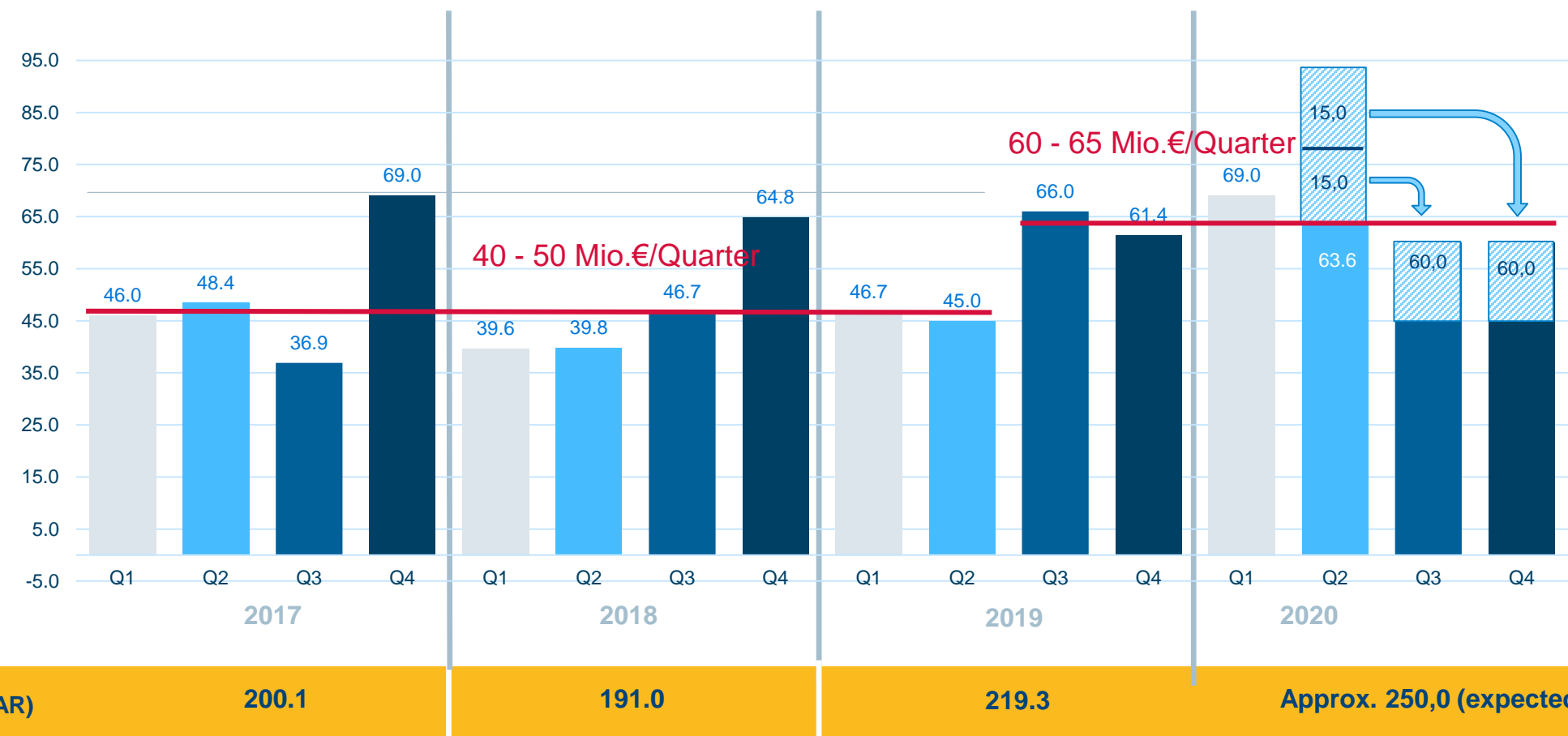


# ORDER ENTRY: STRONG QUARTERLY PERFORMANCE



- Strong Order entry in Q2 especially in Lithography, Photomask and Bonder business unit and in Asia Pacific region
- Some major customers have placed big ticket orders for several tools (“Package Deal”)
- Increased order backlog of 143 m€

# ORDER ENTRY: RUN RATE 60 – 65 MIO. €, AFTER SMOOTHEN OUT A BIT



- Q2 2020 Order entry impacted by bundled order
- Average order intake from Q3 2019 to Q4 2020 is approx. 60 – 65 Mio. €/Quarter
- Annual run rate is 240 – 260 Mio. €/a

## KEY GROUP FIGURES Q1 / Q2 2020

In € million	Q1 2020	Q1 2019	Q2 2020	Q2 2019
<b>Order entry</b>	69.0	46.7	93.6	45.0
<b>Order backlog</b>	120.8	85.4	---	---
<b>Sales</b>	41.7	47.1	71.6	47.0
<b>EBIT</b>	-5.6	2.1	8.8	-2.9
<b>EBIT margin</b>	-13.4%	4.5%	12.3%	-6.2%
<b>Earnings after tax</b>	-3.8	3.5	5.8	-2.3
<b>EPS in €</b>	-9.1%	7.4%	0.30	0.12
<b>Free cash flow</b>	-5.6	2.1	25,5	-2.5
<b>Net cash</b>	-0.28	0.02	---	---
<b>Employees 30/6</b>	-8.3	-16.4	---	---

+ 6m-EBIT 3.2m € (2.8%)

# SEGMENT OVERVIEW HY1 2020

<i>in € mio.</i>	<u>HY1 2020</u>	<u>HY1 2019</u>
<b>Order entry</b>	11,6	10,9
<b>Sales</b>	11,3	10,1
<b>EBIT</b>	0,1	1,7
<b>EBIT margin</b>	0,9%	16,8%

- EBIT weaker than previous half year due to short time work and quality problems with key supplier

- Strong growth in order entry but sales and EBIT below expectations due to postponement of shipments of tools with a decent margin

- Improvement in Q3/4 expected

<i>in € mio.</i>	<u>HY1 2020</u>	<u>HY1 2019</u>
<b>Order entry</b>	23,6	13,5
<b>Sales</b>	9,2	12,9
<b>EBIT</b>	-2,0	0,6
<b>EBIT margin</b>	-21,7%	4,7%

MICRO OPTICS

LITHOGRAPHY

## SUSS MicroTec Group

<i>in € mio.</i>	<u>HY1 2020</u>
<b>Order Entry</b>	162.6
<b>Sales</b>	113,3
<b>EBIT</b>	3,2
<b>EBIT margin</b>	2,8%

EBIT adj.: 7,7 m€ ( 6,8%)

BONDER

PHOTOMASK EQUIPMENT

<i>in € mio.</i>	<u>HY1 2020</u>	<u>HY1 2019</u>
<b>Order entry</b>	95,0	41,9
<b>Sales</b>	62,1	51,8
<b>EBIT</b>	0,0	-3,8
<b>EBIT margin</b>	0,0%	-7,3%

- Strong growth in order entry and sales due to big ticket orders and sales with major customers
- 4.5m€ closing cost for US-site in Corona booked in HY1

- Strong order entry and sales development esp. in Q2
- Strong margin increase due high margin sales with a top tier customer

<i>in € mio.</i>	<u>HY1 2020</u>	<u>HY1 2019</u>
<b>Order entry</b>	32,3	25,4
<b>Sales</b>	30,6	19,0
<b>EBIT</b>	9,4	3,3
<b>EBIT margin</b>	30,7%	19,0%

- + Adjusted Group-EBIT: 7.7 m€ (6.8%)
- + Adjusted EBIT (Litho-BU): 4.5 m€ ( 7.2%)

# CASH FLOW

<i>in € thousand</i>	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Net profit / loss (after taxes)	358	-1,878
Amortization of intangible assets	302	557
Depreciation of tangible assets	3,279	2,258
Profit or loss on disposal of intangible and tangible assets	0	61
Change of reserves on inventories	1,325	3,087
Change of reserves for bad debts	-188	58
Non-cash income from the reversal of pension accruals	0	0
Other non-cash effective income and expenses	100	41
Change in inventories	-1,729	-8,851
Change in contract assets	-3,304	-7,801
Change in trade receivables	7,826	9,133
Change in other assets	-1,533	-132
Change in pension provisions	297	30
Change in trade payables	412	-1,644
Change in contract liabilities	10,638	-2,312
Change in other liabilities and other provisions	-269	-4,838
Change of tax assets and tax liabilities	5,738	-2,863
<b>Cash flow from operating activities</b>	<b>23,252</b>	<b>-15,094</b>

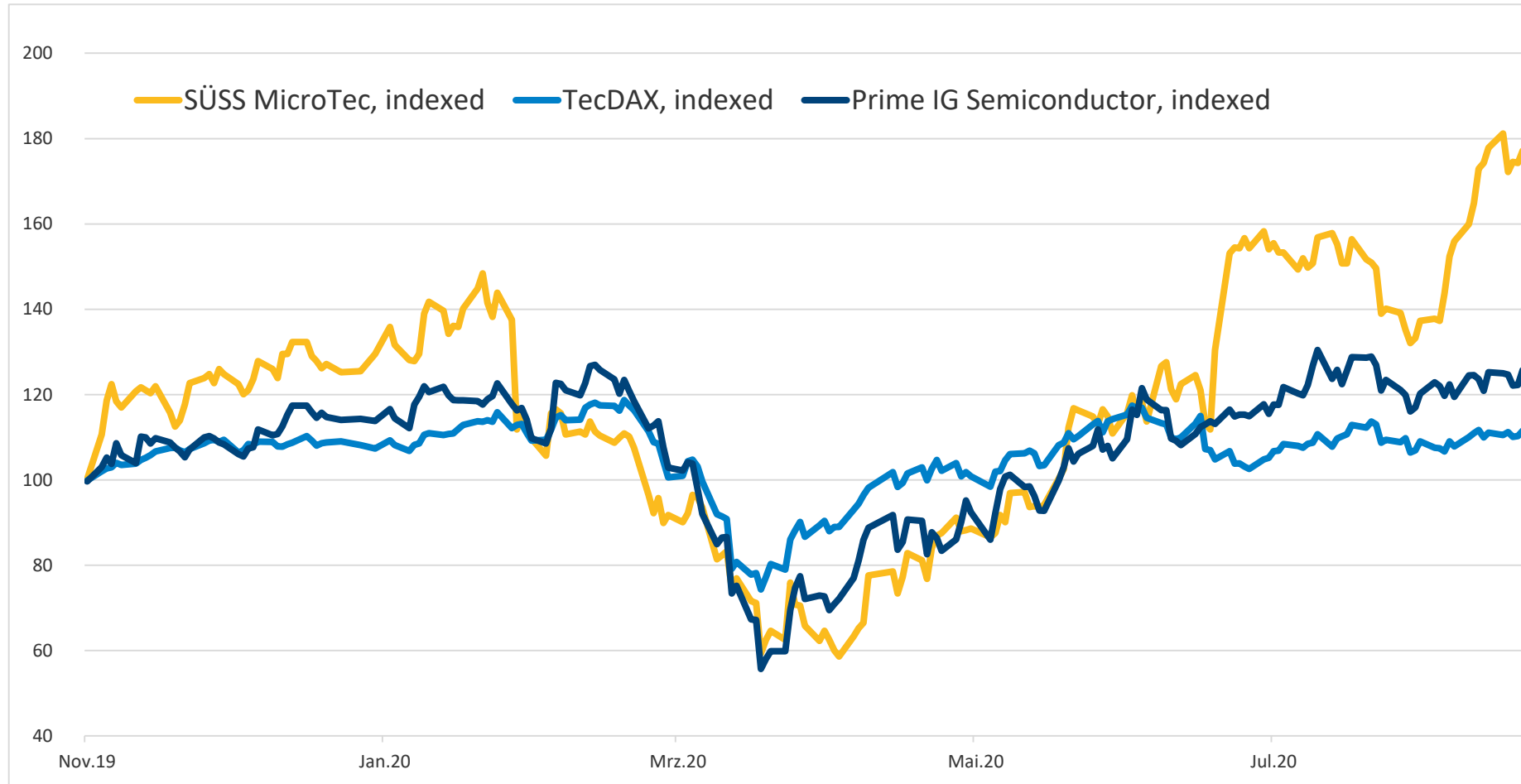
<i>in € thousand</i>	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Disbursements for other tangible assets	-2,522	-3,431
Disbursements for intangible assets	-291	-348
Purchases of current available-for-sale securities	-3,280	0
<b>Cash flow from investing activities</b>	<b>-6,093</b>	<b>-3,779</b>
Repayment of bank loans	-9,523	-500
Increase of bank loans	0	5,000
Repayment of leasing liabilities	-1,413	-406
Change in other financial debt	0	0
<b>Cash flow from financing activities</b>	<b>-10,936</b>	<b>4,094</b>
Adjustments to funds caused by exchange-rate fluctuations	2	7
<b>Change in cash and cash equivalents</b>	<b>6,225</b>	<b>-14,772</b>
Funds at beginning of the year	10,280	30,672
<b>Funds at end of the period</b>	<b>16,505</b>	<b>15,900</b>

- + Operating Cashflow improved significantly from -15.1m € to 23.3 m€. due to
  - reduced accounts receivables (-€ 7.8m€)
  - tax reimbursements (5,7m€)
  - Change in accounts payable and contract liabilities (+0,4m€ +10,6m€.)

- + Free Cashflow: increased significantly from -18.9 m€ to +17,2 Mio. €



# SÜSS MICROTEC: SHARE PRICE DEVELOPMENT



## Shareholders > 3%:

- Universal-Investment
- Luxempart / Teslin / Gerlin
- Kempen Oranje
- Lupus Alpha
- Janus Henderson

Share price: € 9,52  
(November 1, 2019)

A close-up photograph of a hand holding a black marker, writing the words "Thank you!" in a cursive script on a white surface. The hand is positioned on the right side of the frame, and the marker is just finishing the exclamation point. The background is plain white.