

Year-end Report 2024



President and CEO

Anders Lindqvist

Agenda

- Q4 in short
 - Divisional development
 - Financials
 - Sustainability
 - Q&A
-
- *Appendix – Market update*





Q4 in short

Strong finish to a record year

- Second best order intake ever, increasing 64% to SEK 2,381 (1,448) million
- Record net sales, increasing 5% to SEK 2,059 (1,968) million
- EBIT amounted to SEK 527 (620) million
- EBIT margin at 26 (32)%
- Order backlog at SEK 4,702 (4,149) million
- Full year EBIT exceeded SEK 2 billion for the first time
- All divisions delivered an EBIT margin on or above 10% for the full year
- Proposed ordinary dividend of SEK 5.50 (4.50) per share and extra dividend of SEK 2.00 (-) per share

Share of Group's net sales

34%

Net sales

SEK 702 M

Order intake

SEK 1,144 M

EBIT

SEK 311 M

EBIT margin

44%



Pattern Generators

Excellent order intake

- Stable photomask markets for both displays and semiconductors
- Award for the SLX received at an important industry conference in Monterey, USA
- Order intake increased 123% to SEK 1,144 (513) million
- Net sales declined 20% to SEK 702 (878) million
- Gross margin at 63 (68)%
 - Less favorable product mix
- EBIT declined to SEK 311 (510) million
- Order backlog at SEK 3,334 (3,068) million
 - 29 systems in order backlog
- After the end of the period, orders were received for four systems: one Prexision 8000 Evo, two Prexision MMS Evos and one Prexision 8 Entry Evo

High Flex

Strong finish to the year

- The market in Europe remained weak, while the US showed signs of a recovery following the election
- High Flex has gained market share in a weak market, partly as the segments it operates in have reported stronger demand than the market as a whole
- Order intake increased 8% to SEK 389 (359) million
- High Flex ended the year with good deliveries, slightly outperforming the strong quarter in the corresponding period of the preceding year
 - Net sales increased 2% to SEK 486 (477) million
- Gross margin at 45 (46)%
- EBIT increased to SEK 106 (96) million
- Order backlog at SEK 102 (120) million



Share of Group's net sales

24%

Net sales

SEK 486 M

Order intake

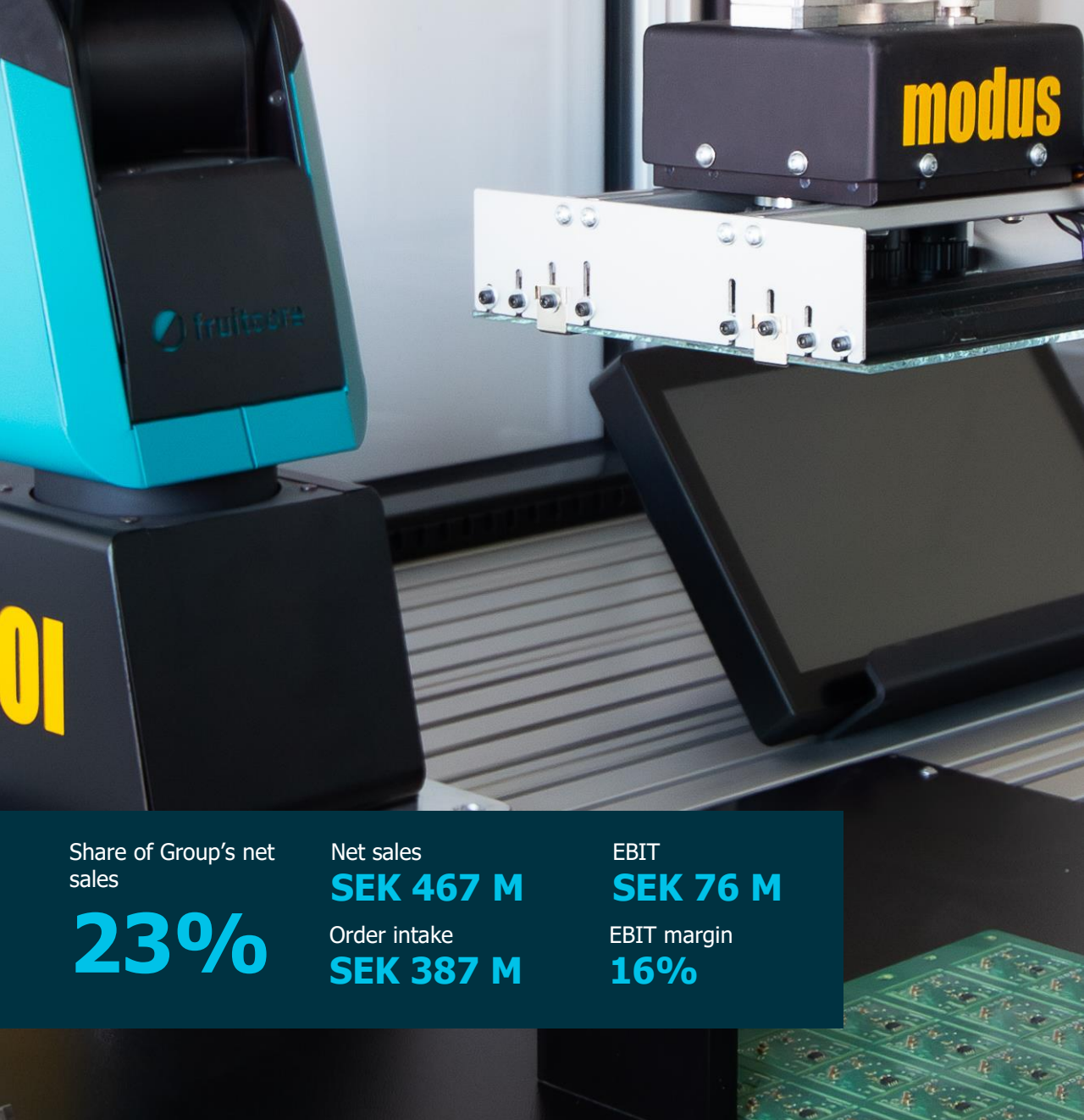
SEK 389 M

EBIT

SEK 106 M

EBIT margin

22%



Share of Group's net sales

23%

Net sales

SEK 467 M

Order intake

SEK 387 M

EBIT

SEK 76 M

EBIT margin

16%

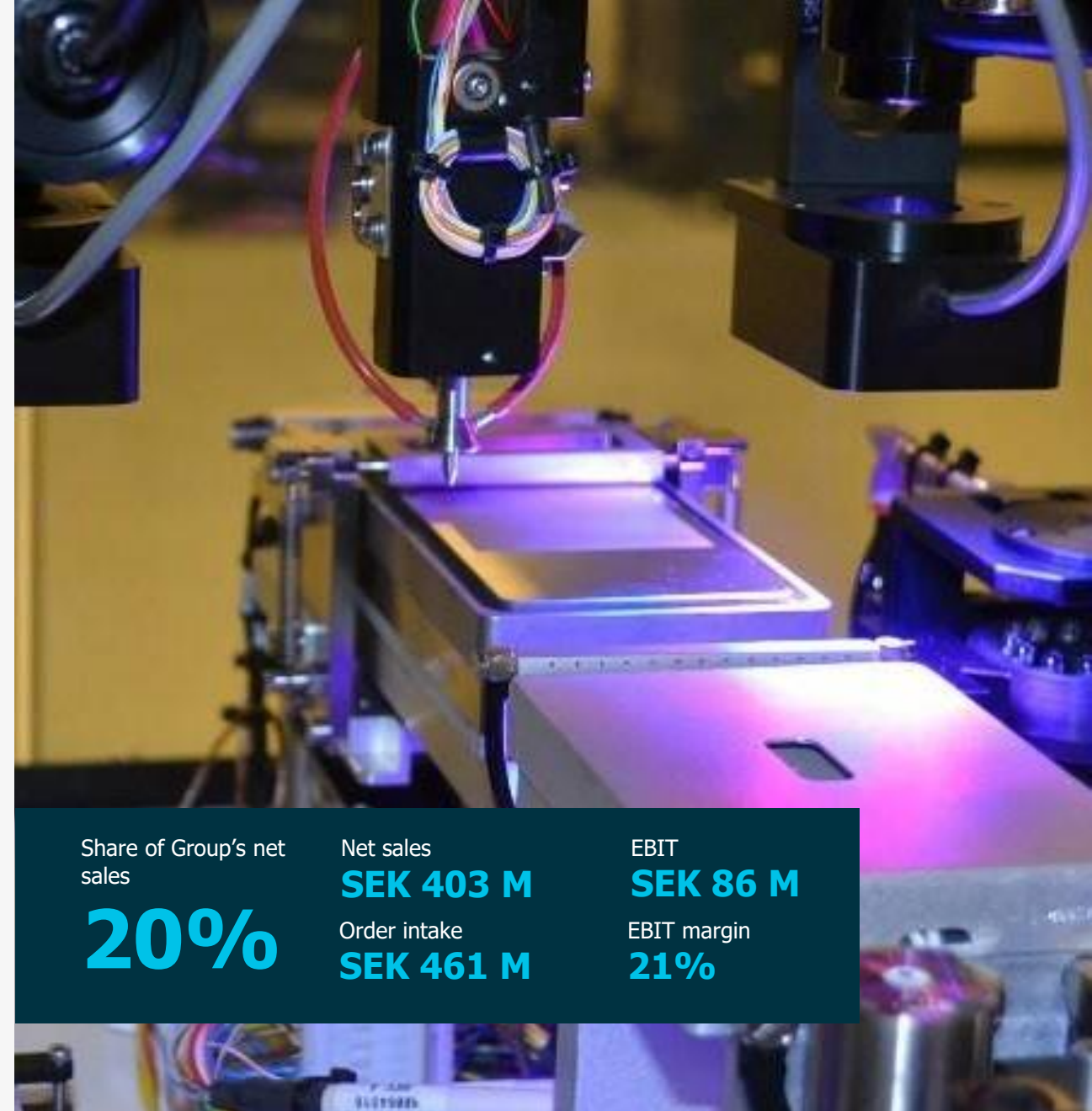
High Volume Acquisition of Modus

- Demand improved both in the Chinese domestic market and the markets outside of China
 - This was the case for both the consumer electronics industry and the automotive industry
- Modus High-Tech Electronics GmbH acquired in October
 - Provider of automated optical inspection systems for electronics volume production
- Order intake rose 40% to SEK 387 (276) million
- Net sales increased 53% to SEK 467 (306) million
 - Modus contributed SEK 9 million
- Gross margin at 35 (40)%
 - Less favorable project mix
- EBIT increased to SEK 76 (32) million
 - Modus had a negative EBIT impact of SEK 4 million
- Order backlog at SEK 752 (662) million

Global Technologies

Healthy AI-driven demand

- Investments related to the testing of PCBs used in advanced servers for AI applications continued to drive demand in the PCB Test business line
 - Investments in Southeast Asia by companies reducing their exposure to China also contributed to the healthy demand
- In Die Bonding, AI applications continued to support demand for high-speed optical transceivers, leading to good demand for Global Technologies' machines
- Photonic Interconnects, developed well and reported a good order intake in the quarter
- Order intake rose 52% to SEK 461 (303) million
- Net sales increased 30 percent to SEK 403 (310) million
- Gross margin increased to 44 (39)%
- EBIT increased to SEK 86 (37) million
- Order backlog at SEK 514 (297) million



Outlook 2025

Net sales
SEK 7.5 billion



CFO and Sr VP Corporate Development

Pierre Brorsson

Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 7,057 million
- Full year EBIT exceeded SEK 2 billion for the first time
 - EBIT margin R12 at 29%
- Aftermarket revenue R12 at SEK 1,745 million
 - 25% of net sales
 - Increasing quarter-on-quarter since Q1 2021

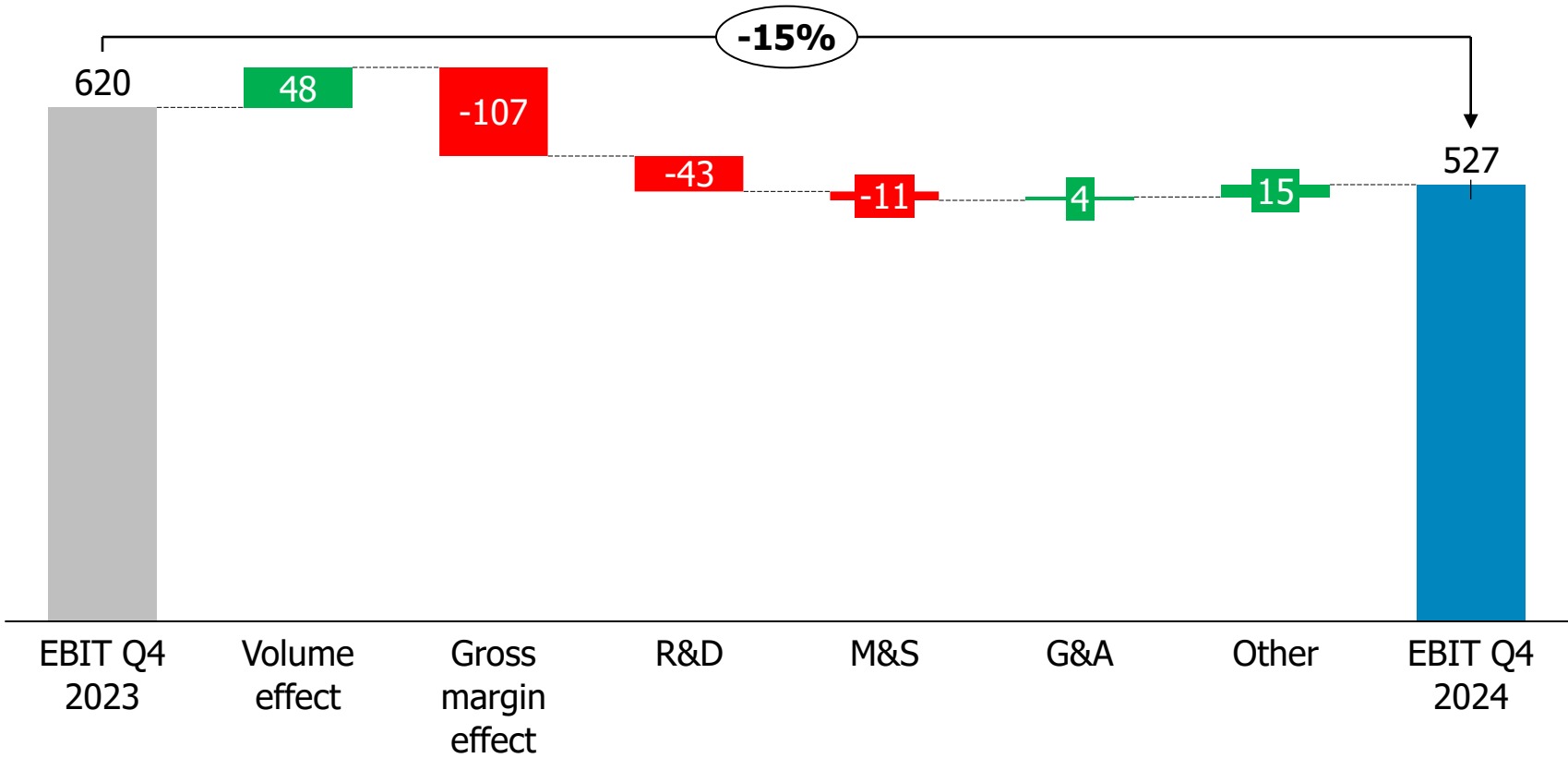
Group net sales and EBIT margin per quarter



- Net sales increased 5% vs Q4 2023, to the new record level of SEK 2,059 million
- Highest ever aftermarket revenue, at SEK 516 million
- EBIT margin at 26%

Group Q4 EBIT bridge

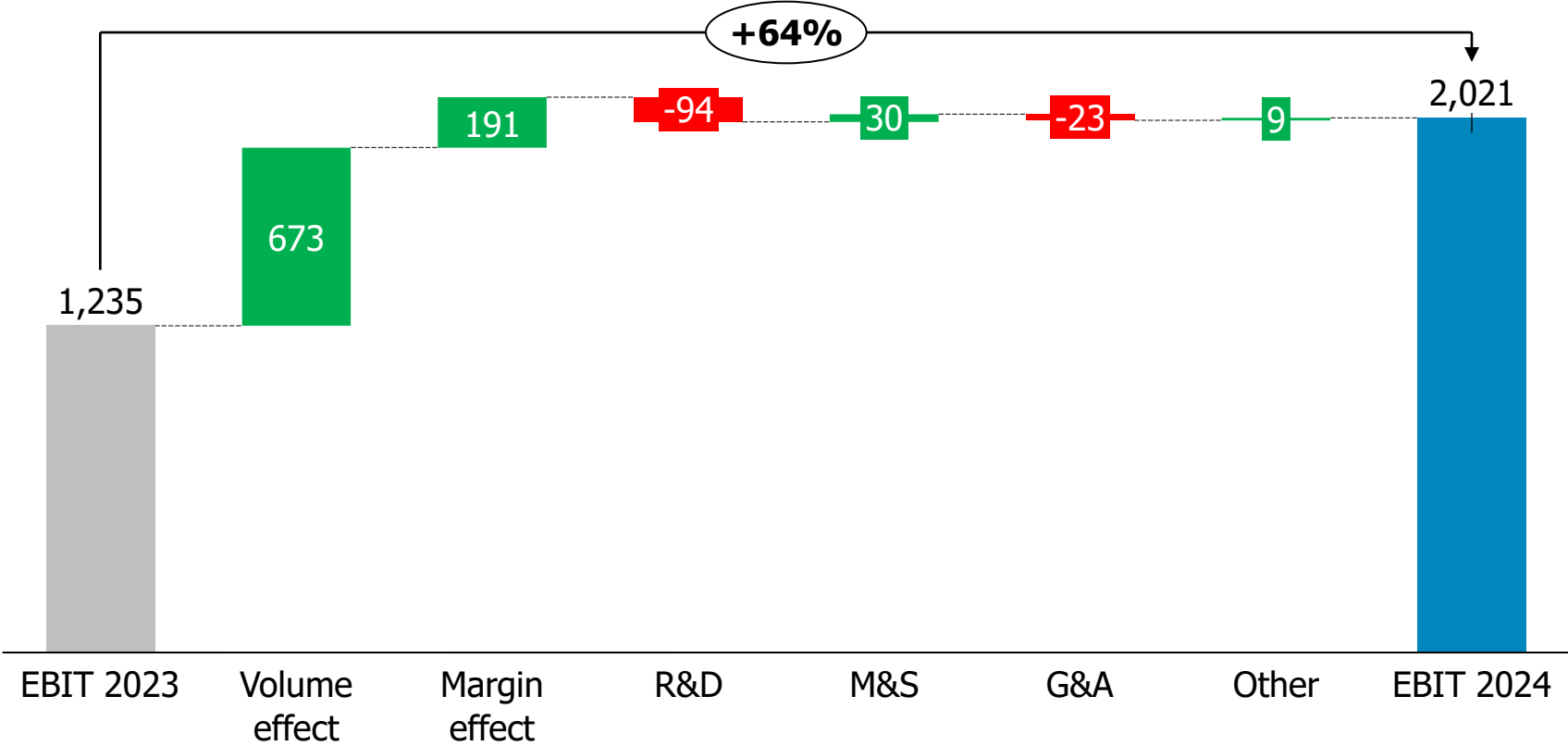
MSEK



% of Sales 2023	32%	54%	-9%	-8%	-5%	0%	
% of Sales 2024		49%	-10%	-8%	-5%	1%	26%

Group 2024 EBIT bridge

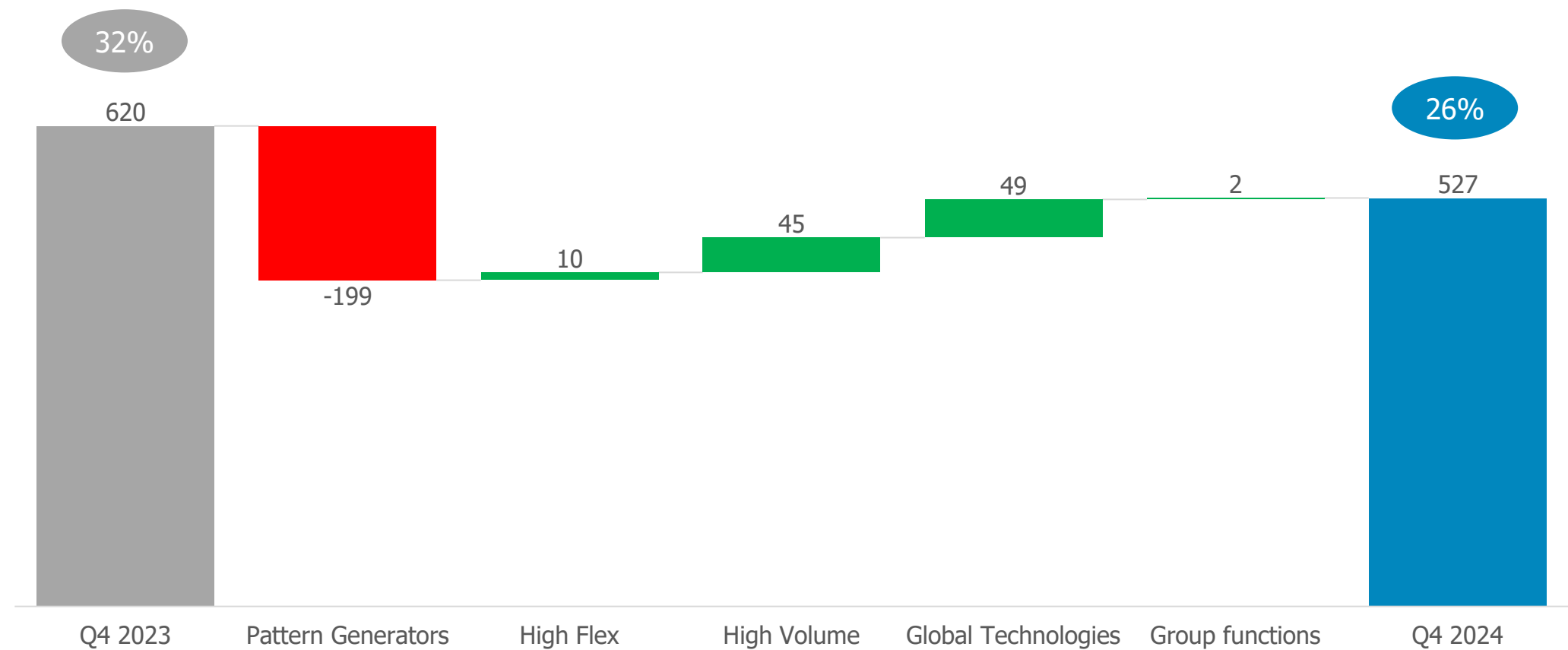
MSEK



% of Sales 2023	22%	50%	-11%	-12%	-6%	0%	
% of Sales 2024		53%	-11%	-9%	-5%	1%	29%

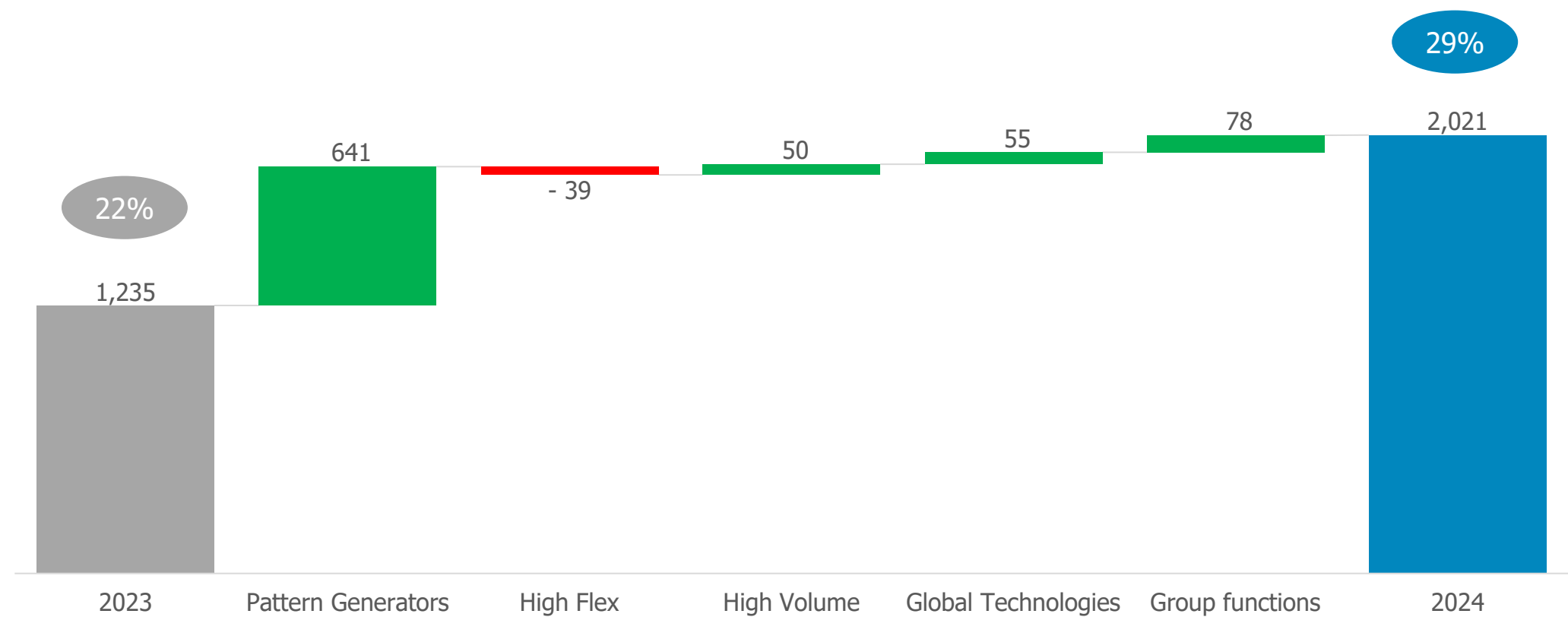
Divisional Q4 EBIT contribution

MSEK



Divisional 2024 EBIT contribution

MSEK



Good cash flow despite dividend payment and acquisitions

MSEK	YTD 2024	YTD 2023	
Cash flow from operations before change in working capital	2,198	1,471	• Strong cash flow from operations
Change in working capital	-324	138	• Increase in working capital driven primarily by higher inventory
Cash flow from operations	1,874	1,608	• The acquisitions of Vanguard Automation and Modus High-Tech Electronics accounted for SEK -258 million
Investing activities	-500	-195	
Financing activities	-552	-447	• Financing activities include SEK 441 million in dividends to shareholders
Cash flow for the period	822	966	
Cash, opening balance	2,140	1,274	• Strong net cash position of SEK 2,795 (1,912) million on December 31
Exchange difference	53	-100	
Cash at end of period	3,014	2,140	

A background image of a precision industrial machine, likely a laser cutting or engraving system. The machine is dark and complex, with various mechanical components and structural elements. Several bright red laser lines are visible, extending from the machine across the frame. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of depth and precision. The overall color palette is dark with high contrast.

President and CEO

Anders Lindqvist

Sustainability

- Mycronic further expanded purchases of renewable electricity, when all divisions during the quarter started purchasing wind power for their Chinese facilities through International Renewable Energy Certificates (I-RECs).
- Preparations were made during the quarter for reporting in the Annual and Sustainability Report for the financial year 2024.
 - Following the postponement of the Swedish implementation of CSRD, we decided to nevertheless publish an Annual and Sustainability Report for 2024 that aims at meeting substantial portions of the requirements of the CSRD's ESRS reporting standard.





Q&A

APPENDIX

Q4 2024 Market update

MYCRONIC

Preliminary outcome 2024

Market summary and updates

- Global electronics industry 4.6% to 2,543 BnUSD¹⁾
- Semiconductors 17.3% to 618 BnUSD¹⁾
- Optical components -7.8% to 11.7 BnUSD³⁾
- Printed circuit boards and substrates 5.8% to 73.6 BnUSD⁴⁾
- Display market 13.0% to 134 BnUSD⁵⁾
- Display photomasks 2.0% to 985 MUSD⁶⁾
- Semiconductor photomasks 16.9% to 9.1 BnUSD⁷⁾
- SMT assembly equipment -7.7% to 2,077 MUSD²⁾
- Dispensing equipment: not available⁸⁾

Source: 1) Prismark December 2024, 2) PROTEC MDC January 2025, 3) Lightcounting April 2024, 4) Prismark, December 2024, 5) Omdia Jan 2025, 6) Omdia June 2024 (annual update), 141 YEN/USD used as conversion rate, 7) TechInsights April 2024, 8) Prismark April 2024 (annual update)





Forecasts 2025

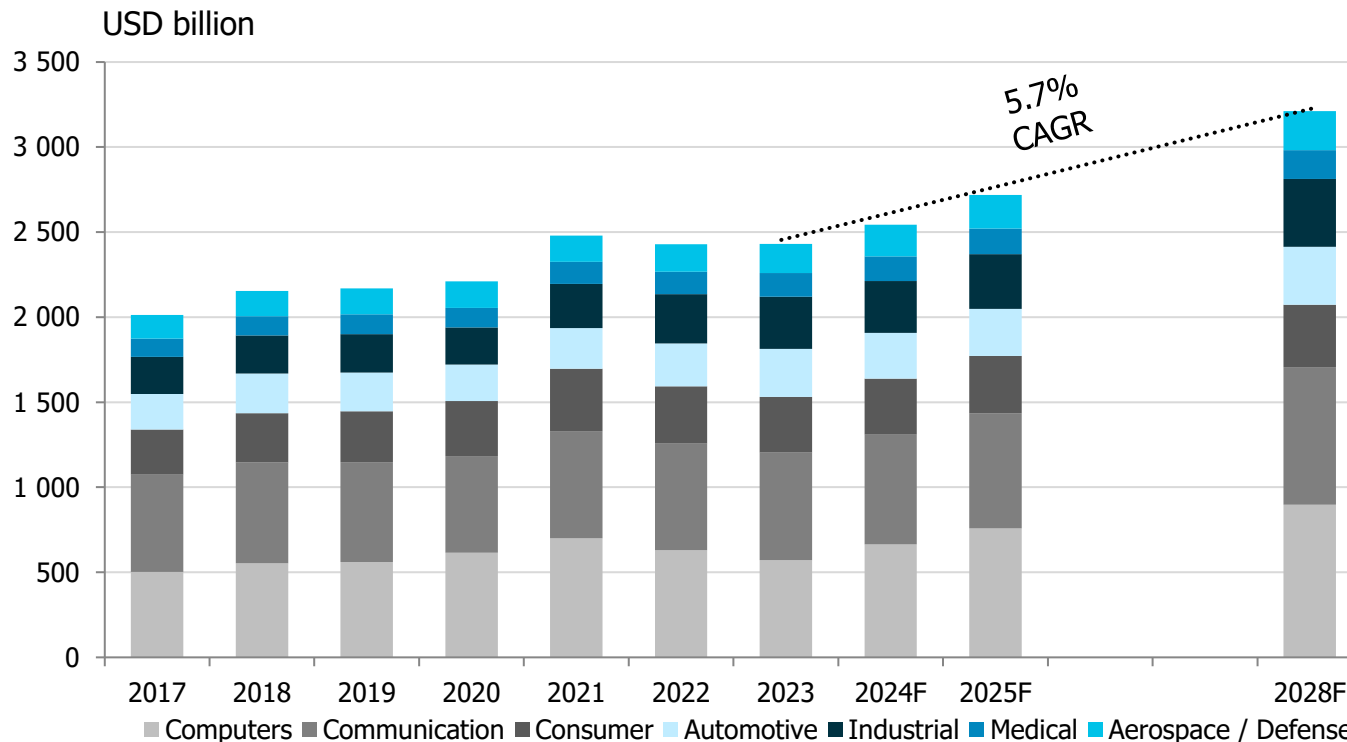
Market summary and updates

- Global electronics industry 6.9% to reach 2,719 BnUSD¹⁾
- Semiconductor industry 10.0% to reach 680 BnUSD¹⁾
- Optical components 24.1% to reach 14.5 BnUSD²⁾
- Printed circuit boards and substrates 6.1% to reach 78.1 BnUSD³⁾
- Displays 6.1% to 142 BnUSD⁴⁾
- Display photomasks 2.0% to 1005 MUSD^{5,6)}
- Semiconductor photomasks 15.9% to 10.6 BnUSD⁷⁾
- SMT assembly equipment: not available
- Dispensing: not available

Source: 1) Prismark December 2024, 2) Lightcounting April 2024, 3) Prismark, December 2024, 4) Omdia Jan 2025, 5) Omdia FPD large-area photomask research June 2024. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk, 6) 141 YEN per USD used for conversion from JPY to USD, 7) TechInsights April 2024

Electronics industry systems

Yearly development by industry segment

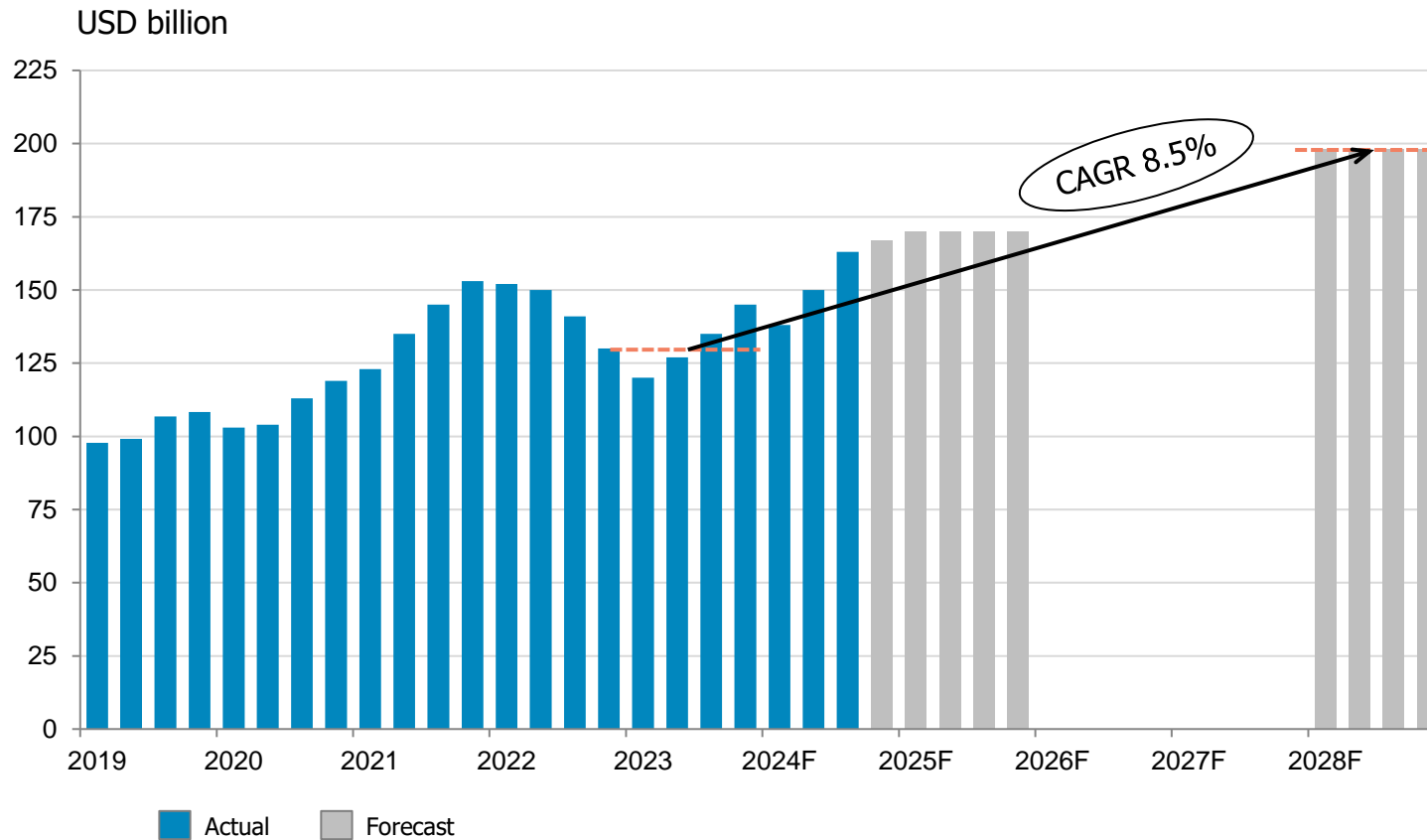


- Growth of 4.6% forecast for 2024, to reach 2,543 BnUSD, with strongest development in
 - Computers 16.2%
 - Aerospace/Defense 8.1%
 - Medical 4.5%
- Growth of 6.9% forecast for 2025, to reach 2,719 BnUSD, with strongest development in
 - Computers 14.1%
 - Aerospace/Defense 6.5%
 - Industrial 5.2%
 - Communication 5.1%
- 5.7% CAGR expected for 2023-2028, with strongest development in
 - Computers 9.4%
 - Aerospace/Defense 6.0%
 - Industrial 5.4%
 - Communication 5.1%

Source: Prismark, December 2024

Semiconductors

Quarterly development



- -8.0% in 2023 to reach 527 BnUSD
- Forecast 17.3% growth in 2024 to reach 618 BnUSD
- Forecast 10.0% growth in 2025 to reach 680 BnUSD
- 2023 to 2028 CAGR growth forecast at 8.5% to reach 792 BnUSD

Source: Prismark, December 2024

SMT and Dispensing

Market update

SMT assembly equipment*

- In 2023 the market size was 2,250 MUSD¹⁾.
- The SMT assembly equipment market declined by 7.7% in 2024 to USD 2,077 million. Markets in China and Southeast Asia showed growth while markets in North and South America, Japan and Europe displayed a negative trend²⁾.

Dispensing*

- 2023 market estimated at 730 MUSD³⁾ – figures for 2024 are not yet available.
- Mycronic is the number one supplier of dispensing equipment for the electronics industry, addressing the major part of the total market.

** No forecast available*

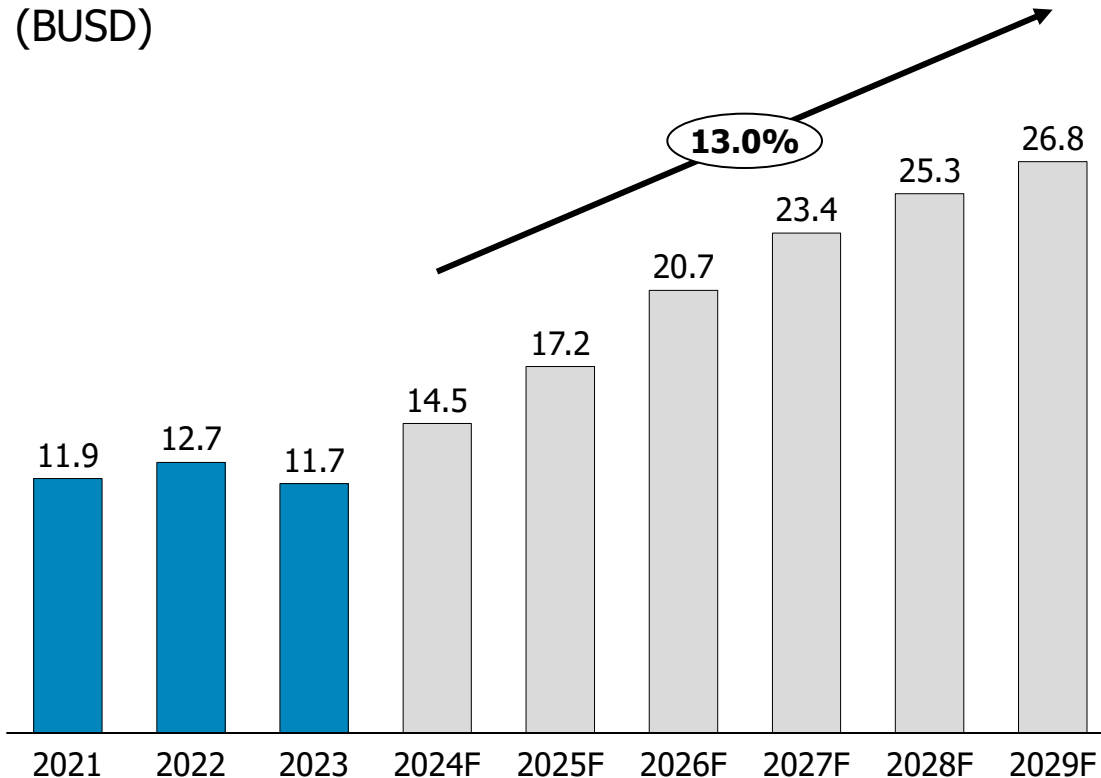
Source: 1) PROTEC MDC January 2024, 2) PROTEC MDC January 2025, 3) Prismark April 2024 (annual update)



Optical components for data/telecom

Long-term growth in key die bonding market driven by mega trends

Optical components for data/telecom (BUSD)



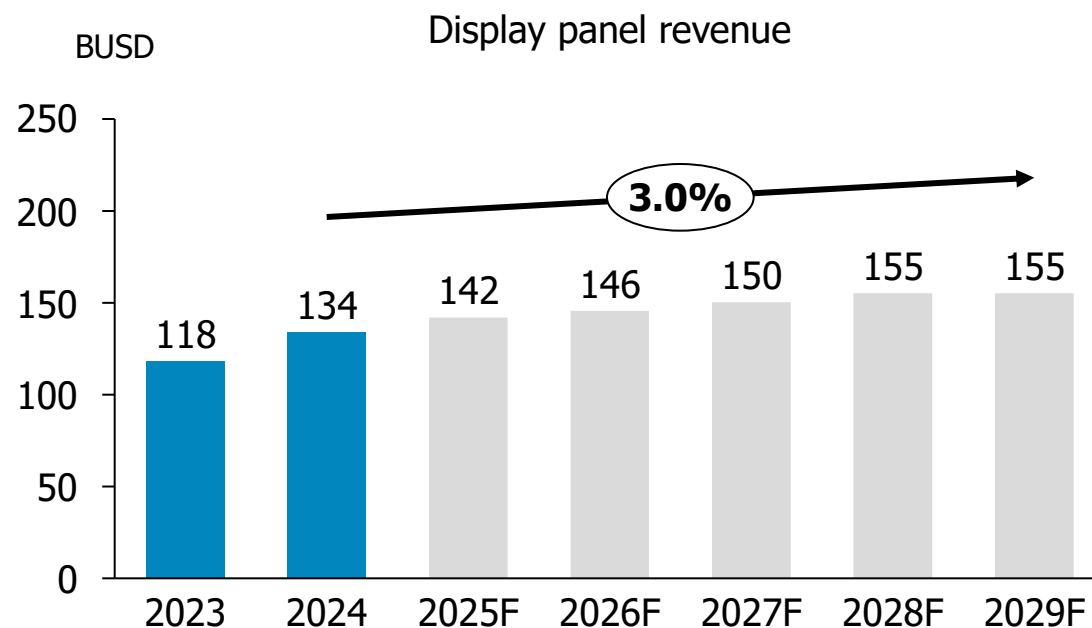
Source: Lightcounting, April 2024

Healthy data/telecom long-term growth

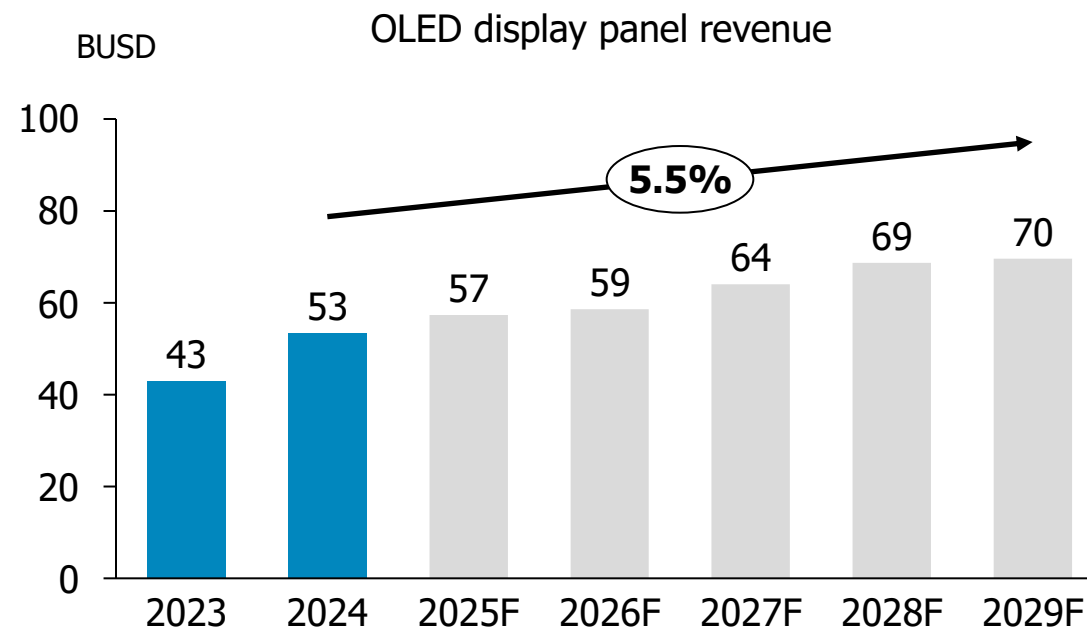
- Optical components production is the main driver for die/lens attach and other adjacent processes.
- Growth driven by mega trends such as high-performance data centers, AI, 5G/6G, EV, IoT, and global supply chain shifting.
- 2023 data/telecom market is in inventory correction due to over-building during covid. The market is expected to recover in H2 2024 and then assume high growth again to support continuous growth of data demand, particularly driven by recent AI developments.

Pattern Generators

Display panel market



- Display market showed positive growth of 13.0% in 2024, primarily driven by growing markets for automotive, TV and mobile displays
- For 2025 growth of 6.1% is expected
 - Same product categories as in 2024 are expected to drive the growth
- After 2025, stable moderate growth is expected



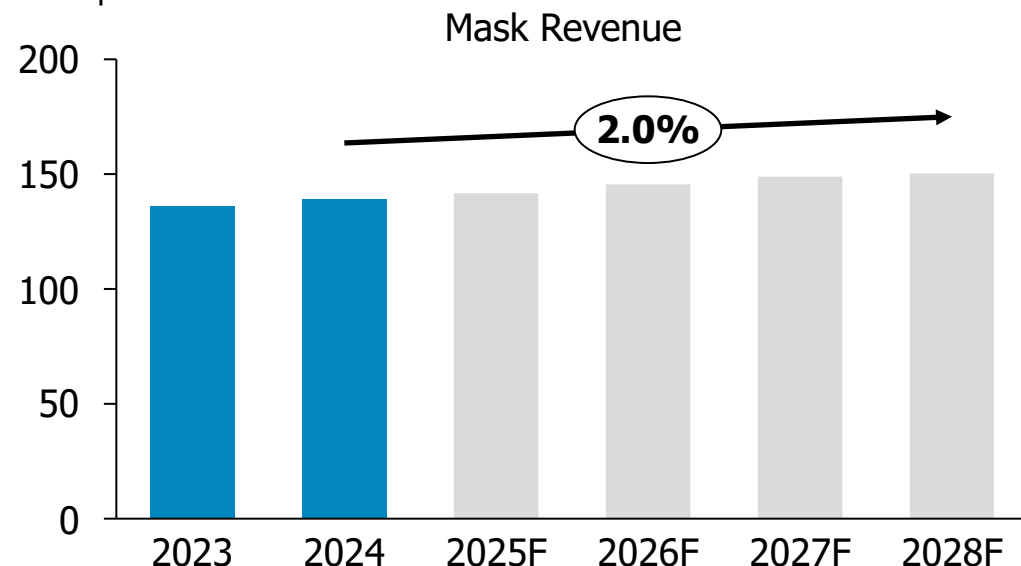
- The OLED market showed strong growth of 24.5% during 2024, mainly relating to a larger share of OLED screens for mobile, IT and automotive displays
- The long-term trend toward a larger share of advanced OLED displays is forecast to continue
- New OLED technologies and applications for larger displays such as TV and IT displays are the primary growth driver going forward

Source: Omdia, Display Long-Term Demand Forecast Tracker, Jan 2025. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

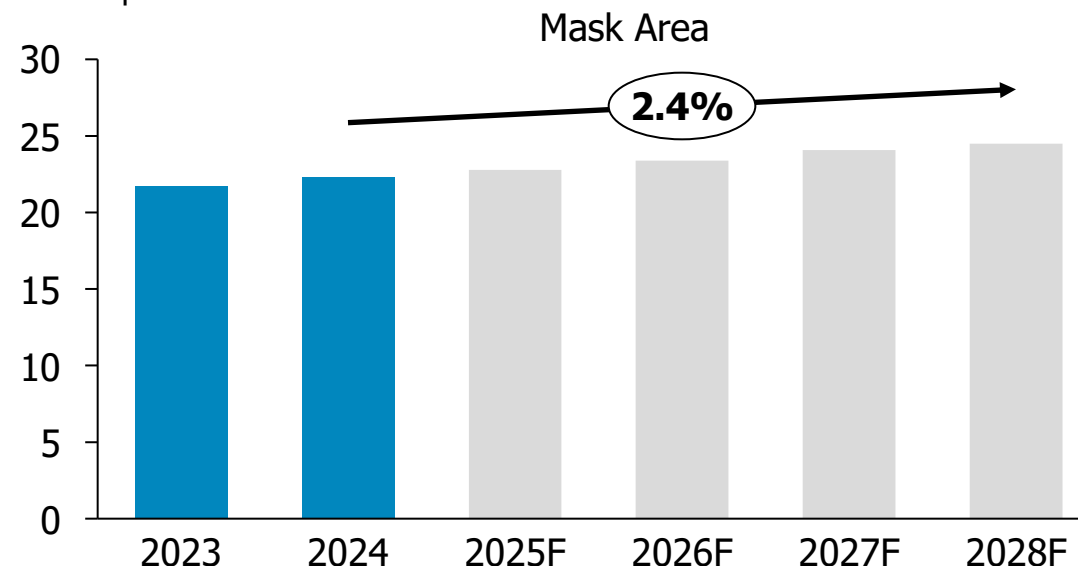
Photomask market expected to have continued to develop positively in 2024

Billion Japanese Yen



- The market continued to grow in 2024 after a stable 2023, showing growth of 2.0%
- The good market conditions were driven by more new development and transition to more advanced and high value photomasks
- The market is forecast to continue to show growth also in 2025 of 2.0% and the long-term growth trend is also positive, with 2.0% CAGR 2024-2028

Thousands of square meters

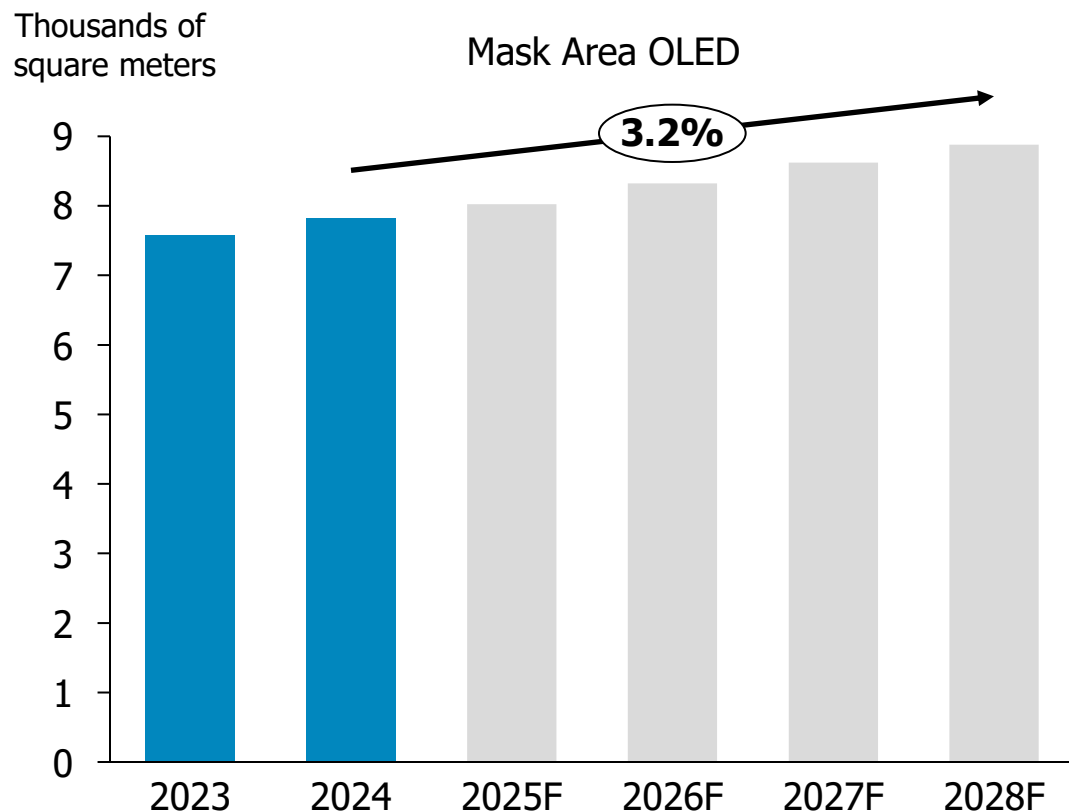


- Long-term area growth forecast remains positive
- Photomask area expected to have grown 2.7% in 2024
- For 2025, the market is forecast to grow 2.1%
- Growth 2024-2028 is forecast at 2.4% CAGR. Strongest growth in segments of complex and high value photomasks

Source: Omdia, Technology Group, FPD large-area photomask research, June 2024 Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

Increasing photomask demand for OLED displays - 2024 expected to be another positive year



- OLED development for mobile, IT and TV displays drives demand for OLED photomasks
 - 2024 area growth of photomasks for OLED displays expected to be 3.3%
 - In 2024, around 35% of the total photomask area was for OLED
 - The transition to OLED will continue, but at a slower pace, since OLED has come to represent a significant share of the total photomask area
- Photomasks for OLED are typically more complex than for LCD
 - More complex circuit design in each pixel
 - Requires higher image quality and tighter specs
- Expected to drive need for advanced mask writer capacity

Source: Omdia, Technology Group, FPD large-area photomask research, June 2024. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

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