

Quarterly Report

January 1 – March 31, 2019

KEY FIGURES

<i>in € million</i>	3 Months / 2019	3 Months / 2018	Change
Business Development			
Order entry	46.7	38.6	21.0%
Order backlog as of March 31	85.4	93.0	-8.2%
Total sales	47.1	45.2	4.2%
Gross profit	16.2	14.4	12.5%
Gross margin	34.4%	31.9%	2.5%-Points
Cost of sales	30.8	30.8	0.0%
Research and Development costs	4.3	4.3	0.0%
EBITDA	3.5	2.7	29.6%
EBITDA margin	7.4%	6.0%	1.5%-Points
EBIT	2.1	1.5	40.0%
EBIT margin	4.5%	3.3%	1.1%-Points
Earnings after tax	0.4	0.6	--
Earnings per share, basic (in €)	0.02	0.03	--
Balance sheet and cash flow			
Equity	141.7	134.9	5.0%
Equity ratio	71.7%	71.6%	0.0%-Points
Return on equity	0.3%	0.4%	-0.2%-Points
Balance sheet total	197.7	188.3	5.0%
Net cash**	9.5	19.2	-50.5%
Free cash flow*	-16.4	-13.7	--
Further key figures			
Investments	2.3	1.7	35.3%
Investment ratio	4.9%	3.8%	1.1%-Points
Depreciation	1.4	1.1	27.3%
Employees as of March 31	899	810	11.0%

* before consideration of purchases and sales of securities

** Net cash as of March 31st, 2019 includes liabilities from leasing with an amount of € 2,2 million (adoption of IFRS 16)

BUSINESS DEVELOPMENT IN THE FIRST QUARTER 2019

Dear Shareholders,

our industrial environment is currently characterized by a certain degree of uncertainty and declining growth forecasts by market research institutes. In its latest estimates for 2019, Gartner expects the entire semiconductor market to grow by only around 2.5 percent, after 12.5 percent in the previous year. For the Wafer Fab Equipment segment, Gartner even expects a decline of around 14 percent for 2019, after a record volume in this market segment was achieved in 2018. For 2020, strong growth of about 27 per cent is expected. Total market volume in wafer fab equipment should reach a value of about 67 bn USD. The main reason for the strong market growth in recent years and the expected slowdown were high investments in the memory segment, which have been declining significantly since the second half of 2018. In addition, high inventory levels have led to a reduced production volume at some of our customers. According to Gartner estimates, NAND and DRAM memory chips alone accounted for around 35 percent of the semiconductor market volume in 2018. The investments were driven by megatrends such as mobility, cloud computing, the Internet of Things and artificial intelligence. These are precisely the megatrends that have driven our business in the past and will continue to drive sustainable growth at SUSS MicroTec in the future - despite the temporary weakness of the market.

The strong order entry figures in the first quarter of 2019 show just how well the company is positioned. Demand for SUSS products and solutions remains high, even in this market environment, which is characterized by general uncertainty and caution. In particular, our products for cleaning photomasks and our temporary bond systems as well as the SUSS MicroOptics business led to a good order volume in the first quarter totaling € 46.7 million (previous year: € 38.6 million). In the first quarter of 2019 sales also reached a good level of € 47.1 million, after € 45.2 million in the previous year. The order backlog as of 31 March 2019 thus amounted to € 85.4 million (previous year: € 93.0 million).

The gross profit margin was 34.4% for the SUSS MicroTec Group (previous year: 31.9%) and thus above the previous year's level. In the first quarter of 2019, the company generated EBIT of € 2.1 million (previous year: € 1.5 million). This corresponds to an EBIT margin of 4.5 percent in 2019 (previous year: 3.3 percent). Earnings after tax (EAT) amounted to € 0.4 million after € 0.6 million in the previous year. Basic earnings per share (EPS) amounted to € 0.02 (previous year: € 0.03).

Free cash flow in Q1 2019 amounted to minus € 16.4 million after minus € 13.7 million in the previous year. Net liquidity therefore decreased to € 9.5 million as of March 31, 2019 (previous year: € 19.2 million). In addition to the order-related increase in inventories and capital expenditure, the main factors behind the reduction in net liquidity were the reduction in liabilities and provisions.

Let us now look at the four segments in more detail:

Segment Overview Lithography

<i>in thousand €</i>	Q1 2019	Q1 2018
Order entry	21.9	23.6
Division sales	25.5	28.2
Division earnings	-0.4	0.4
Net assets	69.5	73.3

The Lithography division recorded a decrease in order entry in the first three months of the 2019 fiscal year of about 7.2 percent compared to the previous year. Orders of € 21.9 million could be booked (previous year: € 23.6 million). Sales amounted to € 25.5 million after € 28.2 million in the previous year. The segment result decreased accordingly from € 0.4 million to € -0.4 million.

Segment Overview Bonder

<i>in thousand €</i>	Q1 2019	Q1 2018
Order entry	9.4	4.9
Division sales	6.0	12.7
Division earnings	0.7	3.1
Net assets	23.8	20.7

In the first quarter of the new fiscal year, the Bonder division recorded a sharp increase in order entry from € 4.9 million to € 9.4 million. Order entry in Q1 2019 includes orders for temporary bond systems from Asian semiconductor manufacturers. Sales in the first quarter of 2019 were unable to match the high level of the previous year and amounted to € 6.0 million compared with € 12.7 million in the same quarter of the previous year. Division earnings decreased accordingly from the comparable quarter of the previous year to € 0.7 million.

Segment Overview Photomask Equipment

<i>in thousand €</i>	Q1 2019	Q1 2018
Order entry	9.7	8.2
Division sales	10.8	1.9
Division earnings	2.6	-1.0
Net assets	15.8	3.8

The Photomask Equipment segment has recorded a very good order entry and sales level for several quarters. The main reason for this is the strong demand from an international semiconductor manufacturer for cleaning equipment for EUV photomasks of the latest 7 nm generation. The segment achieved incoming orders in the first quarter of 2019 of € 9.7 million (Q1 previous year: € 8.2 million) and significantly higher segment sales of € 10.8 million (Q1 previous year: € 1.9 million). Segment earnings improved and amounted to € 2.6 million in the first quarter of 2019 (Q1 previous year: € -1.0 million).

Segment Overview Others

<i>in thousand €</i>	Q1 2019	Q1 2018
Order entry	5.7	1.9
Division sales	4.7	2.5
Division earnings	-0.7	-0.9
Net assets	27.6	23.3

Order entry in the Others segment rose sharply from € 1.9 million in the comparable quarter of the previous year to € 5.7 million. This number includes noteworthy orders from the automotive business for the first time. Sales increased to € 4.7 million (previous year's Q1: € 2.5 million). The reason for the sales increase is the significantly higher share of sales for the automotive industry compared to the previous year. Division earnings slightly improved to € -0.7 million and thus were above the level of the first quarter of 2018 of € -0.9 million.

Further Notes

Since January 1, 2019, SUSS MicroTec has applied IFRS 16 “Leases”, according to which all leases and the associated contractual rights and obligations must generally be recognized in the balance sheet. As of March 31, 2019, rights of use assets with a book value of € 2.1 million were capitalized. The rental and leasing obligations recorded as liabilities totaled € 2.2 million as of March 31, 2019 and are reported under financial debt. As the modified retrospective method was applied, the comparative information for the previous year was not adjusted.

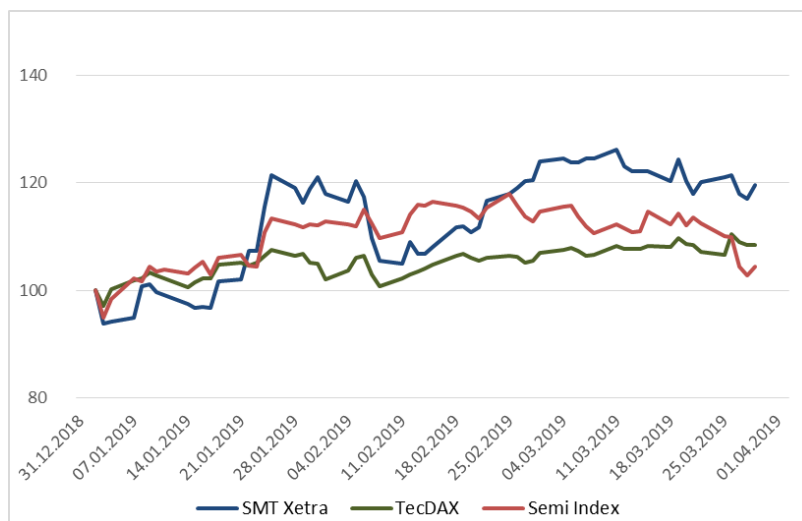
In accordance with IFRS 15 “Revenue”, SUSS MicroTec classifies its machine project business as a multi-component business and recognizes revenue from the sale of machines in two steps: 90 % of the order value is recognized as revenue upon delivery of the machine to the customer. The remaining 10 % is realized after installation at the time of final acceptance by the customer. The previous year's figures for the period from January 1 to March 31, 2018 stated in this quarterly report have been adjusted and now comply with IFRS 15. They are therefore comparable with the current figures for the first quarter of 2019.

The SUSS MicroTec Share

After a moderate stock market year in 2018, the SUSS MicroTec share performed well in the first quarter of 2019 and rose by around 17 percent from the XETRA closing price of EUR 8.48 at the beginning of 2019 to EUR 10.14 on March 29, 2019. The TecDAX rose by around 10 percent in the same period. The daily average number of SUSS MicroTec shares traded on XETRA was around 35 thousand in the first quarter of 2019.

SUSS MICROTEC SHARE PERFORMANCE IN THE FIRST QUARTER 2019

XETRA-closing share price on January 2, 2019: 8,48 Euro



OUTLOOK

Taking into account the somewhat gloomy general market outlook for 2019, we currently expect an order intake in the second and third quarters of 2019 to be in the range of around € 80 million to € 90 million. Building on this, we expect sales in 2019 to remain in the range between € 200 million and € 215 million. At this sales level, EBIT for 2019 is expected to be in the range of 6.5% to 8.0% of sales.

Garching, Germany, May 2019

Dr. Franz Richter
Chief Executive Officer

Robert Leurs
Chief Financial Officer

CONSOLIDATED STATEMENT OF INCOME (IFRS)

<i>in € thousand</i>	01/01/2019 - 03/31/2019	01/01/2018 - 03/31/2018
Sales	47,090	45,223
Cost of sales	-30,846	-30,794
Gross profit	16,244	14,429
Selling costs	-5,004	-4,852
Research and development costs	-4,260	-4,279
Administration costs	-4,268	-3,784
Other operating income	282	1,093
Other operating expenses	-863	-1,077
Analysis of net income from operations (EBIT):		
EBITDA (Earnings before Interest and Taxes, Depreciation and Amortization)	3,534	2,667
Depreciation and amortization of tangible assets, intangible assets and investments in subsidiaries	-1,403	-1,137
Net income from operations (EBIT)	2,131	1,530
Financial income	6	7
Financial expense	-48	-42
Financial result	-42	-35
Profit / loss from continuing operations before taxes	2,089	1,495
Income taxes	-1,654	-927
Profit / loss from continuing operations	435	568
Thereof equity holders of SUSS MicroTec	435	568
Thereof non-controlling interests	0	0
Earnings per share (basic)		
Earnings per share in €	0.02	0.03
Earnings per share (diluted)		
Earnings per share in €	0.02	0.03

STATEMENT OF COMPREHENSIVE INCOME (IFRS)

<i>in € thousand</i>	01/01/2019 - 03/31/2019	01/01/2018 - 03/31/2018
Net profit / loss	435	568
Items that are not reclassified to profit and loss		
Remeasurements on defined benefit pension plans	0	0
Deferred taxes	0	0
Other income after tax for items that are not reclassified as an expense or income	0	0
Items that will be reclassified to profit and loss in later periods		
Foreign currency adjustment	886	-442
Cash flow hedges	0	0
Deferred taxes	0	0
Other income after tax for items that will be reclassified to profit and loss in later periods	886	-442
Total income and expenses recognized in equity	886	-442
Total income and expenses reported in the reporting period	1,321	126
Thereof equity holders of SUSS MicroTec SE	1,321	126
Thereof non-controlling interests	0	0

CONSOLIDATED BALANCE SHEET (IFRS)

<i>in € thousand</i>	03/31/2019	12/31/2018
Assets		
NON-CURRENT ASSETS	48,401	44,975
Intangible assets	2,004	2,034
Goodwill	15,706	15,666
Tangible assets	29,468	26,189
Other assets	540	534
Deferred tax assets	683	552
CURRENT ASSETS	149,311	154,582
Inventories	101,430	93,459
Trade receivables	13,014	22,071
Contract assets	14,474	3,026
Other financial assets	81	272
Securities	0	0
Current tax assets	84	242
Cash and cash equivalents	13,926	30,672
Other assets	6,302	4,840
TOTAL ASSETS	197,712	199,557

<i>in € thousand</i>	03/31/2019	12/31/2018
Liabilities & shareholders' equity		
Equity	141,724	140,435
Total equity attributable to shareholders of SUSS MicroTec SE	141,724	140,435
Subscribed capital	19,116	19,116
Reserves	123,270	122,867
Accumulated other comprehensive income	-662	-1,548
NON-CURRENT LIABILITIES	9,842	8,266
Pension plans and similar commitments	5,112	5,075
Financial debt	2,588	1,500
Deferred tax liabilities	2,142	1,691
CURRENT LIABILITIES	46,146	50,856
Provisions	2,993	5,212
Tax liabilities	1,934	2,609
Financial debt	1,851	1,006
Other financial liabilities	5,676	7,858
Trade payables	10,817	9,016
Contract liabilities	16,571	18,225
Other liabilities	6,304	6,930
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	197,712	199,557

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

<i>in € thousand</i>	01/01/2019 - 03/31/2019	01/01/2018 - 03/31/2018
Net profit / loss (after taxes)	435	517
Amortization of intangible assets	285	297
Depreciation of tangible assets	1,119	840
Change of reserves on inventories	1,478	217
Change of reserves for bad debts	143	412
Other non-cash effective income and expenses	193	320
Change in inventories	-8,896	-12,655
Change in contract assets	-11,448	-2,148
Change in trade receivables	8,964	2,482
Change in other assets	-1,277	-1,222
Change in pension provisions	11	11
Change in trade payables	1,779	3,935
Change in contract liabilities	-1,665	-1,835
Change in other liabilities and other provisions	-5,026	-1,597
Change of tax assets and tax liabilities	-197	-1,564
Cash flow from operating activities	-14,102	-11,990

<i>in € thousand</i>	01/01/2019 - 03/31/2019	01/01/2018 - 03/31/2018
Disbursements for other tangible assets	-2,050	-1,625
Disbursements for intangible assets	-247	-66
Purchases of current available-for-sale securities	0	-7,995
Cash flow from investing activities	-2,297	-9,686
Repayment of bank loans	-250	-250
Repayment of leasing liabilities	-203	0
Change in other financial debt	0	-3
Cash flow from financing activities	-453	-253
Adjustments to funds caused by exchange-rate fluctuations	106	-75
Change in cash and cash equivalents	-16,746	-22,004
Funds at beginning of the year	30,672	36,464
Funds at end of the period	13,926	14,460
Cash flow from operating activities includes:		
Interest paid during the period	23	32
Interest received during period	6	2
Tax paid during the period	1,729	1,997
Tax refunds during the period	0	112

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS)

<i>in € thousand</i>	Subscribed capital	Additional paid-in capital	Earnings reserve	Retained earnings	Accumulated other comprehensive income					Total equity attributable to shareholders of SÜSS MicroTec SE	
					Items that will not be reclassified to profit or loss		Items that will be reclassified to profit or loss in later periods				
					Remeasurements on defined benefit pension plans	Deferred taxes	Foreign currency adjustment	Deferred taxes			
As of January 01, 2018	19,116	71,547	202	38,537	-	2,984	736	-	167	-	126,987
Adjustment of retained earnings due to implementation of IFRS 15 (revenues)				7,797							
As of January 01, 2018 (adjusted)	19,116	71,547	202	46,334	-	2,984	736	-	167	-	134,784
Net income / loss				568							568
Total income and expenses recognized in equity					-	-	-	442	-	-	442
Total comprehensive income / loss				568	-	-	-	442	-		126
As of March 31, 2018	19,116	71,547	202	46,902	-	2,984	736	-	609	-	134,910
As of January 01, 2019	19,116	71,547	202	51,118	-	3,290	751		991	-	140,435
Adjustment of retained earnings due to implementation of IFRS 16 (leasing)				- 32							
As of January 01, 2019 (adjusted)	19,116	71,547	202	51,086	-	3,290	751		991	-	140,403
Net income / loss				435							435
Total income and expenses recognized in equity					-	-		886	-		886
Total comprehensive income / loss				435	-	-		886	-		1,321
As of March 31, 2019	19,116	71,547	202	51,521	-	3,290	751		1,877	-	141,724

SEGMENT REPORTING (IFRS)

<i>in € thousand</i>	Lithography		Substrate Bonder		Photomask Equipment		Other		Consolidation effects		Total	
	3M / 2019	3M / 2018	3M / 2019	3M / 2018	3M / 2019	3M / 2018	3M / 2019	3M / 2018	3M / 2019	3M / 2018	3M / 2019	3M / 2018
External Sales	25,488	28,235	6,032	12,652	10,831	1,868	4,739	2,468	-	-	47,090	45,223
Internal Sales	-	-	-	-	-	-	1,762	1,706	-	1,762	-	-
Total Sales	25,488	28,235	6,032	12,652	10,831	1,868	6,501	4,174	-	1,762	47,090	45,223
Result per segment (EBIT)	- 443	351	740	3,078	2,582	- 988	- 748	- 911	-	-	2,131	1,530
Income before taxes	- 451	345	733	3,076	2,582	- 988	- 775	- 938	-	-	2,089	1,495
Significant non-cash items	- 1,548	- 692	165	- 102	23	- 15	- 183	179	-	-	- 1,543	- 630
Segment assets	90,110	97,826	31,344	26,223	21,523	7,828	33,118	26,164	-	-	176,095	158,041
thereof goodwill	15,706	15,519	-	-	-	-	-	-	-	-	15,706	15,519
Unallocated assets	-	-	-	-	-	-	-	-	-	-	21,617	30,260
Total assets	-	-	-	-	-	-	-	-	-	-	197,712	188,301
Segment liabilities	- 20,584	- 24,551	- 7,504	- 5,534	- 5,680	- 4,048	- 5,533	- 2,877	-	-	- 39,301	- 37,010
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	- 16,398	- 16,381
Total liabilities	-	-	-	-	-	-	-	-	-	-	- 55,988	- 53,391
Depreciation and amortization	541	512	90	102	50	43	722	480	-	-	1,403	1,137
thereof scheduled	541	512	90	102	50	43	722	480	-	-	1,403	1,137
thereof impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure	697	648	110	58	32	46	1,458	939	-	-	2,297	1,691
Workforce at March 31	559	510	101	94	131	119	108	87	-	-	899	810

Segment information by region

<i>in € thousand</i>	Sales		Capital expenditure		Assets (without Goodwill)	
	3M / 2019	3M / 2018	3M / 2019	3M / 2018	3M / 2019	3M / 2018
EMEA	9,254	8,332	2,029	1,264	136,194	124,507
North-America	2,918	8,488	254	416	19,116	14,379
Asia and Pacific	34,918	28,403	14	11	5,546	4,422
Consolidation effects	-	-	-	-	467	- 786
Total	47,090	45,223	2,297	1,691	160,389	142,522

Financial Calendar 2019

Annual Report 2018	March, 27
Quarterly Report 2019 (Q1)	May, 8
Annual General Meeting 2019, Haus der Bayerischen Wirtschaft, Munich	June, 6
Interim Report 2019	Aug, 2
Nine-month Report 2019 (Q3)	Nov, 6

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