

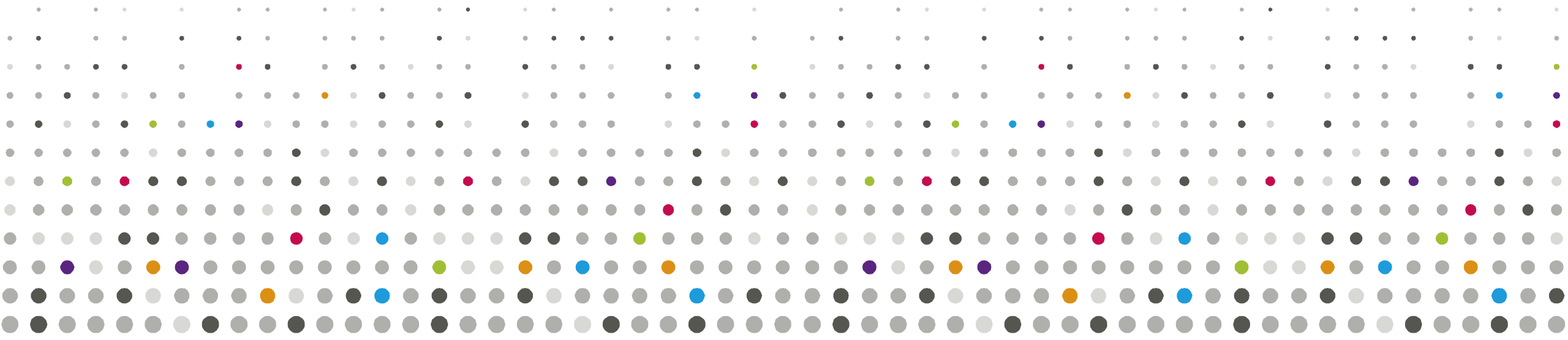
Year-end Report 2019

February 6, 2020

Anders Lindqvist
President and CEO

Torbjörn Wingårdh
CFO

Thomas Stetter
Sr VP Business Area Assembly Solutions



Important information

This presentation includes forward-looking statements including, but not limited to, statements relating to operational and financial performance, market conditions, and or similar matters. All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. Although the expectations described in these statements are assumed to be reasonable, there is no guarantee that such forward-looking statements will materialize or are accurate. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Mycronic undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulations. Mycronic will not be liable for any loss or damage of any kind arising from the use of this information.

This presentation is intended to be one of several tools for investment decisions, regardless of the type of investment. Investors or potential investors are encouraged to supplement additional relevant material and information and to consult a financial adviser for all investment decisions.

MYCRONIC



2019: Strong order intake, net sales and EBIT development

Mycronic in brief



>40

years of experience
in innovation

>1,400

employees in ten
countries

Mycronic is represented
in

>50

countries

The power of innovation
is proven by

>500

patents

>12,000

production systems at
more than 3,000
customers

>99%

of sales are from outside
Sweden

Business area Assembly Solutions

Broad product offering for efficient electronics manufacturing, including aftermarket

Surface Mount Technology

Inspection

Dispensing

Assembly Automation



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



- Solder Paste Inspection (SPI)
- Automated Optical Inspection (AOI)
- Advanced software suite (Sigma)



- Broad range of dispensing and coating systems



- Camera module assembly equipment
- Ultra-high precision die bonding equipment

Business area Pattern Generators

Indispensable for the photomask industry

Display

Semiconductor

Multi-purpose

Aftermarket products



Precision mask writer & metrology series

- Precision 8/Lite 8/80/800 Evo
- Precision 10
- Precision MMS



SLX series



FPS series

- FPS 6100/8100 Evo



Service contracts & value adding products

- Display
- Multi-purpose
- Semiconductor

2019: Strong development

Order intake

4,567

MSEK

+25%

Gross margin

56%

Order backlog

2,164

MSEK

+14%

Net sales

4,307

MSEK

+14%

EBIT

1,124

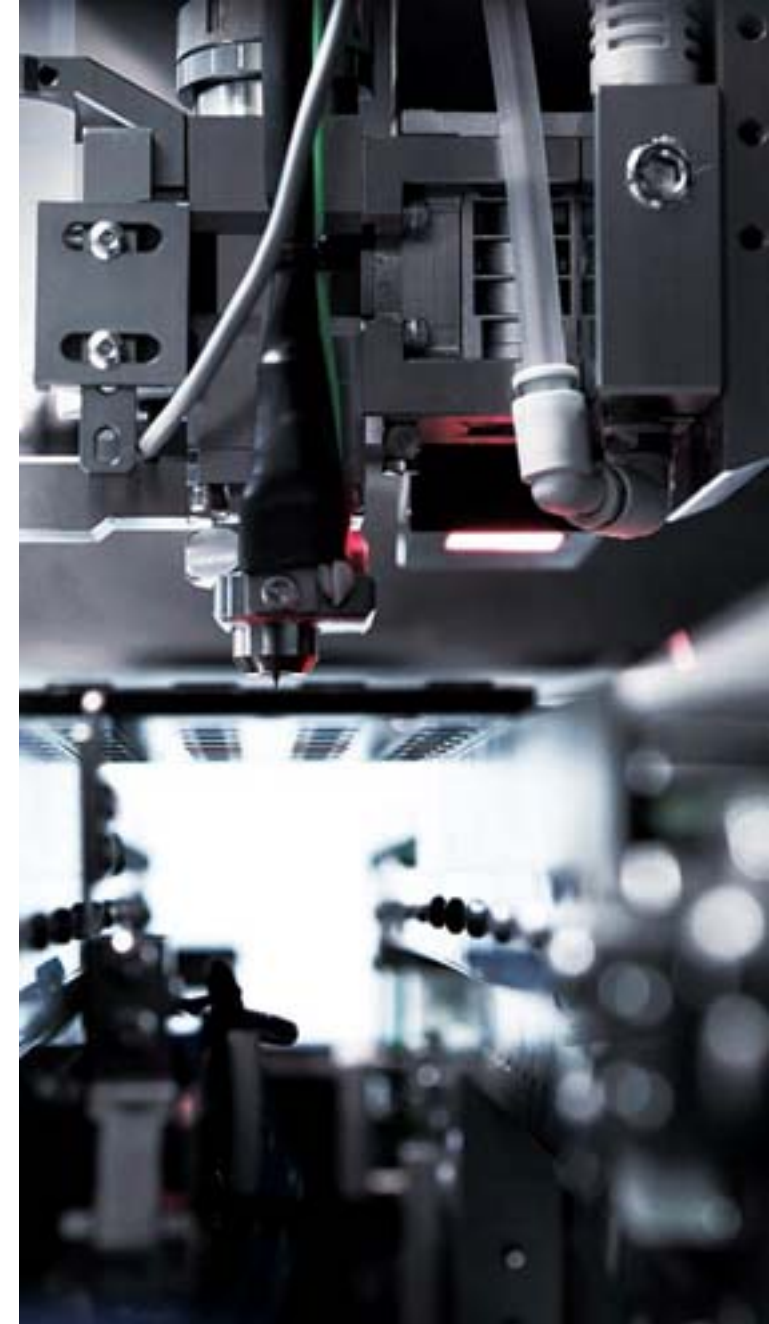
MSEK

+10%

Q4 2019: Good order intake development in both business areas

- Order intake increased 31% to 1,706 MSEK
 - Assembly Solutions +16%
 - Pattern Generators +44%
- Net sales increased 12% to 1,181 MSEK
 - Driven by Assembly Solutions
 - Net sales growth 25%, with 19% organic growth excluding positive currency effects
 - Two shipped systems in Pattern Generators vs. two systems and a major upgrade in Q4 2018
- EBIT 35% higher at 204 MSEK, with EBIT margin at 17%
 - Mainly explained by better product mix in Pattern Generators and lower acquisition related costs in Assembly Solutions
- Orders for two Prexision Lite 8 Evo, a Prexision 8 Evo, a Prexision 800 Evo, a Prexision MMS and a major upgrade

See Appendix on page 34 for market details



FY 2019: Strong order intake, net sales and EBIT development

- Order intake up 25% to 4,567 MSEK
 - Assembly Solutions +29%
 - Pattern Generators +21%
- Net sales increased 14% to 4,307 MSEK
 - Assembly Solutions +22% to 2,463 MSEK
 - Pattern Generators +4% to 1,844 MSEK.
 - 8 mask writers and a major upgrade delivered
- EBIT increased 10% to 1,124 MSEK, EBIT margin at 26%
- Important aftermarket provides a large and stable base
- Large order backlog of 2,164 MSEK provides a good starting point for 2020



Product launch in the quarter

SLX - a laser mask writer for the semiconductor market



MYCRONIC

Key events after the end of Q4 2019

First SLX order and a new group structure

- On January 16 an order was received for an SLX mask writer
 - Mycronic's first order for this product
 - Order value 4-5 MUSD
 - Delivery scheduled for the first quarter of 2021
- On January 22 the implementation of a new group structure was announced, where the new Mycronic organization will consist of four divisions:
 - Assembly Solutions High Flex
 - Assembly Solutions High Volume
 - Assembly Solutions Global Technologies
 - Pattern Generators



Dividend proposal

8% increase

In accordance with the dividend policy, the Board of Directors propose to the AGM a dividend of SEK 3.25 (3.00) per share

Dividend policy

Provided that the Company's net debt is lower than three times EBITDA after the stipulated dividend, 30 to 50 percent of the Company's profit after tax is distributed to shareholders.

Outlook 2020

The Board's assessment is that consolidated net sales for 2020 will be at a level of SEK 4.1 billion, excluding any acquisitions made in 2020

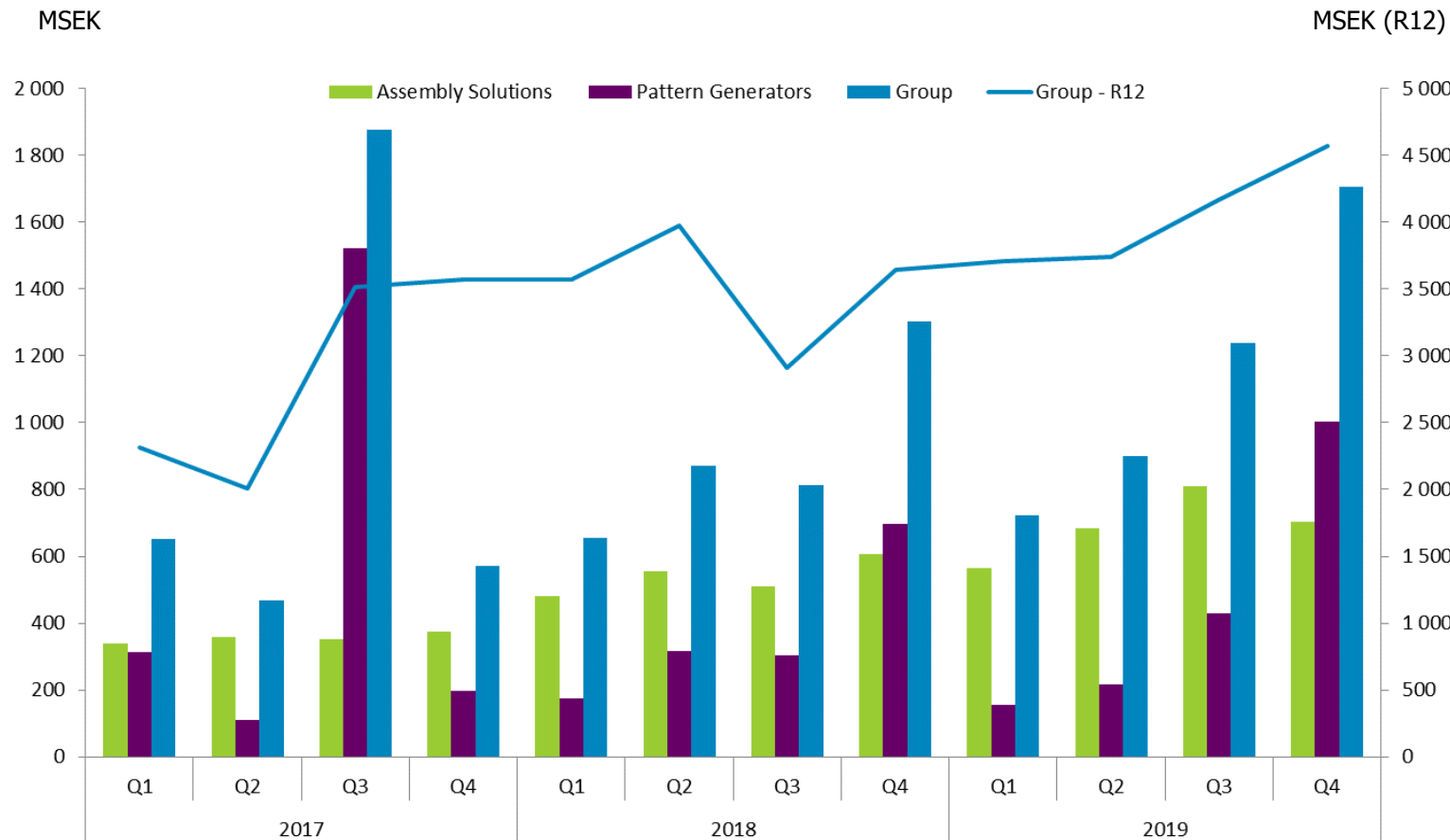
A man and a woman are standing in a store, looking at a large television mounted on a wall. The man is pointing at the screen with his right hand. The woman is standing next to him, looking at the same screen. In the background, there are other televisions and a sign that says "HOME CINEMA".

Financial update

Torbjörn Wingårdh

CFO

Continued growth in order intake



- Q4 order intake growth of 31%
- Assembly Solutions increased 16% to 703 MSEK
- Pattern Generators increased 44% to 1,004 MSEK
- Backlog at 2,164 (1,904) MSEK
 - Assembly Solutions at 805 (507) MSEK
 - Pattern Generators at 1,359 (1,397) MSEK

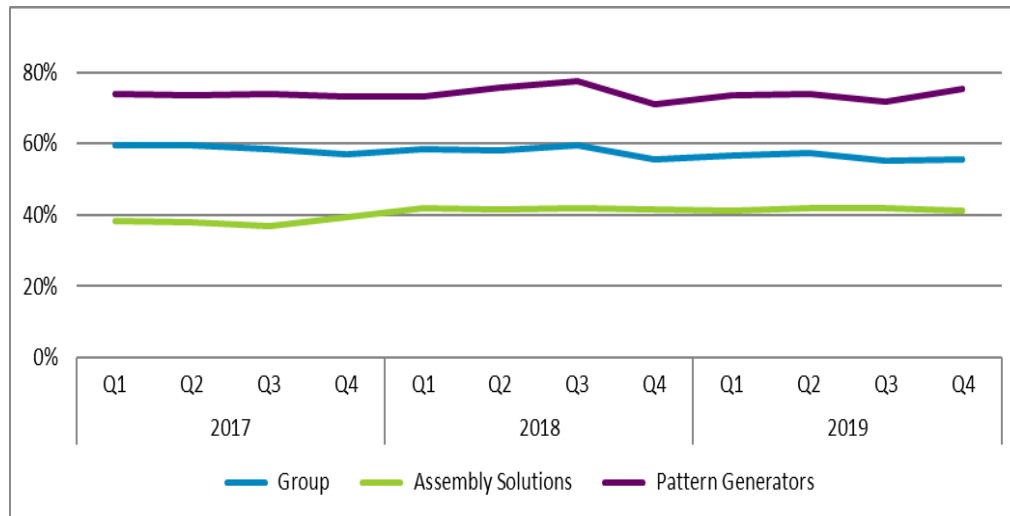
Assembly Solutions drives higher net sales

- Q4 net sales increased 12% to 1,181 (1,052) MSEK
 - Assembly Solutions increased 25% to 776 (621) MSEK
 - Pattern Generators 6% lower at 405 (430) MSEK
- Two Pattern Generator systems delivered compared to two systems and an upgrade in Q4 2018
- Positive currency effects on net sales of 4% (5%)



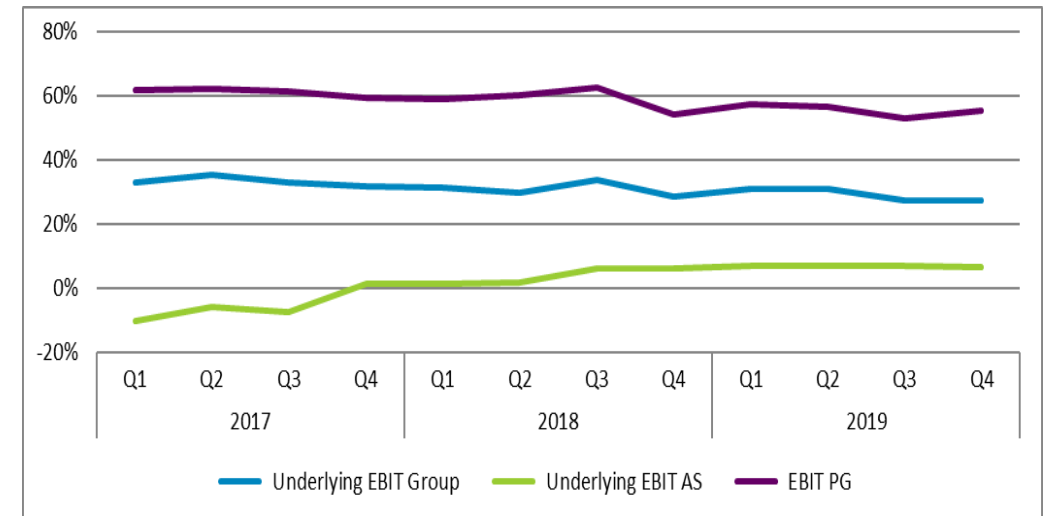
Margins

Gross margin, 12 months rolling



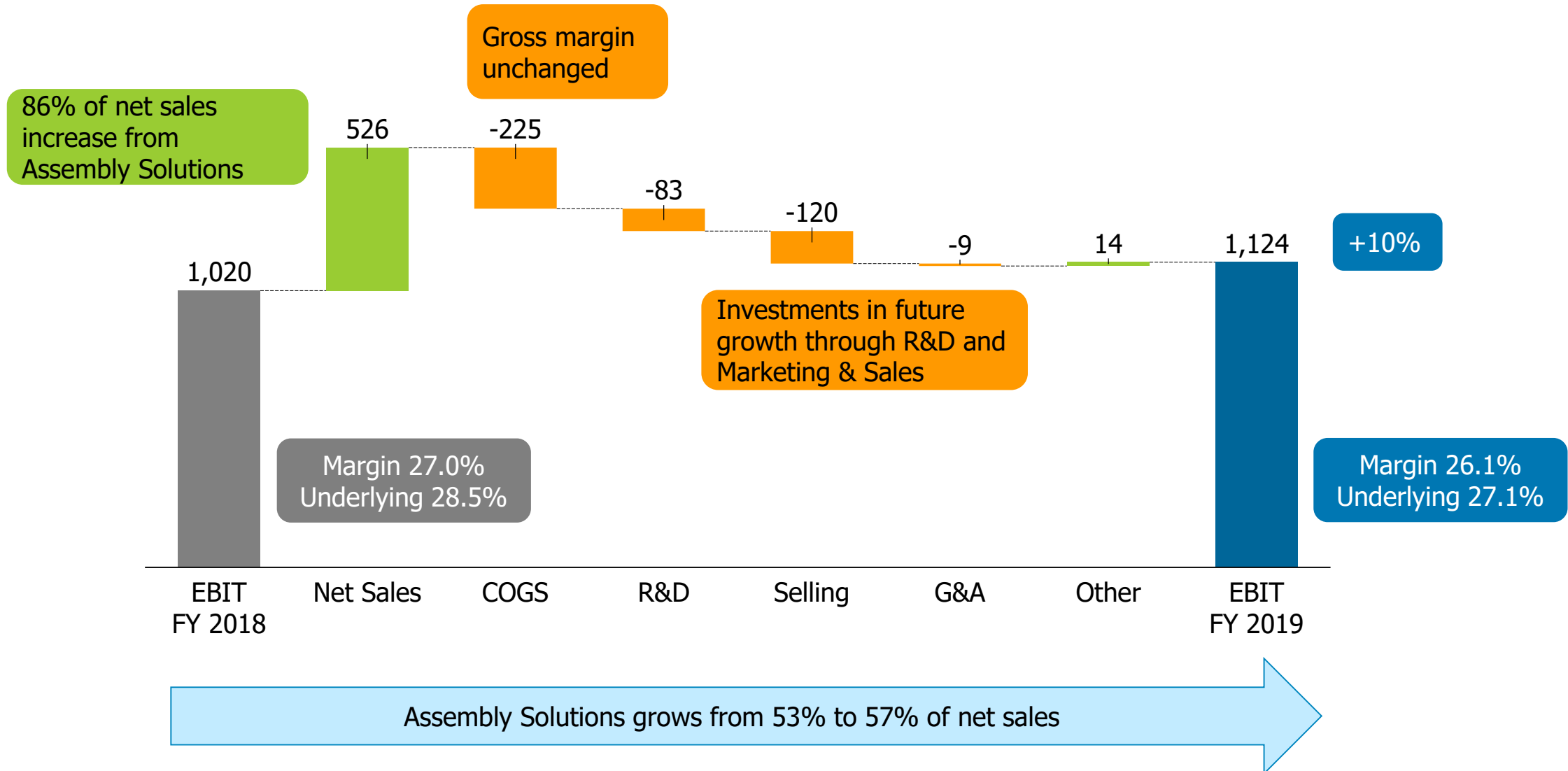
- Q4 gross margin at 49.4% (47.4%)
 - Assembly Solutions lower at 39.6% (43.1%) due to less favorable product mix
 - Pattern Generators higher at 68.3% (53.6%), due to more favorable product mix

EBIT margin, 12 months rolling

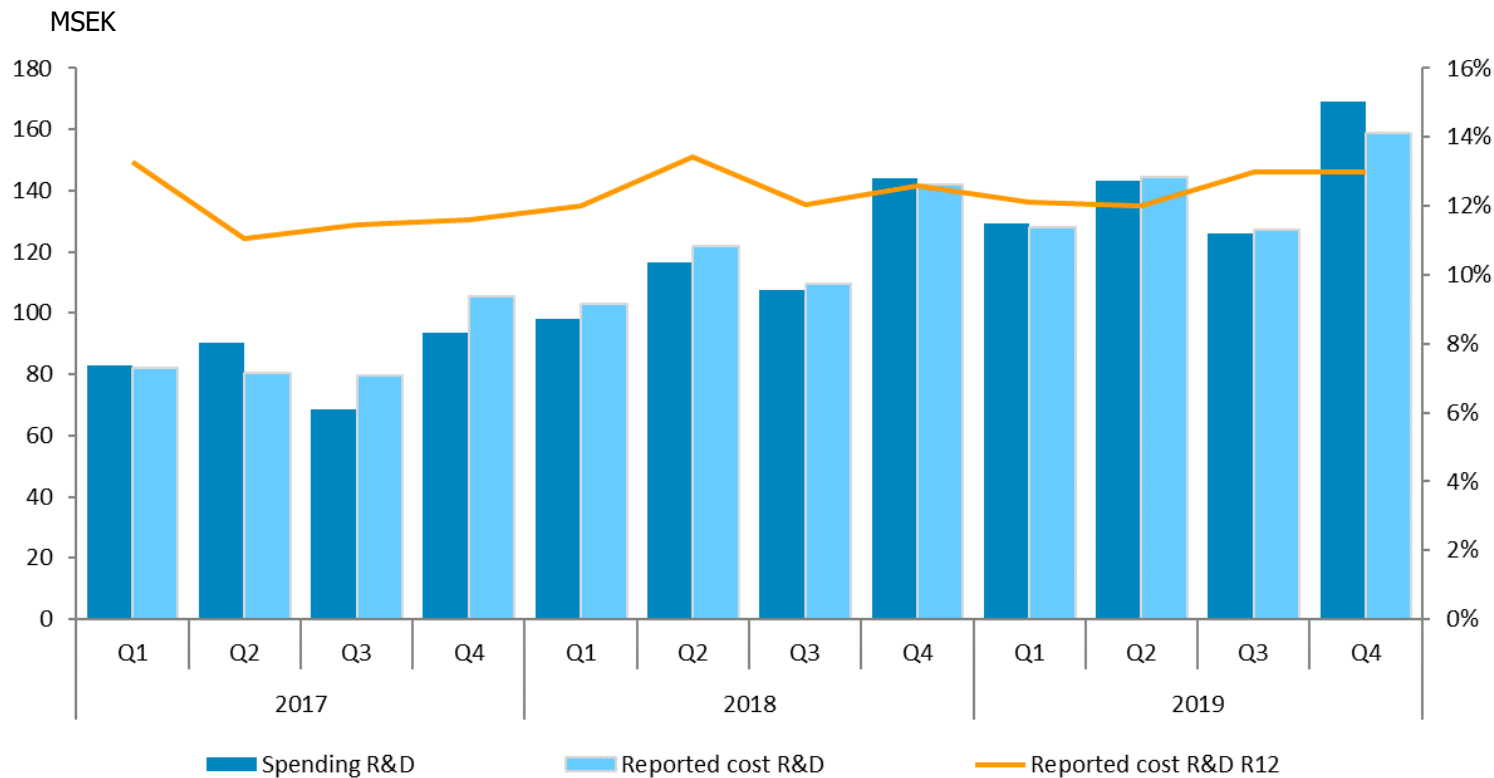


- Q4 EBIT margin at 17.2% (14.3%)
 - Assembly Solutions at 5.4% (2.9%), mainly explained by acquisition related costs of 11 MSEK vs 35 MSEK in Q4 2018
 - Assembly Solutions underlying EBIT margin at 6.8% (8.6%)
 - Pattern Generators at 40.3% (31.1%)

Higher EBIT, with lower EBIT margin



R&D for innovation and growth



- R&D spending increased 25 MSEK from Q4 2018
 - Increase equally driven by both business areas
- Product development investments in line with growth strategy
- Rolling R&D cost-to-sales ratio stable at 13%

Summary by business area, Q4 2019

	Q4 2019	Q4 2018
Assembly Solutions	703	608
Pattern Generators	1,004	695
Order intake, MSEK	1,706	1,303
Assembly Solutions	805	507
Pattern Generators	1,359	1,397
Order backlog, MSEK	2,164	1,904
Assembly Solutions	776	621
Pattern Generators	405	430
Net sales, MSEK	1,181	1,052
Assembly Solutions	40%	43%
Pattern Generators	68%	54%
Gross margin, %	49%	47%
Assembly Solutions	5%	3%
Underlying EBIT margin AS	7%	9%
Pattern Generators	40%	31%
EBIT margin, %	17%	14%
Underlying EBIT margin Group	18%	18%

- Solid order intake growth of 31%
- Strong order backlog
- Net sales increase driven by Assembly Solutions
- Different product mix impacts gross margins in the two business areas
- EBIT margin positively impacted by lower acquisition-related costs

Summary by business area, FY 2019

	2019	2018
Assembly Solutions	2,762	2,149
Pattern Generators	1,805	1,492
Order intake, MSEK	4,567	3,642
Assembly Solutions	805	507
Pattern Generators	1,359	1,397
Order backlog, MSEK	2,164	1,904
Assembly Solutions	2,463	2,012
Pattern Generators	1,844	1,769
Net sales, MSEK	4,307	3,781
Assembly Solutions	41%	42%
Pattern Generators	75%	71%
Gross margin, %	56%	55%
Assembly Solutions	4%	3%
Underlying EBIT margin AS	6%	6%
Pattern Generators	55%	54%
EBIT margin, %	26%	27%
Underlying EBIT margin Group	27%	28%

- Good order intake growth in both business areas
- Backlog increase driven by Assembly Solutions
- Order backlog contains 10 systems and a major upgrade
- Net sales increase mainly driven by Assembly Solutions
- Assembly Solutions' increased weight affects group EBIT margin

Cash flow

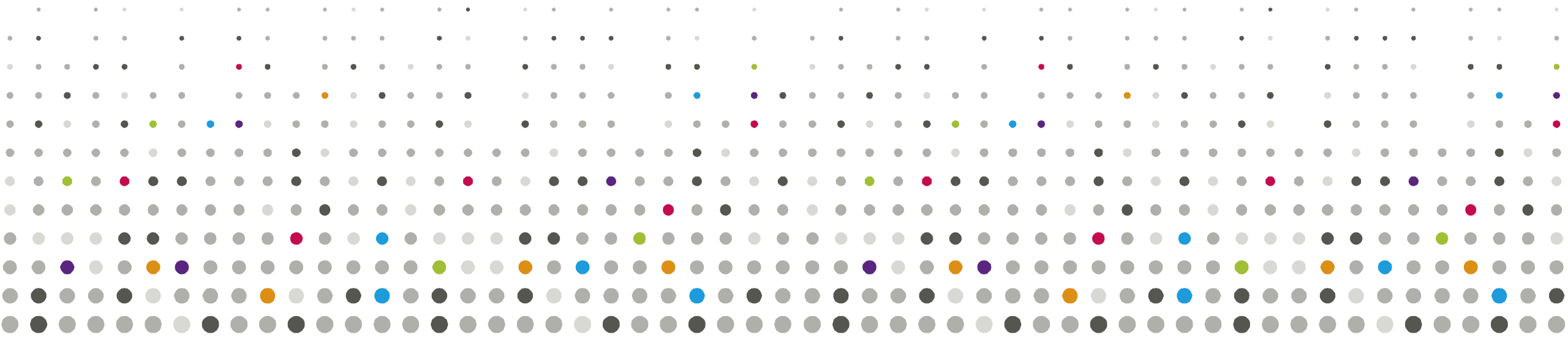
MSEK	2019	2018
Cash flow from operations	1,043	928
Change in working capital	-498	-225
Cash flow from operations after changes in working capital	545	702
Investments in development	-29	-10
Other investments, net	-370	-430
Cash flow before financing activities	146	262
Financing	-326	-258
Cash flow	-180	4
Cash at end of period	655	829

- Working capital change affected by decrease of non-interest bearing short term liabilities and increase in inventories and trade receivables related to Mycronic's growth
- Includes 248 MSEK payment for remaining 20% in Axxon
- Includes 294 MSEK in dividend to shareholders

Assembly Solutions – Our path to benchmark profitability

Thomas Stetter

Sr VP Business Area Assembly Solutions



Q4 2019: Good growth and steady improvement in profitability

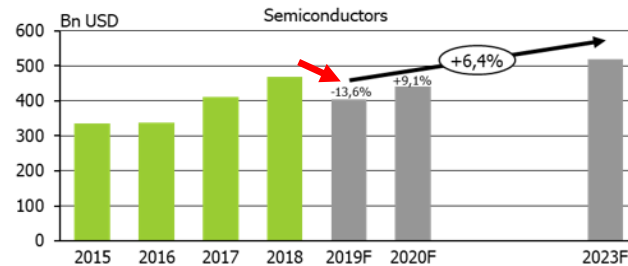
- Order intake increased 16% to 703 MSEK
 - Mainly driven by strong development in Dispensing
- Net sales up 25% (19% organically) to 776 MSEK
 - All business segments contributed to growth
- EBIT margin increase from 2.9% to 5.4%
- Selected highlights:
 - Very good customer reception at Productronica (Munich, November 2019):
 - Positioning of Mycronic as SMT full-line solution provider & broader offering via Assembly Automation
 - Two public awards for Industry 4.0 SW solutions¹⁾
 - Market share win for Pick-and-Place
 - Axxon strengthened local market leadership in China and grew export volumes with 50%
 - MRSI benefitting from global demand in Optical Communication and strong position in Aerospace & Defense sector in US



2020 Market outlook: Mixed projections

Softer development expected for SMT; Dispensing & MRSI to benefit from steady demand¹⁾

SMT



- Pick-and-Place market declined -10% in 2019
- Semiconductor market decline (-14% in 2019) indicates softer SMT market during H1 2020
- Mid-term growth projection intact

Optical Communication

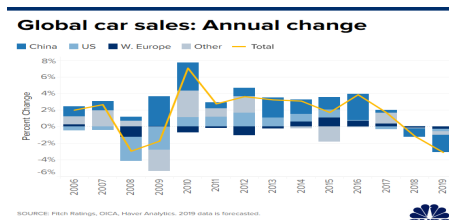
Can the market return to growth in 2020-2024?
and what will it take?

1. Deployments of 5G will roll out as expected, lifting demand for wireless fronthaul optics to a new record in 2020 and beyond.
2. Merchant sales of CWDM/DWDM transceivers continue to grow.
3. Shipments of next generation Ethernet modules, including 2x200GbE, 4x100GbE and 400GbE will reach decent volumes in 2020 and price declines in the Ethernet market return to their historical average of 15-20% per year, instead of 35% in 2018.



- Optical communications and high power laser diode market to grow at high double digit rate
- Main drivers: China domestic build-up, data centers and 5G rollout

Auto-motive



- After 2 years of global decline, signs of stabilization in 2020; China recovery may start in 2021
- Despite car business decline, camera volumes increase due to greater adoption

Dispensing

- PCB assembly smart phone market expected to still benefit from global 5G deployment
- China government focus in Semicon to drive investments

Profitability development and path to succeed

New organization will help to accelerate significant EBIT improvements

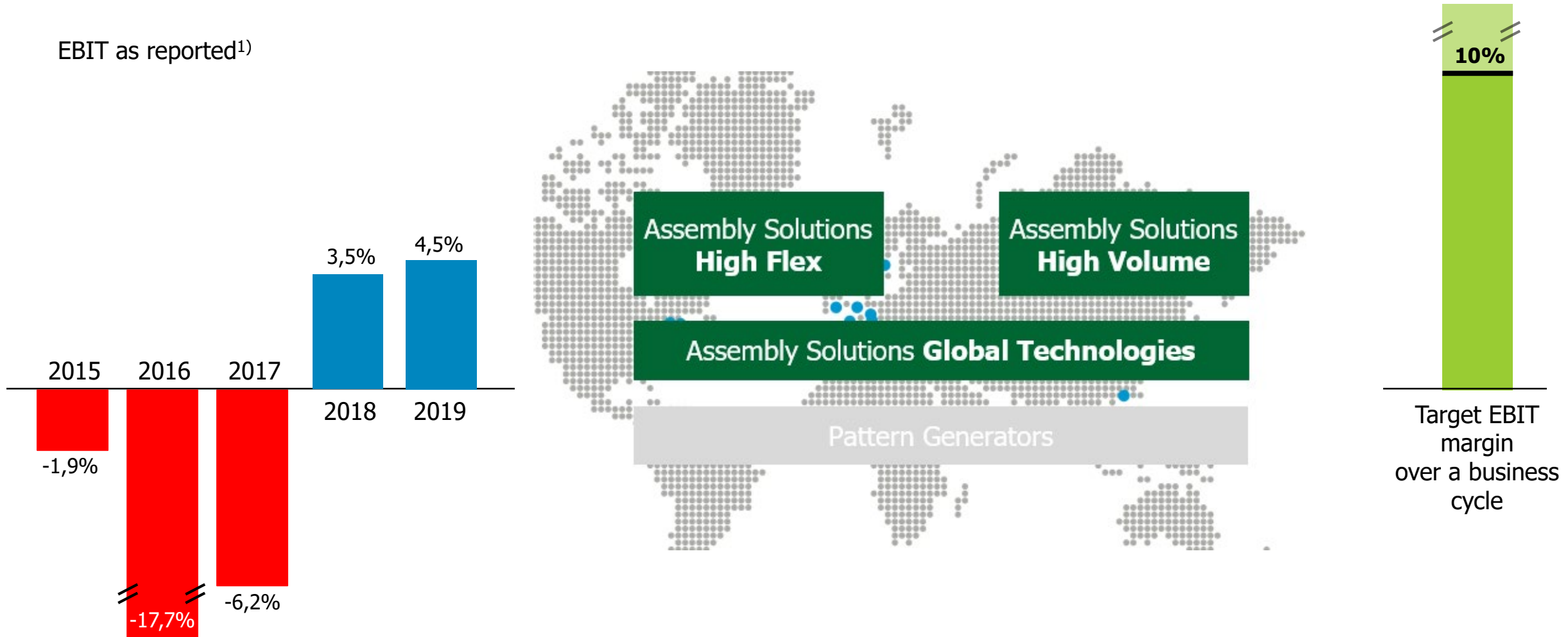
EBIT as reported¹⁾



Profitability development and path to succeed

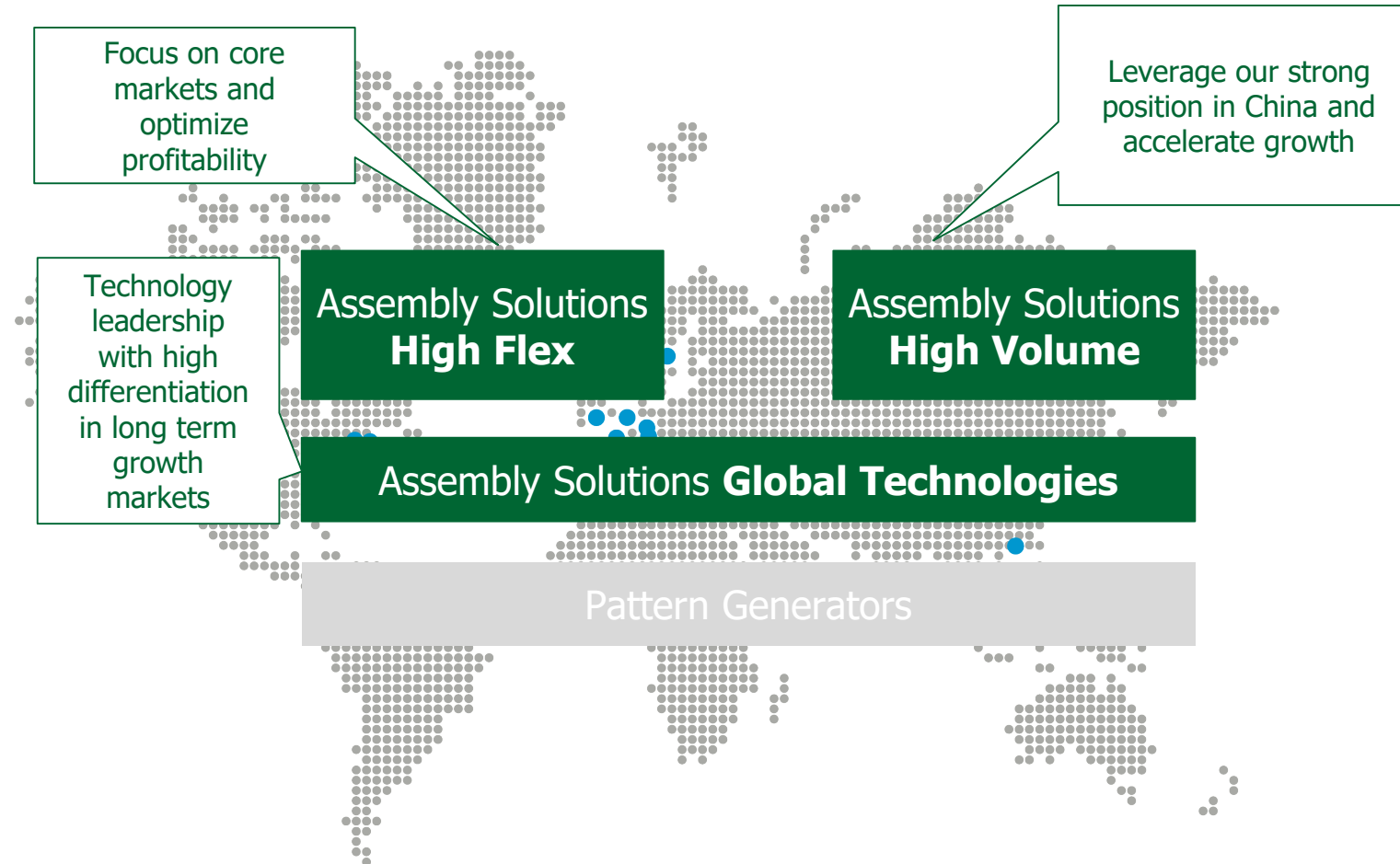
New organization will help to accelerate significant EBIT improvements

EBIT as reported¹⁾



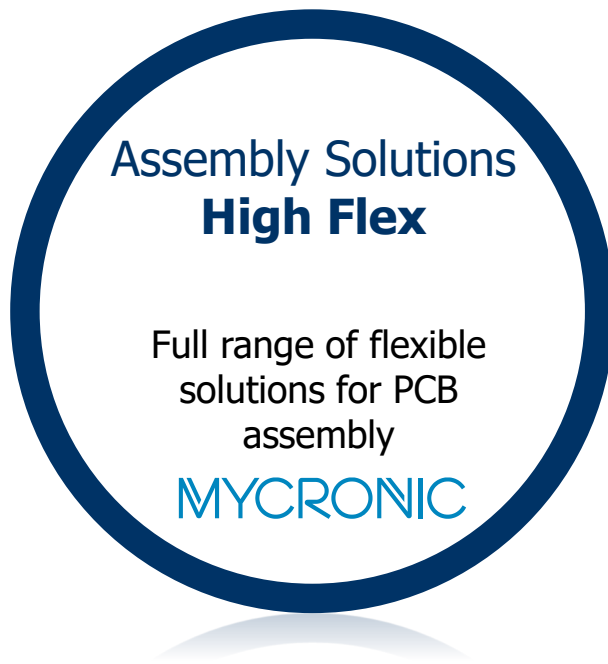
Business focus in new AS divisions

New organization will help to accelerate significant EBIT improvements



High Flex: Market focus and operational efficiency

More focused – more efficient – more profitable



- Mycronic is the leading brand for high-flex SMT solutions
- Very good market position in Americas and Europe as well as selected market segments in Asia
- Acquisition of ViT (Inspection) and the strong focus on innovative SW solutions enable positioning as Full-line solution provider
- Cross-selling potential in home base (increase share-of-wallet)
- Cost synergies in Supply Chain Management, Engineering and Sales
- Further potential in After-Market via new offerings and full roll-out of MYCare

High Volume: Leverage our strong market position in China



- China is the largest single dispensing market
- Axxon is already recognized as clear market leader in its target segments (PCB Assembly for Smart Phones and Consumer Electronics)
- Further growth focus on:
 - Existing customers to cover extended range of their dispensing needs
 - Enter new applications and segments
 - Regional expansion with focus on South-East Asia

Global Technologies: Benefit from long-term growth markets and deploy synergies



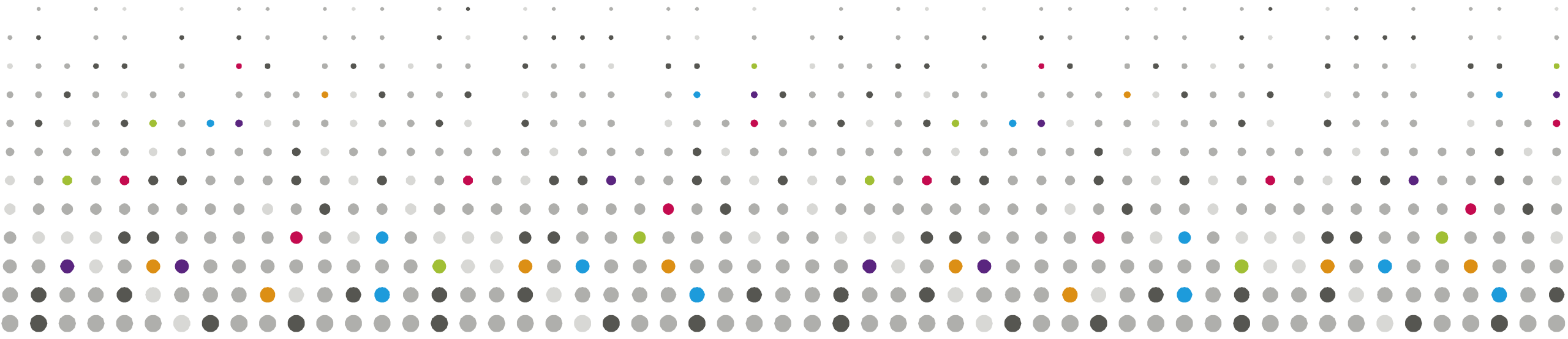
- Global Technologies focuses on attractive niche solutions – aiming to become market leader in each segment
- Technological edge to create customer value
- During 2020 all three Mycronic sites in the Boston area will be consolidated in one new facility
- Joined leadership will lead to the deployment of synergies in Operations, Engineering and Sales for Global Technologies
- Will provide better scalability and more robustness against market fluctuations

Q&A



APPENDIX

Q4 2019 Market update

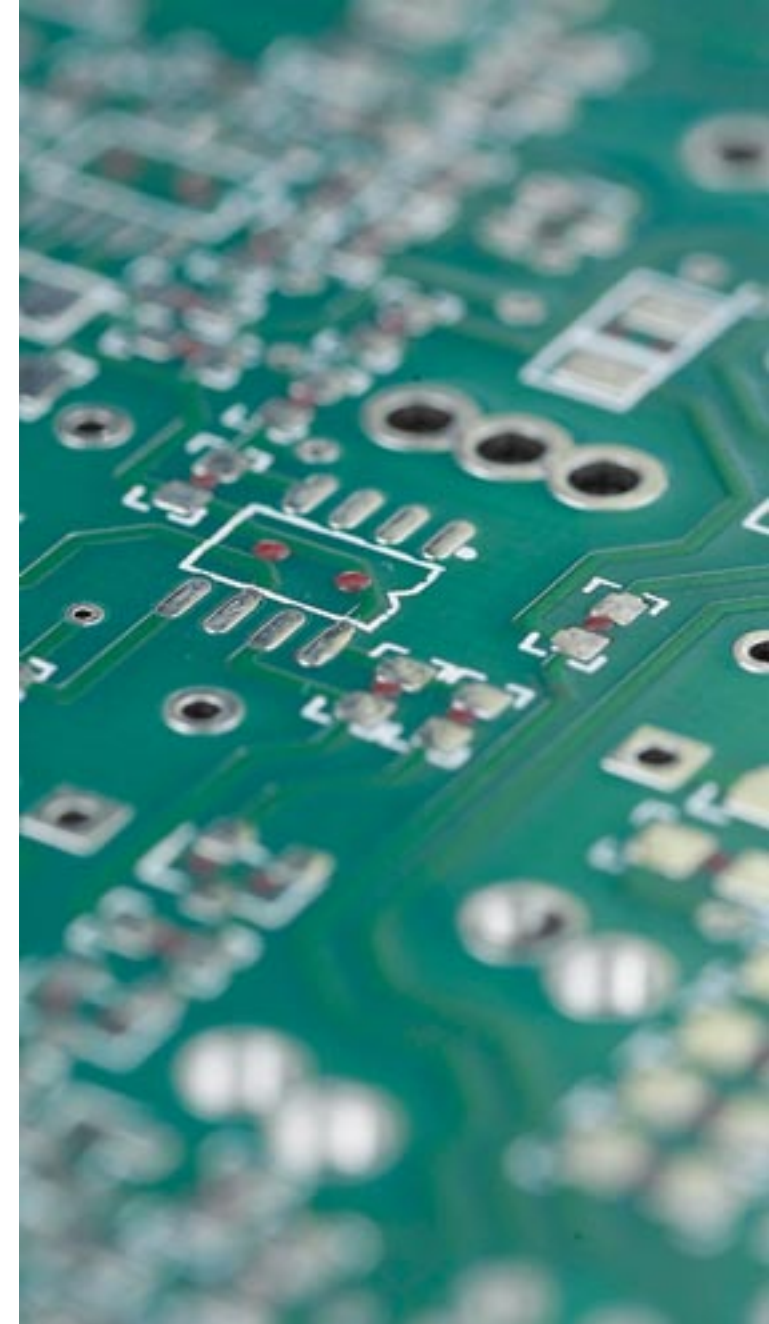


Outcome 2018

Market summary and updates

- Global electronics at +5.9% to 2,132 BnUSD
- Semiconductors +13.7% and reached 469 BnUSD
- SMT assembly equipment +17% to 3,070 MUSD
- Dispensing equipment +1.3% to 780 MUSD
- Camera modules +27% and 165 million units
- Die bonding equipment +1.6% to 934 MUSD
- Display market actuals at -9% to 113 BnUSD
- Display photomasks +12% to 814 MUSD

Source: Prismark December 2019, PROTEC MDC January 2020, IHS Markit, Technology Group, Display Long-Term Demand Forecast Tracker, January, 2020 and IHS Markit, Technology Group, FPD large-area photomask research, June 7 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details

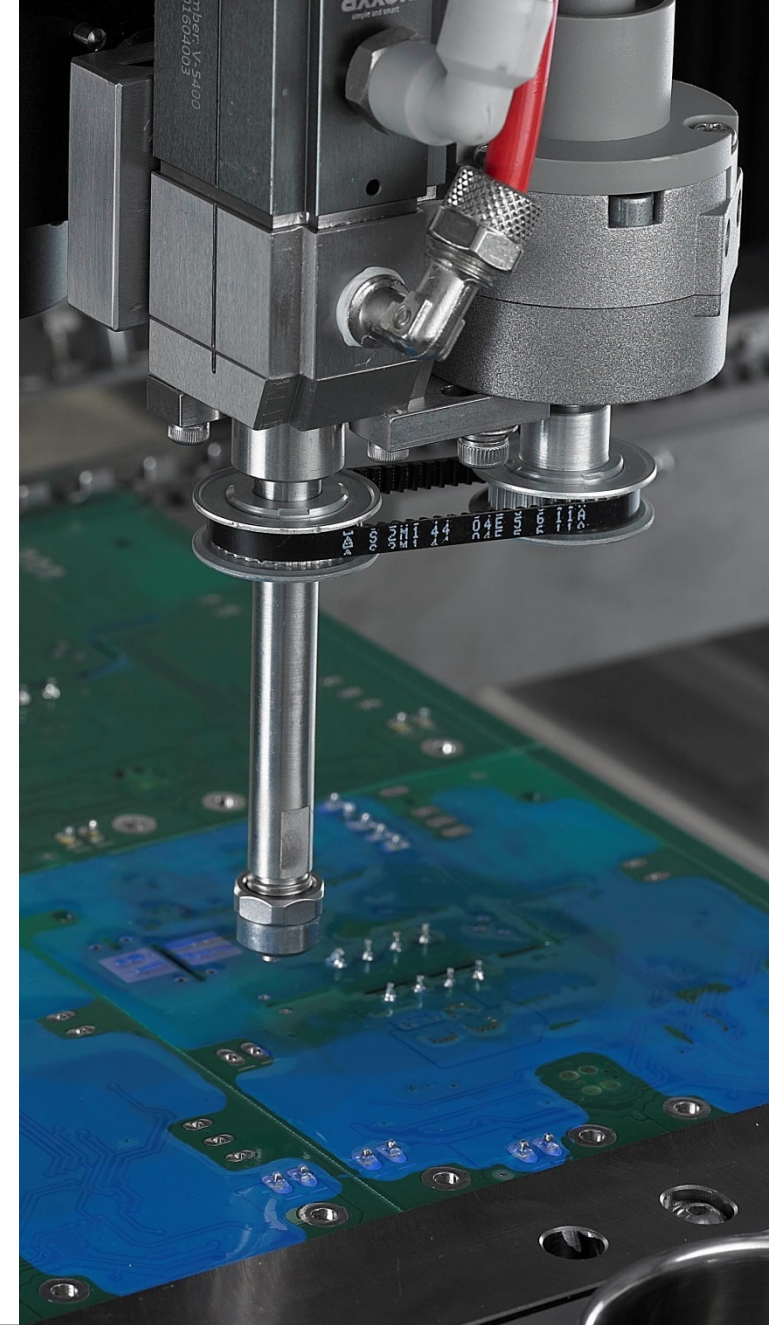


Forecasts 2019

Market summary and updates

- Global electronics industry growth forecast +0.5% (from -0.1%) and 2,143 BnUSD
 - Long term forecast 2018 to 2023 indicates a CAGR of +3.2% (from +3.3%)
- Semiconductor industry growth forecast -13.6% and 405 BnUSD
 - Forecast 2019 to 2023 indicates a CAGR of +6.4%
- Camera modules forecast +15% to 190 million units
 - +14% CAGR 2018 to 2023 to 315 million units
- Displays -5% to 108 BnUSD
- Display photomasks +9% to 886 MUSD
- SMT market: 2,750 MUSD (actuals)
- Dispensing: not available

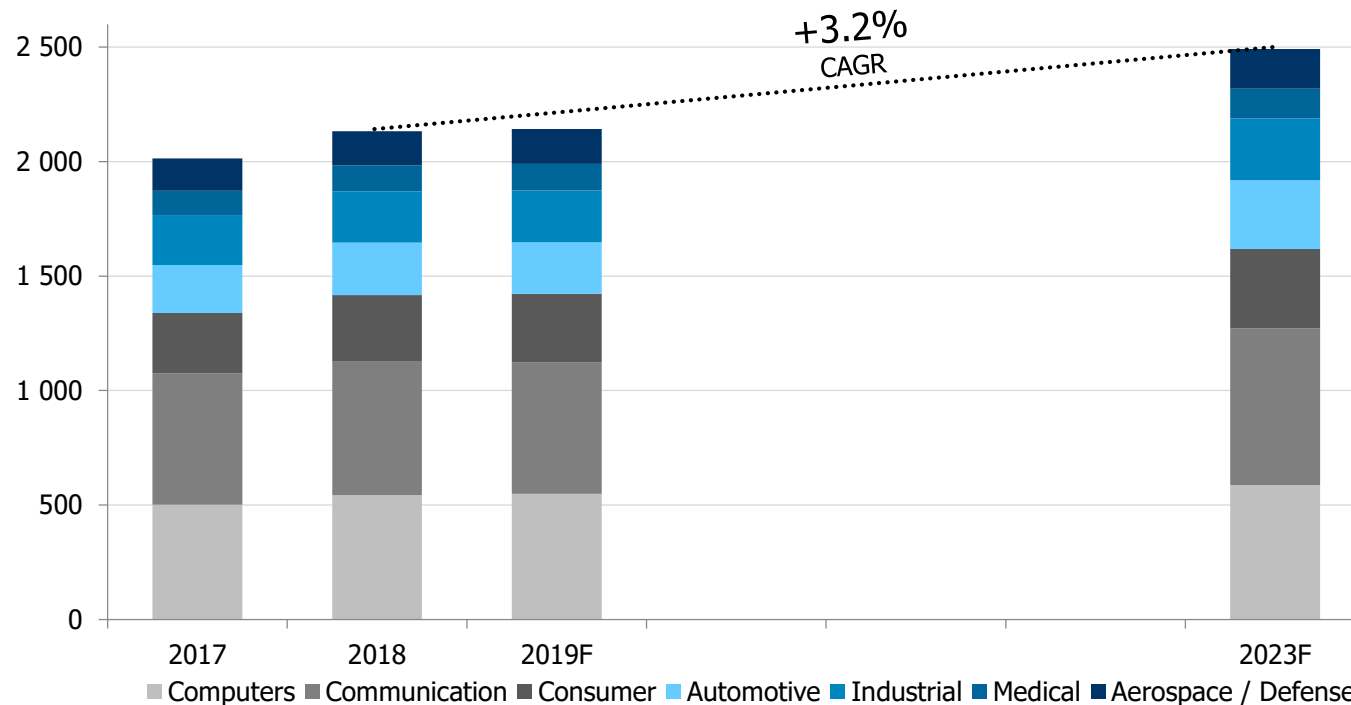
Source: Prismark December 2019, PROTEC MDC January 2020, IHS Markit, Technology Group, Display Long-Term Demand Forecast Tracker, January, 2020 and IHS Markit, Technology Group, FPD large-area photomask research, June 7 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details



Electronics industry systems

Solid long term growth

USD billion



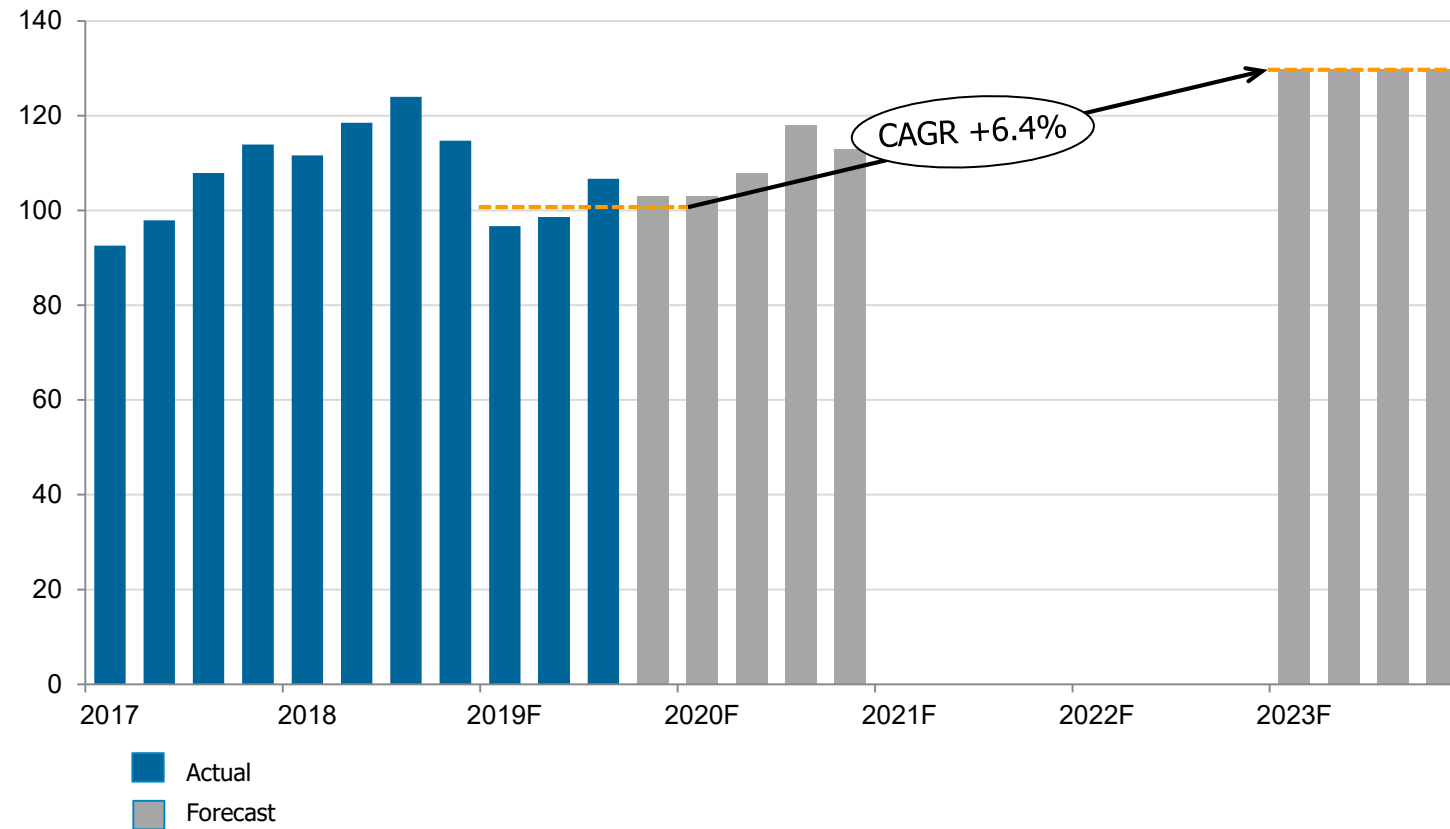
- +5.9% in 2018 to 2,132 BnUSD
- Expected growth of +0.5% in 2019 to 2,143 BnUSD with strongest development in segments
 - Consumer +3%
 - Aerospace +3%
 - Medical +3%
 - Industrial +1%
- +3.2% CAGR expected for 2018-2023

Source: Prismark, December 2019

Semiconductors

Quarterly development

Bn USD



- +13.7% in 2018 to 469 BnUSD
- -13.6% decline expected in 2019 to 405 BnUSD
- 2019 to 2023 CAGR forecast at +6.4% growth

Source: Prismark, December 2019

Assembly Solutions

Market update

SMT equipment*

- 2018 saw a positive development for assembly equipment with a growth of 17% compared to full year 2017.
- 2019 full year 2,750 MUSD, a negative development of -10% compared to 2018. A negative development on most markets globally, with a positive development on some markets in South East and East Asia.

Dispensing*

- 2018 market estimated at 780 MUSD
- Mycronic within the top 4 largest suppliers of dispensing equipment addressing the major part of the total market

Assembly automation

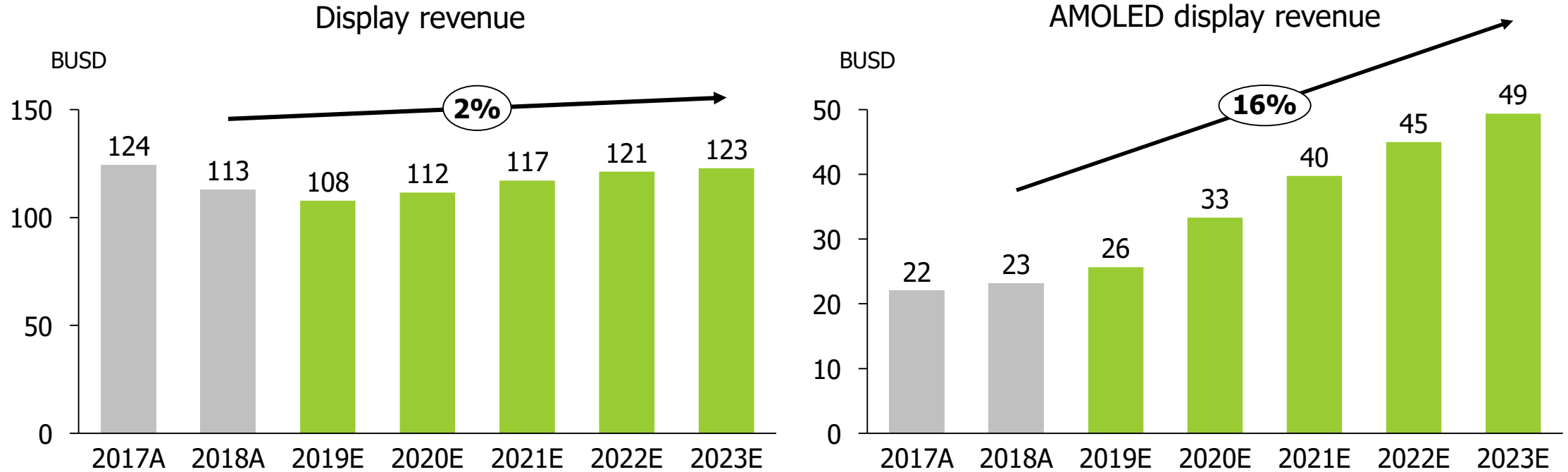
- Camera modules for ADAS is growing fast
 - Grew 27% in 2018 to 165 million units
 - +14% CAGR 2018-2023 to reach 315 million units
 - Ongoing transition in China to actively aligned camera modules driven by more advanced automotive applications

Source: PROTEC MDC January 2020, Prismark April and June 2019, Mycronic

** No external forecast provided for 2019 and onwards*

Pattern Generators

Display market



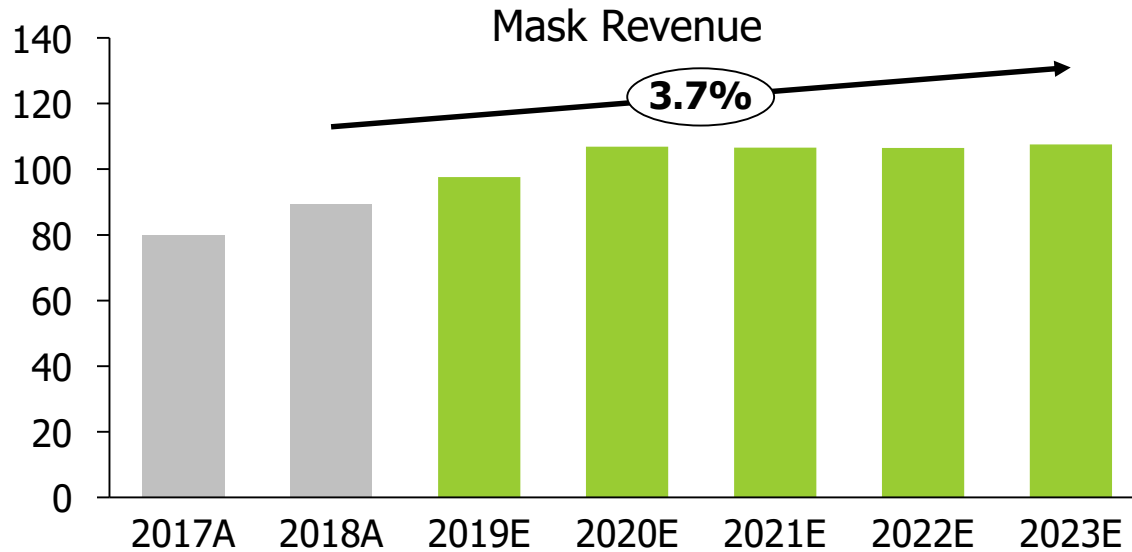
- Display market showed negative growth of 9% in 2018 and forecasted to show negative growth also 2019 of 5%
 - Still relaxed supply/demand on the market but development
- Strong growth in AMOLED the coming years, shift from LCD to AMOLED accelerating
 - Technology shift ongoing from LCD to AMOLED for mobile displays but now also in TV segment
 - AMOLED ratio goes from 20% of total display revenue 2018 to 40% of total display revenue 2023

Source: IHS Markit, Technology Group, Display Long-Term Demand Forecast Tracker, January 7, 2020. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details

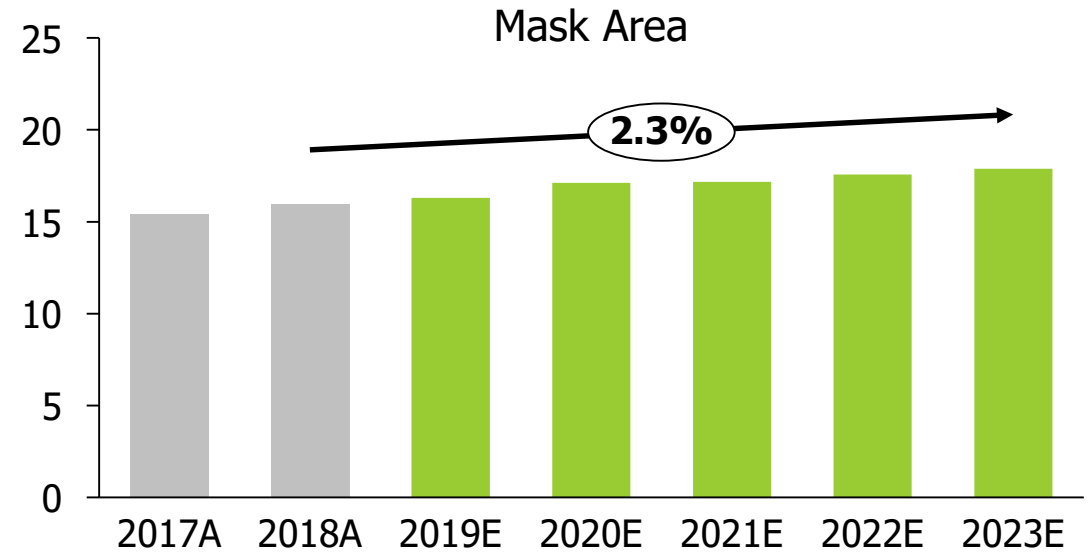
Pattern Generators

Positive photomask market

Billion Japanese Yen



Thousands of square meters

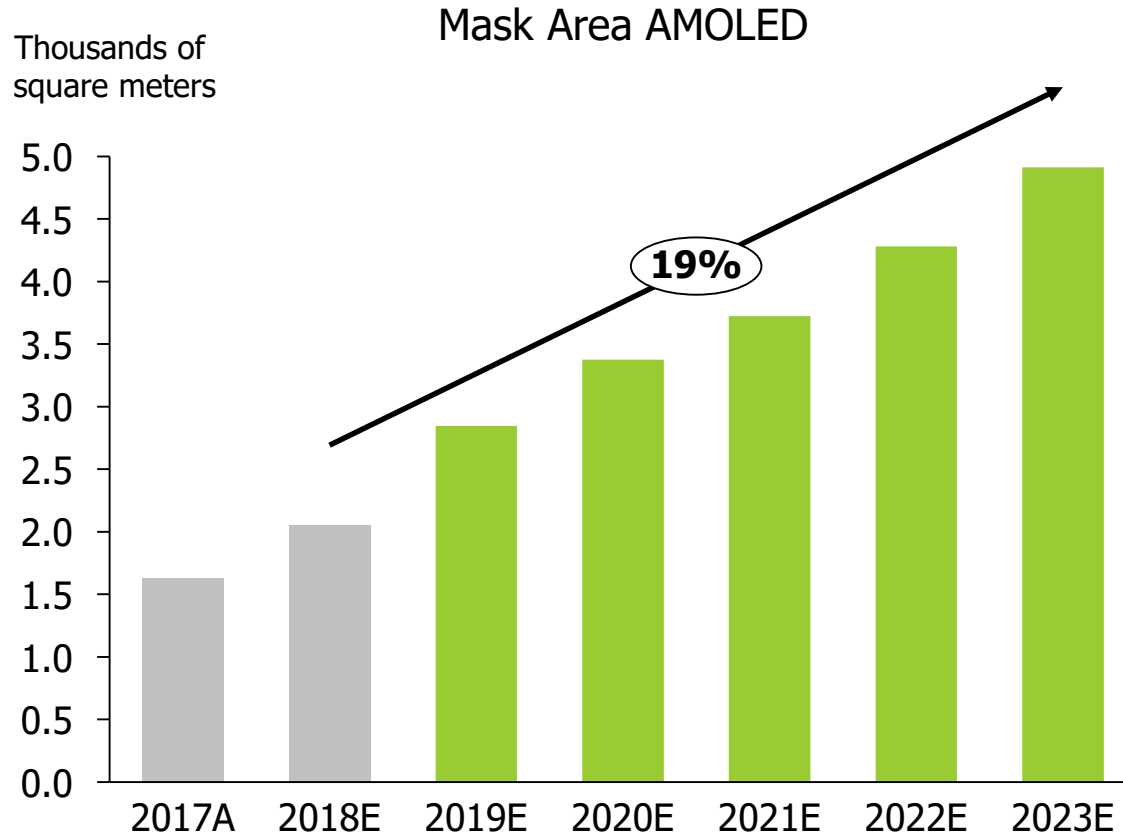


- Display mask market forecast positive
 - +9% revenue growth 2019, increased share of complex AMOLED masks and increased share of G10 masks drives strong revenue growth
 - 2020-2023 the market is forecast to stabilize on a high level, positive effects from area growth and transition to more advanced AMOLED masks are offset by expected lower prices on G10 masks
- Long term area growth forecast remains positive
 - Strongest growth seen in segment of complex and high value masks due to AMOLED transition and transition to displays with higher quality

Source: IHS Markit, Technology Group, FPD large-area photomask research, June 7 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details

Pattern Generators

Strong growth of photomasks for AMOLED displays



- Technology shift from LCD to AMOLED for mobile displays drives demand for AMOLED photomasks
 - Share of AMOLED photomasks will grow from 13% 2018 to 27% 2023 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 P80/P800 capacity on the market

Source: IHS Markit, Technology Group, FPD large-area photomask research, June 7 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details

When passion meets innovation ●