

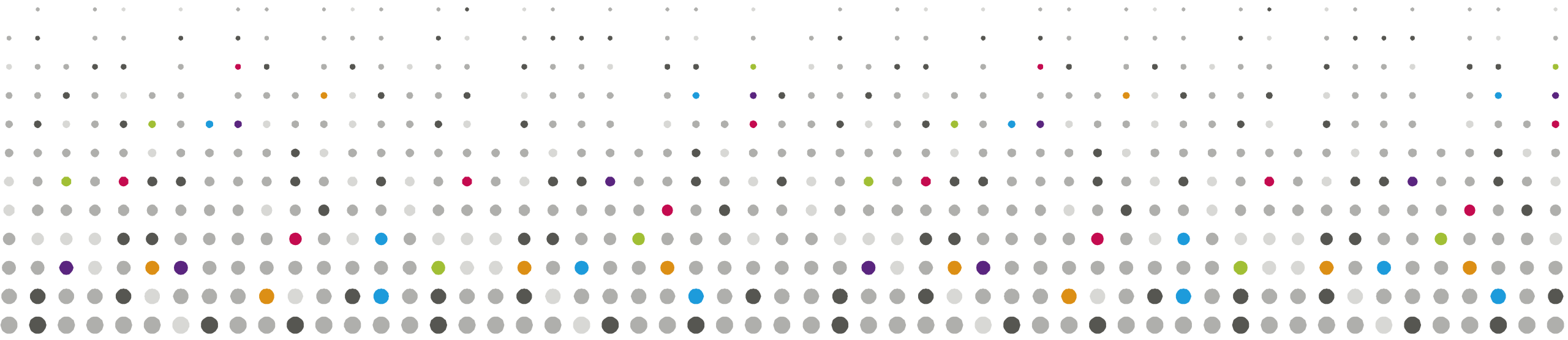
Q2 Report

July 13, 2018

Lena Olving
President and CEO

Torbjörn Wingårdh
CFO

Thomas Stetter
Sr VP Assembly Solutions



A close-up, macro photograph of a semiconductor manufacturing process. A dark, cylindrical probe or nozzle is positioned directly above a small, square, light-colored die mounted on a green printed circuit board (PCB). The PCB is densely populated with various electronic components, including several small, rectangular surface-mount components and a larger, black, rectangular component on the right. The background is heavily blurred, showing more of the PCB and its components, creating a shallow depth of field that emphasizes the precision of the manufacturing process.

Strong order growth and robust development

Lena Olving
President and CEO

MYCRONIC

Mycronic in short



>40

years of experience in
innovation

>1,100

employees
in ten countries

>50

Mycronic is represented
in more than
50 countries

>500

patents proves the power
of innovation.

>12,000

production systems at more
than 3,000 customers

>98%

of consolidated
net sales are
outside Sweden

Mycronic's Assembly Solutions

Broad product offering for efficient electronics manufacturing



- 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

Mycronic's Pattern Generator solutions

Indispensable for the display industry

Display



- Precision mask writer & metrology series

Multi-purpose



- FPS series

Value Added Products



- Upgrades and modifications to improve mask quality

Q2: Strong momentum

- Order intake +86% in Q2 (36% YTD)
 - Good development within Assembly Solutions
 - Good performance from acquisitions
 - Prexision-8 replacement
- Net sales at 882 MSEK or -3% (+3% YTD)
 - Solid performance from Assembly Solutions
 - Planned deliveries YTD were 3 compared to 7 last year
- Underlying EBIT 265 MSEK with a margin of 30%
 - Acquisition related costs of 28 MSEK (47 MSEK YTD)
 - Variation between quarters of delivery volumes of mask writers
 - Increased investments in R&D
- Order backlog +112% to 1,935 MSEK
 - Assembly Solutions at record high 545 MSEK or +95%
 - Good base for deliveries
- MRSI: leading provider of ultra-high precision die bonding equipment



Favorable market

Marketplace

- Continued high growth in global electronics industry expected
- Strong growth in Mycronic's market segments
- Shift from LCD to AMOLED drives photomask area growth
- Market update slides are available at the end of the presentation, pages 29-35

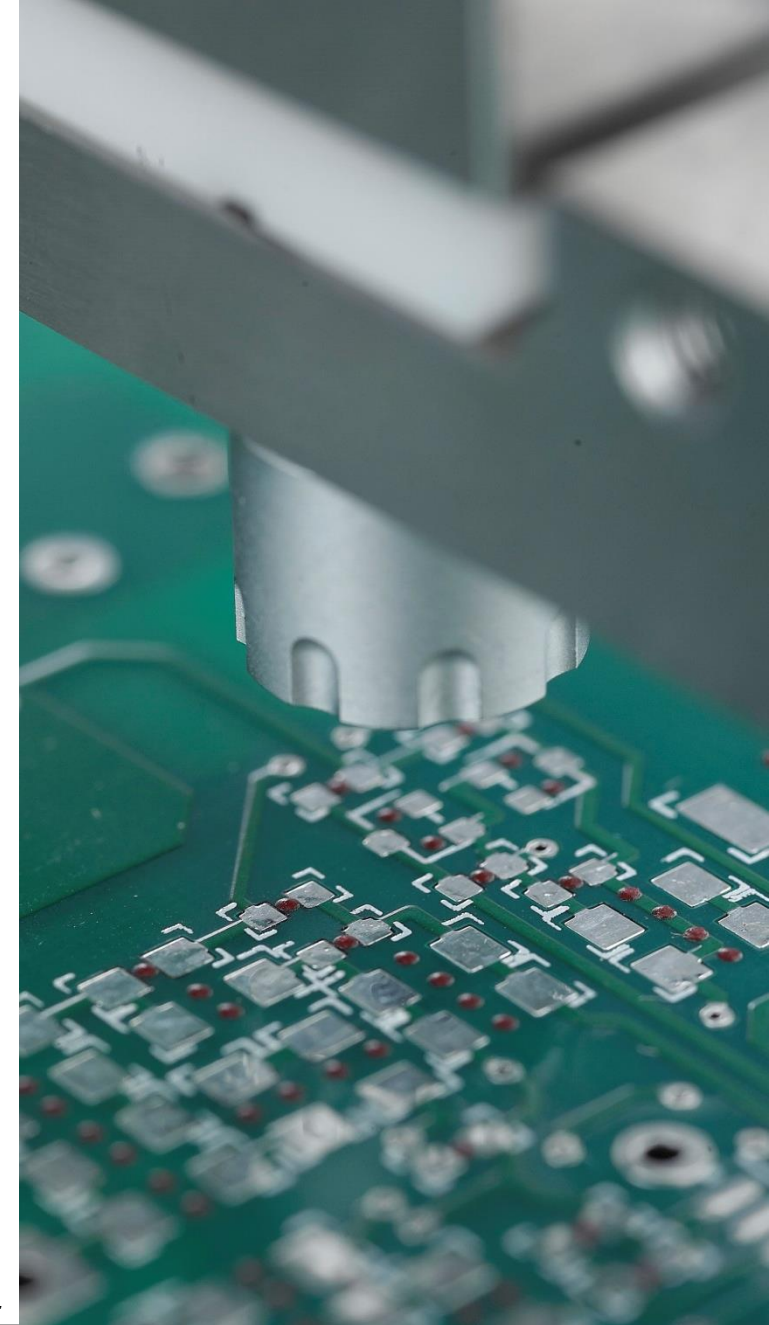
Major Q2 orders, deliveries and launches

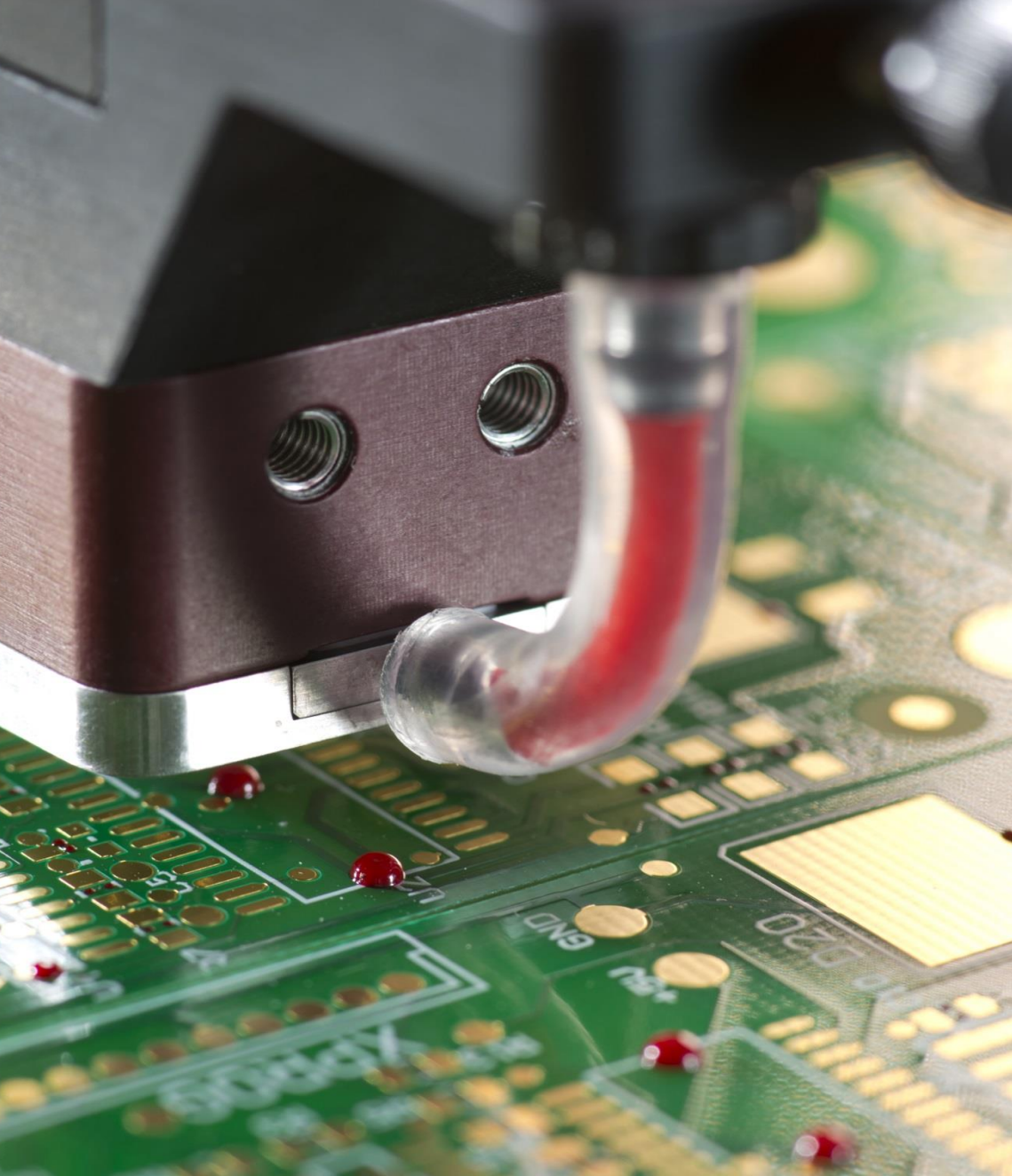
- Order for a replacement system based on Prexision-8
- Launch of FPS8100 mask writer for the multi-purpose segment
- Delivery of two replacement system based on Prexision-8

Executive appointments

- Charlott Samuelsson Sr VP Pattern Generators
- Lena Båvegård Sr VP Operational Excellence
- Anette Mullis Sr VP HR effective August 20

Source: Prismark May/June 2018, PROTEC MDC January 2018, IHS April 2018, IHS May 2018.





Outlook 2018

- Confident that we will hit the target
- We are not including MRSI
- Both business areas have well stocked order books

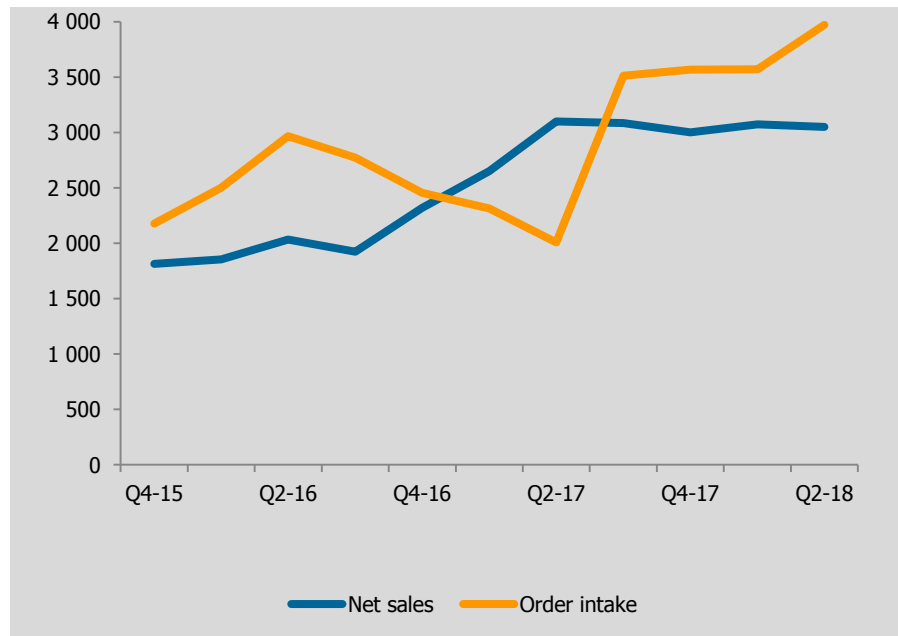
The Board's assessment remains that consolidated net sales will be at the level of 3,500 MSEK in 2018, with the clarification that this excludes acquisitions already made in 2018 as well as possible additional acquisitions during the remainder of 2018.

A person wearing a blue protective suit, a white face mask, and white gloves is working inside a laboratory or cleanroom. They are leaning over a piece of equipment, possibly a microscope or a specialized instrument, which is illuminated by a bright orange light. The person's reflection is visible on the dark, reflective surface of the equipment. The background is a bright orange wall.

Financial update

Torbjörn Wingårdh
CFO

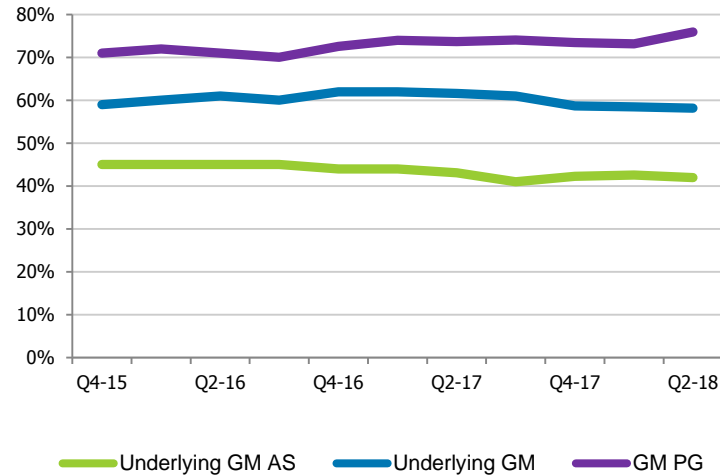
Order intake and net sales



- Q2 order intake increased 86% to 870 MSEK (36% YTD)
 - Assembly Solutions increased 54% to 554 MSEK (+48% YTD)
 - Pattern Generators increased 188% to 317 MSEK (+17% YTD)
- Backlog up 112% to 1 935 MSEK
 - Assembly Solutions backlog record high at 545 MSEK
 - Pattern Generators has 8 systems and 2 larger upgrades in backlog
- Q2 net sales was 882 MSEK, a decrease of 3% (+3% YTD)
 - Assembly Solutions increased 35% to 478 MSEK (+25% YTD)
 - Pattern Generators was 404 MSEK, a decrease of 27% (-14% YTD).
 - 2 mask writers delivered compared to 5 last year (3 YTD compared with 7 last year)
- Currency effects on net sales of +5 MSEK (-37 MSEK YTD)
- MRSI unusual strong net sales in June with 27 MSEK

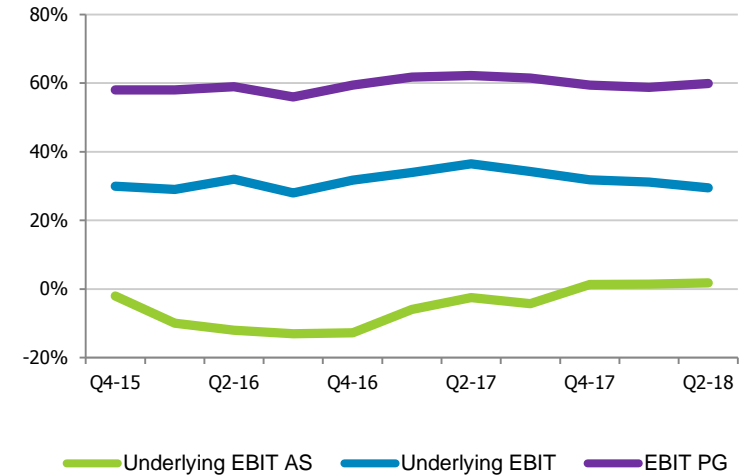
Margins

Gross margin, 4 quarters rolling



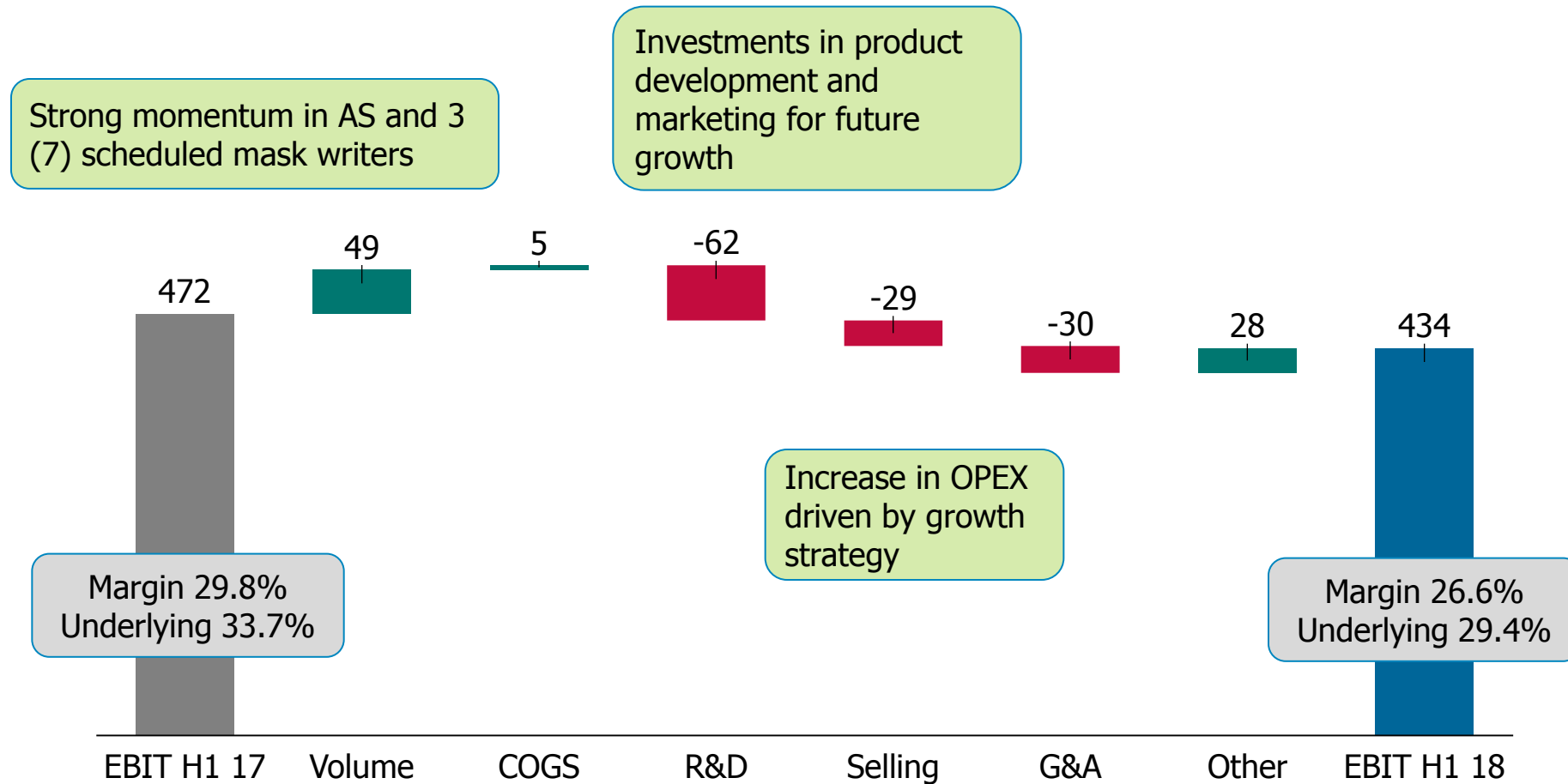
- Stable Q2 gross margin at 57% (YTD 57%)
 - Favorable product mix in Pattern Generators improves gross margin to 75% (YTD 75%)
 - Fast growing Assembly Solutions increases its weighting in the total gross margin

EBIT margin, 4 quarters rolling

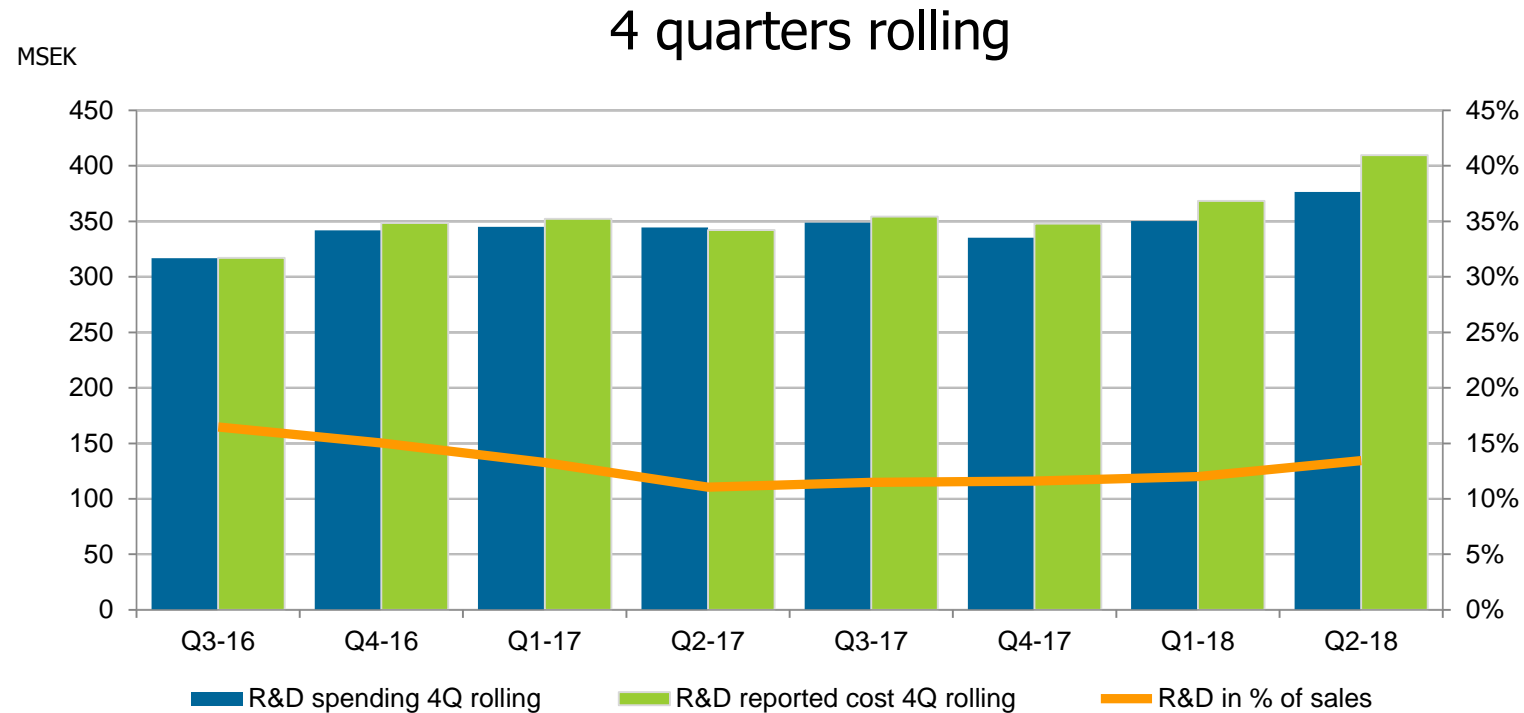


- Q2 EBIT amounted to 238 MSEK (YTD 434 MSEK) with a margin of strong 27% (YTD 27%)
 - Pattern Generators affected by 2 (5) mask writer deliveries and higher R&D costs
 - Fast growing Assembly Solutions increases its weighting in the total EBIT
- Q2 Underlying EBIT amounted to 265 MSEK (YTD 481 MSEK) with a margin of 30% (YTD 29%)

H1 EBIT bridge compared with last year



R&D: Driving innovation



- R&D spending increased 26 MSEK from Q2 2017
 - Next generation mask writers, general product development and acquired companies
- Q2 2018 R&D spending as a percentage of sales was 13%
- Product development will continue in line with growth strategy
- Industry average at ~15%

Summary by business area, Q2 2018

	Q2 2018	Q2 2017
Assembly Solutions	554	359
Pattern Generators	317	110
Order intake (MSEK)	870	469
Assembly Solutions	545	280
Pattern Generators	1,390	634
Order backlog (MSEK)	1,935	914
Assembly Solutions	478	354
Pattern Generators	404	551
Net sales (MSEK)	882	905
Assembly Solutions	41%	42%
Pattern Generators	75%	68%
Gross margin %	57%	58%
Assembly Solutions	-1%	1%
underlying EBIT margin AS	5%	4%
Pattern Generators	60%	57%
EBIT margin %	27%	35%
underlying EBIT margin Group	30%	36%

- Order intake +86% in Q2
- Assembly Solutions backlog record high
- Backlog up 112% to 1 935 MSEK
- Q2 net sales was 882 MSEK, a decrease of 3%
- Assembly Solutions at 5% underlying EBIT in Q2

Cash flow YTD

	2018 YTD	2017 YTD
Cash flow from operations	362	431
Change in working capital	-400	-72
Cash flow from operations after changes in working capital	-38	359
Investments in development	0	-21
Other investments, net	-382	-92
Cash flow before financing activities	-419	247
Financing	-104	-193
Cash flow	-523	54
Cash at end of period	306	258

- Working capital change mainly driven by Assembly Solutions growth strategy with increased inventory and receivables
- MRSI acquisition represents 354 MSEK of the total investments in Q2
- In total 245 MSEK was paid as dividend during the quarter

A person with blonde hair, wearing a light-colored sweater, is driving a car. Their hands are on the steering wheel. The car's infotainment screen is large and displays a navigation map with a red location pin. Above the map, there are various vehicle data displays, including a speedometer, a tachometer, and a central display showing a camera feed and other metrics. The background shows a blurred road and trees.

MRSI: Ultra-high precision die bonding equipment supplier

Thomas Stetter
Sr VP Assembly Solutions

MYCRONIC

MRSI

Best-in-class automated die bonding systems

- Excellent strategic match
- Fast growing market
- Net sales of USD 31 million (2017)
- Founded 1984 and holds 60 employees
- Close to the AEi and Mycronic facilities in the Boston area
- Price of USD 40.7 million (own funds and bank financing) + max USD 20.2 million earn-out in 2020
- High commitment of former owners to the company



Michael Chalsen
President



Cyriac Devasia
VP of Engineering



Michael Gagnon
VP of Operations



MYCRONIC

Excellent match in fast growing segment

Business Area: Assembly Solutions

SMT

Full-line provider of
flexible high precision
SMT solutions



RoyoTech®

Dispensing

Expanding in
an attractive growth
market with aim to
become global #2
dispensing company



Assembly Automation

Gain leading positions
in high precision
niche markets
with high growth
potential



Ultra-high precision die bonding

Leading offer and solutions

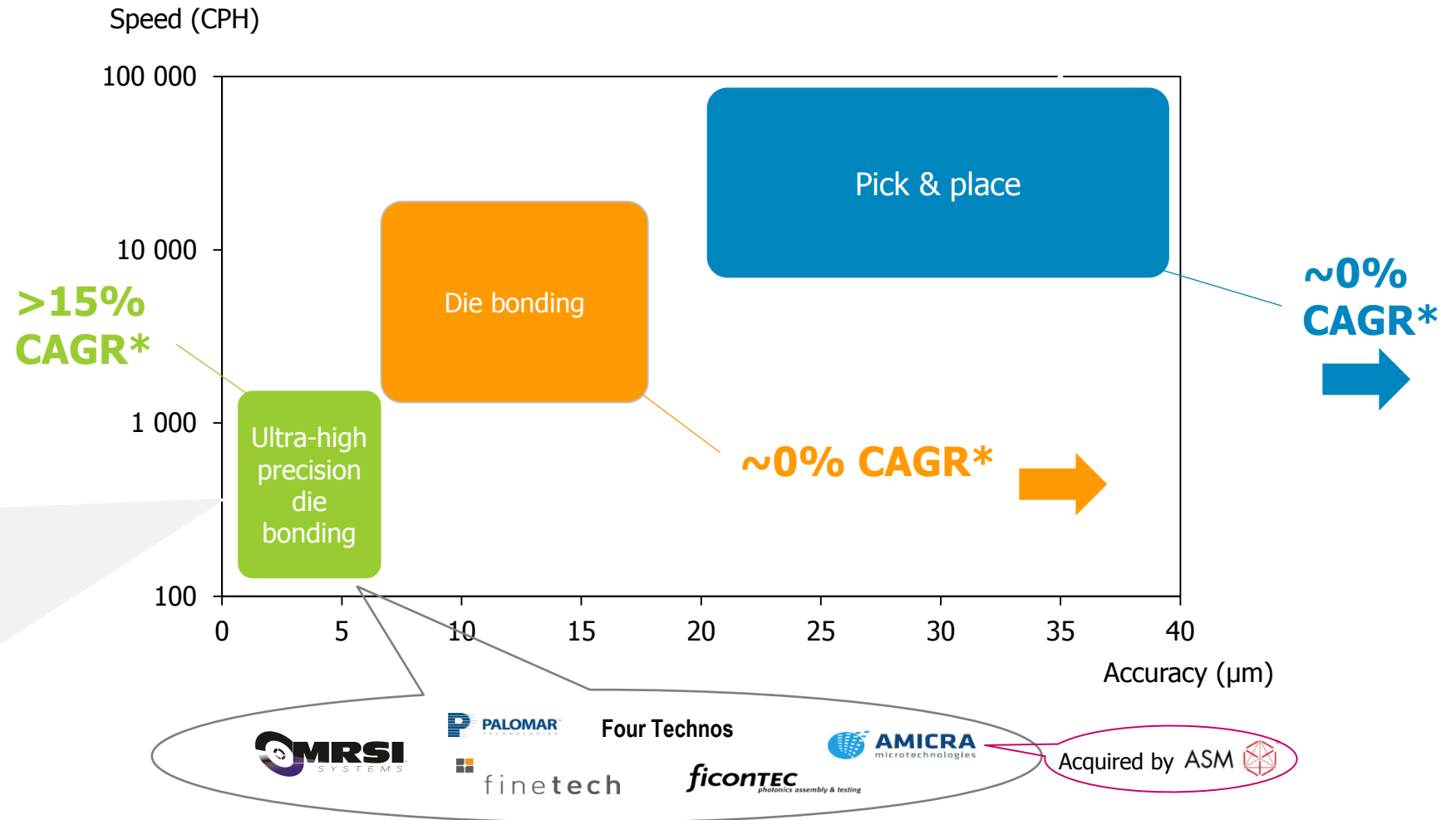


Ultra-high precision die bonding

High growth segment

Well protected niche market:

- Ultra-high precision
 - Not needed in standard die bonding
 - Speed much less critical, while decisive in standard die bonding
- Flexibility (low volume – high mix)
 - Less standardization & high variety of applications
 - Similar to our position in SMT and AEi

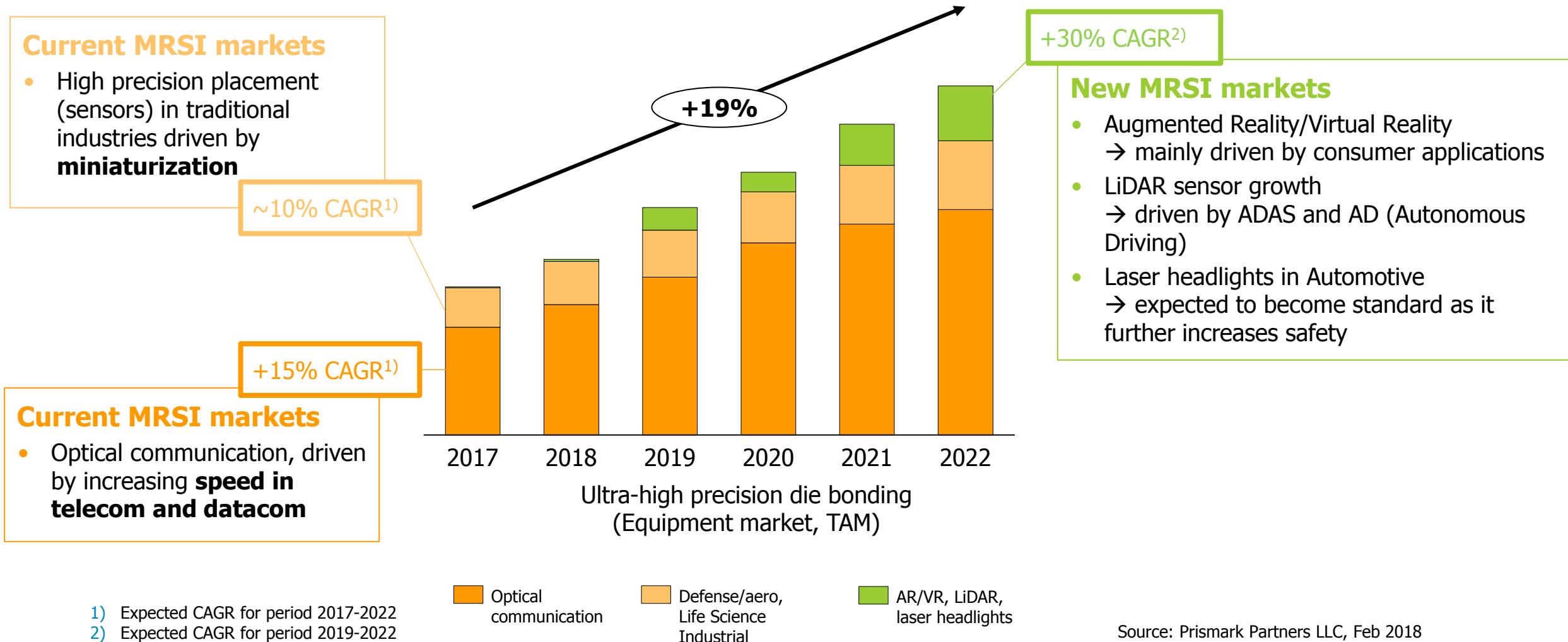


* Expected CAGR for period 2017-2022

Sources: Prismark, VLSI

MRSI market segments

Strong growth in current markets and further potential in new segments

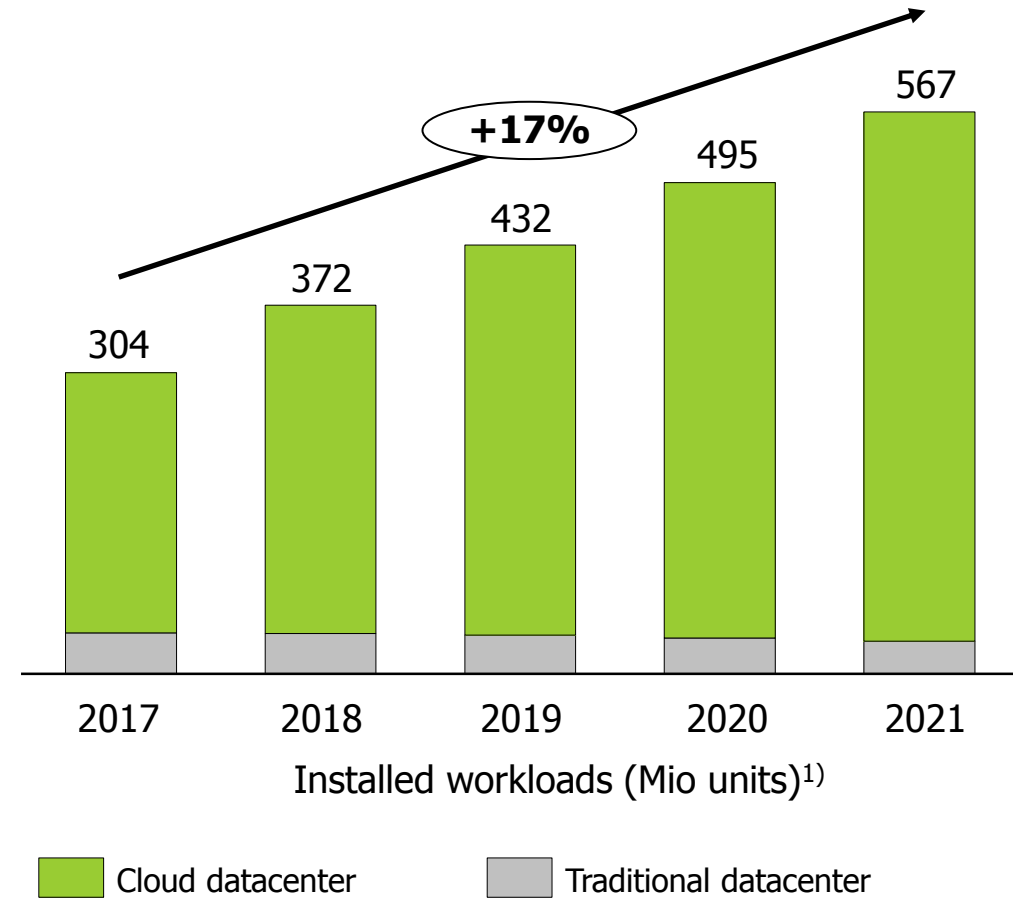


Source: Prismark Partners LLC, Feb 2018



Big data long term trend

Drives high growth in optical communication segment

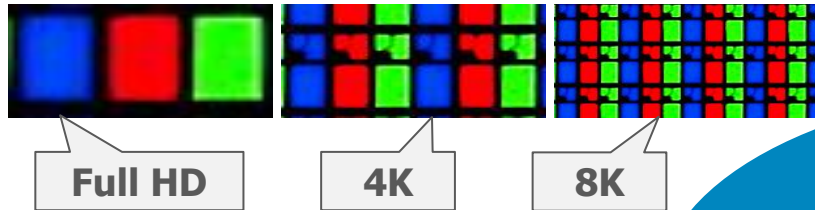


1) Source: Cisco White Paper (2018): Traffic within hyperscale data centers will quadruple between 2016 and 2021.

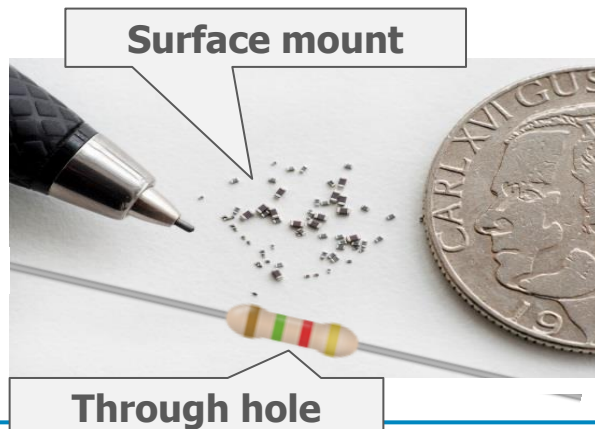
Miniaturization trend

Requires ultra high precision assembly

Displays



Components



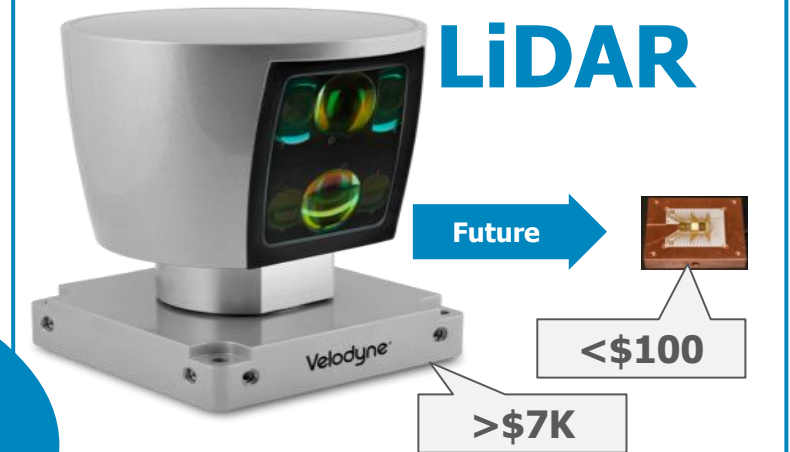
Miniaturization

As electronics shrink it will be harder and harder to assemble which will require more automation that is more accurate and flexible

Cameras



LiDAR

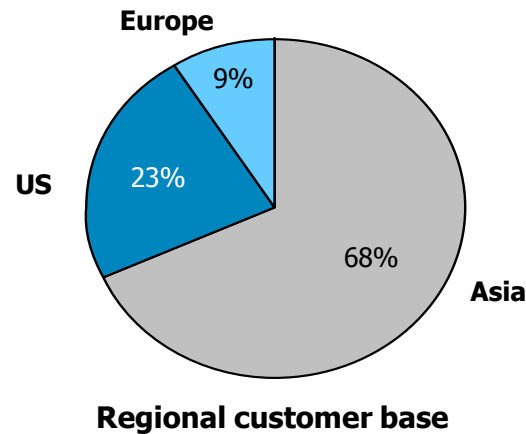


Computers



Customers

High stickiness and tangible synergies with rest of AS' business segments



Segment	% of total sales
Telecom / Datacom	~61%
Aerospace & Defense	~28%
Microelectronics	~4%
Life Science Computers Industrial	~7%

Mycronic customer synergies

MRSI has a high degree of customer stickiness

- 38% of all system sales the past 4 years have been repeat orders

MRSI has a good track record to win new customers

- In 2017 one of three system sales came from new accounts

MRSI has successfully performed a regional shift to Asia

- From 2015 to 2017 the share of business from Asia further increased from 60% to 68%
- High Asia exposure one of the main reasons for former owners to seek partnership

- MRSI & Mycronic have a number of joint accounts in key industries
- Synergies in cross-selling and 1st line customer support

Source: Company information, sales & customer data related to period 2014-2017

MRSI as part of Mycronic

MRSI will be a strong contributor to execute on Mycronics strategy

Better utilize Mycronic's Asia presence

- MRSI will even better leverage the already strong establishment of Mycronic in Asia and especially China

Create a strong 'Boston hub'

- MRSI, AEi and Mycronic Inc create a strong hub in the greater Boston area
- Synergies in sharing and optimizing supply base, balancing workload and attracting talent

Leverage MRSI proven technologies for broader Mycronic portfolio

- MRSI has proven solutions which are of use for other Mycronic businesses

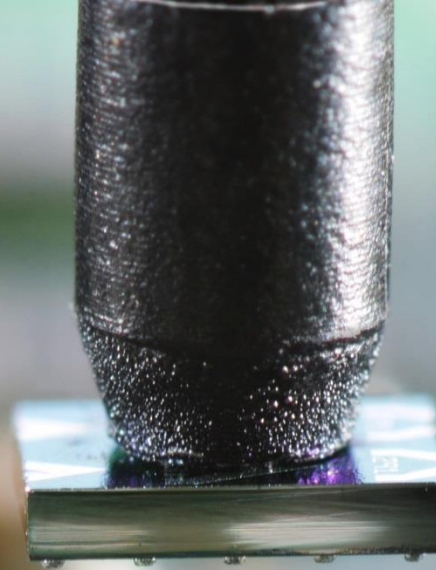
Stronger offering for automotive industry

- Broader offering to the automotive segment when combining MRSI and AEi portfolios
- Joint approach for emerging LiDAR solutions

Main synergies for MRSI:

- Leverage on Mycronic's Asia presence
- Mycronic's software competence and solutions for process control and MES integration
- Systematic aftermarket approach (MYCare) and joint 1st level support

Q&A

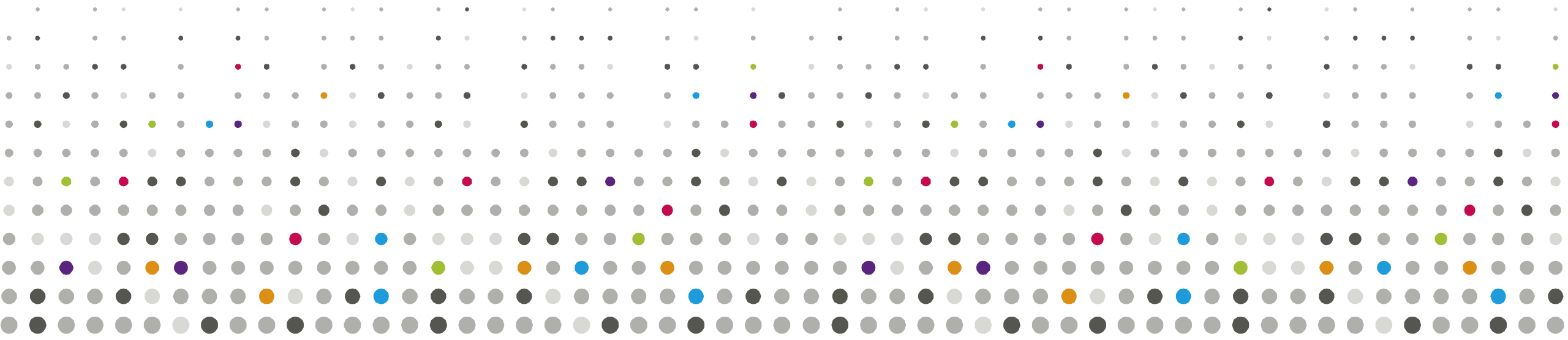




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When passion meets innovation ●

APPENDIX
Q2 Market update

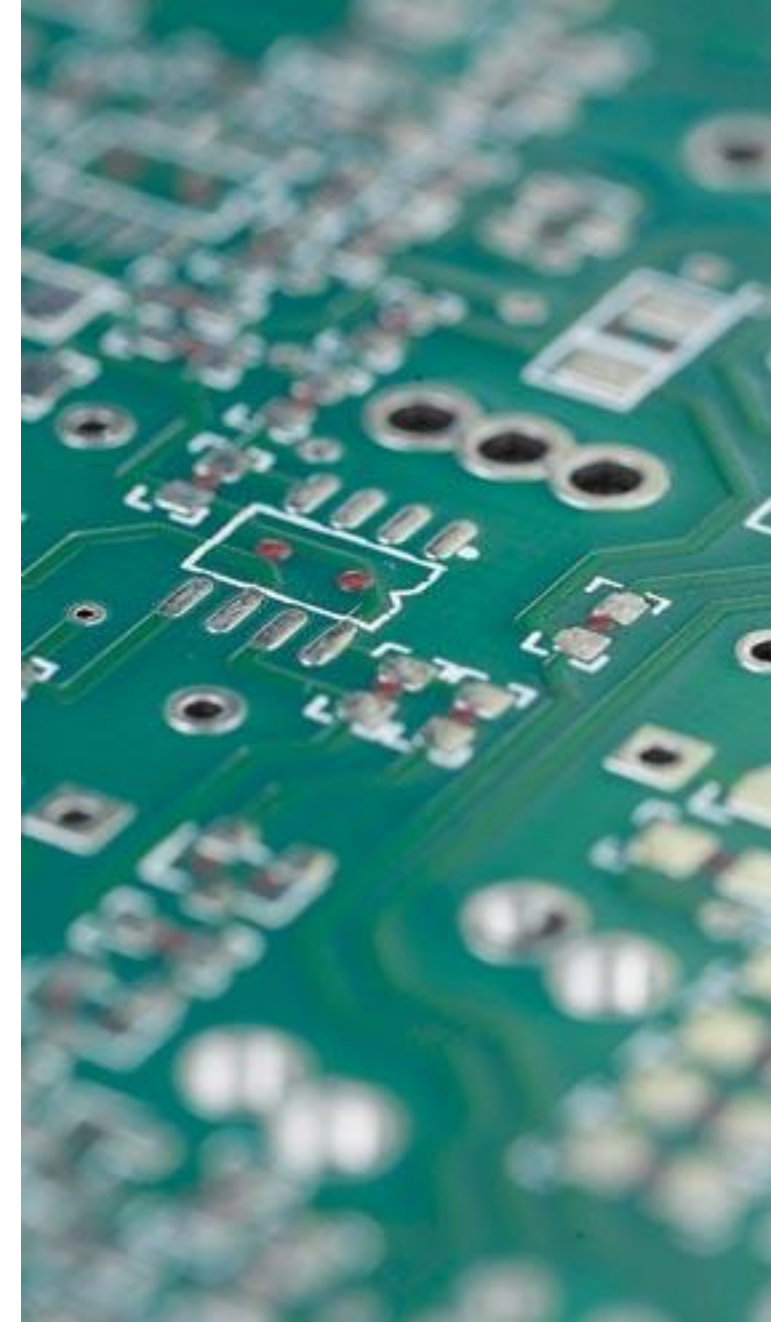


Outcome 2017

Market summary and updates

- Global electronics at +6.1% (from +6.2) or 2,004 BnUSD
- Semiconductors +21.7% and reached 412 BnUSD
- SMT assembly equipment +32% to 2,615 MUSD
- Dispensing equipment revised up to 770 MUSD (from 710) or +28%
- Camera modules revised from 161 to 130 million units and +34%
- Display market actuals came in close to expectations, with +19% from 105 BnUSD to 124 BnUSD
- Display photomasks +14% to around 704 MUSD

Source: Prismark May/June 2018, PROTEC MDC January 2018, IHS April 2018, IHS May 2018.



Forecasts 2018

Market summary and updates

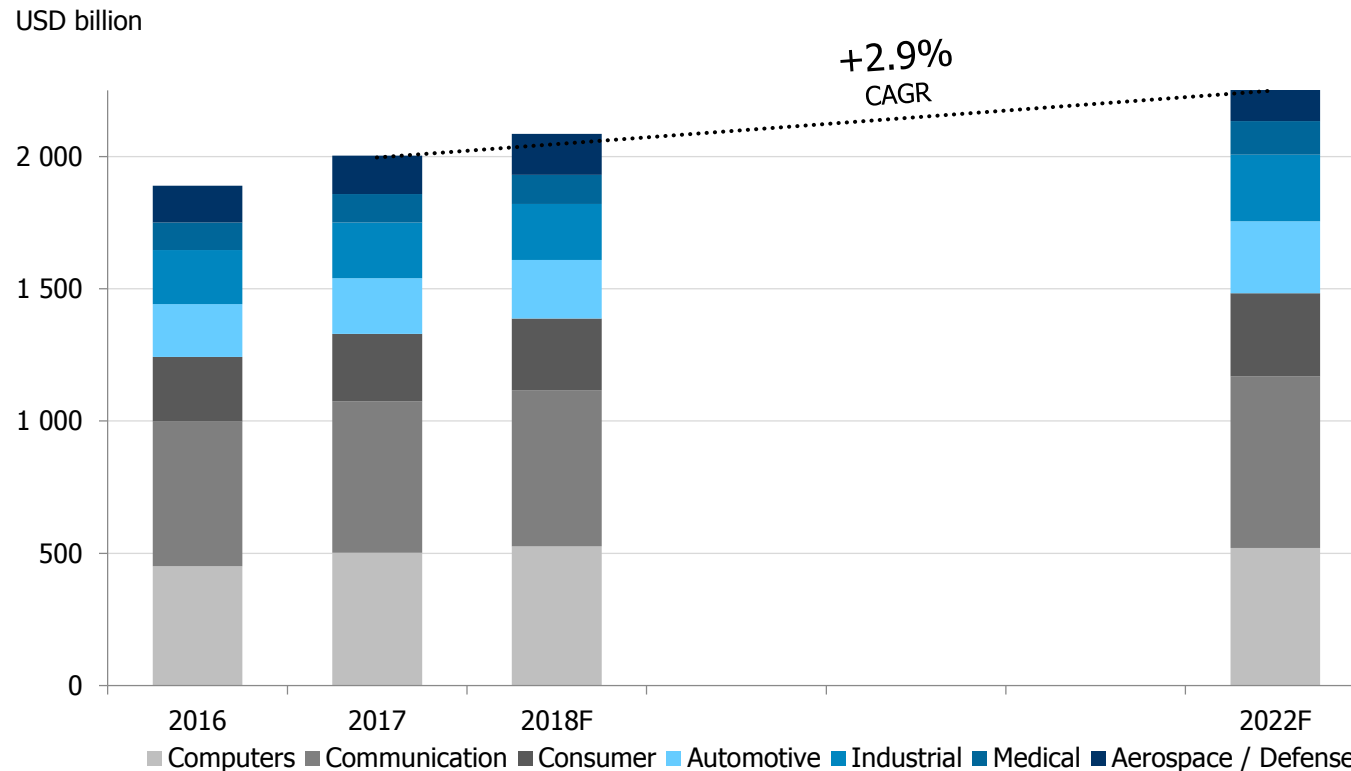
- Global electronics forecast revised to 4.1% (from 4.5) or 2,087 BnUSD
 - Long term forecast over 2018 to 2022 indicates a CAGR of +2.6%
- Semiconductor industry forecast revised up to 11.1% (from 7.7) to 458 BnUSD
 - Forecast 2018 to 2022 indicates a CAGR of +0.6%
- Camera modules forecast +19% to 155 million units
 - +18% CAGR 2018-2022 to 300 million units
- Displays expects a decrease to 122 BnUSD (from 124)
- Display photomasks +8% to 762 MUSD
- SMT and Dispensing: Not available

Source: Prismark May/June 2018, IHS April 2018, IHS April/May 2017.



Electronics industry systems

Solid long term growth



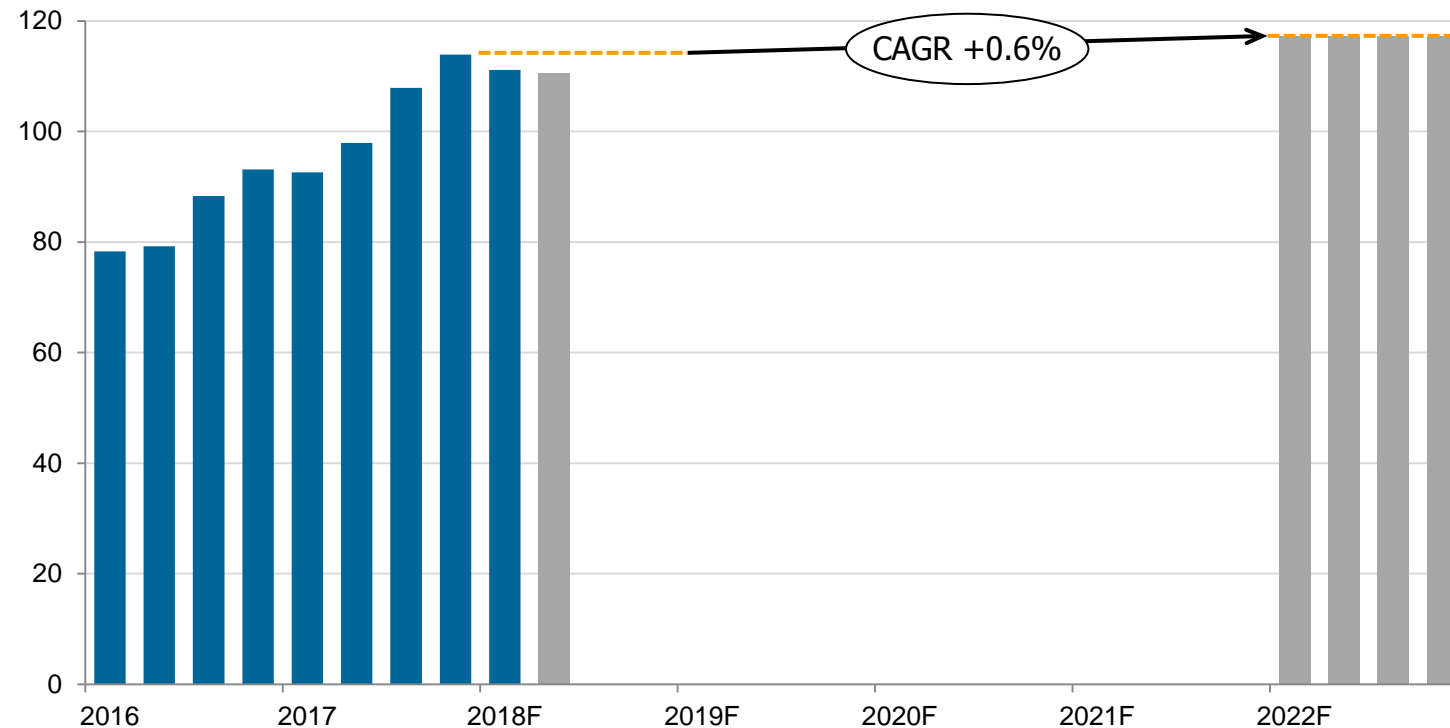
- +6.1% in 2017 to 2,004 BnUSD
- Strong segments 2017
 - Computer 11%
 - Automotive 6%
 - Aerospace 5%
- Expected growth of +4.1% in 2018 to 2,087 BnUSD
- +2.9% CAGR expected for 2017-2022

Source: Prismark, June 2018

Semiconductors

Quarterly development

USD billion



- +21.7% 2017
- +11.1% expected 2018
- 2018 – 2022 CAGR forecasted at +0.6%

Source: Prismark, June 2018

Assembly Solutions

Market update

SMT equipment*

- Q1 2018 saw a positive development for assembly equipment with a growth of 37% compared to Q1 2017. Positive development in all regions except Americas

Dispensing*

- 2017 market estimated at 770 MUSD
- Mycronic within the top 5 largest suppliers of dispensing equipment addressing the major part of the total market

Assembly automation

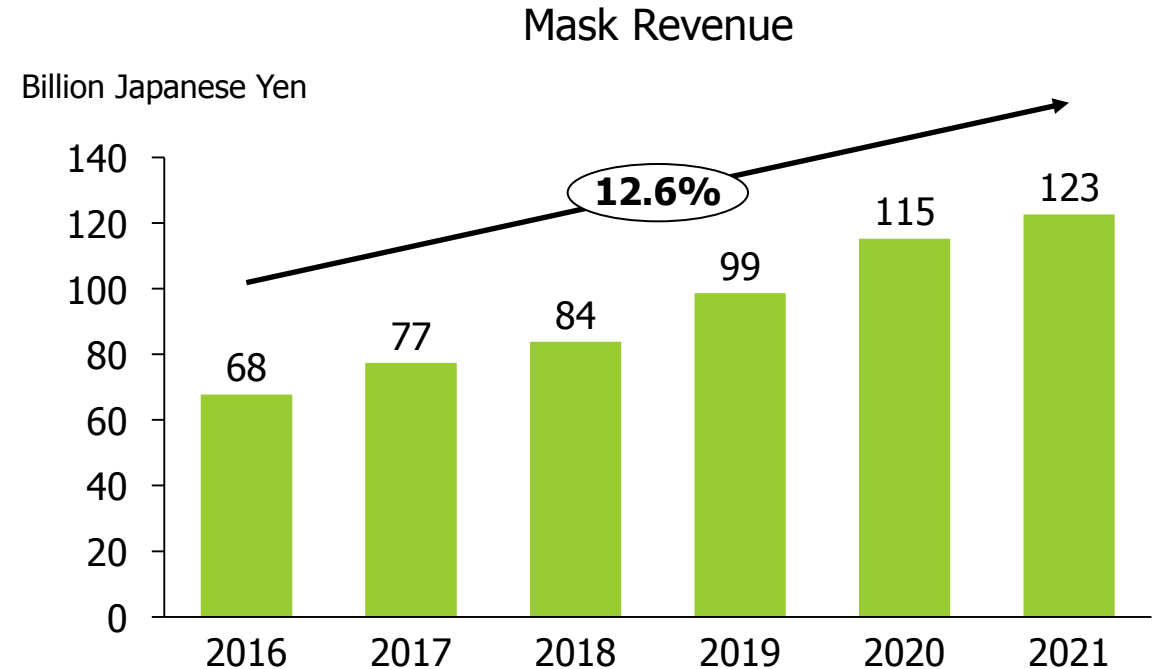
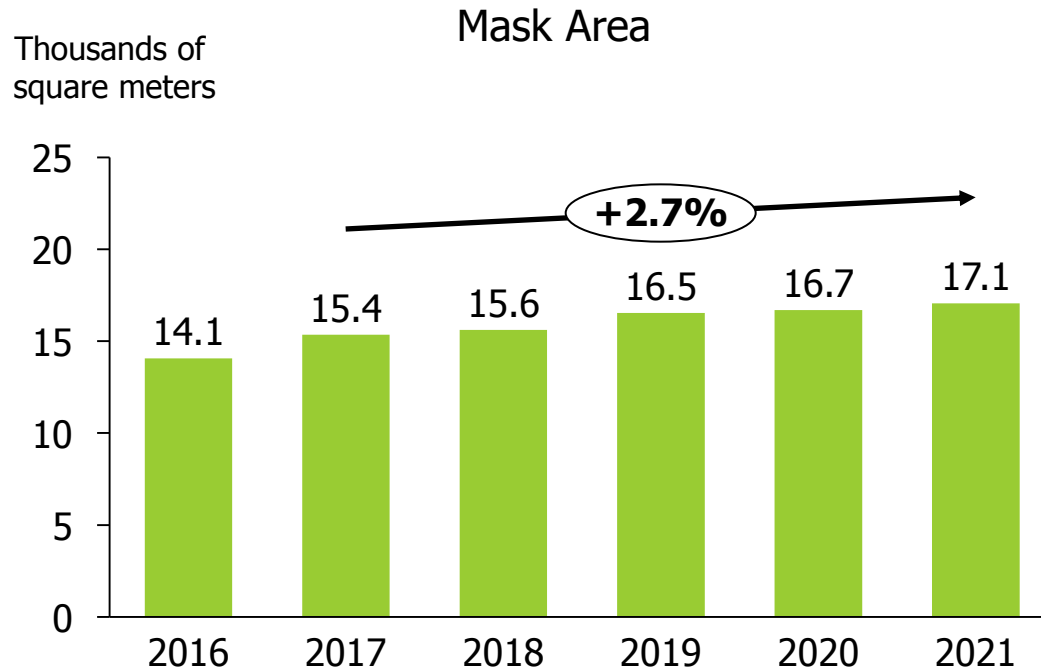
- Automotive is one of the fastest growing segments in the electronics industry.
- Camera modules for ADAS is growing fast
 - Estimated 34% growth or 130 million units produced 2017
 - Expected to grow 19% in 2018 to 155 million units
 - +18% CAGR 2018-2022 to reach 300 million units

Source: PROTEC MDC April 2018, Prismark May 2018, Mycronic

* No external forecast provided for 2018 and onwards

Pattern Generators

Positive display photomask market

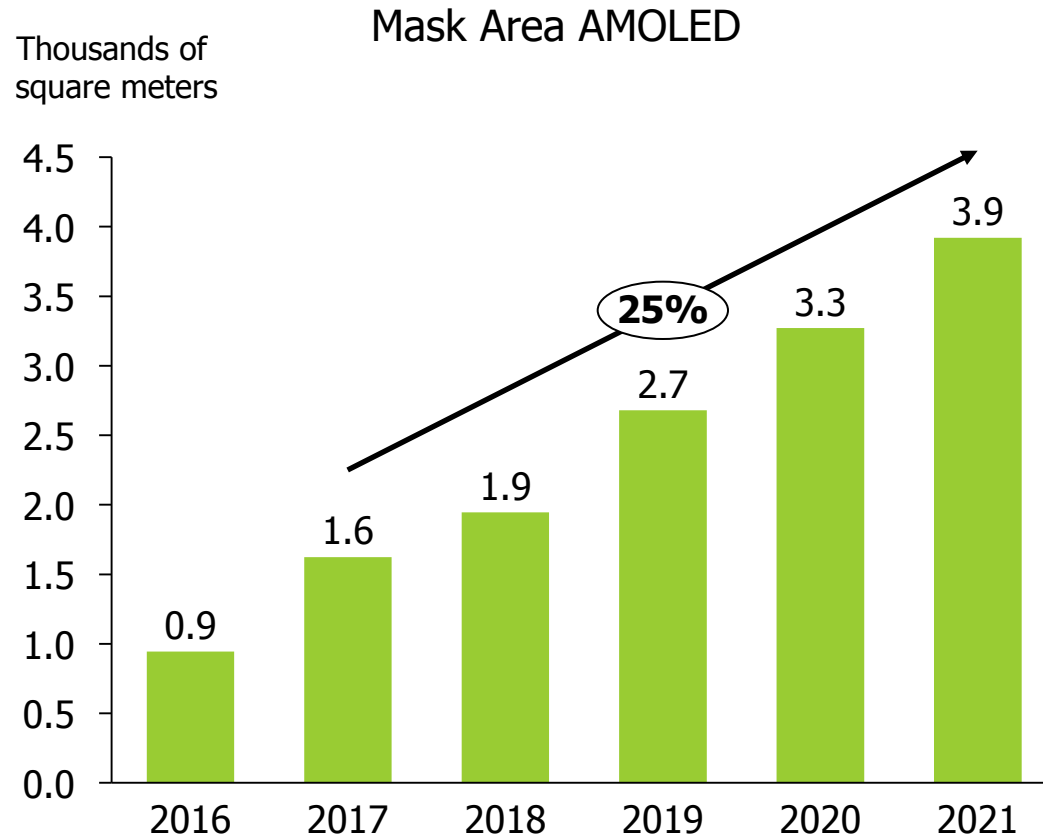


- Forecast for the display mask market is positive for 2018 with a forecasted growth of 8% according to latest forecast from May 2018
- Long term forecast remains positive both for revenue and area growth
 - Increased share of complex and high value masks due to AMOLED transition and transition to displays with higher resolution
 - Increased share of G10 masks to support new G10 fabs ramping up in China

Source: IHS May 2018 (Display photomask market is forecasted in JPY by IHS since it is mainly priced in that currency)

Pattern Generators

Strong growth of photomasks for AMOLED displays



- Technology shift from LCD to AMOLED for mobile displays drives a strong photomask area growth the coming years
- Photomasks for AMOLED is 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

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