



Second quarter 2023

A close-up photograph of a person's hands. The person is wearing a blue button-down shirt. Their left hand is holding a smartwatch with a black strap, and their right hand is touching the screen. The watch screen displays a colorful interface with various data points and charts. The background is blurred, showing what appears to be a window with natural light.

CEO & President

Anders Lindqvist

Agenda

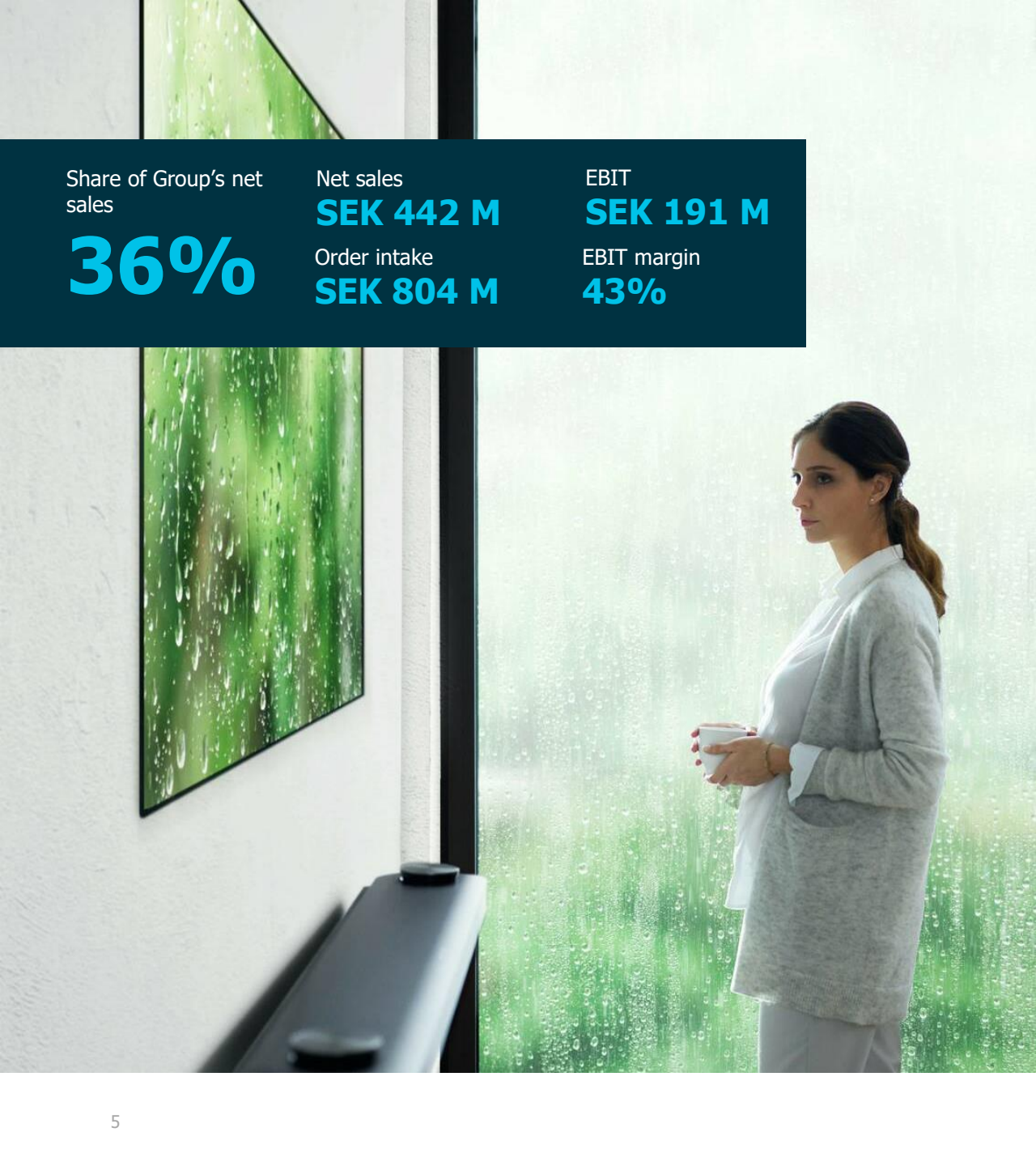
- Q2 in short
 - Divisional development
 - Financials
 - Sustainability
 - Q&A
-
- *Appendix – Market update*





Strong order intake

- Order intake increased 45% to SEK 1,748 (1,203) million
 - Driven by a very good performance in Pattern Generators
- Net sales decreased 2% to SEK 1,245 (1,273) million
- EBIT at SEK 170 (224) million
 - Impacted by around SEK 60 million in costs during the quarter linked to business development projects
- EBIT margin at 14 (18)%
- Record order backlog at SEK 4,475 (2,146) million
 - Contained 31 mask writers on June 30
- After the end of Q2, two orders for one SLX mask writer each were received



Share of Group's net sales

36%

Net sales

SEK 442 M

Order intake

SEK 804 M

EBIT

SEK 191 M

EBIT margin

43%

Pattern Generators

Healthy quarter

- The photomask market for both displays and semiconductors remained positive
- Strong order intake
 - Increased 357% to SEK 804 (176) million
 - 6 systems: One Prexision 8 Evo, one Prexision Lite 8 Evo and four SLXs
- Net sales increased 27%
 - 5 SLX mask writers delivered
 - Increased value in delivered systems, growing aftermarket business and positive currency effects
- Gross margin increased to 64 (55)%
 - Increased value in delivered systems, positive currency effects and continuous operational improvements
- EBIT at SEK 191 (110) million
- Order backlog at SEK 3,307 (635) million
 - 31 systems in order backlog on June 30

High Flex

Consolidation of production

- Strong demand from customers' customers in the High Flex segments of aerospace, defense, medical and industrial applications
- Europe and North America performed well, while China was weak
- Order intake increased 4%
- Net sales rose 13%
- Initiated closing down production of component storage towers in Germany and transfer to Sweden
- Gross margin at 39 (41)%
- EBIT declined to SEK 14 (35) million
 - SEK 10 million impact on costs by transfer of storage tower production
- Order backlog at SEK 175 (239) million



Share of Group's net sales

28%

Net sales

SEK 350 M

Order intake

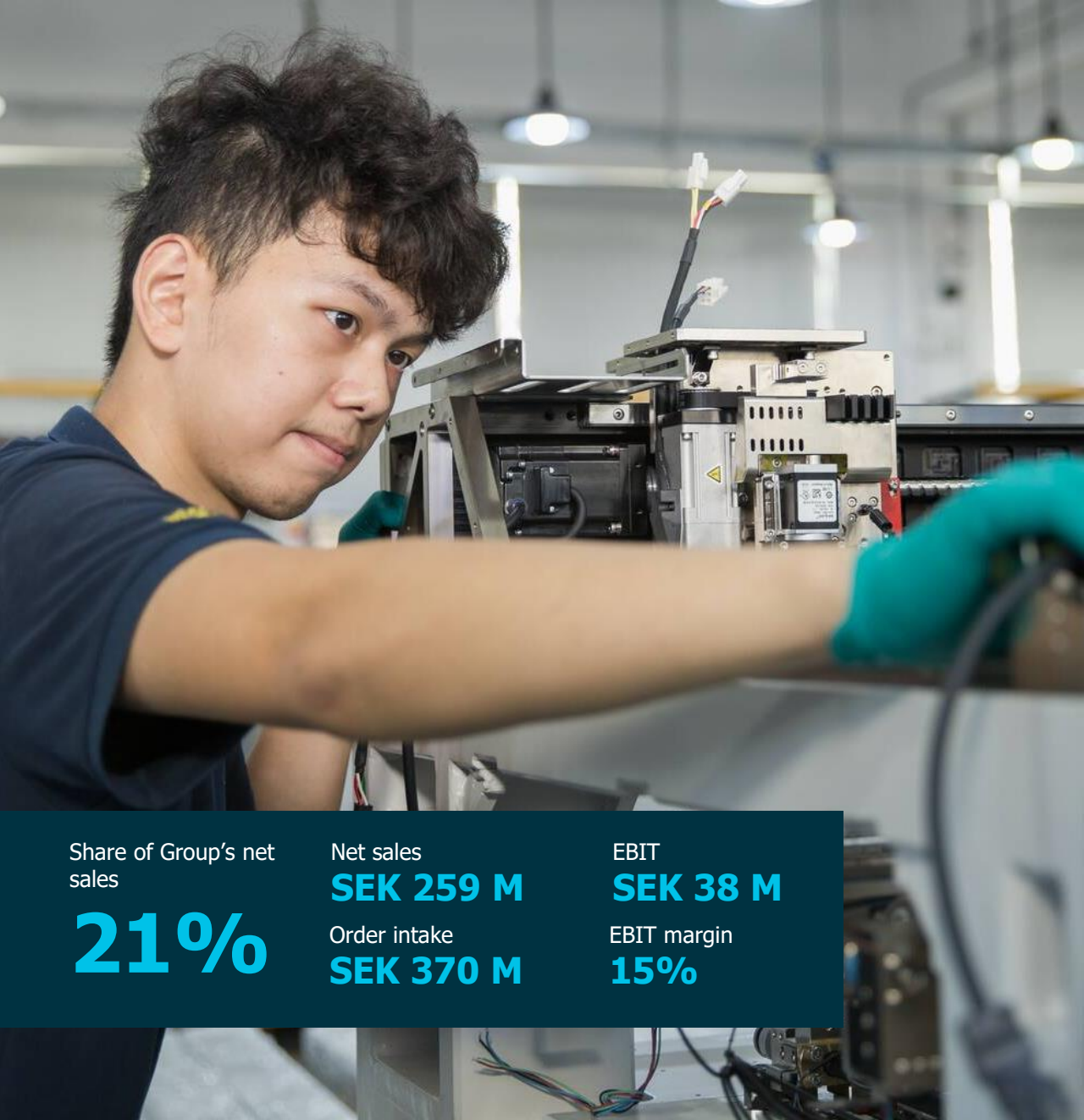
SEK 345 M

EBIT

SEK 14 M

EBIT margin

4%



Share of Group's net sales

21%

Net sales

SEK 259 M

Order intake

SEK 370 M

EBIT

SEK 38 M

EBIT margin

15%

High Volume

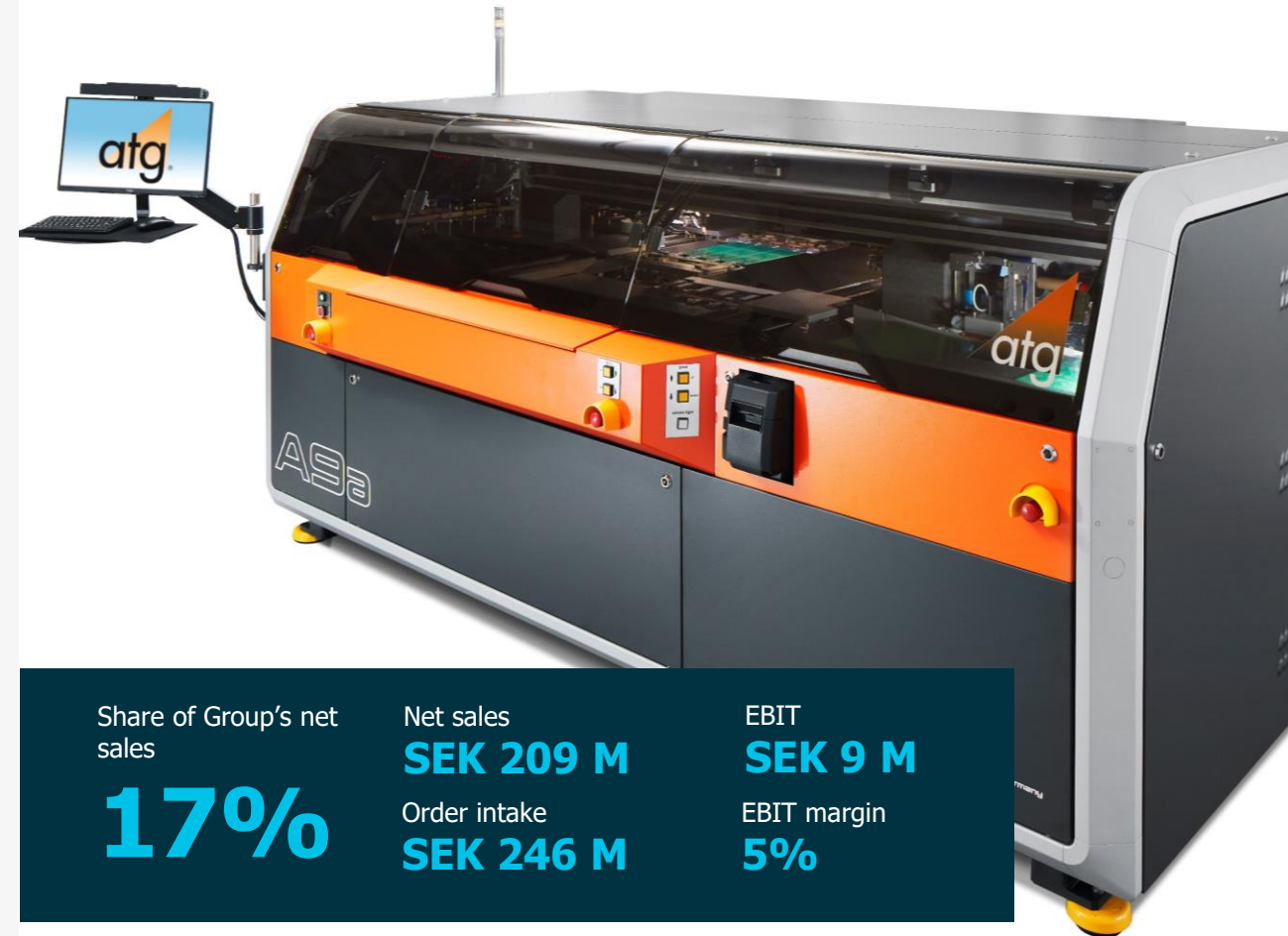
Feeble demand in China

- Investments among consumer electronics manufacturers in China remained at the same weak level as in the first quarter
- Focus on replacing manual tasks with automation rather than increasing production capacity by investing in new production lines
- High Volume was successful in selling to new customers in the electric vehicle industry
- Order intake decreased 24%
- Net sales declined 32%
- Gross margin at 40 (41)%
- EBIT declined to SEK 38 (65) million
- Order backlog at SEK 723 (988) million

Global Technologies

Mixed picture

- Electrical testing of printed circuit boards and substrates recovered during the second quarter in terms of system sales, for which demand was driven by investments in AI and servers
- In die bonding, demand was strong from aerospace and defense but remained weak from the largest markets data and telecom
- Order intake increased 11%
- Net sales declined 15%
- EBIT declined to SEK 9 (43) million
 - Weak demand from the consumer electronics industry impacted electrical testing aftermarket business, with lower sales of consumable components and spare parts
 - Q2 2022 was unusually strong
- Order backlog at SEK 272 (284) million



Outlook 2023 confirmed

Net sales 2023
SEK 5.5 billion



CFO & Sr VP Corporate Development

Pierre Brorsson

77EG9700

Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 5,175 million
- EBIT margin R12 at 16%
- Aftermarket revenue R12 increasing quarter-on-quarter since Q1 2021

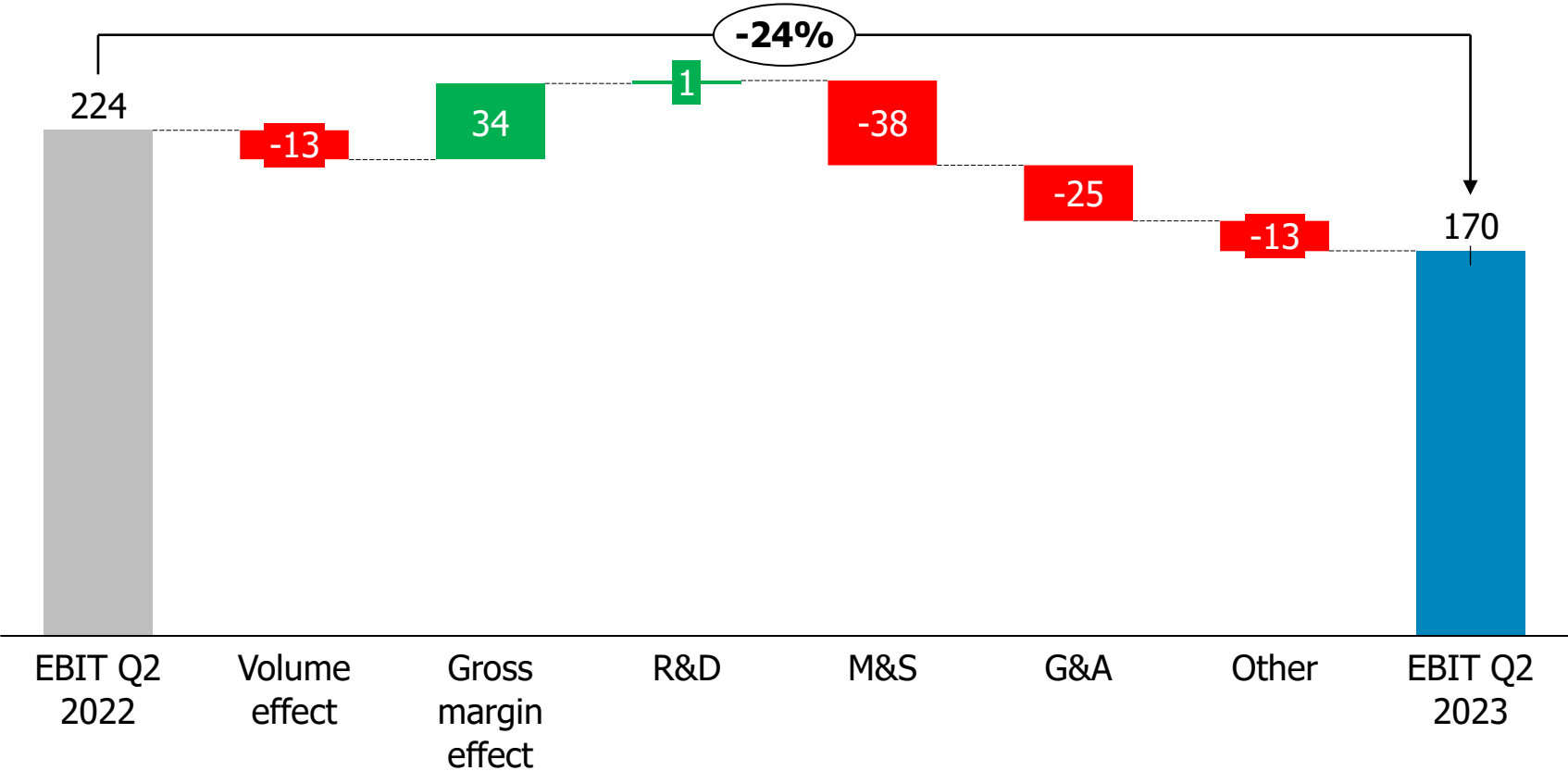
Group net sales and EBIT margin per quarter



- Net sales decreased 2% vs Q2 2022, mainly explained by a weak development in High Volume
 - Organic growth was -7%
- Weaker EBIT-margin mainly explained by around SEK 60 million linked to business development projects
- EBIT margin at 14%

Group Q2 EBIT bridge

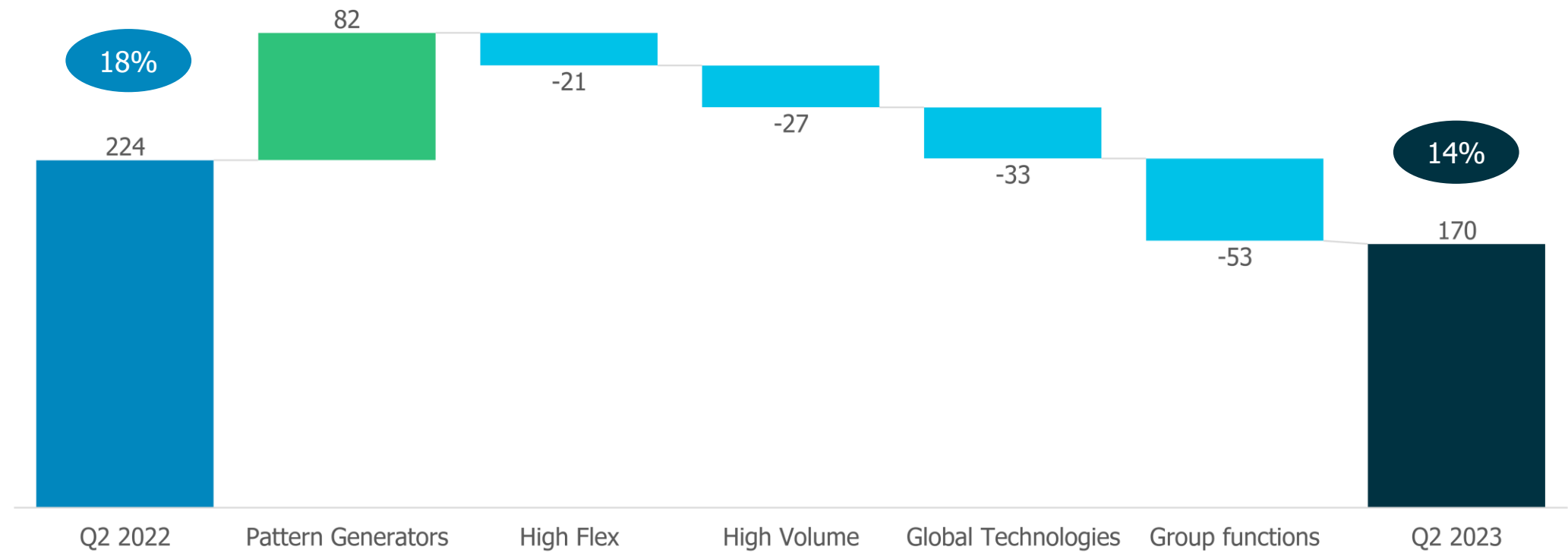
MSEK



% of Sales 2022	18%	45%	-13%	-12%	-5%	2%	
% of Sales 2023		48%	-13%	-15%	-7%	1%	14%

Divisional Q2 EBIT contribution

MSEK



Strong cash flow from changes in working capital

MSEK	YTD 2023	YTD 2022	
Cash flow from operations before change in working capital	407	398	
Change in working capital	426	-152	<ul style="list-style-type: none"> Decrease in working capital mainly attributable to increased advance payments from customers and lower trade receivables
Cash flow from operations	834	246	
Investing activities	-86	120	<ul style="list-style-type: none"> The divestment of AEi generated SEK 215 million in cash flow in 2022
Financing activities	-391	-279	<ul style="list-style-type: none"> Financing activities include SEK 343 million in dividends to shareholders
Cash flow for the period	357	86	
Cash, opening balance*	1,274	692	
Exchange difference	2	41	
Cash at end of period	1,632	819	<ul style="list-style-type: none"> Strong net cash position of SEK 1,395 million on June 30

*Opening balance 2022 includes 9 MSEK in cash and cash equivalents classified as assets held for sale



CEO & President

Anders Lindqvist

Sustainability

- We continue to focus on increasing sustainability awareness throughout the organization. During the quarter, members of executive management have visited subsidiaries to discuss local sustainability initiatives.
- As of 2024 reporting must be carried out in accordance with the EU Corporate Sustainability Reporting Directive (CSRD)
- In preparation for this, an assessment of the company's sustainability reporting from 2022 was performed during the quarter
- An analysis was also conducted of Mycronic's current reporting and processes compared with the requirements of CSRD
- Preliminary results indicate that Mycronic is prepared to meet the future reporting requirements.





Q&A

APPENDIX

Q2 2023 Market update

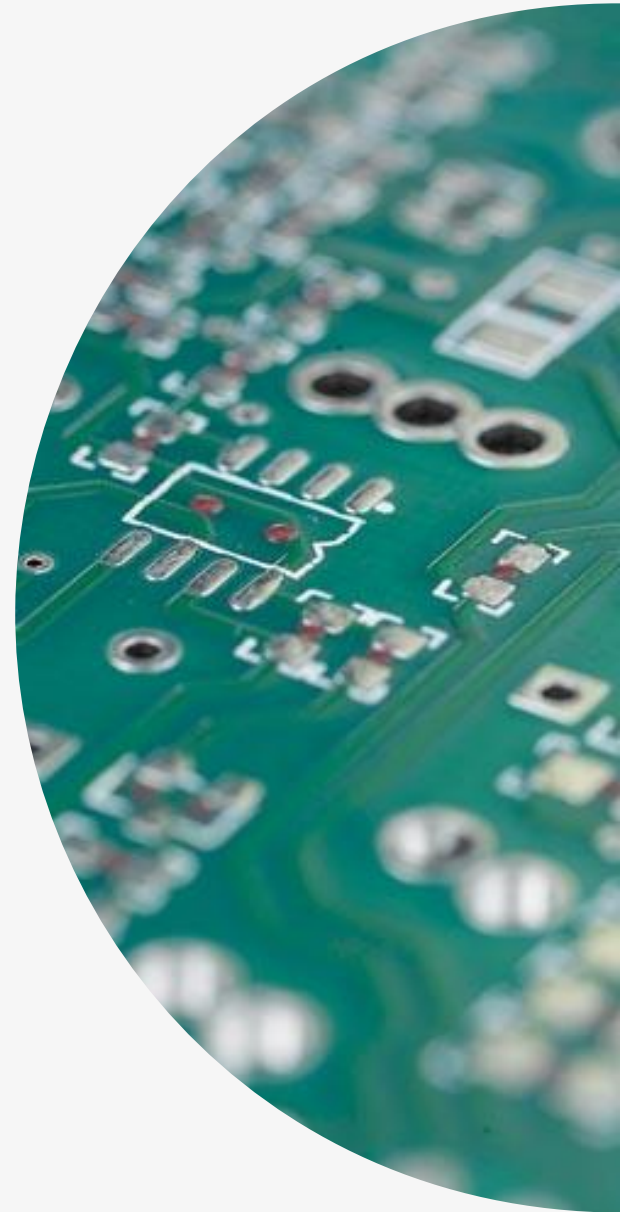
MYCRONIC

Preliminary outcome 2022

Market summary and updates

- Global electronics -2.1% to 2,428 BnUSD¹⁾
- Semiconductors 3.1% to 573 BnUSD¹⁾
- Optical components 7.3% to 12.9 BnUSD³⁾
- Printed circuit boards and substrates 1.0% to 81.7 BnUSD⁴⁾
- Display market -21.9% to 123 BnUSD⁵⁾
- Display photomasks 24.4% to 883 MUSD⁶⁾
- Semiconductor photomasks 18.3% to 7.2 BnUSD⁷⁾
- SMT assembly equipment -17.9% to 3,062 MUSD²⁾
- Dispensing equipment 2.2% to 930 MUSD⁸⁾

Source: 1) Prismark May 2023, 2) PROTEC MDC January 2023, 3) Lightcounting April 2023, 4) Prismark, February 2023, 5) Omdia April 2023, 6) Omdia July 2023 (annual update), 145 YEN/USD used as conversion rate, 7) TechInsights April 2023 (annual update), 8) Prismark March 2023 (annual update)





Forecasts 2023

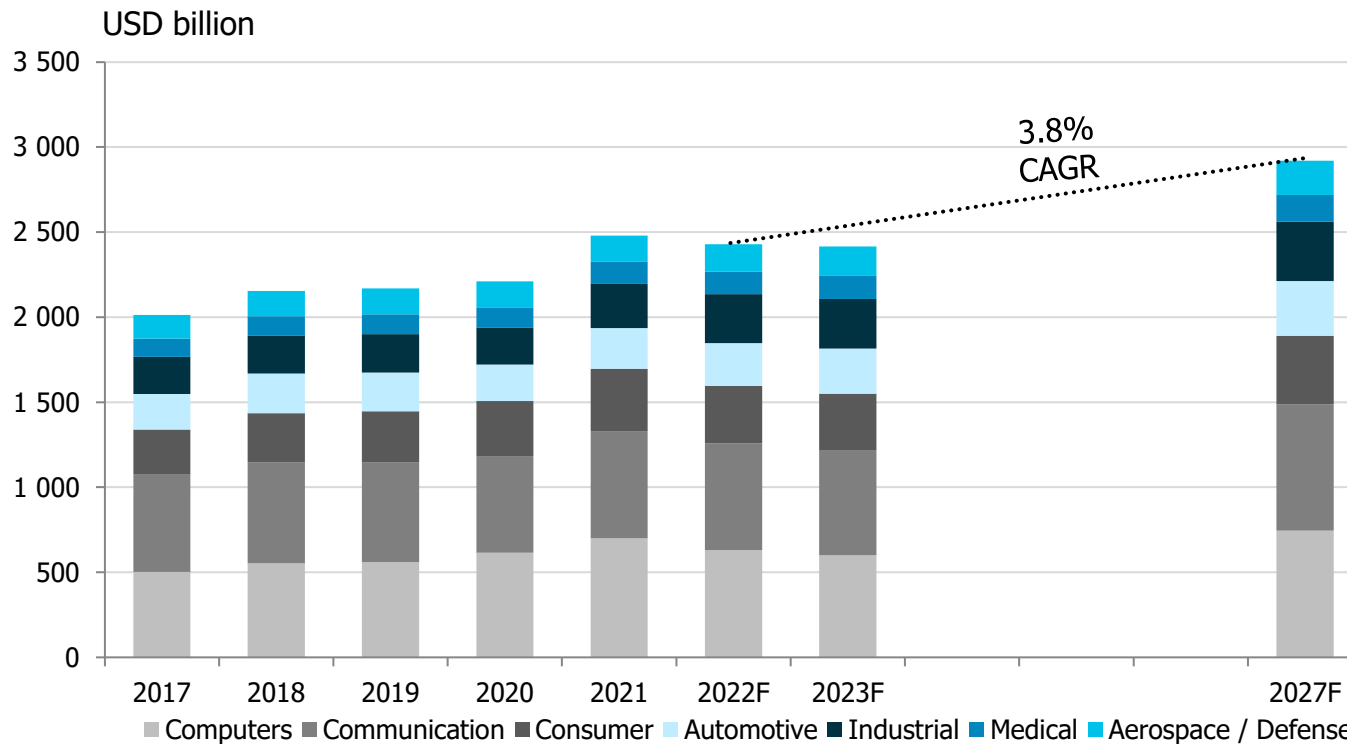
Market summary and updates

- Global electronics industry -0.5% to reach 2,416 BnUSD¹⁾
- Semiconductor industry -10.1% to reach 515 BnUSD¹⁾
- Optical components market -2.7% to reach 12.4 BnUSD²⁾
- Printed circuit boards and substrates market -9.3% to reach 74.1 BnUSD³⁾
- Displays -0.5% to 122 BnUSD⁴⁾
- Display photomasks 0.8% to 890 MUSD^{5, 6)}
- Semiconductor photomasks -0.5% to 7.2 BnUSD⁷⁾
- SMT assembly equipment: not available
- Dispensing: not available

Source: 1) Prismark May 2023, 2) Lightcounting April 2023, 3) Prismark, May 2023, 4) Omdia April 2023, 5) Omdia FPD large-area photomask research Jul 2023. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk, 6) 145 YEN per USD used for conversion from JPY to USD, 7) TechInsights April 2023

Electronics industry systems

Yearly development by industry segment

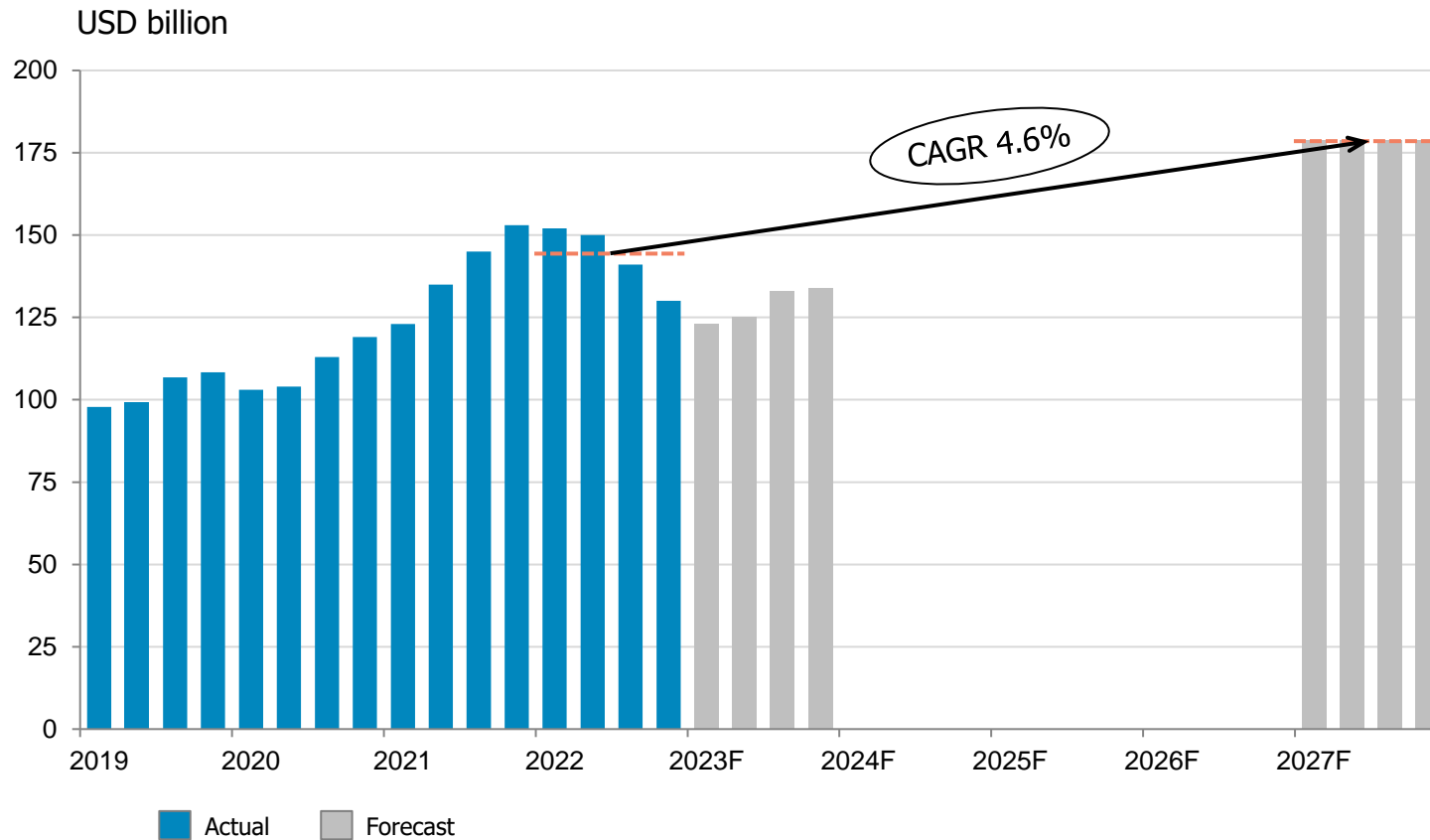


- Forecast -2.1% in 2022, to reach 2,428 BnUSD, with strongest development in
 - Industrial 11.4%
 - Automotive 5.0%
 - Aerospace / Defense 4.5%
- Modest decline of -0.5% forecast for 2023, to reach 2,416 BnUSD, with strongest development in
 - Aerospace / Defense 8.1%
 - Automotive 5.6%
 - Medical 3.1%
- 3.8% CAGR expected for 2022-2027, with strongest development in
 - Automotive 5.0%
 - Aerospace / Defense 4.4%
 - Industrial 3.9%

Source: Prismark, May 2023

Semiconductors

Quarterly development



- 3.1% growth in 2022 and reached 573 BnUSD
- Forecast -10.1% in 2023 to reach 515 BnUSD
- 2022 to 2027 CAGR growth forecast at 4.6% to reach 716 BnUSD

Source: Prismark, May 2023

SMT and Dispensing

Market update

SMT assembly equipment*

- The segment declined by 17.9 percent in 2022 to USD 3,062 million, although the markets in Europe and North and South America reported growth.¹⁾
- First quarter market declined by 21.6 percent compared to same period in 2022, although markets in Europe, Japan and North and South America reported growth²⁾.

Dispensing*

- 2022 market estimated at 930 MUSD³⁾, a growth of 2.2%.
- Mycronic is the number one supplier of dispensing equipment for the electronics industry, addressing the major part of the total market.

** No forecast available*

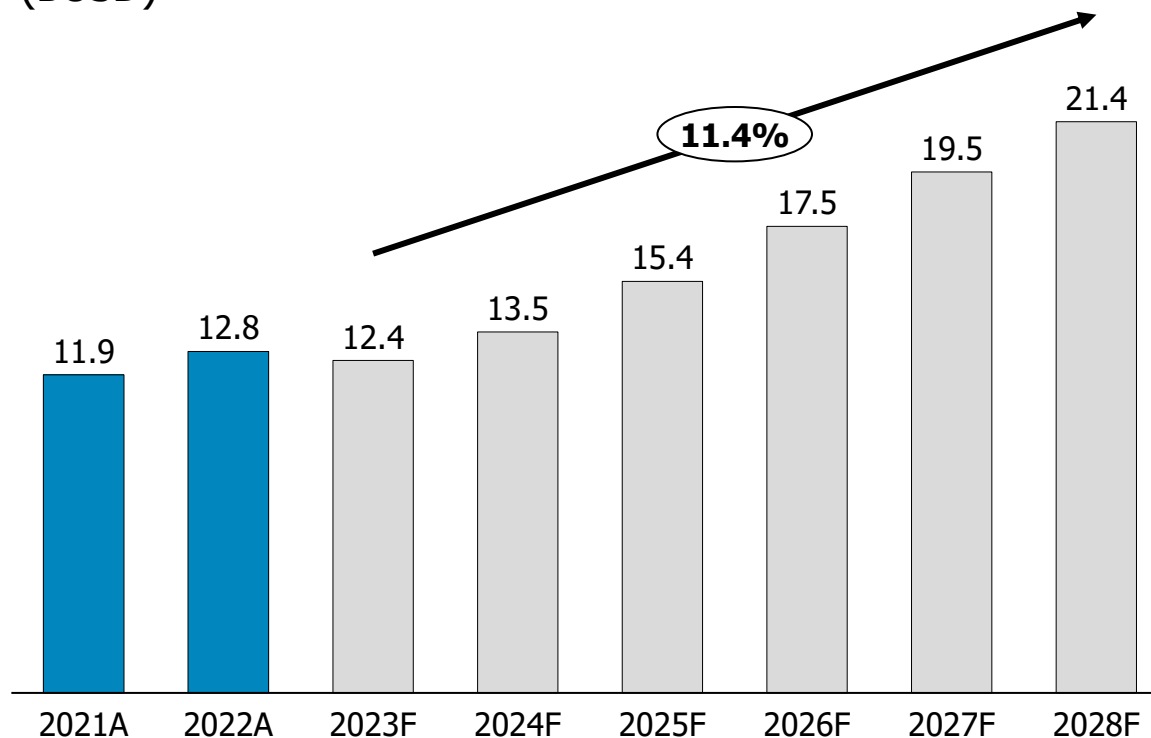
Source: 1) PROTEC MDC January 2023, 2) PROTEC MDC April 2023, 3) Prismark March 2023 (annual update)



Optical components for data/telecom

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

Optical components for data/telecom (BUSD)



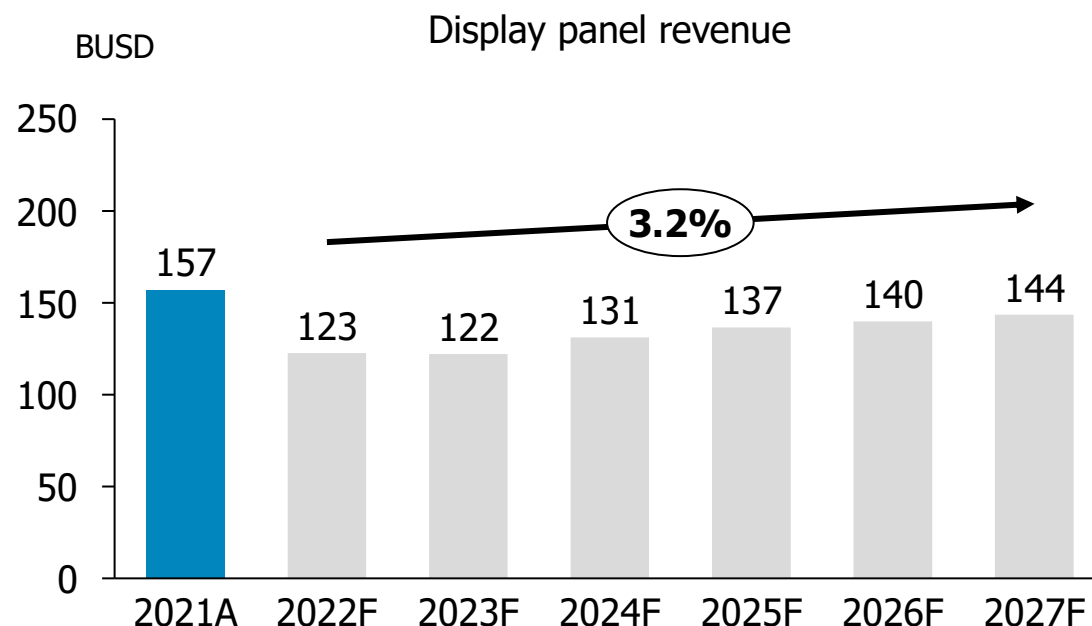
Source: Lightcounting, April 2023

Healthy data/telecom long-term growth

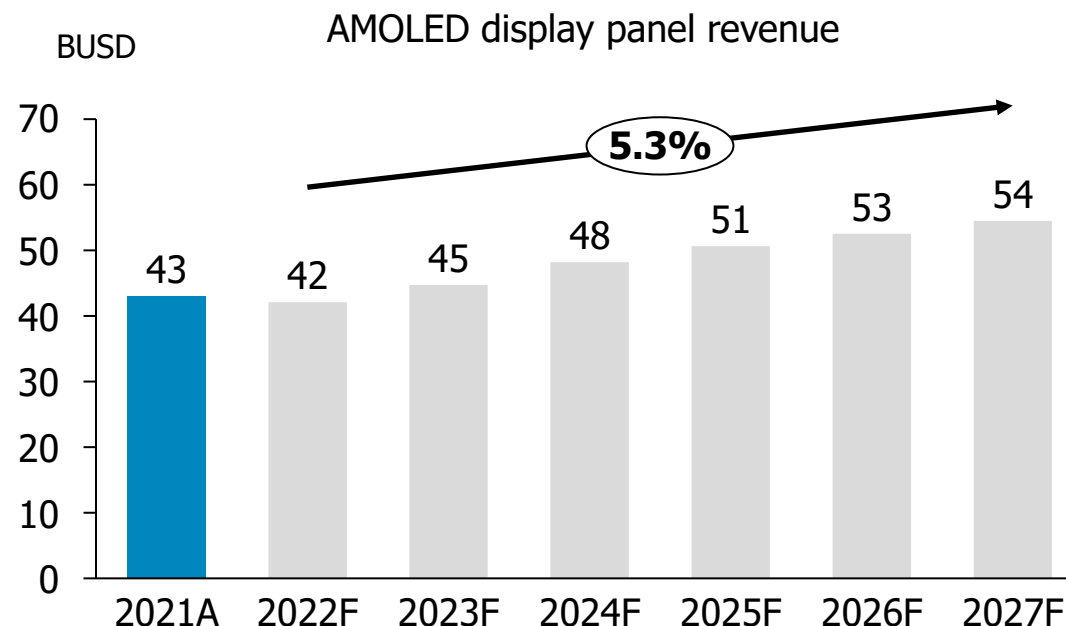
- Optical components production is the main driver for die/lens attach and other adjacent processes.
- Growth driven by mega trends such as hyperscale data centers, 5G/6G, EV, AI, IoT, and global supply chain shifting.
- 2023 data/telecom market is in inventory correction due to over-building during 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 ChatGPT/AI developments.

Pattern Generators

Display panel market



- Display market expected to show negative growth of 21.9% in 2022 primary driven by weak demand and price decline for LCD displays
- Negative growth of 0.5% is forecast for 2023
 - Positive AMOLED market offset by continued LCD TV/IT price pressure but at a slower pace compared to 2022
- After 2023 a stable market with modest growth is expected

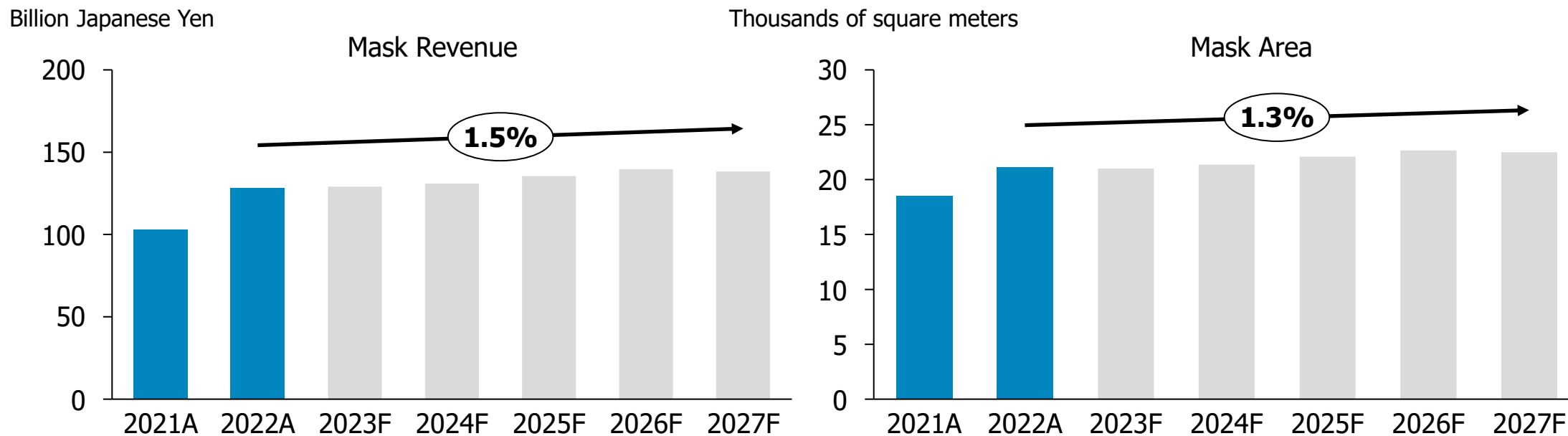


- Shift towards AMOLED continued in 2022 despite an overall declining display market, the AMOLED market size was similar as in 2021
- Technology shift ongoing from LCD to AMOLED for mobile displays, TV and IT segment
 - AMOLED forecast to grow 6.4% in 2023
- AMOLED ratio goes from 34% of total display revenue in 2022 to 38% of total display revenue in 2027

Source: Omdia, Display Long-Term Demand Forecast Tracker, April 2023. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

Continued positive photomask market forecast after a very strong 2022



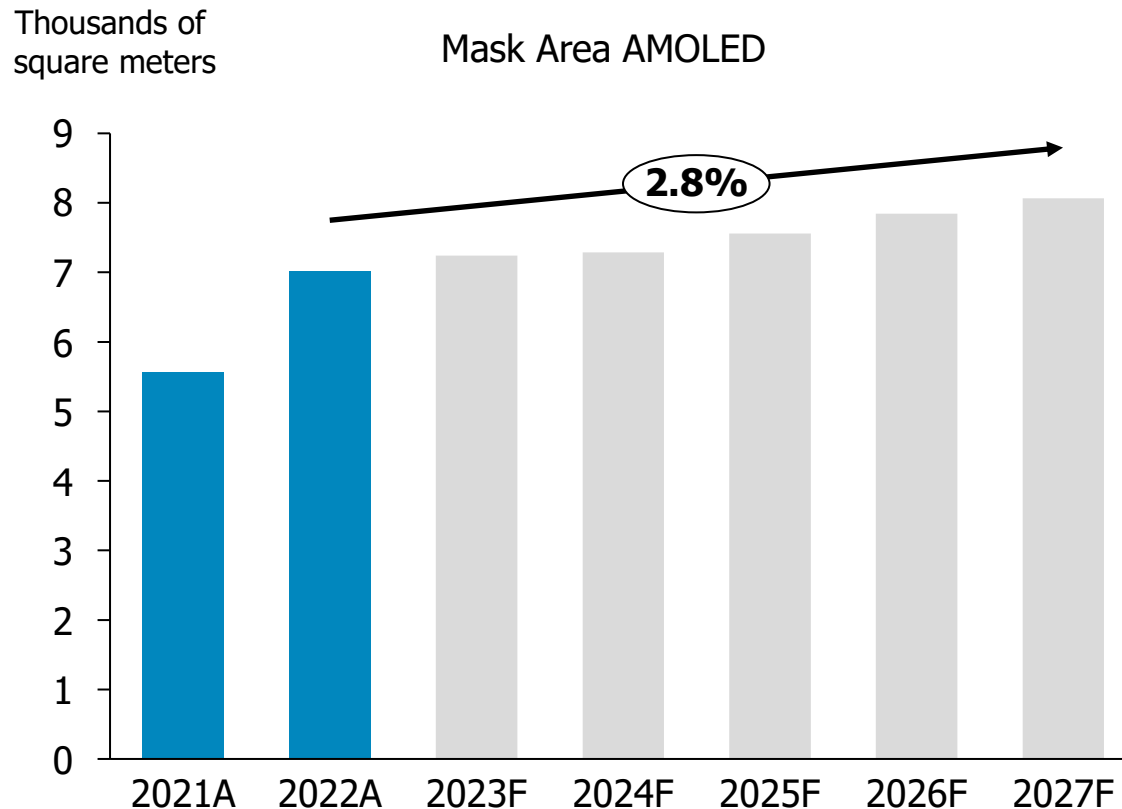
- Display developed very strong during 2022
 - Market growth during 2022 is estimated to 24.8%. The photomask market has continued to recover, driven by more new development and display models and transition to more advanced and high value photomasks
- The market is forecast to continue to show growth also in 2023 of 0.8% and the long-term growth trend is also positive with 1.5% CAGR 2022-2027

- Long-term area growth forecast remains positive
 - Photomask area continued to show good growth during 2022 of 13.9%
 - For 2023 the market is forecast to stabilize on the high level achieved in 2022 and show a small negative growth of -0.6%
 - Growth 2022-2026 of 1.3% CAGR. Strongest growth seen in segment of complex and high value masks, due to AMOLED transition and transition to displays with higher quality

Source: Omdia, Technology Group, FPD large-area photomask research, Jul 2023. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

Increasing photomasks demand for AMOLED displays, 2022 was a very strong year



- Technology shift from LCD to AMOLED for mobile and IT displays drives demand for AMOLED photomasks
 - 2022 area growth of photomasks for AMOLED displays was strong and landed at 26.1%, significant portion of the growth happened in China
 - In 2022, 33% of the total photomask area was for AMOLED
 - The coming years the transition to AMOLED will continue but at a slower pace since the AMOLED now is a significant portion of the total photomask area
- Photomasks for AMOLED are typically more complex than for LCD
 - More complex circuit design in each pixel
 - Requires a higher image quality and tighter specs
- Expected to drive need for advanced mask writer capacity

Source: Omdia, Technology Group, FPD large-area photomask research, Jul 2023. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Bringing tomorrow's electronics to life

MYCRONIC