



Second quarter 2022

A close-up photograph of a person's hands. The person is wearing a blue button-down shirt. Their left hand is holding a smartwatch with a black strap, and their right hand is touching the screen. The watch screen displays a colorful interface with various data points and charts. The background is blurred, showing what appears to be a window with natural light.

CEO & President

Anders Lindqvist

Agenda

- Q2 in short
 - Divisional development
 - Financials
 - Final remark
 - Q&A
-
- *Appendix – Market update*





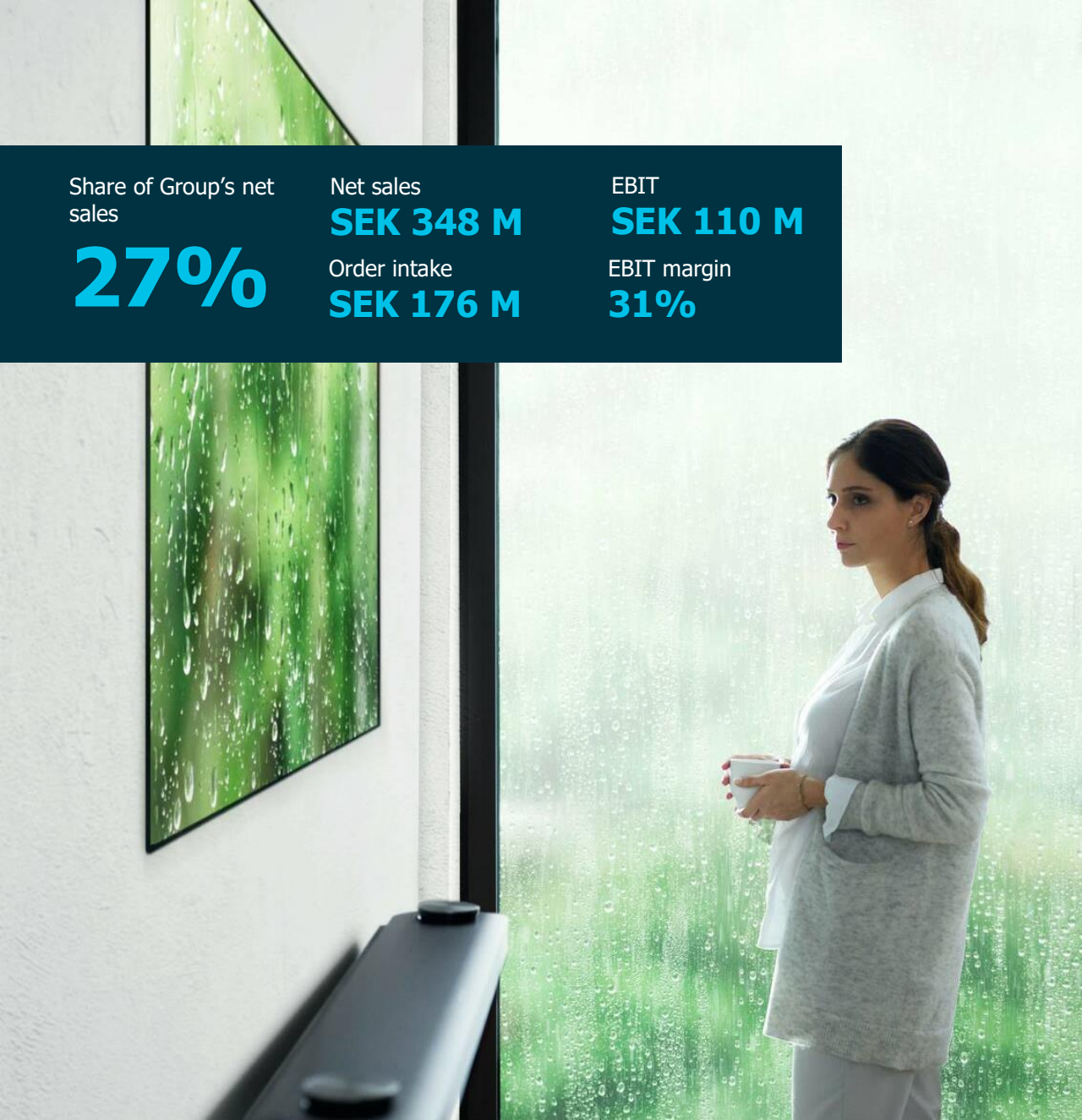
Q2 in short

- Order intake increased 20% to SEK 1,203 (1,002) million
 - Supported by positive currency effects and acquisitions
- Net sales increased 20% to SEK 1,273 (1,064) million
 - Increases in High Flex, High Volume and Global Technologies supported by positive currency effects and acquisitions
 - Decline in Pattern Generators
- EBIT decreased to SEK 224 (241) million
 - All divisions showed double digit EBIT margins
 - Lower net sales in Pattern Generators and a challenging comparative period for High Volume
- EBIT margin at 18 (23)%
- Order backlog at SEK 2,146 (1,774) million
 - Contained 9 mask writers on June 30

The background image shows two workers in a cleanroom or laboratory environment. They are wearing blue protective suits, white face masks, and white gloves. The worker in the foreground has black safety goggles resting on their forehead. The suits have the 'MYCRONIC' logo on the chest. The setting includes industrial equipment and bright lighting.

Decentralized divisions

Close to customers, short decision-making paths



Share of Group's net sales

27%

Net sales

SEK 348 M

Order intake

SEK 176 M

EBIT

SEK 110 M

EBIT margin

31%

Pattern Generators

Healthy photomask market

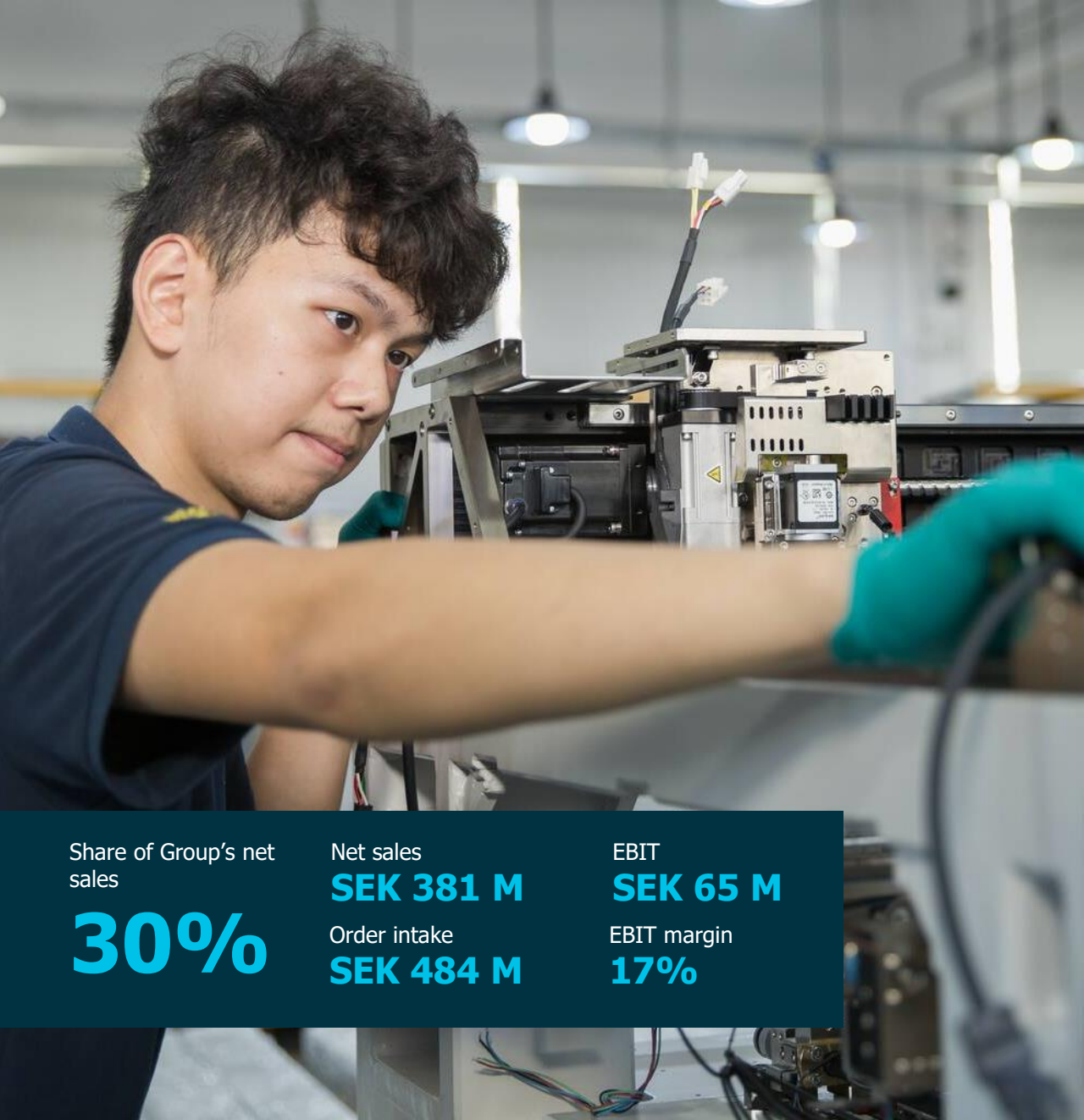
- The photomask market for both semiconductors and displays was positive, despite the uncertainty created by the war in Ukraine and lockdowns in China
- No orders for mask writers during the second quarter
 - Order intake declined 16%
 - Pipeline for the remainder of the year looks promising
- Net sales decreased 11%
 - 5 SLX mask writers delivered
- EBIT at SEK 110 (174) million due to lower net sales and less advantageous product mix
- Order backlog at SEK 635 (617) million
- 9 systems in order backlog on June 30

High Flex

Positive development

- High market demand in primarily Europe but also North America, while China was weak due to lockdowns
- Production of electronics is being relocated to North America and Europe. With its product offering and geographical presence, the division is well positioned for this trend
- The division is opening an entity in Mexico
- Order intake increased 19%
- High Flex succeeded in maintaining good delivery times for its key products within pick-and-place
- Net sales rose 18%
- Gross margin was 41 (37)%
- EBIT increased to SEK 35 (11) million
- Order backlog increased to SEK 239 (150) million





Share of Group's net sales

30%

Net sales

SEK 381 M

Order intake

SEK 484 M

EBIT

SEK 65 M

EBIT margin

17%

High Volume

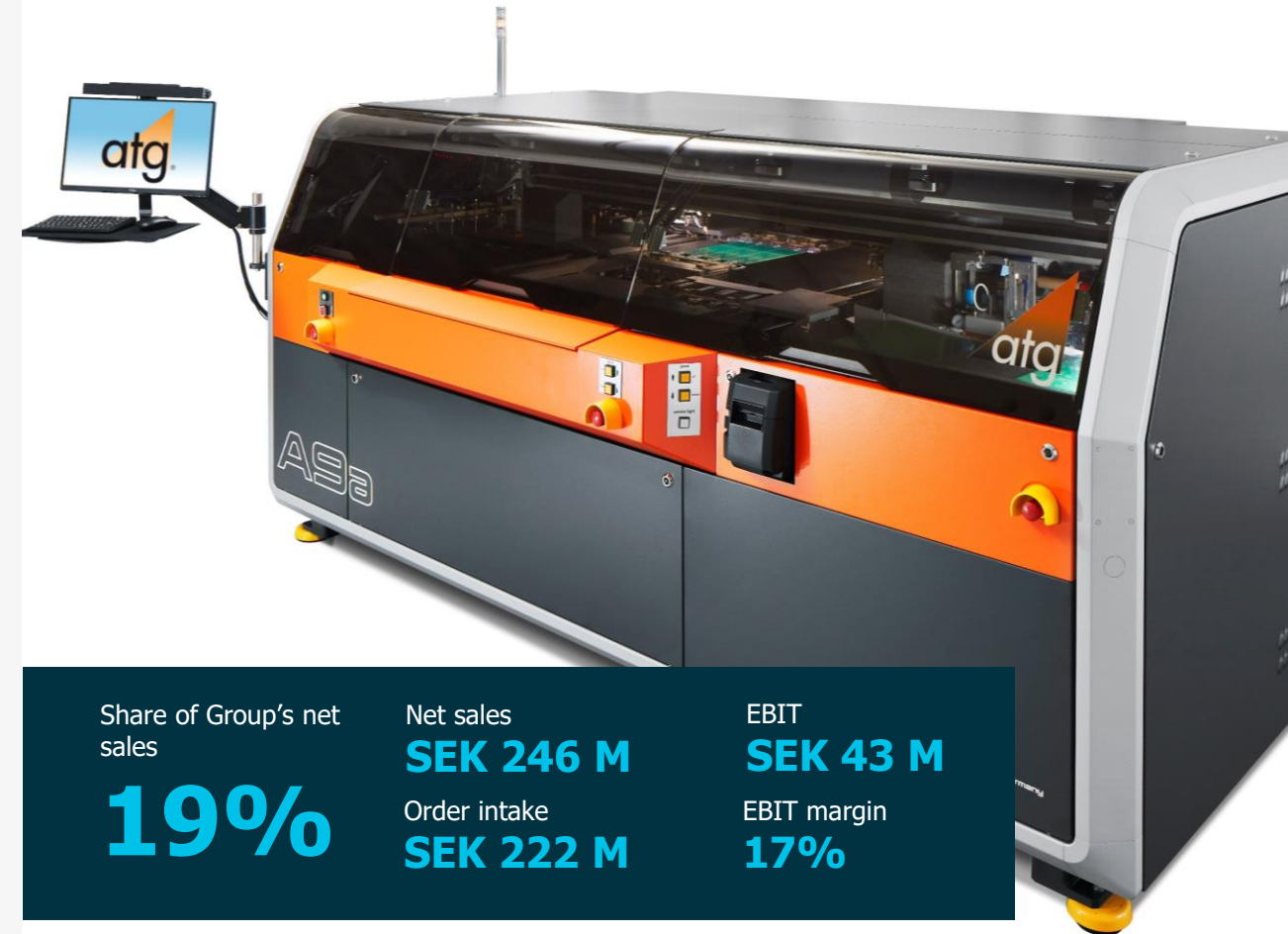
Positive currency effects

- Suppliers to the electric car industry showed strong demand and were not seriously impacted by the lockdowns
- Order intake increased 27%
 - 18% excluding acquisitions, explained by strong positive currency effects, while in local currency order intake was at last year's level
- Net sales rose 21%
- Gross margin at 41 (53)% attributable to a very favorable sales mix in the corresponding period last year
- EBIT declined to SEK 65 (94) million
 - Mainly explained by lower gross profit and increased bad debt provisions, impacting operating expenses
- Order backlog increased to SEK 988 (758) million
- Decision to investigate the possibility of listing Axxon

Global Technologies

Strong EBIT

- The market for electrical testing of PCBs and substrates performed strongly in Asia, but was slightly weaker in Europe and the US. No slowdown was noted in China despite the lockdowns
- Demand in die bonding was solid, even though several large data centers and cloud-service providers announced recruitment freezes
- Order intake excluding acquisition and divestment decreased 9%
- Organic net sales increased 11%
- Very strong EBIT increased to SEK 43 (7) million
- Order backlog at SEK 284 (249) million



Outlook 2022 maintained

Net sales 2022
SEK 5 billion

EBIT 2022
slightly above
target of
>15%

Financial targets

Profitability
>15%
over a business
cycle

Net debt
<3x EBITDA

**New financial targets will be presented at the
Capital Markets Day on September 5, 2022**

CFO

Pierre Brorsson

77EG9700



Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 4,689 million
- EBIT margin R12 at 16%
- Aftermarket revenue R12 increasing quarter-on-quarter since Q1 2021

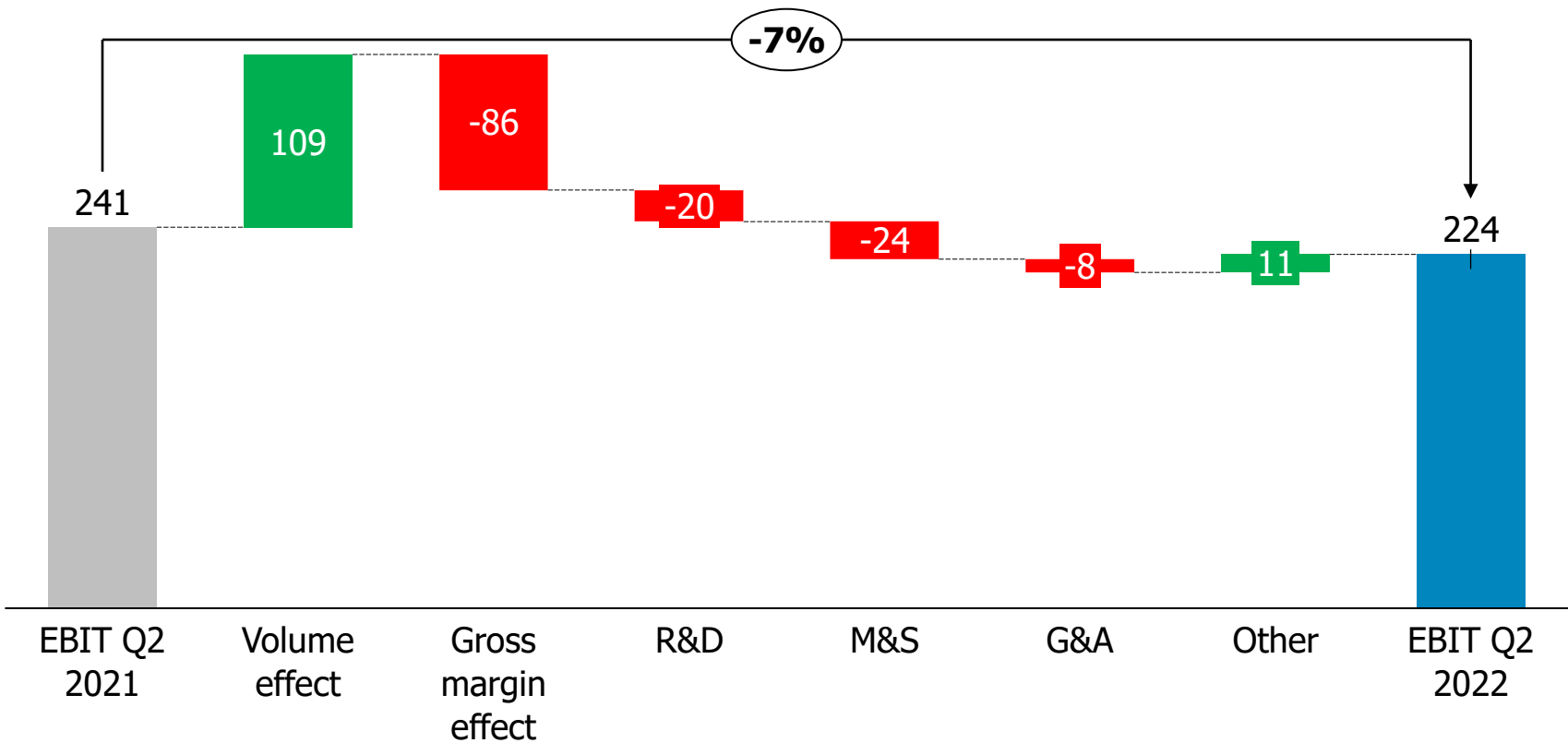
Group net sales and EBIT margin per quarter



- Q2 net sales amounted to SEK 1,273 million
- All divisions showed double digit EBIT margins
- Lower EBIT-margin vs Q2 2021 attributable to decrease in Pattern Generators' share of total net sales and Q2 last year being a very challenging comparative period for High Volume
- EBIT margin at 18%

Group Q2 EBIT bridge

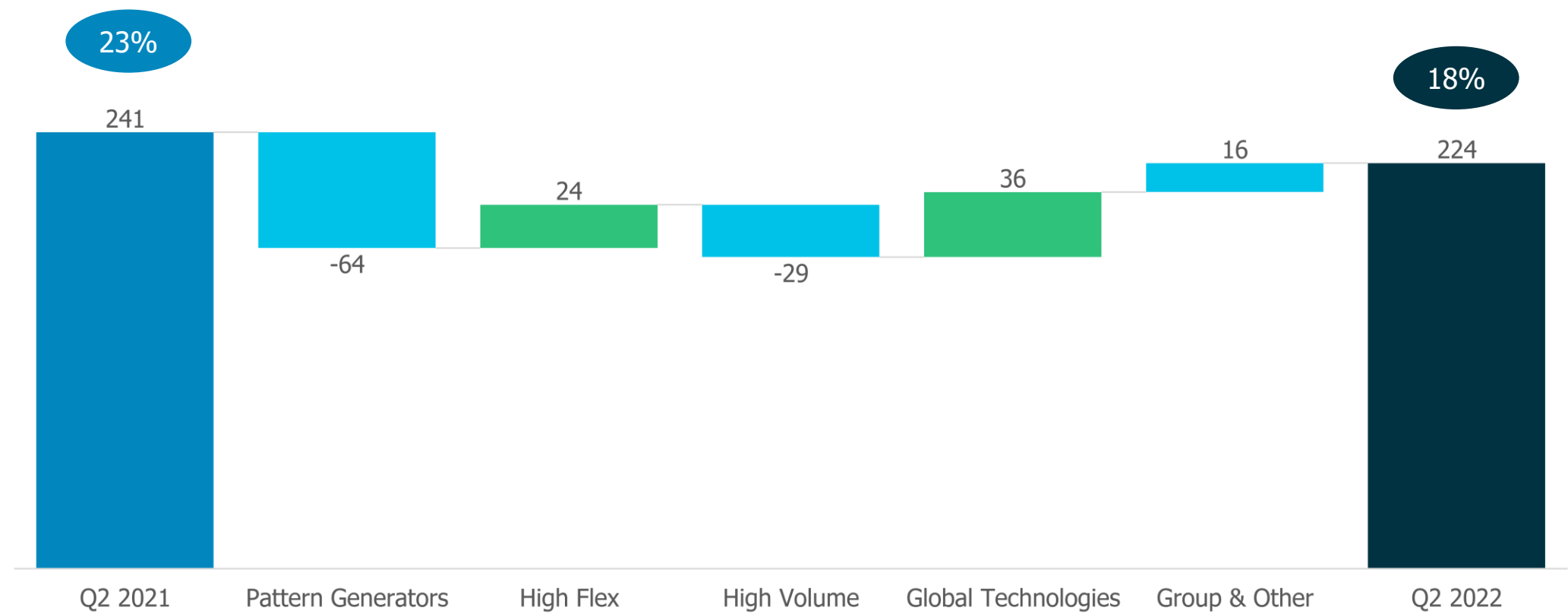
MSEK



% of Sales 2021	23%	52%	-14%	-12%	-5%	2%	
% of Sales 2022		45%	-13%	-12%	-5%	2%	18%

Divisional Q2 EBIT contribution

MSEK



Positive impact on cash flow from AEi divestment

MSK	YTD 2022	YTD 2021	
Cash flow from operations before change in working capital	398	651	• Working capital mainly driven by increased trade receivables
Change in working capital	-152	31	
Cash flow from operations	246	682	• Cash flow from investing activities positive due to SEK +215 million from AEi divestment
Investing activities	120	-1,071	
Financing activities	-279	83	• Financing activities include SEK -294 million in dividend payment
Cash flow for the period	86	-306	• Net cash amounted to SEK 505 million on June 30
Cash, opening balance*	692	1,303	
Exchange difference	41	22	
Cash at end of period	819	1,019	

*Includes cash and cash equivalents classified as assets held for sale



CEO & President

Anders Lindqvist

Sustainability

- To achieve Mycronic's target of halving CO₂ emissions from our own operations by 2030, air freight must be reduced in all divisions
- A study was initiated to investigate various opportunities for reducing Mycronic's emissions from transportation
- The study is scheduled to be completed in the third quarter and will provide support for the divisions in their ongoing work





Q&A

APPENDIX

Q2 2022 Market update

MYCRONIC

Preliminary Outcome 2021

Market summary and updates

- Global electronics at +12.3% to 2,480 BnUSD¹⁾
- Semiconductors +26.7% to 556 BnUSD¹⁾
- SMT assembly equipment market +26.7% to 3,732 MUSD²⁾
- Optical components +8.7% to 12.6 BnUSD³⁾
- Printed circuit boards and substrates +24.1% to 80.9 BnUSD⁴⁾
- Display market +25.8% to 157 BnUSD⁵⁾
- Display photomasks 13.7% to 934 MUSD⁶⁾
- Semicon photomasks +16.2% to 6.1 BnUSD⁷⁾
- Dispensing equipment +24.7% to 910 MUSD⁸⁾

Source: 1) Prismark June 2022, 2) PROTEC MDC April 2022, 3) Lightcounting April 2022, 4) Prismark, May2022, 5) Omdia April 2022, 6) Omdia July 2022 (annual update), 110YEN/USD used as conversion rate, 7) TechInsights April 2022 (annual update), 8) Prismark April 2022 (annual update)





Forecasts 2022

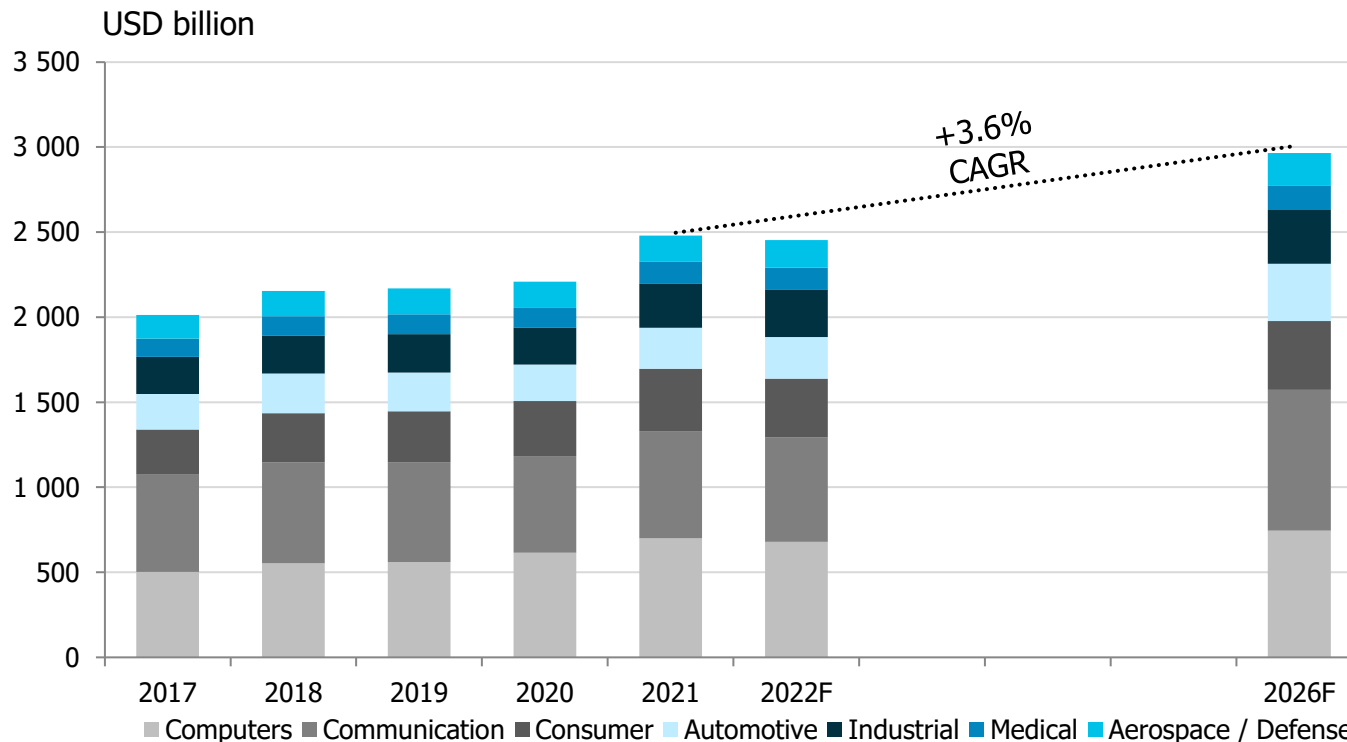
Market summary and updates

- Global electronics industry forecast to decline -1.1%, and to reach 2,453 BnUSD¹⁾
- Semiconductor industry growth forecast +9.0% and to reach 606 BnUSD¹⁾
- Optical components market growth +16.4% to reach \$14.7 BnUSD²⁾
- Printed circuit boards and substrates +4.2%³⁾
- Displays -10.8% to 140 BnUSD⁴⁾
- Display photomasks +10.1% to 1,027 MUSD^{5, 6)}
- Semicon photomasks +18.4% to 7.2 BnUSD⁷⁾
- Dispensing: not available

Source: 1) Prismark June 2022, 2) Lightcounting April 2022, 3) Prismark, May 2022, 4) Omdia April 2022, 5) Omdia FPD large-area photomask research June 2022. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk, 6) 110YEN per USD used for conversion from JPY to USD, 7) TechInsights April 2022

Electronics industry systems

Yearly development by industry segment

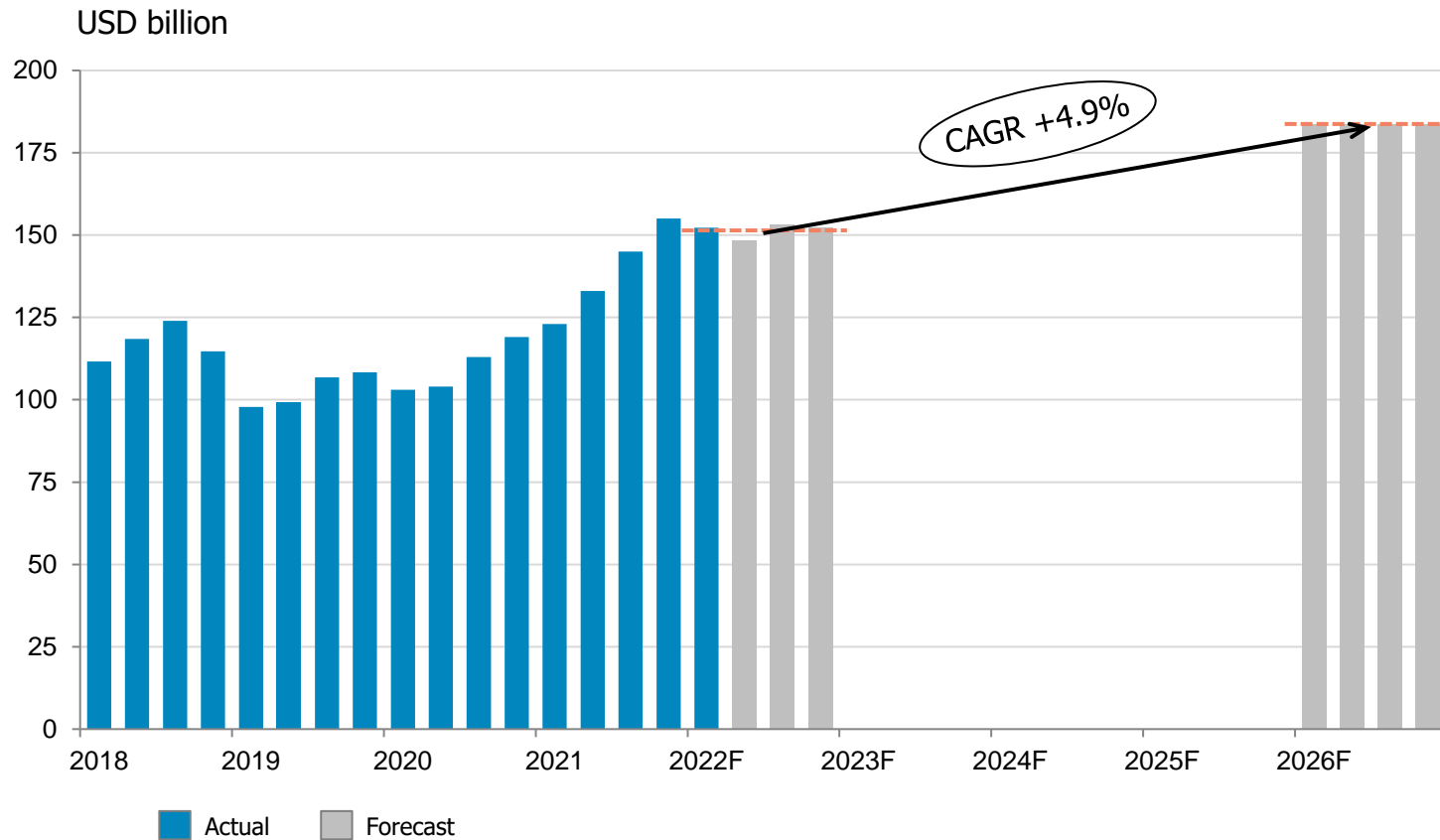


- Estimated growth of +12.3% in 2021 to 2,480 BnUSD with largest growth in segments
 - Industrial +18.8%
 - Computers +13.8%
 - Consumer +12.6%
- Forecast decline of -1.1% in 2022 to reach 2,453 BnUSD, with strongest development in
 - Industrial +8.1%
 - Aerospace / Defense +4.5%
 - Automotive +2.5%
- +3.6% CAGR expected for 2021-2026, with strongest development in
 - Automotive +7.0%
 - Communication +5.6%
 - Aerospace / Defense +4.2%
 - Industrial +4.1%

Source: Prismark, June 2022

Semiconductors

Quarterly development



- Estimated +26.7% growth in 2021 to 556 BnUSD
- Forecast growth of +9.0% in 2022 to reach 606 BnUSD
- 2022 to 2026 CAGR forecast at +4.9% growth to 735 BnUSD

Source: Prismark, May 2022

SMT and Dispensing

Market update

SMT assembly equipment*

- 2021 full year 3,732 MUSD, a positive development of 26.7% compared to 2020. Strongest development on the American market followed by markets in Europe and China¹⁾
- The segment declined as a whole in the first quarter of 2022 compared with the same period last year, even though the markets in Europe, North and South America and Japan reported growth.

Dispensing*

- 2021 market estimated at 910 MUSD²⁾, a growth of 24.7% compared to 2020.
- Mycronic is a leading supplier of dispensing equipment, addressing the major part of the total market.

** No forecast available*

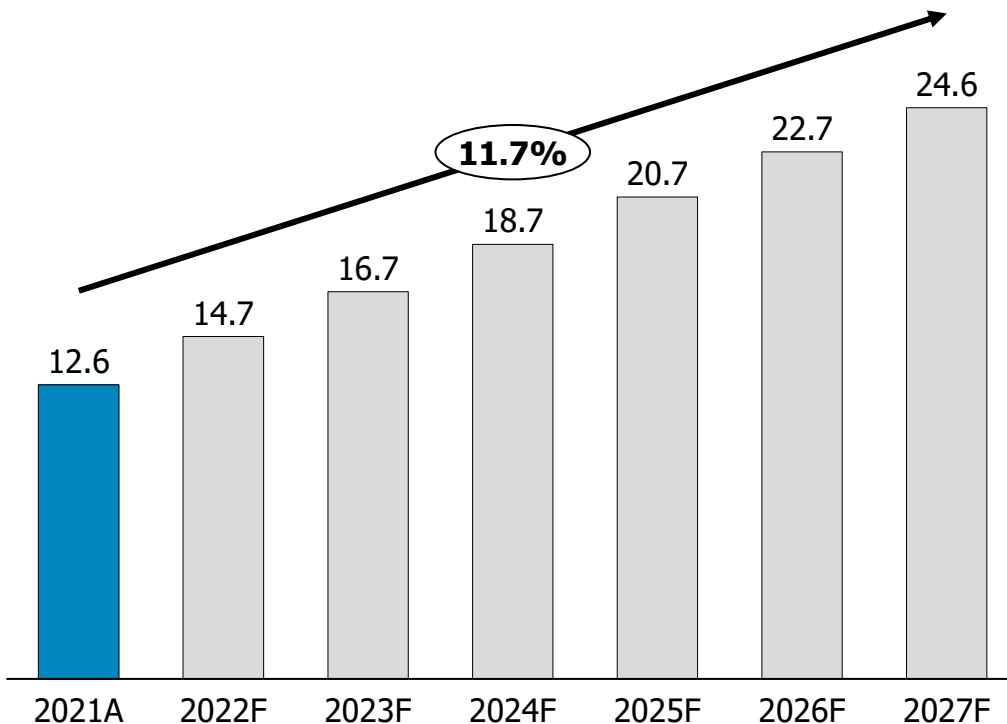
Source: 1) PROTEC MDC April 2022, 2) Prismark April 2022 (annual update)



Die Bonding

Long-term growth in key die bonding market – optical components, driven by mega trends

Optical components production (BUSD)



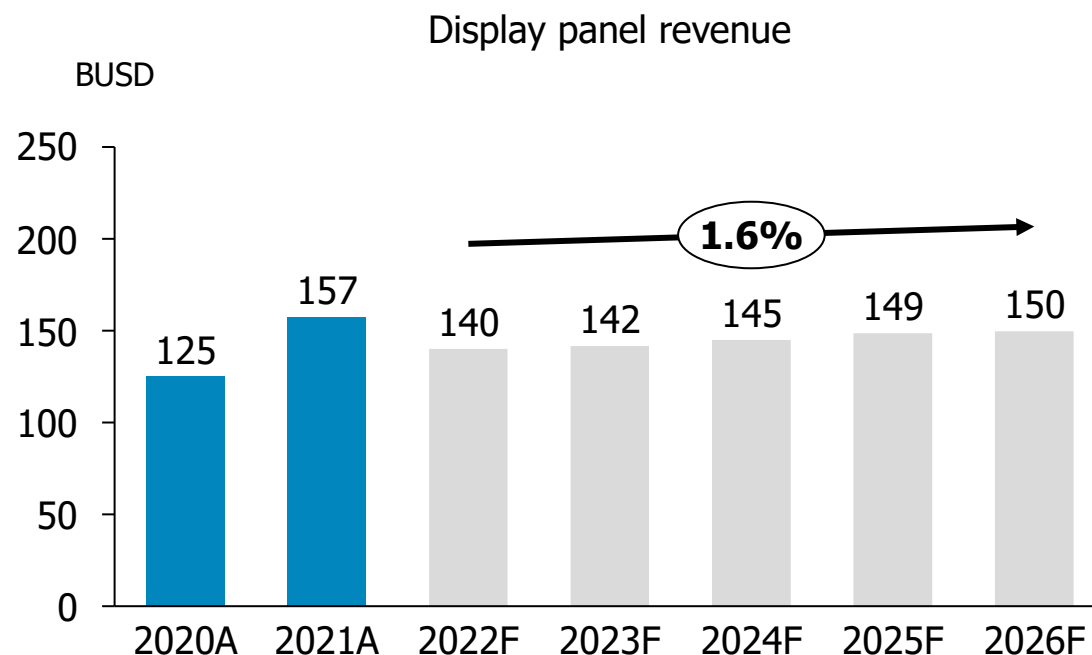
Source: Lightcounting, April 2022

Healthy Data/Telecom long-term growth

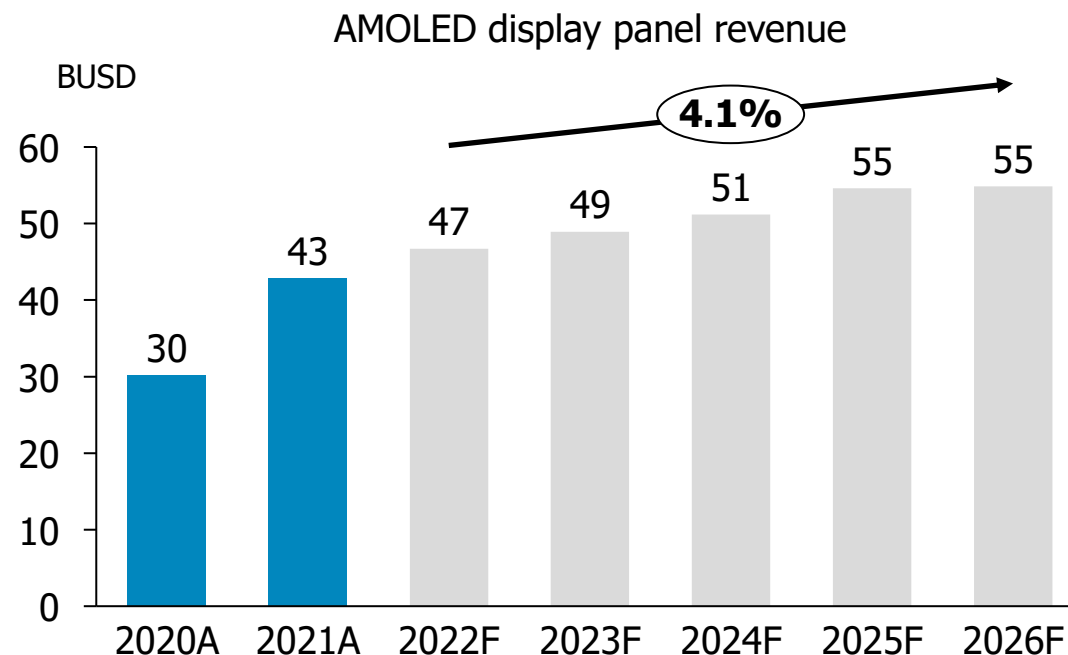
- Optical components production is the main driver for die/lens attach and other adjacent processes.
- Growth driven by mega trends such data centers, 5G/6G, EV, AI, IoT, and global supply chain shifting.
- Post Covid-19 era supports the higher demand for networking bandwidth with optical components fueled by continuous high spending in capex by cash-rich cloud companies.

Pattern Generators

Display panel market



- Display market showed positive growth of 25.8% in 2021
- Negative growth of 10.8% is forecast for 2022
 - LCD TV price pressure is the main reason
- After 2022 the market is forecast to stabilize on a historically high level



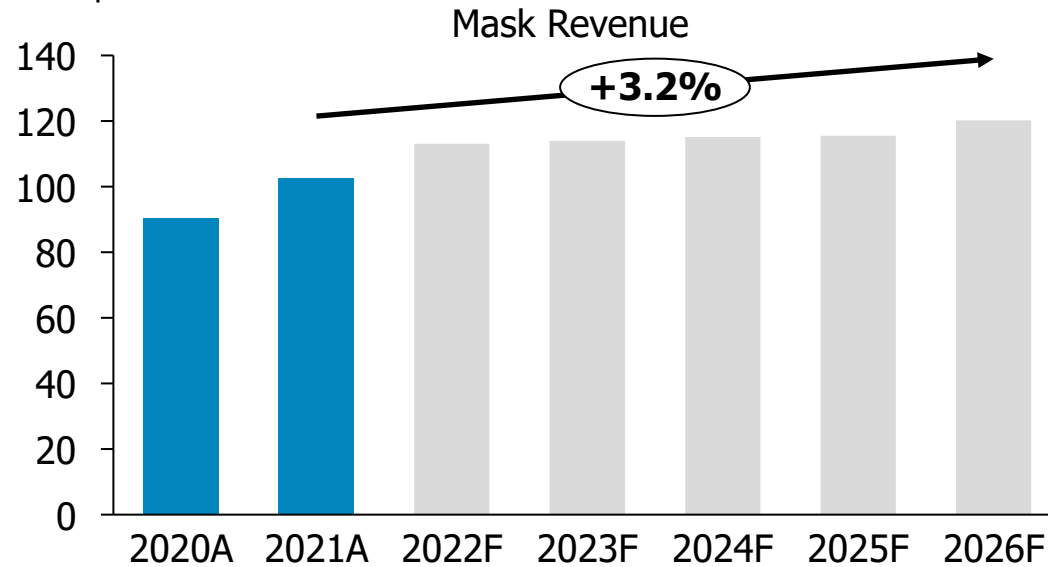
- Shift towards AMOLED continues despite an overall declining display market in 2022
 - Technology shift ongoing from LCD to AMOLED for mobile displays, TV and IT segment
 - Forecast to show growth 2022 of 9.0%
 - AMOLED ratio goes from 27% of total display revenue 2021 to 37% of total display revenue 2026

Source: Omdia, Display Long-Term Demand Forecast Tracker, April 2022. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

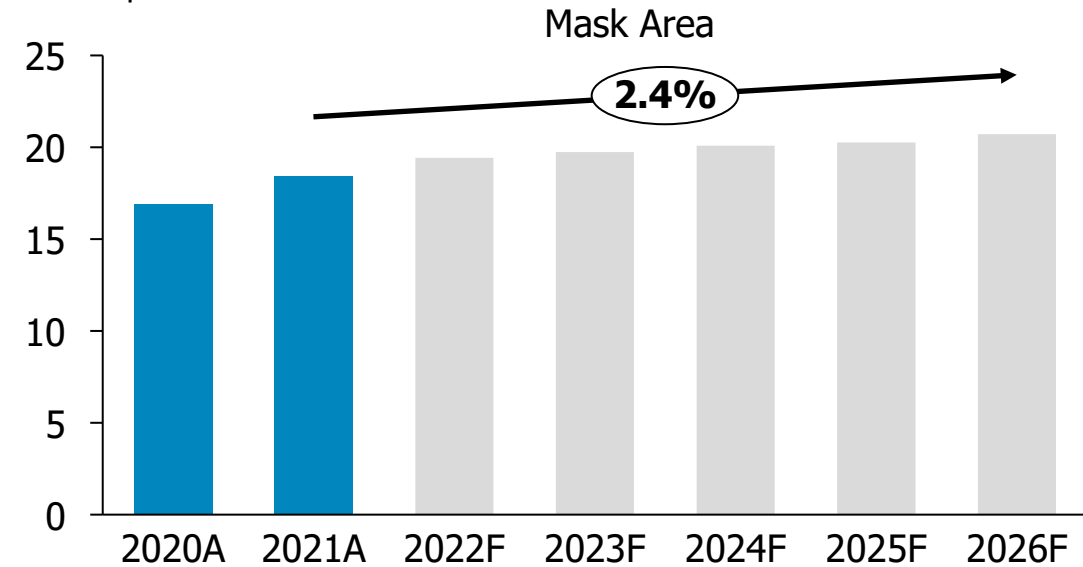
Positive photomask market

Billion Japanese Yen



- Display mask developed strongly during 2021
 - Market development during 2021 was strong with a growth of 13.7% after a weak 2020. The photomask market recovered and normalized during 2021 driven by more new developments and display models and transition to more advanced and more high valued photomasks
 - The market is forecast to continue to show good growth 2022 as transition to more advanced AMOLED masks continues.

Thousands of square meters

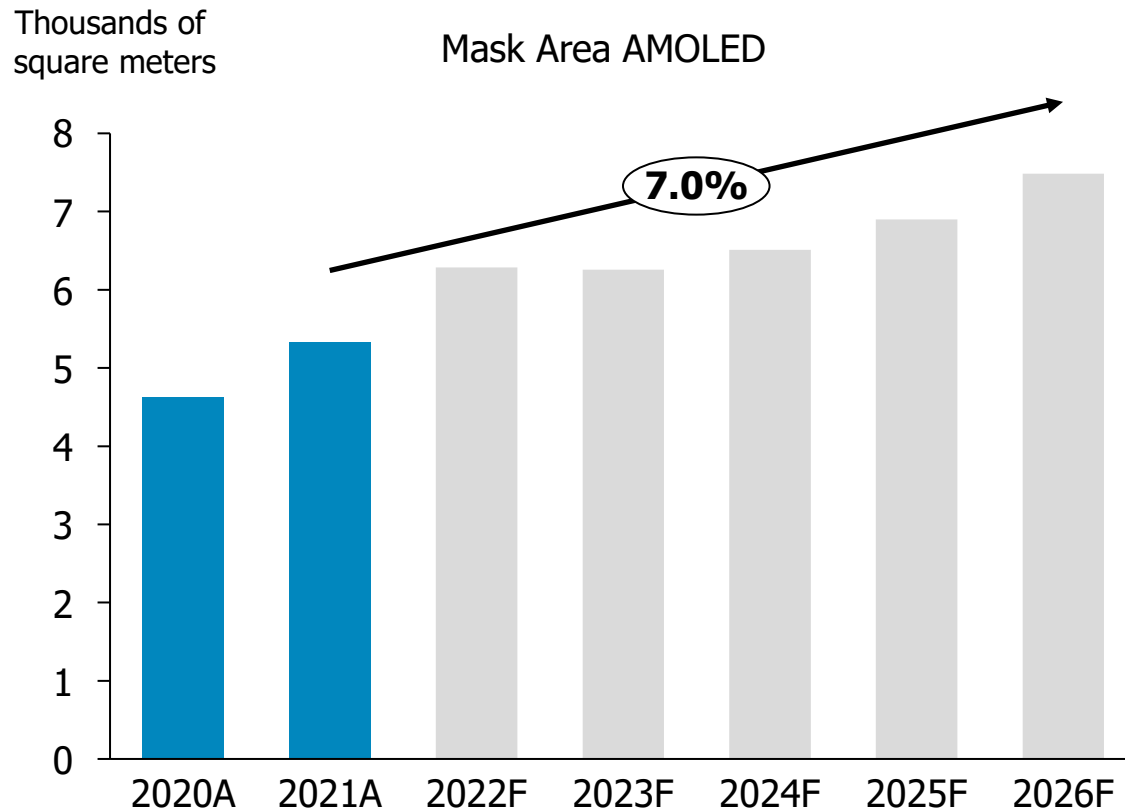


- Long-term area growth forecast remains positive
 - Area development during 2021 developed strongly with positive growth of 9.2% after a weak 2020
 - Positive growth 2021-2026 of 2.4% CAGR. Strongest growth seen in segment of complex and high value masks due to AMOLED transition and transition to displays with higher quality

Source: Omdia, Technology Group, FPD large-area photomask research, June 2022. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

Increasing demand of photomasks 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 29% 2021 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, June 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

MYCRONIC