

SÜSS MicroTec

Buy	Last Rating	Share data:	FY End: 31.12.	CAGR	2011	2012e	2013e	2014e	
	EUR 15.00		Last PT	in EUR m					((11-14e))
Price	EUR 7.91	Bloomberg:	SMHN GR	Sales	7.0 %	175.4	165.0	180.0	215.0
		Upside	89.7 %	Reuters:	SMHNn	EBIT	17.5 %	18.6	7.7
		ISIN:	DE000A1K0235	Net income	15.2 %	13.6	6.1	12.2	20.8
		Market Snapshot:	EUR m	EPS	14.8 %	0.72	0.32	0.64	1.09
		Market cap:	151.0	Dividend	n.a.	0.00	0.00	0.00	0.00
		No. of shares (m):	19.1	EV / Sales		0.8 x	0.7 x	0.6 x	0.5 x
		EV:	112.6	EV / EBIT		7.3 x	14.6 x	5.7 x	3.7 x
		Freefloat MC (ord.):	151.0	P / E		12.8 x	24.7 x	12.4 x	8.5 x
		Ø Trad. Vol. (ord./30d):	548.40 th						

WSJ article underpins view of rising importance of 3D integration

- Here is our brief review regarding an article published in the Wall Street Journal's tech section this week: "Smartphones Challenge Chip Limits" (online: <http://online.wsj.com/article/SB10000872396390444914904577615321730270682.html>)
- The **article picks up on the increasing challenges in the front end of semiconductor production** as the shrinking of semiconductors becomes increasingly difficult AND disproportionately expensive (more lithography costs). The recent investment by Intel in ASML to speed up EUV development and 450mm tools has to be seen against this background. (Expensive) EUV lithography is scheduled to be used in production at the 14nm node (introduction 2014–2016), which however is seen to be at risk given the current problems with the light source and defect-free mask blanks. Directed self assembly (DSA) was mentioned as an alternative, which is also scheduled for the 14nm node. However, this goal might prove to be too ambitious as well given the immaturity of this technology.
- What was not said is that is that the back end (packaging) offers a compelling solution** to address the need for an increasing chip complexity earlier. 3D integration offers the possibility to raise chip complexity (and increase bandwidth and lower energy consumption) independent of advances in front end semiconductor manufacturing.
- Hence, **delays in advanced front end production technologies could increase the pressure on semiconductor companies to opt for alternatives**, with 3D integration being very appealing. We continue to believe that 3D NAND and 3D DRAM chips will move into volume production from 2014 onwards.
- This **underpins the view that SÜSS should receive the follow up order from SAMSUNG for a pre-production substrate bonder shortly**. We regard SÜSS as excellently positioned (strongest and partly exclusive offering of processes for important temporary bonding / de-bonding steps) to avail of this opportunity.

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
SÜSS MicroTec	5, 6	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A1K0235.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	111	59
Hold	65	35
Sell	7	4
Rating suspended	4	2
Total	187	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	98	66
Hold	42	28
Sell	5	3
Rating suspended	3	2
Total	148	100

PRICE AND RATING HISTORY SÜSS MICROTEC AS OF 29.08.2012


The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

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