

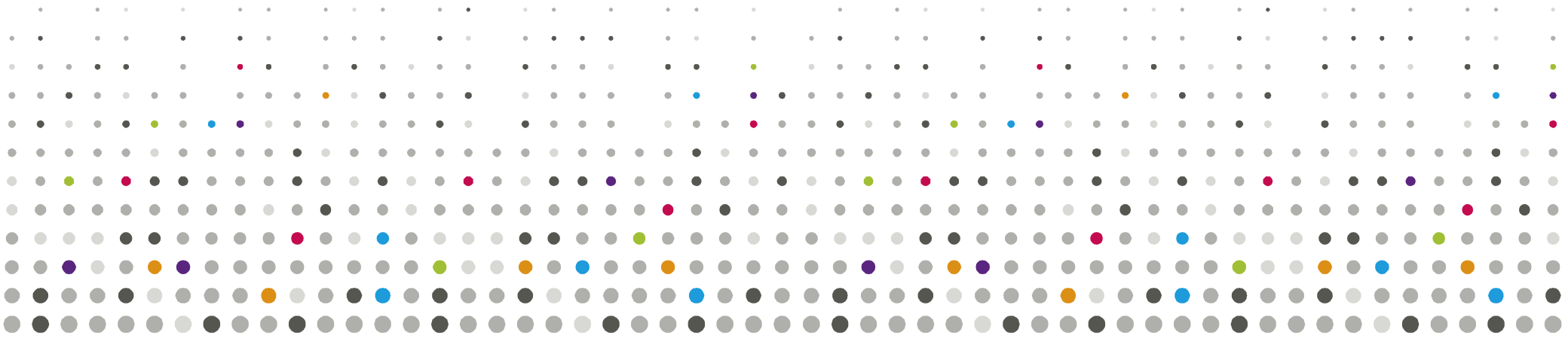
Mycronic, Q4 2016

Lena Olving, President and CEO

Niklas Edling, Sr VP SPM

Torbjörn Wingårdh, CFO

10 February, 2017



Summary of record year 2016

Strong development of order intake, sales and earnings

- All time high order intake 2,455 MSEK
- Orders for nine mask writers – as in 2015
- All time high net sales – both system sales and aftermarket
- Jet printing sales record high with two significant multiple orders
- All time high SMD Tower sales
- Record high R&D in SMT to support future competitiveness
- Record high EBIT at 691 MSEK – EBIT margin 30%
- Three acquisitions to execute growth strategy



Mycronic in the electronics industry

> 900
employees in
10 countries


> 40 years
of high-tech innovation
experience

> 445 patents
strong IP portfolio

> 2,500 customers
supported by solutions from
two business areas AS and PG:
- AS for assembly solutions.
- PG for the production of photomasks

> 50 countries
market coverage through
subsidiaries and distributors

> 98%
of total revenues
from exports

 Mycronic sub's and main offices

Key events full year 2016

- Marketplace
 - SMT market weak in H1, recovery in H2 resulting in 5 percent growth 2016
 - Positive development of photomask market
 - Products
 - introduction of high-speed jet dispensing continues globally
 - launch of Prexision-800 on 6 April at Photomask Japan
 - introduction of FPS6100 with 20-40 percent higher writing speed
 - introduction of several new software solutions for Mycronic 4.0
- Record year
 - Order intake of 2,455 MSEK and order backlog of 1,342 MSEK
 - Orders received for nine PG systems
 - one Prexision-MMS
 - two advanced display mask writers – Prexision-80 & Prexision-8
 - three replacement systems for display applications
 - three FPS systems

Key events full year 2016

- Financial highlights
 - Increased net sales 28%
 - EBIT 691 MSEK, EBIT margin 30%
- Corporate
 - Acquisition of RoyoTech, provider of the storage solution SMD Tower
 - Acquisition of Axxon, provider of dispensing equipment
 - Acquisition of AEi, provider of equipment for camera module assembly
 - Renamed business area Surface Mount Technology to Assembly Solutions



Mycronic at Productronica in November, 2015

Dividend proposal according to policy

According to policy the board proposes to the AGM a dividend of SEK 2.00 (1.50) per share, a total of SEK 195.8 (146.9) million, approximately 37 percent of net profit.

Dividend policy

The objective of the company is to provide both solid returns and value growth.

Between 30 and 50 percent of net profit will be distributed to the shareholders, provided the company has a net debt less than 3 times EBITDA after stipulated dividend.

On each occasion the financial position, profitability trend, growth potential and future investment requirements of the company shall be taken into account.

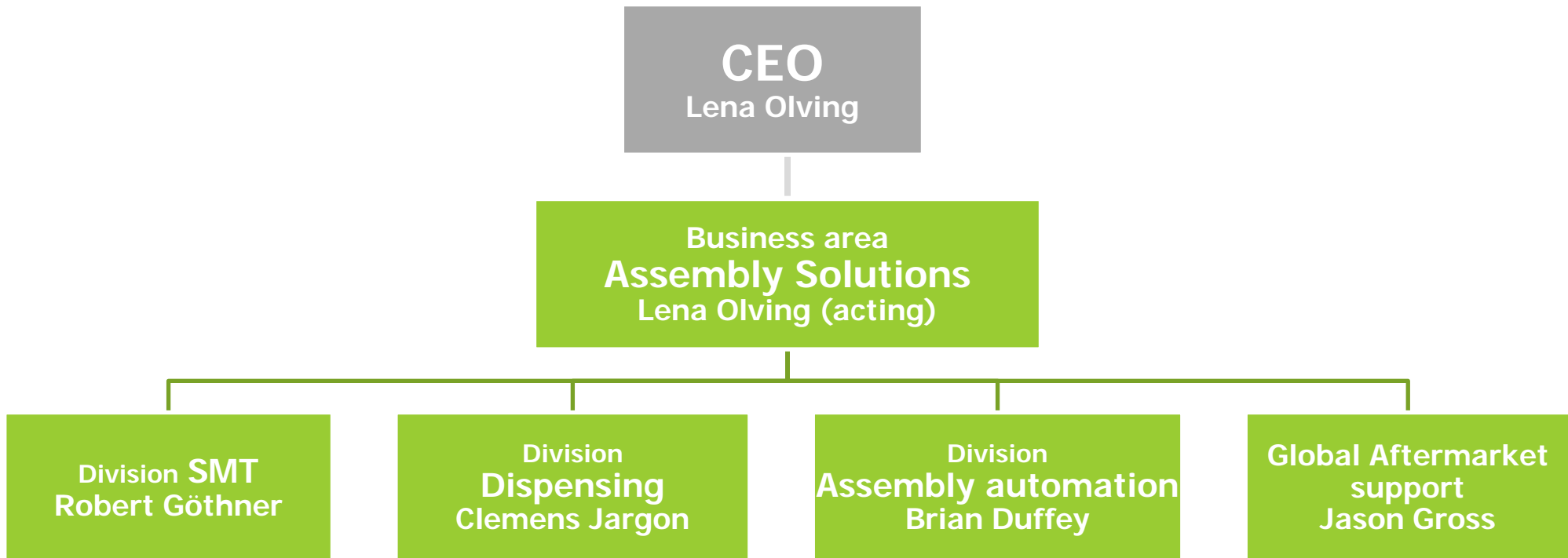
Mycronic outlook

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

New financial goals

- Mycronic reached the financial goals decided in February, 2014 faster than estimated
- New financial goals regarding sales and profitability
 - *Growth*
 - Consolidated net sales including acquisitions will reach SEK 5 billion, at the end of the period covered by the business plan period, 4 to 7 years
 - *Profitability*
 - EBIT will exceed 15 percent of net sales over a business cycle
 - *Capital structure - unchanged*
 - Net debt will be less than 3 times the average EBITDA. Average calculated over three years.

Assembly Solutions organization



Acquisition of Axxon

- The deal
 - Acquisition of 75% of shares in Shenzhen Axxon Automation Co., Ltd
 - Price 452 MSEK with earn-out of 43 MSEK
 - Control gained over additional 5% in December
 - Price 31 MSEK – paid in January, 2017
 - Remaining 20% three years after acquisition date
 - Price dependent on performance parameters, in the span 80-180 MRMB
- Axxon – the company
 - Founded in 2008 by entrepreneur Chen Long
 - Develops and sells dispensing equipment
 - Solid technical strength
 - Leading position in the Chinese SMT market
 - Broad product portfolio & Fast response to customer and market requirements
 - High-volume customer base
 - Smart phones & Other mobile devices

Acquisition of Axxon

- Operations - performance
 - Net sales 2015 approximately 150 MSEK
 - 100% growth in one year
 - EBIT margin above 20%
 - Net sales full-year 2016 approximately 220 MSEK
 - Approximately 50% growth Y/Y, resulting from significant investments in both products and customers
 - EBIT 27 MSEK
 - Impact on Mycronic from acquisition: net sales 86 MSEK and EBIT 12 MSEK
- Market opportunities
 - Leading dispensing business globally
 - Complementary businesses
 - Total dispensing equipment market 500 MUSD – addressable market 400 MUSD

Source: Prismark, November 2015

Acquisition of AEi

- The deal
 - Acquisition of 100% of shares in Automation Engineering Inc, AEi
 - Price 313 MSEK with maximum earn-out of 27 MUSD (248 MSEK) related to performance during two years
- AEi– the company
 - Founded 1990
 - Develops and sells equipment for assembly and test of camera modules
 - Car industry largest customer segment
 - Market leading position
 - Extensive product portfolio of fully-automated production solutions
 - Modular equipment adapted to customer requirements

Acquisition of AEi

- Operations
 - Net sales 2015 approximately 160 MSEK and EBIT -12 MSEK
 - Net sales full-year 2016 approximately 122 MSEK and EBIT -44 MSEK
 - Impact on Mycronic from acquisition: net sales 4 MSEK and EBIT -12 MSEK
 - Financially weak during 2016
 - Strained liquidity
 - Caused difficulties to maintain production at normal level
 - Management focus on solving these problems
- Market opportunities
 - Fast growing market for cameras in ADAS – Advanced Driver Assistance Systems
 - Expected growth for ADAS camera modules at 30 percent annually 2015-2020
 - Camera modules for ADAS produced in 2016 approximately 70 million units – estimated to be 181 million units in 2020.
 - High possible profitability

Source: Prismark November 2015

SMT – market update

General industry update

- Electronics industry
 - Market declined 0.7% in 2016 to USD 1,850 billion
 - Some segments estimated to show positive development
 - Servers and data storage
 - Consumer electronics, such as TVs
 - Automotive electronics
- Semiconductor market
 - Semiconductor market declined 0.3% in 2015
 - Market decline of 5% in H1 2016 compared to H1 2015
 - Current market estimate for FY 2016 is for a growth of 1.5%

Source: Prismark December 2016

SMT – market update

SMT equipment market

- SMT market development
 - 2015 saw a decline of 19% compared to 2014
 - H1 2016 declined 7% compared to H1 2015
 - Recovery during H2 – 2016 full year growth of 5%
 - Positive development in China and rest of Asia (Japan excluded)
- Mycronic SMT market performance
 - Weak trend in H1
 - Stronger H2
 - Mycronic assessment for SMT equipment demand is cautious but with possibilities for positive developments

Source: PROTEC MDC January 2017

Display photomask market update

- Positive market forecast for 2016
 - Trend towards more complex and valuable photomasks
 - Photomask volumes grew 5% to 17,000 units and revenue grew 6% to 610 MUSD in 2015
 - Photomask volumes expected to grow 3% annually 2016-2019. Revenue expected to grow 5% annually to reach 750 MUSD 2019
- Mycronic market performance – orders for six display systems
 - The first Prexision-MMS – for quality assurance
 - One Prexision-80 – in total four P-80s
 - Three replacement systems – in total six since introduction November 2014
 - One Prexision-8 with limited functionality and with possibilities for later upgrade
- Somewhat lower utilization in H2 than in H1
 - Earthquake in Japan in Q2 had an impact on production capacity for some time
 - Transition from LCD to AMOLED reduce fab capacity during re-construction

Source: IHS, Jan 2017

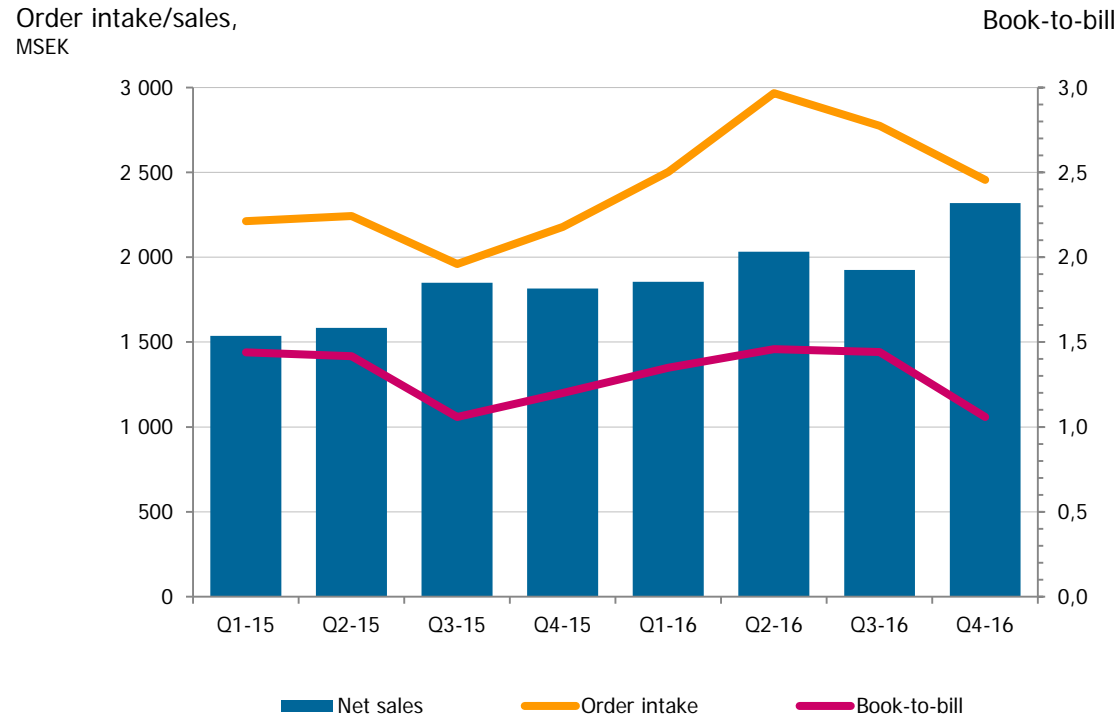
Multi-purpose photomask market update

- A broad market with many segments
 - Electronic packaging, touch screens and MEMS (Micro-Electro-Mechanical Systems) among others
 - Positive trends in the more advanced segments which benefit Mycronic's FPS
 - Market estimated at 10-14 MUSD annually
- Mycronic market performance – market leader
 - Mycronic introduced the new FPS6100 during the third quarter
 - Offers 20-40% higher productivity
 - Mycronic has received orders for three FPS systems including one FPS6100

Source: Mycronic

Order intake and net sales

4 quarters rolling



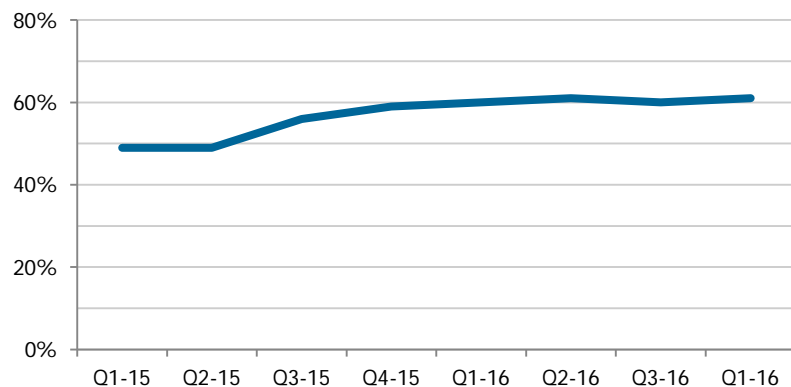
- Order intake and net sales in BA Assembly Solutions include acquisitions from acquisition day
- PG order intake includes nine systems
- Order backlog at 1,342 (1,066) MSEK, include 10 PG systems, of which nine are planned for delivery during 2017

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

Margins

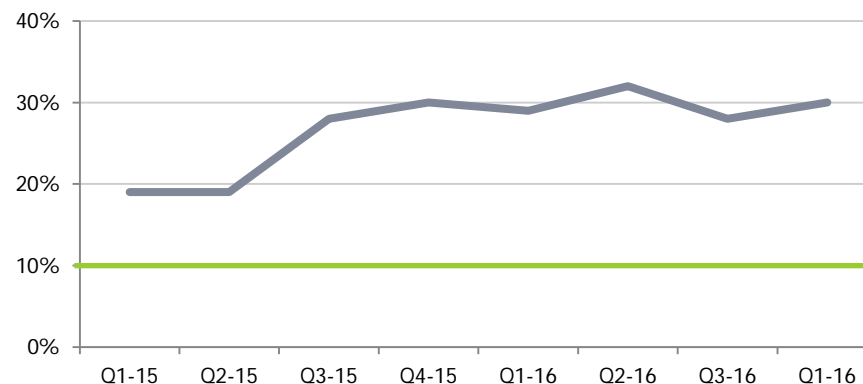
4 quarters rolling

Gross margin



- FY gross margin 61% (59%)
- Stable gross margin in SMT and PG
- Gross margin affected negatively by acquisitions
 - Axxon's underlying gross margin approximately on par with SMT
 - AEi's gross margin negative after weak sales from acquisition date

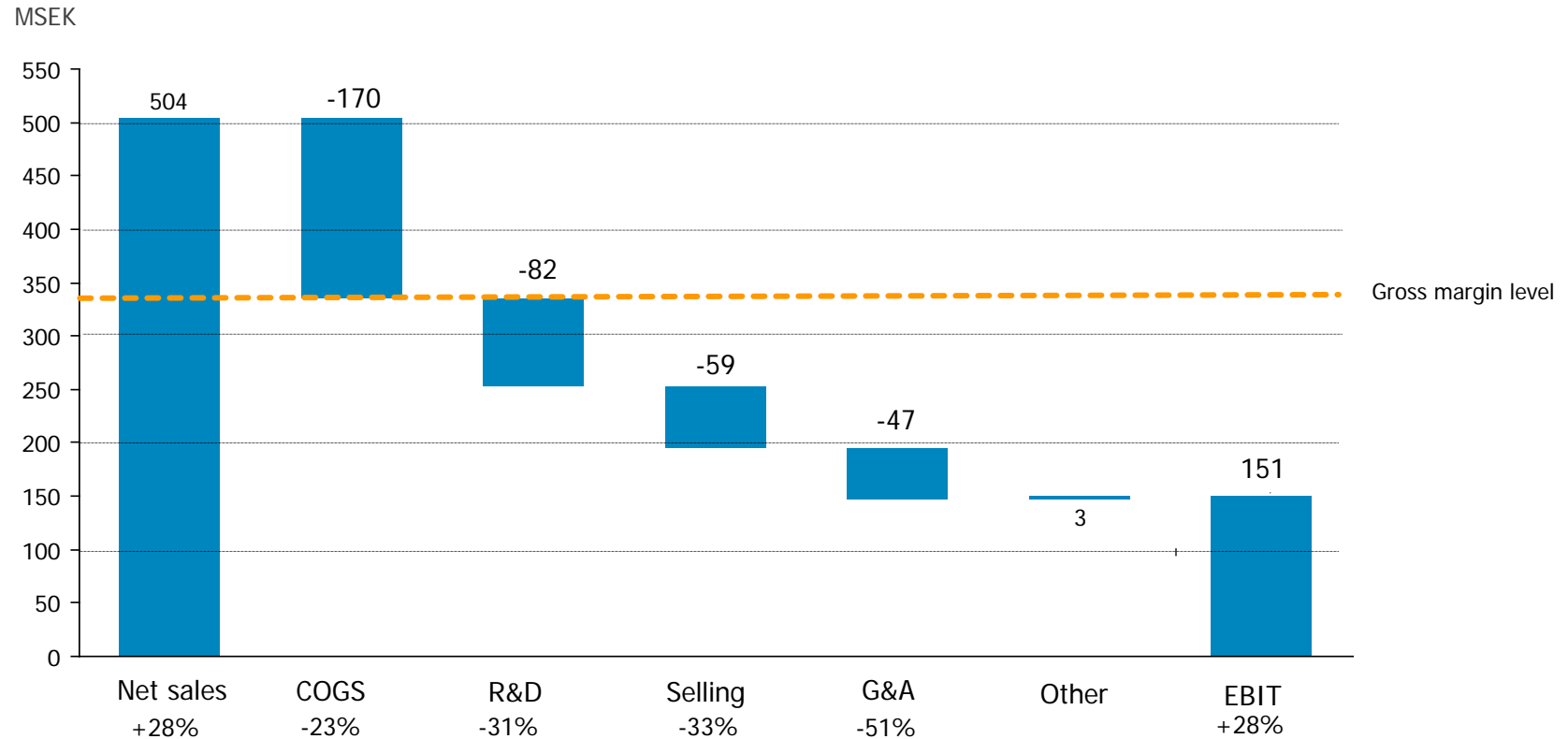
EBIT margin



- FY EBIT margin 30% (30%)
- Costs related to acquisitions amount to 44 MSEK
- Product development continues at high pace to secure future competitiveness within AS
- Investments in M&A and sales&marketing

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

The "bridge" FY 2016 vs FY 2015

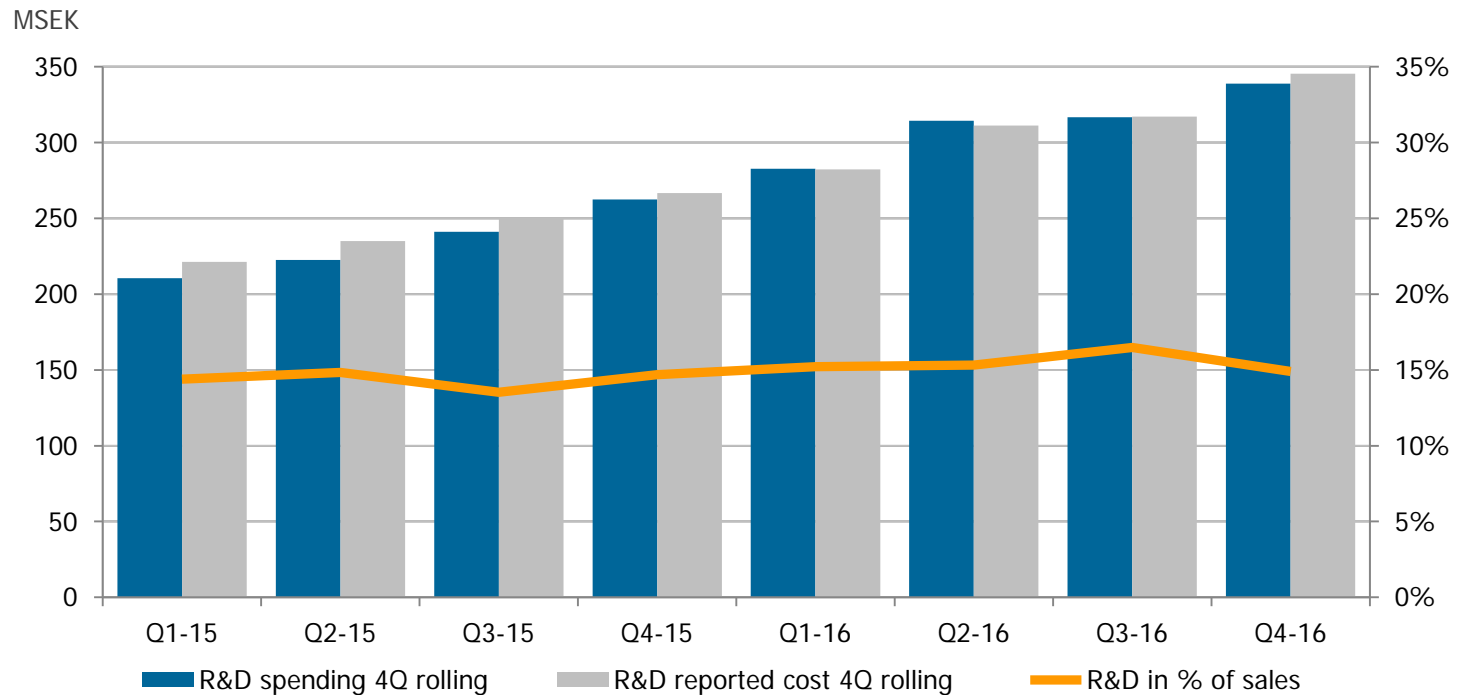


- Net sales from acquisitions contributed with 90 MSEK
- Investments in growth
- R&D expenses refer mainly to product development within SMT and from acquired companies
- Selling and G&A higher due to investments in organization, M&A activities, acquisitions' transaction costs and Opex in acquired companies

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

R&D costs

4 quarters rolling



- R&D activities continue at high pace for future growth in line with strategy
- Including 14 MSEK from acquisitions

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

Summary by segment, Q4

	Q4 2016	Q4 2015
Assembly Solutions	389	202
Pattern Generators	129	636
Order intake (MSEK)	518	838
Assembly Solutions	266	52
Pattern Generators	1,076	1,014
Order backlog (MSEK)	1,342	1,066
Assembly Solutions	329	220
Pattern Generators	687	401
Net sales (MSEK)	1,016	621
Assembly Solutions	36%	44%
Pattern Generators	80%	77%
Gross margin	65%	65%
Assembly Solutions	-22%	-8%
Pattern Generators	70%	67%
EBIT margin	40%	40%

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

Summary by segment, Full year 2016

	FY 2016	FY 2015
Assembly Solutions	960	829
Pattern Generators	1,495	1,349
Order intake (MSEK)	2,455	2,179
Assembly Solutions	266	52
Pattern Generators	1,076	1,014
Order backlog (MSEK)	1,342	1,066
Assembly Solutions	886	844
Pattern Generators	1,433	971
Net sales (MSEK)	2,319	1,815
Assembly Solutions	42%	45%
Pattern Generators	73%	71%
Gross margin	61%	59%
Assembly Solutions	-18% *	-2%
Pattern Generators	59%	58%
EBIT margin	30%	30%

* Underlying business -11%

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

Cash flow, MSEK

	FY 2016	FY 2015
Cash flow from operations	655	550
Change in working capital	-193	111
Cash flow from operations after changes in working capital	462	661
Investments in development	-8	-8
Other investments, net	-760	-29
Cash flow before financing activities	-306	624
Financing	-392	-392
Cash flow	-699	233
Cash at end of period	209	898

- Changes in working capital primarily due to increase in inventories and trade receivables
- Investments related primarily to acquisitions
- Dividend of 392 MSEK

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

When passion meets innovation ●