



Interim Report
January 1 – June 30, 2020

KEY FIGURES

<i>in € million</i>	Q2 / 2020	Q2/ 2019	Change	6 Months / 2020	6 Months / 2019	Change
Business Development						
Order entry	93.6	45.0	108.0%	162.6	91.7	77.3%
Order backlog as of June 30				143.1	85.4	67.6%
Total sales	71.6	47.0	52.3%	113.3	94.1	20.4%
Gross profit	23.0	12.0	91.7%	33.2	28.2	17.7%
Gross margin	32.1%	25.5%	6.6%-Points	29.3%	30.0%	-0.7%-Points
Cost of sales	48.6	35.1	38.5%	80.1	65.9	21.5%
Research and Development costs	4.9	5.2	-5.8%	9.9	9.5	4.2%
EBITDA	10.6	-1.5	--	6.8	2.0	480.0%-Points
EBITDA margin	14.8%	-3.2%	18.0%-Points	6.0%	2.1%	3.9%-Points
EBIT	8.8	-2.9	0.0%	3.2	-0.8	
EBIT margin	12.3%	-6.2%	18.5%-Points	2.8%	-0.9%	3.7%-Points
Earnings after tax	5.8	-2.3	--	0.4	-1.9	--
Earnings per share, basic (in €)	0.30	0.12	--	0.02	-0.10	--
Balance sheet and cash flow						
Equity				126.0	138.8	-9.2%
Equity ratio				60.3%	72.0%	-11.7%-Points
Return on equity	4.6%	-1.7%	6.3%-Points	0.3%	-1.4%	1.7%-Points
Balance sheet total				208.9	192.8	8.4%
Net cash**				5.1	6.9	-26.1%
Free cash flow*	25.5	-2.5	--	17.2	-18.9	--
Further key figures						
Investments	4.8	1.5	220.0%	6.1	3.8	60.5%
Investment ratio	6.7%	3.2%	3.5%-Points	5.4%	4.0%	1.3%-Points
Depreciation	1.8	1.4	28.6%	3.6	2.8	28.6%
Employees as of June 30	0	0	0.0%	944.0	910.0	3.7%

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FOREWORD OF THE MANAGEMENT BOARD

Dear Shareholders,

After a subdued development of sales in the first three months of the fiscal year 2020, performance in the second quarter of 2020 was significantly better in terms of order entry and especially sales. However, the continued global spread of the COVID-19 pandemic throughout the first half of the year caused massive disruptions to social and economic life worldwide, which had a corresponding negative impact on the economy. Despite these adverse circumstances, the performance of the semiconductor market remained relatively robust.

In the first half of the year, good order entry and sales were booked not only in our largest division, Lithography, but particularly in the Photomask Equipment division. This was attributable to the currently high demand for cleaning tools for photomasks, which are used in extreme ultraviolet lithography (EUVL). SUSS MicroTec is the only supplier worldwide with the technology and skill to clean photomasks for extreme ultraviolet applications. Also in view of earnings before interest and taxes (EBIT), we recorded a very positive first half of 2020.

These values make us confident that we will reach our upward revised sales and earnings targets for the entire year of 2020.

Worldwide measures to contain the COVID-19 pandemic are currently hindering our ability to make estimates for the current year. After a very strong second quarter, into which a few customers have brought forward orders, we expect a certain easing in order entry for the remainder of the year. We assume that order entry will in total be more than € 90 million in the third and fourth quarters of 2020. Provided that the further development of the COVID-19 pandemic does not worsen and have a corresponding negative impact on the Company, the Company anticipates a sustained positive performance in the second half of 2020. The sales forecast has been raised to a range of € 240–260 million. Under these conditions, the EBIT margin should also improve and range between 3% and 5%.

Garching, August 6, 2020

Dr. Franz Richter
Chief Executive Officer

Oliver Albrecht
Chief Financial Officer

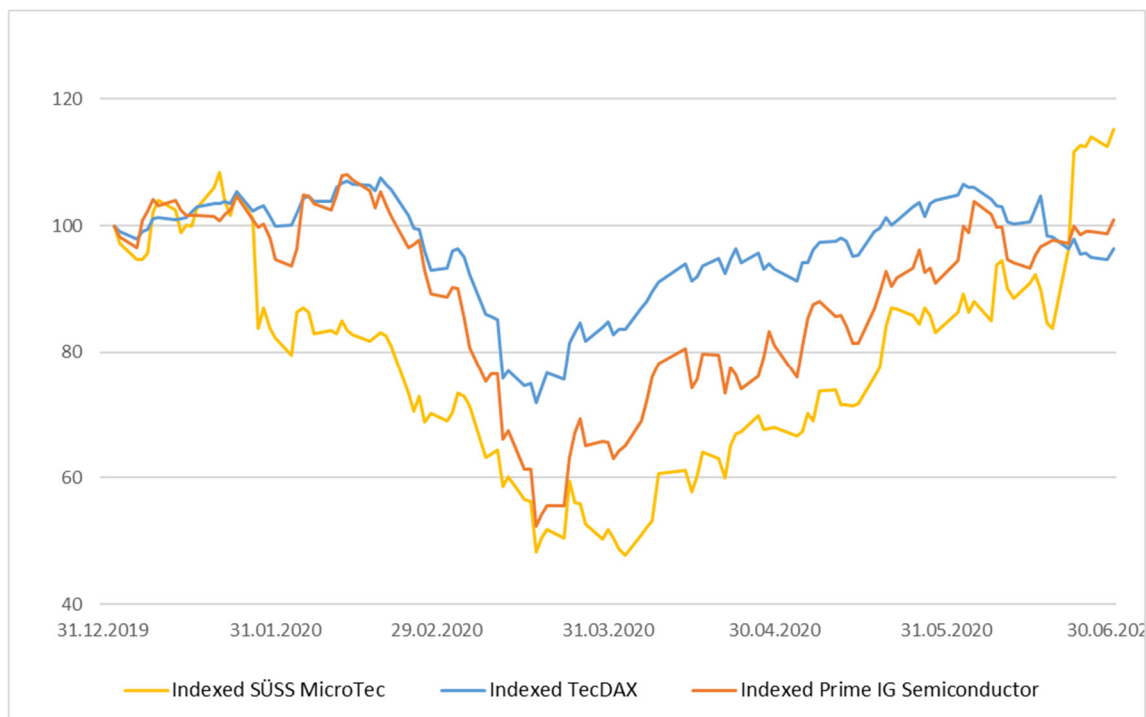
The SUSS MicroTec Share

After an increase in value of the SUSS MicroTec share in the fourth quarter of 2019, the share fell to € 6.50 in the first quarter of 2020 following the publication of preliminary figures in January and with the start of the global economic downturn. This compared to a XETRA closing price of € 12.54 at the beginning of 2020. Over the same period, the TecDAX fell by approximately 15 percent. The performance of the Germany Prime IG/Semiconductor Index, which represents the largest listed German companies in the semiconductor industry including SUSS MicroTec SE, was significantly negative in the period from January to March 2020, displaying a loss of approximately 34 percent on March 31, 2020, compared to the beginning of the year.

After the SUSS MicroTec share reached its low for the year at the beginning of April, it was able to rise significantly over the course of the second quarter. At the end of the first half of the year, the XETRA closing price was € 14.44, which represented a gain of 15% from the beginning of the year. Over the same period, the TecDAX lost approximately 4 percent. By contrast, the Prime IG/Semiconductor Index was able to rise by approximately 1 percent.

The average daily trading volume of SUSS MicroTec shares on the German XETRA stock exchange in the first half of 2020 amounted to approximately 67 thousand shares (previous year: average daily trading volume of approximately 30 thousand shares).

SUSS MicroTec Share Performance in the First Half of 2020



GROUP INTERIM MANAGEMENT REPORT

of SUSS MicroTec SE

OVERVIEW OF BUSINESS DEVELOPMENT

In the first half of the 2020 fiscal year, the Company generated excellent order entry of € 162.6 million. This corresponds to strong growth of 77.3 percent from the previous year (previous year: € 91.7 million). All four divisions have contributed to this very encouraging result with their positive performance despite the coronavirus pandemic.

Taking only the second quarter of 2020 into account, it was possible to achieve an order entry of € 93.6 million (previous year: € 45.0 million). Sales reached € 71.6 million after € 47.0 million in the previous year's quarter. EBIT was positive in the second quarter of 2020 and amounted to € 8.8 million (EBIT margin: 12.3%). In the previous year's quarter, EBIT of € -2.9 million was generated. The good earnings in 2020 stemmed especially from the Photomask Equipment division. This results in earnings per share of € 0.30 in the second quarter of 2020 (previous year's quarter: € 0.12).

Sales of € 113.3 million in the first half of 2020 were significantly above the previous year's level (H1 2019: € 94.1 million). The order backlog as of June 30, 2020 amounted to € 143.1 million (June 30, 2019: € 85.4 million). Consequently, earnings before interest and taxes (EBIT) of € 3.2 million were significantly higher than the € -0.8 million of the previous year. Earnings after taxes (EAT) increased from the previous year to € 0.4 million (previous year: € -1.9 million). The basic earnings per share (EPS) at mid-year amount to € 0.02 (previous year: € -0.10).

Free cash flow at the end of the first half of 2020 totaled € 17.2 million after € -18.9 million as of June 30, 2019. The net liquidity of the SUSS MicroTec Group has improved by approximately € 15.7 million since December 31, 2019 to € 5.1 million. The positive cash development in the first half of 2020 was primarily attributable to positive cash flow from operating activities of € 23.3 million. Compared to the first half of 2019, earnings after taxes improved by € 2.2 to € 0.4 million. In addition, the reduction of trade receivables and the build-up of contractual liabilities contributed to the positive development of cash flow from operating activities. Furthermore, tax refunds of € 5.2 million had a positive impact.

In the first half of 2020, it was possible to record significant growth in order entry in all regions. While the EMEA and North America regions were able to expand by 11.9 percent and 10.2 percent, respectively, the growth in our largest sales region, the Asia-Pacific, achieved an even more significant gain of 120.3 percent. Therefore, the Asia-Pacific region is and remains our largest region in terms of order entry and sales.

Regional sales developed differently in the first half of the year. While sales in the Asia-Pacific and North America regions recorded a significant gain, the EMEA region reported lower sales. Sales declined in the EMEA region as a result of restrained investments, recording a decrease of approximately 21 percent.

BUSINESS DEVELOPMENT IN THE INDIVIDUAL DIVISIONS

Lithography

The Lithography division includes the development, manufacture, and sale of the mask aligner as well as coater and developer product lines. The mask aligner, coater, and developer product lines are manufactured in Germany at the locations in Garching near Munich and Sternenfels.

With the acquisition of SUSS MicroTec Netherlands B.V. (formerly PiXDRO), the inkjet printing business of Meyer Burger, approximately 30 employees were added at the site in Eindhoven (Netherlands). SUSS MicroTec Netherlands B.V. (formerly PiXDRO) produces and distributes semi and fully automated devices for inkjet printing-based coating processes. Through the acquisition of this business, including related patents, SUSS MicroTec will add the option of applying photo resists and dielectric layers by means of this new process to its existing lithography product portfolio in its coater/developer segment.

Lithography		
<i>in € million</i>	6M 2020	6M 2019
Order entry	95.0	41.9
Sales	62.1	51.8
EBIT	0.0	-3.8
Net assets	56.8	72.6

In the first six months of 2020, order entry totaled € 95.0 million after € 41.9 million in the previous year. As a result, order entry in the division more than doubled. The reason for this was in particular strong order entry in the coater and developer product line. Division sales in the first half of 2020 amounted to € 62.1 million after € 51.8 million in the first half of the previous year. This represented growth of approximately 20 percent. The gross profit margin in the division increased from approximately 23 percent to 24 percent. Accordingly, division earnings improved from € -3.8 million to slightly positive earnings. The main reasons for the good development were primarily high-margin sales with mask aligners.

In January 2020, the decision was made to discontinue the UV projection and laser ablation product lines, which were both located at the Corona, USA. Therefore, the gross profit margin and EBIT of the Lithography division were burdened in the first half of 2020 by expenses for the closure of the production site in Corona. Without these closure costs, the Lithography division would have had a gross profit margin of 28 percent and an EBIT of € 4.5 million in the first half of 2020. The closure costs for the site in Corona in the first half of the year totaled € 4.5 million, € 2.0 million of which was disclosed under selling, administrative, and development expenses. By the end of 2020, additional closure costs of approximately € 2.5 - 3.0 million will accrue.

Bonder

The Bonder division comprises the development, production, and sale of the substrate (wafer) bonder product line. Manufacturing is located at our largest site in Sternenfels. Markets addressed by the bonder systems include microelectromechanical systems (MEMS), compound semiconductors, and 3D TSV integration.

Bonder		
<i>in € million</i>	6M 2020	6M 2019
Order entry	23.6	13.5
Sales	9.2	12.9
EBIT	-2.0	0.6
Net assets	18.1	18.4

Order entry in the Bonder division amounted to € 23.6 million in the first half of 2020, thereby increasing by 75 percent compared to the previous year. This good development was primarily attributable to good order entry with temporary bonding systems. However, sales declined, reaching € 9.2 million in the first half of 2020 after € 12.9 million in the previous year. The gross profit margin amounted to approximately 22 percent after 41 percent in the previous year. EBIT amounted to minus € 2.0 million after € 0.6 million in the previous year. The deterioration in earnings was primarily attributable to the lack of fixed-cost coverage due to lower sales, which resulted from the delay of orders with good margins until the third quarter.

Photomask Equipment

The Photomask Equipment division, which is located at the Sternenfels site, comprises the development, manufacture, and sale of specialized tools for the cleaning and processing of photomasks for the semiconductor industry. The semiconductor industry is among the markets addressed by the Photomask Equipment division. SUSS MicroTec is active here on the front end.

Photomask Equipment		
<i>in € million</i>	6M 2020	6M 2019
Order entry	32.3	25.4
Sales	30.6	19.0
EBIT	9.4	3.3
Net assets	26.6	12.7

In the first half of 2020, the Photomask Equipment division again recorded very good order entry of € 32.3 million (previous year: € 25.4 million). Division sales were also encouraging at € 30.6 million, compared to € 19.0 million a year earlier. The gross profit margin rose from 33 percent to 42 percent. Division earnings improved significantly from € 3.3 million to € 9.4 million. This significant increase was supported by the settlement of a large-volume order with a very good margin.

Since order entry and sales in this division are usually comprised of a few large individual orders, significant fluctuations in order entry, sales, and therefore earnings are possible over the course of the year.

Microoptics

The Microoptics division includes the activities of the SUSS MicroTec subsidiary SUSS MicroOptics at the Hauterive location in Switzerland. The production and sales of microlenses and highly-specialized optics for a variety of industrial applications are housed here.

Microoptics		
<i>in € million</i>	6M 2020	6M 2019
Order entry	11.6	10.9
Sales	11.3	10.1
EBIT	0.1	1.7
Net assets	17.4	14.4

Order entry in this division increased slightly again and amounted to € 11.6 million (previous year: € 10.9 million) in the first two quarters of 2020. Sales also increased slightly from the previous year to € 11.3 million (previous year: € 10.1 million). The gross profit margin amounted to approximately 28 percent after 40 percent in the previous year. Division earnings totaled € 0.1 million after € 1.7 million in the previous year. Partially as a result of the coronavirus pandemic, particularly in the Automotive segment, it was not possible to achieve the sales targets for the first half of 2020. The Company had to report reduced working hours in the first and second quarters. Quality concerns with a key supplier, which has been replaced in the interim, had an additional negative impact on earnings. Development activities in order to obtain new orders in the automotive segment also weighed on earnings.

Others

The Others division mainly comprises costs for central Group functions that cannot be attributed to the main divisions of SUSS MicroTec SE. The central Group functions made a negative contribution to earnings of € -4.4 million (previous year: € -2.6 million).

GROSS PROFIT

In the first half of 2020, the entire gross profit of all product lines amounted to € 33.2 million after € 28.2 million in the first half of the previous fiscal year. The average gross profit margin decreased slightly from 30 percent in the comparable period of the previous year to 29 percent. While the gross profit margins in the Bonder and Microoptics divisions declined in the first half of 2020, it was possible to achieve strong margins in the Photomask Equipment division. In the process, the gross profit margin rose from 33 percent to 42 percent. Although closure costs for the Corona production site reduced the gross profit in the first half of 2020 by approximately € 2.5 million, the gross profit margin in the Lithography division increased from 23 percent to 24 percent. The absolute gross profit in this division rose from € 11.8 million to € 15.1 million.

OTHER EXPENSES AND INCOME

Administration costs of the Company increased in the first half of 2020, totaling € 9.9 million (first half of 2019: € 8.8 million). The increase resulted in part from a growth-driven rise in personnel expenses in the administrative area. In addition, there was a temporary increase in consulting expenses related to projects in the first half of 2020.

The selling costs declined slightly to € 10.0 million (first half of 2019: € 10.3 million).

Research and development costs increased further to € 9.9 million after € 9.5 million in the comparable period of the previous year. The increase resulted primarily from intensified activities in the Photomask Equipment division, where we have continuously expanded our development activities in the EUVL area in the first half of 2020.

In the Lithography division, the development of an automatic nano-imprint cluster remained the focus of development for the mask aligner product line. In the coater/developer product line, work continued on a new 300mm system platform as well as the integration of ink jet technology into the existing tool platforms.

In the Bonder division, activities focused on the completion of hybrid and fusion bonding modules as well as the continuous improvement of post-bond alignment precision for 200mm and 300mm applications.

As already in the previous year, the Microoptics division has focused intensively on development activities in the automotive segment.

Other operating income totaled € 1.1 million after € 0.6 million in the first half of 2019. Of that amount, € 0.6 million related to foreign currency gains (first half of 2019: € 0.4 million).

Other operating expenses of € 1.4 million included foreign currency losses of € 1.2 million. In the first half of the previous year, other operating expenses amounted to € 1.1 million.

FINANCIAL RESULT AND TAXES

The financial result in the first half of 2020 amounted to € -0.3 million (previous year: € -0.1 million), reflecting interest income and expenses. The increase in interest expense compared to the first half of 2019 resulted primarily from short-term withdrawals from the credit line amounting to € 40 million within the syndicated loan agreement concluded in October 2019 as well as a debt-related higher interest margin.

In the first half of 2020, tax expenses of € 2.5 million were recorded for EBT of € 2.9 million. This relatively high tax rate was essentially due to the fact that it was not possible to recognize deferred tax assets for the losses incurred by foreign subsidiaries in the USA. However, the German companies continued to make net positive contributions to earnings, for which corresponding tax expenses were recognized.

FINANCIAL POSITION

The SUSS MicroTec Group's net cash position – the balance from cash and cash equivalents, interest-bearing securities, and financial liabilities – improved by approximately € 15.7 million when compared with December 31, 2019, to € 5.1 million.

Free cash flow of € 17.2 million was positive in the first half of the year. The reason for this was the positive cash flow from operating activities of € 23.3 million. However, investments led to a negative cash flow from investing activities, which amounted to € -6.1 million in the first half of 2020. In the first half of 2019, free cash flow was by comparison nevertheless negative at € -18.9 million.

In the first half of 2020, cash flow from operating activities totaled € 23.3 million. Compared to the first half of 2019, earnings after taxes improved by € 2.2 to € 0.4 million. Another important driver for the positive development of cash flow from operations was the reduction of trade receivables as well as the build-up of contractual liabilities. In addition, tax refunds of € 5.2 million had a positive impact on the liquidity situation. Assets and liabilities obtained as a result of the acquisition of SUSS MicroTec Netherlands B.V. (formerly PiXDRO) were completely disclosed in cash flow from investing activities. Because of the purchase price allocation, reconciling changes in items in the statement of financial position with corresponding operating cash flow items is possible only to a limited extent.

Cash flow from investing activities totaled € -6.1 million. Worth citing here as reasons for the rapidly growing Microoptics division are in particular the acquisition of SUSS MicroTec Netherlands B.V. (formerly PiXDRO) as well as investments made in additional clean room capacities by SUSS MicroOptics (Switzerland) for the strong growing division Microoptics .

Cash flow from financing activities amounted to € -10.9 million, reflecting in part the scheduled repayment of the bank loan of € 0.5 million that served to finance the property in Garching (loan balance as of June 30, 2020: € 1.0 million). The Group was also able to repay total short-time bank liabilities of € 9.0 million. Furthermore, a total of € 1.4 million was spent to repay rental and lease liabilities.

Besides cash and cash equivalents of € 16.5 million (December 31, 2019: € 10.3 million), the Group had a credit line of € 40 million as of the half-year reporting date for cash drawdowns, but none occurred as of June 30, 2020. Of the existing guarantee line of € 16 million, a total of € 3.6 million was utilized as of June 30, 2020, relating primarily to down payment guarantees for customer down payments.

ASSETS POSITION

Noncurrent assets totaled € 61.6 million as of the half-year reporting date and were thus approximately € 6.5 million higher than on December 31, 2019. This primarily involves the increase in goodwill from the acquisition of SUSS MicroTec Netherlands B.V. (formerly PiXDRO) as well as the increase in deferred tax assets related to the reporting date, which primarily concern the loss carryforward from 2019.

Current assets of the Group rose by € 2.6 million from € 144.8 million (December 31, 2019) to € 147.4 million as of the half-year reporting date 2020.

The disclosed amount of inventories as of June 30, 2020 has increased by € 3.3 million since December 31, 2019 to € 78.4 million. The increase resulted primarily from the reporting date-related increase in unfinished goods by € 4.1 million, while the value adjustment for demonstration equipment increased by € 1.3 million.

Trade receivables decreased by € 7.0 million since December 31, 2019 and amounted to € 12.0 million as of mid-year. Contractual assets increased by € 3.3 million, amounting to € 34.5 million as of mid-year.

The positive cash flow generated in the first half of 2020 led to an increase in the level of cash and cash equivalents, which amounted to € 16.5 million as of June 30, 2020 (after € 10.3 million as of December 31, 2019).

The shareholders' equity of the SUSS MicroTec Group has grown since December 31, 2019, by € 0.6 million to € 126.0 million. However, given the € 9.0 million increase in total assets, the equity ratio has decreased from 62.7 percent to 60.3 percent.

Additional details about the development of consolidated equity are presented in the consolidated statement of shareholders' equity.

Noncurrent liabilities increased from € 24.5 million to € 29.6 million. The increase resulted primarily from the reporting date-related increase in deferred tax liabilities by € 4.8 million. This latter increase was primarily attributable to temporary differences between recognized values in accordance with IFRS and the tax statements of financial position of the German companies caused by earlier revenue recognition under IFRS 15.

In the first half of 2020, current liabilities increased by € 3.3 million to € 53.3 million. This was primarily attributable to the reporting date-related increase in contractual liabilities, which rose by € 13.0 million to € 22.3 million. In exchange, short-term financial debt to banks was reduced by € 9.5 million to € 0.9 million.

GROUP EMPLOYEES

As of June 30, 2020, the Group had 944 employees within the individual companies (June 30, 2019: 910 employees).

POTENTIAL

OPPORTUNITIES AND RISKS FOR THE FUTURE DEVELOPMENT OF THE SUSS MICROTEC GROUP

The goal of our opportunity and risk management is to maintain and increase the enterprise value of the SUSS MicroTec Group. Our corporate goals include the early and successful detection of opportunities, the identification and suitable assessment of the related risks, and an appropriate response. The diverse opportunities for our Group result from technology leadership in our businesses, our broad spectrum of products and solutions for the semiconductor equipment industry, collaborations with international customers and research institutes, and our global positioning.

We define opportunities and risks as follows:

- Opportunities are possible future developments or events that can lead to a deviation from forecasts or targets that is positive for the Group.
- Under risks, we understand possible future developments or events that can lead to a deviation from forecasts or targets that is negative for the Group.

The analysis and assessment of opportunities and risks for the Group is the subject of continuous deliberations by the Management Board and the management of the Group. On the basis of an opportunity-oriented but simultaneously risk-conscious management, however, the Company's fundamental goal is not to avoid all potential risks. Instead, it constantly aims to achieve an optimum level of risk avoidance, risk reduction, and the controlled acceptance of risk. An awareness of risks should not interfere with the ability to identify opportunities and to use them for the benefit of the Company and its shareholders.

The risk management system has long been a component of corporate management for the purpose of recognizing and controlling risks, and for meeting legal requirements. For a detailed discussion of the functioning of the risk management system, the related risk assessment, and resulting risk management, we refer to the 2019 Annual Report.

Macroeconomic, Strategic Corporate, and Sector and Market-Specific Opportunities and Risks

In the last Annual Report, we described in detail in the Risk Report the opportunities and risks that we see for our Group in the macroeconomic environment, in the context of strategic corporate decisions, and in our sector and market environment. The possible negative impact of the COVID-19 pandemic was discussed as one of the key risks. So far we have remained spared from disruptions and any major negative impact on earnings thanks to the precautionary measures we have taken. Nevertheless, the risk remains that the pandemic could spread widely again. Otherwise, there were no substantial changes to the outlined risks and opportunities or our assessment in the first half of the current fiscal year.

Operational Opportunities and Risks

In the 2019 Annual Report, we cited as operational opportunities the strong market position of our mask aligner and coater/developer product lines, with which we achieve constant sales in the lithography segment and maintain a consistent workload at its Garching and Sternenfels

production sites. Given the purchase of SUSS MicroTec Netherlands B.V. (formerly PiXDRO), we also assume that we will be able to gain additional customers in this division as a result of the newly acquired technology.

Despite a loss in the Bonder division in the 2019 fiscal year, we have reported about the positive outlook and opportunities for this division. This expectation is underpinned by high order entry in the first half of 2020. We expect a further expansion of our market position to coincide with margin improvement in this division.

In the Photomask Equipment division, we presented our solidified market position and the high sales and margins that can be achieved with few individual orders.

In the Microoptics division, we see additional growth potential in the automotive segment.

In the first half of 2020, there were no substantial changes to the outlined opportunities and our assessment.

In the 2019 Annual Report, we discussed in detail our position on the operational risks that could have a negative impact on the business performance of the SUSS MicroTec Group. The material risks that we identified involved the conceivable loss of market share for mask aligners and coaters/developers. In the first half of 2020, nothing changed in the fundamental risk structure or our assessment of these specified risks.

With the closure of production in Corona, which was resolved in January 2020, the high annual cash outflows for the loss-making scanner and laser product lines will be reduced from 2020 and end from 2021. The closure costs for the Corona site totaled € 4.5 million in the first half of the year. By the end of 2020, additional closure costs of approximately € 2.5 - 3.0 million will accrue. Through further measures to optimize production in Garching and Sternenfels, we envisage significantly improved margins in our Lithography core business for 2020. The Group's earnings improvement in the second quarter of 2020 is primarily attributable to the significant contribution to earnings of the Photomask Equipment division.

Development-Specific Opportunities and Risks

In the 2019 Annual Report, we discussed our intention to further expand development activities for our product lines and to focus on the development of new and innovative platforms for our mask aligner and coater/ developer product lines, as well as to continuously expand the EUVL applications in the Photomask Equipment segment. In the first half of 2020, we systematically implemented these plans. As a result, development expenses increase in the first two quarters of 2020 compared with the corresponding period of the previous year.

In last year's Annual Report, we described development-specific risks involving our product policy and customer satisfaction. Material risks could result if our ability to innovate turns out to be inadequate or if our development projects fall short of their goals. In addition, a possible loss of market leadership in individual areas could present a material risk for our sales development. These risks remain unchanged in 2020.

Financial Opportunities and Risks

In the second quarter of 2019, SUSS MicroTec SE took out a promotional loan for € 5 million with IKB. The loan has a term of 10 years and was disbursed in April 2019. In addition, a loan at IKB that serves to finance the business property in Garching remains in place. As of June 30, 2020, this loan had a carrying amount of € 1.0 million.

In October 2019, SUSS MicroTec SE concluded a syndicated loan agreement with four banks (Deutsche Bank, LBBW, Commerzbank, and BECM) for a total of € 56 million. Under this syndicated loan agreement with a term of five years, SUSS MicroTec SE has been granted a € 40 million credit line for cash drawdowns as well as a guarantee line of € 16 million. As of June 30, 2020, an amount of € 3.6 million has utilized in the form of guarantees under this agreement. The conclusion of the syndicated loan agreement will safeguard the financing of the SUSS MicroTec Group over the upcoming months and years. We therefore consider any potential financing risk to be very low. Nonetheless, we aim to keep the Company's ratio of borrowed capital at a low level through corresponding cash flows, also by optimizing its working capital.

Other Opportunities and Risks

In the 2019 Annual Report, we discussed in detail employee-specific and financial opportunities and risks as well as information technology risks. There were no significant changes in our assessment of these opportunities and risks in the first half of 2020.

Risk Management System

The risk management system described in the 2019 Annual Report continued to be used in the first half of 2020.

SUBSEQUENT EVENTS

No material events requiring disclosure occurred after the end of the interim reporting period.

Report on Material Transactions with Related Parties

In the first half of 2020, there were no material transactions with related parties subject to the disclosure requirements of IAS 24.

FORECAST REPORT

The business environment in which SUSS MicroTec SE operates is influenced by regional and global economic conditions as well as industry developments. The following forecast report provides an explanation of factors that both the Company and leading market and industry observers regard as essential for the development of the Company.

ECONOMIC OUTLOOK IN GERMANY AND THE WORLD

According to a special report issued by the ifo Institute in Munich on July 1, 2020, the coronavirus has turned the global economy completely upside down. After a tangible revival of the economy was observed at the end of 2019, the economy collapsed worldwide in the first quarter of 2020. The origin was China, where initial infections with the coronavirus occurred as early as December 2019. Based on the already available monthly figures, an historically unprecedented collapse of global economic activity is expected in the second quarter. The further performance of the economy depends decisively on the underlying course of the pandemic. The ifo forecast assumes that there will not be a second outbreak of the virus. Overall, worldwide gross domestic product is expected to fall by 4.8% this year and grow by 6.3% in 2021 (ifo forecast of July 1, 2020).

The coronavirus pandemic and the measures taken to stem it have also plunged the German economy into a deep recession. Following a decline of 2.2% in the first quarter of 2020, the country's gross domestic product could shrink by an estimated additional 11.9% in the second quarter of the year. In the interim, as a result of the dramatic drop in new infection statistics, the shutdown measures have been relaxed or even entirely lifted for many economic sectors. Consequently, it is considered certain that the economic slump has been stopped and a recovery in economic activity will ensue. Nevertheless, the average economic performance this year is expected to be 6.7% lower than in 2019. The average gross domestic product in 2021 should then grow again by 6.4%.

INDUSTRY-SPECIFIC DEVELOPMENT

According to the SEMI industry association, the semiconductor equipment sector recorded a decline of 13% in the first quarter of 2020 from the very good fourth quarter of 2019, which, however, simultaneously meant growth of 13% compared to the previous year's quarter. In its estimates as of July 21, 2020, SEMI expects growth in the semiconductor equipment sector (original equipment manufacturers) of approximately 6% to a volume of US\$ 63.2 billion for 2020; in 2021 additional growth of approximately US\$ 70 billion is anticipated. The primary drivers are renewed rising demand for storage media as well as large investments in leading-edge technologies in China.

From a regional perspective, China, Taiwan and Korea will again make the largest investments. In this context, China is expected to be the largest investor in the semiconductor sector in 2020. Investments in equipment for foundries and in the memory sector are the reason for this.

The market for microelectromechanical systems (MEMS), one of our most dynamic target markets, will also perform very well in the future, according to the Yole Développement market research institute. In the years from 2018 to 2024, the market is expected to expand from approximately US\$ 48 billion to US\$ 93 billion. The drivers of this growth include issues such as autonomous driving, augmented reality, artificial intelligence, mobile data connections, and medical technology. According to Yole, consumer electronics currently remains the largest application area of MEMS sensors.

In another special area for SUSS MicroTec, “assembly and packaging,” SEMI expects growth of approximately 10% in 2020 and additional strong growth of approximately 8% in 2021. The growth is based essentially on increased capacity in the area of advanced packaging, in which SUSS MicroTec plays a leading role with its lithographic solutions and bonders.

EUV lithography in patterns in the 7nm range as well as the increasing complexity of production processes at the front end of the semiconductor industry could present future growth opportunities for our photomask equipment market niche. For the EUV lithography market, the analysis institute Research and Markets forecasts a growth rate of 28 percent until 2023 combined with a market volume of US\$ 10.3 billion. The development of defect-free photomasks is among the biggest technology drivers of the EUV lithography market. SUSS MicroTec operates in this sector with its machines for cleaning photomasks and was again able to record increasing order entry in the first half of 2020.

STATEMENT ON THE PROJECTED DEVELOPMENT OF THE GROUP

Worldwide measures to contain the COVID-19 pandemic are currently hindering our ability to make estimates for the current year. After a very strong second quarter, into which a few customers have brought forward orders, we expect a certain easing in order entry for the remainder of the year. We assume that order entry will in total be more than € 90 million in the third and fourth quarters of 2020. Provided that the further development of the COVID-19 pandemic does not worsen and have a correspondingly negative impact on the Company, the Company anticipates a sustained positive performance in the second half of 2020. The sales forecast has been raised to a range of EUR 240 - 260 million. Under these conditions, the EBIT margin should also improve and range from 3% to 5%.

FORWARD-LOOKING STATEMENTS

This Interim Report contains information and forecasts that refer to the future developments of the SUSS MicroTec Group and its companies. The forecasts are assessments that the Company has made based on all of the information available to it at the present time. Should the assumptions on which these forecasts are based not occur or the risks – as addressed in the risk report – arise, the actual results may deviate from those currently expected.

Garching, Germany, August 06, 2020

Dr. Franz Richter
Chief Executive Officer

Oliver Albrecht
Chief Financial Officer

CONSOLIDATED STATEMENT OF INCOME (IFRS)

<i>in € thousand</i>	01.04.2020 - 30.06.2020	01.04.2019 - 30.06.2019	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Sales	71,591	46,980	113,319	94,070
Cost of sales	-48,578	-35,030	-80,108	-65,876
Gross profit	23,013	11,950	33,211	28,194
Selling costs	-4,693	-5,274	-9,978	-10,278
Research and development costs	-4,848	-5,198	-9,865	-9,458
Administration costs	-4,873	-4,505	-9,888	-8,773
Other operating income	677	326	1,093	608
Other operating expenses	-499	-204	-1,385	-1,067
Analysis of net income from operations (EBIT):				
EBITDA (Earnings before Interest and Taxes, Depreciation and Amortization)	10,556	-1,493	6,770	2,041
Depreciation and amortization of tangible assets, intangible assets and investments in subsidiaries	-1,779	-1,412	-3,582	-2,815
Net income from operations (EBIT)	8,777	-2,905	3,188	-774
Financial income	1	3	3	9
Financial expense	-175	-62	-322	-110
Financial result	-174	-59	-319	-101
Profit / loss from continuing operations before taxes	8,603	-2,964	2,869	-875
Income taxes	-2,858	651	-2,511	-1,003
Profit / loss from continuing operations	5,745	-2,313	358	-1,878
Thereof equity holders of SUSS MicroTec	5,745	-2,313	358	-1,878
Thereof non-controlling interests	0	0	0	0
Earnings per share (basic)				
Earnings per share in €	0.30	-0.12	0.02	-0.10
Earnings per share (diluted)				
Earnings per share in €	0.30	-0.12	0.02	-0.10

STATEMENT OF COMPREHENSIVE INCOME (IFRS)

<i>in € thousand</i>	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Net profit / loss	358	-1,878
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	286	248
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	286	248
Total income and expenses recognized in equity	286	248
Total income and expenses reported in the reporting period	644	-1,630
Thereof equity holders of SUSS MicroTec SE	644	-1,630
Thereof non-controlling interests	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

<i>in € thousand</i>	30.06.2020	31.12.2019
Assets		
NON-CURRENT ASSETS	61,572	55,109
Intangible assets	4,658	4,153
Goodwill	18,297	15,707
Tangible assets	33,920	33,905
Other assets	965	568
Deferred tax assets	3,732	776
CURRENT ASSETS	147,364	144,789
Inventories	78,372	75,047
Trade receivables	11,951	18,992
Contract assets	34,491	31,182
Other financial assets	653	366
Securities	0	0
Current tax assets	307	4,708
Cash and cash equivalents	16,505	10,280
Other assets	5,085	4,214
TOTAL ASSETS	208,936	199,898

<i>in € thousand</i>	30.06.2020	31.12.2019
Liabilities & shareholders' equity		
Equity	126,032	125,388
Total equity attributable to shareholders of SUSS MicroTec SE	126,032	125,388
Subscribed capital	19,116	19,116
Reserves	106,964	106,606
Accumulated other comprehensive income	-48	-334
NON-CURRENT LIABILITIES	29,591	24,468
Pension plans and similar commitments	6,407	6,037
Financial debt	10,469	10,500
Financial debt from lease obligations	4,646	4,638
Deferred tax liabilities	8,069	3,293
CURRENT LIABILITIES	53,313	50,042
Provisions	4,237	4,198
Tax liabilities	52	702
Financial debt	907	10,399
Financial debt from lease obligations	1,950	2,751
Other financial liabilities	5,338	6,773
Trade payables	10,812	10,013
Contract liabilities	22,334	9,346
Other liabilities	7,683	5,860
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	208,936	199,898

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

<i>in € thousand</i>	01.01.2020 - 30.06.2020	01.01.2019 - 30.06.2019
Disbursements for other tangible assets	-2,522	-3,431
Disbursements for intangible assets	-291	-348
Purchases of current available-for-sale securities	-3,280	0
Cash flow from investing activities	-6,093	-3,779
Repayment of bank loans	-9,523	-500
Increase of bank loans	0	5,000
Repayment of leasing liabilities	-1,413	-406
Change in other financial debt	0	0
Cash flow from financing activities	-10,936	4,094
Adjustments to funds caused by exchange-rate fluctuations	2	7
Change in cash and cash equivalents	6,225	-14,772
Funds at beginning of the year	10,280	30,672
Funds at end of the period	16,505	15,900
Cash flow from operating activities includes:		
Interest paid during the period	151	55
Interest received during period	3	8
Tax paid during the period	1,630	3,308
Tax refunds during the period	5,230	0

STATEMENT OF CHANGES IN 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	Deferred taxes	Deferred taxes	
As of January 01, 2019	19,116	71,547	202	51,118	-3,290	751	991	140,435
Net income / loss	-	-	-	1,878	-	-	-	1,878
Total income and expenses recognized in equity	-	-	-	-	-	-	248	248
Total comprehensive income / loss	-	-	-	1,878	-	-	248	1,630
As of June 30, 2019	19,116	71,547	202	49,240	-3,290	751	1,239	138,805
As of January 01, 2020	19,116	55,822	202	50,582	-3,610	941	2,335	125,388
Net income / loss	-	-	-	358	-	-	-	358
Total income and expenses recognized in equity	-	-	-	-	-	-	286	286
Total comprehensive income / loss	-	-	-	358	-	-	286	644
As of June 30, 2020	19,116	55,822	202	50,940	-3,610	941	2,621	126,032

SEGMENT REPORTING (IFRS)

	Lithography		Substrate Bonder		Photomask Equipment		MicroOptics		Other		Consolidation effects		Total	
	6M / 2020	6M / 2019	6M / 2020	6M / 2019	6M / 2020	6M / 2019	6M / 2020	6M / 2019	6M / 2020	6M / 2019	6M / 2020	6M / 2019	6M / 2020	6M / 2019
<i>in € thousand</i>														
External Sales	62,064	51,761	9,232	12,892	30,588	19,044	11,315	10,126	120	247	-	-	113,319	94,070
Internal Sales	-	-	-	-	-	-	-	-	5,388	4,387	-	4,387	-	-
Total Sales	62,064	51,761	9,232	12,892	30,588	19,044	11,315	10,126	5,508	4,634	-	4,387	113,319	94,070
Result per segment (EBIT)	34	3,794	1,976	624	9,434	3,276	91	1,739	4,395	2,619	-	-	3,188	774
Income before taxes	9	3,812	1,987	609	9,424	3,275	83	1,737	4,660	2,684	-	-	2,869	875
Significant non-cash items	2,464	2,753	153	331	550	52	334	47	-	-	-	-	2,527	3,089
Segment assets	88,632	91,683	21,758	24,024	33,574	19,731	20,430	16,804	17,294	18,158	-	-	181,688	170,400
thereof goodwill	18,297	15,678	-	-	-	-	-	-	-	-	-	-	18,297	15,678
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	27,248	22,357
Total assets	-	31,806	-	19,053	-	6,999	-	2,993	-	1,800	-	-	208,936	192,757
Segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	1,687	1,222	133	170	92	40	1,085	698	585	685	-	-	3,582	2,815
thereof scheduled	1,687	1,222	133	170	92	40	1,085	698	585	685	-	-	3,582	2,815
thereof impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure	3,850	1,285	120	216	237	64	1,570	1,002	316	1,212	-	-	6,093	3,779
Workforce at June 30	577	557	97	100	146	137	94	84	30	32	-	-	944	910

Segment information by region

<i>in € thousand</i>	Sales		Capital expenditure		Assets (without Goodwill)	
	6M / 2020	6M / 2019	6M / 2020	6M / 2019	6M / 2020	6M / 2019
EMEA	19,290	24,406	5,461	3,351	150,976	132,311
North-America	11,780	6,762	-	406	3,832	17,468
Asia and Pacific	82,249	62,902	632	22	8,619	5,368
Consolidation effects	-	-	-	-	36	425
Total	113,319	94,070	6,093	3,779	163,391	154,722

SELECTED EXPLANATORY NOTES TO THE INTERIM REPORT AS OF JUNE 30, 2020

(1) GENERAL ACCOUNTING POLICIES

The consolidated financial statements of SUSS MicroTec SE as of December 31, 2019, were prepared in accordance with the International Financial Reporting Standards (IFRS) applied by the International Accounting Standards Board (IASB) as of the closing date. The consolidated interim financial statements as of June 30, 2020, which were prepared on the basis of International Accounting Standards (IAS) 34 “Interim Financial Reporting,” do not contain all of the necessary information as required for the preparation of the Annual Report and should be read in conjunction with the consolidated financial statements of SUSS MicroTec SE as of December 31, 2019.

In the interim financial statements as of June 30, 2020, the same accounting methods were applied as in the consolidated financial statements for the 2019 fiscal year. All of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) in effect as of June 30, 2020, have been applied. For additional information about specific accounting and measurement methods, please see the consolidated financial statements of SUSS MicroTec SE as of December 31, 2019.

The Group auditor has neither audited nor reviewed the interim financial statements.

(2) CHANGES IN THE SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of SUSS MicroTec SE and of all material companies over which, independent of the level of its participatory investment, the proprietary company can exercise control (i.e., the control principle).

Compared with the consolidated financial statements as of December 31, 2019, changes to the scope of consolidation were as described below.

With the purchase agreement of December 19, 2019, SUSS MicroTec SE has acquired 100% of the shares of SUSS MicroTec Netherlands B.V. (formerly PiXDRO), with headquarters in Eindhoven, Netherlands. SUSS MicroTec Netherlands B.V. (formerly PiXDRO) emerged from the divestment of Meyer Burger Netherlands B.V. as part of the transaction. The valuation date is based on the time of assumption of control in accordance with IFRS 3.9. Therefore, March 31, 2020 was set as the reporting date for initial consolidation and purchase price allocation. In the process, a purchase price allocation was carried out for the essential acquired intangible and tangible assets as well as liabilities. In addition, the previously unrecognized internally generated intangible assets and liabilities were recognized.

(3) MANDATORY DISCLOSURES

In January 2020, the decision was made to discontinue the UV projection and laser ablation product lines, which were both located at the Corona, USA site. As a result, EBIT in the first half of 2020 is burdened by expenses of € 4.5 million for the closure of the Corona production site. Of this amount, € 2.5 million was disclosed under gross profit and € 2.0 million was disclosed under selling, administrative, and development expenses. By the end of 2020, additional closure costs of approximately € 2.5 - 3.0 million will accrue.

However, the continued global spread of the COVID-19 pandemic throughout the first half of the year 2020 caused massive disruptions to social and economic life worldwide, which had a corresponding negative impact on the economy. So far SUSS MicroTec has remained spared from significant disruptions and any major negative impact on earnings from COVID-19 thanks to the precautionary measures it has taken.

Other significant issues influencing assets, liabilities, shareholders' equity, the result for the period, or cash flows and unusual in terms of their nature, magnitude, or frequency did not arise during the interim reporting period.

(4) CHANGES IN PRESENTATION

The presentation of the consolidated financial statements of SUSS MicroTec SE as of June 30, 2020, is analogous to the presentation as of December 31, 2019.

(5) CHANGES IN ESTIMATES

There are no changes requiring disclosure that would have a material impact on the current interim reporting period.

(6) BONDS AND EQUITY SECURITIES

During the reporting period, no issuances, repurchases, or repayments occurred involving either bonds or other equity securities.

(7) DIVIDENDS PAID

During the reporting period, no dividend was distributed nor was such a distribution proposed.

(8) SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

No material events occurred after the end of the interim reporting period.

(9) CONTINGENT LIABILITIES AND RECEIVABLES

There are no contingent receivables. With the application of IFRS 16, contingent liabilities in the form of rent or lease liabilities have been recognized as financial liabilities since 2019.

(10) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period (net of minority interests) by the average number of shares. In order to calculate diluted earnings per share, the profit or loss for the period attributable to shareholders (net of minority interests) and the weighted average of outstanding shares are adjusted for the impact of all potential dilutive shares.

The following table shows the calculation of the basic and diluted earnings per share:

<i>in € thousand</i>	6M 2020	6M 2019
Profit/loss, which accrues to shareholder SÜSS MicroTec SE	358	-1,878
Weighted average number of outstanding shares	19,115,538	19,115,538
Effect of the (potential) exercise of stock options (number of options)	0	0
Adjusted weighted average number of outstanding shares	19,115,538	19,115,538
Earnings per share in € - basic	0.02	-0.10
Earnings per share in € - deluted	0.02	-0.10

RESPONSIBILITY STATEMENT BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, we assure that in accordance with applicable accounting principles for interim reporting, the consolidated interim financial statements convey an accurate view of the net assets, financial position, and results of operations of the Group and that the Interim Management Report conveys an accurate view of the business performance, including the earnings and condition of the Company, and describes the essential opportunities and risks for the Group's future development in the remainder of the fiscal year.

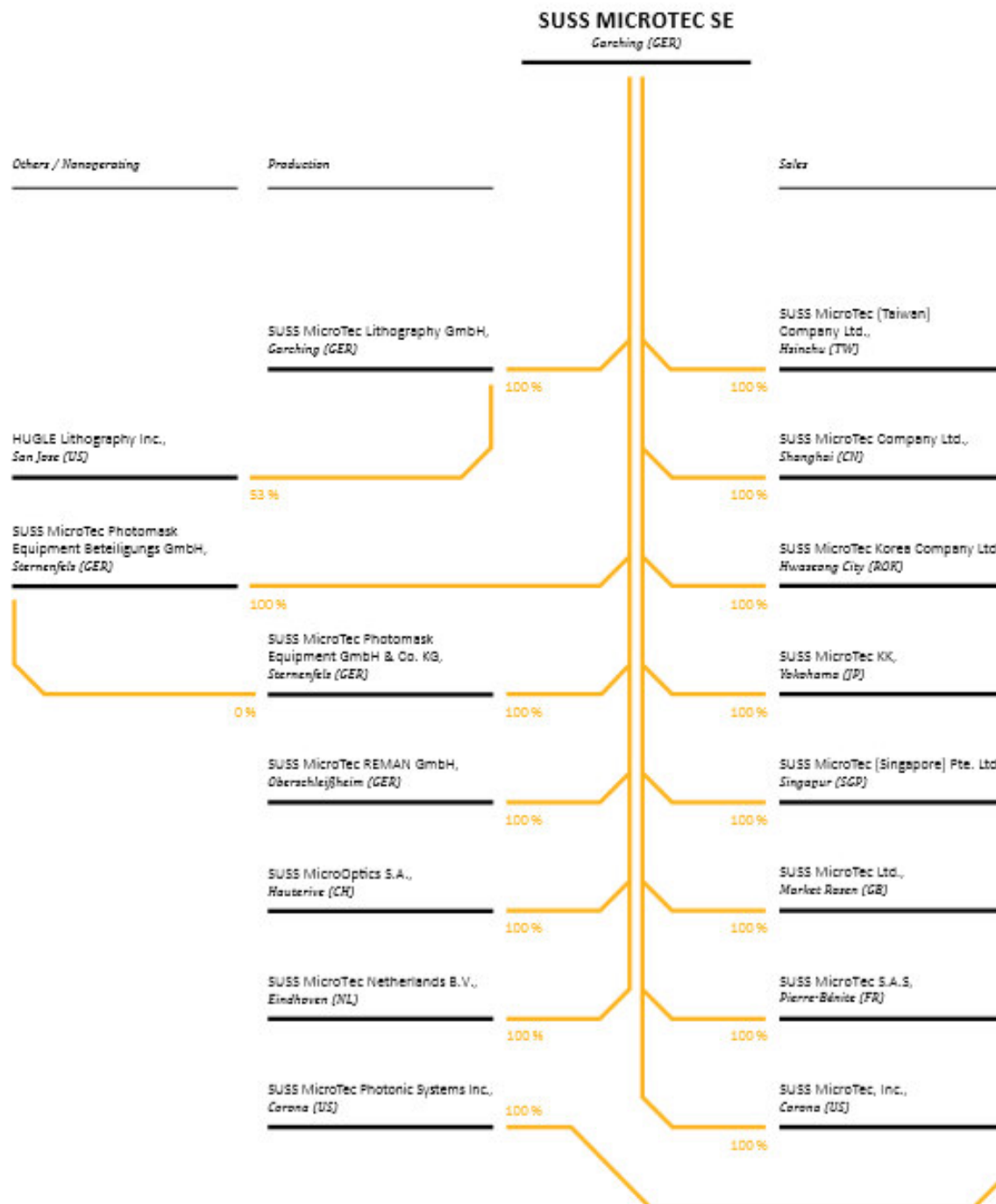
Garching, August 6, 2020

SUSS MicroTec SE
The Management Board

Dr. Franz Richter
Chief Executive Officer

Oliver Albrecht
Chief Financial Officer

LEGAL STRUCTURE



FINANCIAL CALENDAR 2020

Quarterly Report 2020 (Q3)

November 10

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Forward-looking statements: Interim reports include forward-looking statements. Forward-looking statements are statements that do not present historical facts, including statements about expectations and the views of the management of SUSS MicroTec SE. These statements are based on current plans, estimates, and forecasts of the Company's management. Investors should not unreservedly rely on these statements. Forward-looking statements are to be understood in the context of the time at which they were made. The Company does not assume any obligation to update the forward-looking statements included in this report given new information or future events. This does not affect the Company's obligation to comply with its statutory responsibilities regarding information and reporting. Forward-looking statements also include risks and uncertainties. A large number of factors that are described in this report could cause actual events to deviate substantially from the forward-looking statements included in this report.

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