Micronic Mydata
Q2, 2013

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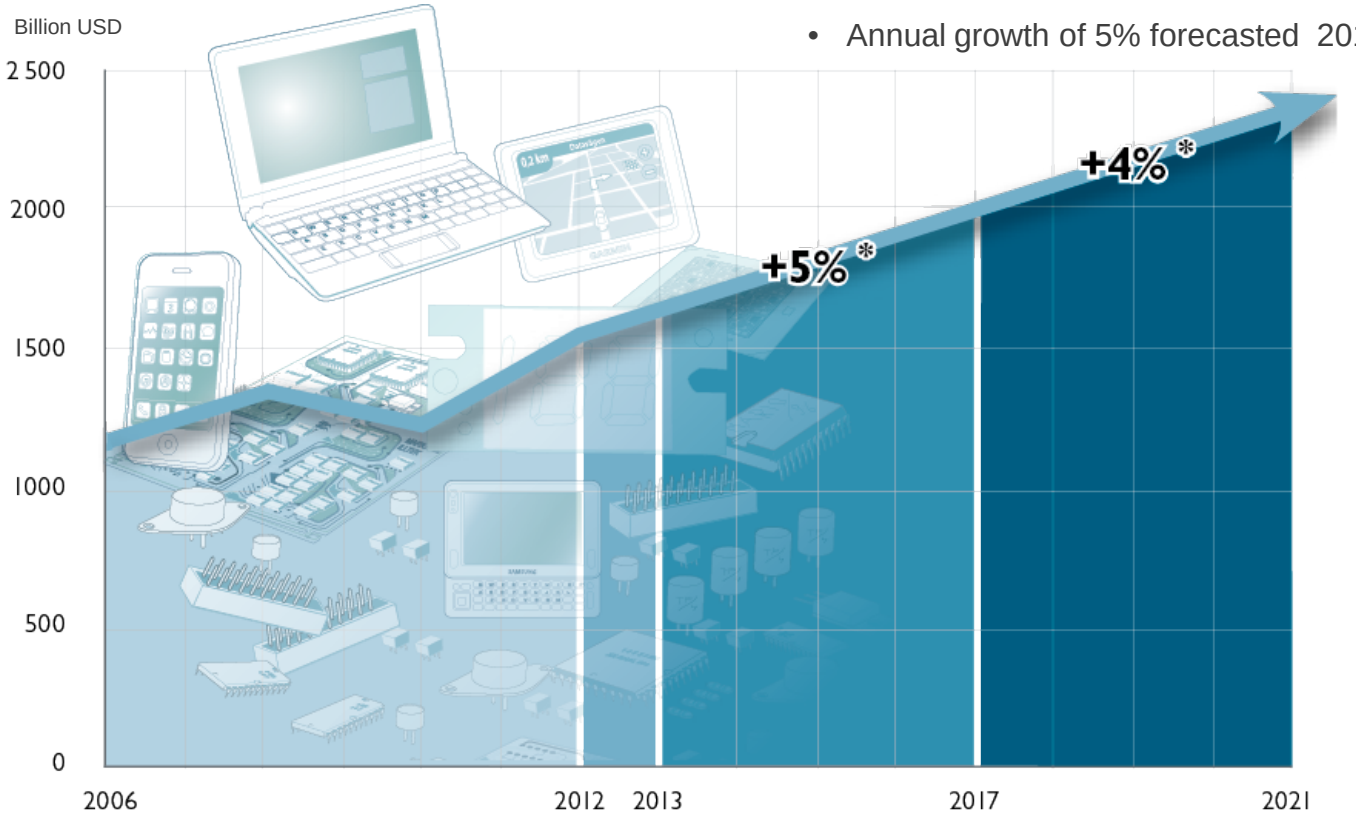
12 July, 2013

Agenda

- Brief company presentation
- Financial update Q2 and H1, 2013
- Outlook
- Market update

Micronic Mydata operates in a growing market

- Electronics industry growth 1% in 2012
- Annual growth of 5% forecasted 2012 - 2017



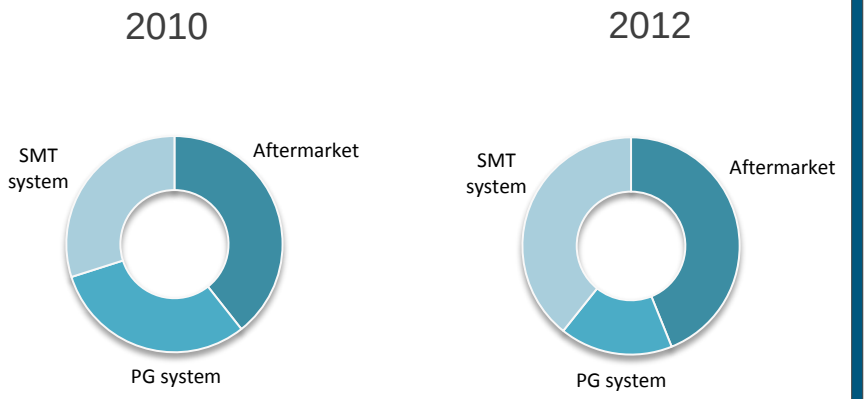
*Source: Prismark, March 2013

Production solutions to the electronics industry

- Two business areas:
  - Pattern Generators (PG)
  - Surface Mount Technology (SMT)
- Strong presence close to customers

- Listed on NASDAQ OMX Stockholm, market cap as of 30 June: SEK 1,327 million
- Revenues 2012: SEK 1,354 million
- 524 employees at end of June

Strategy for sustainable profitability



Micronic Mydata world-wide sales and support

Enabling consumer and industrial electronics

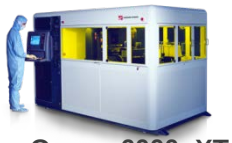
Mask writers

Prexision

Sigma7700

Services

FPS5500



Omega6000- XT

Direct writers

LDI 5sp

SMT Equipment

MY500

MY100e

Services

SMD Tower

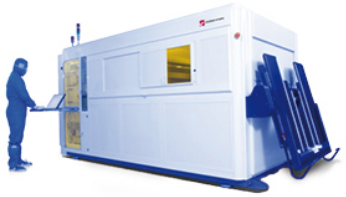
Software

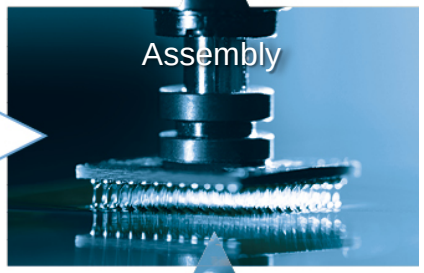
Micronic Mydata's place in the electronics industry's manufacturing chain

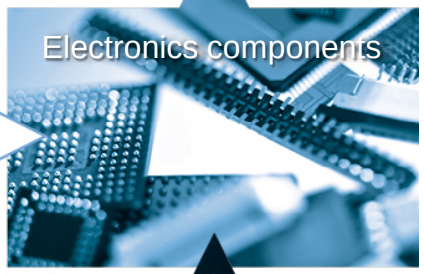
Surface mount equipment

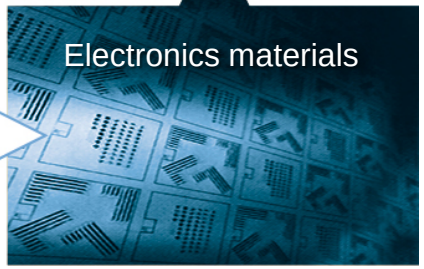
Direct writer

Mask writer









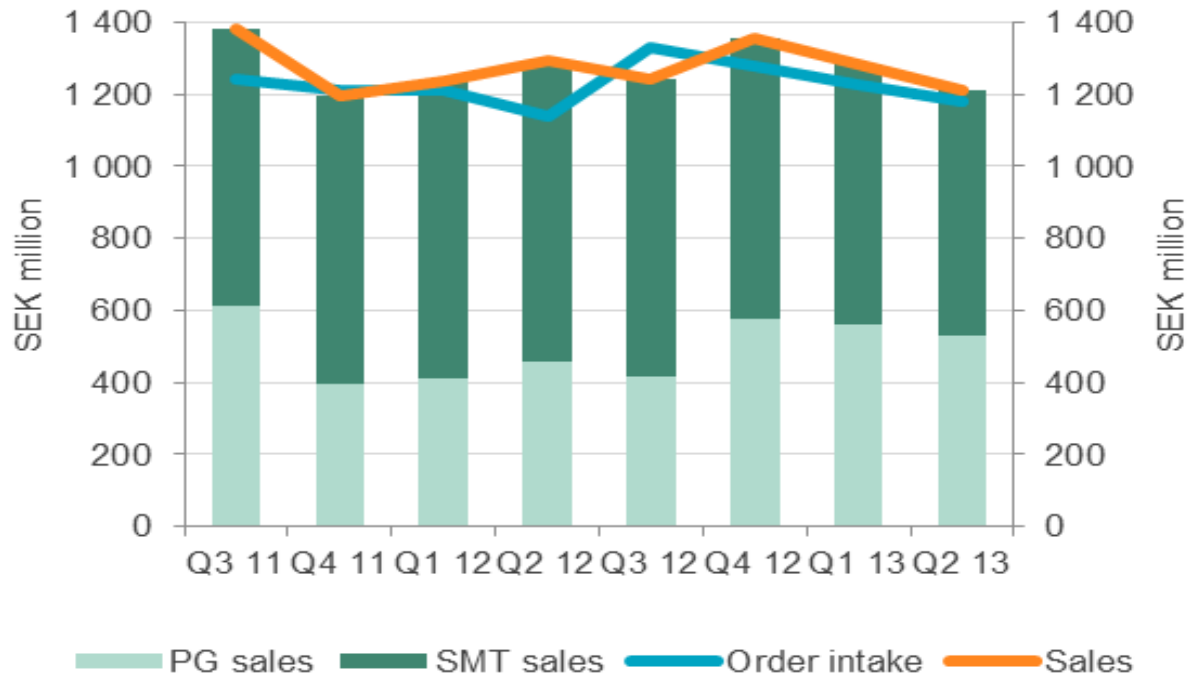
Key events January-June 2013

- Weak system sales but continued strong aftermarket business
  - Order received for an LDI 5s with expected delivery in Q1, 2014
  - PG aftermarket stable
  - Negative impact on sales and margins from FX effects
- Organization adapted
  - As earlier communicated cost savings of 60 MSEK annually secured with full effect 2013
- R&D reduced and shifted from LDI to SMT
- Lena Olving appointed new CEO
- New outlook

Micronic Mydata outlook

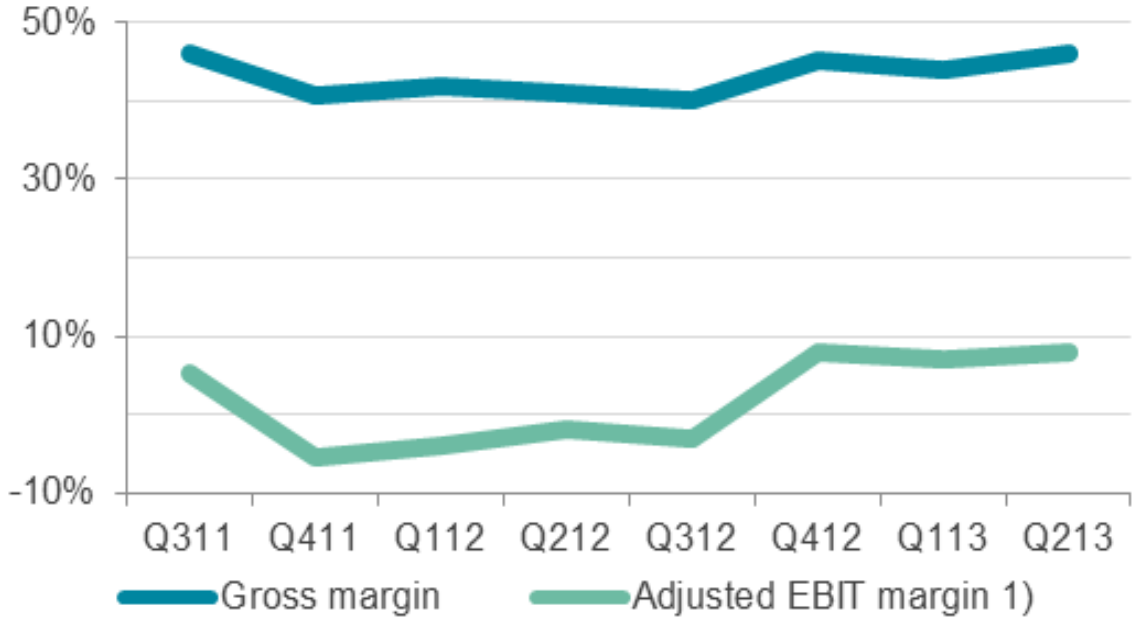
The company’s revised assessment is that sales in 2013 will reach approximately SEK 1,200 million

Order intake/net sales, 12 months rolling



- SMT order intake and sales affected by weak macro economy
- Order received for one LDI-system to be delivered in Q1, 2014
- Aftermarket sales continue to be strong

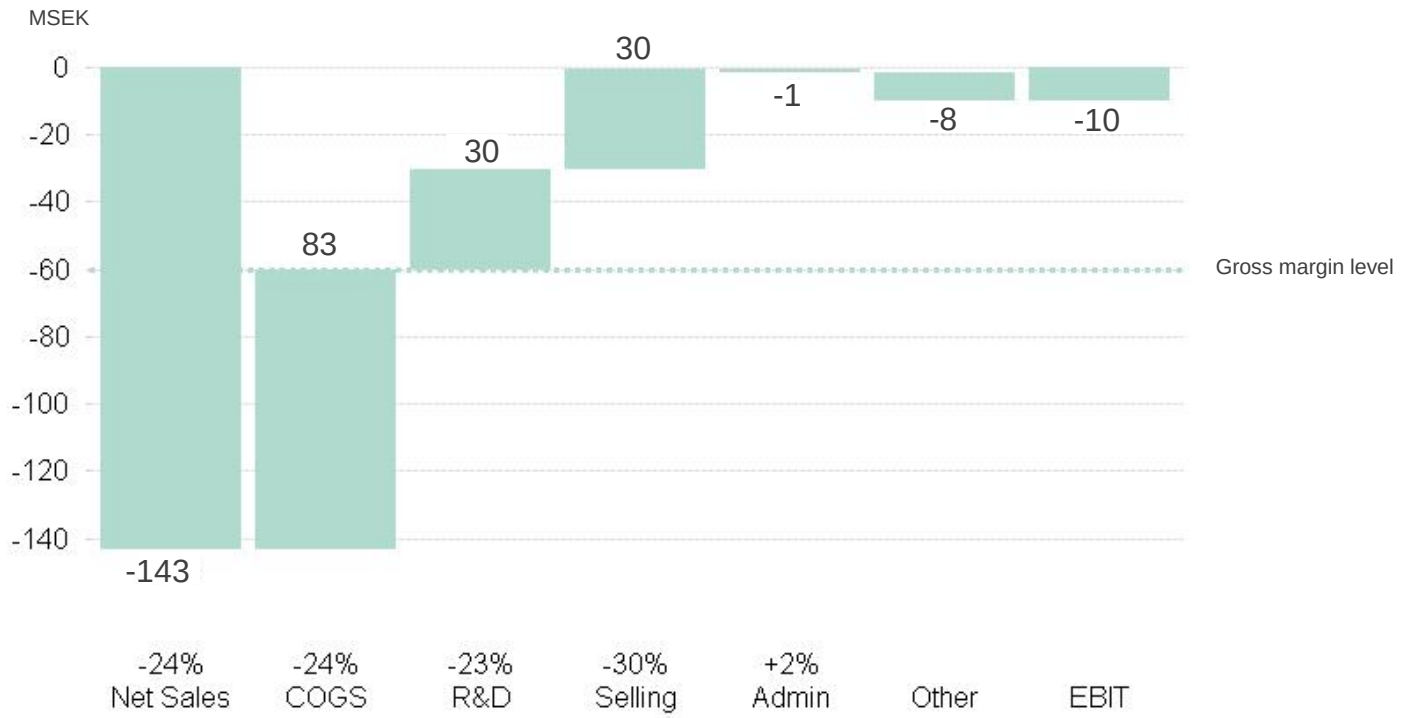
Margins, 12 months rolling



- Margins negatively affected by low capacity utilization in manufacturing
- FX-effects affected sales negatively by 38 MSEK in H1 2013
- Product mix affected gross margin positively

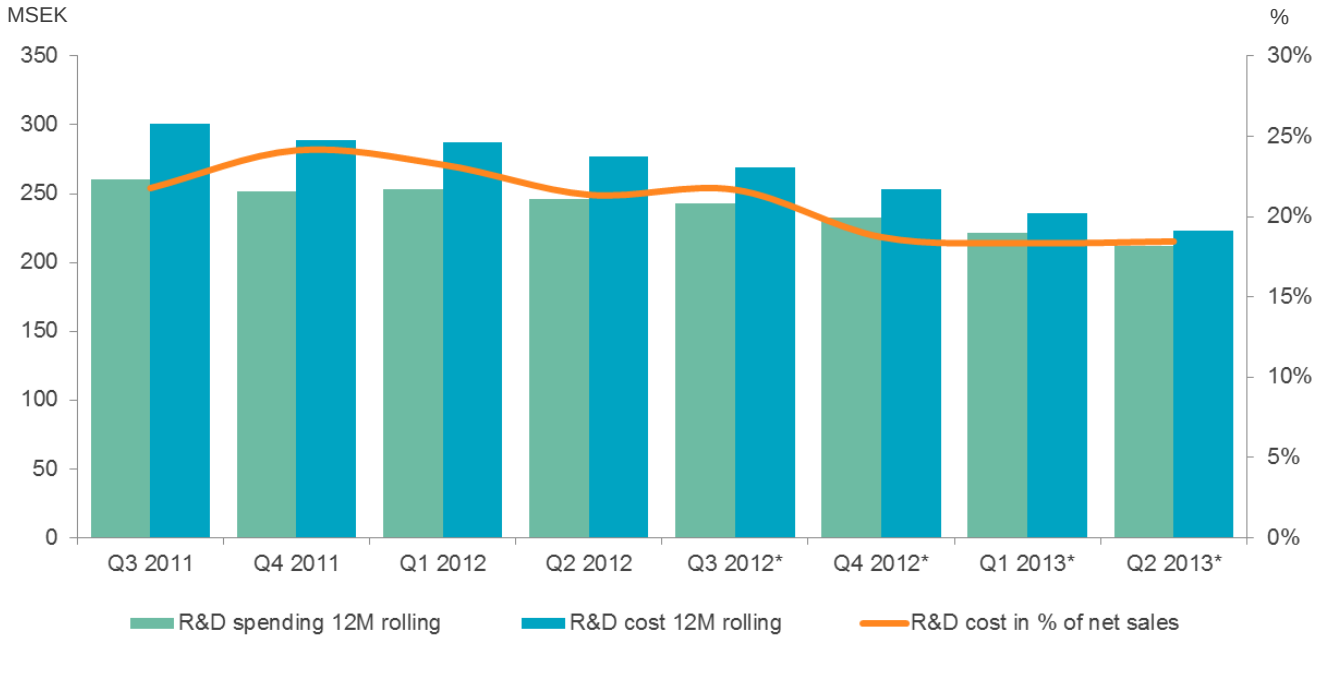
1) Adjusted for non-recurring costs in FY2012

The ”bridge” between 2013 vs 2012 H1



- Lower sales and gross profit due to weak market and FX-effects
- Cost savings with full effect in R&D and selling shown in EBIT

R&D expenses, 12 months rolling



- 12 months rolling R&D costs 18% of net sales
- R&D spending in Q2 on same level as in Q1
- Increased focus on SMT product development

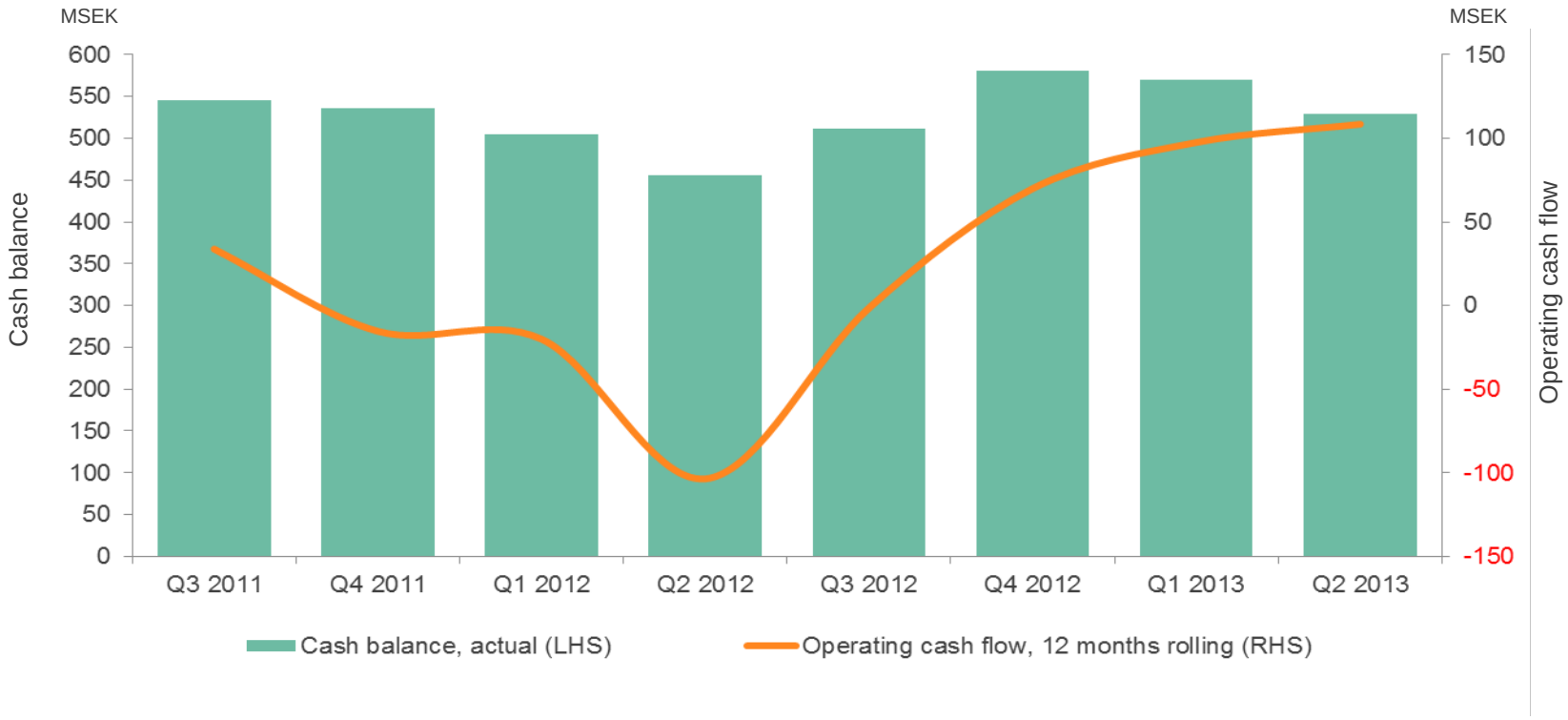
* Adjusted for non-recurring costs of 36 MSEK

Profit and loss by segment, MSEK

	Q2 2013	Q2 2012	Rolling 12M*	FY 2012*
Net Sales				
Pattern generators	82	112	532	576
SMT equipment	144	189	678	778
Group net sales	**226**	**301**	**1,210**	**1,354**
Gross margin				
Pattern generators	49%	34%	55%	53%
SMT equipment	41%	40%	43%	43%
Group gross margin	**44%**	**38%**	**48%**	**47%**
EBIT				
Pattern generators	-1	-32	56	5
SMT equipment	-5	23	47	108
Group EBIT	**-8**	**-10**	**97**	**107**

* Adjusted for non-recurring costs in FY2012

Operating cash flow, 12 months rolling



- Strong financial position with a net cash of SEK 528 million
- Increased working capital, mainly due to less trade payables, in H1 2013
- Q2 operating cash flow SEK -41 (-52) million

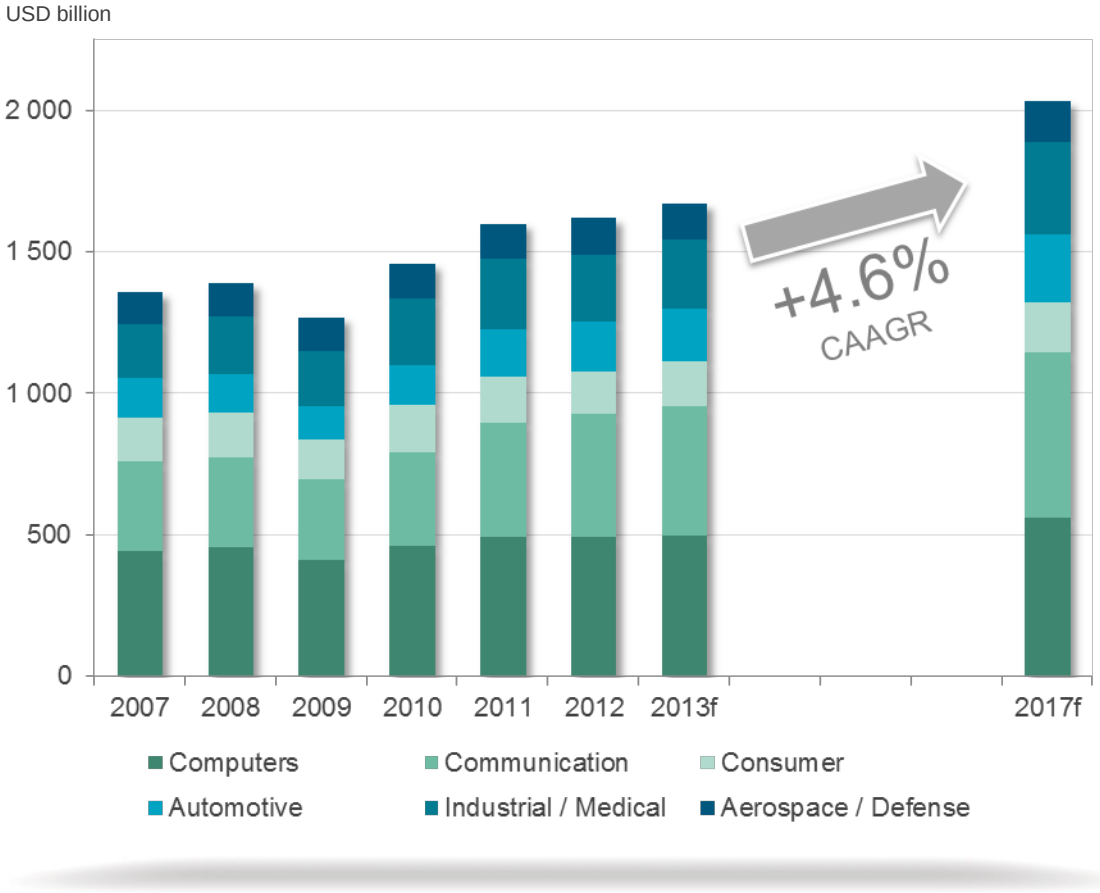
Financial summary January-June 2013

- SMT sales declined 25% Y/Y due to lower demand for SMT equipment
  - System sales low due weak macro economy on major markets
  - Aftermarket sales of service and spare parts stable in local currency
- PG sales declined 22% Y/Y due to no system sales and FX-effects
  - Aftermarket sales stable in local currency
- Gross profit at same level 43% Y/Y
- Strong financial position with a net cash of SEK 528 million
- Cost saving program H2 2012 accomplished with full effect 2013
- R&D activities reduced and shifted towards SMT

SMT Equipment

Pick-and-place and Jet printing solutions

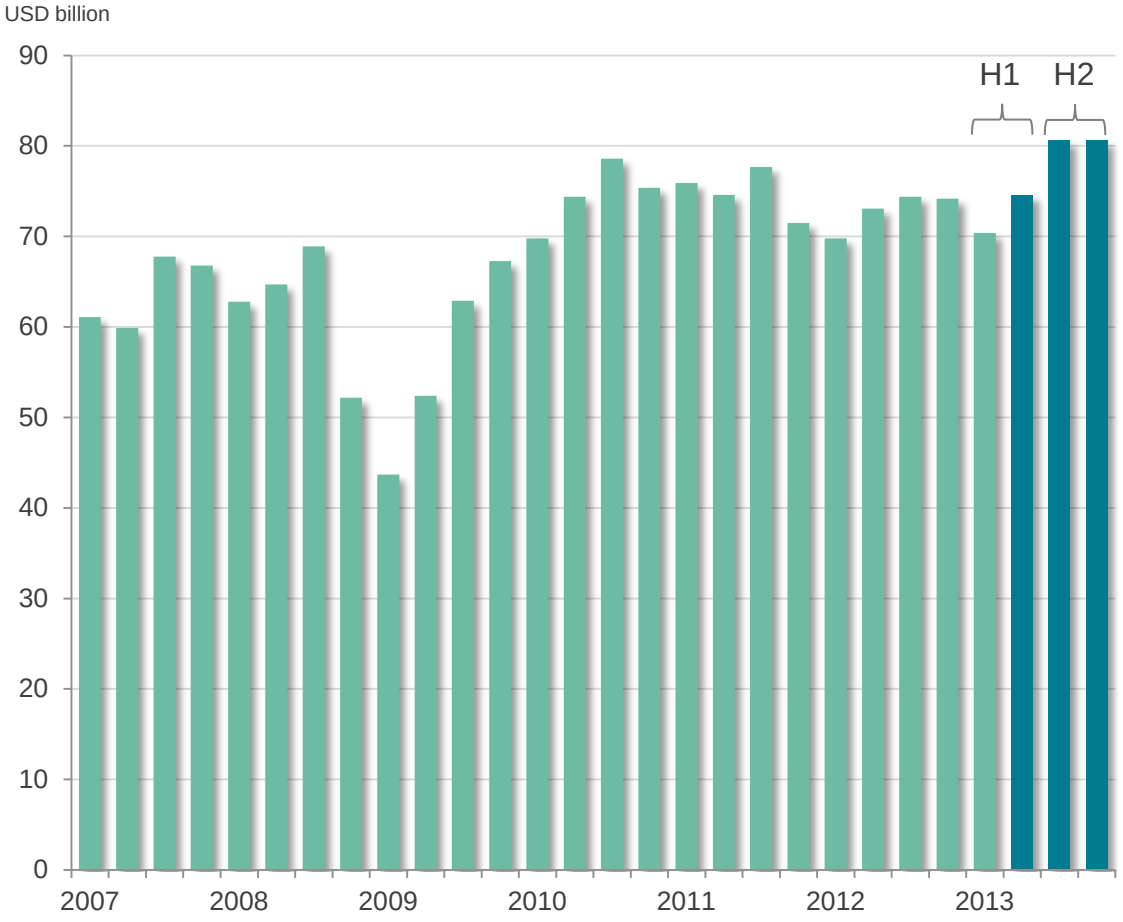
Electronics industry development



- Electronics systems growth forecasted at 3% in 2013 to USD 1,671 billion
- Industry segment forecasted growth in 2013
  - communications (incl. mobile) 6%
  - automotive 6%
  - industrial / medical 4%
  - consumer 3%
  - computers 1%
  - aerospace / defense -1%
- Long term annual growth of 4.6%, 2012 to 2017

Source: Prismark, March 2013

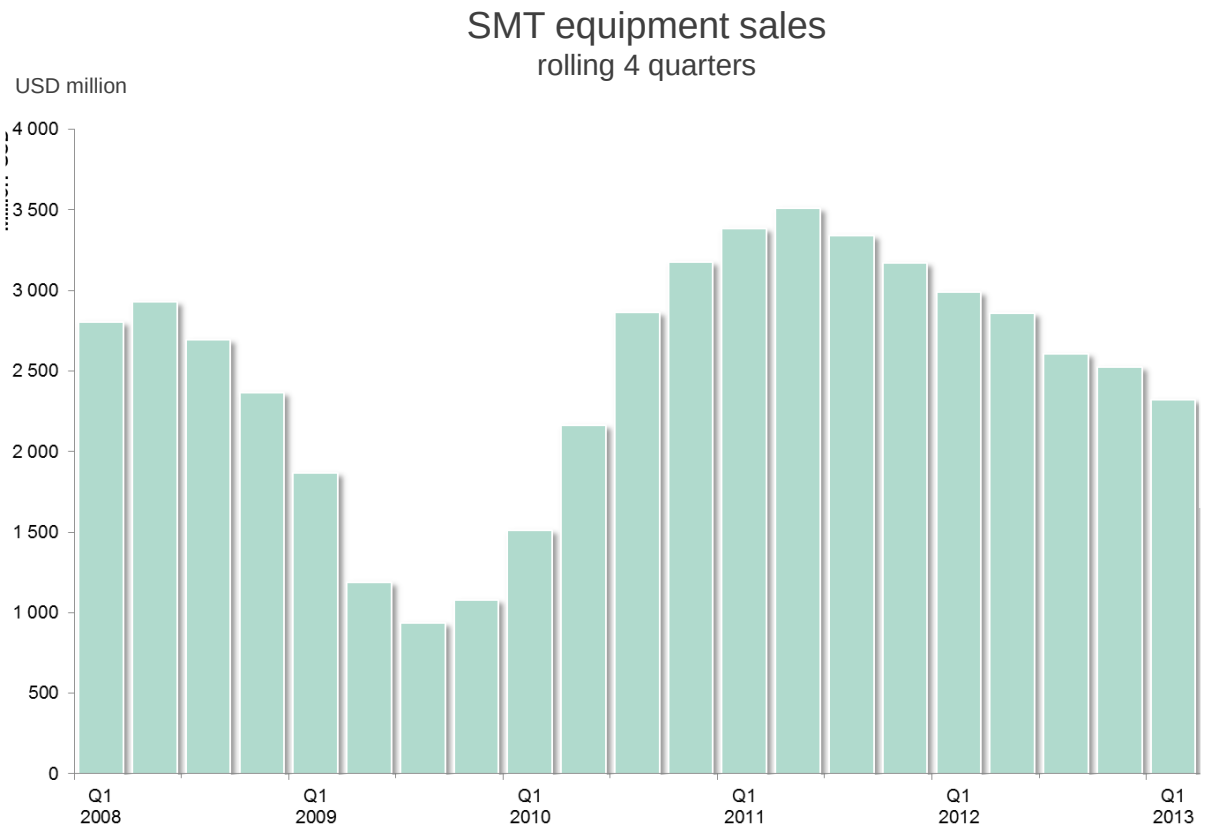
Semiconductor market development



- Semiconductor market declined by 3% in 2012
- Development in H1 2013 on forecasted at similar level compared to same period previous year
- Outlook for 2013 indicates a growth of 5% Y/Y, skewed towards H2
- The market for SMT equipment normally follows the semiconductor market

Source: Prismark, May 2013

SMT equipment market development



- Q1 2013 slower than Q1 2012 on most markets
- Forecasted semiconductor growth in 2013 could have a positive effect on demand H2

Source: PROTEC MDC, April 2013

SMT summary

Market summary

- Electronics industry expected to grow 3% 2013
- Semiconductor market forecasted to grow 5% 2013, skewed towards H2
- SMT assembly equipment declined 20% 2012, expected turn-around scenario H2 2013
- Market demand for ‘high-mix’ equipment is increasing

Effects on Micronic Mydata

- Weak demand H1 2013 compared to H1 2012
- Market demand expected to be stronger in H2 2013

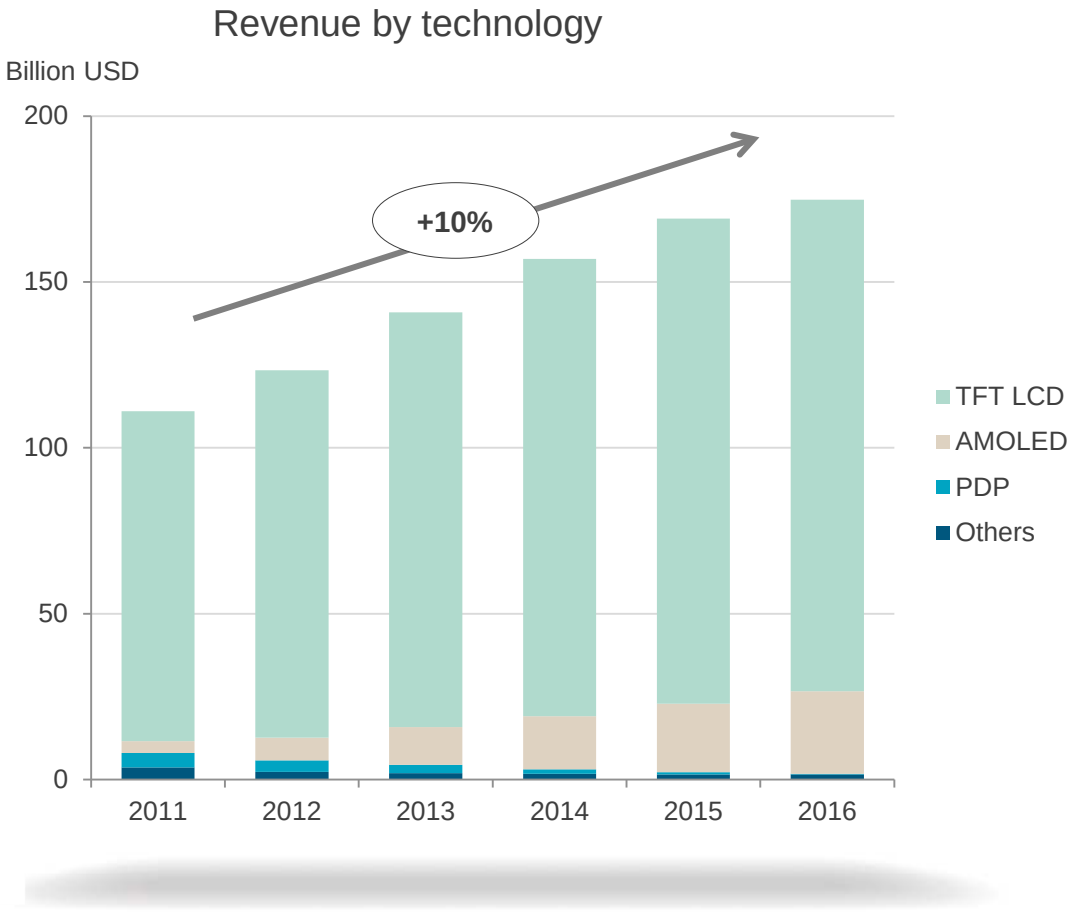
Source: Prismark, March 2013 and Micronic Mydata, June 2013

Pattern Generators

Mask writers and Direct writers

Display revenue growing – AMOLED gaining share

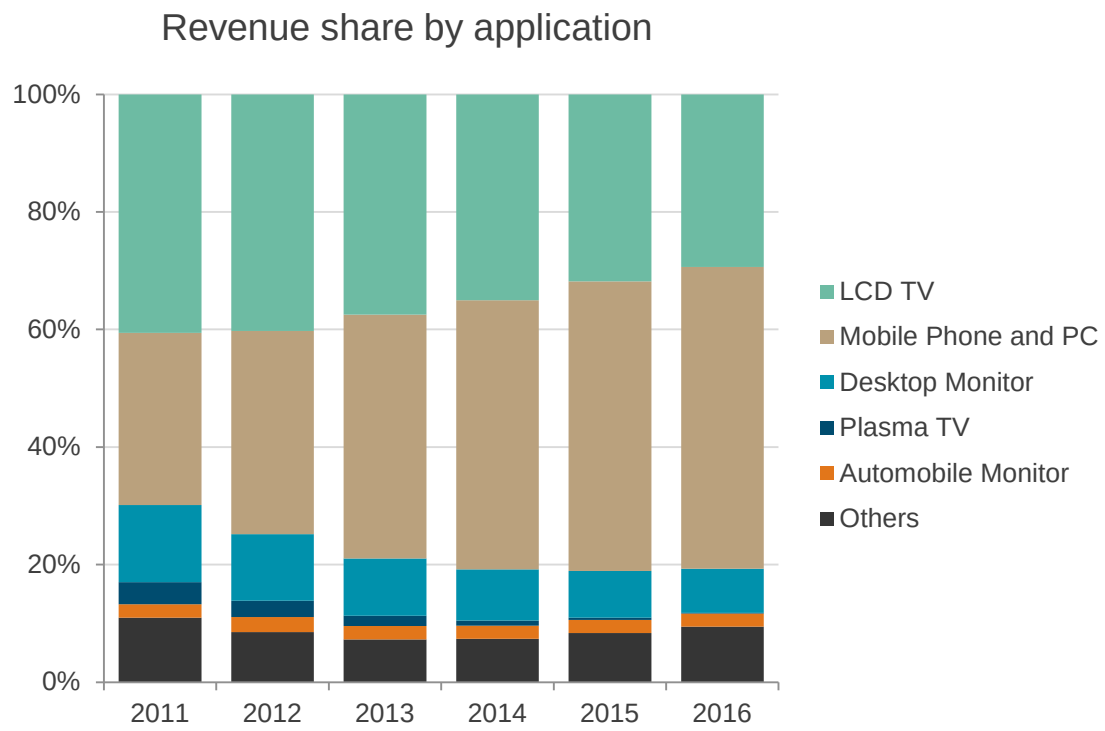
- Display revenue expected to surpass 150 billion USD 2014
- AMOLED area is small, but revenue share approaching 10%
  - Mainly used for smartphones
  - Significantly higher ASP than LCD
  - Supply shortage expected end of 2013
- Samsung and LG now offer 55” TVs featuring AMOLED displays
  - Manufacturing cost 7X that of LCDs



Source: DisplaySearch, 2013

Mobile applications increase market share

- Total LCD revenues Jan-May 2013 exceeding last year
- Most display makers are now showing some profitability
- Mobile applications continue to increase market share from other applications



Source: DisplaySearch, 2013

Mask writer summary

Market summary

- Display and photomask volumes growing but profitability challenged
- Mobile applications drive photomask volumes and system utilization

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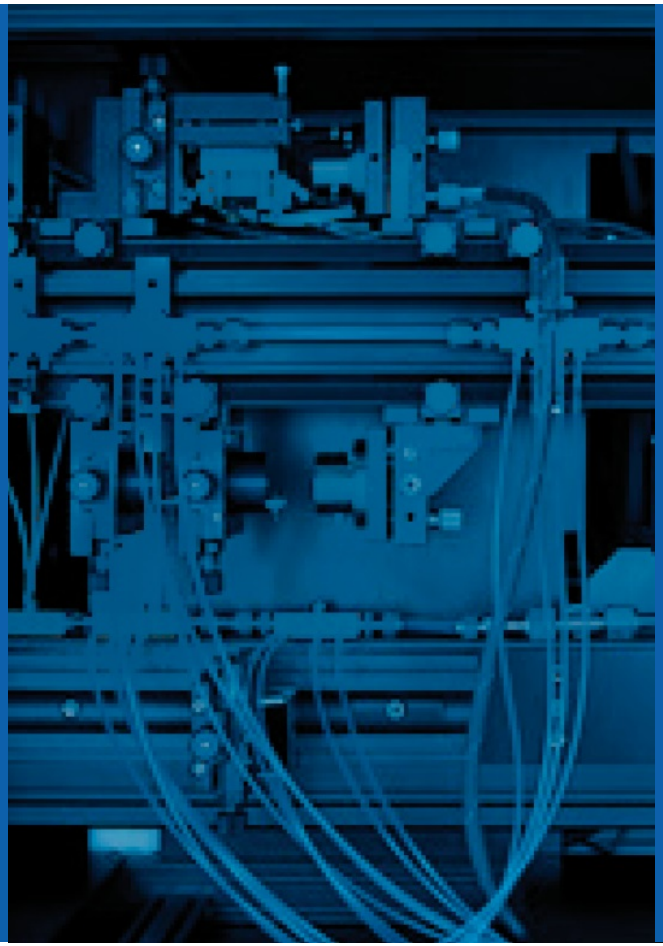
- Semiconductor revenue and capex stable
- Limited demand for mature capacity

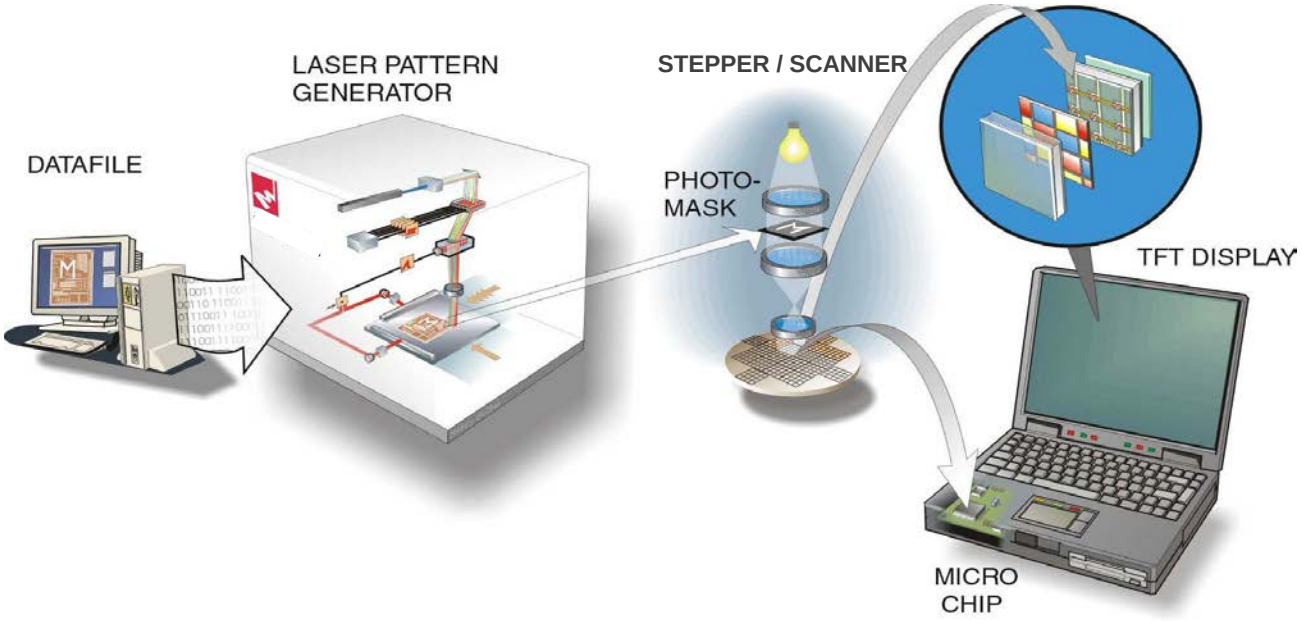


Effects on Micronic Mydata

- Trend towards more advanced display photomasks creates high-end capacity needs
- High utilization secures stable aftermarket sales

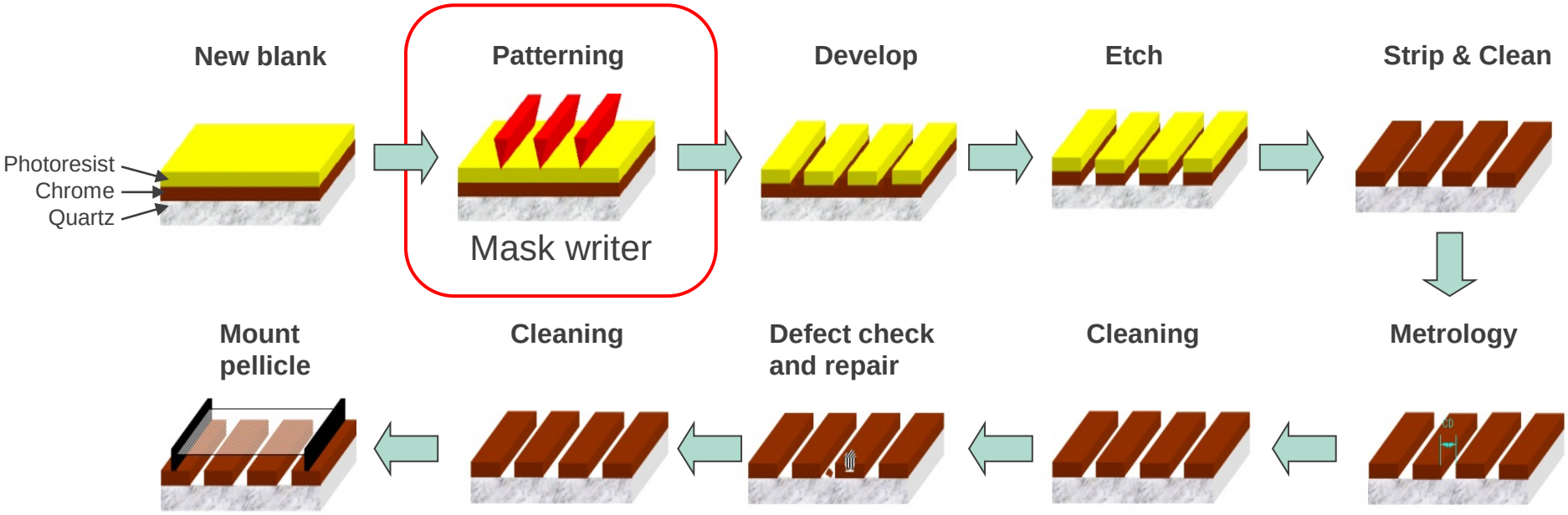
- Limited demand for additional laser based mask writers
- Stable aftermarket sales

The photomask – the link between design and mass production



- The photomask enables mass production
- To make a complete product a photomask set is needed
- The number of photomasks in a set varies depending on product
- Photomasks written on Micronic Mydata tools enable mass production of all LCD and AMOLED displays

Photomasks are produced in mask shops – patterning is the most critical process step



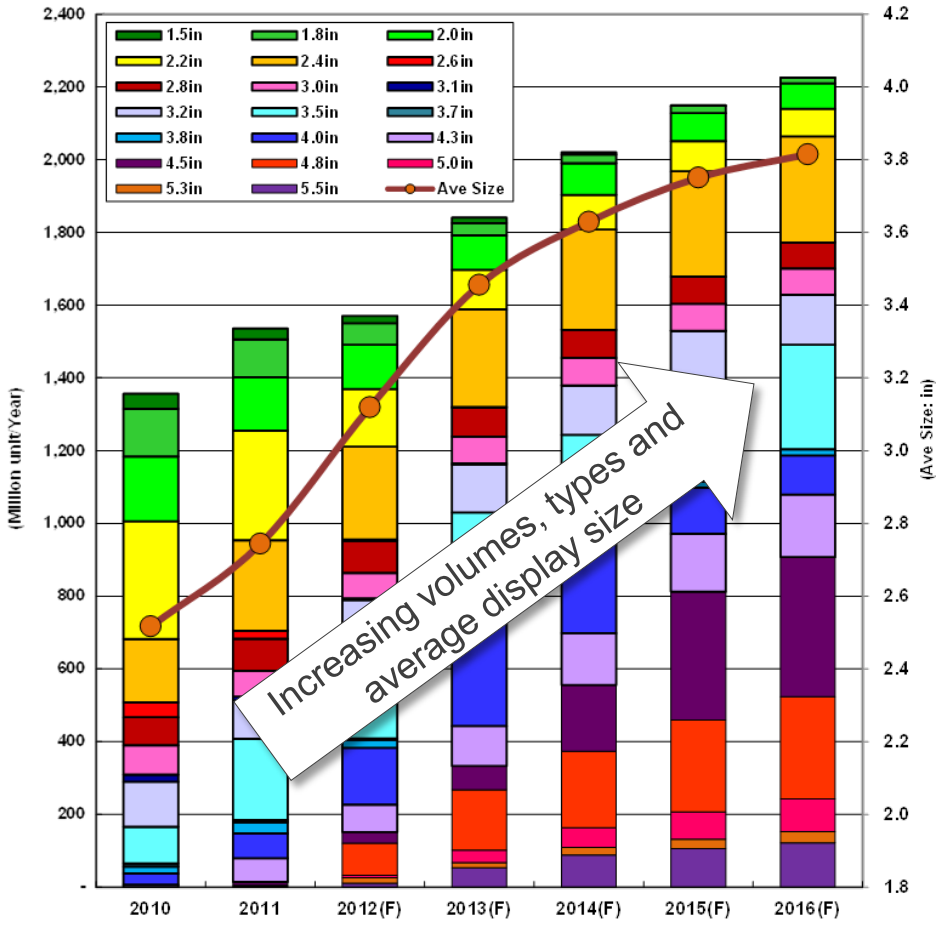
- A photomask is manufactured using lithography
- Photomask patterning is the most critical of all process steps
- The finished photomask must be kept within very tight specification
- Having a precise photomask translates into a high yield in the display or semiconductor manufacturing facility

Mobile applications drive display and photomask volumes

- Smart phone and tablet volumes have increased sharply
- Continued growth expected
- The number of available display sizes and resolution types increasing
- AMOLED and LCD coexisting
- Shorter product life-cycles

- Photomasks getting more complex

Mobile phone display volumes and sizes



Source: DisplaySearch, Jan 2013

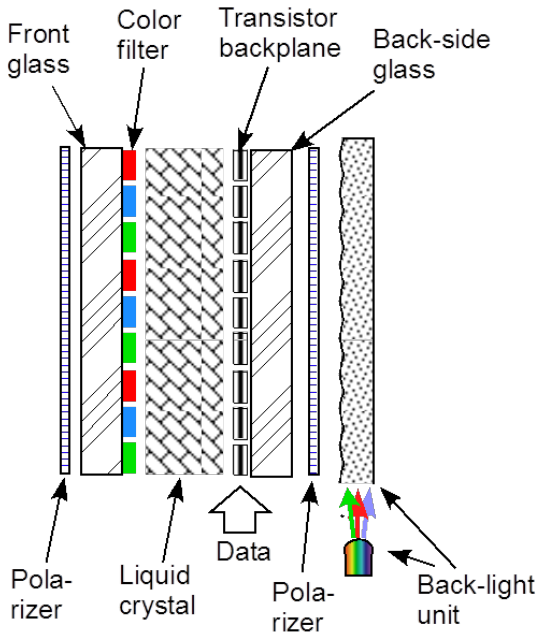
Potential AMOLED advantages

AMOLED has the potential to enable production of displays that are

- thinner
- lighter
- flexible / unbreakable
- lower energy consumption
- lower production cost

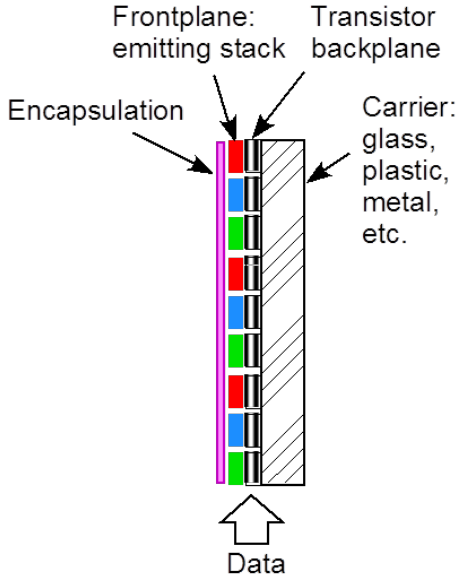
LCD vs AMOLED

LCD



- Modifies the polarization of light
- Driven by <u>voltage</u>
- Pixels block or transmit light
- Requires ~9 photomasks

AMOLED



- Driven by <u>current</u>
- Every pixel generates light
- Requires ~10 photomasks


MICRONIC MYDATA
Thank you!