

Conference Call H1 2025

Transcript

(August 7, 2025)

Note

This transcript was prepared based on the Conference Call held on August 7, 2025 by SUSS MicroTec SE on the occasion of the publication of the Half-yearly financial Report for 2025. The transcript may not provide a faithful record of the discussion due to technical reasons.

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

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

Call Participants

SUSS MicroTec SE

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CEO & Member of Management Board

Dr. Cornelia Ballwießer

CFO & Member of Management Board

Dr. Thomas Rohe

COO & Member of Management Board

Florian Mangold

Manager Investor Relations

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 H1 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 half-year figures of 2025.

I'm delighted to welcome the CEO Burkhardt Frick, CFO Dr. Cornelia Ballwießer, the COO Dr. Thomas Rohe, as well as Manager Investor Relations Florian Mangold. The Management Board will speak in a moment and guide us through the presentation and the numbers. 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. Mangold. Please, the stage is yours.

Slide 2: Disclaimer

Florian Mangold: Thank you, and welcome to the conference call on our results for the second quarter and the first six months of 2025, which we have published in our half-yearly financial report 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. Participating in this call implies your consent to this procedure. Please be aware of our safe harbor statement on page 2 of the slide deck. It applies throughout the conference call. And now, I hand over to our CEO. Burkhardt, please.

Slide 5: Strong sales development, order momentum slow, gross profit margin below expectations

Burkhardt Frick (CEO): Thank you, Florian. Also from my side, dear investors, analysts and guests, a warm welcome. After moderate order intake in the first quarter, we now must realize that the order momentum is not as positive as expected. Order intake of € 166.8 million marks a 13.2 % decrease year on year. On the other hand, sales peaked in the second quarter. After only six months, we are already at record high, € 266.4 million, which is a growth of 38.2 % compared to the previous year. Growth is driven by both segments. While EBIT is still at a solid level of 15.7 %, gross profit margin came in only at 37.2 % after six months. Compared to the first quarter, we have not seen an improvement, but more details in a moment.

Slide 6: Key CEO messages

Burkhardt Frick (CEO): Now let's take a closer look at the main topics. First, the order intake. We observe greater uncertainty in the market, probably also due to the far-reaching tariff announcements, we are noticing greater reluctance to invest. Further, after huge AI-related capacity expansions in recent quarters, we see certain saturation effects, especially in the HBM sector. To make this clearer, the growth that, for example, major memory manufacturers achieved this year is based on equipment installations in recent months and quarters.

In terms of sales, we have also benefited massively from this development since the beginning of 2024. This is obviously reflected in our sales performance. SUSS has never generated a higher first year sales result. After six months, we are at € 266.4 million. Considering the upper end of the sales forecast of € 470 to 510 million, we have already achieved more than 50 % of our 2025 sales target. This is an outstanding performance of our operations team.

In terms of gross profit margin achievements, however, we are unfortunately falling short of our own expectations. After 37.9 % in Q1, the gross profit margin in Q2 has not improved and was now at 36.5 %. There are two main reasons. First, the preparation and training of our employees in Taiwan for the production of the UV projection scanner. These costs of our very big ramp in Q1 and partially Q2 were higher than anticipated. Secondly, major one-offs, especially in the second quarter. Here we had to write off materials we had ordered for a project which was terminated. This is not unusual for our sector and innovation projects in general, but it was not anticipated.

Slide 7: Segment Overview H1 2025

Burkhardt Frick (CEO): Let us now look at developments in our two segments. First, Advanced Backend Solutions. Here the order intake in this segment was down in the first half of 2025. Developments in the three product lines varied. Demand for our 300mm coating solutions from packaging customers in Korea and Taiwan was very strong, particularly in the second quarter. However, the surge in demand could not compensate for the more restrained orders for our temporary bonders and debonders. Despite a few follow-up orders, we still do not see a big momentum in demand from our memory customers. Demand for imaging solutions was slightly up on the previous year, especially due to higher orders for our UV projection scanner.

Sales momentum continued to be strong at 25 % year-on-year for the first half of 2025. All three product lines contributed to the sales growth with double-digit percentage growth rates. Coaters recorded the strongest percentage growth, while the execution of AI-related bonder projects continued as planned. Meanwhile, the gross profit margin fell to 35.1 % in the second quarter and the situation did not improve due to one-off effects.

Now to Photomask Solutions. After the order intake in this segment in the first quarter was the same as in the previous year, new business acquisition in the second quarter, however, amounted to just € 12.9 million. There were no orders from Chinese customers for new tools in Q2, which once again shows the expected decline, particularly in the high-end segment. This underlines the importance of launching a dedicated tool for the mid-end sector in 2026. At the same time, the execution of customer projects gained momentum once again. Q2 2025 sales amounted to € 56 million. Growth now stands at a strong, almost 70 % after the first half year.

Looking at both order intake and sales, the low book-to-bill ratio of 0.48 naturally stands out. The order book has fallen to € 106 million due to accelerated execution of the backlog. Visibility is still sufficiently high for 2025, but the outlook for 2026 is limited in light of the recent demand situation. The higher sales volume and associated scaling effects as well as a better product and customer mix have led to a significant improvement in margins in the Photomask Solutions segment compared to the first half of 2024. With a gross profit margin of 40.2 % and an EBIT margin of 28.8 %, the segment achieved strong half-year margins.

Slide 8/9: Preparation of new Zhubei production site is progressing well

Now let's take another look at our new production site in Zhubei, Taiwan. As you probably can see, my board colleague Thomas Rohe was recently on site, and he's on that picture in the middle, to monitor the project status. And he was very pleased because the installations for our production clean rooms and the warehouse were almost completed. The outfitting of the office space and the plaza are also progressing very well. Up to now, we have made investments totaling € 9.4 million. We currently anticipate total capex of € 14.5 million in 2025. This means we are below the initial announced budget of € 15 to 20 million.

Here, in the next picture, you see on the left side one of the clean rooms where we will build the new increased output for the UV projection scanner. We are nearing the completion of our build-out.

With that, I'd like to hand over to Cornelia Ballwießer for a closer look at our financial key figures.

Slide 11: Strong sales growth and higher investments

Dr. Cornelia Ballwießer (CFO): Thank you, Burkhardt. Hello, also a warm welcome from my side. I will now provide an overview of the most important developments at Group level. The muted order intake of €78.7 million in the second quarter leads to an order intake of € 166.8 million for the first six months. This is a decline of 13.2 % year on year. After the very strong year 2024, we expected a more muted order intake. Currently, our customers install the tools delivered to them and start production. Also, the current uncertainty does not help with the order situation. Orders are being pushed out into late 2025 and early 2026. So, the order backlog is down year on year. But even at € 325 million, we still have decent visibility for the full year. And we have even roughly € 60 million of tool orders for 2026 in the order backlog already.

Sales, on the other hand, developed very strongly. The first half of 2025 is the best first half year in the history of SUSS with sales of € 266.4 million and outstanding growth rates in both segments. A look at our forecast implies that sales in the second half of the year will not be on the same high level as in the first half. And gross profit margin, however, was down year-on-year due to several reasons. As Burkhardt already said, product and customer mix, cost to ramp the UV scanner production in Taiwan, as well as inventory write-offs. EBIT margin, however, is at 15.7 % in line with our expectations for the first half year.

Net cash development is driven by the increase in leasing liabilities. Please keep in mind here that all financial liabilities, including the short- and long-term lease liabilities, are netted with our cash position. Cash and cash equivalents were at € 99.1 million. Short- and long-term leasing liabilities added up to € 51.1 million, which was substantially higher than the sum of € 8 million at the end of 2024. This has been driven mostly by the expansion in Taiwan.

Free cash flow was at minus € 27.6 million after the first six months. Main drivers here are less advanced payments, in particular of our Chinese customers. Since the orders from China are down significantly in the first half year, there are also less prepayments. You can see this effect on the balance sheet. The current contract liabilities are € 28.3 million lower compared to December 2024. However, we expect free cash flow to turn positive for the full year, ending up in a dimension of plus € 20 million for the full year. A major driver here will be the reduction of inventories, which is linked to the expected lower business volume in the second half of the year, as well as to improving working capital management.

Capital expenditure is also up, most of it also related to the Taiwan expansion, especially for technical building installations and equipment for the offices in the new factory. And as already said, we are in budget and on time.

Slide 12: Strong sales in Q2 2025 – Order intake muted

Dr. Cornelia Ballwießer (CFO): This page shows the development of our four performance indicators over the last six quarters.

Overall, the second quarter was a strong quarter, the second best in the company's history in terms of sales after the best ever in Q4 2024. This really shows that we can handle a large number of customer projects simultaneously. We have already booked more than half of the sales we need to meet the upper end of our sales guidance. Gross profit margin was outside the corridor that we have achieved in the recent quarters.

We have already discussed the reasons for this. EBIT margin in the quarter was also lower.

Slide 13: Advanced Backend Solutions is affected by one-offs, while Photomask Solutions delivered outstanding margin development

Dr. Cornelia Ballwießer (CFO): In the segments, we see that the one-offs are attributable to the Advanced Backend Solutions segment. This is why the profitability in the segment has suffered particularly.

In Photomask Solutions, we had another great quarter. The first half year compared to the first half of 2024 sales are up 69.5 %. Gross profit margin again came in strong at 40.2 %. EBIT margin was lower. In the segment, profitability depends on relatively few tools and the customer mix. If we ship to one of our major customers, margins are not as high as if our customers are from China, for example. But overall, the segment performed strongly in the first half year. EBIT margin for the segment [in Q2] was 26.1 %.

Slide 14: Order intake by segment and region

Dr. Cornelia Ballwießer (CFO): We already talked a lot about the order intake today, so I want to keep it brief here. Book to bill ratio for the first six months was 0.63. This is the result of strong sales and a muted demand. When we look at the regions, we see some movement, but the overall picture remains the same. Demand from China in the second quarter was weak, it was 20 % of the Q1 2025 order intake.

Slide 15: Right-of-use asset for new Taiwan site impacts balance sheet structure

Dr. Cornelia Ballwießer (CFO): Finally, let's go over the main developments of the balance sheet. Total assets increased by € 32 million. The increase of the non-current assets was driven by the Taiwan expansion with the right-of-use asset for the site in the amount of € 42.8 million and further installation at the site, as well as capex in Germany. In current assets, we have a strong increase of contract assets by € 20.4 million linked to the overall increase in business volume.

Inventory trend: Inventories are down by € 7 million or 3.3 % since the beginning of the year. We expect also positive effects for the remainder of the year. Inventories will be lower due to the decrease in business volume. At the end of December, inventories could be up to, let's say, € 30 million plus lower.

The cash position, our cash and cash equivalents, are lower because of less advance payments, as I already mentioned. However, our cash position of around € 100 million remains strong and we are still in a comfortable financial position to shape our future and withstand headwinds.

Slide 16: Changes due to net income and tax effects

Dr. Cornelia Ballwießer (CFO): On the liability side, we also have an effect from the new Taiwan site. The non-current liabilities increased due to the lease liabilities, as I already mentioned. For the current liabilities, we see the effect of the change in the volume of the advance payments. This effect is due to lower business in China. The advance payments were mostly from our customers in China, but there are also some customers who made some advance payments in the last year, more or less as an exception.

We finished the first half of 2025 with an equity ratio of 55.8 %. So basically, still very solid and where we started at the year. And with that, I hand over back to Burkhardt.

Slide 18: Based on a strong H1, we expect to achieve the sales forecast for the full year 2025

Burkhardt Frick (CEO): Thanks a lot, Cornelia. Now, let's take a look at the full year of 2025, starting with an update on our sales guidance. As you know, our forecast here is to achieve sales of between

€ 470 million to 510 million. After six months at € 266.4 million, we have already reached 54 % of the midpoint of the forecast and 52 % of the upper end of the range. This means that this year will not be as back-end loaded as previous years, when we still needed to have a record Q4. Therefore, we anticipate in the second half lower sales volume compared to the first half.

In the first half of the year, we demonstrated that this operating performance has improved steadily in recent years. In view of the latest order intake, we can also see that production capacity utilization is slowly declining in some products as early as the fourth quarter. We have already started initiatives to improve the profitability in H2. We will pause headcount additions and focus on internal cost savings. However, we are sticking to our plans for advancing research and development as well as our strategic structural projects, since this is the foundation for our future and further growth.

Slide 19: We confirm our sales target for the full year and adjust our margin expectations in H2

Burkhardt Frick (CEO): Now to my final slide. We have adjusted the forecast of our gross profit margin and EBIT margin downwards for the financial year 2025 to which our stock has responded quite sharply. Whether or not a two percentage point cut to the midpoint of the forecast justified a response like this: I don't know. What I do know: these were mainly one-off effects which say very little about the development of the overall profitability going forward. SUSS is positioned to profit strongly from the increasing demand for solutions in the backend and frontend of the semiconductor industry in the years to come. We are working on and introducing the relevant solutions for the next big steps. Even if you expect 2026 to be a transition year, we have successfully laid the foundation for future success in the coming years.

And with that, we're looking forward to the discussion. Let's open the floor for the Q&A session, please.

Q&A Session

Operator: Yes, thank you very much for the presentation and we will now move on to the Q&A session. We have already some participants raising their hands. Analyst 1, you should be able to speak now and place your question

Analyst 1: Yes, thank you for taking my questions. I have four, if I may. So, starting with the first, which is more of a general question, do you face an increase in postponements or even cancellations from your customers? And what is your current view on this?

Burkhardt Frick (CEO): Currently, we don't see any postponements or major postponements. There can always be shifts, but we don't see any general push outs or even cancellations.

Analyst 1: Okay, that's good news. The second one would be related to the write-downs in connection with the discontinued project you had. Can you give us some more color on the discontinued project, but also on your current project pipeline when I'm thinking about hybrid bonding, wafer-level cleaning, and whether there's a shift in risk profile of these projects?

Burkhardt Frick (CEO): Well, I can start, and I think Thomas [Rohe] can continue. I think we made clear that this discontinued project is none of our strategic projects like hybrid bonding or wafer cleaning and so on and so forth. And this is just part of life in the high-tech industry that some projects fly, and others have to be stopped. Then you have to face the consequences, like in this case, and have to do some write-downs.

This does not by any means impact our future pipeline of innovation projects. It was one project which was discontinued and therefore we had to take measures in hand. Thomas, would you like to add something?

Dr. Thomas Rohe (COO): There's not much to add, only the confirmation that the other projects, and especially the strategic projects, are still in our first focus for sure in the R&D department, also from business units. From that point of view, the other projects are continuing and making progress as planned, more or less, because as always, you have some deviations in R&D because you cannot really 100 % predict it, but no major deviations.

Analyst 1: Okay, understood. And my last question, I guess, Thomas, I would think it's rather for you. It's geared towards the Photomask Solutions segment. In your opinion, what was the main contributor to the strong top-line performance in this segment? The increase in personal capacity or the actual reduction in production throughput time?

Dr. Thomas Rohe (COO): I think the major improvement came really from increasing the headcount and training people from outside. This was a major contributor to this really big success there. It took some time to get the people on board and to train them, but this really realized right now in the first half of this year. But for sure, we also worked on the lead times in the manufacturing, but this was only a minor contribution. The major contribution is really headcount.

Analyst 1: Maybe a small follow up question here. The people you were referring to you trained were people from outside? Are these more temporary or kind of normal personnel?

Dr. Thomas Rohe, COO: The majority is flexible workforce in terms of contractors and temporary workers.

Investor 1: Good afternoon, also some follow-on question to Analyst 1 questions. First, maybe on order development in HBM. You said the customers first maybe to grow in the new capacity. But any signs or hopes from the forecast of your customers that there could be a recovery of this business sometimes later in the year or beginning of next year?

Burkhardt Frick (CEO): Thanks for that question. I mean, this is of course a situation we are monitoring very carefully. We are still installing and delivering bonders in the HBM space, which were ordered last year or even early this year. As I said in the last call, we also did receive, in the meantime, follow-up orders, but not at this big scale we were facing in 2024. And yes, of course, there's always hope, but we see there's a saturation effect. We see that the capacity at some of the customers is not fully utilized. Therefore, I think there's some headroom left but the moment that headroom is consumed we do anticipate follow-up orders and this is also what we plan for.

Investor 1: Okay. And for 2026 you mentioned you have € 60 million of equipment orders. How high is maybe maintenance and after-market sales you normally have per year, which comes on top for next year already?

Burkhardt Frick (CEO): Yeah, that's a good question. These were equipment orders only and to a large extent, of course, photomask business because of the long lead times. The maintenance and service portion historically has been around 15 %, but that's a portion we want to structurally grow. Don't mark my words on that, that next year will be as low as 15 %.

Investor 1: So for around € 70 to 75 million for 2025 and so forth. And also based for next year. Okay. Maybe a question on the mask cleaners and the scanners where there come new product versions. And you mentioned also an entry product for the photomask cleaners. How much maybe there is also an impact that the customers know the new products are coming, that they're holding back a little bit new orders?

Burkhardt Frick (CEO): Well, that could be a reason. But of course, we have solutions to address the market right now. But of course, if people familiar with the subject know that there is a next generation tool, they might hold up orders for the current tool. However, we already see interest and we already see pre-orders for the non-launched products. So, this is currently not holding customers back.

The interest for, to be precise, for the MaskTrack SMART, which is our next generation high-end tool, and also for the mid-end cleaning solution, where we have quite some chances also to recover some of the decline we see in China, because that tool really addresses the needs in China, because as you know, there are less and less high-end tools allowed in China. Therefore, a mid-end cleaner is more a perfect fit for Chinese requirements. That is a tool where we have high expectations to recover the current declining Chinese order intake for photomask.

For the scanner, there was I think the third product you mentioned. I mean, we use the scanner primarily right now in the CoWoS-process. So, of course, those customers are pulling, and they are pulling on the existing scanner as high as on the new scanner. I think the moment the new scanner is available, they will immediately switch to that one. New customers, however, of course, there also we are holding back engagements because we want to expand the sale for our UV scanner business with the new platform.

Investor 1: Okay, super. But there was some maybe discussion in the market after the DigiTimes news two days ago. But there is no slowdown in the demand for scanners from your major customer, which itself in its conference call said it don't see maybe a balancing of demand and supply for CoWoS, even in 2026. Therefore, it was a bit surprising to read that there should be a slowdown there

Burkhardt Frick (CEO): Yes, we currently don't see this. We are still ramping up. We more than tripled by now the capacity and we are not there yet and we will take one more step and this is pulled by hard orders which we have from a Taiwanese customer.

Investor 1: Great. Finally, one question to Cornelia. The impact of the U.S. dollar weakness, how much does it influence your figures and maybe also maybe an influence of your changed guidance?

Dr. Cornelia Ballwießer (CFO): In the first quarter, the impact in terms of our operation and the result from the US dollar was roughly € 500,000 to 600,000 and we assumed in our guidance a FX-rate of 1.19 and hopefully, it is in the range of 1.19, 1.18.

Analyst 1: Can you give us more information about the shift within the upfront payments that led to the reduction in operating cash flow?

Dr. Cornelia Ballwießer (CFO): The upfront payments are around € 28 million less than at the end of last fiscal year. And mainly because of the lower business in China, because the most advance payments are from Chinese customers. And in 2024, there were some few prepayments from other customers that we consider as an exemption.

Analyst 2: I just had one related to photomask demand. Just wanted to think about the risk for this activity with the order intake dropping, but obviously the margins were the highest in the group. So how do you

think about the high margin photomask business becoming maybe further utilized if China demand does rebound. What are your thoughts around that?

Burkhardt Frick (CEO): That's a good question. Of course, I mean, we are still as we hopefully explained well enough we are peeking in the output for photomask business because we for the first time really have the ability to work on the backlog and get these orders executed. At the same time, we see a lower intake. And of course, if it stays like that, you have to contract somewhat. Thomas, I think, mentioned clearly we have a flexibility in our workforce that we can breathe in that sense and deal with those fluctuations.

The margin improvements, yes, is driven, of course, also by volume but also by many means in improving the margins internally. Even with the declined sales level for photomask we know we can do well. But we also expect higher order activity in the second half of the year and therefore that's a question I think I would like to postpone until we can look at the total picture.

Analyst 2: And then just a bit higher level, like I think you probably touched upon it already, but you highlighted different solutions being ordered now versus the, you know, during the AI peak. Just thinking about the implications for your entire product portfolio, what that means in practical terms, you know, fewer temporary bonders possibly, and more I'd say semi-automated products like spray coaters etc.. How would you expect that type of business to you know to evolve I guess in the next 12 months? Because there's still massive spent in the downstream markets for anything AI, so just very curious for your thoughts here.

Burkhardt Frick (CEO): There are multiple effects here. Of course, those huge waves of initial capacity spent, we kind of chewed those big orders. We see now follow-up orders, and they come more sporadically, one by one, and not in this bulk as we have seen it before. The different solution comment is more towards the CoWoS process, where less temporary bonders are being used due to different CoWoS flavors, which are being implemented moving forward. However, that is kind of exchanged also by the overall demand growth where the UV scanner comes in, which goes also in that process.

It's really a mix of the products. And luckily, we have those products in our portfolio. But of course, all these products have different margin spectrums or different maturity levels. That's why you also see fluctuations in the margin performance based on the product mix.

Analyst 2: Then just a brief question on the coating solutions. I think you called it out as sort of a demand driver in Q2. I was curious, is that tied to new customer wins or shifts in packaging architectures or just replenishment from existing accounts?

Burkhardt Frick (CEO): It is more the later, from existing accounts, it's more than later replenishment of existing accounts mainly in the OSAT space where we see that our tool is the process of record, and we received quite some big orders for 300 millimeter spin coaters and we're quite happy about that. But like I said before that only partially offsets, you know, what we are missing in the temporary bonding space.

Analyst 3: I had just two quick questions. The first is on the € 60 million backlog you talk about for 2026. Roughly, how does this number compare to where you were at a similar time last year? And also you mentioned it was largely for your Photomask Solutions business is this more for Chinese customers that want deliveries in 2026, or the rest of the world?

Burkhardt Frick (CEO): I hope I understood you're referring to the € 60 million order intake which are for 2026 deliveries. That's indeed to a large extent as I said before, for Photomask Solutions. And it's not for Chinese customers because that's where we see the decline. But luckily, we have many non-Chinese

customers in Asia, but also in the U.S. who are placing orders for high-end tools. And that's a process we expect to be ongoing. That's also why we are slightly positive about an increased order momentum for the second half of the year.

Analyst 3: And then in 2024, what was your backlog for 2025? Like what was the kind of comparable number versus the € 60 million?

Burkhardt Frick (CEO): Yes, that number I don't have on hand right now. But you mean at the same point in time last year, what our next year's backlog is. We have to look that up. I don't have it on hand here and I don't want to point you in the wrong direction, so we get back to you answering that question.

Analyst 3: Then my follow-up is just on HBM. Do you see kind of any reuse within generations of your tools or would it be kind of typical for a kind of a next-generation HBM to see a sort of big order for your temporary bonders? Thank you.

Burkhardt Frick (CEO): That's a good question. I think the basic process we don't see changes. What we do see, however, is after we installed dozens of systems at our key customers, we see kind of improvement areas. We are working on those to refine the process, to make those machines run faster, or improve the throughput or availability and whatnot. We have kind of ongoing improvements on the current generation of the platform. But you also rightfully point to a direction.

We also work on next generation bonding platforms for temporary bonders. And that's also one thing, but this will not show any traction on short notice.

Analyst 4: How should we think about the potential carryover impact of late 2025 underutilization on gross margins in 2026 compared to 2025?

Burkhardt Frick (CEO): Well, I mean, this is the call for the first half of 2025 results so we kind of stay away from making indications for 2026. With early signs of underutilization, we are taking measures to counter that. We have a flexible workforce, and we also reduce spend and we have several saving measures in place to counter this and to balance this, if it materializes. However, we still have hopes that the second half of the year will be better and in terms of order intake, that we can compensate for this with a stronger order book. But maybe Thomas wants to comment on the flex capability we have.

Thomas Rohe (COO): Yeah, concerning underutilization, I think we have the measures in place to avoid underutilization, but really adapt our workforce to the demand which we have coming from our order book. I see not a really big risk that we have underutilization, but really adapt our capacity to the needed capacity, also, even if the order intake slows down a little bit or stagnates. I think there's not a big issue. This is why we really increased also in the last year the head count really mainly with temporary workers and also contractors so that we have a pretty high flexibility to adapt to changing circumstances.

Analyst 4: As you begin ramping next gen tools in 2026 do you anticipate a margin uplift from the new platform architecture or should we expect early stage launch dynamics to continue weighing on profitability?

Burkhardt Frick (CEO): Next to introducing new features and next generation tools which are demanded by our lead customers we also with those tools want to address the profitability. So, we improved the cost structure of those tools by design. The right answer is we expect margins actually to improve with the launch of those tools and not to deteriorate. But of course, this has to be proven in the field and in real life but they were designed with improved cost structure while we offer higher performance and

that's why we usually be able to maintain our price levels or even increase price levels because of the additional values we provide to customers.

Analyst 5: Yeah, a few questions. The first one would be a little bit around your guidance. If I go through the guidance, second half versus first half comparison, we expect in second half a better gross margin versus first half and then but the EBIT margin will decline versus first half so it implies a little bit if you do the math that your OPEX will increase versus first half so quarterly run rate around € 30 million plus you had in first half few one-offs, right? So, is there further one-offs or what cost items are expected to go up in the second half?

Dr. Cornelia Ballwießer (CFO): Thank you for your question. First, OPEX will, I would say, slightly increase, but our operational result in absolute numbers are not able to cover all the general costs and fixed costs. So this goes or burdens the EBIT percentage or it's just mathematics, let's say this way.

And the second was with the one-offs. Yes, we will have some one-offs we expected already in our guidance, for example our double counting for the leasing contract in Taiwan this year for the new site and some of the old sites so we have here double leasing expenses and yeah then and we will have maybe some more impact of the tariffs. But I don't know if this is a one-off. Maybe it is the future. And we will have also some expenses on our digitalization project in the second half. That is more than in the first half of this year. But the major project will also go on in 2026. That's more or less, let's say, what we expect as a one-off in the second half of the year.

Analyst 5: And how much was the amount in the first half? Can you give a little bit, if I remember correctly, mid-single digit? But maybe I'm confusing the number. But what was really those kind of one-offs you had in the first half?

Dr. Cornelia Ballwießer (CFO): As we already mentioned, the one-offs are the inventory write-offs, then the expenses for the ramp-up of the UV scanner production and also some customer product mix effects and also a little bit more training course even in the R&D. That's the main topics.

Analyst 5: But the amount was roughly?

Dr. Cornelia Ballwießer (CFO): The amount was roughly, all over this, a mid-single-digit million amount.

Analyst 5: And it implies like in second half it will be a similar amount again?

Dr. Cornelia Ballwießer (CFO): No, no. It will not be a similar amount. Because the write-offs of our inventories hopefully will not occur again and that's a big amount and we expect that we improve with our ramp up-costs and also will have less training costs and we also have some cost-cutting measures in place for the second half of the year.

Analyst 5: I follow up on the OpEx topic for the second half quarterly run, right? On the order entry, I mean, if I look now, your scanner business was down. So, the China risk. Then, temporary bonder, debonder. So, the AI related business, particularly the HBM part, was in first half not really strong. Some cyclical recovery in the litho business and now the question is if you look now into the second half of the year what is your feeling: are we now at the bottom of the order activity what we have seen in the first half as a quarterly run rate as some of the things are down and the cyclical component is a little bit up. So is that the kind of the bottom? What is your impression there?

Burkhardt Frick (CEO): I don't know. I really have to polish the crystal ball here. But I think it's really difficult to predict. You know, the outside circumstances are very unsecured. One day, you have an agreement on tariffs and still people are discussing, you know, how it's being implemented.

So, there are many factors you cannot influence. And we cannot influence the order behavior of our customers either because they have their own risk assessment. They are very cautiously spending their capex. But there are, of course, some big projects we are involved in. And that's also what makes us look a bit more positive in the second half because we are anticipating some orders but if and when they come it's very hard to predict. We currently see some of them to come in in the second half but then more in 2026 together with all those new orders for the new products we are launching and that I think has to be seen in context so whether we have reached the bottom or not, I think this is very hard to predict. But I think we also stated in our half-year report that we expect a more positive momentum in the second half. So, yes, we think it will improve, not by major steps, but it will improve, you know, somewhat. And therefore, we are still looking at this from a positive angle.

Analyst 5: Maybe I ask related to this, ask a little bit differently. You mentioned in your presentation the OSAT part, basically the traditional backend litho business with coater, et cetera, doing better. Do you think this cyclical part has the legs to go or what is your feeling from the discussion with the customers?

Are the OSAT customers really investing more after years of lower investments or are they now at the level where you say, yeah, they are now okay with their investments? What is your impression there?

Burkhardt Frick (CEO): Yeah, I mean, again, we were often even moving against the cycle. So, you know, the whole AI boom was somewhat triggering a big wave. And there was, just to remind everyone, there was a down cycle where we had a record order intake. So, the cycle, of course, does affect kind of the big players and the global industry with certain products, you know, we as a niche player are offering, we are, you know, sometimes decoupled.

Therefore, in general, we are following the cycle, but it depends how and when our big customers are placing orders. And some of our orders, for example, a high-end photo mask tool, which can easily reach € 8 million apiece. If they order one or two pieces of that, you have a higher order entry than we achieved, for example, in Photomask business in the entire Q2. So, this has big spikes and can move greatly.

Now on OSATs. OSATs order when they scored business, when they have to expand, and they are following big chip act developments and the big scaling efforts of big fabs. So they kind of follow and then we follow them. You know how it works. Therefore, predictions are difficult. We are very closely working with them. Some had plans to invest earlier and they are a bit hesitant but then, when they invest, they usually invest very solidly and then they immediately ask us to confirm delivery times because they know that they can expect faster deliveries from us now where we have the capacity. We get less warning because of our improved operational performance but therefore we can then also realize much faster. And that's very different from two years ago when we had a massive backlog, which we could not execute. And it's almost a miracle that this backlog remained for such a long time and that customers did wait so long. Nowadays, this has changed. So, we have short term forecast and pretty short term orders from customers and then we have to still run like hell to execute them

Analyst 5: Can I squeeze two quick ones. Can you confirm again that your lead times have improved so basically if you get in 2026 orders within the first eight, nine months, you can still ship them in the same fiscal year. Can you confirm that?

Thomas Rohe (COO): Let me answer this question. For sure, we improved our lead times. I wouldn't say that if you order a really complicated big tool after nine months in 2026, which is still delivered in 2026, it would be a little bit too fast. But I think in general, we adapted our lead times to the expectations

of customers, which is around six to nine months, depending on the complexity and the volume of the tool.

So, this is really, I would say, well accepted and well-known lead time also in the industry, in our business. From that point of view, we adapted to the really good lead times also the competition has and sometimes even better.

Analyst 5: Got it. And then a final one on hybrid bonding. Can you give a brief update on your side? I mean my impression is a little bit it looks like hybrid bonding is going to be adapted in NVIDIA Rubin Ultra, so basically HBM4e in the 2027 timeframe. And some of your competitors seem to be more optimistic now that we are going to finally see hybrid bonding in HBM memory. What is your, I know your roadmap, but any updates there if you have something?

Burkhardt Frick (CEO): Yeah, I think the situation hasn't changed compared to when we talked last time. Our anticipation is earliest HBM4e if not HBM5 for broader introduction and also bear in mind that the current hybrid bonding solutions are often standalone flip chip solutions are not integrated solutions which are being deployed. That's a tool which we are not offering. We have for the time being completed our lineup for hybrid bonders we have now a die-to-wafer a very compact tool which you know is also very accurate and that one is good for you know for the time being. We don't yet see a huge launch coming up for any of the players, at least not short term. Therefore, the overall sentiment hasn't changed.

Operator: Well, thank you very much. And that is on point for this scheduled call. We do not receive any other questions or raised hands. And we therefore come to the end of today's earnings call. Thank you very much to all the participants for showing interest in SUSS MicroTec. And should further questions arise at a later time, please feel free to contact Investor Relations.

Thank you very much to Mr. Frick, Dr. Ballwießer, Dr. Rohe and Mr. Mangold. I wish you all the best and a lovely remaining day. And with this, I hand over to Mr. Mangold for some final remarks.

Florian Mangold: Yes, those final remarks are also very short. Thank you very much for your participation in our call and your interest in SUSS. Don't hesitate to get in touch if you have any further questions. Take care and goodbye.

End of the Conference Call