

ACATIS FAIR VALUE DEUTSCHLAND ELM

Investment report December 2023

Lübeck, December 8, 2023

We invest in German sustainability. We take the perspective of an owner with a long-term view. First, we screen and analyse only those companies that have successfully passed our sustainability filter. An investment depends on three success factors: a solid business model, good management and an attractive valuation. We look for companies that are leaders in their markets, with long-term competitive advantages and positive growth perspectives. The portfolio is highly concentrated.

Süss MicroTec

Süss MicroTec is a globally leading manufacturer of equipment and process solutions for micro-structuring in the semiconductor industry. More than 60% of sales revenues and 80% of incoming orders during the nine months of 2023 come from Asia. With a weighting of 9.3%, Süss MicroTec is our top position in the ACATIS Fair Value Deutschland fund.

The company was founded in 1949. Its head office is located in Garching near Munich.

The product portfolio includes products and solutions for backend lithography, wafer bonding and photomask cleaning. The machines are used in the production of e.g. microchips for mobile telephones, laptops, MEMS (micro electromechanical systems), optical-electronic components (such as sensors) and memory chips.

Süss MicroTec's largest market is the Advanced Backend market for the semiconductor industry. The backend process refers to the assembly and packaging of semiconductor chips after the frontend process. This also includes bonding the chips on the carrier material, the wiring, the addition of housings (packaging) and final testing. Newer trends (hence the name Advanced Backend) include the stacking of multiple chips on top of each other to improve performance and the integration of functions (3D integration). Semiconductor clients can increase their sustainability performance by using Süss MicroTec machines that improve material and energy consumption and minimise rejection rates. One example is the inkjet printing-based

(inkjet) coating process, whereby paint is applied in a targeted manner, and only on certain areas of the substrate. This can reduce the consumption of chemicals by up to 40%.

At the beginning of November, Süss MicroTec announced that its Swiss subsidiary Süss MicroOptics SA was sold for EUR 75 million, which was much higher than the market had expected. This will provide the company with special income of EUR 40-45 million. It also improves the company's future earnings situation.

At this time, Süss MicroTec also benefits from the increased capacities for microchips, which are used in artificial intelligence. An AI chip consists of one or more logic chips and one or more high-performance memory chips (high bandwidth memory). These chips must be cut very thin, and they are bonded with a second wafer in another process steps before they are debonded again. Afterwards, the wafer must be cleaned. Specifically, the company supplies bonders, debonders and cleaning machines. In Q3, this business generated EUR 50 million in orders. Additional large orders are expected in Q4. Currently, the company is expanding capacities at its Hsinchu (Taiwan) location to meet high customer demand.

By 2025, Süss MicroTec wants to generate sales revenues of EUR 400 million (2022: EUR 299.1 million) with an EBIT margin of at least 15% (2022: 11%). This would almost double the operating result from 2022.

Kind regards



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