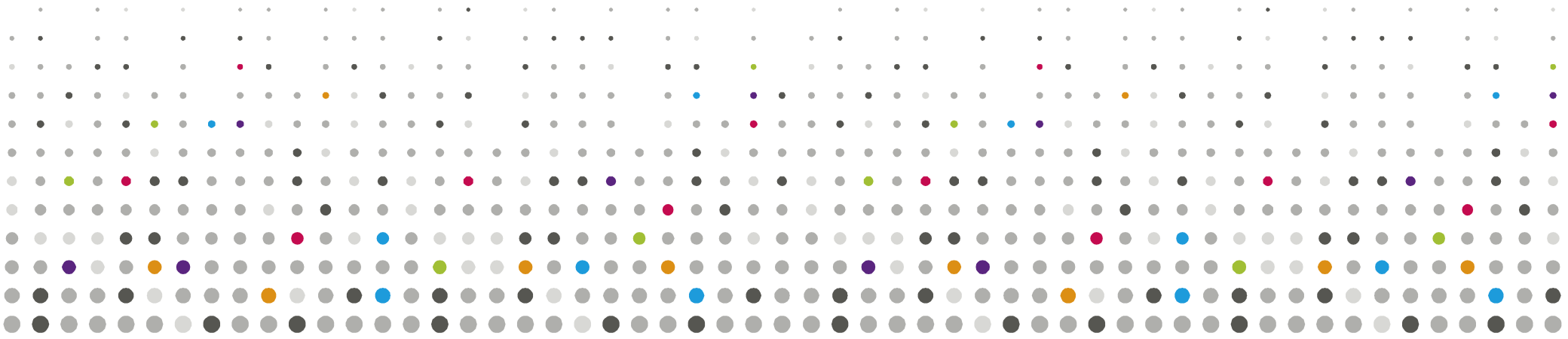


Mycronic, Q2 2016

Lena Olving, President and CEO
Per Ekstedt, CFO



Mycronic in the electronics industry

>500
employees in
10 countries


>40 years
of high-tech innovation
experience

>470 patents
strong IP portfolio

>2,300 customers
supported by solutions from
two business areas SMT and PG.
- SMT for mounting components on PCBs
- PG for the production of photomasks

>50 countries
market coverage through
subsidiaries and distributors

>97%
of total revenues
from exports

 Mycronic sub's and main offices

Key events January-June 2016

- Marketplace

- The global SMT market declined 19 percent in 2015
- Continued weak SMT market in Q1, 2016 with 5 percent decline
- Continued positive development of photomask market
- Products
 - introduction of high-speed jet dispensing continues globally
 - launch of Prexision-800 on 6 April at Photomask Japan

- Order intake/sales

- Order intake of 1,569 MSEK and order backlog of 1,828 MSEK – both record high
- Orders received for eight mask writers
 - the first order for a Prexision-MMS
 - two advanced display mask writers – Prexision-80 & Prexision-8
 - three replacement systems for display applications
 - two FPS system

Key events January-June 2016

- Financial highlights
 - Increased sales 37%
 - EBIT 137 MSEK, 17%
 - Cash at 701 MSEK
- Corporate
 - Acquisition of RoyoTech, provider of SMD Tower
 - Second line support within PG moved to Japan – 12-18 months
 - New Sr VP Operations in place from June 2016
 - Winner of the European Business Award – as the Best Export Company
 - Merger of Mycronic AB and Mycronic Technologies AB concluded
 - Täby facility bought back and sold again - 10 year lease contract



Mycronic at Productronica in November, 2015

Key events January-June 2016

Winner of the European Business Award –
in the category Best export company

Events after end of H1

- Corporate
 - CFO Per Ekstedt leaves Mycronic and assumes a new position no later than 1 January, 2017. The process to find a successor has been initiated

Mycronic outlook

The board's assessment remains, that sales 2016 will be at the level of SEK 1,900 million.

SMT – market update

General industry update

- Electronics industry
 - Market declined 0.1 % to USD 1,865 billion in 2015 with weakest development in computers and automotive
 - The latest forecast indicates a decline of 0.4% in 2016.
The forecast include a growth of 4% in the automotive sector and a decline of 8% and 5% in the markets for personal computer and mobile phones respectively
- Semiconductor market
 - Semiconductor market declined 0.3% in 2015
 - Market decline of 6% in Q1 2016 compared to Q1 2015
 - Current market estimate for FY 2016 is growth of 1%, corresponding to revenue of USD 338 billion

Source: Prismark April 2016

SMT – market update

SMT equipment market

- SMT market development
 - 2015 saw a decline of 19% compared to 2014, with decline beginning in Q2
 - Decline in Asian markets, Japan excluded
 - Q1 2016 declined 5% compared to Q1 2015, but with positive developments in China and other Asia
- Mycronic SMT market performance
 - Weak trend from 2015 has had an impact on Mycronic order intake and sales in H1 2016
 - Q2 2016 at equivalent level as Q2 2015
 - Expectations for stronger H2 than H1 2016
 - Mycronic assessment for SMT equipment demand is cautious

Source: PROTEC MDC January 2016

Display photomask market update

- Positive market situation with production at high level
 - Trend towards more complex and valuable photomasks continues due to increased product development activities
 - 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
 - Earthquake in Japan in Q2 has an impact on production capacity for some time
- Mycronic market performance – orders for six display mask writers
 - Order for the first Prexision-MMS – for quality assurance
 - Orders for one Prexision-80– in total four P-80s sold
 - Orders for three replacement systems– in total six since introduction
 - over time it is difficult to support older systems and guarantee productivity
 - offering secures capacity with a modern mask writer that meets market requirements
 - Order for one down-sized Prexision-8 with possibilities for later upgrade

Source: IHS, April 2016

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 – orders for two systems
 - Mycronic has received order for two FPS systems
 - Mycronic assesses that the company is gaining market share

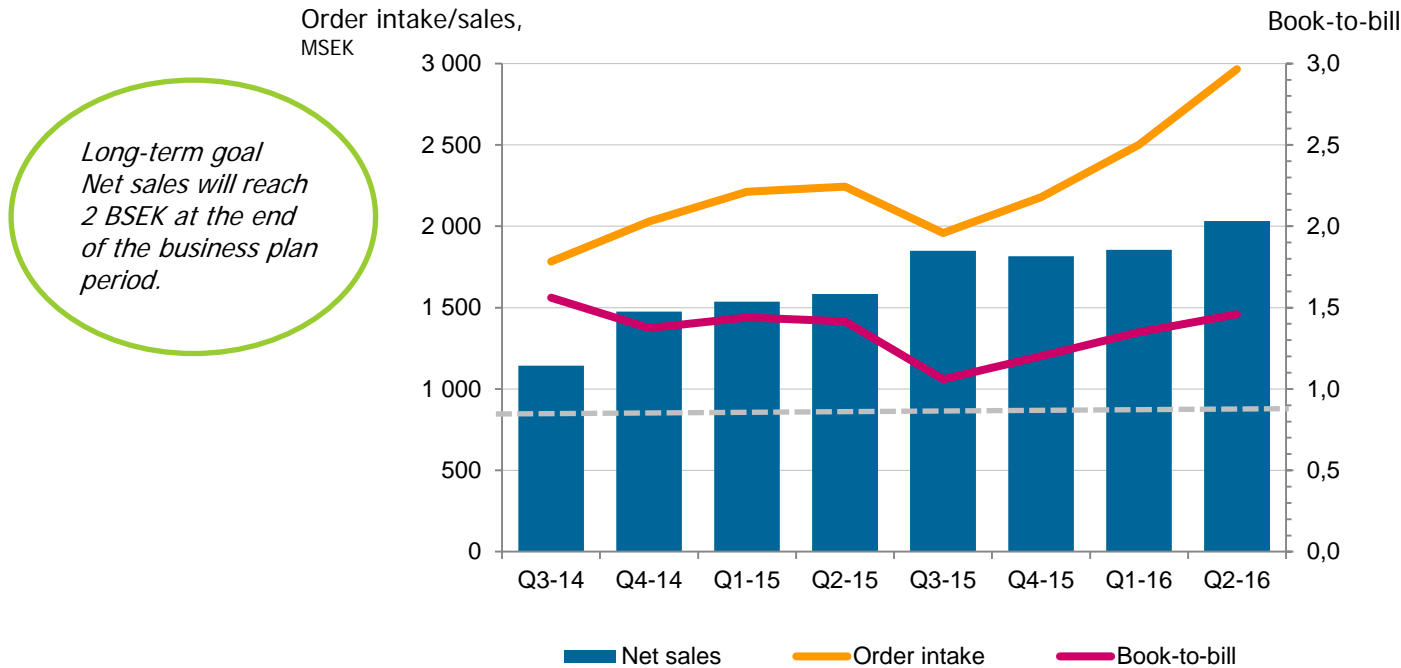
Source: Mycronic

Mycronic at Photomask Japan

[Launch of Prexision-800 on 6 April at Photomask Japan](#)

Order intake and net sales

4 quarters rolling

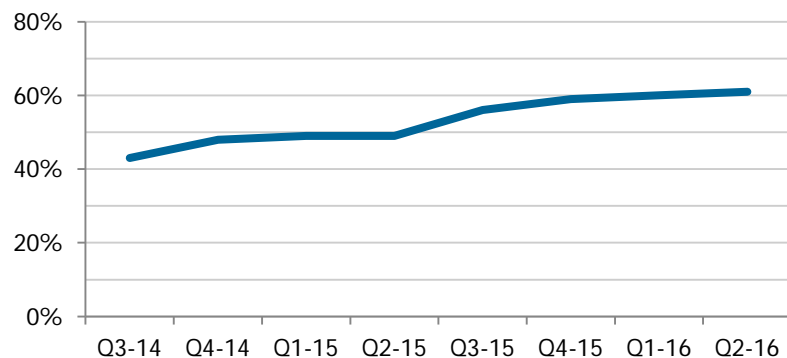


- SMT order intake declined 17 % in H1, Mycronic impacted by global downturn in 2015
- PG order intake includes eight mask writers; first Prexision-MMS, three replacement systems, two advanced display mask writers and two FPSs
- Order backlog once again record high at 1,828 (896) MSEK, including 14 mask writers

Margins

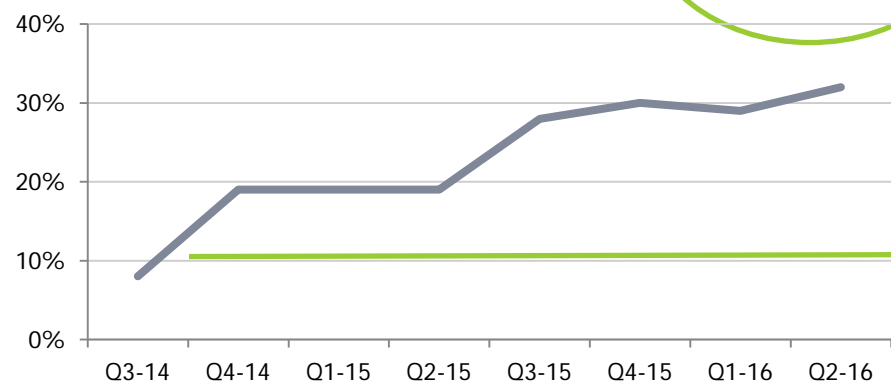
4 quarters rolling

Gross margin



- Gross margin 56% (47%) in H1
- Gross margin rolling 4 quarters at 61%
- Higher sales volumes, as a result of three mask writer deliveries in H1

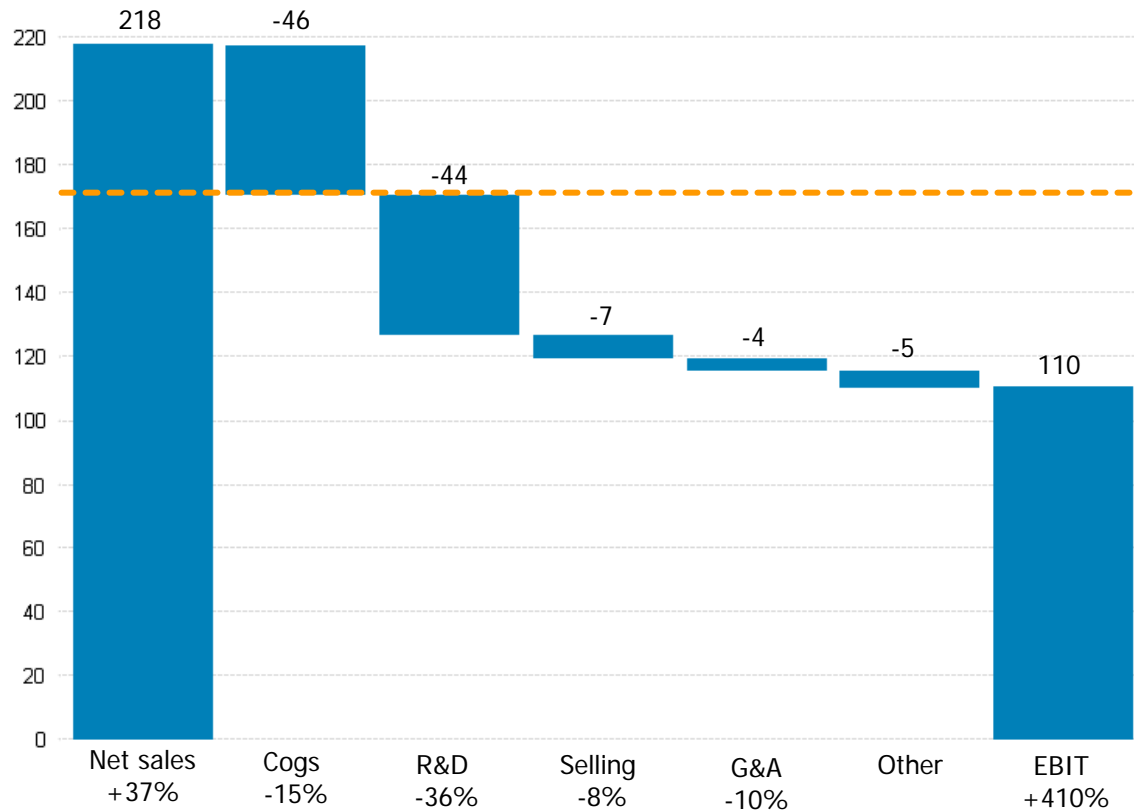
EBIT margin



*Long-term goal
Over time EBIT will
exceed 10 percent
of net sales over a
business cycle.*

- EBIT margin 17% (5%) in H1
- EBIT margin rolling 4 quarters at 32%
- Product development continues at high pace
- Investments in sales organization and marketing

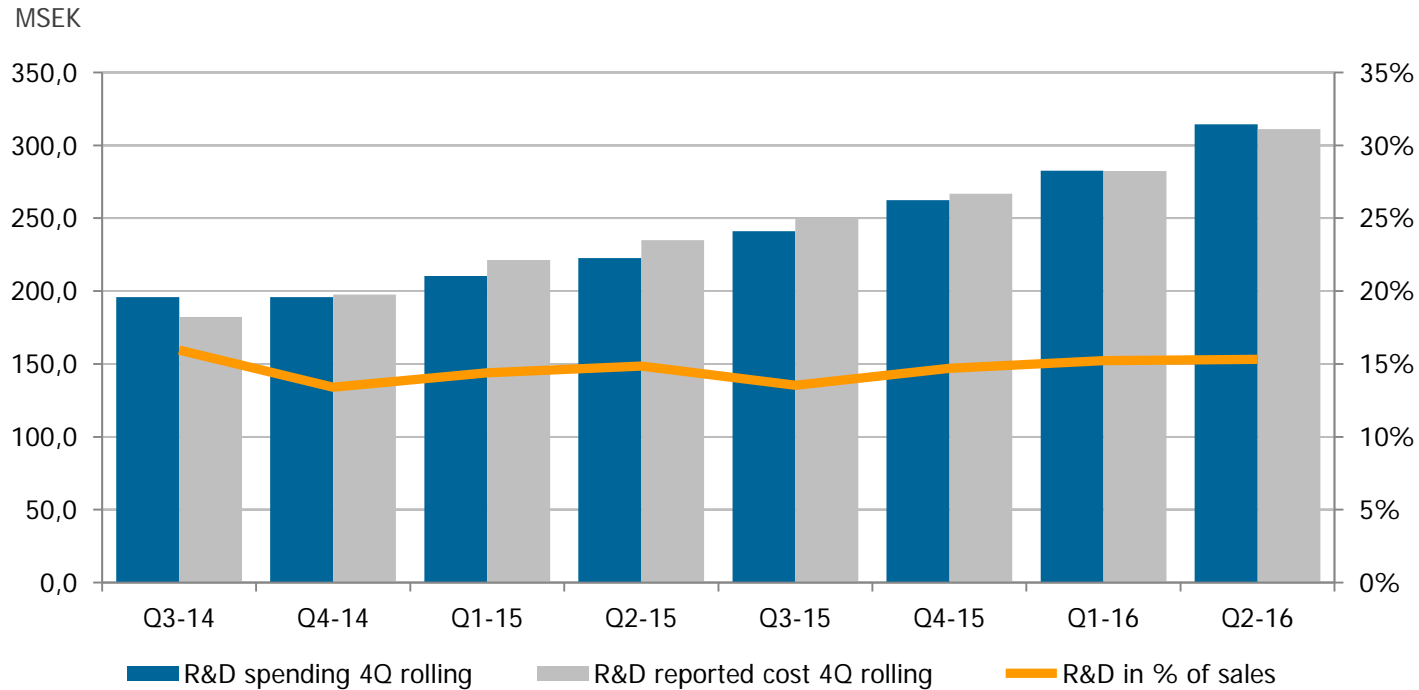
The "bridge" H1 2016 vs H1 2015



- Investments in growth
- R&D costs 44 MSEK higher, refers mainly to SMT
- Selling costs increase due to investments in organization, G&A higher due to increased M&A activities

R&D costs

4 quarters rolling



- R&D activities continues at high pace in line with strategy

Summary by segment, Q2

| | Q2 2016 | Q2 2015 |
|-----------------------------|--------------|------------|
| SMT | 199 | 191 |
| PG | 575 | 120 |
| Order intake (MSEK) | 775 | 311 |
| SMT | 57 | 75 |
| PG | 1,771 | 821 |
| Order backlog (MSEK) | 1,828 | 896 |
| SMT | 194 | 194 |
| PG | 269 | 91 |
| Net sales (MSEK) | 463 | 285 |
| SMT | 47 | 46 |
| PG | 63 | 50 |
| Gross margin (%) | 56 | 47 |
| SMT | -11 | -5 |
| PG | 48 | 13 |
| EBIT margin (%) | 23 | 0 |

Summary by segment, H1

| | H1 2016 | H1 2015 | Rolling 4Q | FY 2015 |
|-----------------------------|--------------|------------|--------------|--------------|
| SMT | 351 | 425 | 756 | 829 |
| PG | 1,218 | 358 | 2,209 | 1,349 |
| Order intake (MSEK) | 1,569 | 782 | 2,965 | 2,179 |
| SMT | 57 | 75 | 57 | 52 |
| PG | 1,771 | 821 | 1,771 | 1,014 |
| Order backlog (MSEK) | 1,828 | 896 | 1,828 | 1,066 |
| SMT | 346 | 416 | 774 | 844 |
| PG | 460 | 173 | 1,259 | 971 |
| Net sales (MSEK) | 807 | 589 | 2,033 | 1,815 |
| SMT | 44 | 45 | 45 | 45 |
| PG | 64 | 52 | 71 | 71 |
| Gross margin (%) | 56 | 47 | 61 | 59 |
| SMT | -21 | 0 | -12 | -2 |
| PG | 46 | 16 | 59 | 58 |
| EBIT margin (%) | 17 | 5 | 32 | 30 |

Cash flow, MSEK

| | YTD 2016 | YTD 2015 | Rolling 4Q | FY 2015 |
|---|-------------|-------------|------------|------------|
| Cash flow from operations | 144 | 20 | 675 | 550 |
| Change in working capital | 101 | 175 | 37 | 111 |
| Cash flow from operations after changes in working capital | 245 | 195 | 712 | 661 |
| Investments in development | -8 | - | -16 | -8 |
| Other investments, net | -49 | -14 | -64 | -29 |
| Cash flow before financing activities | 188 | 181 | 631 | 624 |
| Financing | -392 | -392 | -392 | -392 |
| Cash flow | -203 | -210 | 240 | 233 |
| Cash at end of period | 701 | 455 | 701 | 898 |

- Changes in working capital primarily due to customer payments

- Other investments include acquisition of RoyoTech
- Dividend of 392 MSEK was paid out in May (ordinary SEK 1.50 and extra ordinary SEK 2.50)

Financial summary H1 2016

Strong development of order intake, sales and order backlog

- Order backlog record high at 1,828 MSEK
- Improved gross margin
 - Delivery of three mask writers
- EBIT at 137 (27) MSEK or 17% (5%)
 - Higher sales
 - Investments in product development in SMT
- Continued strong financial position
 - Cash 701 MSEK after dividend

When passion meets innovation ●