

Fourth quarter 2021





CEO & President

Anders Lindqvist

Agenda

- Q4 in short
 - Divisional development
 - Financials
 - Final remark
 - Q&A
-
- *Appendix – Market update*





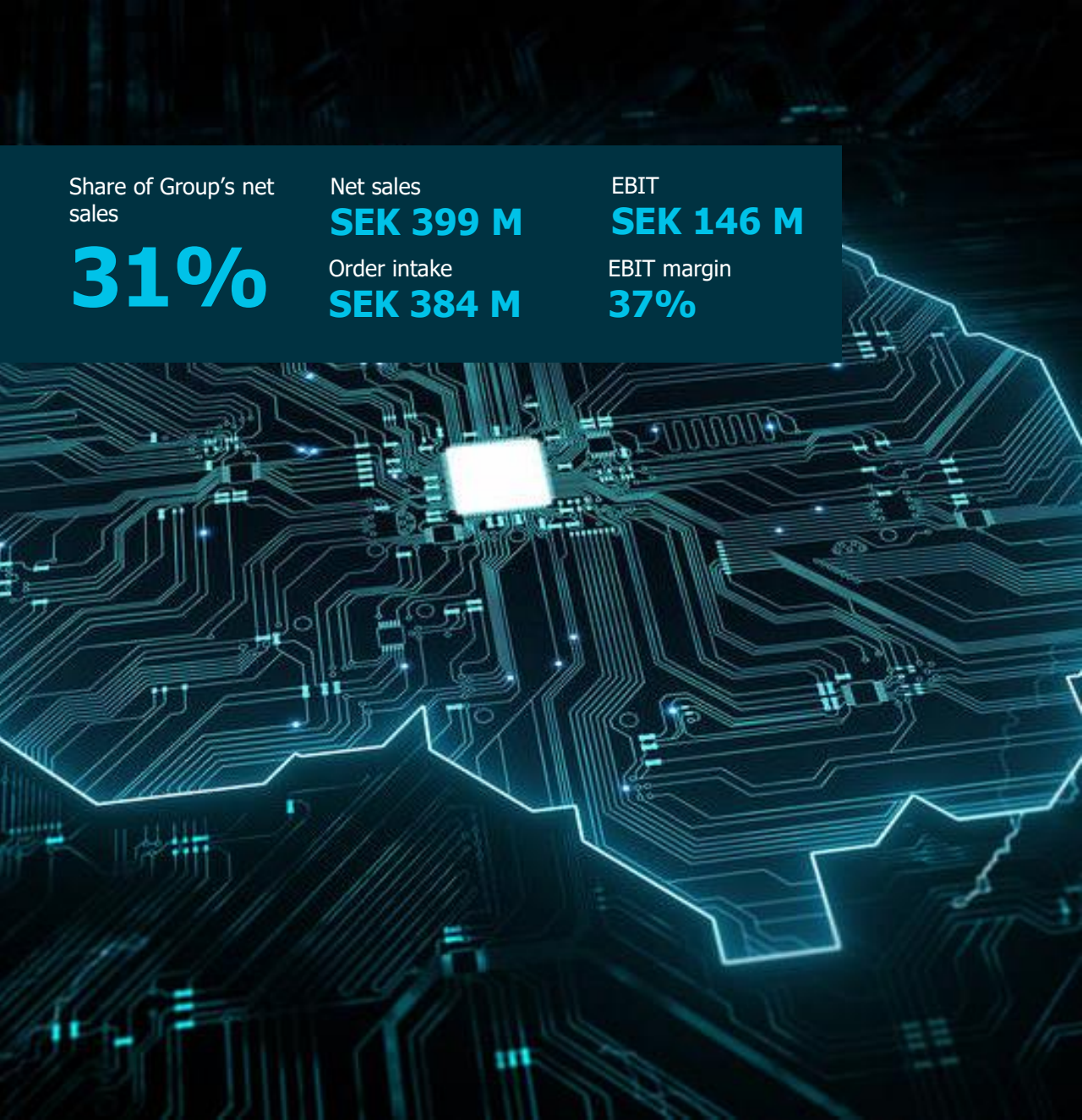
Q4 in short

- Order intake increased 43% to SEK 1,234 (865) million
- Net sales increased 30% to SEK 1,295 (992) million
- EBIT decreased to SEK 204 (214) million
 - Different product mix
- EBIT margin at 16 (22)%
- Order backlog at SEK 1,975 (1,969) million
 - Contained 12 mask writers on December 31
- Acquisition of HC Xin completed in November 2021
- Events after Q4:
 - Two orders for one SLX mask writer each
 - Divestment of AEi completed beginning of February 2022
- For full year 2021, 11% EBIT margin reached in previous Assembly Solutions business area
 - Above ambitious 10% target

The background image shows a city street at night, with a multi-lane highway filled with cars. Overlaid on this scene is a complex network of glowing blue lines connecting various icons. These icons include a globe, a padlock, a heart, a person, a house, a play button, a gear, a brain, and a location pin. The network is dense and spans across the entire image, suggesting a highly interconnected and decentralized system.

Decentralized divisions

Close to customers, short decision-making paths



Share of Group's net sales

31%

Net sales

SEK 399 M

Order intake

SEK 384 M

EBIT

SEK 146 M

EBIT margin

37%

Pattern Generators

Semiconductor momentum

- Strong semiconductor demand combined with replacement need for old mask writers creates SLX momentum
- Order intake consisted of four SLX mask writers from the semiconductor industry
 - Order intake declined 5% to SEK 384 (403) million
- Net sales increased 4% to SEK 399 (385) million
- EBIT at SEK 146 (201) million due to less favorable product mix
- Backlog of SEK 744 (1,156) million
- 12 mask writers in order backlog, of which 11 SLX and 1 Prexision Lite 8 Evo
 - 14 mask writers, of which 13 SLX and 1 Prexision Lite 8 Evo, if orders received after the end of the period are included

Assembly Solutions High Flex Product launches

- Successful participation at the Productronica trade show
 - Launch of upgraded inspection system together with a broadened MYSmart series offering of products for conformal coating and inline dispensing
- Order intake increased 6%
 - A number of larger orders across entire product portfolio
- Net sales rose 11%
- Successful deliveries, but negative effect from higher logistics expenses and costs of some components
 - Gross margin remained stable at 41%
- EBIT at SEK 59 (25) million
- Increased backlog at SEK 130 (86) million





Assembly Solutions High Volume

Continued solid order intake

- Focus on offering complete automation solutions starting to reap rewards
- Strong market in Q4, with clients in consumer electronics and electric vehicles placing orders on new production equipment
- Order intake increased 102%
- Net sales rose 39%
- EBIT at SEK 17 (30) million reflects modest gross margin and continued investments in commercial resources
 - Also low selling costs in Q4 2020
- Increased backlog at SEK 809 (669) million
- Closing of HC Xin acquisition in November 2021

Share of Group's net sales

22%

Net sales

SEK 283 M

Order intake

SEK 328 M

EBIT

SEK 17 M

EBIT margin

6%

Global Technologies

Positive development

- Die bonding positively impacted by 5G and datacenter investments
- Good activity also in market for electrical tests of PCBs
- Organic order intake increased 178%
- Organic net sales increased 45%
- Successful delivery of products under challenging conditions
- EBIT at SEK 21 (-8) million
- Divestment of AEi completed after the close of the period, at the beginning of February 2022

Share of Group's net sales

19%

Net sales

SEK 252 M

Order intake

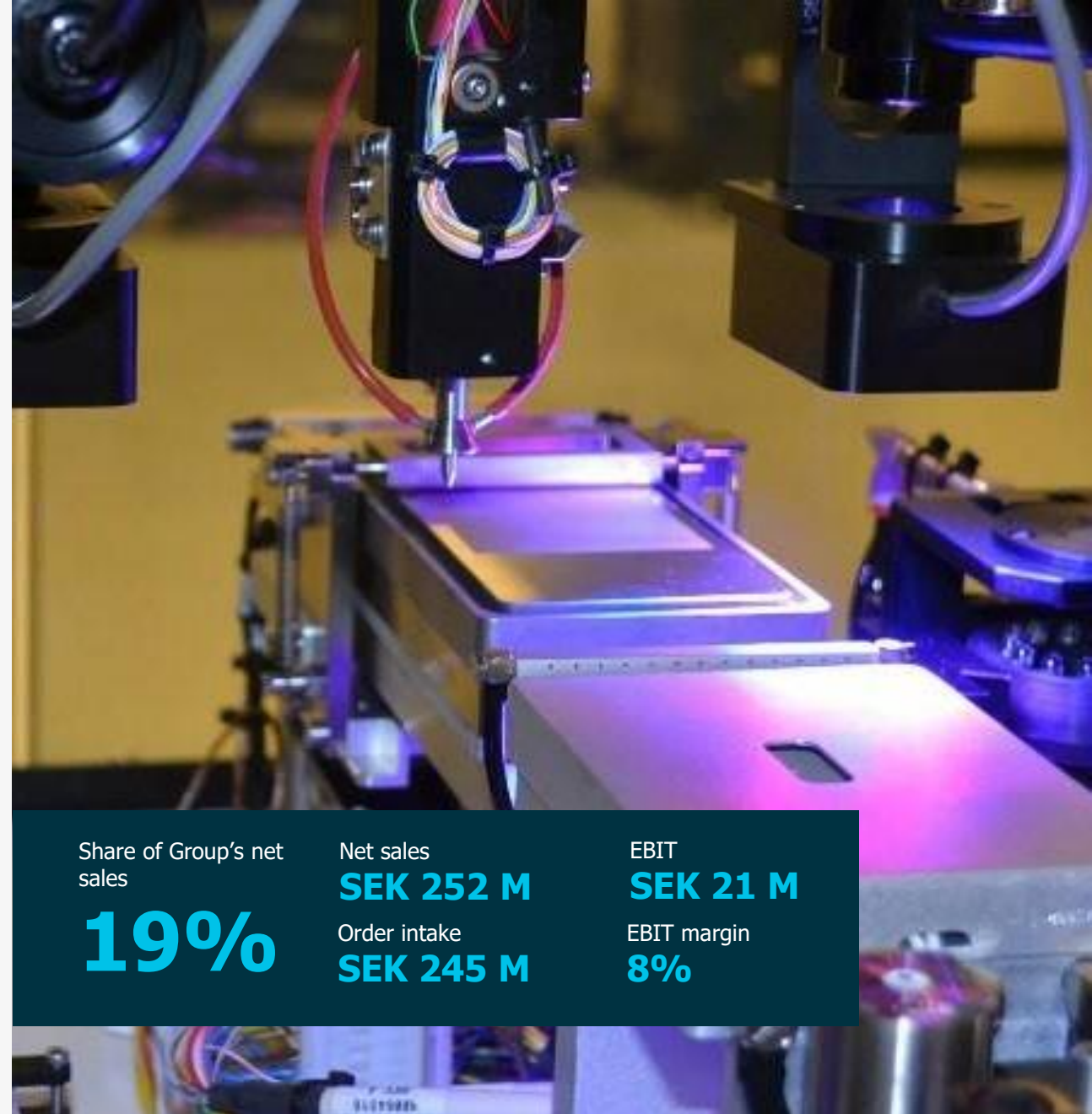
SEK 245 M

EBIT

SEK 21 M

EBIT margin

8%



Outlook 2022: Higher net sales, lower EBIT

Aiming to reach
net sales target
one year ahead
of plan

Due to a different
product mix

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

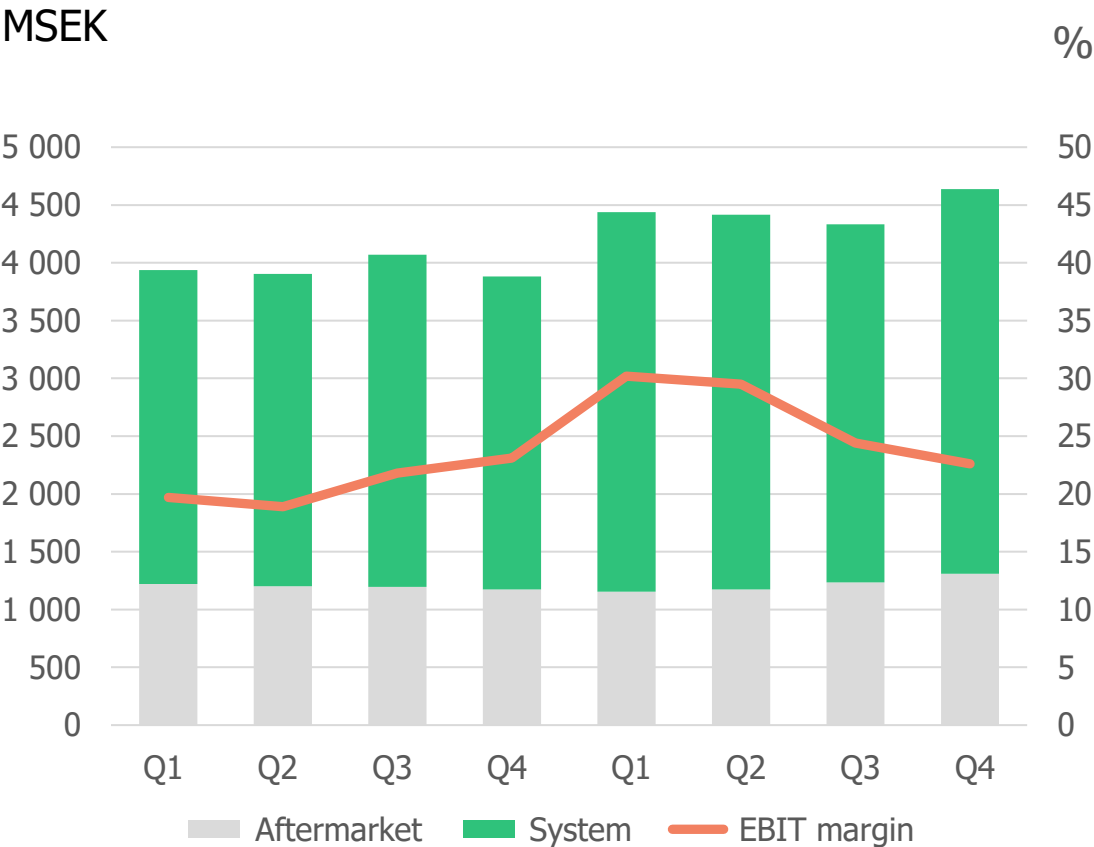
New financial targets will be presented during 2022



CFO

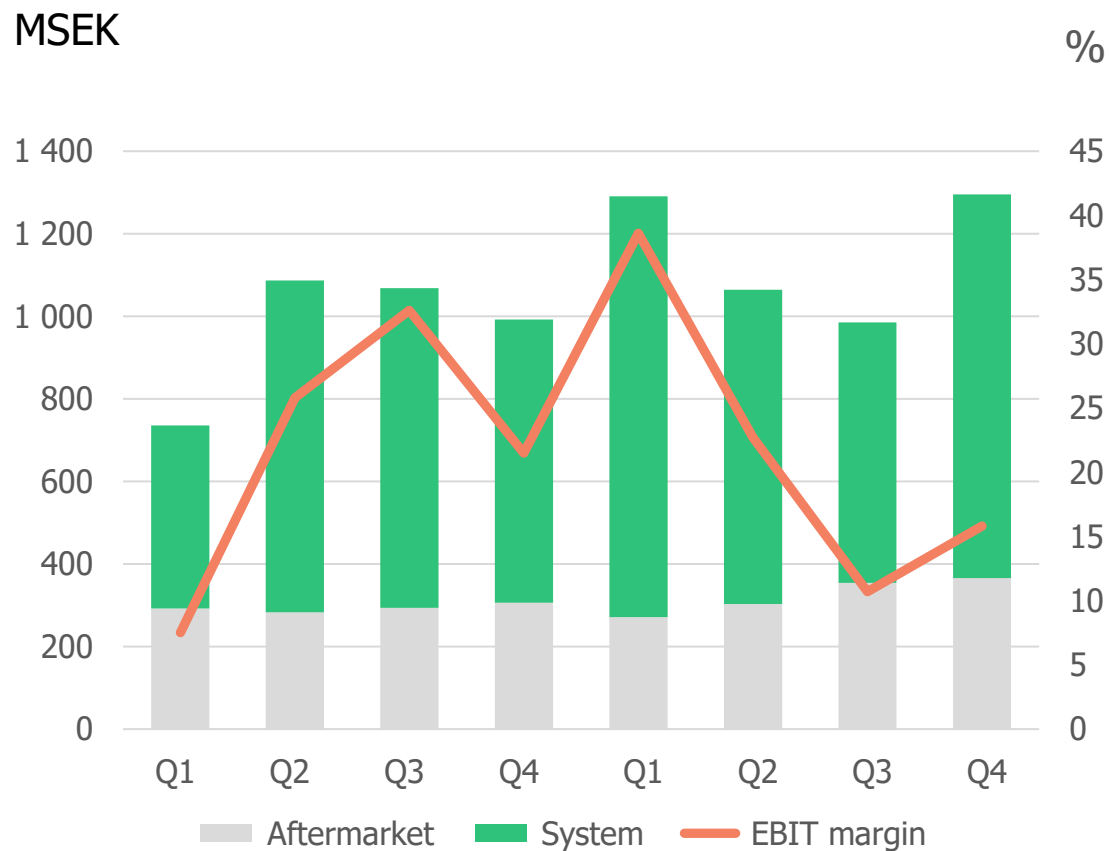
Pierre Brorsson

Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 4,635 million
- Q4 EBIT margin R12 at 23%
- Aftermarket constitutes a stable base of recurring revenue

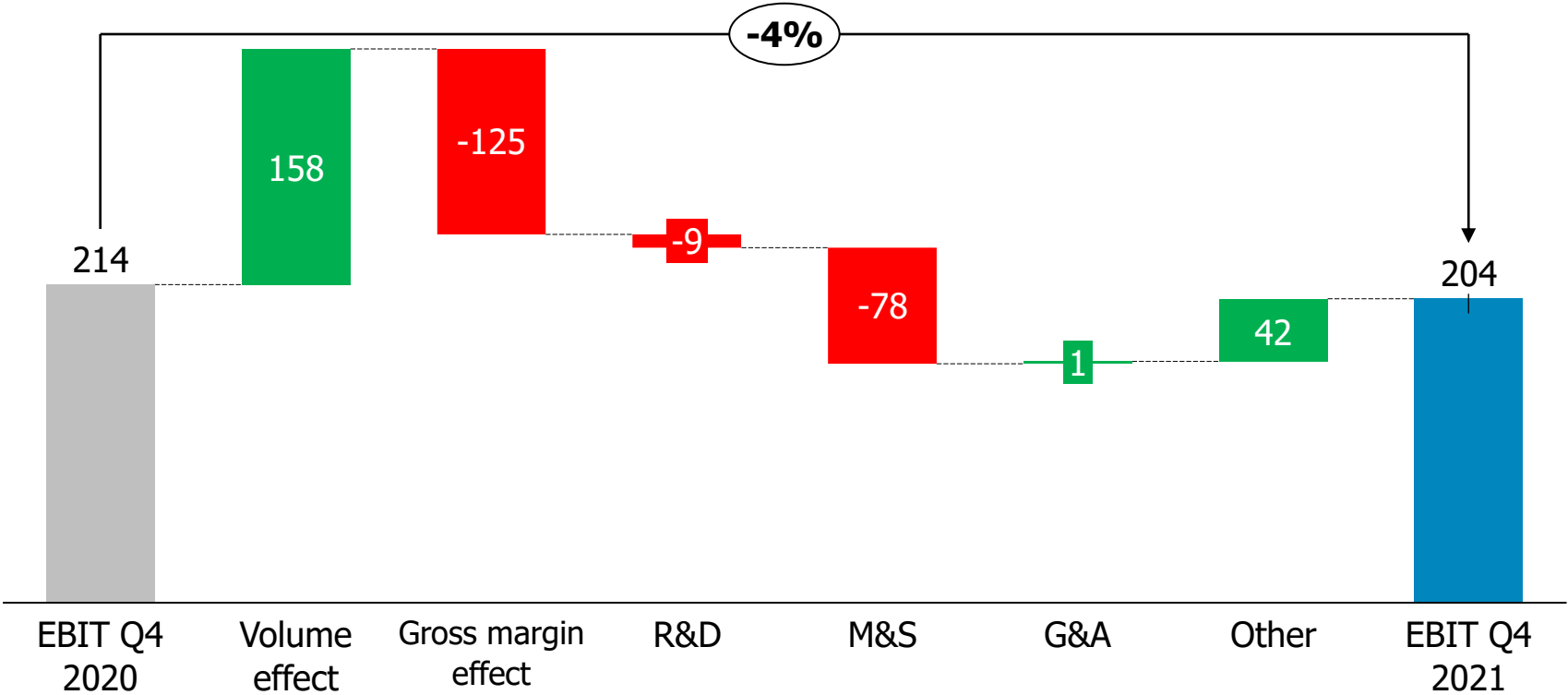
Group net sales and EBIT margin per quarter



- Net sales Q4 amounted to SEK 1,295 million
- Decline in EBIT margin despite higher net sales largely explained by different product mix
- EBIT margin at 16%
- Aftermarket a stable revenue base also on a quarterly basis

Group Q4 EBIT bridge

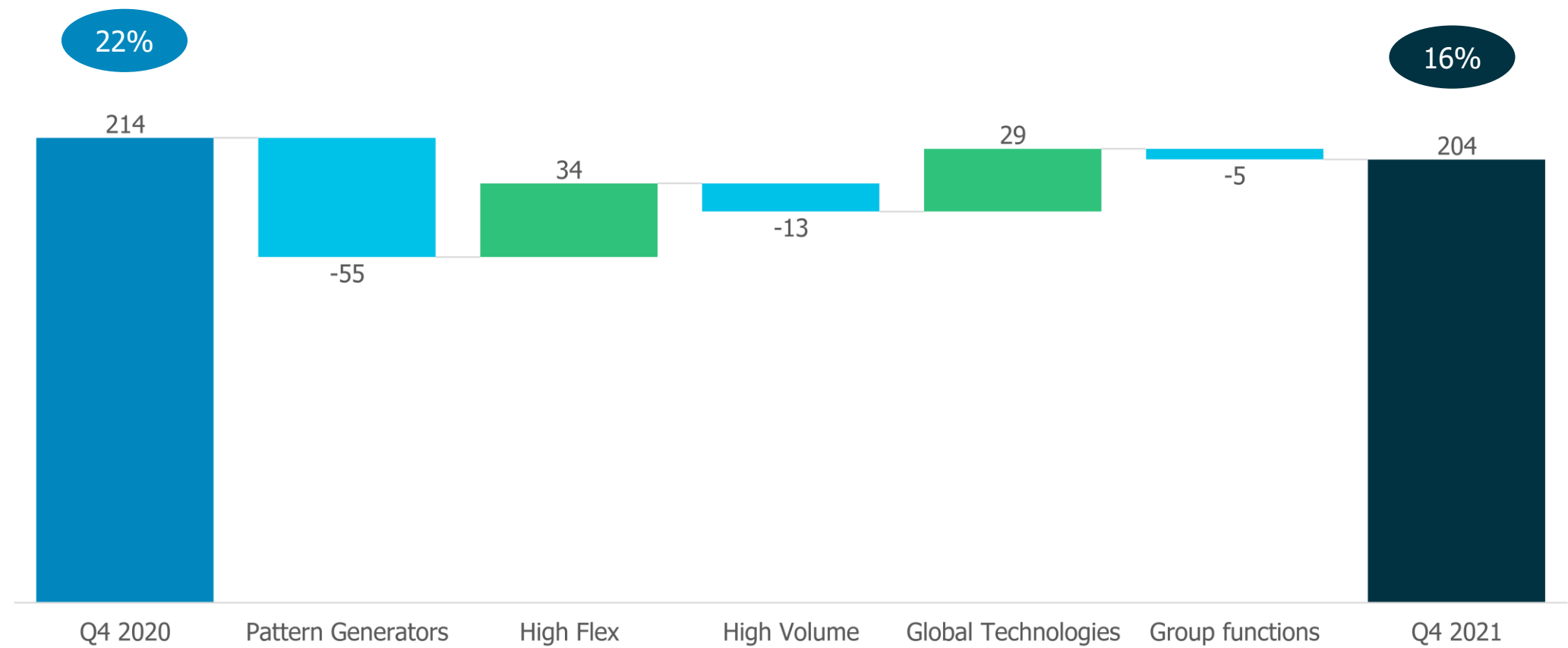
MSEK



% of Sales 2020	22%	52%	-14%	-7%	-7%	-3%	
% of Sales 2021		43%	-11%	-12%	-5%	1%	16%

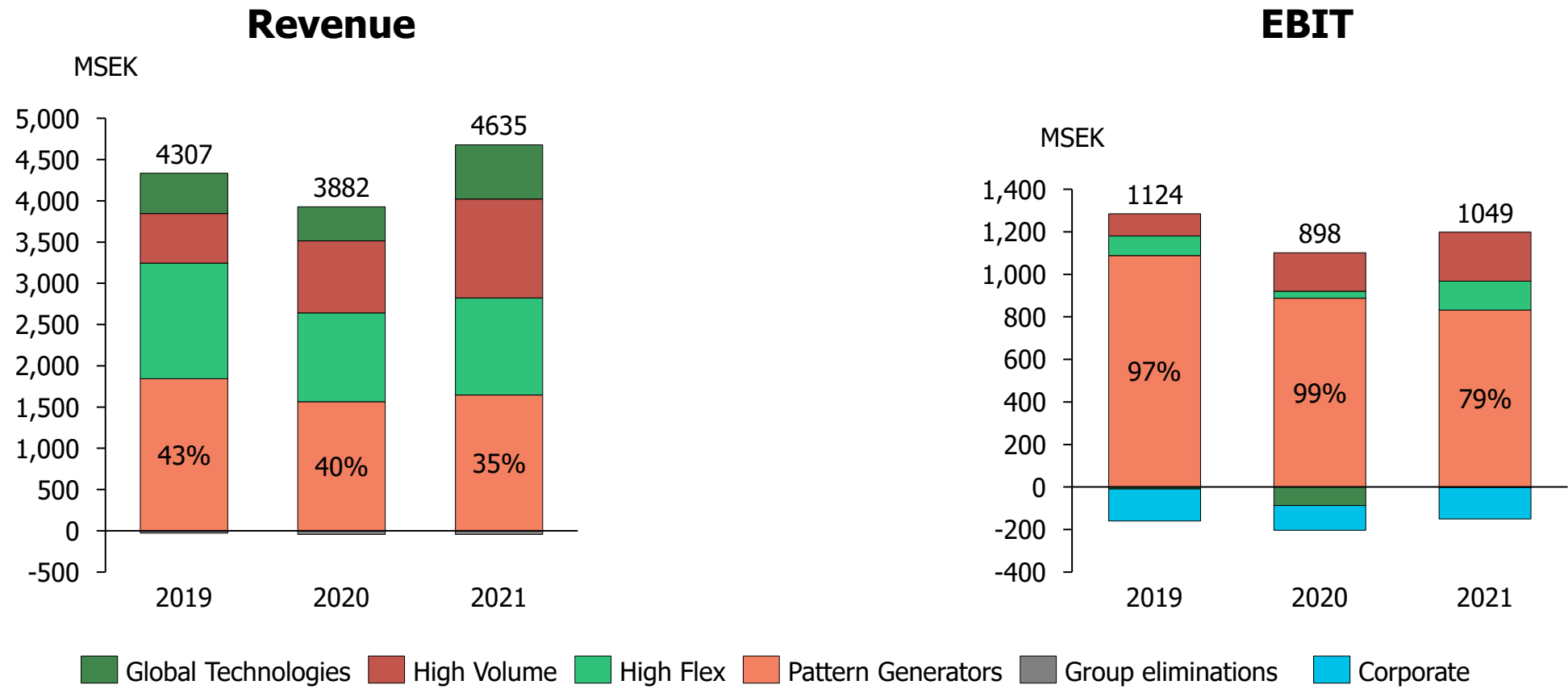
Divisional Q4 EBIT contribution

MSEK



Mycronic financial performance

Pattern Generator’s share of total Mycronic revenue and EBIT is decreasing



Large impact on cash flow from acquisitions

MSK	YTD 2021	YTD 2020	
Cash flow from operations before change in working capital	1,066	908	• Stronger cash flow from operations before changes in working capital
Change in working capital	-68	218	• Acquisition of atg L&M and HC Xin impacted investing activities with SEK 1,027 million and SEK 87 million, respectively
Cash flow from operations	998	1,126	
Investing activities	-1,223	-150	• Financing activities include:
Financing activities	-437	-288	<ul style="list-style-type: none"> • SEK -294 million dividend payment to shareholders of the parent company • SEK -43 million acquisition of non-controlling interest in Axxon Piezoelectric Technology Co, Ltd
Cash flow for the period	-662	689	
Cash, opening balance	1,303	655	
Exchange difference	51	-41	
Cash classified as assets held for sale	-9	-	• Cash at AEi
Cash at end of period	683	1,303	• Net cash amounted to SEK 440 million on December 31

A background image of a precision industrial machine, likely a laser cutting or engraving system. The machine is dark and metallic, with various components and a large flat bed. Several bright red laser lines are visible, extending across the machine's surface and into the background. The lighting is dramatic, with strong highlights and shadows.

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Growth and sustainability

- Mycronic has a strong position for sustainable profitable growth
- During Q4 Mycronic's sustainability targets and the related sustainability strategy for 2030, were broken down by the divisions
 - Innovation for sustainability
 - Future engineers through diversity
 - Environmental footprint
- Each division has adapted the goals to its specific challenges and opportunities to make them as concrete as possible





Q&A

APPENDIX

Q4 2021 Market update

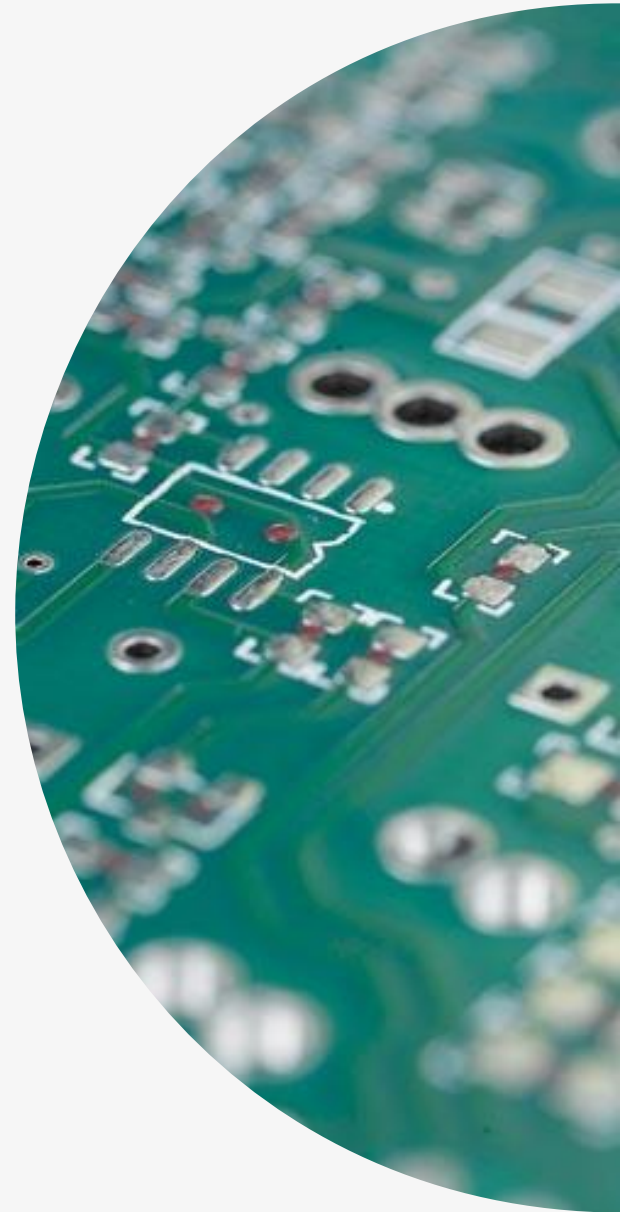
MYCRONIC

Preliminary Outcome 2021

Market summary and updates

- Global electronics at +11.0% to 2,452 BnUSD¹⁾
- Semiconductors +25.0% to 550 BnUSD¹⁾
- SMT assembly equipment market +26.7% to 3,732 MUSD²⁾
- Optical components +12.4% to 10.5 BnUSD³⁾
- Printed circuit boards and substrates +22.6% to 79.9 BnUSD⁴⁾
- Display market +24.1% to 155 BnUSD⁵⁾
- Display photomasks 4.5% to 858 MUSD⁶⁾
- Semicon photomasks +12.7% to 6.1 BnUSD⁷⁾

Source: 1) Prismark December 2021, 2) PROTEC MDC January 2022, 3) Lightcounting October 2021, 4) Prismark, November 2021, 5) Omdia January 2022, 6) Omdia July 2021 (annual update), 110YEN/USD used as conversion rate, 7) VLSI reserach April 2021 (annual update)





Forecasts 2022

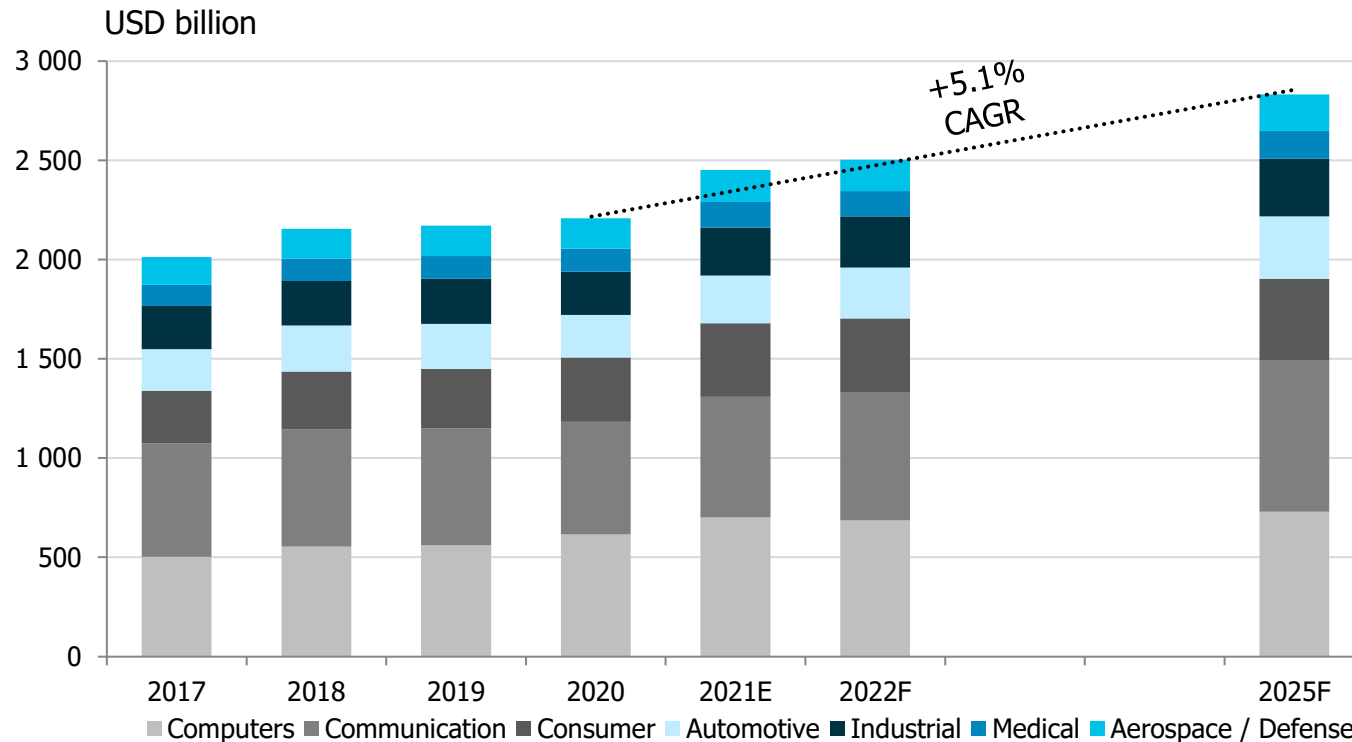
Market summary and updates

- Global electronics industry growth forecast +2.1%, to reach 2,503 BnUSD¹⁾
- Semiconductor industry growth forecast +6.0% and to reach 583 BnUSD¹⁾
- Optical components market growth +15.2% to reach \$12.1 BnUSD²⁾
- Printed circuit boards and substrates +4.8%³⁾
- Displays -5.8% to 146 BnUSD⁴⁾
- Display photomasks +8.7% to 933 MUSD^{5, 6)}
- Semicon photomasks +8.2% to 6.6 BnUSD⁷⁾
- Dispensing: not available

Source: 1) Prismark December 2021, 2) Lightcounting October 2021, 3) Prismark, November 2021, 4) Omdia January 2022, 5) Omdia FPD large-area photomask research July 2021. 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) VLSI reserach April 2021

Electronics industry systems

Yearly development by industry segment

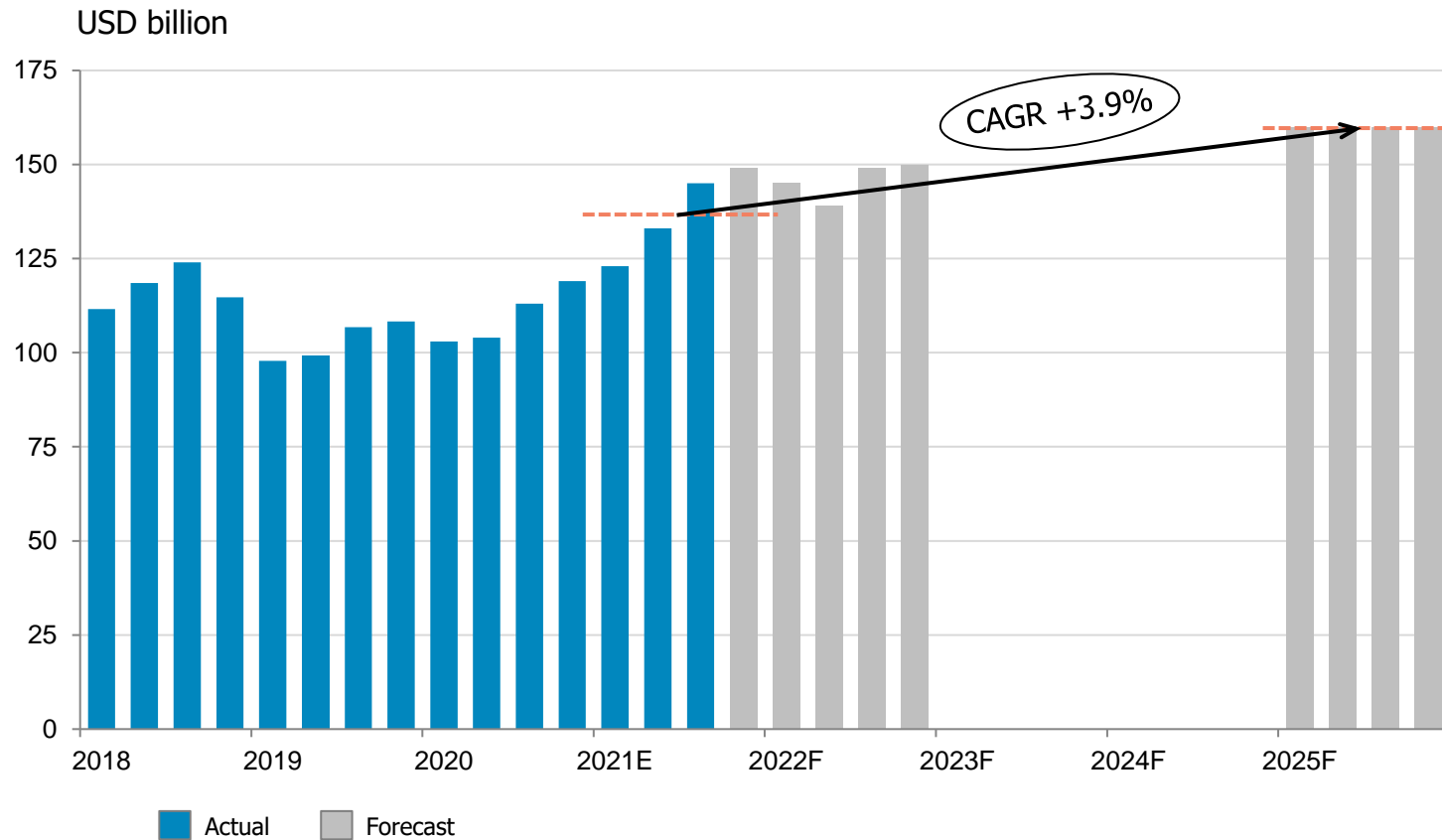


- Estimated growth of +11.0% in 2021 to 2,452 BnUSD with expected growth in segments
 - Consumer +14.4%
 - Computers +13.9%
 - Automotive +12.1%
 - Medical +12.1%
- Forecast growth of +2.1% in 2022 to reach 2,503 Bn USD.
- +5.1% CAGR expected for 2020-2025, with strongest development in
 - Automotive +8.0%
 - Communication +6.1%
 - Industrial +5.9%

Source: Prismark, December 2021

Semiconductors

Quarterly development



- Estimated +25.0% growth in 2021 to 550 BnUSD
- Forecast growth of +6.0% in 2022 to reach 583 Bn USD
- 2021 to 2025 CAGR forecast at +3.9% growth to 640 BnUSD

Source: Prismark, December 2021

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⁾

Dispensing*

- 2020 market estimated at 730 MUSD²⁾, a decline of 8.8% compared to 2019.
- Mycronic second largest supplier of dispensing equipment addressing the major part of the total market

** No forecast available*

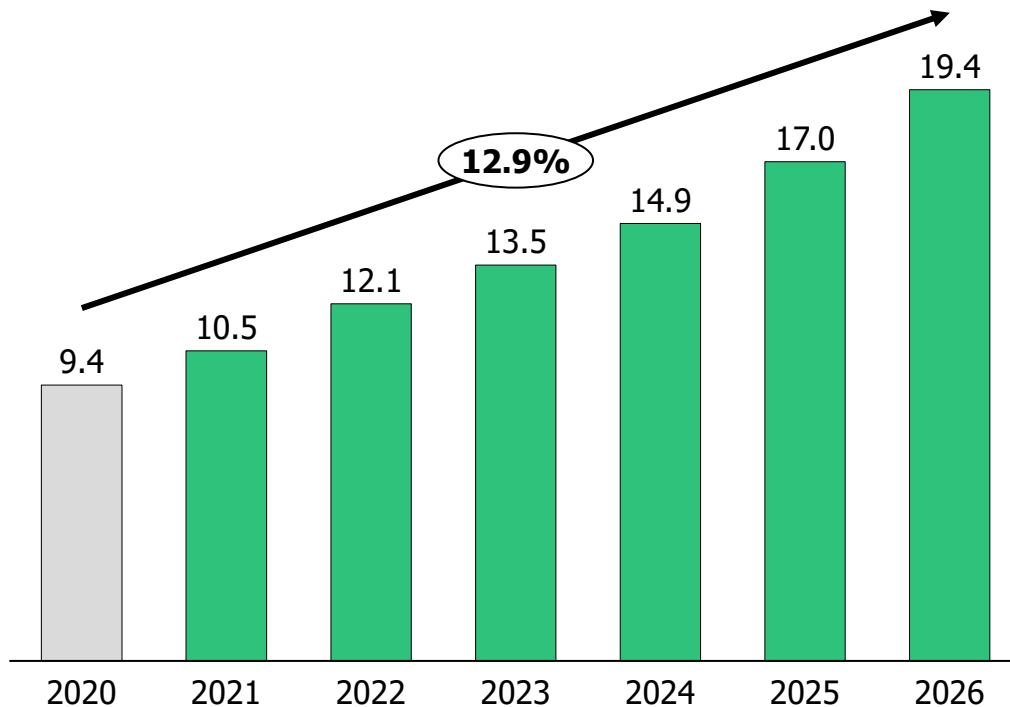
Source: 1) PROTEC MDC January 2022, 2) Prismark April 2021



Die Bonding

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

Optical components production (BUSD)



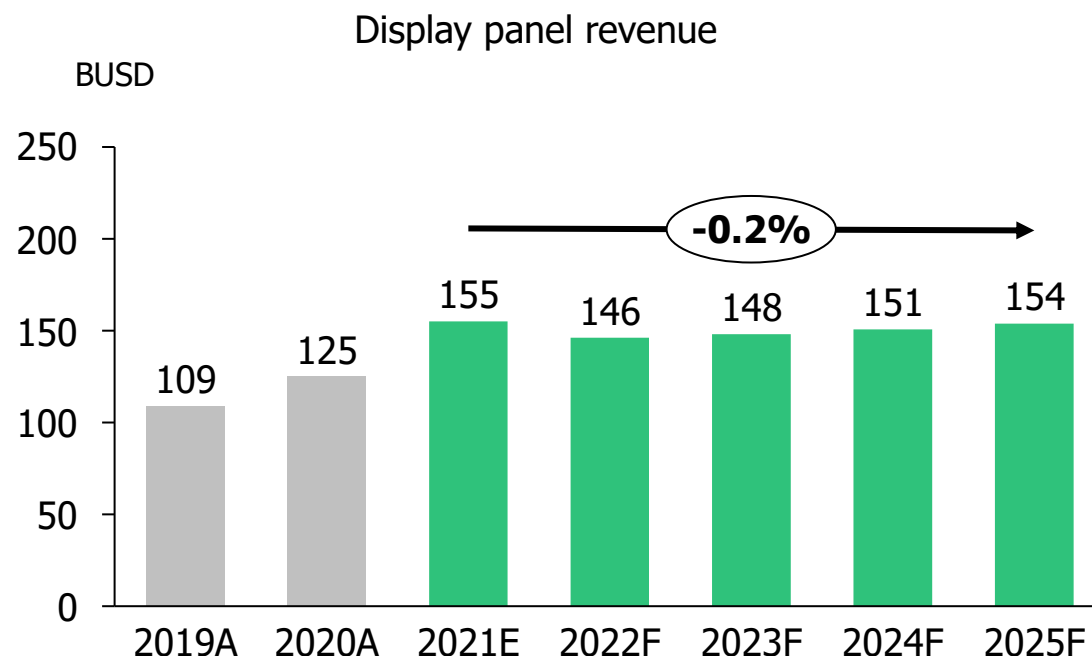
Source: Lightcounting October 2021

Healthy Data/Telecom long-term growth

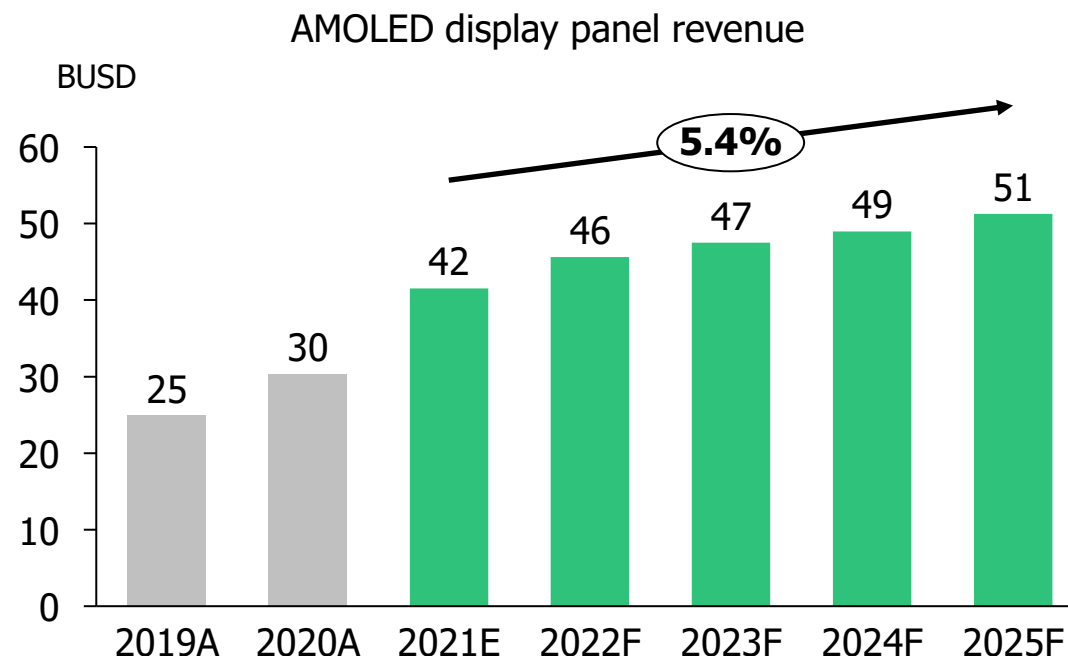
- Optical components production is the main driver for die/lens attach processes.
- Growth driven by mega trends such data centers, 5G/6G, EV, AI, IoT, and global supply chain shifting.
- Future revenue growth rate of the optical components was increased to 12.9% from 9.4% in April 2021 forecast.
- Bottlenecks in the global supply chain probably created some extra demand and certainly moderated price declines, contributing to higher than expected growth in 2021 sales and an increased forecast for 2022-2026.
- Post Covid-19 era supports the growth with photonics for higher bandwidth networking fueled by continuous high spending in capex by cash-rich cloud companies.

Pattern Generators

Display panel market



- Display market showed positive growth of 14.5% in 2020
- Positive trend continued 2021 with 24.1% growth
- Forecast for 2022 is “a soft landing” with -5.8% growth
 - LCD TV price pressure is the main reason
- After 2021 the market is forecast to stabilize on a historically high level



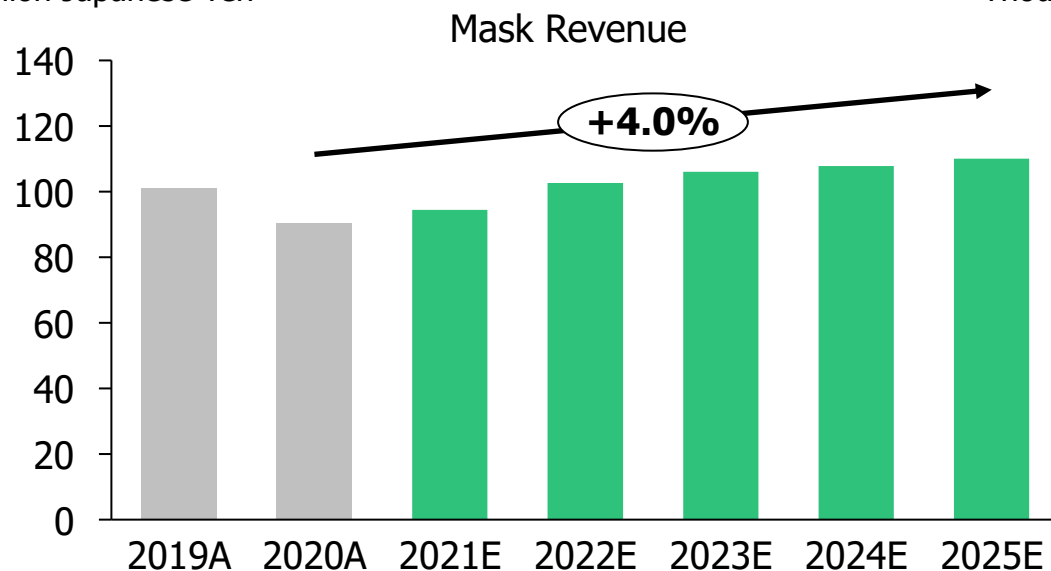
- Shift towards AMOLED continues
 - Technology shift ongoing from LCD to AMOLED for mobile displays, TV and IT segment
 - AMOLED ratio goes from 27% of total display revenue 2021 to 33% of total display revenue 2025

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

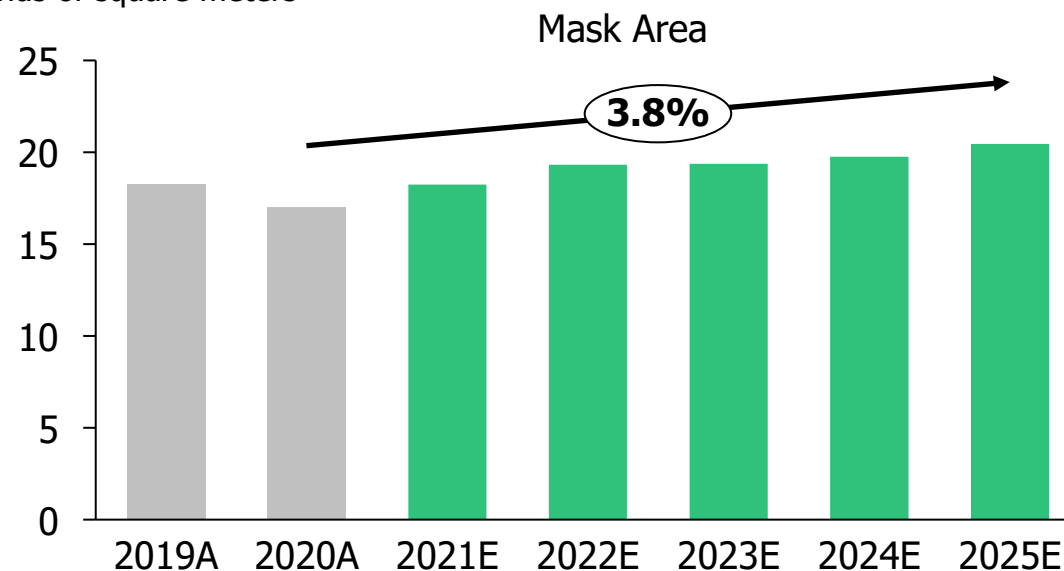
Pattern Generators

Positive photomask market

Billion Japanese Yen



Thousands of square meters



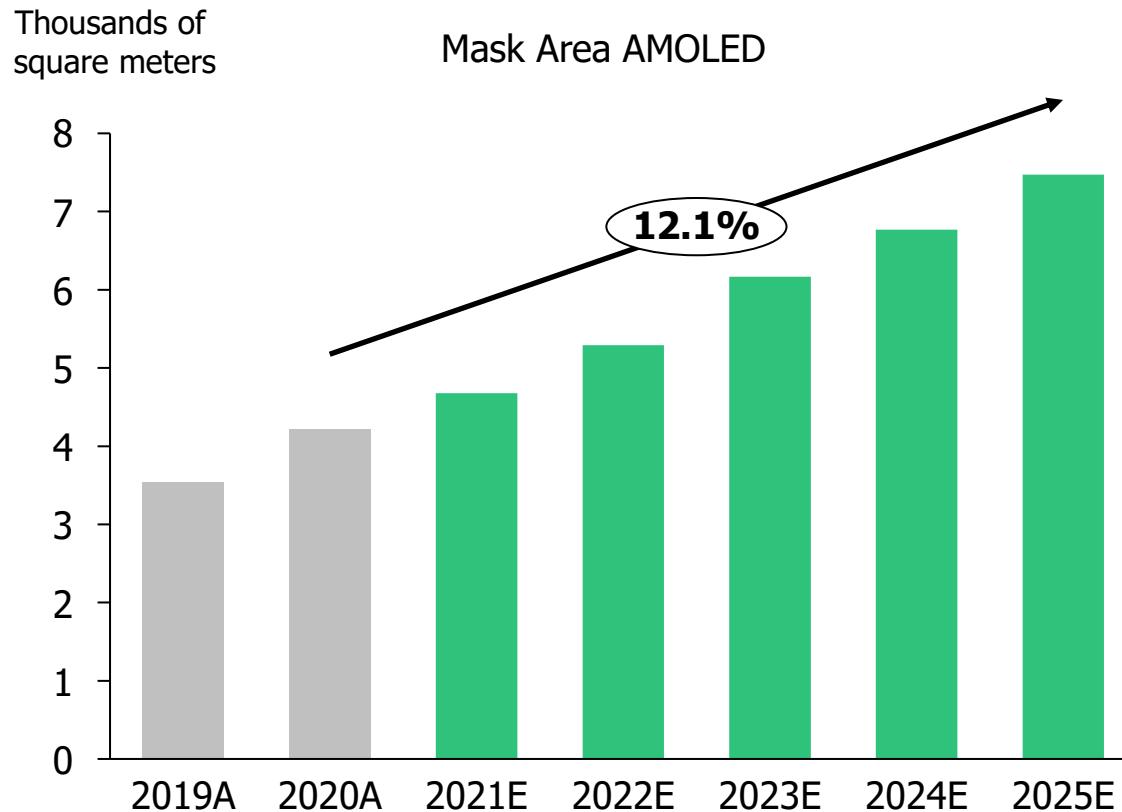
- Display mask market forecast positive after a weak 2020
 - Market development during 2020 was weak with a decline of 10.6%. The strong display market turned focus on production of existing models instead of launching new models
 - The market is forecast to recover 2021-2022 and then continue to grow. Area growth and transition to more advanced AMOLED masks are partly offset by expected lower prices on G10 masks

- Long-term area growth forecast remains positive after a weak 2020
 - Area development during 2020 was weak with negative growth of 6.9%. The strong display market turned focus on production of existing models instead of launching new models
 - Positive growth 2020-2025 of 3.8% 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 2021. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

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 25% 2020 to 37% 2025 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 and P800 capacity

Source: Omdia, Technology Group, FPD large-area photomask research, June 2021. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

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