

Q3 2020

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Q3 Performance

Anders Lindqvist, President & CEO



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Agenda

- Q3 in short
- Business Area performance
- Divisional development and market view
- Financial details
- Strong platform
- Q&A

Mycronic solutions enable products for everyday life



Q3 in short

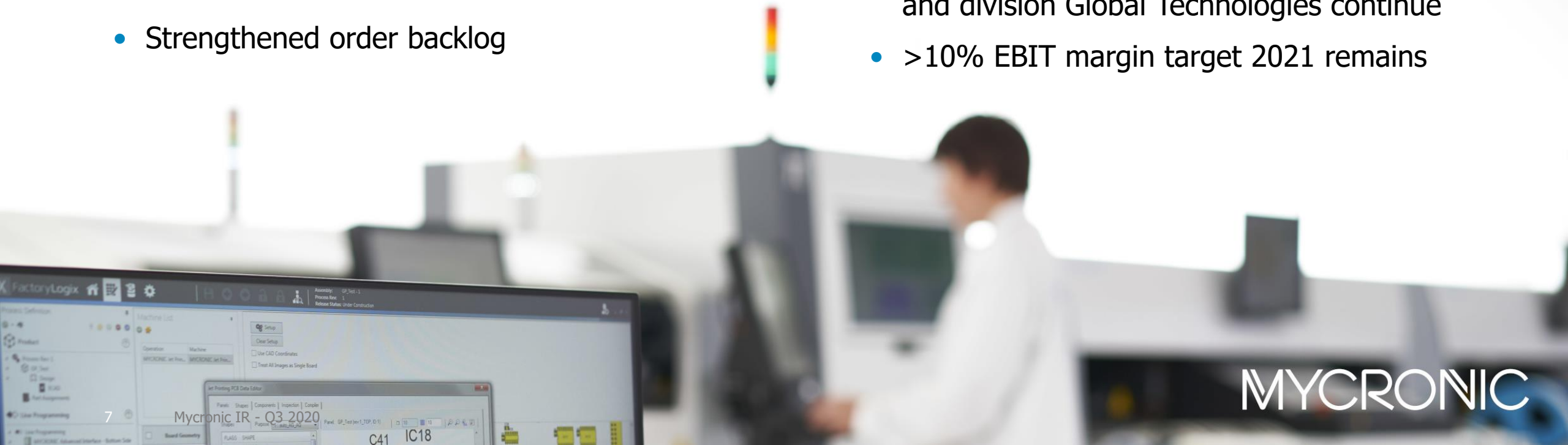
Robust and diversified business secures strong quarter

- Strong quarter
 - 19 percent Net Sales growth, 76 percent EBIT growth and 33 percent margin
 - Robust order backlog of SEK 2.1 (1.6) Billion
- Mixed quarter in Assembly Solutions
 - High Flex notice improved activities from low levels
 - Strong performance in division High Volume
 - Global Technologies balanced from strong Optoelectronic segment and slow Camera module segment
- Pattern Generators shows robust development
- Local presence secures customer support
- 2020 net sales outlook adjusted to SEK 3.9 billion
 - Mainly currency effects, but also impact from the pandemic

Business Area **Assembly Solutions**

Mixed performance

- Net sales declined 4 percent
 - Strong momentum in dispensing segment in China
 - Optoelectronics continue strong performance
 - Camera Module Assembly on low levels
 - High Flex market slow, but improves from low levels
- Full-line solutions orders
- Strengthened order backlog
- EBIT at SEK -6 million affected by write-down
 - Weak outlook for Camera Module Assembly behind SEK 43 million write-down
 - Underlying EBIT at SEK 46 million, corresponding to an EBIT margin of 8 percent
- Efficiency improvements in division High Flex and division Global Technologies continue
- >10% EBIT margin target 2021 remains



Division **High Flex**

Increased activity from low levels

- Increased market activity towards end of quarter
 - Investments previously on hold starting to materialize
 - Example of large orders including full-line solutions
- Market uncertainty remains
- Continued streamlining activities show effect



Division **High Volume**

Strong performance

- Strong momentum
 - Leading position
 - Healthy and stable Chinese market
 - Strong key accounts drives revenue
- Limited COVID-19 impact
- Monitoring trade war uncertainty

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Division **Global Technologies**

Mixed development

- Good development in Optoelectronics
 - Underlying growth from datacenters and communications roll-out
 - Healthy Chinese market fueled major orders
- Slow activity in Camera module segment
 - Automotive strongly affected by pandemic
 - Recovery slow
 - Write-down of SEK 43 million
- US/China trade war increase uncertainty



Business Area **Pattern Generators**

Robust development

- Net Sales up 60 percent fueled by 2 system deliveries
 - FPS 6100 Evo and Prexision 800 Evo
 - Net sales at SEK 506 million
- Delivery plan intact
 - 3 systems and 1 major upgrade in Q4 2020
 - 7 systems in 2021
 - Pandemic has increased timeline uncertainty
- All service activities on track

Long-term performance

Net sales target

Outlook 2020 **3,900** MSEK

5,000 MSEK latest by 2023

Profitability

>15% EBIT margin over a business cycle

Assembly Solutions **>10%** FY 2021

Pattern Generators at continued healthy level

Capital structure

Net debt **<3x** average EBITDA calculated over three years

Q3 Financials

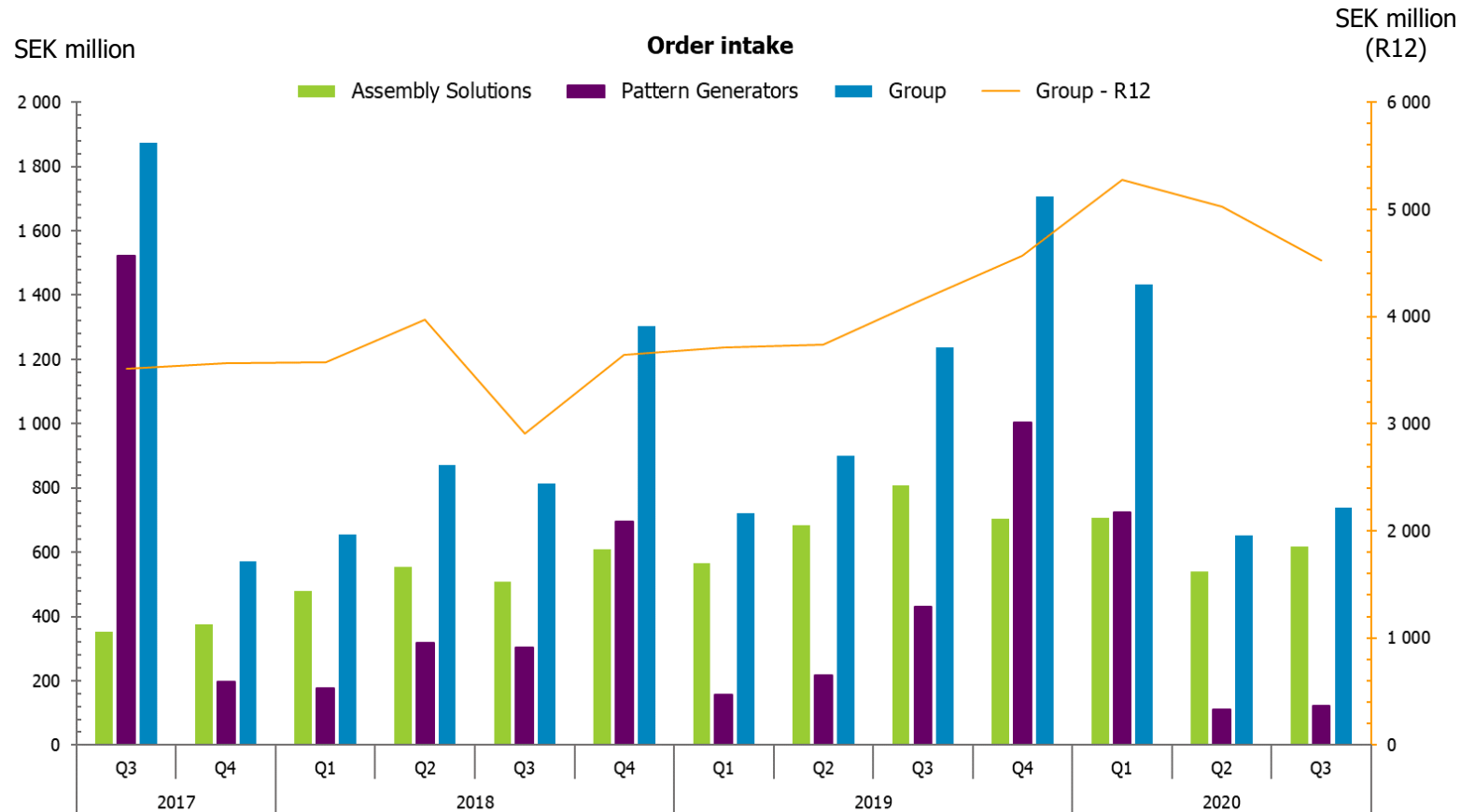
Torbjörn Wingårdh, CFO



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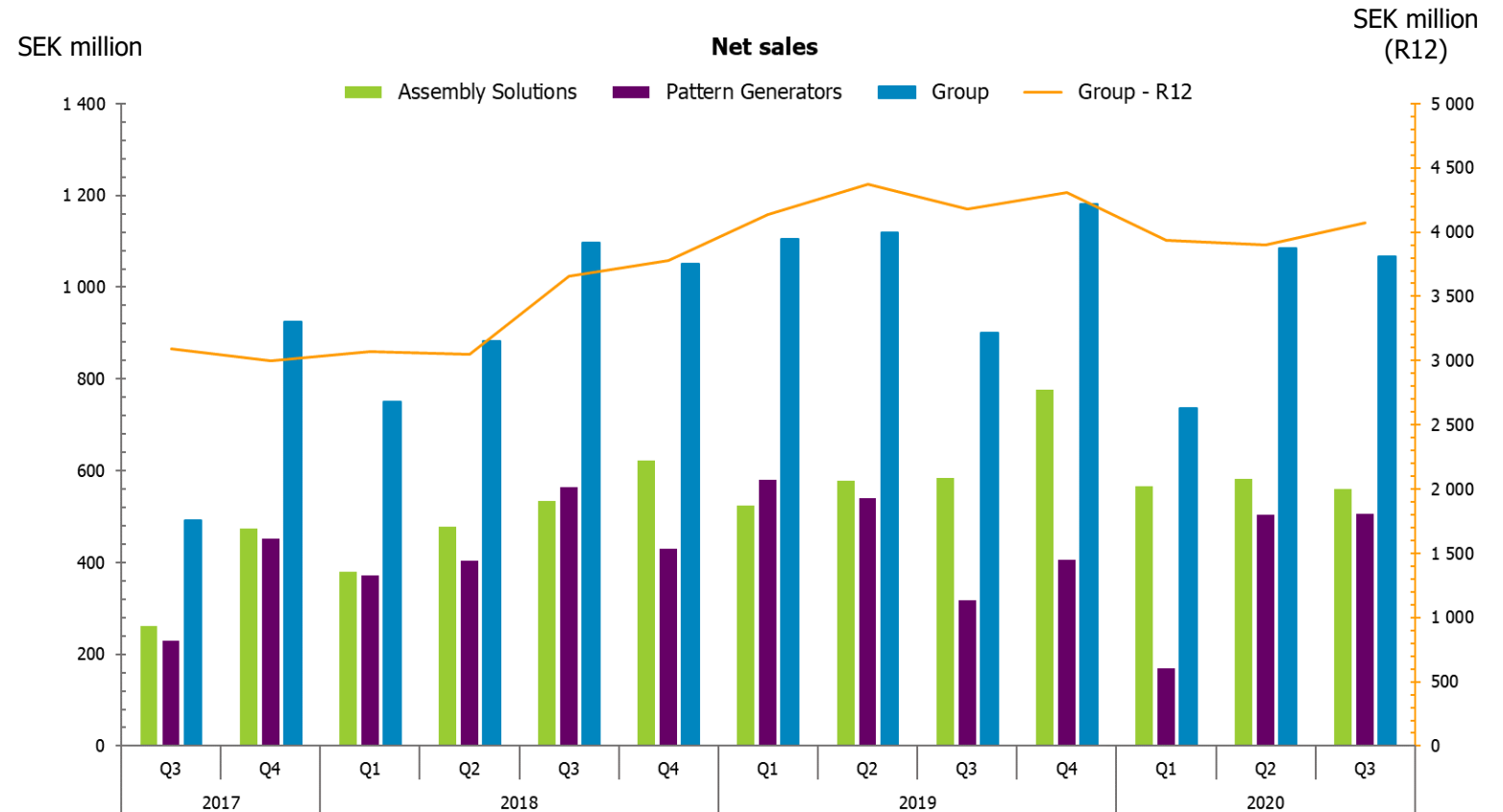
Robust order backlog



- Group R12 at SEK 4.5 billion
- Q3 order intake decreased 40% to SEK 739 million
 - Assembly Solutions -24%
 - Pattern Generators had no system orders
- Backlog increased to SEK 2,096 (1,639) million
 - Assembly Solutions increased to to SEK 958 (879) million
 - Pattern Generators increased to to SEK 1,138 (760) million
 - 3 mask writer systems and 1 major upgrade scheduled for Q4

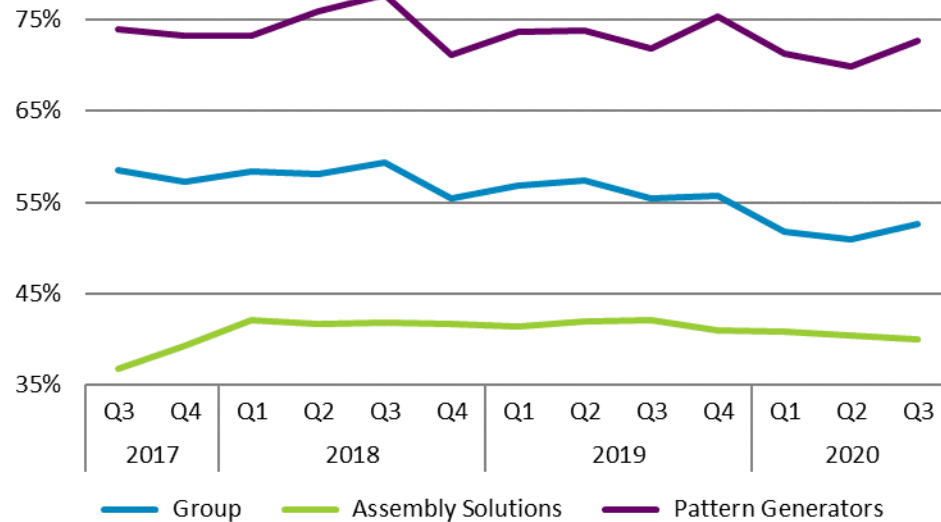
Net sales

- Net sales growth of 19% to SEK 1,068 million
 - Mixed performance in Assembly Solutions that decreased 4% to SEK 561 million
 - Pattern Generators increased 60% to SEK 506 million explained by stable aftermarket and deliveries of a FPS 6100 Evo and a Prexision 800 Evo
- FX had a negative impact of SEK 57 million
- R12 net sales at SEK 4.1 billion



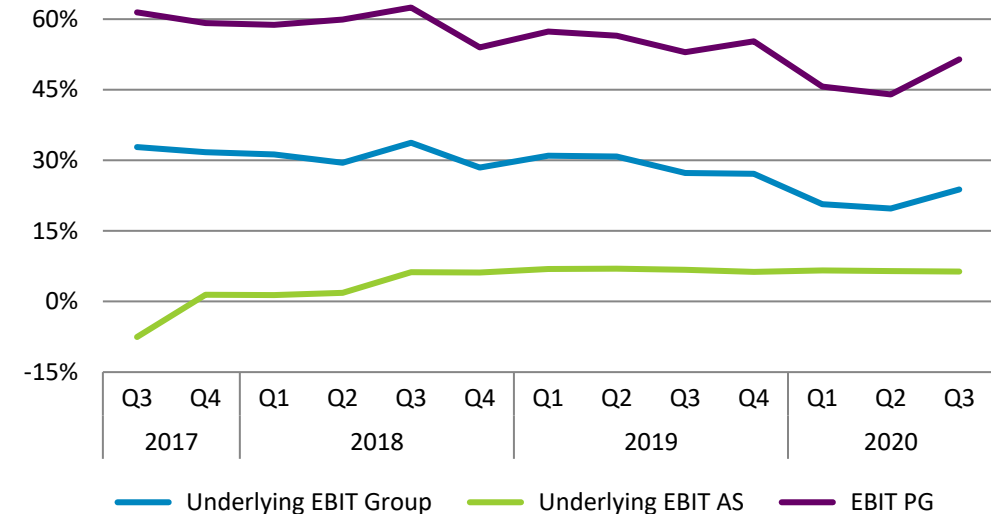
Margin development

Gross margin, 12 months rolling



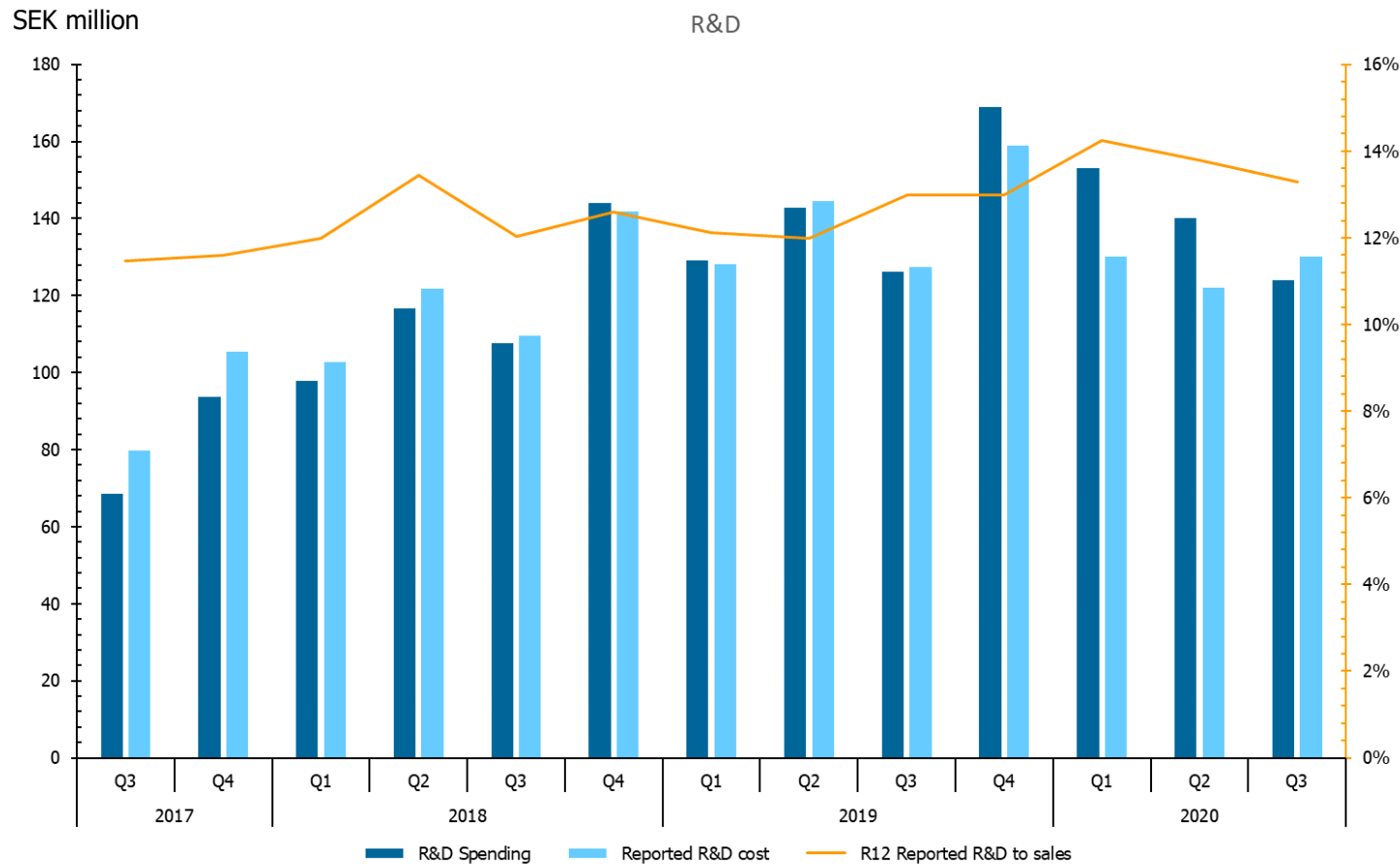
- Q3 gross margin at 58.3% (51.7)
 - Assembly Solutions at 38.9% (40.9)
 - Pattern Generators at 79.7% (71.7)

EBIT margin, 12 months rolling



- Q3 EBIT margin at 32.6% (21.9)
 - Assembly Solutions decrease to -1.0% (7.9) affected by SEK 43 million write-downs in Global Technologies and SEK 9 million from other acquisition-related costs
 - Assembly Solutions underlying EBIT margin at 8.2% (8.6)
 - Pattern Generators at 70.0% (48.2)

R&D for innovation and growth



- R&D spending slightly lower than in Q3 2019
- Capitalizations of SEK 18 million and amortization of SEK 23 million
- Rolling R&D cost-to-sales ratio at 13.3% (13.0)

Strong cash position

MSEK	Q3 2020	Q3 2019
Cash flow from operations before change in working capital	374	103
Change in working capital	190	-1
Cash flow from operations	564	102
Investing activities	-26	-25
Financing activities	-429	41
Cash flow for the period	109	118
Cash, opening balance	984	696
Exchange difference	-3	11
Cash at end of period	1,089	826

- Change in working capital mainly explained by decreased trade receivables
- Used credit facilities of SEK 200 million amortized
- Dividend of SEK 196 million paid in Q3
- Strong cash position of SEK 1.1 billion

Final remark

Anders Lindqvist, President & CEO



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Strong platform for further growth

➤ Scalable structure with new organization in place

- Clear leadership and accountability

➤ Leading products and solutions

- Continuous investments in next generation solutions

➤ Strong balance sheet

- M&A activities included in growth strategy

➤ Customer obsession

- Clear market and customer focus

➤ Long term growth strategy remains intact

- Long-term financial outlook confirmed

Q&A

