

Conference Call Q1 2025

Transcript

(May 8, 2025)

Note

This transcript was prepared based on the Conference Call held on May 8, 2025 by SUSS MicroTec SE on the occasion of the publication of the Interim Statement for the first quarter of 2025. The contents of this document were provided to SUSS for publication by Airtime Software AG and prepared by S&P Global Market Intelligence, a division of S&P Global Inc. 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 not been edited, if you want to receive the unaltered version of the transcript, contact ir@suss.com. 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 of 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 Q1 2025

Operator: Good day, ladies and gentlemen, and a warm welcome to today's earnings call of the SUSS MicroTec SE on the occasion of the publication of the figures for the Q1 of 2025.

I am delighted to welcome the CEO, Burkhardt Frick; CFO, Dr. Cornelia Ballwießer; and the COO, Dr. Thomas Rohe; as well as the Vice President, Investor Relations, Sven Köpsel. The Management Board will speak in a moment and guide us through the presentation. After the presentation, we will move on to a Q&A session in which you will be allowed to place your questions directly to the management. We are looking forward to the results.

And having said this, I hand over to Mr. Köpsel. Please, the stage is yours.

Sven Köpsel: Thank you, and welcome to our conference call today after publishing our Q1 2025 results earlier this morning. As you probably know from earlier calls, this call is being recorded and considered as copyright material. It cannot be recorded or rebroadcast without permission and participating in this call implies your consent to this procedure. Please be also aware of our safe harbor statement on Page 2 of this slide deck. It applies throughout the conference call. And now I hand over to our CEO, Burkhardt, please.

Silde 5: Solid start to the year, particularly in terms of sales growth

Burkhardt Frick (CEO): Thank you, Sven, and also a warm welcome from my end. We had a strong and very solid start into the year with an order intake of EUR 88.1 million, especially after the exceptionally strong Q4 2024, where we have already received orders we had actually expected for the next quarter. As indicated in the full year 2024 call, order intake is above the level of Q3 2024.

Sales at EUR 123.2 million continued the growth trend with 31.8% year-on-year. Both segments contributed to this development, as you will see later. At the same time, improvement of EBIT margin shows that we can keep the new level of earnings quality. Gross profit margin came in slightly lower at 37.9%, mainly due to product and customer mix shifts in the Advanced Backend Solutions segment and the preparation of additional manufacturing capability and capacity in Taiwan for our UV projection scanners.

Silde 6: Key CEO messages

First, let's talk about the order intake of EUR 88.1 million, which was anticipated after the record figure of EUR 147.5 million in Q4 2024. Sales of EUR 123.2 million is the second best result in our company's history. Here, too, only Q4 last year was better. Accordingly, the book-to-bill ratio was only 0.72, which we need to improve, of course, in the future.

Secondly, I'd like to address the current tariff and trade situation. The announcements of wide-ranging tariffs by the U.S. government and countermeasures, particularly by China, are causing a high level of uncertainty. I would therefore like to provide a little more clarity from our end. Our direct U.S. exposure is limited as our order book only includes orders worth about EUR 42 million that we are yet to be delivered in our U.S. customer base.

When it comes to the bigger picture, we certainly share the concerns of a negative impact in the global economy and the potential implications for semiconductors also affecting demand for our solutions. But so far, we have not seen any substantial project postponements or even cancellations. In general, we prepare ourselves to adapt quickly and improve flexibility to changing circumstances.

Silde 7: Segment Overview Q1 2025

Let us now look at the developments in our 2 segments. First, Advanced Backend Solutions. Order intake in this segment was down in the first quarter of 2024, although demand for our UV projection scanner, which is used in the well-known CoWoS process was particularly high. Our production capacities, which are scaling up for this solution are now fully utilized until the end of 2025.

Demand for temporary bonders and debonders in connection with AI was not significantly high in the first quarter. However, I can confirm that we again received sizable follow-up orders from a memory customer in April. Sales trend was strong at plus 47% year-on-year in the first quarter of '25. The growth came from the bonding systems product line, where we executed numerous AI-related orders and delivered them to our customers. Imaging and Coating Systems sales were roughly flat compared to last year Q1 2024.

Meanwhile, the gross profit margin did not match the previous year's figure of 44.5%. We've seen certain shifts in the product and customer mix. In addition, we are preparing to manufacture significantly more UV projection scanners at our site in Taiwan. This resulted in additional costs mainly for supply chain and for training.

Now let's come to Photomask Solutions BU. Order intake was exactly on par with the previous year. Orders from Chinese customers were again lower than in the same period of the previous year. Other markets were able to compensate for this. The order book of around EUR 150 million continues to provide solid capacity utilization for these products and thus visibility for the expected sales development in 2025. Also, first orders with scheduled delivery dates in 2026 are now also included in our order book.

Photomask Solutions segment also contributed to our sales growth. Sales of EUR 40.3 million represents growth of 8.6% year-on-year. This means that our Photomask production in Germany was fully utilized. The higher sales volume and associated scaling effects as well as better product and customer mix have led to a significant improvement in the margins compared to the same period in the previous year. With an EBIT margin of 32.8%, the segment achieved a remarkable quarterly figure.

Silde 8: New production site in Zhubei

As I did 6 weeks ago in our full year call, I would like to give you a brief update on our new production site in Taiwan. The landlord officially handed over the building to us as of April 1, 2025. And our logo has also recently been installed on the building, as you can see on the left side picture.

We would like to use today's call once again to highlight the advantages of this new location. Today, in Taiwan, we utilize our production site in Hsinchu. And because the site has been used beyond its actual capacity limit, we have various additional small satellite sites in the surrounding area. Obviously, the setup is not very efficient. The new location will consolidate most teams and sites into one single location. Our internal flows will certainly improve significantly as a result.

For both sites, the pure rental cost will be at a comparable level, namely in the low to mid-single-digit million euro range. And while our existing site can produce systems worth a maximum of EUR 100 million to EUR 150 million per year, the new site has the potential to roughly double capacity at full build-out and utilization. This will give us the flexibility we need to continue growth in the future. We had lost this headroom in Hsinchu, but soon we'll have it back.

And with that, I now hand over to Cornelia to present more financial results.

Silde 10: Strong sales growth and improved Free Cash Flow generation

Dr. Cornelia Ballwießer (CFO): Thank you, Burkhardt, and welcome also from my side. We already heard from the development in the segments. I will now provide an overview for the group. The order intake developed as anticipated and amounted to EUR 88.1 million. The order book in turn also declined. But at EUR 392.7 million, it still offers good visibility for the next 2 to 3 quarters. Sales developed very strongly in the first quarter, as Burkhardt already outlined. Both segments distributed, but the Advanced Backend Solutions segment was the stronger driver with a sales growth of 47%.

On the gross profit margin, we experienced some headwinds, which we already talked about. On the other hand, EBIT increased by 0.7 percentage points, thanks to higher gross profit and disproportionately low OpEx increase. Free cash flow improved notably in the first quarter. Mostly, it was the inventory buildup, which slowed down compared to the first quarter 2024. Inventories only increased by 1.5% compared to the end of the last year. At EUR 1.7 million, the CapEx volume was still at a moderate level in the first quarter of 2025. This will change significantly in the coming quarters as we make progress with equipping our new production site in Taiwan.

Silde 11: Positive sales trend continued, EBIT margin improved year on year

This page shows the development of the 4 key indicators for SUSS over the last 5 quarters. Overall, the first quarter was a strong quarter, the second best in the company's history in terms of sales. Gross profit margin was outside the corridor that we have achieved in recent quarters. I have already reported on the reasons for this. And you will see later in the outlook that we currently expect to be able to achieve the full year target for the gross profit margin of 39% to 41%.

Silde 12: Our two segments with different margin development trends

We have again included the overview of the quarterly development of our 4 key performance indicators for the segments. The most important news here is Advanced Backend Solutions. The sales trend is very positive. Profitability, however, was lower than in the first quarter of 2025 due to customer and product mix effects and the before-mentioned preparation for our Taiwan site for the production of an increased amount of UV projection scanner. We are confident that the margin will improve over the next quarters.

Profitability in Photomask Solutions was exceptionally high in the first quarter with gross profit margin of 40.2% and EBIT margin of 32.8%. These results illustrate the quality of earnings we can achieve in this segment. However, as the profit in the segment depends on relatively few systems in a quarter, even 1 or 2 projects can cause significant swings in the profitability. But our target is to stabilize margins on a higher level in the midterm.

Silde 13: Order intake by segment

Here, you see our order intake. It was slightly higher than in the third quarter of '24, but lower than in the fourth quarter '24. A slower first quarter 2025 was anticipated as we received some orders at the end of '24 that we had expected for the first quarter. For us, EUR 88.1 million is a solid number here.

In terms of regional distribution, Asia/Pacific continues to be the strongest contributor to group order intake with a share of almost 79%.

Silide 14: Minor changes in assets in the normal course of business

The changes in our balance sheet were relatively small in the first quarter of 2025. Total assets increased by EUR 12.5 million and the noncurrent assets, we added EUR 1.5 million for property, plant and equipment. Current assets increased by EUR 11.2 million compared to year-end. Inventories were up by EUR 3.2 million or 1.5% to EUR 217.1 million. A positive driver was the increase of cash and cash equivalents, which rose by EUR 7.5 million to EUR 143.7 million.

Silide 15: Changes due to net income and tax effects

There is also not much change on the liabilities and equity side in the first quarter. Our equity position grew through the net profit. Consequently, our equity ratio improved again and is now at 57.1%, up 1.2 percentage points since year-end '24. The change in the noncurrent liabilities is mostly driven by tax liabilities. The deferred tax liabilities increased to EUR 24.9 million, up from EUR 20.8 million at the beginning of the year. The current liabilities also only slightly changed during the first quarter. Tax liabilities were EUR 8.2 million lower than in the end of '24. Other financial liabilities decreased by EUR 3.8 million and trade payables increased by EUR 2.4 million.

As we have taken over the new building in Zhubei on 1st of April, we will see the effect as of our half year report. We expect the balance sheet, respectively, the total assets to increase by around EUR 43 million, while intangible assets will increase on the asset side and financial debt from lease obligations will be affected on the liability side.

And now it's Burkhardt again to conclude our presentation with our outlook.

Silide 17: Q1 sales and current order book provide a solid basis [cont.]

Burkhardt Frick (CEO): Many thanks, Cornelia. Now let's have first a look at the current situation in context of expected sales for the full year of '25. In the first quarter, we achieved sales of EUR 123.2 million, and we started the second quarter with an order book level of EUR 392.7 million. As said, we are not yet facing any significant project delays or cancellations. If you now sum up these figures, you get to a number of around EUR 515 million. However, there are already a number of orders in the Photomask Solutions segment, especially that we are expecting to deliver in the first half of '26.

Silide 18: We confirm our forecast for the full year 2025 [cont.]

Taking it all into account and if the economic situation and circumstances don't get any worse, there's sufficient visibility to be confident about our guidance. From this perspective, we continue to confirm our guidance for all key figures. However, the macroeconomic risks have increased significantly in recent weeks after the first communicating our guidance in late March. Factors like a full enforcement of tariffs after the 90-day freeze or even a further escalation have not been taken in.

The same accounts for additional substantial currency changes. This can have a negative impact on the global economy and could delay our customers' CapEx spend and postpone projects. We increase our ability to react quickly and increase our flexibility to deal with the changing political and economic environment. Personally, I remain positive and firmly believe in the underlying mid- and long-term growth potential for both the entire industry and SUSS. AI evolution and the digital age has a long way to go.

And with that, I'm looking forward to your questions.

Q&A Session

Operator: We have some participants raising their hands, and we'll start with someone with his first name, Jan, you should be able to speak now.

Analyst 1: It's Analyst 1 from Bank. Sorry, I had to dial in on another line. Yes, my question is really on the 2 things. One is, you talked about an April improvement in the temporary bonder orders. How do you see that coming through? Is that – do you get a feeling that, that is a one-off? Or do you think that after sort of a lull for some digestion phase, the orders from the HBM side are sort of restarting all over again. I mean, how would you characterize it?

Burkhardt Frick (CEO): Yes. Thanks. I think that's a good question. Now I think I said it on several calls already. We don't expect the huge waves of orders we saw in the initial ramp. And yes, there was some absorption because we had to install dozens of lines at multiple locations. What we do see now is a kind of smaller orders, which come spaced out and as the capacity is required in the foreseeable future. So not huge bulk orders, but orders for 2, 3, 4 lines in one go, and we expect them to come along also in the foreseeable future. But not as concentrated as we saw it in the late half of '23 and also in the first half of '24.

Analyst 1: Understood. And your commentary on the tariffs and the uncertainty is sounding a bit more cautious than some of your peers in the equipment industry. Most companies have sort of said they're not seeing much effect, to which you have also done, but your sort of overall comments are maybe a little bit more saying that you have a more cautious view on the equipment market for this year. Anything specific in any conversation with customers or anything that is leading you to that caution? Or is this entirely sort of a general caution that the global economy could weaken in the second half of the year and that could lead you to see some weakness?

Burkhardt Frick (CEO): I think we share the same sentiment as our industry peers in this one. So we don't see anything different here. I think we were just trying to express a bit more nuance that there's, of course, a direct U.S. exposure, which is very little. But if the global economy is being affected, of course, it affects all of us. And there's not only a tariff factor, there's also a currency factor.

But I think that's exactly the same situation for all players in the industry. So we haven't seen negative customer reactions. As said, we don't have any postponements. Now of course, you have this 90-day window where even we see the opposite effect, we see customers asking us to ship faster, which, of course, we are trying to do where we can. But we share exactly the same sentiment as all players in the industry.

Analyst 1: And one last brief question before I squeeze it in. Can you give an update on the High-NA Photomask Solution sort of co-development, where – what the time scale there is?

Burkhardt Frick (CEO): I think you're referring to our MaskTrack Smart platform, which is under development. It's on time. The MaskTrack Smart is scheduled to launch at the end of this year and volume next year. So this is progressing well. The MaskTrack Smart bake and develop, we already received the first orders. So we are kind of entering now the phase where we also start close evaluations with customers for the next platform.

Analyst 2: I was just wondering if you can help us quantify the effect of the start-up cost and the mix in product and customer on the gross margin in Advanced Backend Solutions? Like by how much percentage point H1 contributed to the effect?

Burkhardt Frick (CEO): Yes, we can – I mean, as you probably know, product and customer mix effects we always have, and it's different across the customer base and the product base. That is an effect we always face.

What overlapped in this quarter was mainly those investments we have to make into the supply chain for really significantly scaling up our UV scanner capacity in Taiwan, and that is affecting the supply chain and also a lot of training and resource costs. But maybe there's something more to add from finance side.

Dr. Cornelia Ballwießer (CFO): Regarding the mix or the change compared to the fourth quarter, I can say all projects have individual margins and it's a variation and it's normal as photomask positive development is continuing. And Advanced Backend Solutions, yes, there is a negative impact as we prepare to produce by far more UV scanners. Yes, that's it, what I can say regarding the mix.

Analyst 2: So this is expected to continue going into Q2, Q3?

Dr. Cornelia Ballwießer (CFO): Not really.

Analyst 2: Okay. Maybe – so regarding order intake, maybe do you expect an acceleration going forward? Or is it still muted?

Burkhardt Frick (CEO): No, I think the entire industry is cautious right now. So I think it would be foolish to anticipate an acceleration, but we have an order intake, which for the quarter is on a high level, especially since it was depleted by the previous quarter last – by the last quarter of Q4. And we have to see how the whole industry behaves. So I mean, so far, we have lots of leads and projects. And of course, we can only account and book the orders when we receive them. So it's very difficult to predict that. It depends on the overall industry segment.

Analyst 2: Okay. My last question, maybe can you help us quantify the effect of the currency, like based on an increase of \$0.01 dollar to euro, how much does it impact your revenue and profitability? Can you quantify that?

Dr. Cornelia Ballwießer (CFO): Yes. Let's put it this way. We have calculated a scenario if our planned or our assumed currency rate for the U.S. dollar will go up to EUR 1.15. Then we have, as you can see in our presentation, around EUR 42 million in the U.S. dollar in the order intake, it's just EUR 2.5 million, I would say. If you look only to this order intake or order book, we have the EUR 42 million.

Analyst 2: Okay. But correct me if I'm wrong, isn't all your orders in China is in U.S. dollar, so they are also exposed?

Dr. Cornelia Ballwießer (CFO): No. No.

Burkhardt Frick (CEO): I think the majority is in euro. It's of course, U.S. projects, the majority is in U.S. dollar, but that is roughly a 10% portion of our total order book. So the pure dollar exposure is limited just as the direct related U.S. tariff exposure. So therefore, I think it's not as severe as for many other companies.

Analyst 3: Firstly, on the product categories and, let's say, your delivery windows. My understanding is in Photomask, you're essentially sold out for this year. Maybe you could provide us a quick overview on the other product category and also [indiscernible] to maybe collect additional orders and also delivery this year and what that mean in terms of, say, P&L scenario analysis?

Burkhardt Frick (CEO): You're very hard to understand, sorry. There was quite a bad line, but I think I got the gist of it. So you're right, in Photomask, we have longer lead times. So orders we are collecting now, they are definitely for next year delivery. So orders we collect from now onwards.

With a big order book of – we are sold out till towards the end of the year. I think towards the end of the year, I think we can have slots, which – but then, of course, are for next year's deliveries. So there, we are close to be maxed out. For the Backend business, depending on what machines you're talking, lead times are between 4 and 9 months, depending on what type of equipment we are looking at and how many special options are included. Therefore, we would still have slots available if we can collect orders, I would say, until summer time frame.

The orders we have on hand, and I think that's what I also showed by this example calculation are sufficient to support our guidance. I think that's, I think, what's important. And everything else, of course, would be important for 2026, but this is not what we are talking about now.

Analyst 4: So the first one would be regarding order intake dynamics. If you can give us more color or indication how order intake dynamics are in Advanced Backend segment, especially when it comes to UV scanners and bonders and also Photomask segment related to geographies?

And the second question regarding order intake would be, so you were mentioning these pull-forward effects. So orders you expected in Q1 this year already came in and last year. Can you quantify what's the delta you actually expected for beginning of this year and whether they are geared towards UV scanners, bonders or Photomask Solutions?

Burkhardt Frick (CEO): Yes. Let's – Nicole, let's start with the second question first. So I cannot, out of my head now, quantify this exactly, but they're in the double-digit million range what we expected in Q1, which were already placed in Q4 last year. They were distributed across both business units. So there was no preferred unit where we saw a concentration in. Now there, of course – yes, of course, we are glad we got the orders. But of course, if they would have not come in Q4, Q1 order intake would have been higher, and this would have made it even more a record intake.

The first question about the – what was about the mix?

Sven Köpsel (VP Investor Relations): The order momentum in our different segments, especially bonders and UV scanners and also Photomask tools.

Burkhardt Frick (CEO): Yes. Now – and of course, you know this, when we get big orders for big tools, they can make a big difference. So in Q1, we delivered and installed a lot of AI products, but we didn't get

many orders there. This quarter started with AI orders in return. So it really mixes there. There is no – we can't see yet a pattern or something. It's just – it happens and it can easily shift from one quarter to the other. So there's no strong rush there.

On the UV side, the scanner side, we collected a large amount of orders late last year, and we collected more orders in the first quarter, which led to a situation that we are sold out for the entire year, while we are scaling up our capacity significantly. So the – not yet available capacity we are working on now is basically already booked.

Sven Köpsel (VP Investor Relations): And Nicole, you were also asking about the regional split in terms of our order intake. And here, we just can say that order intake also from Chinese customers was quite strong in Q1, representing roughly 1/3 of total order intake. So still a bigger number as some other companies predicted for semi-cap companies. ASML, for example, was talking about roughly 20% future share from Chinese business. But so far, we are still at roughly 1/3.

Analyst 4: All right. Understood. And second one would be regarding gross profit margin. So you're keeping the guidance and expecting an improvement from Q2 onwards. The only thing I just wanted to understand is, isn't it fair to assume increasing costs in the course of the remainder of this year related to the ramp-up in Taiwan as we've already seen this kind of effects in Q1, as mentioned?

Burkhardt Frick (CEO): Yes. I think Q1 were one-off effects, which we don't expect because there were kind of setup costs for increasing scaling up the UV scanner production. A higher load on the rental part comes from the second half of the year, but Cornelia can probably comment on this more.

Dr. Cornelia Ballwießer (CFO): Yes. We expect in the second half of the year around low single-digit amount for the rent or leasing fees. And there are some moving costs, that's the one-offs. But with the trainings to scale up the UV scanner, this – we expect that this goes down.

Analyst 3: So one follow-up on my previous question would be, in the current order book, let's say, what amount of orders is definitely for next year delivery? That would be the first question.

Burkhardt Frick (CEO): I think it's – I give you a range, not to be completely wrong, but it's between EUR 20 million and EUR 25 million.

Analyst 3: Right. That's, I think, pretty precise already. And then one question, I think one concern I've heard a few times as of late was that you might lose market share at Samsung from the temporary bonder side. That conclusion was drawn based on, let's say, some statements from a competitor. Maybe you could comment on the situation there and how you see your customer behaving and whether you see any changes in equipment market share there?

Burkhardt Frick (CEO): I think that memory supplier maker you're referring to is yet in a phase to ramp and is working on the qualification with the big AI chip maker. We have multiple lines installed there, and they are also ready to ramp. But of course, they're not moving with more lines until that capacity they have installed is being fully utilized. I think once that happens, I would also expect that we will see more orders from that end. Currently, we don't see any competitive activity there, at least not that I know of.

Analyst 3: That's clear. And then lastly, I think there has been more positivity around temporary bonding as of late with more orders coming in at competitors. Obviously, you're in a little earlier stage in that context. Still, what are you seeing? How do you – how are your, let's say, qualification processes making progress? And maybe you can give us a general update on that project and on the time line you are currently envisaging? If I said temporary, I was referring to hybrid bonding, sorry.

Burkhardt Frick (CEO): Okay. Yes, that's, I think, what everybody is waiting for. So I think there were some relaxations which might push the introduction of hybrid bonding back, but we have yet to see that. That, of course, will, in return, continue with the qualified records and will extend the lifetime of TCB bonding. And we are not involved in TCB bonding from our end. So I think we have – we are monitoring this very closely. And since we are launching new versions of our die launching new versions of our die-to-wafer bonder very shortly, I think the time is in our favor in that sense.

Analyst 3: Maybe in that context, one last follow-up. How many potential hybrid bonding clients are you currently in contact with roughly?

Burkhardt Frick (CEO): That's a good question. We talk to many because they also like to have alternatives to the other dominating party. I mean it's a number larger than 5 and smaller than 10, I would say.

Analyst 5: Two questions also on bonding, a quick follow-up on hybrid bonding. Do you expect one of these potential customers to enter an evaluation process before the end of this year? Or is that something given that customers are not really rushing to adopt the technology, you would expect for next year?

Burkhardt Frick (CEO): Yes. We are actually shipping a system this year, but that's not to a customer. That's to the evaluation site we have in the U.S. I think we also went public about that. That thing is being set up as we speak, and we will ship this in Q3. A volume customer, we are working on with volume customers also, but they are a bit – they're not in a rush in that sense.

Analyst 5: Yes. Okay. And then on permanent bonding aside from hybrids and temporary bonding, I mean, there have been efforts to scale that business as well. So maybe a quick comment how you view the success you have in that market?

Burkhardt Frick (CEO): Yes. We – of course, we have a very small market share in that. That's also known. So we're kind of fighting our way back in. And here and there, we are making progress, but we are not that yet that we can claim a victory here.

Analyst 5: Okay. Do you expect that to change? Is there something – what would be required maybe from your side, anything required from your side to change that to get a better, bigger breakthrough? Or is that more related to customer decisions?

Burkhardt Frick (CEO): Yes, it's related to customer decisions. As we also discussed earlier, to change a tool of record, unless you have something which is significantly better in cost of ownership or has features

the others don't have, it's very difficult to break in. But that's a declared target that we want to get a bigger share also in the permanent bonding side.

Analyst 5: Okay. So quite happy with the setup you have or with the product you have and need to have new customers with new product lines where you get a better chance to be qualified for production, commercial production?

Burkhardt Frick (CEO): Yes, you can say that.

Analyst 6: On the scanner business, I mean, it looks like compared to the last time you reported that demand seems to have accelerated again. And I was wondering where this is coming from. I mean, if we look at CoWoS capacities for AI chips, then yes, the commentary was rather – yes, it is improving, but it was not really a huge acceleration. Is there anything else beyond the scanner business, beyond AI? I mean, all this 3D packaging topics, et cetera, is something coming from this part. So what is really behind this re-acceleration of demand or further acceleration?

Burkhardt Frick (CEO): Yes, it goes primarily into the CoWoS ramp. And, of course, in the market mixed messages about this, but we see a demand which is factors bigger than in the past. And it can have 2 reasons, either there are more lines being built or we gain market share. You can pick either one.

Analyst 6: Which one would you pick?

Burkhardt Frick (CEO): Honestly, I don't care because I know – but I know seriously. I mean this time I was – I mean we have a competitor there, but we have a system which is really leading in throughput and therefore, cost of ownership because our scanner is a full field scanner. The other solution is a stepper where you have to do stitching. And our system is actually providing a much better economics.

Analyst 6: Got it. Got it. So potentially share gains. And then on the order entry, you mentioned that, yes, there was Q4 some orders being pulled forward. So you said euro double-digits. So let's say, if it's EUR 10 million now in another comment, you said you don't – yes, it would be probably foolish to assume orders accelerating from here given the macro picture or headwinds.

So what is the clean run rate where you would say the orders would stay, let's say, for 1 quarter or 2 flat? Is it EUR 88 million? Or would it be around the EUR 98 million or EUR 100 million? Make sure it's clear.

Burkhardt Frick (CEO): I wish I could answer that question. I mean I think we frequently said often, we have multiple systems ordered at once, and then there might be one month or even a quarter where we don't get for that system an order. So it's – so not – in that sense, it's not predictable. The mix in the end will make it. And of course, we want to have an order intake of definitely above EUR 90 million or EUR 100 million to really keep growing. This is clear.

At the same time, we are shortening lead times. So that means we can deliver faster. So also order we collect in the course of the year, we can deliver the same year. I think that's a major difference compared to past years where we were sold out and we had a huge backlog. So those days are over, so we can react

faster. So it will be more dynamic. And further acceleration, we only see on very short term with this 90-day window, but this is not on new orders. It's more on expediting deliveries.

Analyst 6: Got it. So – but still, is the clean run rate, would you assume is it – if you would be in my place the EUR 88 million or above EUR 90 million? So for Q1 and if you would to assume that as a run rate for the upcoming quarters?

Burkhardt Frick (CEO): It's very difficult to say, to give you a number. I mean, you need to draw your own conclusions. You saw our distribution, and that's also why we provide this granularity that you see how different the quarters can look like. We have now shown 5 quarters in a row where we had order intakes between EUR 80 million and I think EUR 150 million roughly. So it is – it can go up and down. And yes, there might be a concentration to Q4 for various reasons. But I think every time the reasons are slightly different. So it's – there's quite some variance in there.

Analyst 6: Got it. And then last one, on the cleaning equipment, the mid-range and you were talking about during the last quarter. Is that something that could help incrementally this year, particularly since it was designed also to bring some Chinese customers back into the equation to have a better tool in terms of yield or – yes, in terms of yield and production. Is that something that can help for 2025?

Burkhardt Frick (CEO): Obviously, this tool is under development, but we see a huge interest in that tool. So we expect orders this year and especially also out of China for that tool even before it's ready. That will be, of course, only add to the contribution in '26 and onwards.

Analyst 6: Okay. But orders could be in this year, but it sounds like rather towards the year-end than something?

Burkhardt Frick (CEO): Definitely.

Analyst 2: Another question regarding the Photomask Solution. I was really impressed by the EBIT margin expansion. I know that you mentioned that it's due partially to the higher volume. And – but besides this, it was also to the higher margin tools. Do you expect this also going further in 2025? Or was this kind of one-off and product mix is expected to change?

Burkhardt Frick (CEO): It is expected to change because it's – Photomask also very customer dependent. And depending – it's not only the product mix, it's also the customer mix because with some customers, we have very close co-developments. And of course, those systems have a different margin than customers who simply place orders who were not engaged in a co-development.

Operator: Thank you. And in the meantime, we have received no further questions. I'll wait for some more moments if someone is raising their hand. This is not the case. So we, therefore, come to the end of today's earnings call. And thank you very much for joining your shown interest in SUSS MicroTec SE in this lively conversation. Should further questions arise at a later time, please feel free to contact Investor Relations.

A big thank you also to Mr. Frick, Dr. Ballwießer, Dr. Rohe and Mr. Köpsel. I wish you all the best and a lovely remaining day. With this, I hand over to Mr. Köpsel for some final remarks.

Sven Köpsel (VP Investor Relations): Yes. Thank you so much. There's not really anything to add. So just get in touch with us if any questions occur, we are there for you. Have a great afternoon. Bye-bye.

End of the Conference Call