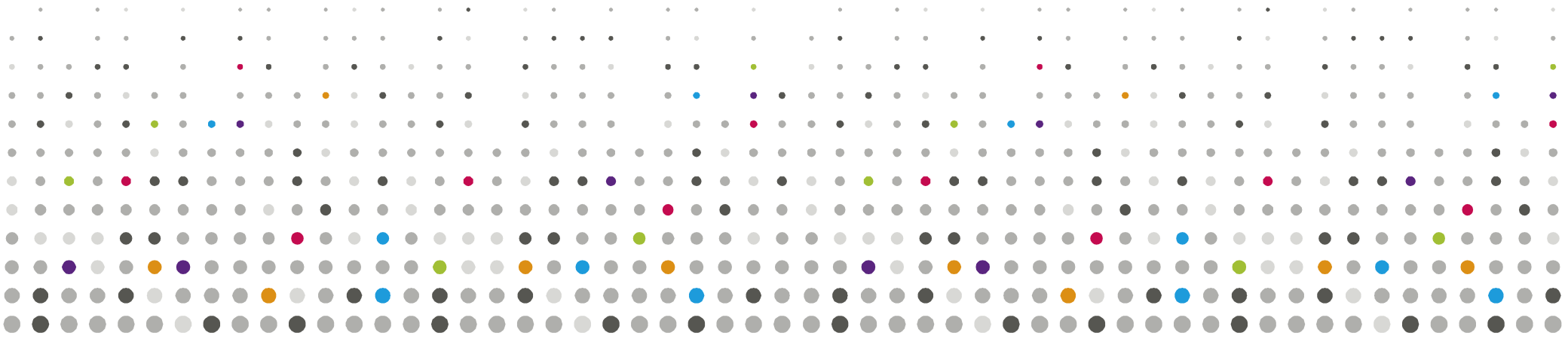


Mycronic, Q3 2015

Lena Olving, President and CEO

Per Ekstedt, CFO

Niklas Edling, SVP Strategy and Portfolio Management



Mycronic in the electronics industry

>40 years
of high-tech innovation
experience


>500
employees in 10 countries

>450 patents
strong IP portfolio

>2,200 customers
supported by solutions from
two business areas SMT and PG.
- SMT for mounting components on PCBs
- PG for the production of photomasks

>50 countries
market coverage through
subsidiaries and distributors

>95%
of total revenues
from exports

 Mycronic sub's and main offices

Key events January-September 2015

- Marketplace

- The global SMT market recovered after 2 years decline and grew 22% in 2014
- In H1 2015 the global SMT market saw a decline of 6%, beginning in Q2
- Historically high utilization of mask writers
- Products
 - Launch of new functionality for material handling and large PCB jet printing
 - Launch of Precision-MMS
 - Participation in IPC APEX Expo (USA), Nepcon China, Productronica China, SMT Hybrid packaging (Germany) and Photomask Japan

- Order intake/sales

- Order intake of 1,341 MSEK and order backlog of 849 MSEK
- Solid aftermarket business
- Orders received for seven mask writers; three display replacement systems and four FPS systems, of which one FPS to be delivered 2017

Key events January-September 2015

- Financial highlights

- Increased sales 46%
- Positive currency effects 128 MSEK on sales
- Improved gross margin levels
- New partnership enables increased R&D activities in SMT
- EBIT reached 289 MSEK, 24%
- Strong cash flow and cash position



Mycronic at IPC APEX in January, 2015

- Corporate

- Sr VP R&D Johan Franzén in place from 23 March
- Sr VP General Manager PG Magnus Råberg relocated to Japan from June
- Partnership in Q3 with a high-tech engineering company in Asia

SMT – market update

General industry update

- Electronics industry
 - Market grew 3.5% in 2014 with the strongest development in automotive and communications
 - Beginning of 2015 (no new forecast available) the electronics industry was estimated to grow with 3.4% in 2015 to 1,800 BUSD with strongest growth in automotive, communications and industrial
- Semiconductor market
 - Semiconductor market grew 9.9% in 2014
 - Market growth of 3.7% in H1 2015 compared to H1 2014
 - Current market estimate for FY 2015 is no growth, corresponding to revenue of 336 BUSD
 - Weaker development for OEM's expected
 - Memory prices are declining

Source: Prismark January and September 2015

SMT – market update

SMT equipment market

- SMT market development
 - SMT equipment market grew with 22% in 2014
 - H1 2015 saw a decline of 6% compared to H1 2014, decline began in Q2
 - Largest decline in Asian markets, Japan excluded
- Mycronic SMT market performance
 - Mycronic order intake grew 14% YTD 2015
 - Sales grew 22% YTD 2015
 - Keeping market share with increasing margins

Source: PROTEC MDC July 2015

PG – market update

Display photomask market

- The good market situation from 2014 has remained
 - Stable utilization at high levels of the installed base of mask writers
 - Trend towards more complex and valuable photomasks continues, driven by product development, the variety of models and the number of manufacturing lines
- Forecast for the period 2015-2018
 - The photomask volumes for display manufacturing are expected to grow by 4 percent annually
 - The turnover is expected to grow from 590 MUSD to 630 MUSD
- Mycronic market performance
 - Mycronic has received three orders for mask writers based on the replacement strategy during the year

Source: IHS, January 2015

PG – market update

Multi purpose photomask market

- A broad market with many segments
 - Electronic packaging, touch screens and MEMS (Micro-Electro-Mechanical Systems) among others
 - Market estimated at 10-14 MUSD annually
- Mycronic market performance
 - Good conditions in several of the segments
 - Mycronic has received orders for four FPS systems during the year
 - Mycronic assesses that the company is gaining market share

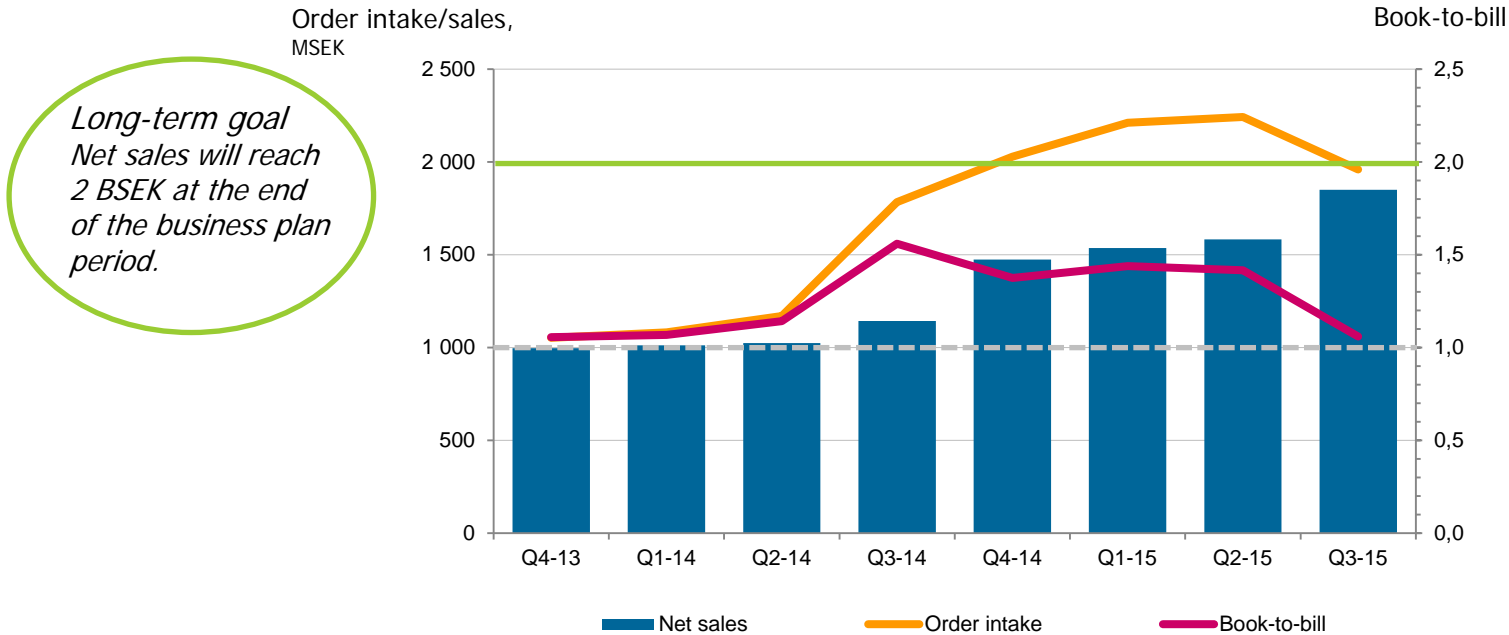
Source: Mycronic

Mycronic outlook

The board's assessment is that sales 2015 will be in the span of SEK 1,650-1,750 million.

Order intake and net sales

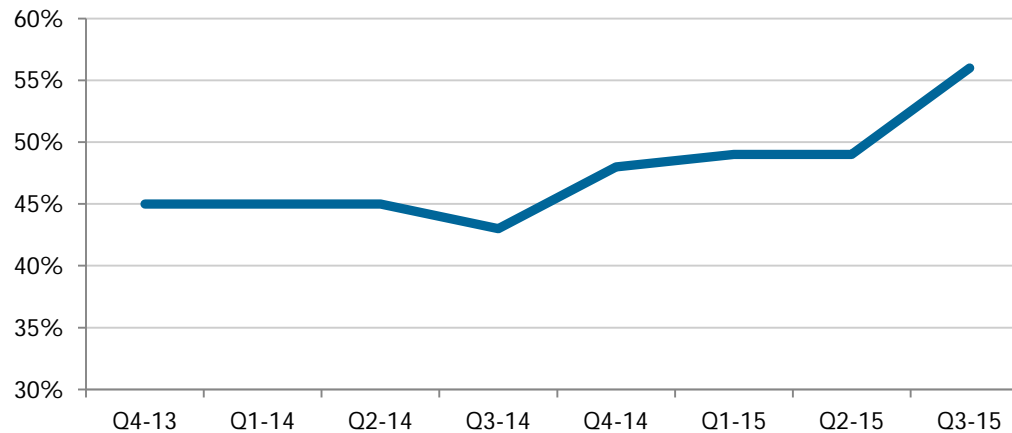
4 quarters rolling



- SMT order intake increase 14% YTD 2015 compared to last year
- PG order intake include seven mask writers; three mask writers replacing older machines for display applications and four FPS systems
- Order backlog still high at 849 (740) MSEK, after delivery of two mask writers during Q3
- Positive currency effects on sales 128 MSEK

Gross margin

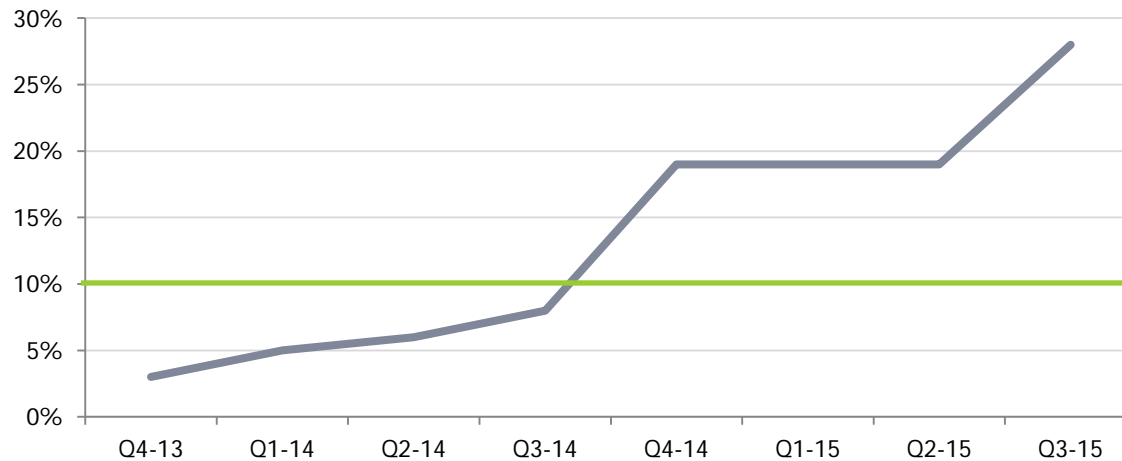
4 quarters rolling



- Gross margin 56% (42%) YTD
 - Higher sales volumes
 - Positive currency effects
 - Favorable product mix
 - Advanced mask writer delivery

EBIT margin

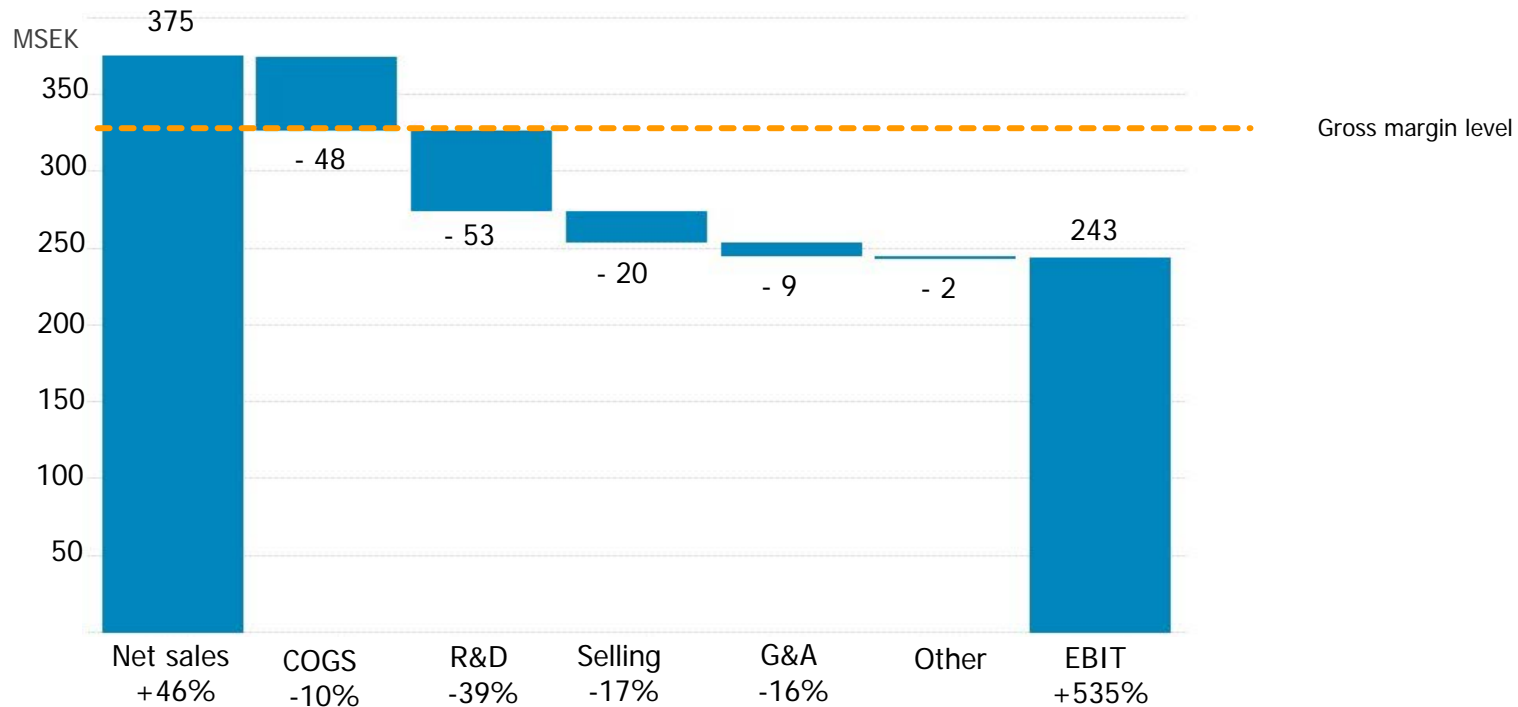
4 quarters rolling



*Long-term goal
Over time EBIT will
exceed 10 percent
of net sales over a
business cycle.*

- EBIT margin 24% (6%) YTD with two mask writers sold, of which one advanced mask writer for display applications
- Increased product development at higher pace as well as other activities for future growth
- Positive EBIT for nine consecutive quarters
- EBIT positively affected by sales volumes, product mix and currency

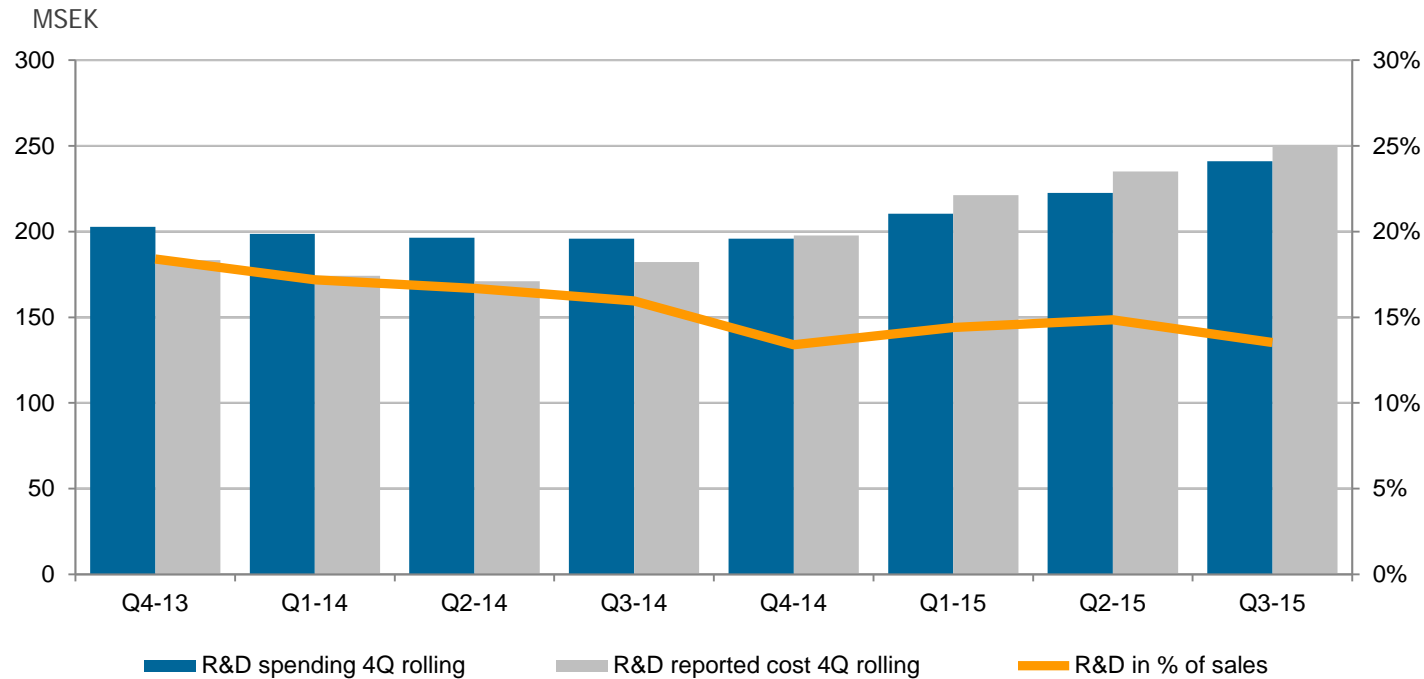
The "bridge" YTD-15 vs YTD-14



- Increased gross margin
- Operating costs increasing due to investments in growth
- R&D costs 53 MSEK higher, refers to SMT
- Selling costs increase due to higher volumes and investments in organization

R&D costs

4 quarters rolling



- Increasing R&D activities within SMT
 - Higher pace from Q3
 - Partnership with Asian engineering company
- Capitalization of R&D 3 (11) MSEK

Summary by segment, Q3

	Q3 2015	Q3 2014	Rolling 4Q	FY 2014
SMT	203	205	832	756
PG	356	637	1,128	1,272
Order intake (MSEK)	559	842	1,959	2,028
SMT	70	91	70	66
PG	779	649	779	636
Order backlog (MSEK)	849	740	849	702
SMT	207	180	853	742
PG	398	158	997	733
Net sales (MSEK)	605	338	1,850	1,475
SMT	48	43	46	45
PG	74	34	65	52
Gross margin (%)	65	39	56	48
SMT	1	8	2	7
PG	65	15	50	31
EBIT margin (%)	43	11	28	19

Summary by segment, YTD

	Q1-Q3 2015	Q1-Q3 2014	Rolling 4Q	FY 2014
SMT	627	551	832	756
PG	714	859	1,128	1,272
Order intake (MSEK)	1,341	1,410	1,959	2,028
SMT	70	91	70	66
PG	779	649	779	636
Order backlog (MSEK)	849	740	849	702
SMT	623	512	853	742
PG	571	306	997	733
Net sales (MSEK)	1,194	819	1,850	1,475
SMT	46	43	46	45
PG	67	40	65	52
Gross margin (%)	56	42	56	48
SMT	0	7	2	7
PG	51	5	50	31
EBIT margin (%)	24	6	28	19

Cash flow, MSEK

	YTD 2015	YTD 2014	Rolling 4Q	FY 2014
Cash flow from operations	289	44	581	336
Change in working capital	156	192	45	82
Cash flow from operations after changes in working capital	445	236	626	418
Investments in development	-3	-11	-3	-11
Other investments, net	-17	-8	-17	-8
Cash flow before financing activities	425	218	607	399
Financing	-392	-245	-392	-245
Cash flow	33	-27	215	154
Cash at end of period	700	473	700	661

- Changes in working capital primarily due to customer payments

- Dividend of 392 MSEK was paid out in May

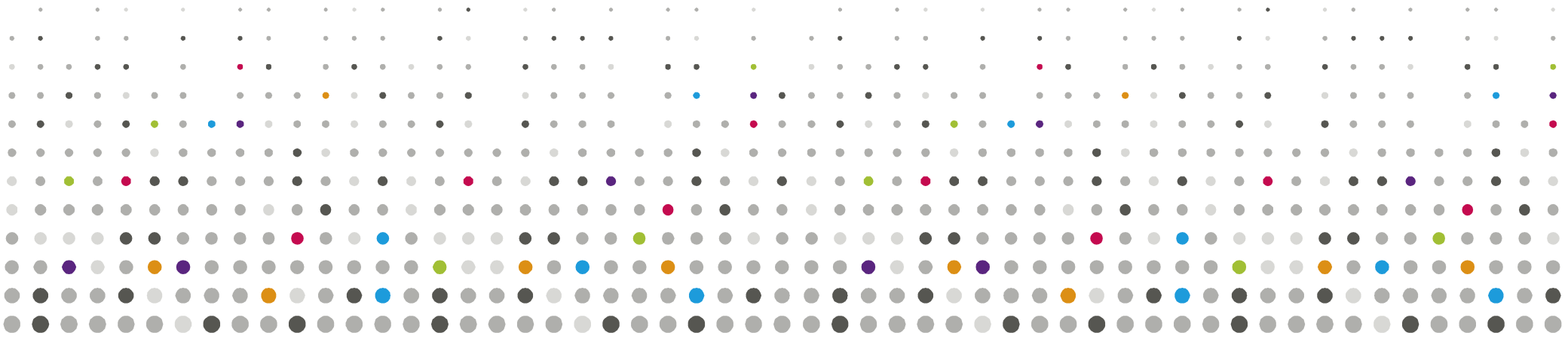
Financial summary January-September 2015

Positive development of order intake, sales and cash

- Order backlog at 849 MSEK
- Improved gross margin
 - Increased sales volumes, including advanced mask writer
 - Favorable product mix
 - Positive currency effects
 - Negatively impacted by certain fixed costs
- EBIT at 289 (45) MSEK
 - Ramp up of product development activities and higher pace in SMT
 - Investments in future growth, acquisitions and sales organization
- Continued strong cash flow and financial position
 - Cash 700 MSEK after dividend of 392 MSEK was paid out

Mycronic SMT

Niklas Edling, SVP Strategy and Portfolio Management



Organic growth in Mycronic SMT

Core business

- Increase market share in current segments

Expansion

- Expand addressable Pick & Place market
- Capitalize on Jet printing technology

Go-to-market

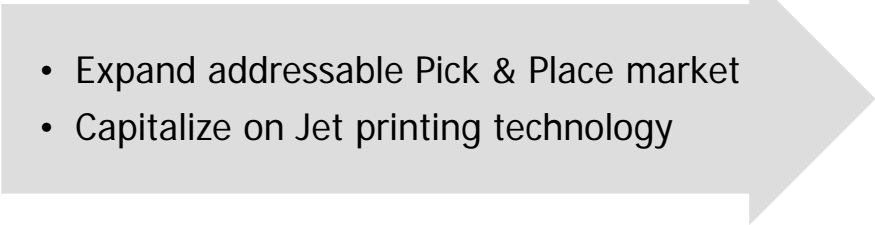
- Invest in market presence in Asia
- New sales approach

Increased pace

executing the SMT product offering

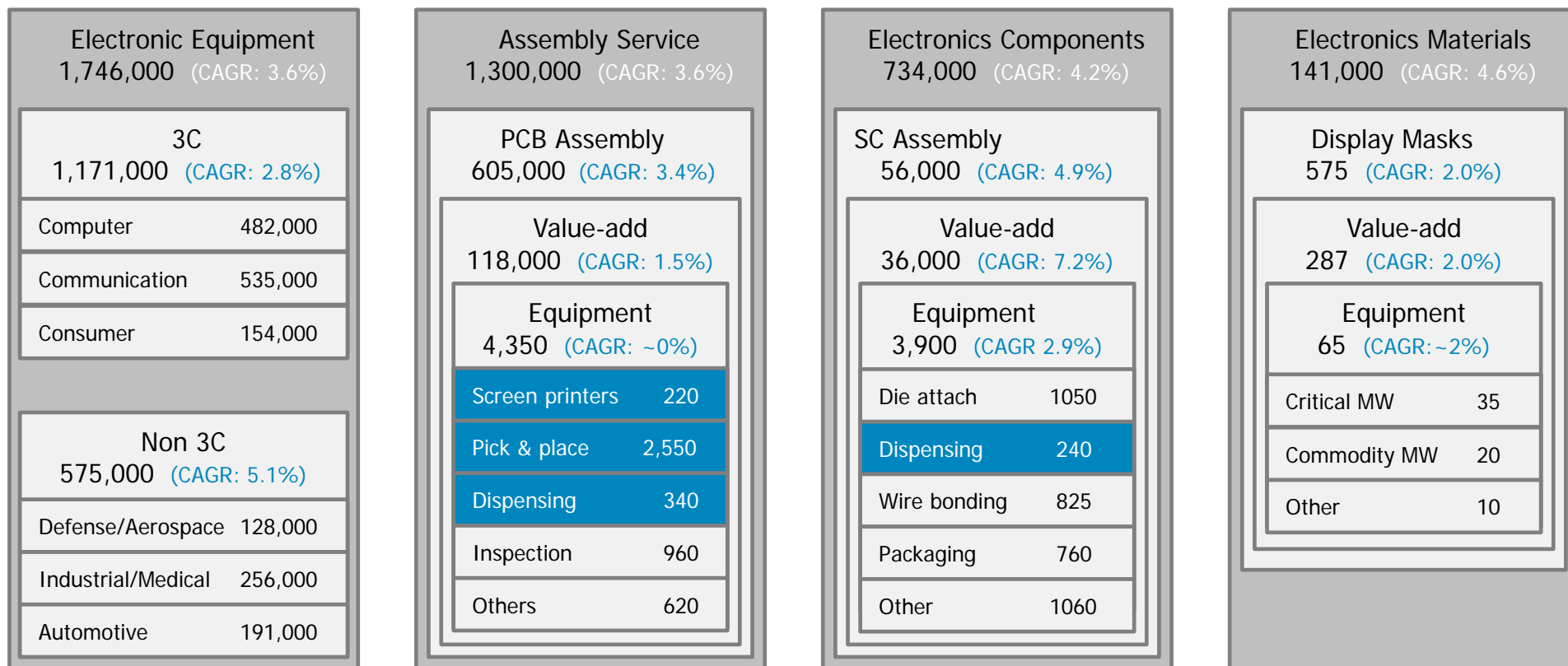


Expansion

- 
- Expand addressable Pick & Place market
 - Capitalize on Jet printing technology

- Strategic partnership with engineering company in Asia, started Q3 2015
- Increased pace to capture several growth opportunities, leveraging our know-how

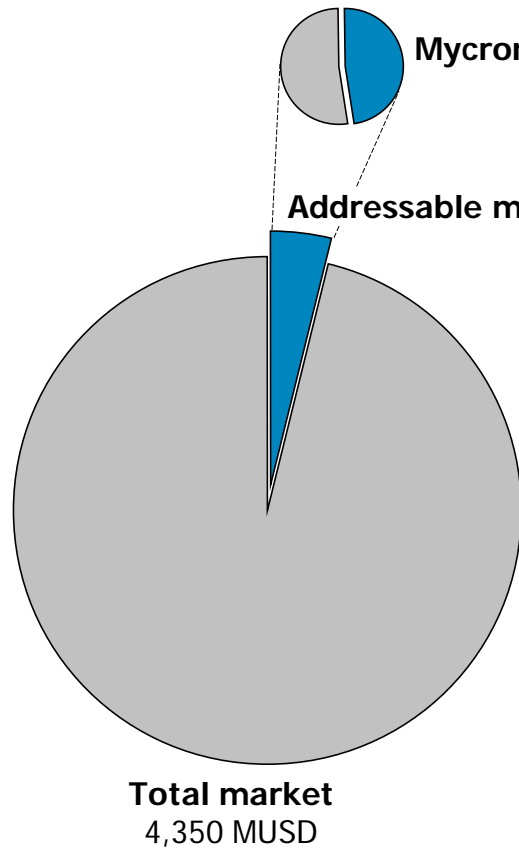
2014 Electronics industry value chain



All values = MUSD CAGR = 2014-2019

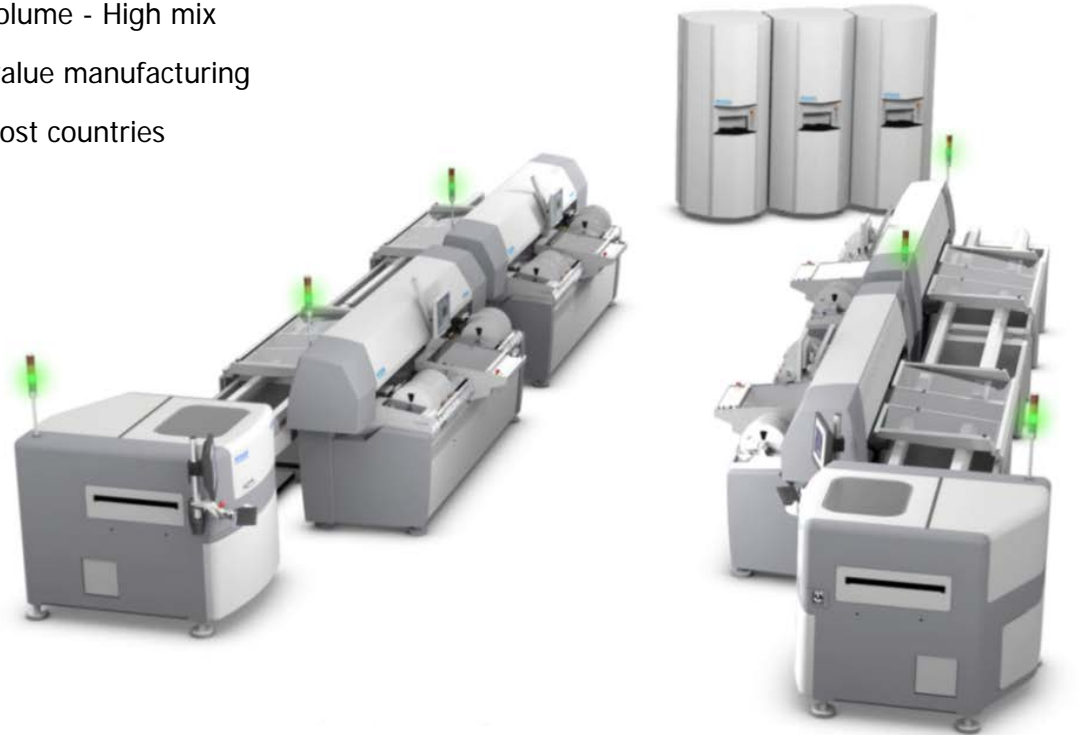
Source: Prismark; IHS; Protec MDC; VLSI; Mycronic 2015

Mycronic's current SMT position



Mycronic market share

- Low volume - High mix
- High value manufacturing
- High cost countries



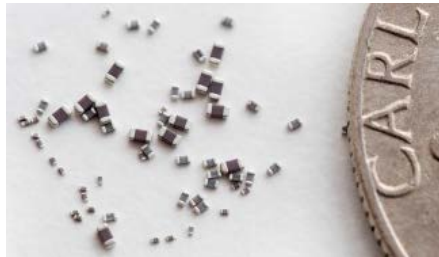
PCB assembly – industry trends

Decreasing cost



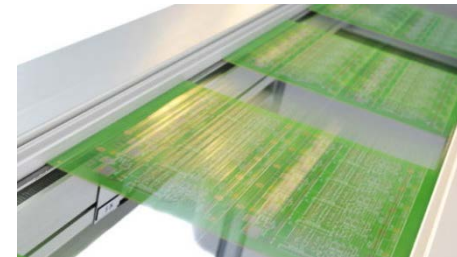
- Cost per placement
- Higher speed lines
- Higher utilization
- Higher quality

Functionality & Miniaturization



- Higher accuracy
- New packaging needs
- 'Broad band' PCBs

Build to order



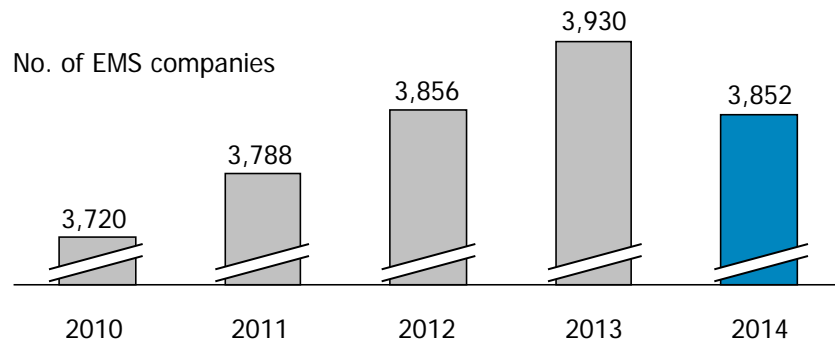
- Higher mix and shorter batches and increased New Product Introductions (NPI)
- Logistics and material handling

Increasing requirements across all dimensions: speed, quality, accuracy & flexibility

PCB assembly - market trends

The EMS industry

- An emerging consolidation trend

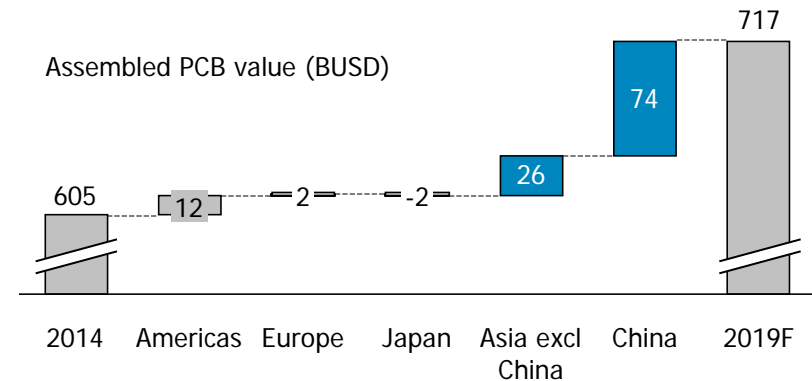


EMS = Electronics manufacturing subcontractors

Source: New Venture Research (NVR) 2015

The Asian market

- Asia will account for 90% of PCBA value growth

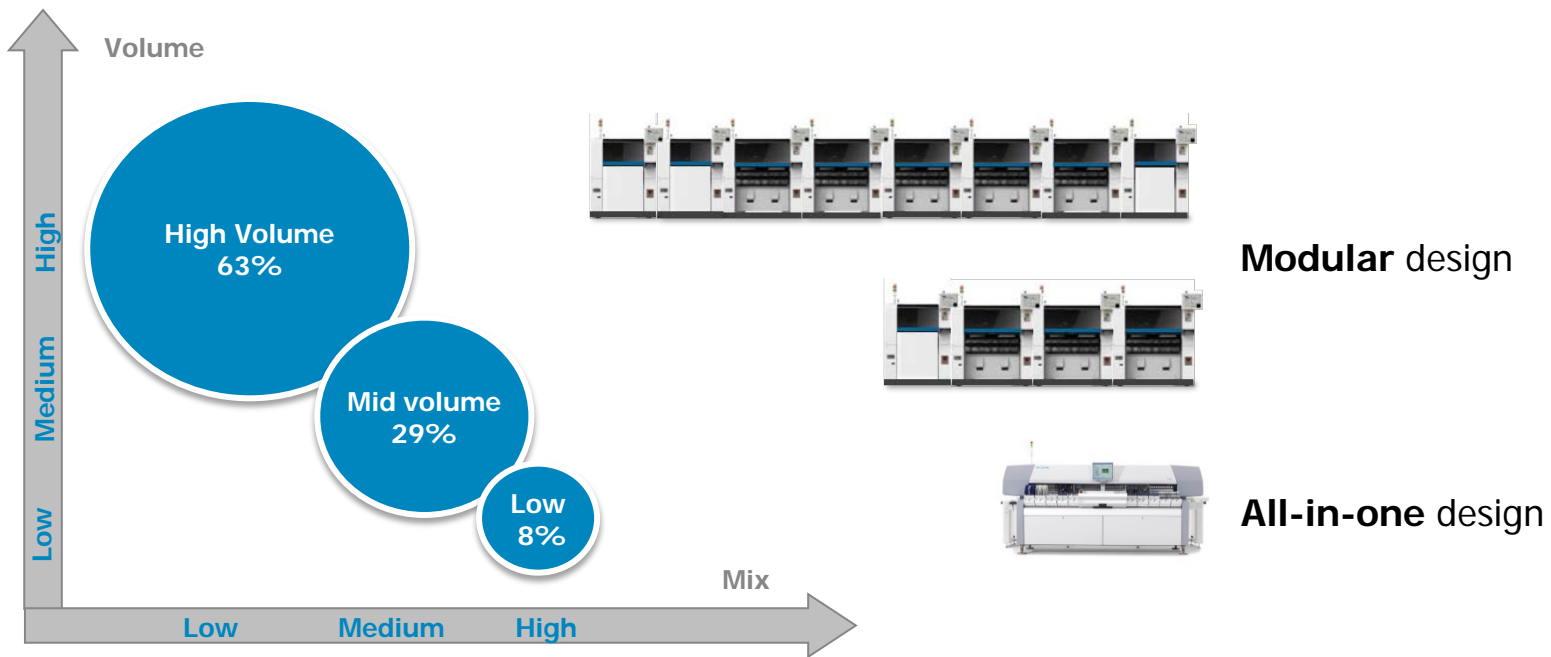


- 40% of that growth will come from non 3C
 - Industrial/ Medical
 - Automotive
 - Defense/Aerospace
 - Infrastructure

Source: Prismark 2015

Asia and flexibility is becoming increasingly important

The SMT market by customer segments



- 70% of the worldwide market is in Asia - dominated by high volume production
- China represents 50% of worldwide SMT equipment market
- 30% in NA and EMEA. A higher degree of low/mid volume production of high value electronics

Future opportunities for Mycronic

Jet printing technology

High-end electronics,
low/mid volume



Stencil printer



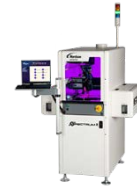
High volume electronics,
smart phone boards



Stencil printer



Dispensing



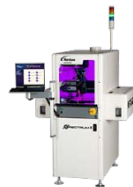
Dispensing



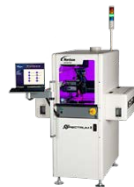
Stencil printer



Semiconductor,
LED technology



Dispensing



Dispensing



Dispensing



Dispensing



When passion meets innovation ●