Conference Call FY 2025

Transcript

(March 30, 2026)

Note

This transcript was prepared based on the Conference Call held on March 30, 2026, by SUSS MicroTec SE on the occasion of the publication of the Annual Report 2025. The transcript may not provide a faithful record of the discussion due to technical reasons.

The names of the analysts and investors have been made anonymous. Questions and comments immaterial to the discussion, for example by the operator or coordination after a lost connection, have been removed for improved readability. All other content has only been edited for filler words and inconsistencies. SUSS has added hints to the slides discussed in the Conference Call.

The following transcript contains forward looking statements. While these statements represent our judgement on the development of SUSS at the time of the Conference Call, they are subject to risks and uncertainties that could cause actual results to differ materially. SUSS does not intend or accept any obligation to publish updates of these forward-looking statements.

Call Participants

SUSS MicroTec SE

Burkhardt Frick
CEO & Member of Management Board

Dr. Cornelia Ballwießer
CFO & Member of Management Board

Dr. Thomas Rohe
COO & Member of Management Board

Sven Köpsel
Vice President Investor Relations & Communications

Other Participants

Operator

Analysts and Investors of SUSS MicroTec SE
Questions by Analysts and Investors are highlighted in light grey.

Presentation

A presentation was shown during the conference call. The presentation is published at **www.suss.com** in the "Investor Relations" section.

Conference Call FY 2025

Operator: Welcome to the earnings call of SUSS Micro SE following the figures for 2025. I would like to welcome the company's CEO, Burkhardt Frick; the CFO, Dr. Cornelia Ballwießer; the COO, Dr. Thomas Rohe; and Vice President Investor Relations Sven Köpsel, who will guide us through the presentation, followed by a Q&A session.

And with that, I hand over to you, Mr. Köpsel.

Sven Köpsel: Thank you so much, and welcome to our full year conference call after today's release of our annual report 2025, including our outlook for the new financial year. As you probably know from earlier calls, this call is being recorded and considered as copyright material. It cannot be recorded or rebroadcasted without permission and participating in this call implies your consent to this procedure. Please be aware of our safe harbor statement on Page 2 of the slide deck. It applies throughout the conference call.

And now I am handing over to Burkhardt, our CEO, for some opening remarks, followed by our CFO, presenting the financial development.

Slide 5: Key Financial Indicators

Burkhardt Frick: Let's start with an overview of the key financials for 2025. Our order intake ultimately came in at € 354 million, more on this shortly with a particular focus on the fourth quarter. Sales recorded at € 503 million, once again, a double-digit growth and exceeding € 0.5 billion for the first time. Profitability with a gross profit margin of 35.7% and an EBIT margin of 13.1%, we came short of our initial margin expectations. However, we did meet our most recent guidance.

Slide 6: Key CEO Messages

Now a few more words on . € 503 million marks another record figure and an all-time high for SUSS. Even more important, we have increased over the past 2 years from around € 300 million to € 500 million, an increase of € 200 million. SUSS is now a significantly larger and more capable company. We are a growth company, and we intend to resume this growth in the midterm.

Regarding order intake, in November, I stated that we could achieve € 100 million in order intake in the fourth quarter. We now can confirm an order intake of € 117.5 million. The book-to-bill ratio was thus around 1. Both segments contributed to the improved order situation with AI being the dominant driver, both in terms of HBM and CoWoS. Further good news, this positive momentum continued in the first quarter of 2026.

Now on profitability. We explained the deviation from our original plans during the Q3 conference call. And as we said at the Capital Markets Day in mid-November, we will introduce new product generations and innovative solutions to achieve a substantial improvement in margins. That's why we are very much looking forward to the next 2 to 3 years and the multiple launches we have lined up.

Slide 7: Segment Overview FY 2025

Now let's look at the performance of our segments. First, Advanced Backend Solutions. Order intake was approximately € 25 million lower than in the previous year and was distributed evenly across the three product lines: Imaging, Coating and Bonding. Demand for our imaging systems, specifically for UV projection scanner used in CoWoS process remains strong. Demand for bonding solutions was lower than in previous year but has improved since the fourth quarter. Revenue grew by 10.7% to around € 350 million, while bonding was below 2024.

Imaging and Coating Systems contributed the most significant growth, each posting an increase of more than 50% compared to the previous year. Profitability was significantly lower than in previous year, primarily due to weaker product and customer mix, strong growth in Imaging and coating and the frequently mentioned increased temporary ramp-up support provided to our customers for already installed tools as well as the establishment of our new production facility in Taiwan.

Let’s take a look at Photomask Solutions. Order intake of approximately € 80 million was significantly down by € 43.5 million from the previous year. Out of this number, € 31 million was due to lower orders from Chinese customers. However, Q4 showed an improved trend versus Q2 and Q3. Revenue growth of 17.3% to over € 150 million is very encouraging. Thanks to our improved operational capabilities, we have significantly reduced our backlog and accelerated the completion of customer projects. Higher sales volume and an improved product and customer mix also led to a 5%-point increase in the gross profit margin and an 8%-point increase in the EBIT margin.

Now let's zoom in on the fourth quarter of 2025. I already mentioned the positive order intake of € 117.5 million, reversing the negative trend of the first three quarters. Of this amount, € 92 million was attributable, difficult word, to the advanced back-end solutions and € 25.5 million to Photomask Solutions. We once again received several orders for our UV projection scanner for CoWoS process as well as for HBM-related follow-up orders, particularly for one of our memory customers. Orders for our mask aligner from customers in mainstream applications have also improved significantly. It may still be too early to speak of a turnaround in this business, but this was certainly a strong intake quarter.

Revenue of € 119 million was almost unchanged from the third quarter of € 118 million. This demonstrates our significantly greater stability when it comes to executing customer projects. Gross profit margin remained low at 34.9%, though it improved slightly compared to the third quarter, where we had 33.1%. EBIT-margin was 9.8%, which was slightly lower than Q3, but still better than we originally had expected.

Slide 9: Our new production site

To wrap up the first part, here's a look at our new production facility in Zhubei, Taiwan, which is already fully operational. Following the opening ceremony at the end of October, all relocation work has since been completed. As planned, we returned all existing locations to our landlords by the end of February. We delivered the first tool made in Zhubei, a UV projection scanner to our customer already in February. Production is now in full swing, as you see on this picture, about 10 tools were built in Zhubei during the first quarter in 2026. Further capacity increase is under preparation. Q1 2026 is, therefore, also the last quarter in which the P&L will be impacted by the implementation of the new site.

And with that, I hand over to Cornelia for some details on our financial development.

Slide 11: Strong sales growth and higher CapEx

Dr. Cornelia Ballwießer: Thank you, Burkhardt, and a warm welcome from my side to all of you. Here, you see our key financial figures. First, I would like to point out that the previous year figures have been adjusted due to accounting changes made in the connection of the preparation of the 2025 consolidated financial statements. These changes are explained in detail in the notes in our annual report, which was published today. The adjustments for fiscal year 2024 in short are a sales adjustment amounted to plus € 0.5 million.

Gross profit was adjusted by minus € 1.5 million and EBIT by minus € 0.5 million, and net income was adjusted by € 0.4 million. In a nutshell, the main changes are based on a more detailed approach to revenue recognition. In particular, installation services following the delivery of our tools and upgrades are no longer recognized on a point-in-time basis, but rather on a period basis. This is from shipment to final acceptance by the customer.

The second significant change was made to the provision for the equity-based compensation, which is now recognized on a pro rata temporary basis over the entire 4-year period, the vesting period rather than at the time of the grant of the virtual shares at their estimated value. This resulted in an adjustment of plus € 1.2 million in EBIT.

And now let's have a look on our financials here on the screen. The order book was € 266.8 million at the end of 2025. The vast majority of these orders will be produced, delivered and recognized as revenue throughout 2026. Expenses for selling, administration and R&D increased from roughly € 100 million to € 118 million in 2025. The main reasons were an increase in R&D, plus € 7 million spending to support several product and technology development projects and for IT and digitalization projects, such as the mitigation of our ERP system. But that's not all. There are some other systems we introduce. And the full cost impact of new hires made in 2024 has an impact or the full impact in 2025. Net profit amounted to € 46.1 million in 2025, down from € 110 million in 2024 when the sale of the MicroOptics business had resulted in a significant onetime gain.

Cash and cash equivalents were at € 98.7 million and compared to 2024, reduced by € 33.5 million. And this mainly because of a significant lower prepayments from our customers and of course due to our CapEx in 2025. Net cash amounted to € 49.1 million in 2025. And this is because of the deduction of the leasing liability from the lease agreement for our new Zhubei site which caused this decline. Free cash flow from continuing operations was € 22.6 million in 2025 and in total at minus € 26 million. The fourth quarter was cash flow positive at € 5.6 million, but that was not enough to bring the figure back to 0.

As our dividend policy is based on free cash flow and is designed for a payout of 20% to 40% of this figure, a dividend of € 0.04 per share will be proposed to the Annual General Meeting in June. CapEx increased to € 23.2 million in 2025, driven by our new site in Zhubei.

Slide 12: Order intake has clearly improved [...]

Now let's move on to the development of our main financial KPIs over the fiscal year. Please be aware that the 2025 quarterly figures are as reported. This means they are not restated. In our reporting, in 2026, all prior year figures will be restated. Burkhardt has already mentioned the significant improvement in order intake in the fourth quarter of 2025. While this can certainly be attributed to seasonal factors and a traditionally strong fourth quarter, it is all the more important that we are able to confirm this improved demand in the coming months.

SUSS

Slide 13: Improved order situation in both segments [...]

We have already discussed profitability in the past. This overview clearly shows that profitability came under pressure particularly in the second half of the year. The decline in the second half of the year is not unexpected. The weak order intake in the first 2 quarters and the shift in its composition as well as some nonrecurring items and extra costs are clearly evident here. To achieve a significant improvement, we are working on new higher-margin product solutions, which will only begin to gradually impact the P&L starting in 2027. In both segments, we have an order intake trend reversal with strong bookings in both divisions versus previous quarters, and this trend continues in the first quarter.

Photomask Solutions benefited in the fourth quarter from product and customer mix, also in connection with upgrade and service business and from some currency gains. The fourth quarter of Advanced Backend Solutions, a lower top line in the fourth quarter than in the third in combination with very negative product mix affected gross profit margin and EBIT margin. There were a lot of UV projection scanners and we had the lowest amount of Bonders in the fourth quarter. As you know, the double rental costs for the new fab in Zhubei also affected the result.

And in addition, there are write-offs for clean room equipment in our old Hsinchu site, which cannot be used in our new fab in Zhubei. This impacted the result in the fourth quarter. And also, R&D expenses rose in the fourth quarter to support future growth projects. The R&D expenses also left a mark on the fourth quarter, especially projects for LF-chamber improvements and for a CoPoS project.

Slide 14: Regional Distribution order intake

On this side, we see our order intake by segments and regions. The order intake by region shows a familiar pattern. The APAC region once again accounted for the largest share of new orders at around 77%, with Taiwan as a dominant contributor. The remainder was distributed relatively evenly between EMEA and Americas.

Slide 15: Right-of-use asset [...]

Now I would like to present the main balance sheet developments. Total assets increased by € 7.6 million. For the noncurrent assets, the main driver was the Taiwan expansion with the right-of-use asset and CapEx for the interior layout of the building in Zhubei. And as well, there were some CapEx in Europe, around € 8 million, mainly in Germany. In current assets, we have a decrease by € 54 million to a total volume of € 386.7 million. Inventory declined by € 39.1 million on a year-on-year basis and amounted to € 171.6 million at the end of 2025. Contract assets and trade receivables in total increased by € 20.6 million.

Cash and cash equivalents decreased, as I said, by € 37.5 million and of course, due to free cash flow of minus € 26 million. And of course, of the dividend payments in the last year and some repayments of our financial debt together in the amount of around € 10 million.

Slide 15: Changes due to net income [...]

On the liability side, the main changes already happened in the second quarter with the inclusion of the leasing liabilities from the Taiwan site. In noncurrent liabilities, the main driver was this lease liability for the Zhubei site. Current liabilities decreased at the same time, minus € 60.2 million. Here, the major drivers were lower prepayments from our customers who supported last year's steep ramp. And now we have less orders from customers, which usually accept prepayments. Equity increased by € 32.5 million, and equity ratio was at 62.2% at the end of December 2025, which means that we have improved the equity ratio by 5.6 percentage points. Net income contributed with € 46 million and other comprehensive income and dividend payments amounted to minus € 13.7 million.

Slide 16: New Syndicated Loan [...]

And finally, I would like to give you a brief overview of the new syndicated loan, which we announced back in mid-February. Despite the current healthy liquidity position, it is very important for us as a company to increase our financial flexibility to finance further growth and to maintain sufficient reserves to cover industry typical fluctuations. We achieved this with the new syndicated loan agreement. The volume has roughly doubled to € 115 million, thereof € 85 million for revolving credit facility and € 30 million for guarantees.

The new contract has a term of 5 years with 2 optional 1-year extension periods. We are now even better positioned to support our growth plan, and we have sufficient buffer against industry-specific fluctuations as well as against a general deterioration in economic conditions and economic cycles. Finally, we significantly reduced the liquidity risk.

And now I hand back to Burkhardt, who will present the outlook for 2026.

Slide 19: Transition year 2026: [...]

Burkhardt Frick: Thanks, Cornelia. As you said, I now would like to come to the guidance overview. As said before, 2026 will be a transition year. After that, we expect to resume our growth path. The forecasted sales range of € 425 million to € 485 million, indicates a decline of 9.6% at the midpoint of the range. We see a broadly stable gross profit margin of 35% to 37%, but a declining EBIT margin of 8% to 10%.

On the next 3 pages, I will provide a bit more color on all 3 KPIs.

Slide 20: Assumptions of the sales guidance

First, on the sales guidance of € 425 million to € 485 million. When we compare the starting points for 2024, 2025 and 2026, obviously, we are beginning the year with a significantly lower order book. You see a detailed comparison on the right side. As a result, visibility at the start of the year is lower. Therefore, we decided to expand the guidance corridor from previously € 40 million to € 60 million.

The extent of the revenue decline compared to 2025 will highly depend on the volume of orders we will receive in the first half of 2026. Thanks to our improved operational flexibility and shorter lead times, we will be able to execute the majority of the orders between January and June within the same year and recognize them as revenue.

Slide 21: Assumptions of the gross profit margin guidance

On gross profit margin, we forecast 35% to 37%, and thus are broadly stable in our expectation. As said before, in the financial year 2026, we will be offering more or less the same portfolio as in 2025. For portfolio-driven substantial improvements, we will launch and ship our new product solutions in the next 2 years.

A change in the product and customer mix could still affect margins during the year, depending on the order intake from the first half of the year and beyond. For example, higher demand for Bonding solutions would generally be beneficial for us. Then there are various effects that are likely to neutralize each other.

On the positive side, fewer one-off events such as the establishment of a new site in Taiwan and a more normalized ramp-up support for our customers for already installed tools. On the negative side, the impact of the expected decline in revenue on the fixed cost coverage.

Slide 22: Assumptions EBIT margin guidance

Finally, our EBIT margin, which is forecasted to a range of 8% to 10%. We have already explained at the Capital Markets Day that the expected decline in revenue is likely to impact the EBIT margin development. In that regard, I don't think the guidance came as much of a surprise. A few analysts had already placed their estimates within that range. So, here is what we do expect to happen: First, lower sales volume, combined with a broadly stable gross profit margin will weigh on profitability. We have made a conscious decision not to reduce the R&D budget despite the lower revenue forecast.

On the contrary, we actually expect an increase in this area as we are setting the base for future growth in the coming years. At the same time, we expect only a slight increase in sales and administrative expenses, and I can assure you that we will continue to strictly manage those budgets.

Slide 23: Assumptions EBIT margin guidance

Now some words on the expected development in our segments. First, Advanced Backend Solutions. Expected sales decline of roughly 10% versus 2025 is expected. Slight increase in gross profit margin and a broadly stable EBIT margin as lower business volume will have an impact on profitability. We anticipate the following trends in market demand. Imaging Systems, there we see a stabilization of the strong 2025 level provided there is continued CoWoS-related demand for additional UV projection scanners.

For Coating, we see a slight improvement – provided that the mainstream business picks up alongside a continued strong packaging and OSAT business. And on Bonding, significant improvements versus 2025 are expected as HBM customers commit to add more capacity again after a temporary digestion period which we experienced last year.

Secondly, on Photomask Solutions, we have similar sales expectations as in the backend unit with roughly 10% versus 2025. Profitability is expected to decline as a result of the lower sales volume. On the market outlook, I can comment that we expect an improved order situation as high demand for semiconductors, again, driven by AI requires additional front-end equipment, see also the strong ASML order trend and consequently, also additional mask cleaning equipment.

Preparation of customers for the introduction of High-NA also can play a role. Potential for additional momentum from the launch of three new solutions like the high-end mask cleaner, the mid-end mask cleaner and the first wafer cleaner addressing the 200-millimeter market can also give us a boost. When looking at our guidance for 2026, some might think that this year represents a step backwards for SUSS. I personally don't see it that way.

As said, 2026 is a transitional year or rather a year of preparation for further growth and a substantial improvement in margins by 2030. These goals, which we presented in November Capital Markets Day, remain unchanged and recently are even getting tailwinds. Thanks to a strong focus on R&D and the development of new innovative solutions and next-generation products for selected faster-growing markets, 2026 is an important year and a necessary stepping stone into our bright future.

And with that, we are opening the floor to your questions.

Q&A-Session

Analyst 1: Burkhardt, I just want to check whether you can give us any indication on how you would expect your sales and gross margin to trend through the year? Is it possible that Q1 is your low point for both sales and gross margin and then you will see a gradual improvement from there? Would that be a reasonable assumption? Or any other color how you see the first half versus the second half develop would be great. And I have a small follow-up.

Burkhardt Frick: That's a really good question. And of course, you are spot on. We see really us hitting Q1 as a low point of the effects we saw last year. Remember, we had three quarters of declining order intake, and it started showing, of course, in the last quarter of last year, and it will extend into the first quarter. However, this is offset, of course, with a reverse trend in order intakes, which, will take a couple of quarters to materialize in an improved situation. So, we think we are approaching the bottom here and will climb up from there.

Analyst 1: Understood. And then I was in Taiwan recently, and there is some talk in the Taiwan market about TSMC looking to localize their equipment, especially on the backend where possible and working with some of the local companies. I was just wondering whether you have any thoughts on that. Do you see this as a potential threat? Or is this mainly in areas where SUSS is not involved right now?

Burkhardt Frick: I see that as an opportunity because we are local at the doorstep of Taiwan with our main production site. That's also why we are developing our next-generation EUV scanner in Taiwan. So in that sense, you could even call us a local company. But at least with those products where we are designed in, I think we have a fairly solid position.

Analyst 1: Is the prepayments that have fallen, is it mainly Chinese customers that give you prepayments? And is the cash impact because of lower China orders?

Dr. Cornelia Ballwießer: Yes. Yes, it's the Chinese customers and Chinese demand is not that strong. But there are some other institutes like R&D institutes who make prepayments, but mainly from China customers.

Analyst 2: My first question is on a slide you just showed on the different segments. And if I understand it correctly, you're saying that Imaging is going to be kind of roughly flat so as Coating and then Bonding is significantly higher than 2025. But then you've got your sales expectation down 10%. So, I'm just trying to understand where exactly that weakness is coming from for that sales forecast.

Burkhardt Frick: Thank you, a good question. Of course, the lower expectations, they stem from the accumulated order intake we collected in the last quarters. From this, we can, of course, pre-calculate what we have already in our books. The rest, of course, are orders which we have to collect in the running year, mainly in Q1 and Q2 and 2026. And both together will, of course, create a forecast which we picked. We picked there a decline of 10% for both units because we see various effects, as I think detailed out in our presentation. For Photomask, it's the decline we saw from Chinese customers. And for the backend, it's really the combined effect of the low intake we have received so far. Now this trend, we see partially being now offset, but we need to know and, of course, experience how strong this new high order intake trend will last.

Analyst 2: Perfect. Makes sense. And then my second question is just on HBM. I think you mentioned in your opening remarks that only one of the customers was really in the Q4 order book. Do you have any indication of when the second customer might come in? And also at your Investor Day, you mentioned the potential qualification of SK Hynix. Could you provide an update on that as well, please?

Burkhardt Frick: Yes. As you know, the other Korean customer still sits on a lot of underutilized equipment. So we carefully planned in some kind of demand resuming in the second half of this year. But of course, that has to materialize. But I have some good news on the other -- the second Korean memory maker. There, we did receive some HBM-related orders. So basically, we can now claim that we are in all 3 major memory makers.

Analyst 2: That's great. And just a final question quickly. On the wafer-to-wafer hybrid bonding side, there's a lot of talk recently on its kind of application in 4 F-squared in DRAM. I just wondered if you're kind of in any early conversations here. Do you expect to be inserted in supplier for this in the next few years as that transition is made?

Burkhardt Frick: Yes. Hybrid bonding, as you know, is moving a bit sideways, a little bit away from die-to-wafer application because runways are extended for TCB bonding equipment and also some customers, they are struggling with the process. Therefore, wafer-to-wafer hybrid bonding also comes in because you can bond the wafers first and then do the die stacking. I think there's some momentum going on there. But I think it's still in a, I would say, more experimental phase where we do see some interest, but we haven't seen it materializing yet.

As you also know, we are not at the forefront with wafer-to-wafer hybrid bonders. I mean there are 2 other customers -- sorry, 2 other suppliers ahead of us. But we have our systems at IMEC, where we are running tests, and we can provide very good data. I also expect more momentum picking up on that side also where we can benefit from.

Analyst 3: Firstly, on the transition year again, maybe you could provide us with an update on, let's say, which of the products, the renewed products or the all-new products you expect to contribute to sales first? What kind of ramp-up costs do you expect and whether you see, let's say, some cost portion that you incurred this year as kind of nonrecurring? For the context of R&D, is that mostly on medium-term projects? Or is there also a bigger portion, maybe including some external providers for, let's say, final engineering steps ahead of the product launches?

Burkhardt Frick: Yes, that's quite a mixed bag there. So let me start with the R&D side. We have external and internal R&D. And I think we made very clear in our call here that we have not reduced our spend in R&D. On the contrary, we increased the spending to make sure that we can stick to the launch timing of those products we have in our pipeline. The first products are coming out this year, and there are notably thee Photomask products. One is the high-end mask cleaning, the MaskTrack Smart. There we received the first order also in the first quarter of a large memory customer. And so that's the first shipment we are preparing for the second half of the year.

The mid-end mask cleaners, we are working on the first systems because we have more than a handful of firm orders for that mid-end cleaner, which will replace also our aging mid-end platform, which we then take from the market. And the wafer cleaner, that's the third product, we also received first hardware, and we are doing our internal commissioning and evaluation before we send it to a launching customer. So there are three projects which are really in the final stage for rollout this year. And then there's a backend product, which is our EUV scanner, which is panel capable, 310 x 310 projection scanner, which will be launched in Q3, also, of course, with a large Taiwanese target customer who already has set up a pilot line to evaluate the panel application.

So in that sense, four products, which are launching this year. Maybe we can squeeze in the fifth, but we have to see to get all these projects on the road. And that's also the reason why we deliberately, in that sense, bit the bullet in high continued spend in R&D because we want to make sure we are not letting down the customers. And we anticipate, therefore, this gap or this drop in EBIT. But this is, in our view, just very short term until we can reverse the trend.

Analyst 3: Understood. And then maybe a follow-up in that context on wafer cleaning. At the CMD, you mentioned you're obviously starting with 200 millimeter, but saw pretty strong demand also for 300 millimeter and also accelerate that project. Where do we stand here in the timeline?

Burkhardt Frick: Yes. I mean, as you rightly said, the launching product is a 200-millimeter product. We want to, of course, get some feedback first, a, from our internal evaluation and then, of course, also from the first customer feedback, which is then also an input for the design. But we are preparing the design phase for the 300-millimeter tool in combination with an external partner. And we probably will kick off that design in the second half of this year, and we should see first hardware in the first half of 2027.

Analyst 3: And then last one on the new EUV scanner. My understanding is that the current product comes with a relatively low gross margin. So should we expect the new product to be launched in Q3 to have a, let's say, sizable effect on the gross margin then because it's probably a relatively big part of your top line right now?

Burkhardt Frick: Yes. That was the point in also redesigning this platform, which really came to age. Unfortunately, of course, the current CoWoS run, I couldn't wait for that. That's why we have to ship the old version, and we probably have to keep doing so because the first product we are launching is the panel version, which goes into a pilot line and panel production is not going into volume until 2028-2029 time frame. So -- but very shortly after this panel version, of course, also our wafer version of the UV scanner, the next generation is coming. But that launches in 2027. And that, of course, depending on the conversion rate will then also improve this very low margin for the current DC.

Analyst 4: First one is on timing for potential Photomask uptake in demand for Photomask orders. We have seen quite a strong Q4 order intake at ASML, obviously, with shipments mostly scheduled for 2027. Is that kind of supporting the assumption that you would expect an uptake in demand in the second half of this year for the Photomask cleaning business?

Burkhardt Frick: Yes, that's a good assumption. Of course, we are loosely connected because lead times and cycle times are very different if you compare us with an EUV system of ASML. But ultimately, we should see these effects. And as a matter of fact, we already see those effects because despite our expected decline in China, we currently see Chinese customers speeding up again, especially for photomask tools. But we also see international customers considering to pull in orders. So we are in the middle of evaluating the impact of that, but that is a trend which started late in Q4 last year, and we see it continuing in this quarter -- in the running quarter.

Analyst 4: Okay. And for the Chinese demand you alluded to, is that then linked to the new mid-end cleaner? Or would these customers still order the current equipment?

Burhardt Frick: Actually, both. Of course, due to the equipment in use in China, the mid-end cleaner is more suitable for that market. But we see still a fairly high amount of high-end cleaning demand picking up again in China, which we didn't anticipate.

Analyst 4: Okay. A quick one on Hynix. Do you see or do you expect kind of more or less regular follow-up business when production lines get extended with the product you have placed at Hynix?

Burkhardt Frick: No, we are only interested in one-off sales, Malte. No, sorry, but I make a joke here. So obviously, yes, that's the intent to see follow-up business. But I think for us, it was important to get back into the door. So we are not talking volume orders here, but at least we have our hardware place now in the most recent HBM R&D line, which we can then, of course, exploit and hope fully get follow-up business.

Analyst 4: Okay. Then on the guidance, I mean, given the current strength in orders that has continued into the first quarter of the year, the low end of the guidance at the sales level, actually appears a bit low. Is that reflecting uncertainty at customer level you're recognizing? Or is that rather linked to the overall global situation, which is not that stable at the moment?

Burkhardt Frick: Yes. We -- of course, one good quarter doesn't make a full year, as we all know. And although we really have a very strong expectation because the quarter is almost over for the first quarter in intake. We have to see how long this strong push remains. When we created the guidance and also set our budgets, we had quite some expectations, and there was also a certain concentration in the second half of the year.

But now we got strong demand already in the first quarter. And we have to see if this is a continued trend because if the second half also remains strong, then of course, we can come up with better results. Also the mix will have an important contribution here. So - it's too early to just base it on one strong first quarter in order intake, I must say, because in sales, we will not see a strong first quarter.

Analyst 4: Yes sure. Okay. Last one on double costs or one-offs, which are baked into the earnings guidance for this year. So are you able to quantify an amount, which is linked to double rent ramp-up costs and the like?

Dr. Cornelia Ballwießer: There are some one-offs regarding Taiwan, as you know, because in the first quarter, we have some double rent double cost. And yes, that's more or less what we included in our guidance.

Analyst 4: And that is a low single-digit amount.

Dr. Cornelia Ballwießer: Yes, it's€ 0.4 million, something like this.

Investor 1: Also a couple of questions from my side. Maybe let's first start with Taiwan, a short recap. How high was this payment you had made for the leasing which reduced the cash significantly? Remind us, please, how high this impact was? And how high is -- how much capacity you have now finally in Taiwan only to a reminder because it gets more and more important.

Dr. Thomas Rohe: So Thomas speaking. The investment in Taiwan was a low 2-digit million euro budget, which we invested into the clean rooms and all this kind of stuff. And the leasing contract is now for 20 years and about € 40 million of leasing agreement, which we have there. But the cash out is really only on a yearly basis for sure, but the leasing has to be accounted in our books already for the complete period.

And the capacity only to really make this clear, we are really fully loading the factory as much -- as soon as possible. Right now, we have a load of around, let's say, about 70% with the old sites, which moved all into the new sites. So we are really heavily working to fill it up completely by at least the end of the year.

Dr. Cornelia Ballwießer: Sorry, I just want to add, as Thomas explained, of course, the leasing liability is booked. It's around € 40 million. But you asked for cash-out, and cash-out is around € 2 million to € 2.5 million this year.

Investor 1: Okay. The reduction in last year, but you mentioned partly was the leasing reason that the net cash or the cash has come down heavily. So that's a booking effect?

Dr. Cornelia Ballwießer: Yes. It's KPI is our net cash-figure, but it's not – yes, it does not really says something about the duration of the liability in this case. So it's just net cash. But cash out is over the 20 years.

Investor 1: Clear. On the capacity, from a revenue, how much revenue you can handle with the capacity you have now in Taiwan? Is it - I have something of € 150 million, € 200 million in my head. Is that right?

Dr. Thomas Rohe: That's a really good question, but it heavily depends on the product mix. As you know, we are introducing scanners there, coaters and bonders. So, from that point of view, it's really hard to say how much really revenue we can generate with this. But in general, I would say right now because we have half-half between Germany and Taiwan. So from that point of view, it's roughly perhaps the right order of magnitude, probably a little bit higher.

Investor 1: Okay. Half of the total revenue came already from Taiwan?

Dr. Thomas Rohe: Not yet completely, but we are targeting for this.

Investor 1: On the OSAT business, we hear from the OSAT that they are Amkor and ASE that they definitely heavily increased their budget. How much you have already seen in your own order income is much more -- it's more to come in the coming quarters from this side?

Burkhardt Frick: We already saw it last year, and I think I also mentioned that we saw this strong uptick for our Coating and Imaging business, which was mainly on the coating side contributed by additional demand from OSATs. They are expanding in their existing sites in Asia, but also they are planning to expand in the U.S. as also some other companies are. So there also, we expect a continued strong demand.

Investor 1: And you mentioned that the Coating and Imaging business, there's also scanner in, which is low margin, but there's one reason for the lower margin. I always in my head that the coating -- at least coating had a quite good margin. Has it changed? Or is it only that maybe the scanner has brought down this average margin of Imaging and Coating?

Burkhardt Frick: Coating is kind of pretty in the center of our margin distribution. So it is not as good as the bonders, but by far not as bad as the EUV scanners.

Investor 1: Okay. I expected this. And also for your forecast, you're expecting stronger business with temporary bonding for this year, but the margin in Advanced Backend Solutions will nearly stay flat. What is the reason? Because last year, it was a pressure coming partly from the temporary bonding came down, we expect an increase. Why do we not see a little bit stronger margin development in Advanced Backend?

Burkhardt Frick: It depends how many more orders we see, especially from the bonding side. When we set out these corridors, we assumed a certain mix. We now see strong intake also on the bonder side. But we have to see how sustainable this is. As I said, one good quarter doesn't make a full year. If the other Korean HBM maker doesn't place orders in the second half of this year, then I think we did everything right in our prognosis. But a lot of things can happen. And as we saw last year, where we had to go in and correct twice our guidance. This is something we don't want to repeat.

Investor 1: It's clear. But the bonding business is still above average at the margin side?

Burkhardt Frick 1: Yes, well above average.

Investor 1: Last question, R&D, will it further increase this year and only feeling how much it could increase? It will further increase but how much?

Thomas Rohe: It will increase only slightly. There are no big changes planned for this year. That's much more than € 2 million or € 3 million in total in absolute values. But we try to keep the headcount stable and also the investment in R&D.

Burkhardt Frick: Maybe to add, since the top line reduces, so the R&D ratio increases even faster.

Analyst 5: I had one follow-up on the EUV projection scanner. I think you've provided already quite some indications, but I was looking or whether you were able to maybe quantify what the EUV scanners actually contributed to the top line last year and whether you could give us a sense of the 2026 order funnel because I mean, there's many growth parameters out there. I think in itself, the products could be quite sizable for you, not only this year, but in the next 5 years. So it would be very helpful if we know a bit where you are currently.

Burkhardt Frick: Yes. It's, I think, fair to say that the revenue contribution of the EUV scanner alone was between € 30 million and € 40 million last year. And this year, this number will be larger.

Analyst 5: Okay. All right. That's very helpful. I think on the -- and then just thinking about your other, let's say, younger products out there, thinking about the hybrid bonders, but also the inkjet printers, like on a combined basis, are we thinking this is about 5% of sales in 2026? Or how should we think about that?

Burkhardt Frick: Yes, that is really a low contribution because we sold single units to customers who are evaluating those systems. So this is not what I call a volume state. We are at the very beginning of that. So we had last year two, three systems we sold. This year, we probably also have a couple of systems, but it's in the very single-digit percentage range.

Analyst 5: And then just for the temporary bonder business, looking a bit further out, with HBM4E and HBM5 sort of requiring thinner dies and even more bonding complexity. Are the existing platforms already compatible with those, let's say, next-generational stack requirements? Or will there be a meaningful upgrade or new tool generation needed?

Burkhardt Frick: Well, our current generation of temporary bonders is, as we speak, qualified for HBM4. Otherwise, we wouldn't have received those orders. But of course, we are continuously improving those -- our products and also listening to our customers, what else they need. So, we have, in parallel, a flanking program to improve bond chamber performance to meet also future needs because we are working both with the volume side of those customers, but also with the R&D centers who already work on the next N+1, N+2 generation of HBM stacks. We stay tuned. And then we work with our customers when we are phasing in which improvements. It can be a running change. It can also be introduced on the next-generation platform. So, we do both. I hope that helps.

Analyst 5: Okay. Great. And then just a final question on, I think co-packaged optics, you also talked about in the CMD, specifically on co-packaged optics on the interposer as a potential future opportunity. I mean, in the last few months, excitement on co-packaged optics has quite strongly accelerated. So my question is: within that further integration complexity, do I understand it well that basically your EUV scanner and coating portfolio map well on to this? And what is generally the last -- the traction you've been seeing in the last three to six months on Photonics in general?

Burkhardt Frick: Yes, you're absolutely right. There's a lot of hype there, and we are kind of positioned with our existing portfolio. But of course, we need to enhance or upgrade our portfolio to also serve the co-packaged optics market well. So -- but it's from our side, more kind of technical feasibility, what additional features are needed, which can be added to our existing portfolio to also play a role there. But it's too early to really turn this into concrete products. So right now, it's on our side in an R&D development stage. And as soon as we have something noteworthy to report, we will do so.

Analyst 4: One follow-up question on the orders in the first quarter of the year. I mean the environment is pretty dynamic. So a continuation of the trend can have several meanings. So maybe some more color on what does that actually mean? I mean, typically, Q1 is not the strongest quarter in terms of order intake. So despite that fact, should we expect kind of more or less stable order development from the fourth quarter and the first quarter, which would be already good? Or do you see even an acceleration? So some additional color would be appreciated.

Burkhardt Frick: Yes. I was almost fearing that this question would come, but it is coming late now. So the -- I mean, first of all, I can confirm that we are breaking with that trend that in terms of order intake, this first quarter in 2026 is a really very good quarter since we are in the last 2 days of the quarter. Of course, we already know what's coming. We know most of it. And I can say that much that we will be well above the Q4 number of last year in terms of order intake.

Analyst 6: Yes, sorry. I have a question regarding -- a follow-up question regarding the sales forecast. So maybe you can help me understand it better. But based on your order book of € 267 million and assuming like 18% of aftersales, your implied order intake needed in H1 to reach the midpoint is very, very modest. And you are saying that in Q1, order momentum was strong.

Burkhardt Frick: Yes. Of course, we need to have 2 strong quarters to complete the year because only what we have an intake in the first 2 quarters, the majority of that, we can still turn around in products assembled, shipped and recognized. So the first quarter, if that is strong, definitely helps to secure the guidance we provided. If we have a second quarter, which is also strong, that pretty much gives us some assurance that we are safe with that guidance. But again, this is speculation, so I don't want to speculate. I can only see a strong order momentum carried over from last quarter into the first quarter. And based on these 2 quarters, we have made our sales projection.

Analyst 6: Okay. Maybe correct me if I'm wrong, did you just mention that Q1 order intake is above Q4?

Burhardt Frick: Yes, I did.

Analyst 6: Okay. Wouldn't this already put you on the midpoint of guidance? So € 267 million plus € 117 million, let's say, and 15% after -- even assuming conservative 15% aftersales, you are above guidance? Or am I -- like midpoint of guidance?

Burkhardt Frick: Well, first of all, the € 117 million of Q4 already included in the order book. So I cannot follow your math there completely. But yes, of course, the first -- if we have a strong first quarter, that relieves some of the concerns because it's a continued reversal of the trend at a very high run rate. And if we can also get a decent second quarter in, then I would start agreeing with you, but we are not yet in the second quarter.

Sven Köpsel: Maybe, if I may add one sentence, the order book number of our annual report also always includes service business. So if we get service business, for example, a contract for 2 years, the entire period, this 2 years period is included in the total order book number. So service is not getting on top completely. It's partially already included in order book.

Investor 2: Do you see competition of ASML in the scanner business? And do you think there could be a competitor in hybrid bonding as well?

Burkhardt Frick: Yes. I think ASML was late to the party to also join the backend business with the recent announcements and also their focus in that arena. I mean they already have a scanner out there targeted for backend. But this one, we don't see as competition in the CoWoS process we are currently involved in. However, that is, of course, competition for other markets, our real competition, which is Canon is facing. So that I don't see us as a threat.

The other activities, I think it's too early to gauge where this is heading. But of course, I mean, there are other companies, whether it's AMAT or Lam and already TEL who are already active in this domain. So with ASML, this is just the last party -- the last company joining the party. And I think this ultimately will just help the ecosystem to get on common ground here. I see this rather as an opportunity to collaborate than anything else.

Operator: Okay. Thank you so much. Well, with no further questions, we have come to the end of today's earnings call. Thank you very much for your interest in SUSS MicroTec SE. And a big thank you also to you, Mr. Frick, Mrs. Ballwießer, Mr. Rohe and Mr. Köpsel for your presentation and your time. If any further questions arise at a later time, please feel free to contact Investor Relations at SUSS MicroTec SE. I wish you all a successful day, and I'm handing over to Mr. Köpsel once again for your closing remarks.

Sven Köpsel: Yes. Thank you so much and nothing really to add. So take care and yes, get in touch if you have any more questions. Thank you. Take care.

End of the Conference Call