

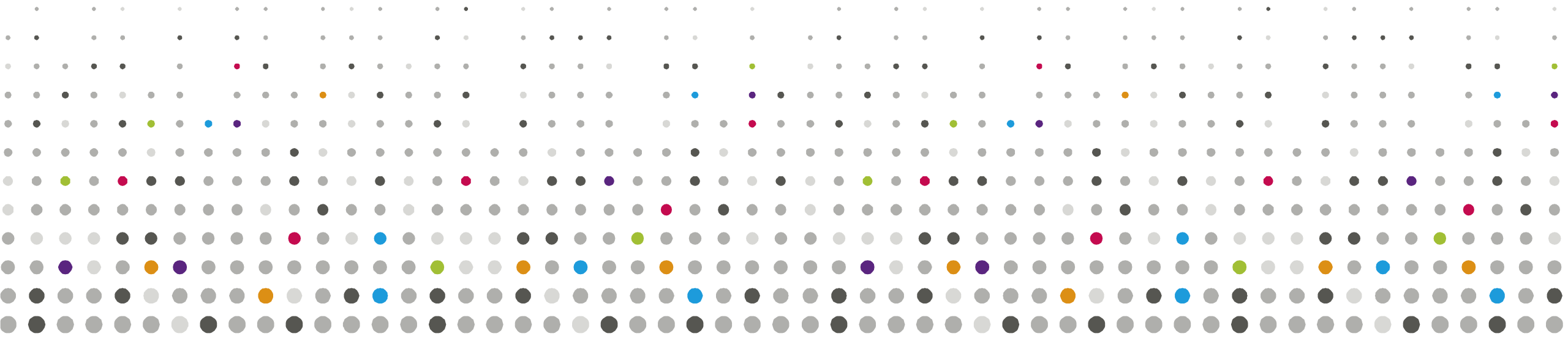
Mycronic Q3, 2017

Lena Olving, CEO

Torbjörn Wingårdh, CFO

Magnus Råberg, Sr VP & General manager PG

19 October, 2017



Mycronic in short



>40

years of experience in
innovation

>950

employees
in ten countries

>50

Mycronic is represented
in more than
50 countries

>450

patents proves the power
of innovation.
26 patent added 2016

>2,500

customers use production
equipment from
Mycronic

>98%

of consolidated
net sales are
exports

Mycronic's Assembly Solutions

Broadened product offering through acquisitions



- Jet printing & dispensing
- Pick-and-place assembly equipment
- Component storage systems
- Advanced software solutions



- Broad range of dispensing and coating systems



- Camera module assembly equipment

Mycronic's Pattern Generator solutions

Indispensable for the display industry

Display



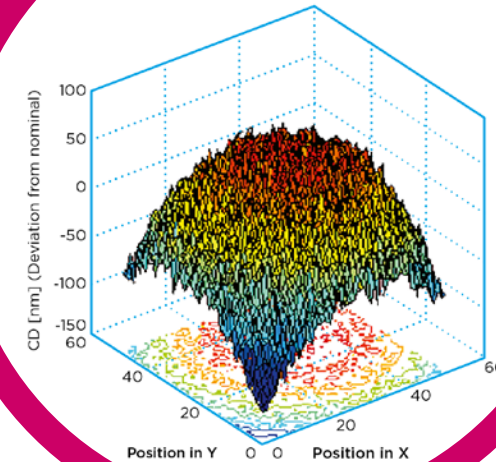
- Prexision mask writer & metrology series

Multi-purpose



- FPS series

Value Added Products



- Upgrades and modifications

Key events January-September 2017

- Marketplace
 - SMT assembly equipment market 21 percent growth in H1 2017 after a 5 percent growth in 2016
 - Dispensing equipment market 600 MUSD in 2016
 - Camera module market high growth - estimated CAGR 2017-2021 23%
 - Photomask market declined 2016 due to transition towards AMOLED
 - rebuilt AMOLED fabs estimated to go into production in 2017
 - utilization of mask writers at customer sites has increased during Q2 and Q3 2017
 - G10 fabs under construction or in planning phase drive demand for large photomasks
 - Market update slides for reference available at the end of the presentation slide no. 24-30
- Products
 - Launch of MY700 and MY300 – in the new MYPro product series
 - Cross utilization of global sales force for AEi and Axxon started

Source: Protec July 2017, Prismark, March&June 2017

Key events January-September 2017

- Growth – both organic and through acquisitions
 - Record high order intake of 2,995 MSEK
 - 7 mask writers, including the first Prexision-800, and 2 MMS metrology systems
 - 3 upgrades/refurbish of previously delivered mask writers
 - 2 multiple MY600 orders
 - 2 multiple SMT equipment orders, including the new machine platforms MY300 and MY700
 - Net sales growth 59% - of which 23 percentage units from acquisitions
 - Slower ramp-up than anticipated of MY300 and MY700 due to supply chain challenges
 - Net sales impacted positively by currency effects of 26 MSEK
 - EBIT 536 MSEK, 26%
 - EBIT in underlying operations 606 MSEK, 29%
 - Order backlog of 2,269 MSEK
 - Backlog for advanced mask writers full for 2018
 - Record high order backlog of AS equipment

The all new MYPro series

- Launch of new product platforms MY700 and MY300 during Q2 2017
- Addresses more application areas and a larger market
- Well received by customers with high demands on efficient electronics production
- Slower ramp-up than anticipated of MY300 and MY700 due to supply chain challenges



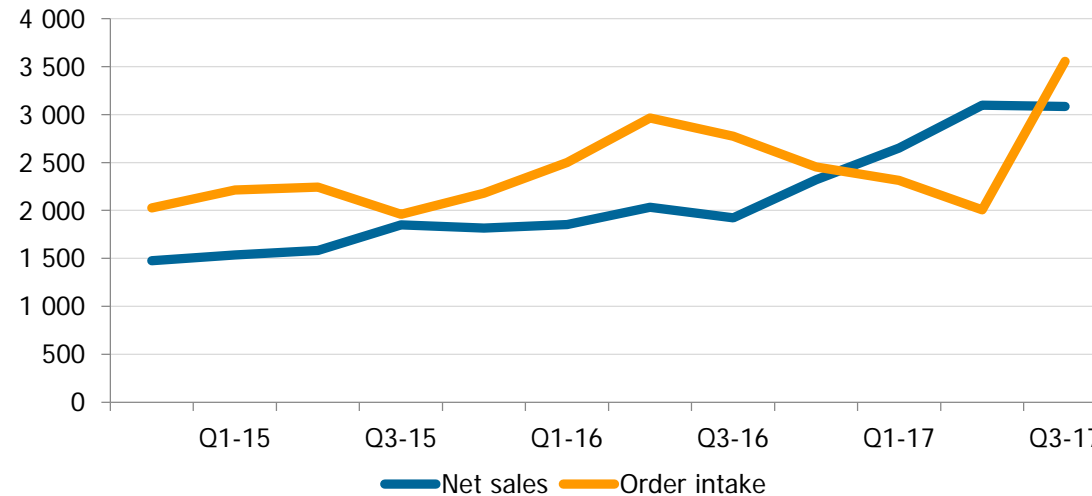
- MY700, offers higher productivity
 - Dual lanes
 - Dual heads
 - Dual media
 - Dual jobs
- MY300, offers high-mix productivity
 - Higher productivity
 - Compact footprint
 - More feeders
 - Robust design

Mycronic Outlook

The board's assessment remains that net sales 2017 will be at the level of SEK 2,800 million.

Order intake and net sales

MSEK, 4 quarters rolling



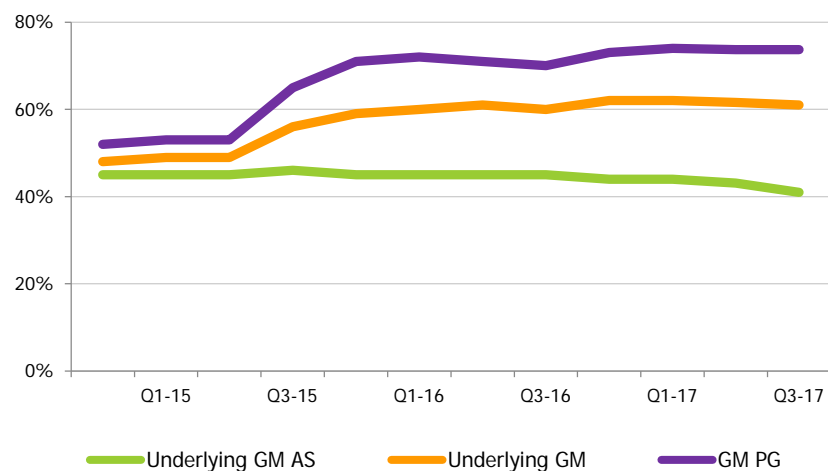
- Order intake January-September 2,995 MSEK and net sales 2,070 MSEK
- PG order intake comprise seven mask writers including the first P-800, two MMS metrology systems and three mask writer upgrades/refurbish
- AS order intake include four multiple system orders
- Order backlog 2,269 (1,699) MSEK, include nine mask writers and two MMS metrology systems, of which two for delivery in 2017, eight in 2018 and one in 2019
- Record high backlog for Pick-and-place equipment
- Positive currency effects on net sales January-September of 26 MSEK
- Third quarter net sales impacted by slower ramp-up than anticipated of MY300 and MY700 due to supply chain challenges

The fourth quarter and full-year 2016 include Axxon and AEi from the respective acquisition day.

Margins

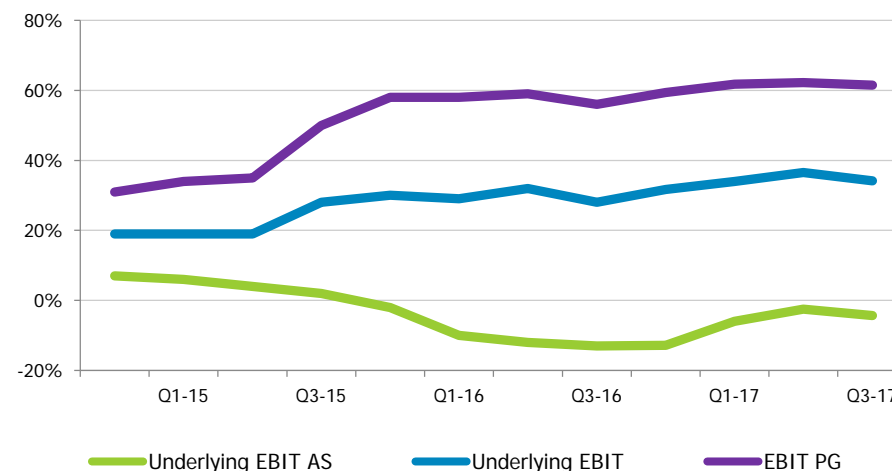
4 quarters rolling

Gross margin %



- Gross margin January-September 55% (57%)
- Gross margin January-September affected negatively by acquisition-related costs of 40 MSEK, underlying gross margin 57%

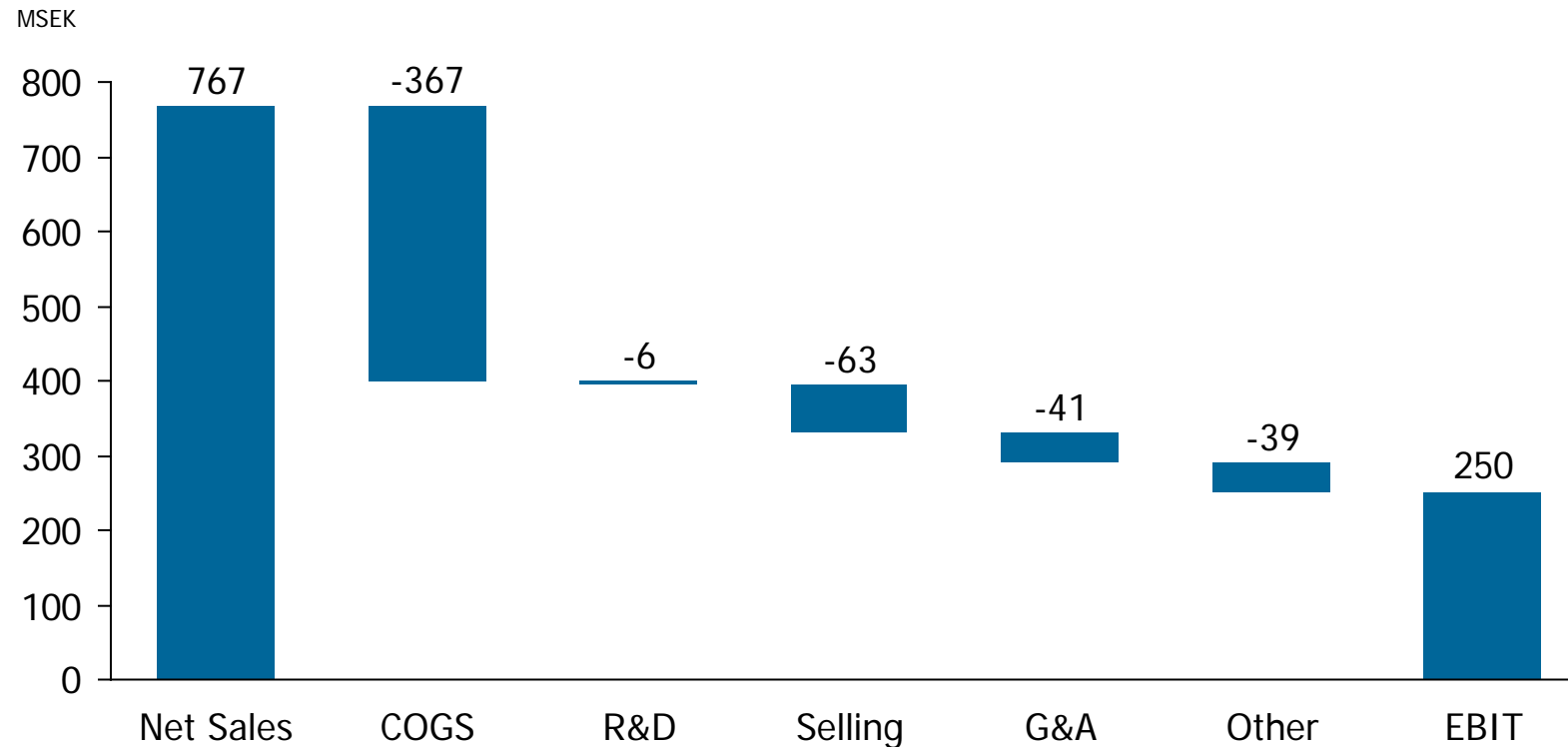
EBIT margin %



- EBIT margin January-September 26% (22%)
- Underlying EBIT margin January-September 29% (22%)
 - Costs related to acquisitions amount to 70 MSEK
 - All segments contribute to increase in EBIT

The fourth quarter and full-year 2016 include Axson and AEi from the respective acquisition day.

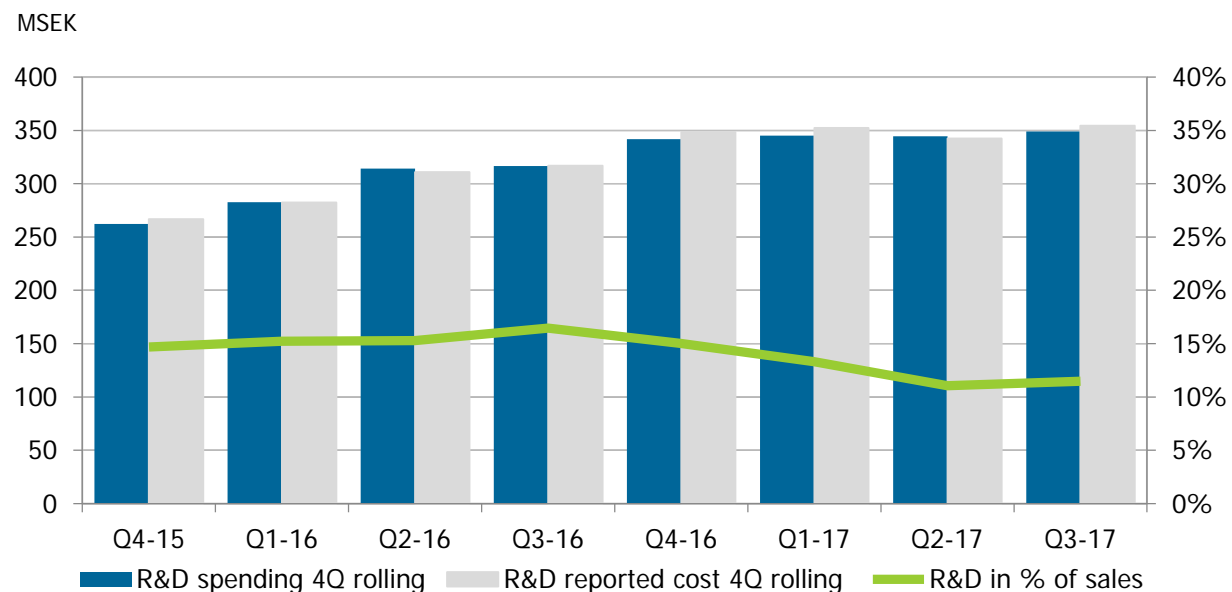
The "bridge" YTD 2017 vs YTD 2016



- Organic growth 34%
- Net sales from acquisitions contributed 303 MSEK
- R&D expenses refer mainly to Assembly Solutions – introduction of MYPro series with new machine platforms in Q2

R&D costs

4 quarters rolling



- Introduction of the MYPro series including MY300 and MY700
- Product development will continue in line with strategy – especially within Assembly Solutions
- Current R&D level is below estimated industry average of ~15%. Our growth strategy can drive a future need to increase spending

The fourth quarter and full-year 2016 include Axxon and AEI from the respective acquisition day.

Summary by segment, Q3 2017

	Q3 2017	Q3 2016
Assembly Solutions	351	219
Pattern Generators	1,523	148
Order intake (MSEK)	1,874	367
Assembly Solutions	372	65
Pattern Generators	1,897	1,634
Order backlog (MSEK)	2,269	1,699
Assembly Solutions	262	211
Pattern Generators	223	286
Net sales (MSEK)	484	497
Assembly Solutions	39%	47%
Pattern Generators	71%	69%
Gross margin %	54%	59%
Assembly Solutions	-17%	-5%
underlying EBIT margin AS	-14%	-5%
Pattern Generators	49%	56%
EBIT margin %	13%	30%
underlying EBIT margin Group	15%	30%

Summary by segment, YTD 2017

	YTD 2017	YTD 2016	Rolling 4Q	FY 2016
Assembly Solutions	1,050	570	1,439	960
Pattern Generators	1,945	1,366	2,074	1,495
Order intake (MSEK)	2,995	1,936	3,513	2,455
Assembly Solutions	372	65	372	266
Pattern Generators	1,897	1,634	1,897	1,076
Order backlog (MSEK)	2,269	1,699	2,269	1,342
Assembly Solutions	946	557	1,275	886
Pattern Generators	1,124	746	1,811	1,433
Net sales (MSEK)	2,070	1,303	3,086	2,319
Assembly Solutions	37%	45%	37%	42%
Pattern Generators	71%	66%	74%	73%
Gross margin %	55%	57%	59%	61%
Assembly Solutions	-10%	-15%	-13%	-18%
underlying EBIT margin AS	-3%	-15%	-4%	-13%
Pattern Generators	57%	50%	61%	59%
EBIT margin %	26%	22%	31%	30%
underlying EBIT margin Group	29%	22%	34%	32%

The fourth quarter and full-year 2016 include Axxon and AEI from the respective acquisition day.

Cash flow

	YTD 2017	YTD 2016	Rolling Q4	FY 2016
Cash flow from operations	493	243	905	655
Change in working capital	336	81	62	-193
Cash flow from operations after changes in working capital	829	324	967	462
Investments in development	-21	-8	-21	-8
Other investments, net	-72	-46	-786	-760
Cash flow before financing activities	736	270	160	-306
Financing	-194	-392	-194	-392
Cash flow	542	-122	-34	-699
Cash at end of period	742	786	742	209

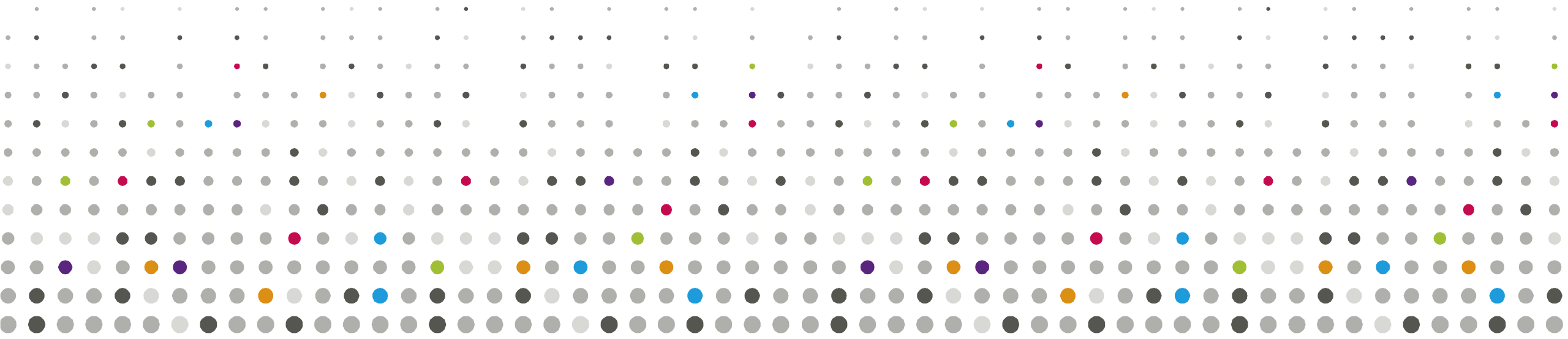
- Strong cash flow due to positive results and changes in working capital, primarily due to major increase in advance payments from customers

- Other investments related primarily to acquisitions and earn-outs as well as capitalization of product development

The fourth quarter and full-year 2016 include Axxon and AEI from the respective acquisition day.

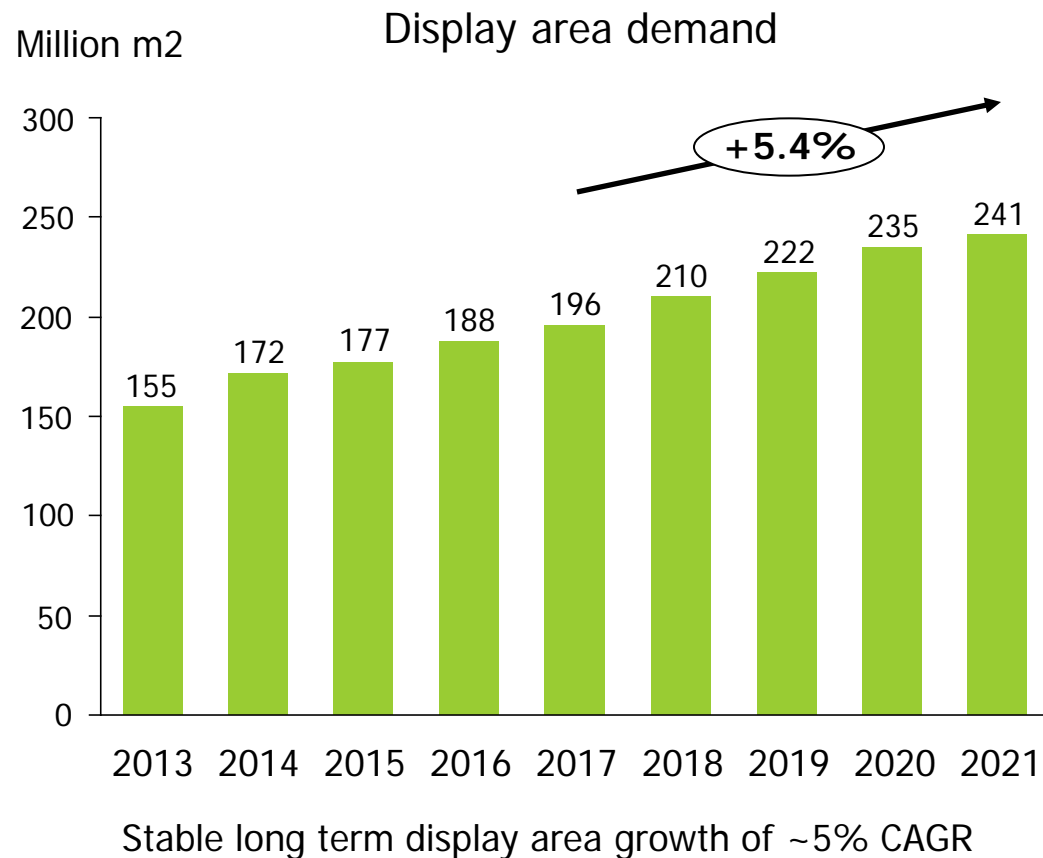
PG update – with focus on display trends and market

Magnus Råberg, Sr VP & General manager PG

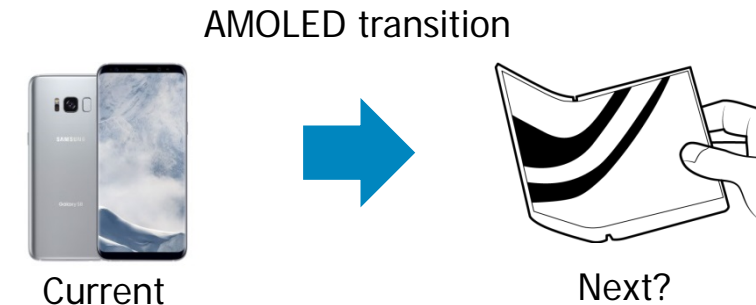


Continued stable growth of display area demand

Driven by evolving displays and new innovative products



Source: IHS Oct 2017



Displays in new applications



Display trends drive capability needs and Mycronic sales

Transition from LCD to AMOLED



→ Investments in P800/P80 & Prex-MMS

Larger and larger displays



→ Investments in P10

Higher and higher resolution



~60 PPI

~160 PPI

~400 PPI

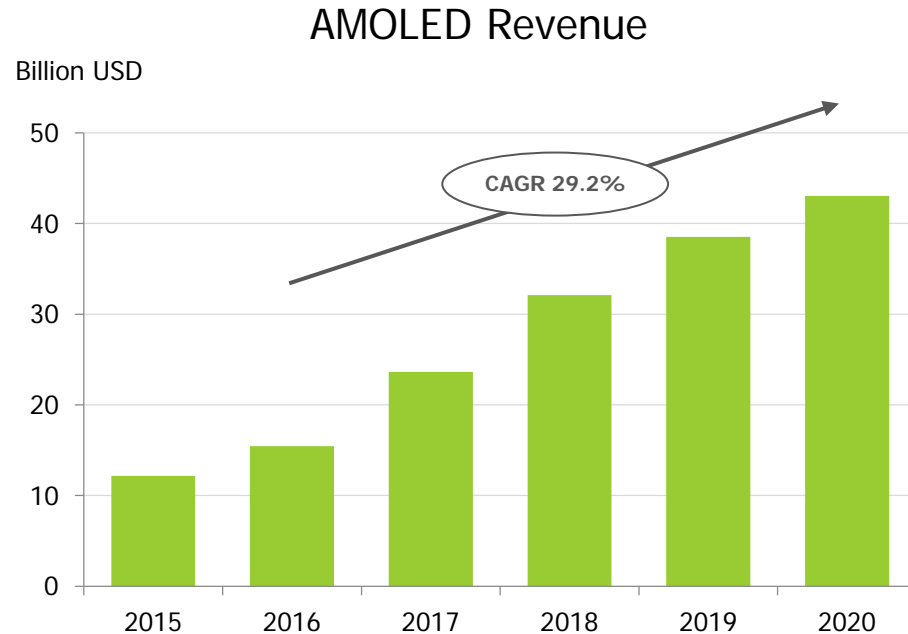
→ Investments in P800/P80 & Prex-MMS

Displays in new applications



→ Investments in the Precision series

Technology transition from LCD to AMOLED and ramp up of large TV production



- AMOLED market share estimated to grow from 15% 2016 to 31% in 2020
- The smartphone is the main application
 - Drivers are better image quality, smaller display thickness and flexible properties

Source: IHS, July, 2017

New G10 display fab forecast

Country	Manufacturer	Factory	Max	Proba bility	2017	2018	2019	2020	2021	2022	2023
China	BOE	BOE Hefei B9	120	90%							
China	China Star	CSOT T6	90	90%							
Korea	LG Display	LGD Paju P10 G10.5	120	80%							
China	Sharp	Shrp-Fxcn Guangzhou	90	65%							
China	China Star	CSOT T7	90	74%							
China	HKC Display	HKC Mianyang	90	45%							
Korea	Samsung Display	SD Tangjeong L9-1	90	15%							
China	BOE	BOE Wuhan B13	90	30%							
China	CEC Panda	CEC 4	90	15%							
America	Sharp	Shrp-Fxcn Pennsylvania	90	10%							
India	Sharp	Shrp-Fxcn India	90	10%							
China	Sharp	Shrp-Fxcn China 2	90	10%							

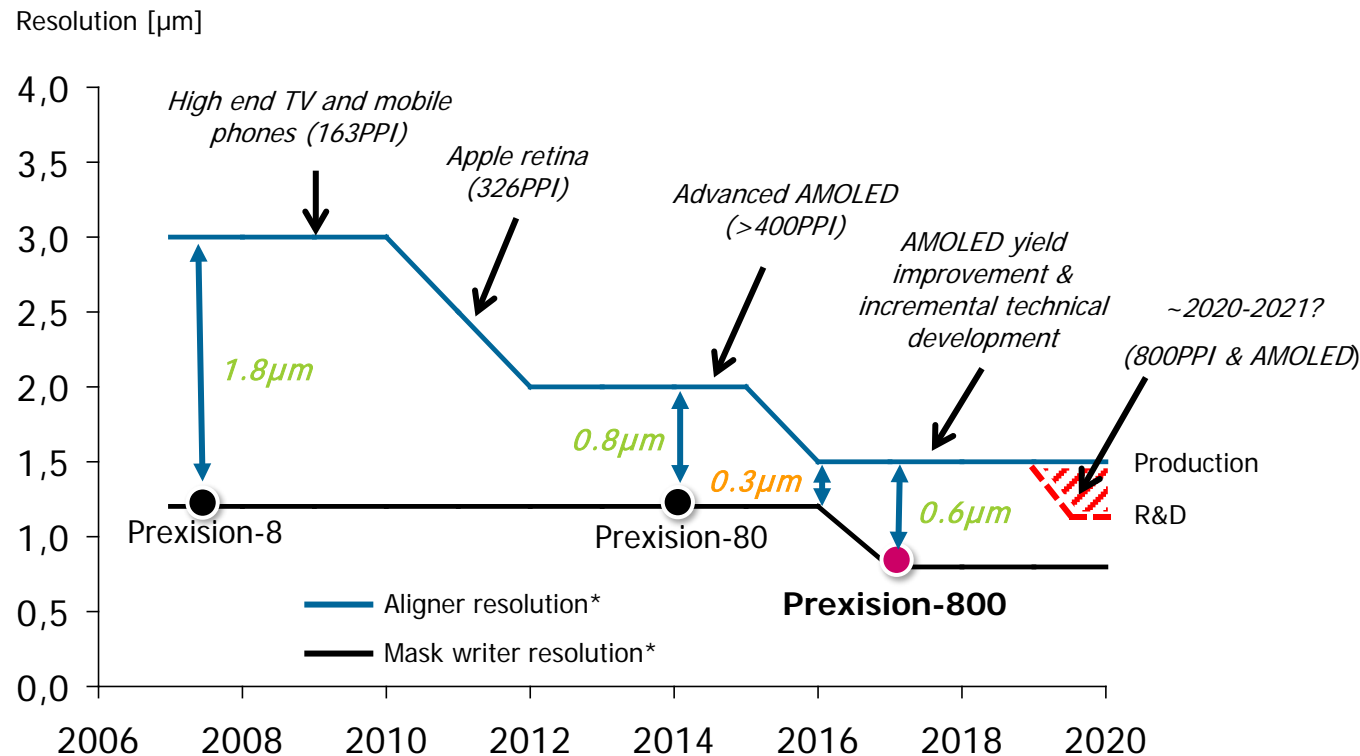
Phases: ■ Construction/PO ■ Setup/install ■ Production

- Many new G10 display fabs under construction or in planning phase
 - Large TV (>60") is the main driver
- Substantial investments in the growing Chinese display market

Prexision-800 designed to meet high end needs

Will define a completely new standard on the photomask market

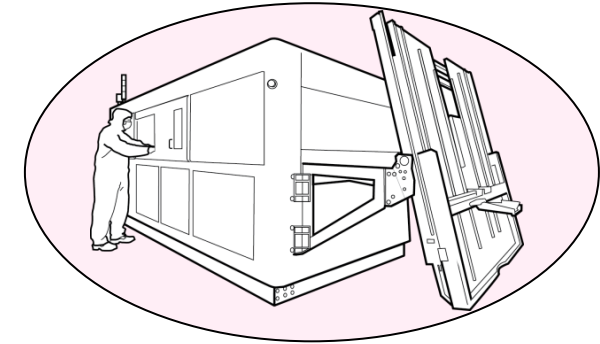
Aligner and mask writer resolution development



*Estimated resolution with full CD-control. Depends on process and vary between manufacturers

Source: Mycronic with input from Canon & Nikon

Prexision-800



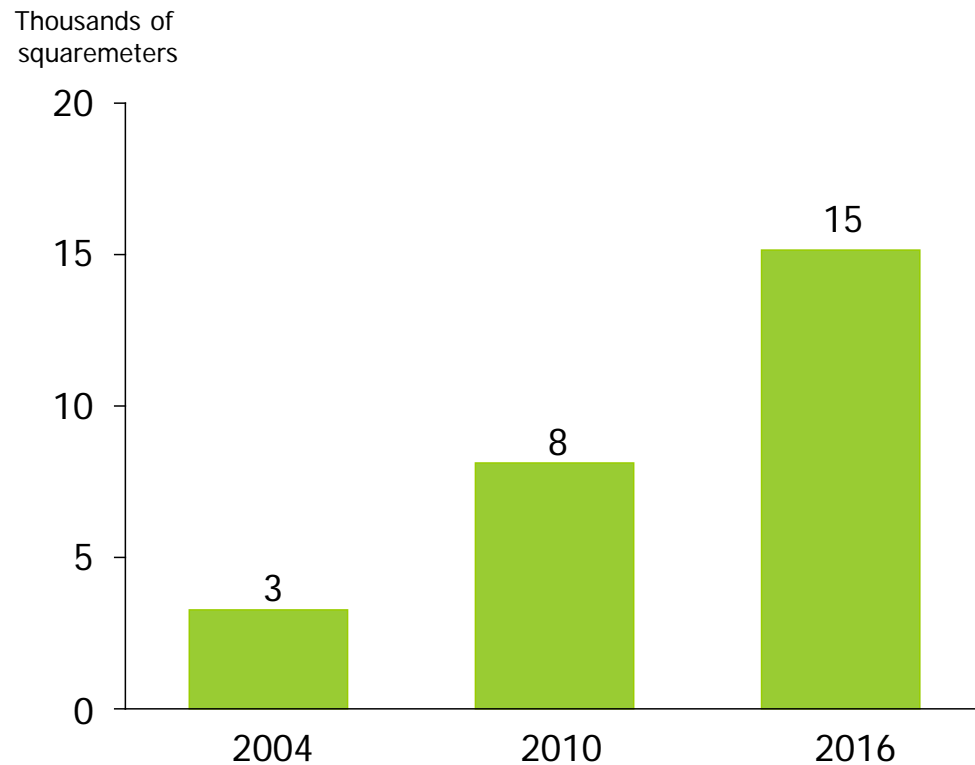
A new improved **mask writer** designed to **restore the necessary resolution gap**:

- First resolution step in over 10 years
 - 25% higher resolution
 - 2X better image quality
- Enable the full capability of the new aligner generation
- Secure high yielding display production
- Support R&D for future mobile displays

New investments in mask writers are capability driven

Now only limited capacity added in relation to market size

Display photomask area demand

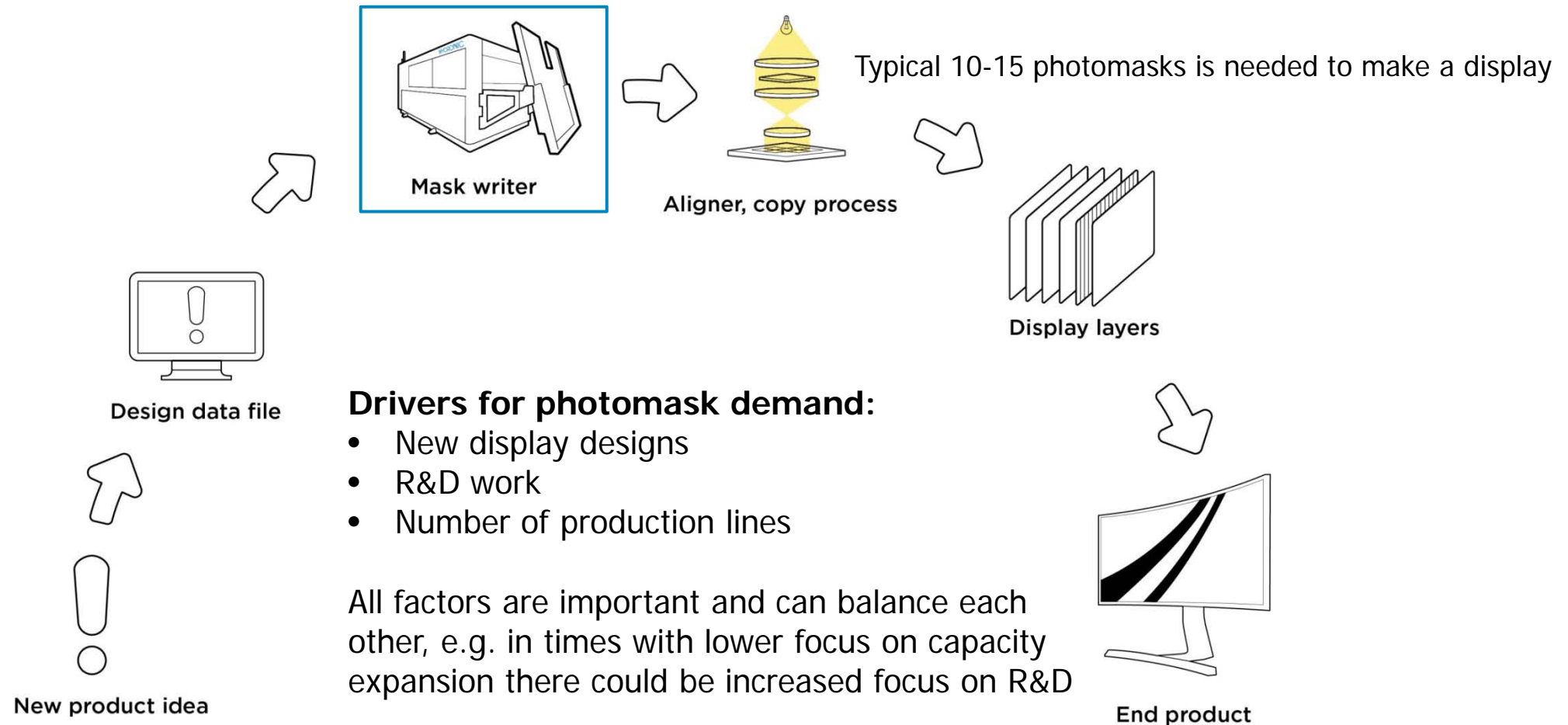


- Display photomask area demand has grown stable since 2004
 - Now market >4.5 times larger than 2004
- Recent mask writer investments focused on capability
 - 2004-2006 main focus was on rapid capacity expansion
 - 2015-2018 main focus is on adding capability
- The P8R program offers possibility to trade in an old tool to get a limited P8
 - Modernizes the installed base without adding significant amount of capacity
 - Will drive stable aftermarket growth the coming years since P8R system requires more advanced support

Source: IHS May 2017

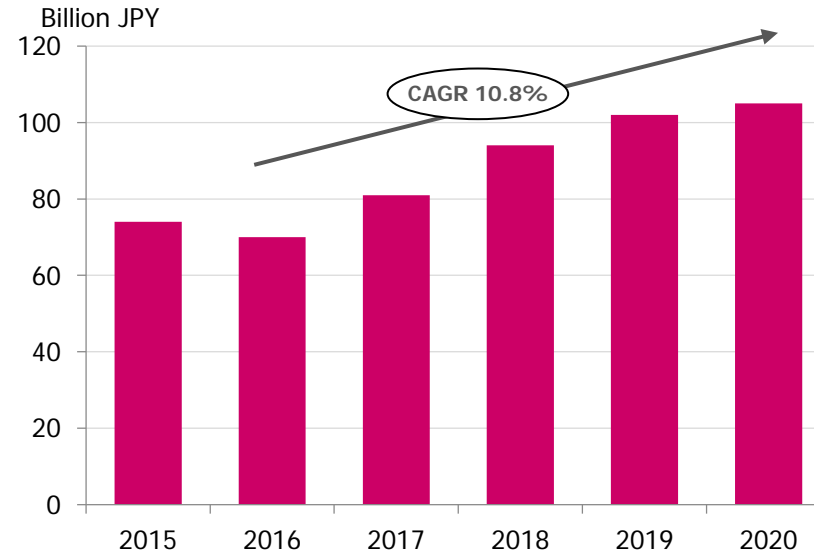
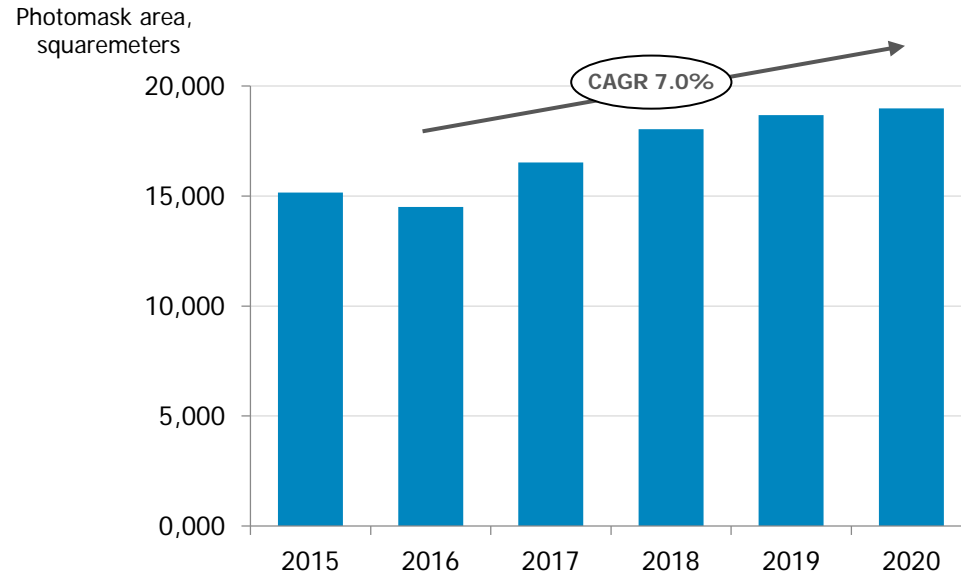
The photomask

The link between design and mass production of electronics



Display photomask market

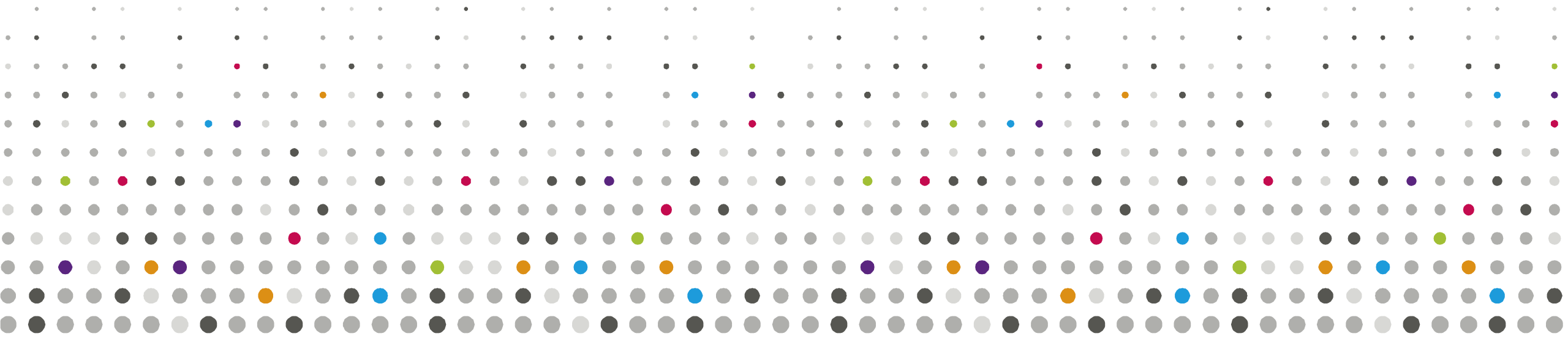
Market rebound forecasted 2017



- In 2016 the display photomask market decreased for the first time since 2012
- Main reason for the decrease is the ongoing technology shift from LCD to AMOLED
 - Temporarily reduced need for photomasks during rebuild phase
- Positive market forecast going forward as new AMOLED and G10 fabs ramp up photomask consumption

Source: IHS May 2017

Appendix 1 – market update Q3



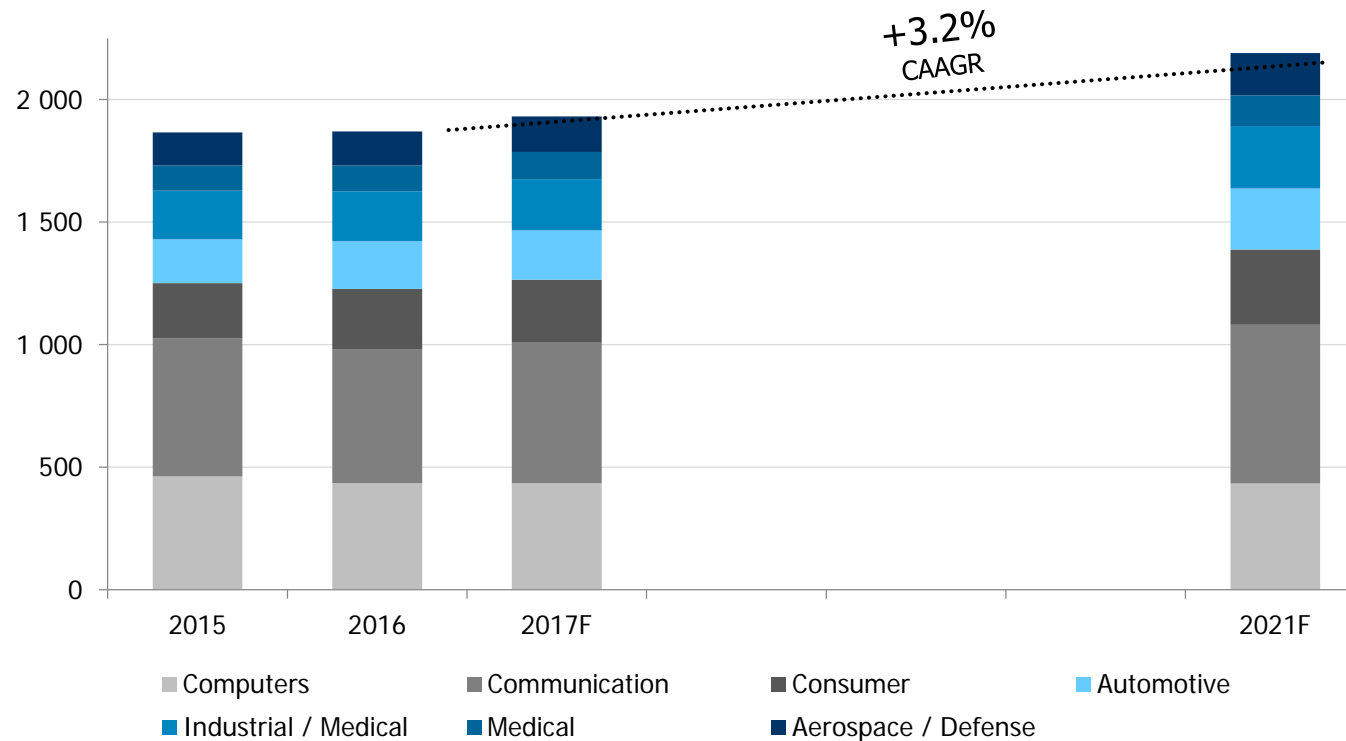
Market update – changes since last update

- The following changes have been made in external data since our last update in July 2017
 - Electronics industry
 - Actual 2016 is revised from -0,5 to +0.2 percent, from USD 1,850 billion to USD 1,871 billion
 - Semiconductor market
 - Estimate for 2017 revised from +9.5 to +17 percent

Electronics industry systems market

Yearly development

USD billion



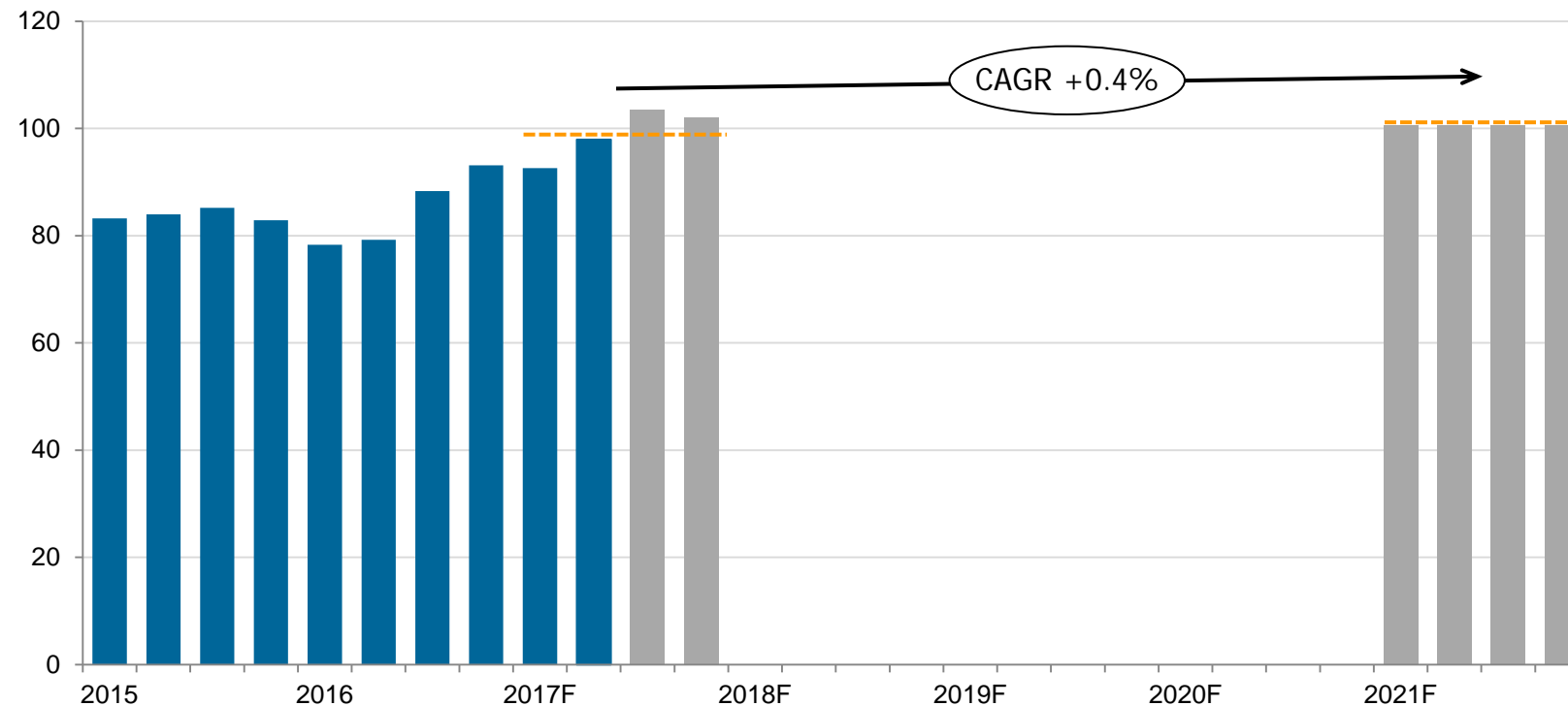
- Electronics systems market grew +0.2% in 2016 to 1,871 billion USD
- Industry segments growing in 2016
 - consumer +9%
 - automotive +9%
 - aerospace +3%
 - medical +3%
- Electronics systems growth forecasted to 3.3% in 2017
- Long-term annual growth of 3.2% forecasted 2016-2021

Source: Prismark, September 2017

Semiconductor market

Quarterly development

USD billion



- Semiconductor market growth in H1 2017 was 21% compared to H1 2016, mainly due to higher memory prices
- Outlook for FY 2017 indicates a growth of 17%
- Annual long term growth at 0.4% 2018 to 2021

Source: Prismark, August 2017

Assembly Solutions– market update

SMT equipment *

- The global SMT equipment market turned around second half of 2016 and grew +5% full year 2016
- First half of 2017 saw a positive development with growth of 21% compared to same period 2016. A strong development in China, Japan and Americas.

Dispensing *

- 2016 market estimated at 600 MUSD
- Mycronic the fourth largest supplier of dispensing equipment addressing the major part of the total market

Assembly automation

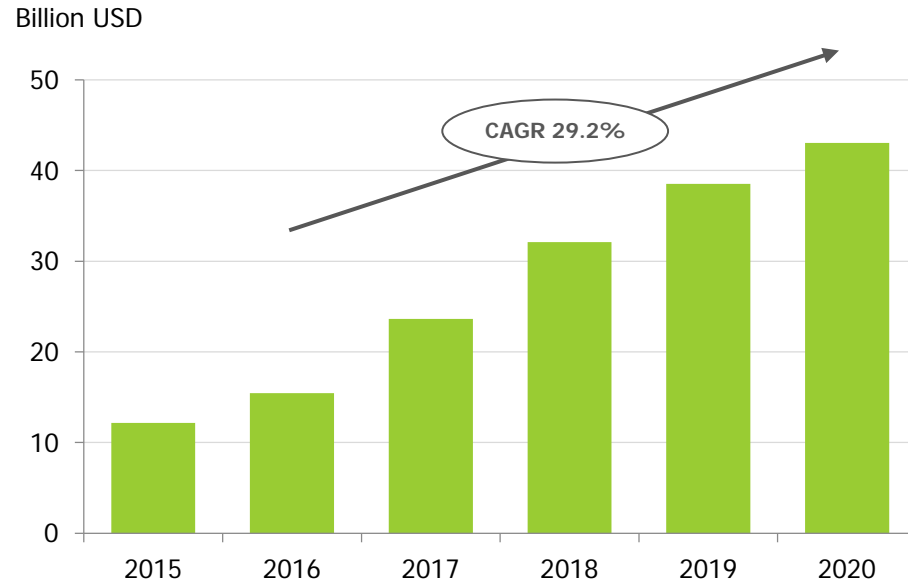
- Automotive fastest growing segment in the electronics industry
- Camera modules for ADAS growing fast
 - Estimated 40% growth of number of camera modules produced 2016
 - Estimated yearly growth of 23% 2017-2021 in number of camera modules

* No external forecast provided for 2017 and onwards

Source: PROTEC MDC July 2017, Prismark June 2017, Mycronic

Technology transition from LCD to AMOLED and ramp up of large TV production

AMOLED Revenue



- AMOLED market share estimated to grow from 15% 2016 to 31% in 2020
- The smartphone is the main application
 - Drivers are better image quality, smaller display thickness and flexible properties

Source: IHS, July, 2017

New G10 display fab forecast

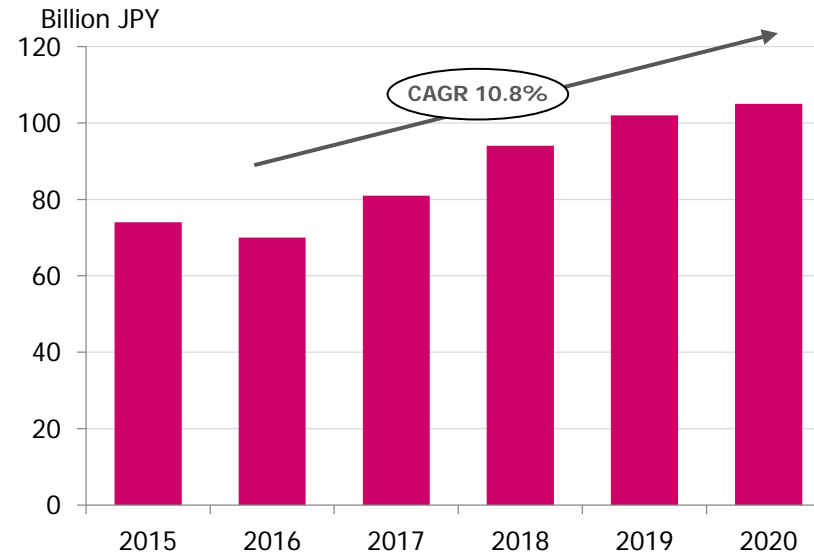
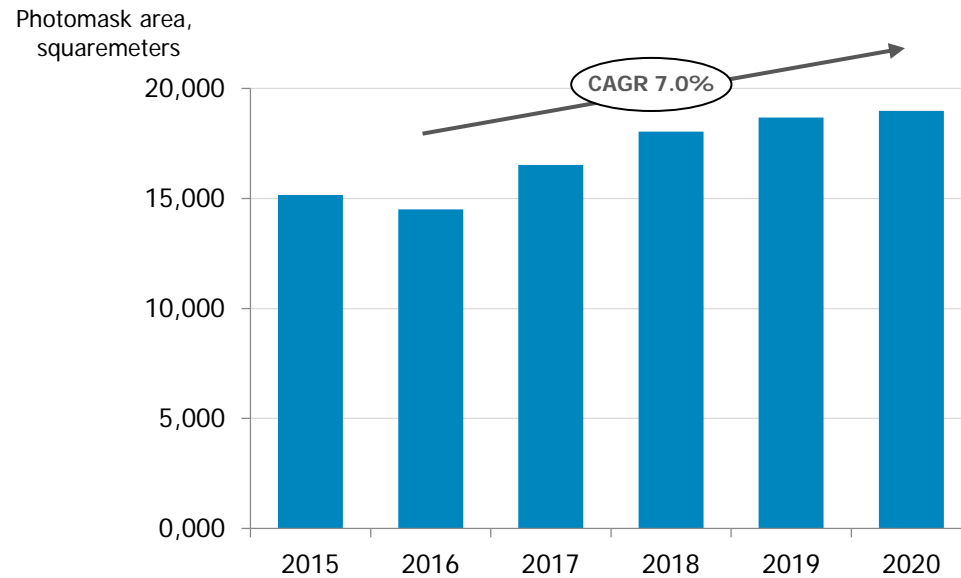
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China	HKC Display	HKC Mianyang	90	45%							
Korea	Samsung Display	SD Tangjong L9-1	90	15%							
China	BOE	BOE Wuhan B13	90	30%							
China	CEC Panda	CEC 4	90	15%							
America	Sharp	Shrp-Fxcn Pennsylvania	90	10%							
India	Sharp	Shrp-Fxcn India	90	10%							
China	Sharp	Shrp-Fxcn China 2	90	10%							

Phases: ■ Construction/PO ■ Setup/install ■ Production

- Many new G10 display fabs under construction or in planning phase
 - Large TV (>60") is the main driver
- Substantial investments in the growing Chinese display market

Display photomask market

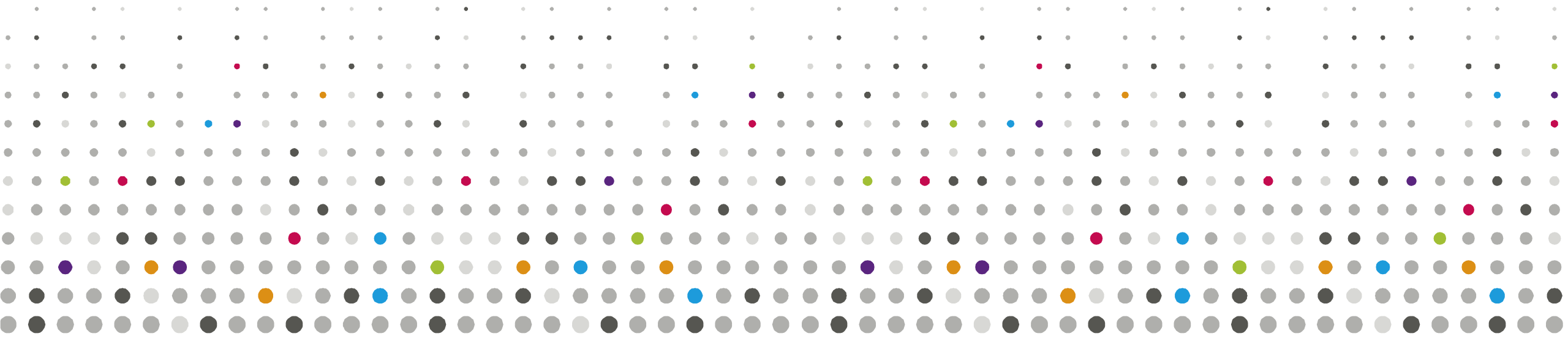
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- Positive market forecast going forward as new AMOLED and G10 fabs ramp up photomask consumption

Source: IHS May 2017

Appendix 2 – additional PG slides



TV trend drives demand for the G10 photomasks

Prexision-10 and Prex-MMS well positioned to support the market needs

Larger and larger displays



Average TV size grow ~1-2"/year

- Each generation of fabs has a size limit where productivity drops significantly
- G8: ~60" limit (16:9 format)
- G10/G11: ~80-85" limit (16:9 format)

- ➔ Increased demand for the largest photomasks
- ➔ Growing interest from photomask makers to support the Chinese market

Source: IHS, July, 2017 & Mycronic

Prexision-800 designed to meet high end needs

Key benefits

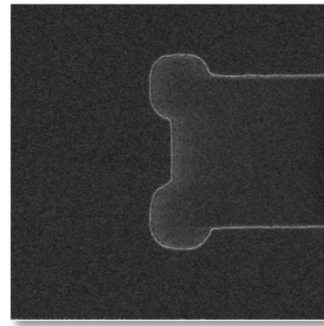
New resolution standard



- P800 resolves 550nm
- 25% smaller than P80/P8

→ Enables more advanced display designs

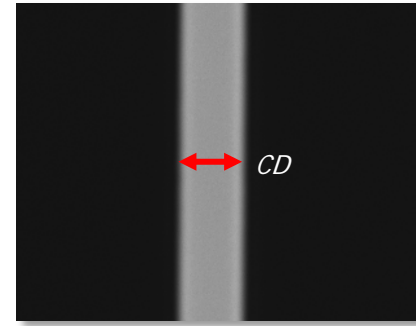
Superior pattern fidelity



- High pattern fidelity
- Larger process window

→ Higher display production yield

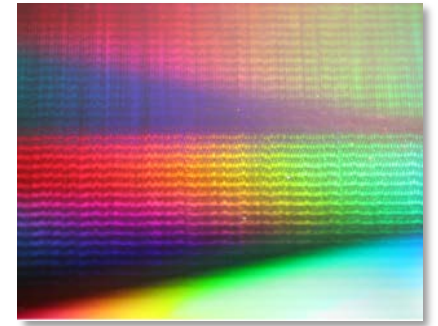
Outstanding CD control



- 2X better uniformity than P80
- 4X better uniformity than P8

→ Enables displays with better quality

Improved image quality



- Less systematic errors
- More stable process

→ Higher production yield for both photomask and display manufacturers

- Prexision-800 will define a completely new standard on the photomask market

When passion meets innovation ●