

A man and a woman in white lab coats and safety glasses are working in a laboratory. They are looking at a tablet held by the woman. In the foreground, there are two large, orange robotic arms. The background shows a modern lab setting with orange walls and various equipment.

First quarter 2023

A background image of a precision industrial machine, likely a semiconductor manufacturing tool, with a complex assembly of metal parts and a large flat surface. Two bright red laser lines cross the scene diagonally, and a blue laser line is visible in the upper left.

CEO & President

Anders Lindqvist

Agenda

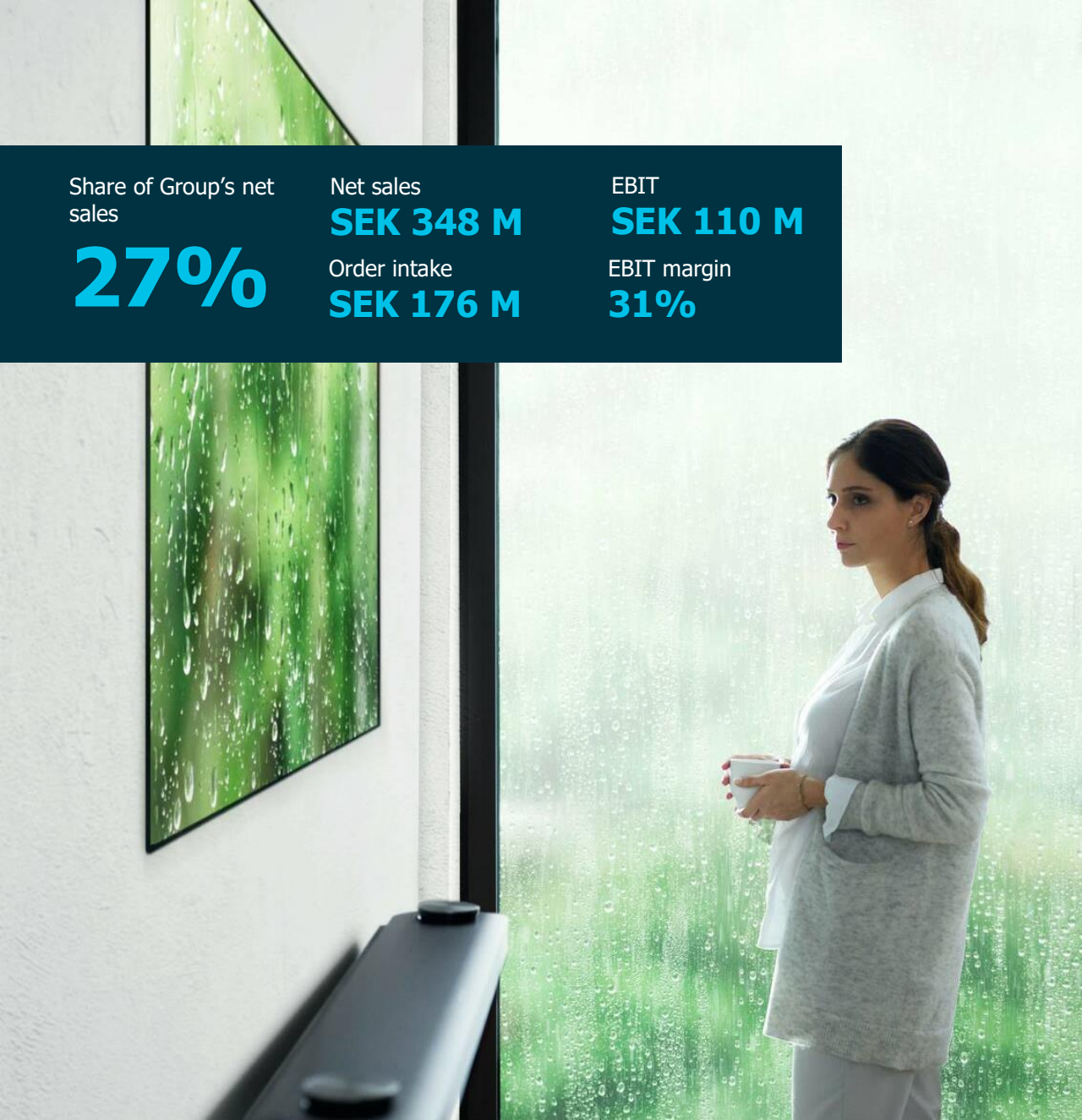
- Q1 in short
 - Divisional development
 - Financials
 - Sustainability
 - Q&A
-
- *Appendix – Market update*





Increased order intake

- Order intake increased 12% to SEK 1,617 (1,441) million
 - Driven by a strong performance in Pattern Generators
- Net sales increased 7% to SEK 1,219 (1,135) million
 - 2% organic growth
- EBIT at SEK 182 (206) million
 - In line with previous year, adjusted for the divestment of AEi
- EBIT margin at 15 (18)%
- Record order backlog at SEK 3,972 (2,217) million
 - Contained 30 systems on March 31
- After the end of Q1, two orders for one SLX mask writer each were received



Share of Group's net sales

29%

Net sales

SEK 351 M

Order intake

SEK 816 M

EBIT

SEK 149 M

EBIT margin

42%

Pattern Generators

Sustained SLX momentum

- The photomask market for semiconductors on mature design nodes remained strong
- Strong order intake, with eight systems
 - One Prexision 8 Evo, one FPS6100 and six SLXs
 - Order intake increased 113% to SEK 816 (383) million
- Net sales rose 10% to SEK 351 (320) million
 - One Prexision Lite 8 Evo, one FPS6100 and one SLX delivered
 - The delivery of an SLX was moved from Q1 to Q2 2023
- Gross margin at 62 (59)%
- EBIT at SEK 149 (125) million
- Record order backlog of SEK 2,945 (807) million
 - 30 systems in order backlog on March 31

High Flex

Decent start to 2023

- Demand remained healthy in Europe and North America, while it continued at a low level in China
- High level of activity at the APEX trade show in San Diego, an indication of an increased investment interest in the electronics industry in the US and Mexico
- Order intake declined 3%
- Net sales increased 11%
- Gross margin at 40 (39)%
- EBIT at SEK 23 (19) million
- Order backlog at SEK 180 (216) million

Share of Group's net sales

26%

Net sales

SEK 322 M

Order intake

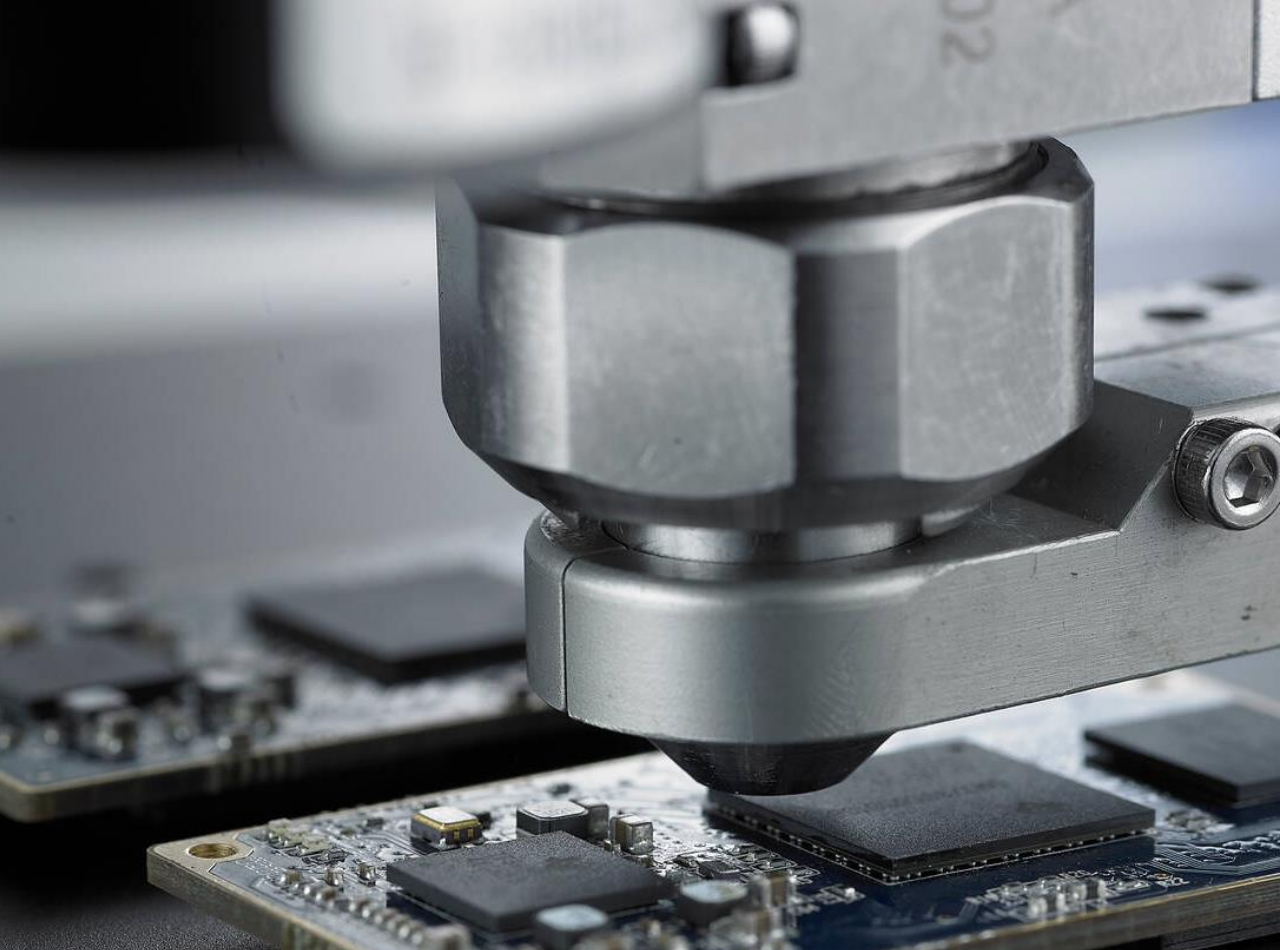
SEK 364 M

EBIT

SEK 23 M

EBIT margin

7%



Share of Group's net sales

30%

Net sales

SEK 367 M

Order intake

SEK 261 M

EBIT

SEK 64 M

EBIT margin

18%

High Volume

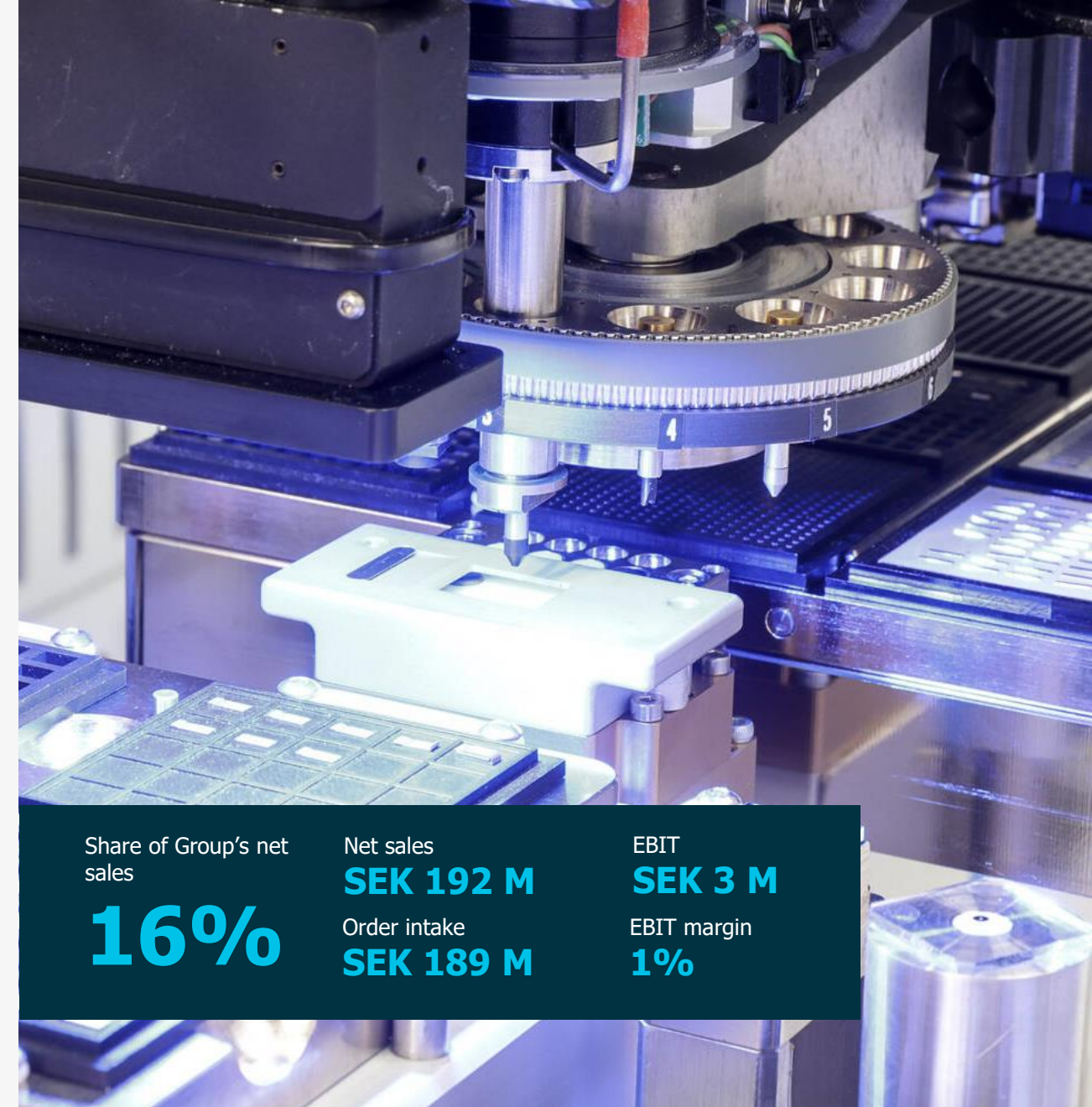
Geographic expansion, with China slow

- Investments among consumer electronics manufacturers have not yet recovered after the lifting of covid restrictions in China
- Order intake declined 41%
- EVs continue to be a focus area, as does geographic expansion outside China. An initial order from a foreign production facility belonging to a Chinese manufacturer of electric vehicles was received
- Net sales were flat at SEK 367 (365) million
- Gross margin increased to 42 (36)%
 - Attributable to deliveries with a better margin and efficiency-improvement measures
- EBIT increased to SEK 64 (55) million
 - Negatively impacted by bad debt provisions of SEK 7 million
- Order backlog at SEK 611 (885) million

Global Technologies

Slow quarter

- Electrical testing of PCBs and substrates slowed during the quarter, with weak demand related to the consumer electronics industry
- In die bonding, the largest markets – data and telecom – remained weak, as did the Chinese market as a whole
- Order intake decreased 27%
 - Order intake excluding the divestment of AEi declined 25%
- Net sales rose 8%
 - Organic net sales increased 1 percent
- Gross margin at 35 (36)%
- EBIT at SEK 3 (31) million
 - The divestment of AEi in February 2022 had a positive EBIT impact of SEK 25 million in Q1 2022
- Order backlog at SEK 236 (308) million



Outlook 2023 confirmed

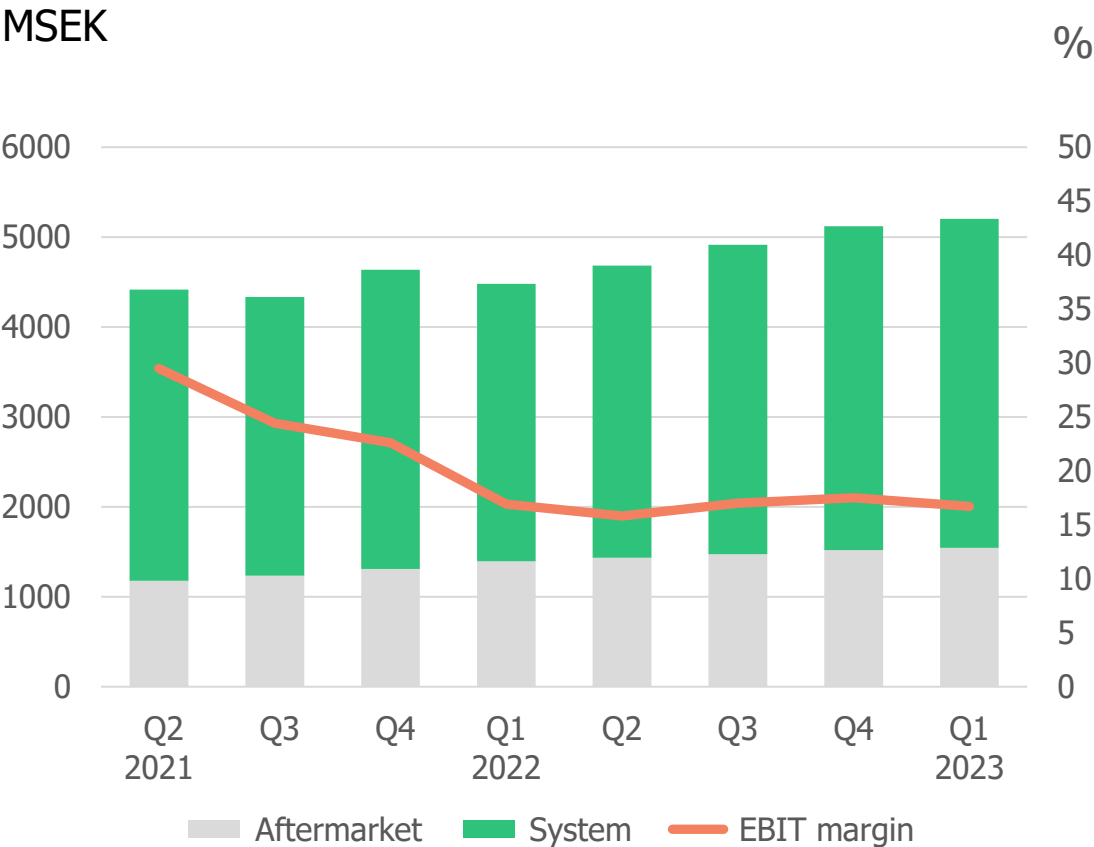
Net sales
SEK 5.5 billion



CFO & Sr VP Corporate Development

Pierre Brorsson

Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 5,203 million
- EBIT margin R12 at 17%
- Aftermarket revenue R12 increasing quarter-on-quarter since Q1 2021

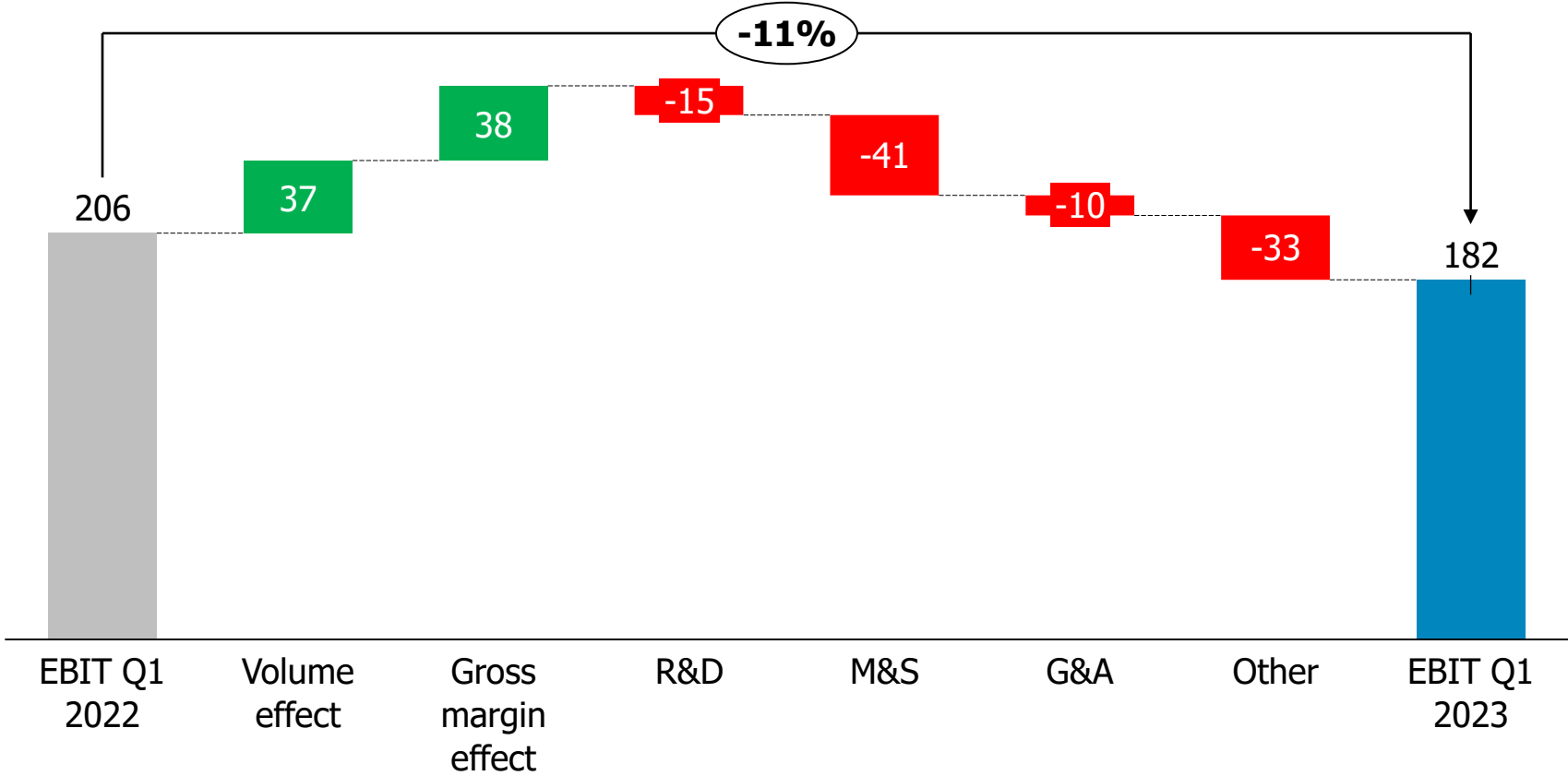
Group net sales and EBIT margin per quarter



- Net sales increase of 7% vs Q1 2022 mainly explained by positive currency effects
 - 2% organic growth
- Weaker EBIT-margin mainly explained by
 - EBIT related to Group functions decreased SEK 34 million, largely related to various business development projects
 - AEi divestment contributed SEK 25 million to Q1 2022
- EBIT margin at 15%

Group Q1 EBIT bridge

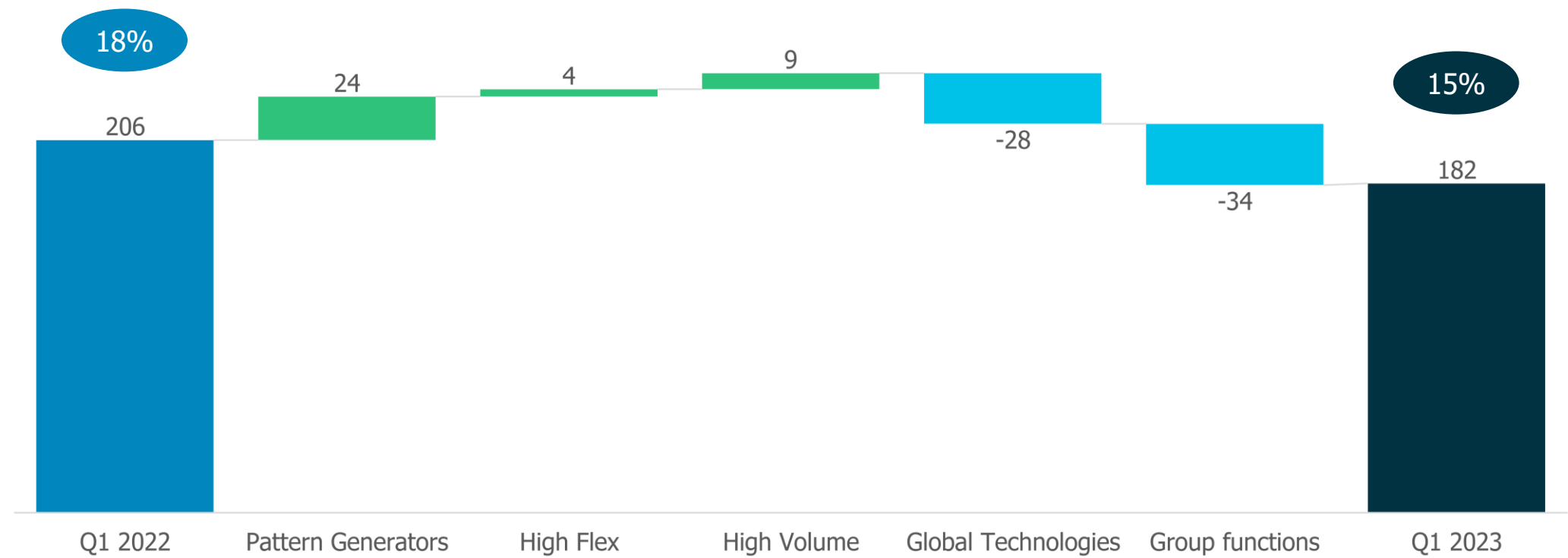
MSEK



% of Sales 2022	18%	44%	-13%	-12%	-5%	4%	
% of Sales 2023		47%	-13%	-14%	-6%	1%	15%

Divisional Q1 EBIT contribution

MSEK



Cash flow

MSEK	Q1 2023	Q1 2022	
Cash flow from operations before change in working capital	235	169	• Healthy cash flow from operations
Change in working capital	167	-96	• The divestment of AEi generated SEK 215 million in cash flow in Q1 2022
Cash flow from operations	402	73	• Strong net cash position of SEK 1,335 million on March 31
Investing activities	-64	147	
Financing activities	-22	-17	
Cash flow for the period	316	204	
Cash, opening balance*	1,274	692	
Exchange difference	0	11	
Cash at end of period	1,590	907	

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

A full-page background image showing an astronaut in a white spacesuit working on a large, curved window of a space station. The astronaut is holding a tool and appears to be cleaning or repairing the window. The window reflects the complex structure of the station and the Earth in the background. The scene is illuminated by bright sunlight, creating strong highlights and shadows.

CEO & President

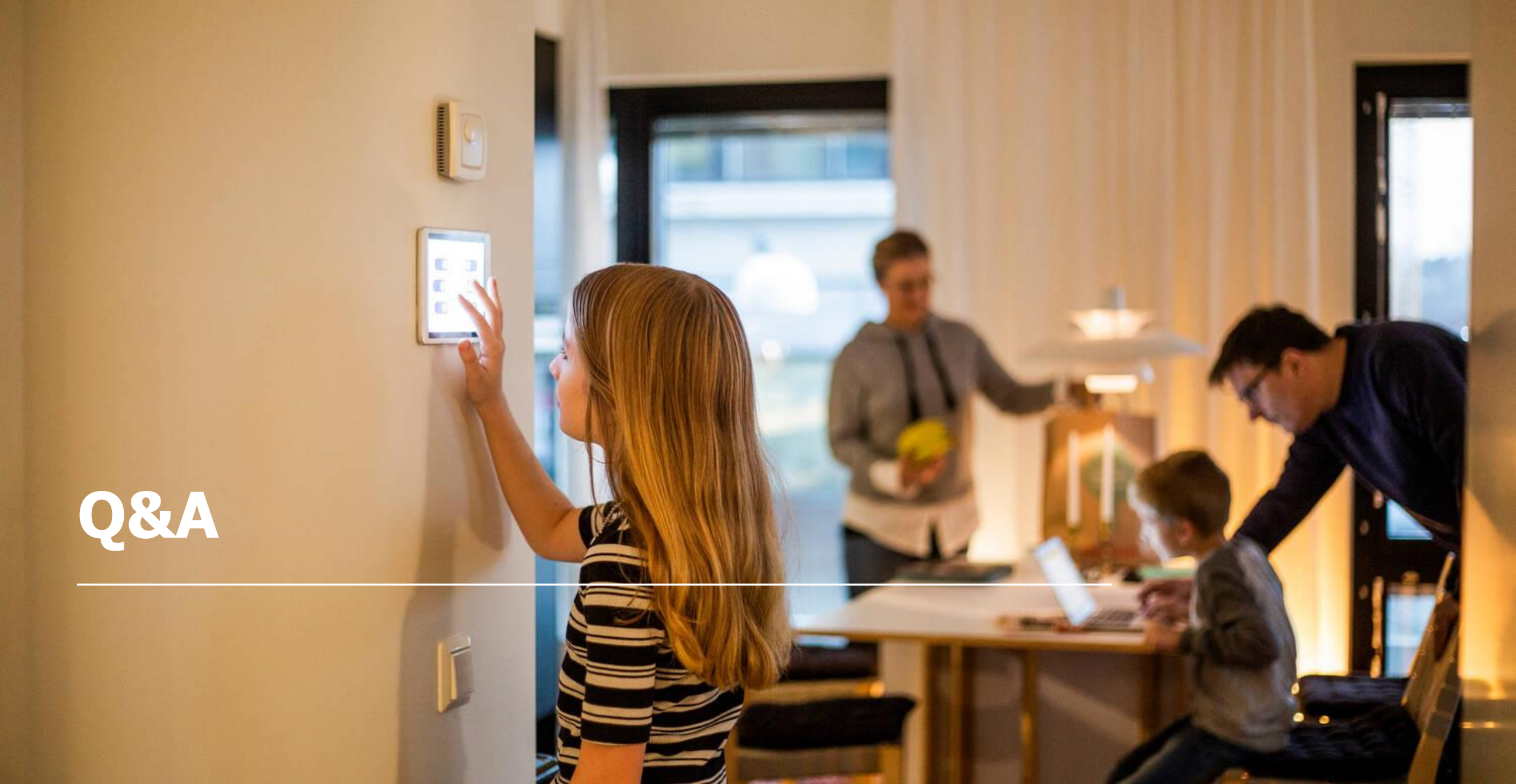
Anders Lindqvist

Sustainability

- Mycronic's divisions established sustainability goals for 2023 and are, in connection with the annual strategy process, working to strengthen their long-term action plans
- A working group was formed with the assignment of preparing proposals for science-based climate targets
- It is deemed that these proposals will be ready to submit for validation by the Science Based Targets initiative no later than the end of the year



Q&A



APPENDIX

Q1 2023 Market update

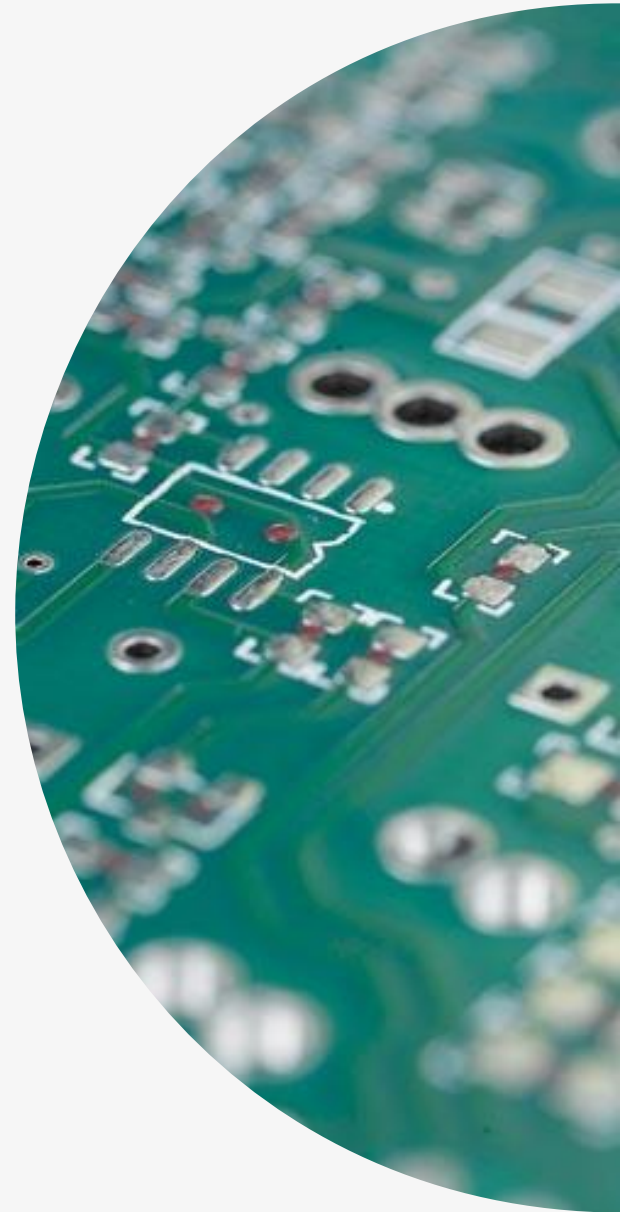
MYCRONIC

Preliminary outcome 2022

Market summary and updates

- Global electronics -2.1% to 2,426 BnUSD¹⁾
- Semiconductors 3.1% to 573 BnUSD¹⁾
- Optical components 14.5% to 13.6 BnUSD³⁾
- Printed circuit boards and substrates 1.0% to 81.7 BnUSD⁴⁾
- Display market -21.9% to 123 BnUSD⁵⁾
- Display photomasks 9.8% to 869 MUSD⁶⁾
- Semiconductor photomasks 18.4% to 7.2 BnUSD⁷⁾
- SMT assembly equipment -17.9% to 3,062 MUSD²⁾
- Dispensing equipment 2.2% to 930 MUSD⁸⁾

Source: 1) Prismark March 2023, 2) PROTEC MDC January 2023, 3) Lightcounting October 2022, 4) Prismark, February 2023, 5) Omdia April 2023, 6) Omdia July 2022 (annual update), 130 YEN/USD used as conversion rate, 7) TechInsights April 2022 (annual update), 8) Prismark March 2023 (annual update)





Forecasts 2023

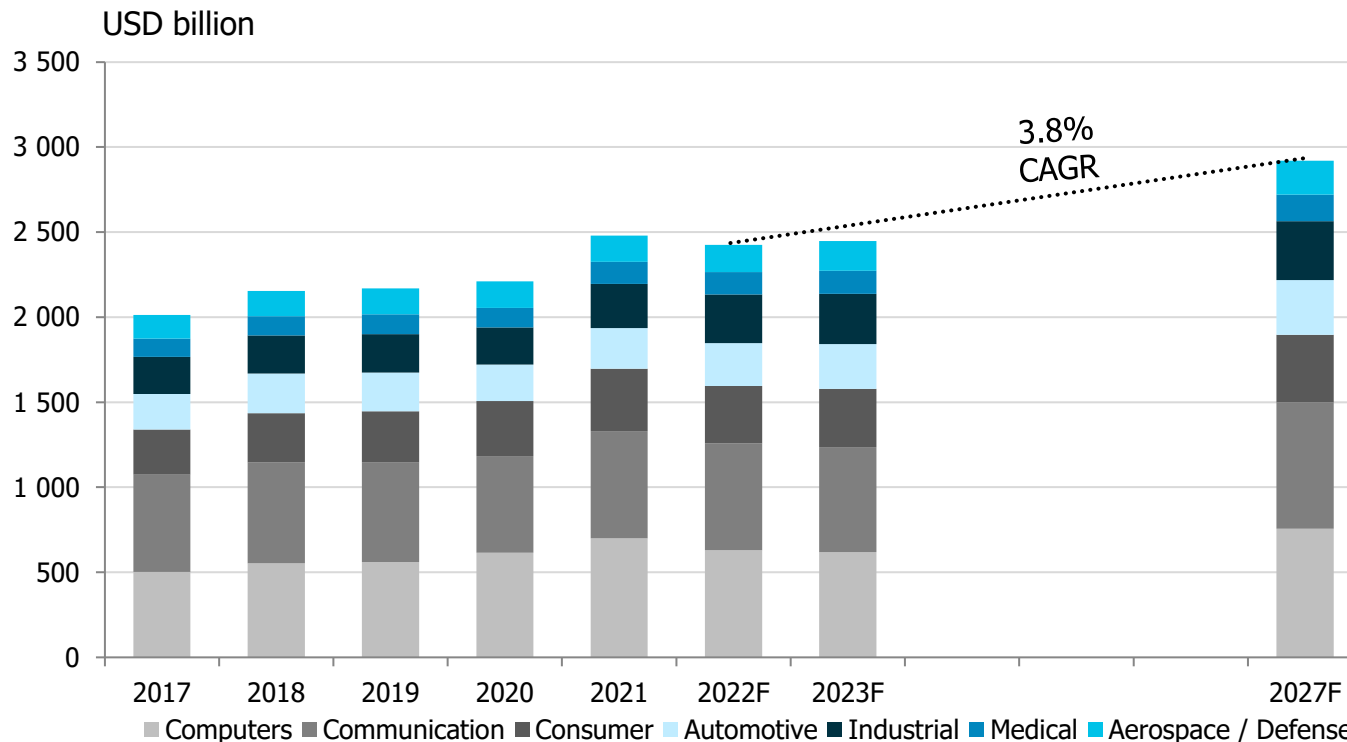
Market summary and updates

- Global electronics industry 0.9% to reach 2,447 BnUSD¹⁾
- Semiconductor industry -6.6% to reach 535 BnUSD¹⁾
- Optical components market 5.1% to reach 14.3 BnUSD²⁾
- Printed circuit boards and substrates market -4.1% to reach 78.4 BnUSD³⁾
- Displays -0.5% to 122 BnUSD⁴⁾
- Display photomasks 1.6% to 884 MUSD^{5, 6)}
- Semiconductor photomasks 5.5% to 7.6 BnUSD⁷⁾
- SMT assembly equipment: not available
- Dispensing: not available

Source: 1) Prismark March 2023, 2) Lightcounting October 2022, 3) Prismark, February 2023, 4) Omdia April 2023, 5) Omdia FPD large-area photomask research July 2022. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk, 6) 130 YEN per USD used for conversion from JPY to USD, 7) TechInsights April 2022

Electronics industry systems

Yearly development by industry segment

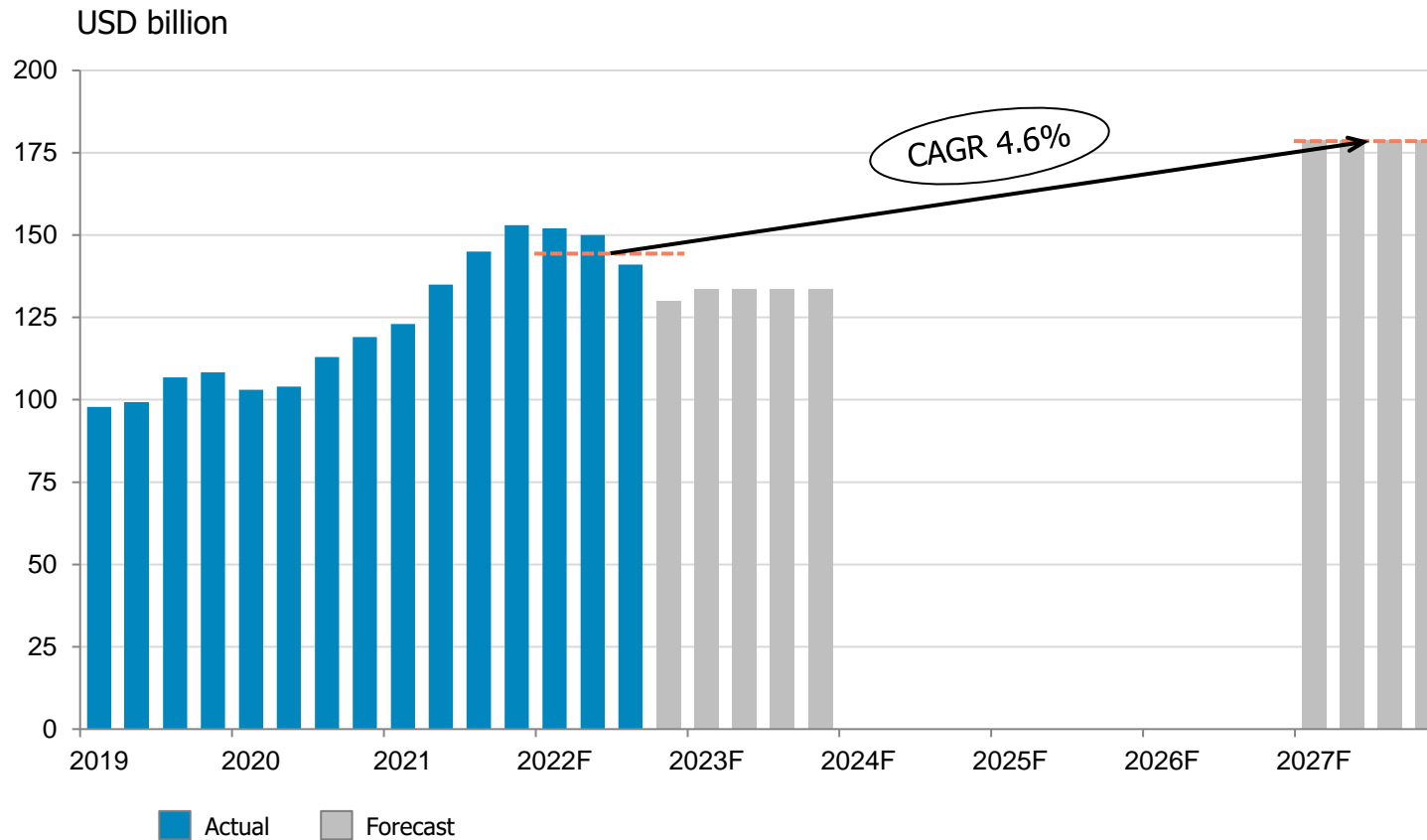


- Forecast -2.1% in 2022, to reach 2,426 BnUSD, with strongest development in
 - Industrial 10.9%
 - Automotive 5.0%
 - Aerospace / Defense 4.4%
- Modest growth of 0.9% forecast for 2023, to reach 2,447 BnUSD, with strongest development in
 - Aerospace / Defense 8.1%
 - Automotive 4.4%
 - Industrial 3.5%
- 3.8% CAGR expected for 2022-2027, with strongest development in
 - Automotive 5.0%
 - Aerospace / Defense 4.4%
 - Industrial and Computer 3.7%

Source: Prismark, March 2023

Semiconductors

Quarterly development



- Estimated 3.1% growth in 2022 to reach 573 BnUSD
- Forecast -6.6% in 2023 to reach 535 BnUSD
- 2022 to 2027 CAGR growth forecast at 4.6% to reach 716 BnUSD

Source: Prismark, March 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⁾

Dispensing*

- 2022 market estimated at 930 MUSD²⁾, 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*

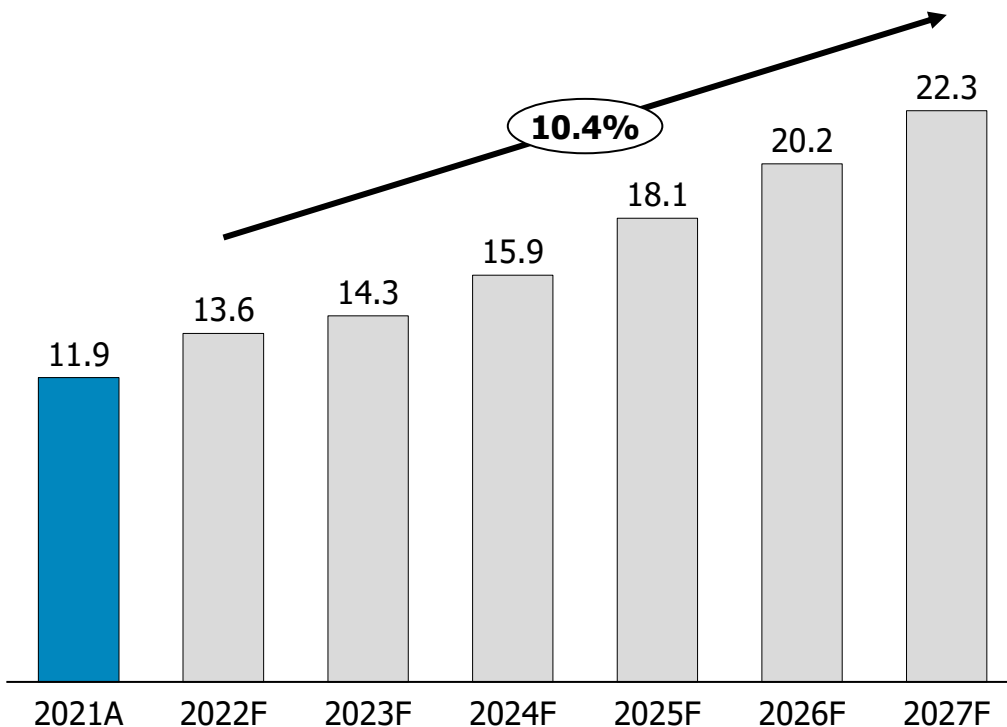
Source: 1) PROTEC MDC January 2023, 2) Prismark March 2023 (annual update)



Optical components for data/telecom

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

Optical components for data/telecom (BUSD)



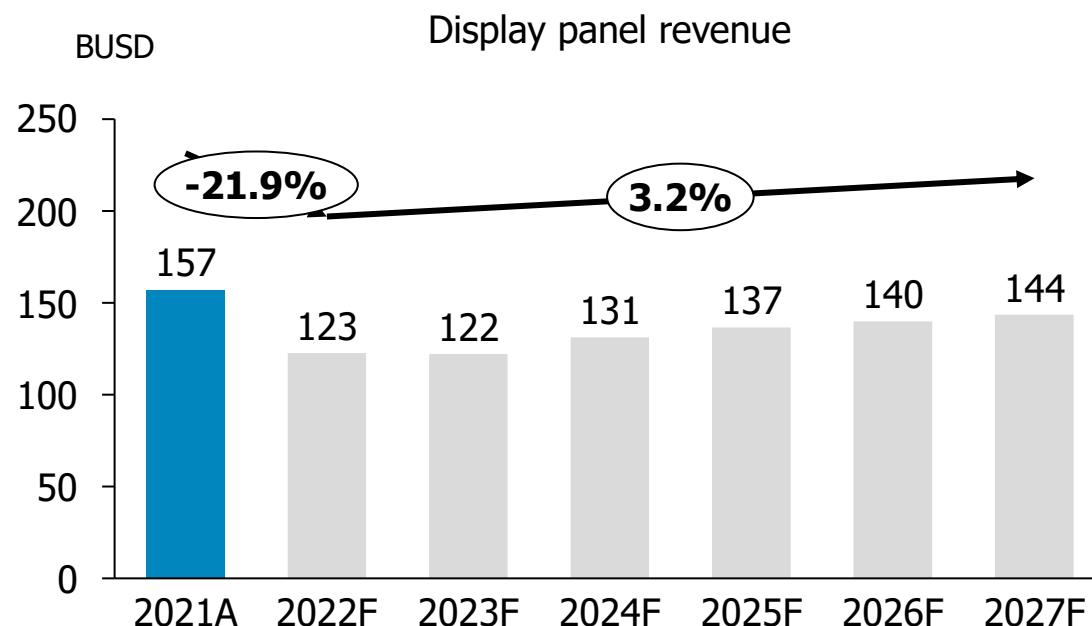
Source: Lightcounting, October 2022

Healthy data/telecom long-term growth

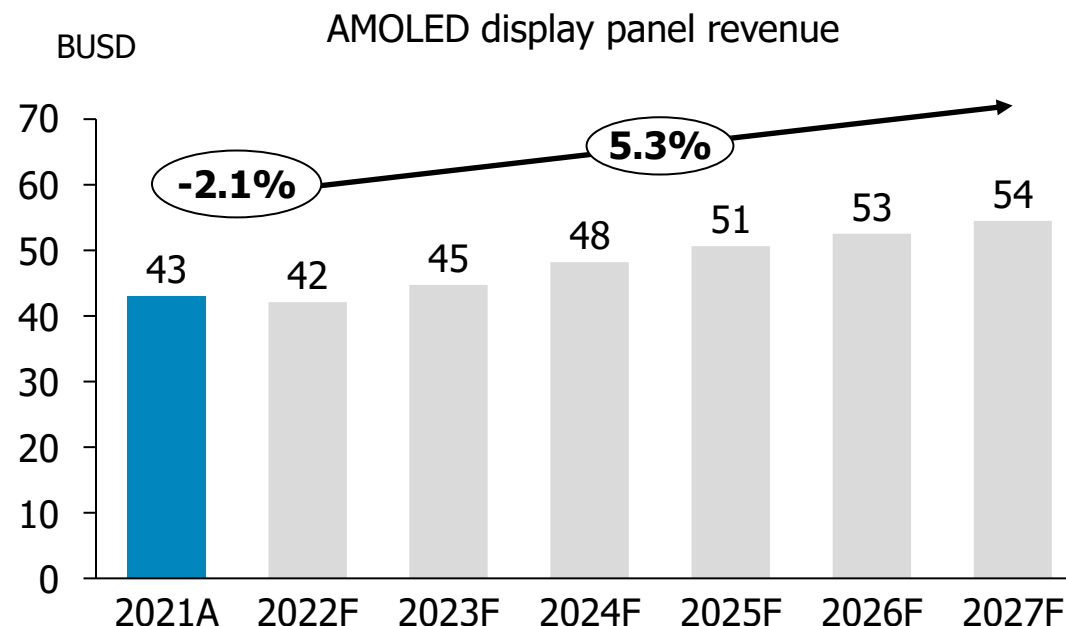
- Optical components production is the main driver for die/lens attach and other adjacent processes.
- Growth driven by mega trends such as hyperscale data centers, 5G/6G, EV, AI, IoT, and global supply chain shifting.
- Recent ChatGPT/AI development supports the higher demand for networking bandwidth with optical components.

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



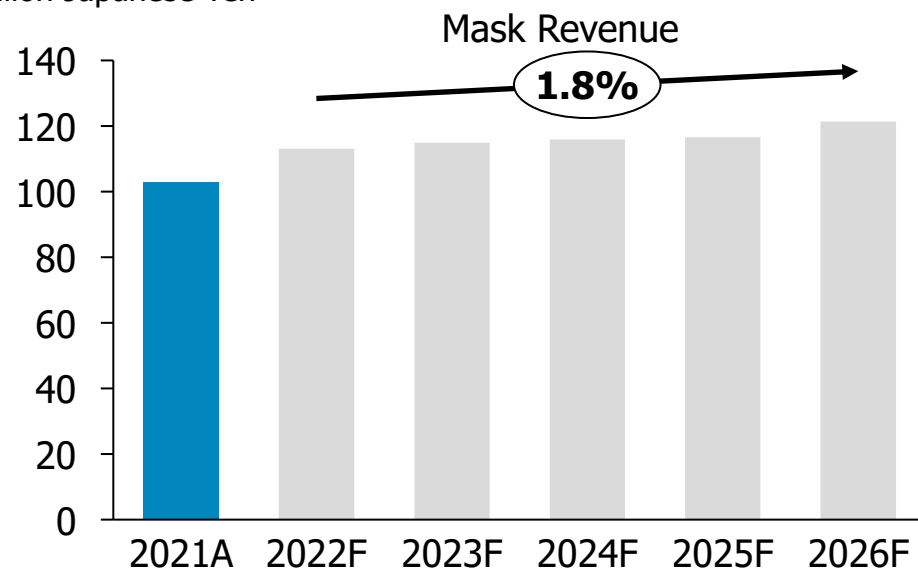
- Shift towards AMOLED continued in 2022 despite an overall declining display market, the AMOLED market size was similar as in 2021
- Technology shift ongoing from LCD to AMOLED for mobile displays, TV and IT segment
 - AMOLED forecast to grow 6.4% in 2023
- AMOLED ratio goes from 34% of total display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

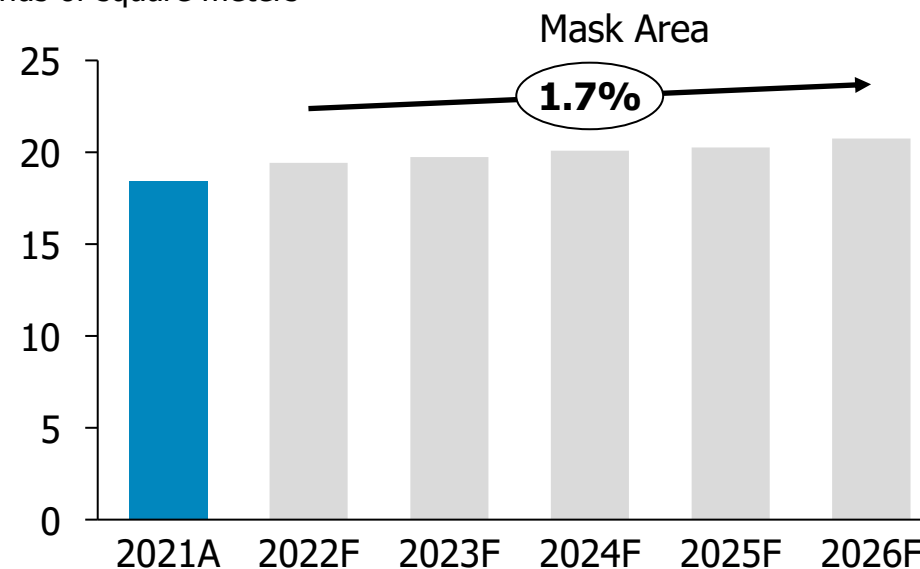
Positive photomask market

Billion Japanese Yen



- Display masks expected to have developed strongly during 2022
 - Market growth during 2022 expected to have been 9.8%. The photomask market has continued to recover, driven by more new development and display models and transition to more advanced and more high value photomasks
- The market is forecast to continue to show growth also in 2023 of 1.6%

Thousands of square meters

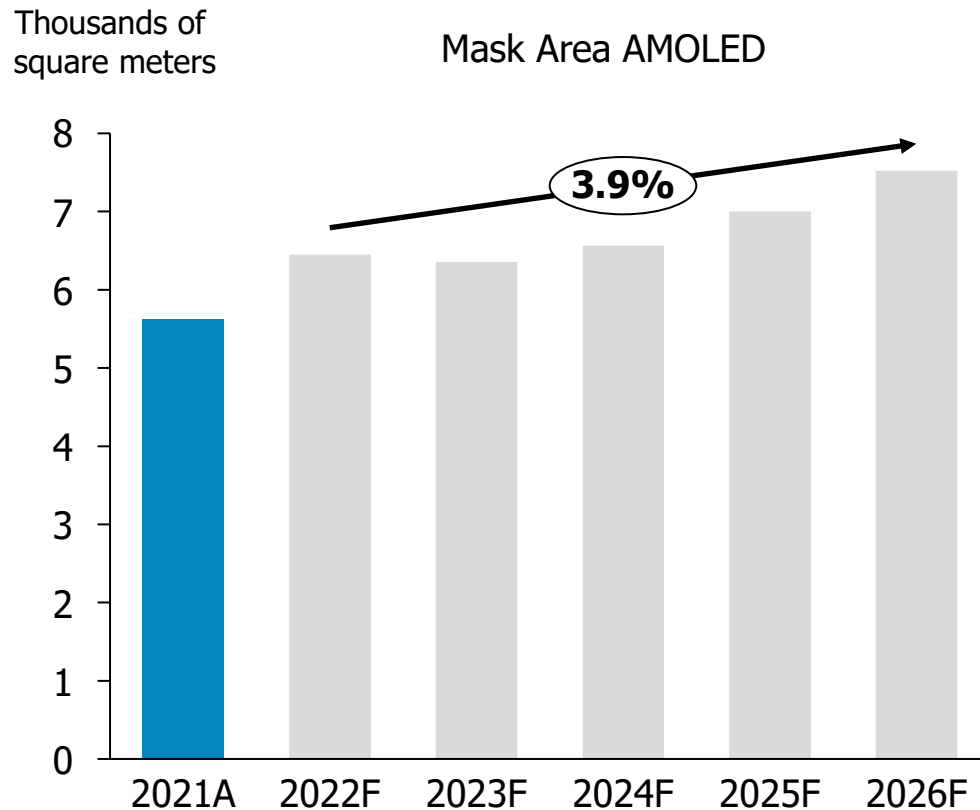


- Long-term area growth forecast remains positive
 - Area development is expected to have continued to show good growth during 2022 of 5.3%
 - Growth 2022-2026 of 1.7% CAGR. Strongest growth seen in segment of complex and high value masks, due to AMOLED transition and transition to displays with higher quality

Source: Omdia, Technology Group, FPD large-area photomask research, July 2022. 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



- Technology shift from LCD to AMOLED for mobile and IT displays drives demand for AMOLED photomasks
 - Share of AMOLED photomasks will grow from 33% 2022 to 36% 2026 in relation to 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, July 2022. 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

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