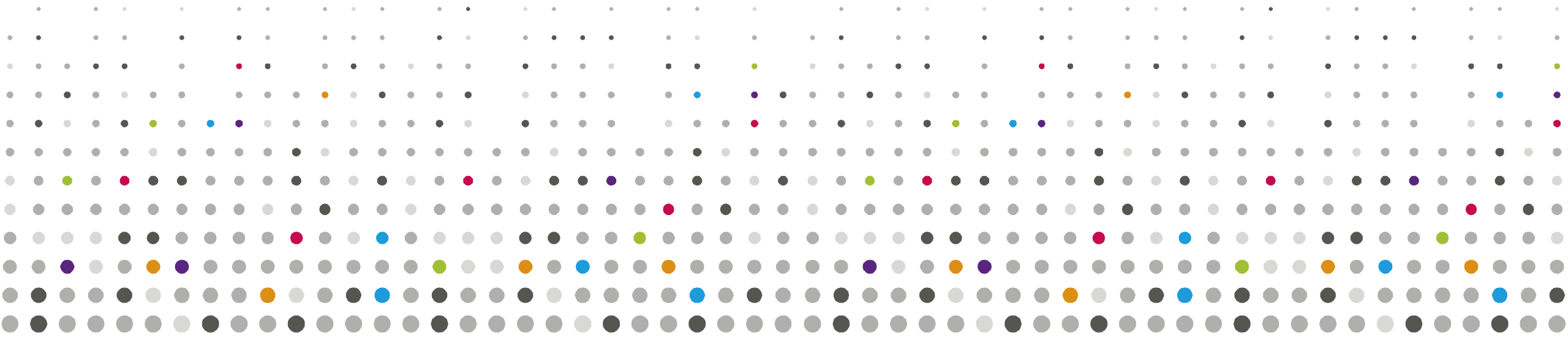


Q2 2019 Report

July 17, 2019

Anders Lindqvist
President and CEO

Torbjörn Wingårdh
CFO



Important information

This presentation includes forward-looking statements including, but not limited to, statements relating to operational and financial performance, market conditions, and or similar matters. All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. Although the expectations described in these statements are assumed to be reasonable, there is no guarantee that such forward-looking statements will materialize or are accurate. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Mycronic undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulations. Mycronic will not be liable for any loss or damage of any kind arising from the use of this information.

This presentation is intended to be one of several tools for investment decisions, regardless of the type of investment. Investors or potential investors are encouraged to supplement additional relevant material and information and to consult a financial adviser for all investment decisions.

MYCRONIC



Q2 2019 – Positive development in both business areas

Mycronic in brief



>40

years of experience
in innovation

>1,300

employees in ten
countries

Mycronic is represented
in

>50

countries

The power of innovation
is proven by

>500

patents

>12,000

production systems at
more than 3,000
customers

>99%

of sales are from outside
Sweden

Full year 2018 numbers

Business area Assembly Solutions

Broad product offering for efficient electronics manufacturing, including aftermarket

Surface Mount Technology

Inspection

Dispensing

Assembly Automation



- 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

Business area Pattern Generators

Indispensable for the display industry



Display

Precision mask writer & metrology series
Precision-8/-80/-800/-10, Precision Lite 8, Precision MMS



Multi-purpose

FPS series
FPS-6100, FPS-8100



Aftermarket products

Service contracts & value adding products
Display, Multi-purpose and Semicon

Record quarter net sales

Order intake
growth
4%

Gross margin
59%

EBIT margin
28%

Net sales
1,120
MSEK
+27%

EBIT increase
34%

Q2 2019 – Positive development in both business areas

- Order intake increased 4% to 901 MSEK
 - Driven by positive development in Assembly Solutions
- Net sales up 27% to 1,120 MSEK
 - Positive development in Assembly Solutions
 - Net sales growth 21%, of which organic growth 4%
- Pattern Generators present yet another good quarter
 - Net sales increased 34%
 - Delivery of three systems
- EBIT increase of 34% to 317 MSEK
 - EBIT margin 28,3%
 - Assembly Solutions improves EBIT margin to 2,9% (from -0,7%)
- Order for two multi-purpose mask writers

See Appendix on page 21 for market details



Product launch in the quarter

Launch of Prexision Lite 8 mask writer at the Photomask Japan symposium on April 16

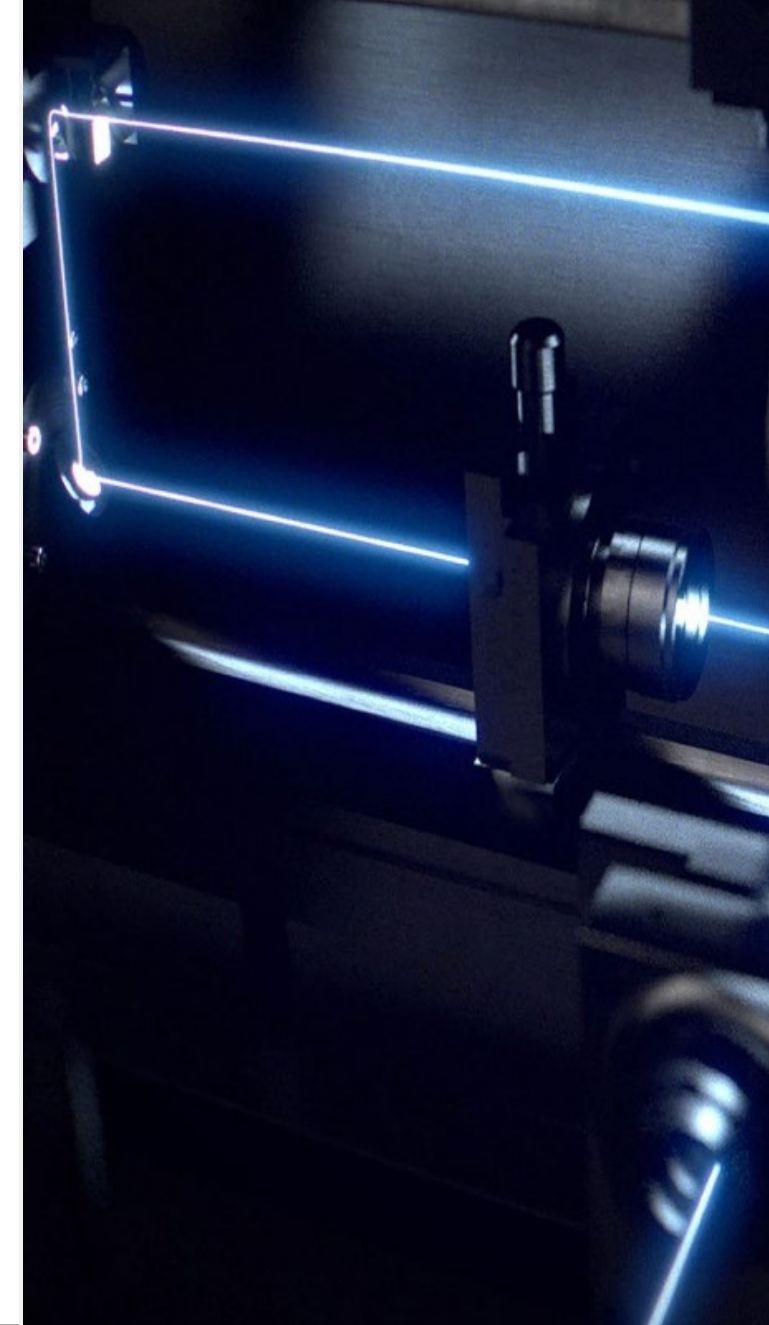
- Aimed at the low to mid end display market
- An attractive option for customers with a need to modernize their production in a cost efficient way with limited need for additional high-end capability
- Despite the clear trend towards more advanced photomasks for displays, the market for less complex photomasks will remain a significant and important segment
- The launch of Prexision Lite 8 broadens the offer of mask writers in order to support the different business strategies of our customers



Key events after the end of Q2 2019

Order for a Prexision-10 mask writer on July 15

- From an existing customer in Asia.
- Limited to generation 8 photomask size, can later be upgraded to a full scale Prexision-10 production system.
- Order value 30-35 MUSD.



Outlook 2019

The Board maintains its assessment that consolidated net sales for 2019 will be at a level of SEK 4 billion, excluding any acquisitions made in 2019

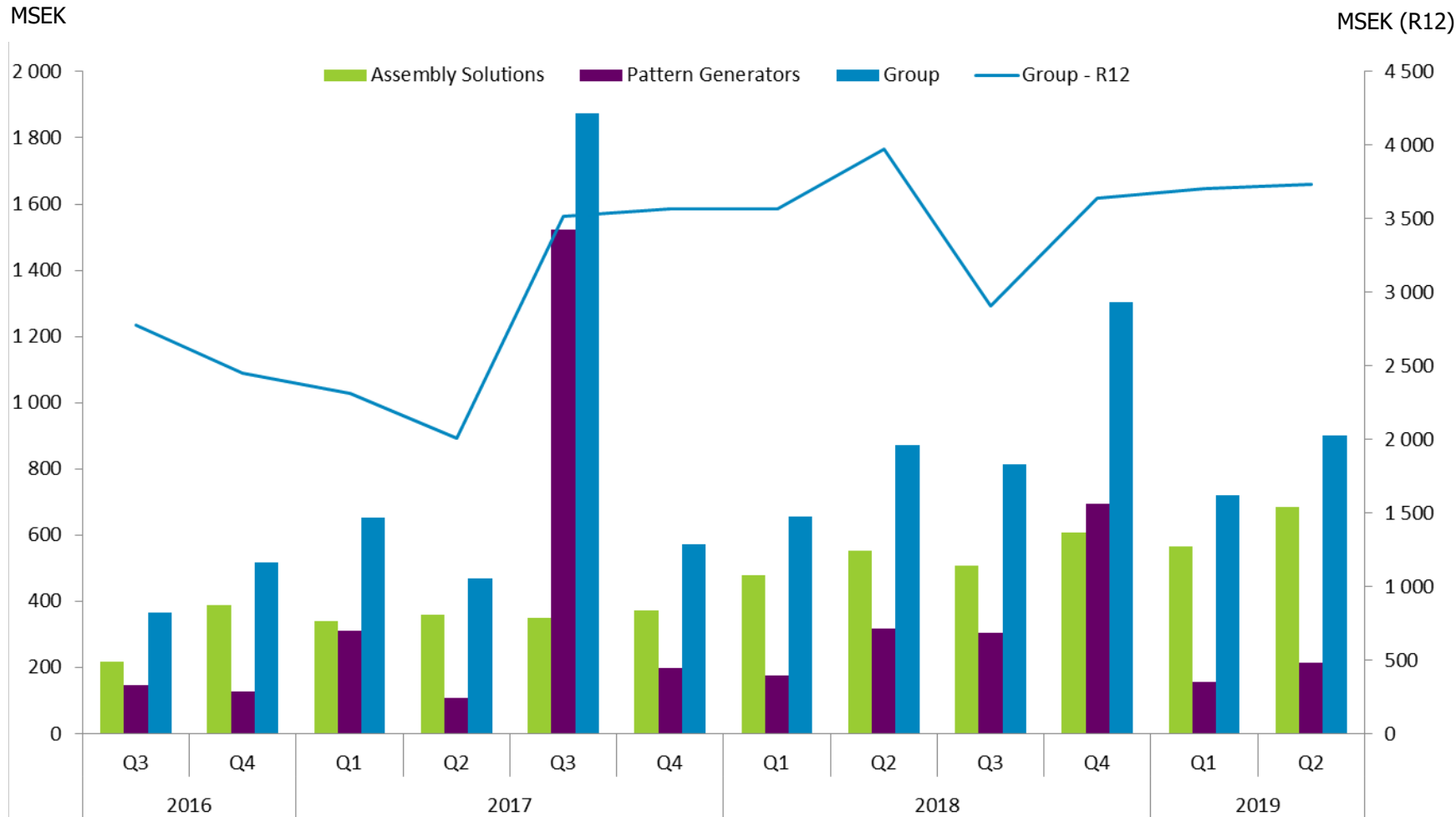
A man and a woman are standing in a store, looking at a large television mounted on a wall. The man is pointing at the screen with his right hand. The woman is standing next to him, looking at the same screen. In the background, there are other televisions and a sign that says "HOME CINEMA".

Financial update

Torbjörn Wingårdh

CFO

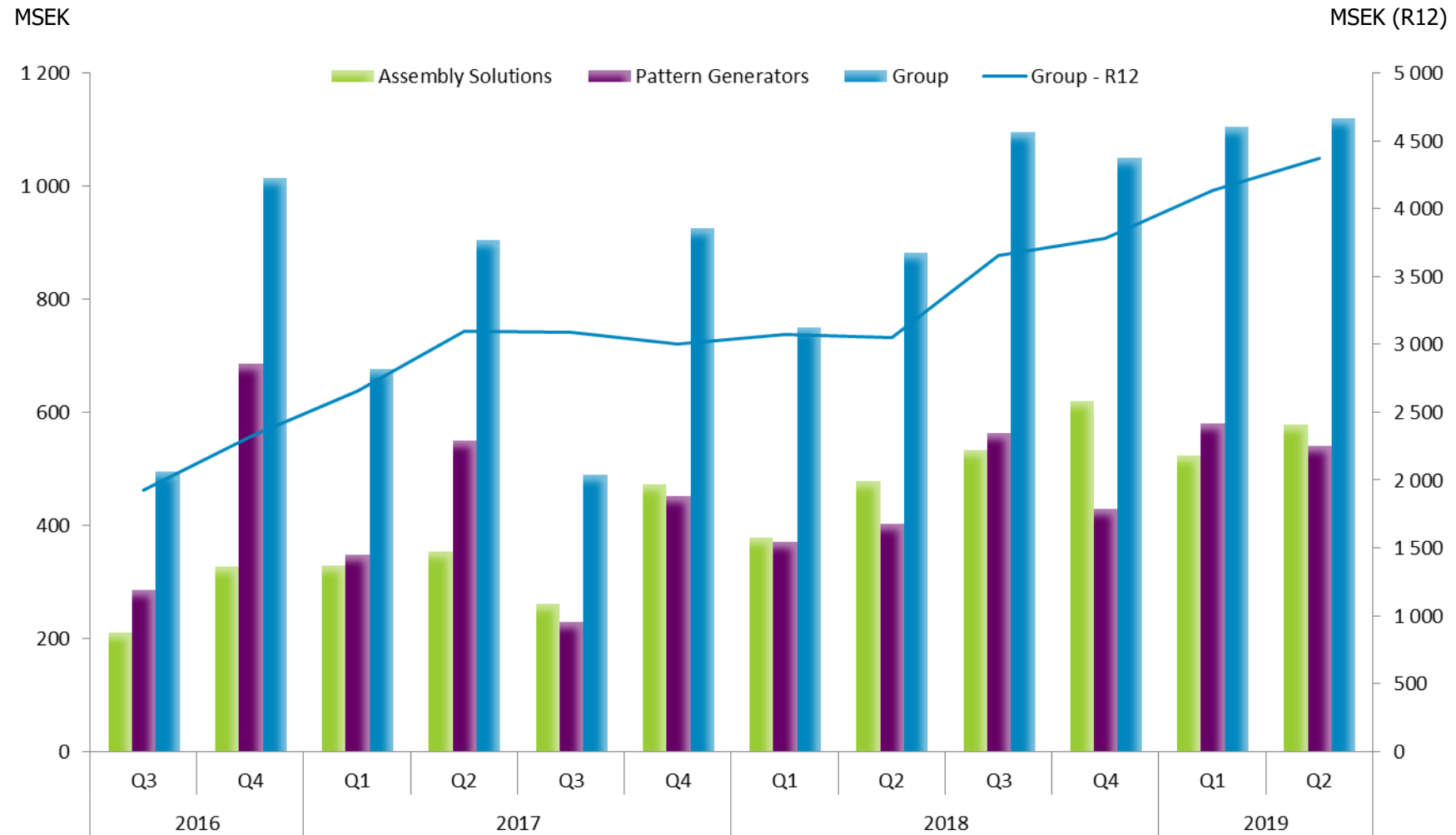
Growth in order intake driven by Assembly Solutions



- Order intake growth of 4%
- Assembly Solutions increased 24% to 685 MSEK
 - Growth of 7%, excluding acquisitions
- Pattern Generators received order for two FPS6100 mask writers
- Backlog at 1,301 (1,935) MSEK
 - Assembly Solutions at 654 (545) MSEK
 - Pattern Generators at 647 (1,390) MSEK

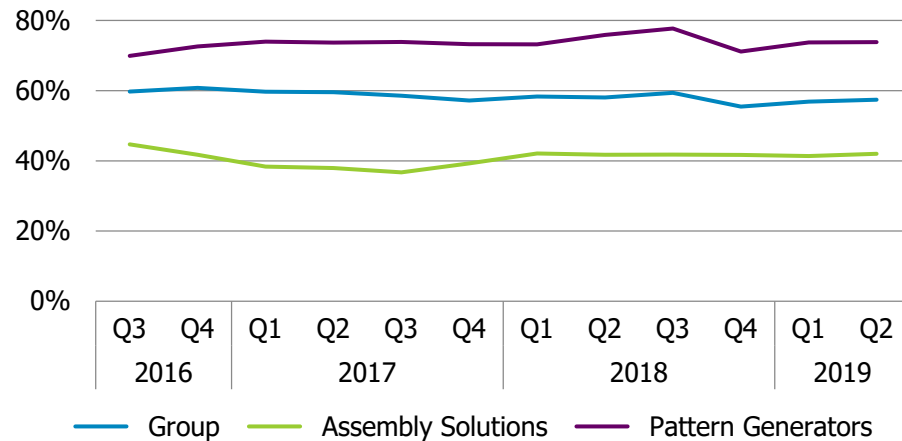
Strong net sales development

- Net sales increased 27% to 1,120 (882) MSEK
 - Assembly Solutions increased 21% to 579 (478) MSEK
 - Pattern Generators increased 34% to 541 (404) MSEK
 - Continuously improving R12 net sales since Q2 2018
- Three mask writers delivered compared to two mask writers in Q2 2018
- Positive currency effects on net sales of 4% (1%)



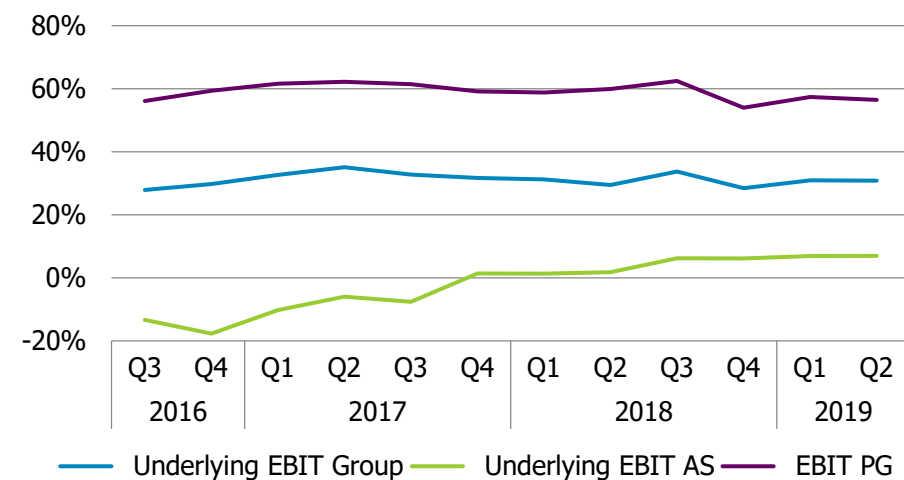
Stable 12 months rolling margins

Gross margin, 12 months rolling



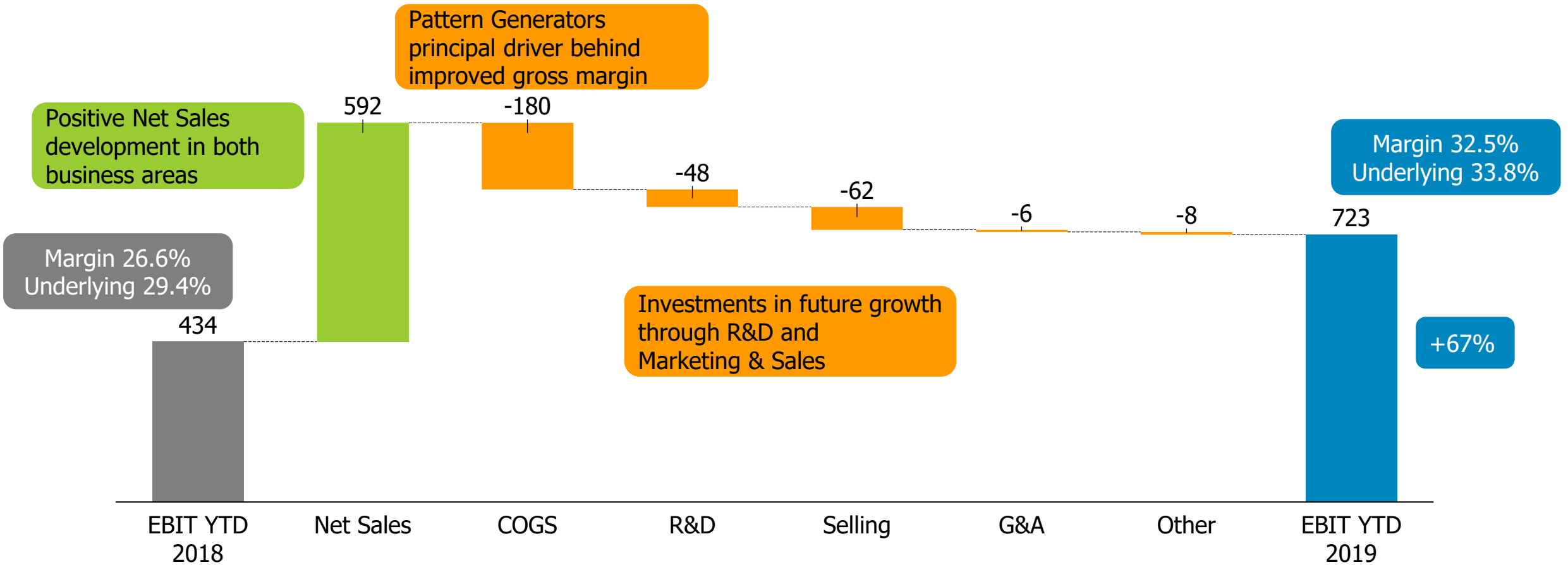
- Gross margin at 58.7% (56.6%)
 - Assembly Solutions improved to 43.2% (40.7%)
 - Pattern Generators at healthy level of 75.3% (75.4%)

EBIT margin, 12 months rolling

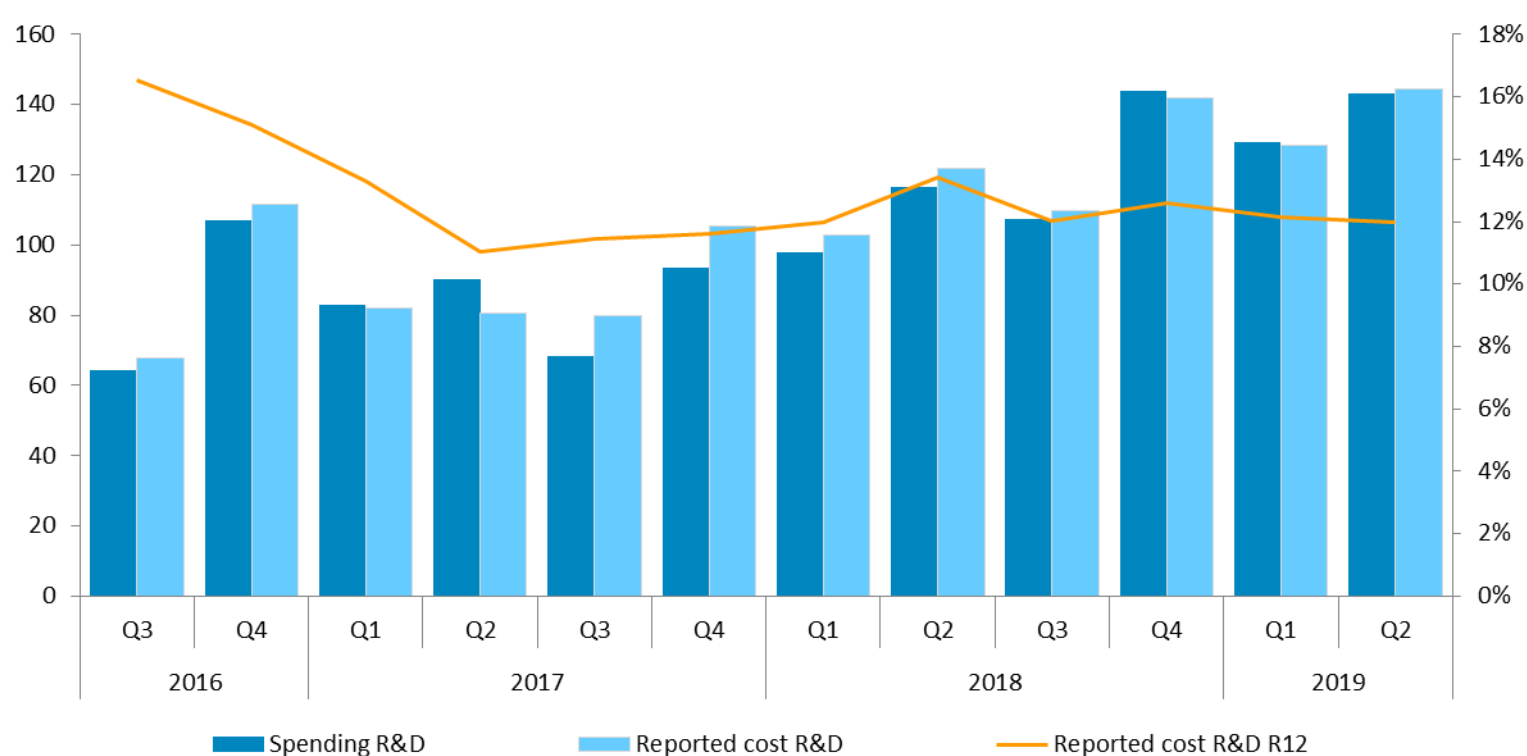


- EBIT margin at 28.3% (26.9%)
 - Assembly Solutions at 2.9% (-0.7%), an improvement of 3.6 pp, driven by volume growth
 - Pattern Generators at 55.8% (59.9%)
- Underlying EBIT amounted to 332 (265) MSEK with a margin of 29.7% (30.0%)

Strong EBIT growth and improved margin



R&D – Investments in growth



- R&D spending increased 27 MSEK from Q2 2018
 - Planned increase mainly driven by Pattern Generators
- Product development investments in line with growth strategy
- Rolling R&D spending-to-sales ratio at 11-12% level since Q2 2017

Summary by business area, Q2 2019

	Q2 2019	Q2 2018
Assembly Solutions	685	554
Pattern Generators	216	317
Order intake, MSEK	901	870
Assembly Solutions	654	545
Pattern Generators	647	1,390
Order backlog, MSEK	1,301	1,935
Assembly Solutions	579	478
Pattern Generators	541	404
Net sales, MSEK	1,120	882
Assembly Solutions	43%	41%
Pattern Generators	75%	75%
Gross margin, %	59%	57%
Assembly Solutions	3%	-1%
Underlying EBIT margin AS	6%	5%
Pattern Generators	56%	60%
EBIT margin, %	28%	27%
Underlying EBIT margin Group	30%	30%

- Increase in order intake driven by positive development within Assembly Solutions
- Pattern Generators backlog consists of seven systems, with three planned deliveries in 2019
- Record second quarter net sales
- Assembly Solution improves EBIT margin and moves into positive Q2 numbers

Cash flow YTD

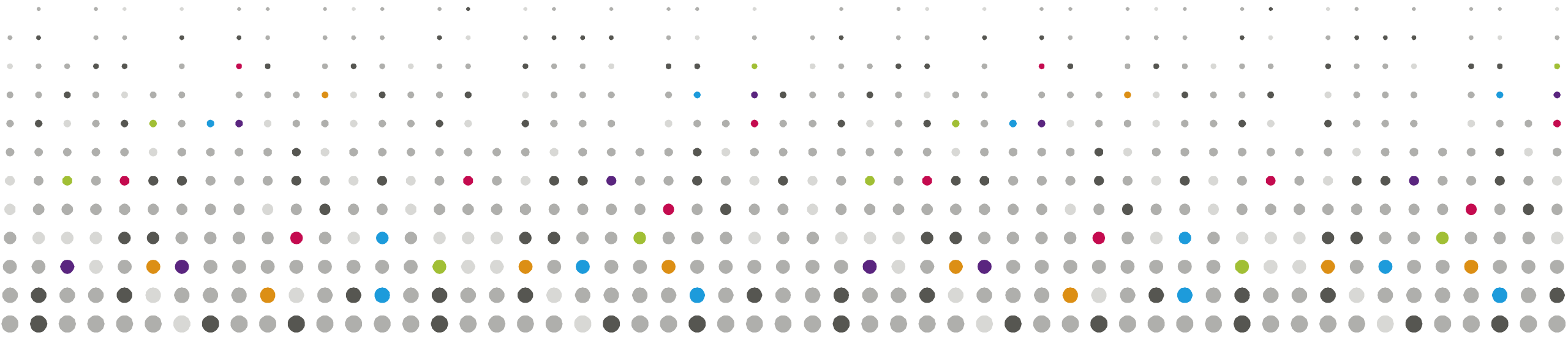
MSEK	H1 2019	H1 2018
Cash flow from operations	679	362
Change in working capital	-454	-400
Cash flow from operations after changes in working capital	224	-38
Investments in development	-10	0
Other investments, net	-34	-382
Cash flow before financing activities	180	-419
Financing	-321	-104
Cash flow	-141	-523
Cash at end of period	696	306

- Strong cash flow from operations
- Working capital change affected by decrease of non-interest bearing short term liabilities as well as increase in inventories and trade receivables related to Mycronic's growth
- Includes 294 MSEK in dividend to shareholders

Q&A

APPENDIX

Q2 2019 Market update

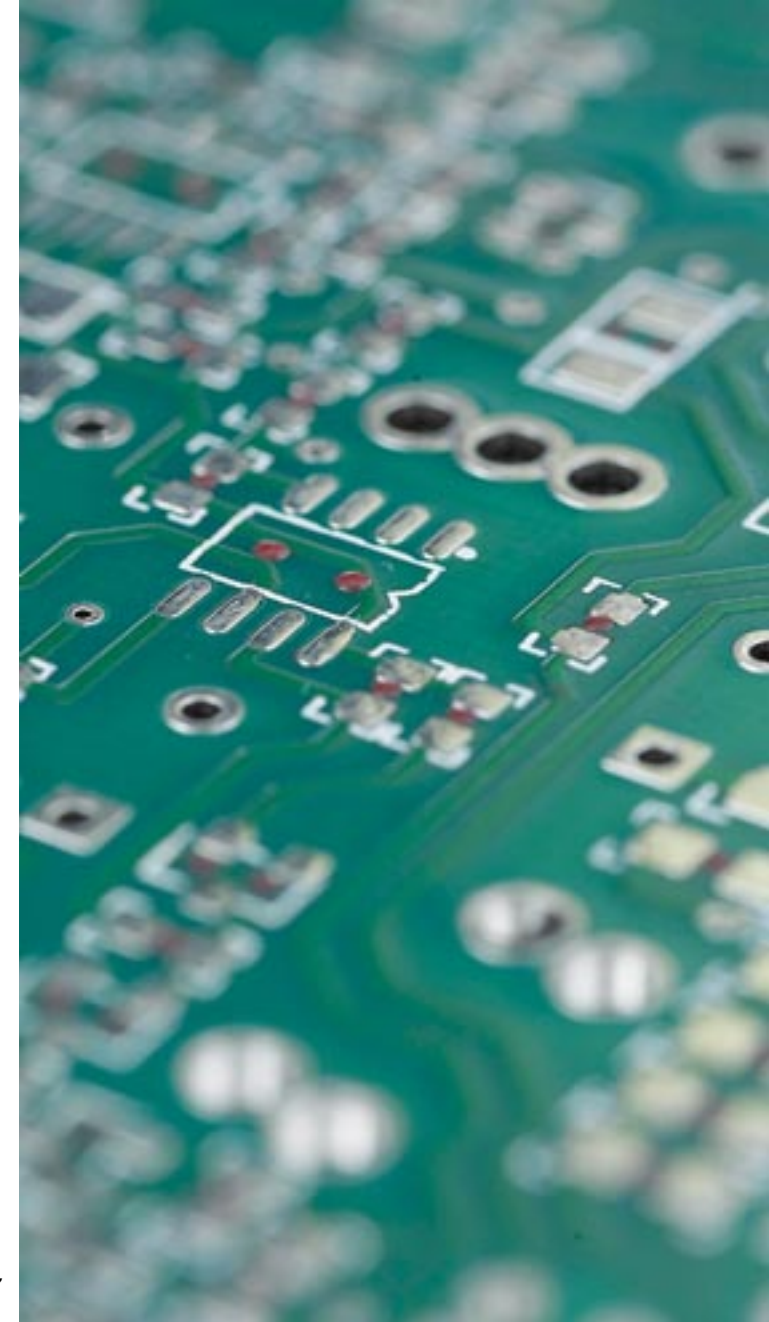


Outcome 2018

Market summary and updates

- Global electronics at +5.5% (from +5.8%) to 2,125 BnUSD
- Semiconductors +13.7% and reached 469 BnUSD
- SMT assembly equipment +17% to 3,070 MUSD
- Dispensing equipment +1.3% to 780 MUSD
- Camera modules +27% and 165 million units
- Die bonding equipment +1.6% to 934 MUSD
- Display market actuals at -9% to 113 BnUSD
- Display photomasks +12% (from +8%) to 814 MUSD

Source: Prismark June 2019, PROTEC MDC April 2019, IHS Markit, Technology Group, Display Long-Term Demand Forecast Tracker, May 7, 2019 and IHS Markit, Technology Group, FPD large-area photomask research, June 7 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details

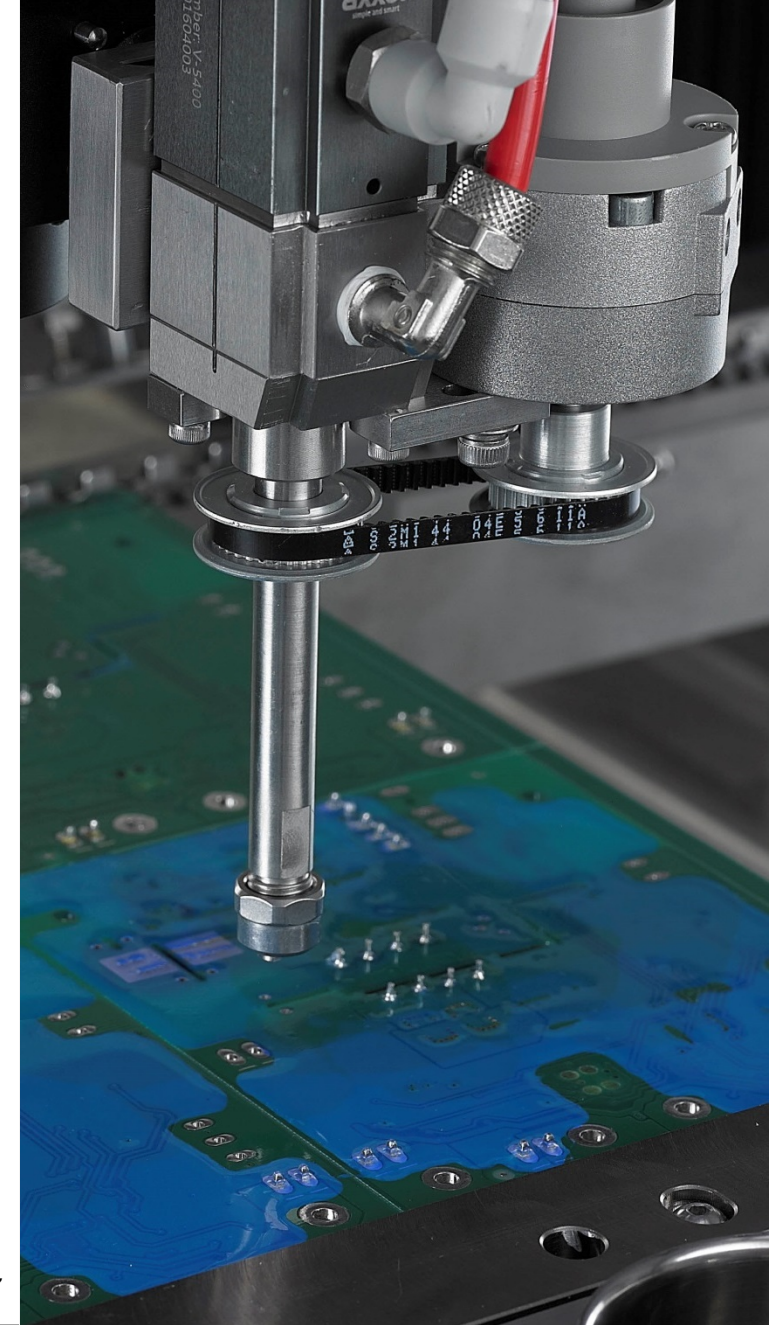


Forecasts 2019

Market summary and updates

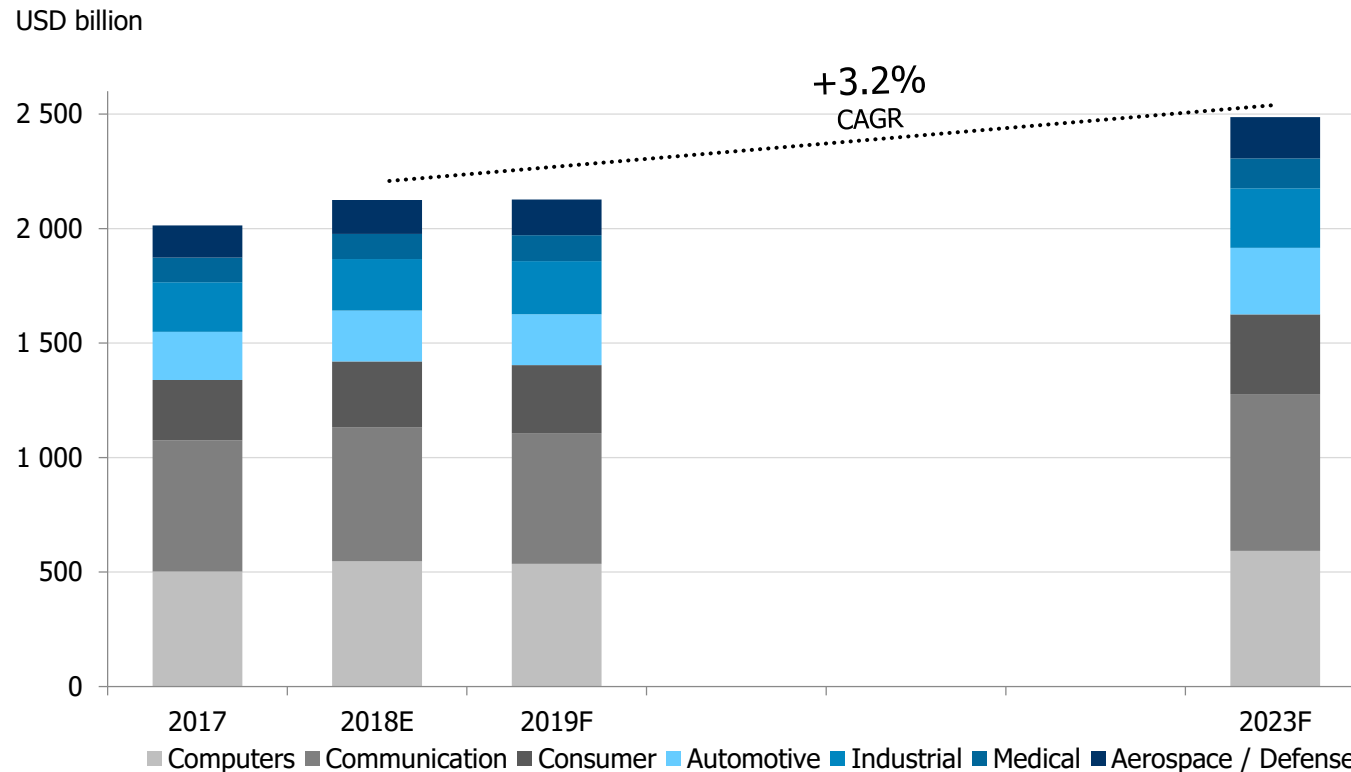
- Global electronics industry growth forecast +0.1% (from +0.5%) and 2,127 BnUSD
 - Long term forecast 2018 to 2023 indicates a CAGR of +3.2%
- Semiconductor industry growth forecast -10.4% (from -4.0%) and 420 BnUSD
 - Forecast 2019 to 2023 indicates a CAGR of +6.0% (from +4.7%)
- Camera modules forecast +15% to 190 million units
 - +14% CAGR 2018 to 2023 to 315 million units
- Displays +1.3% to 115 BnUSD
- Display photomasks +9% (from +18%, mainly due to stronger 2018 actuals and lower prices for G10 photomasks) to 886 MUSD
- SMT market: not available
- Dispensing: not available

Source: Prismark June 2019, PROTEC MDC April 2019, IHS Markit, Technology Group, Display Long-Term Demand Forecast Tracker, May 7, 2019 and IHS Markit, Technology Group, FPD large-area photomask research, June 7 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details



Electronics industry systems

Solid long term growth



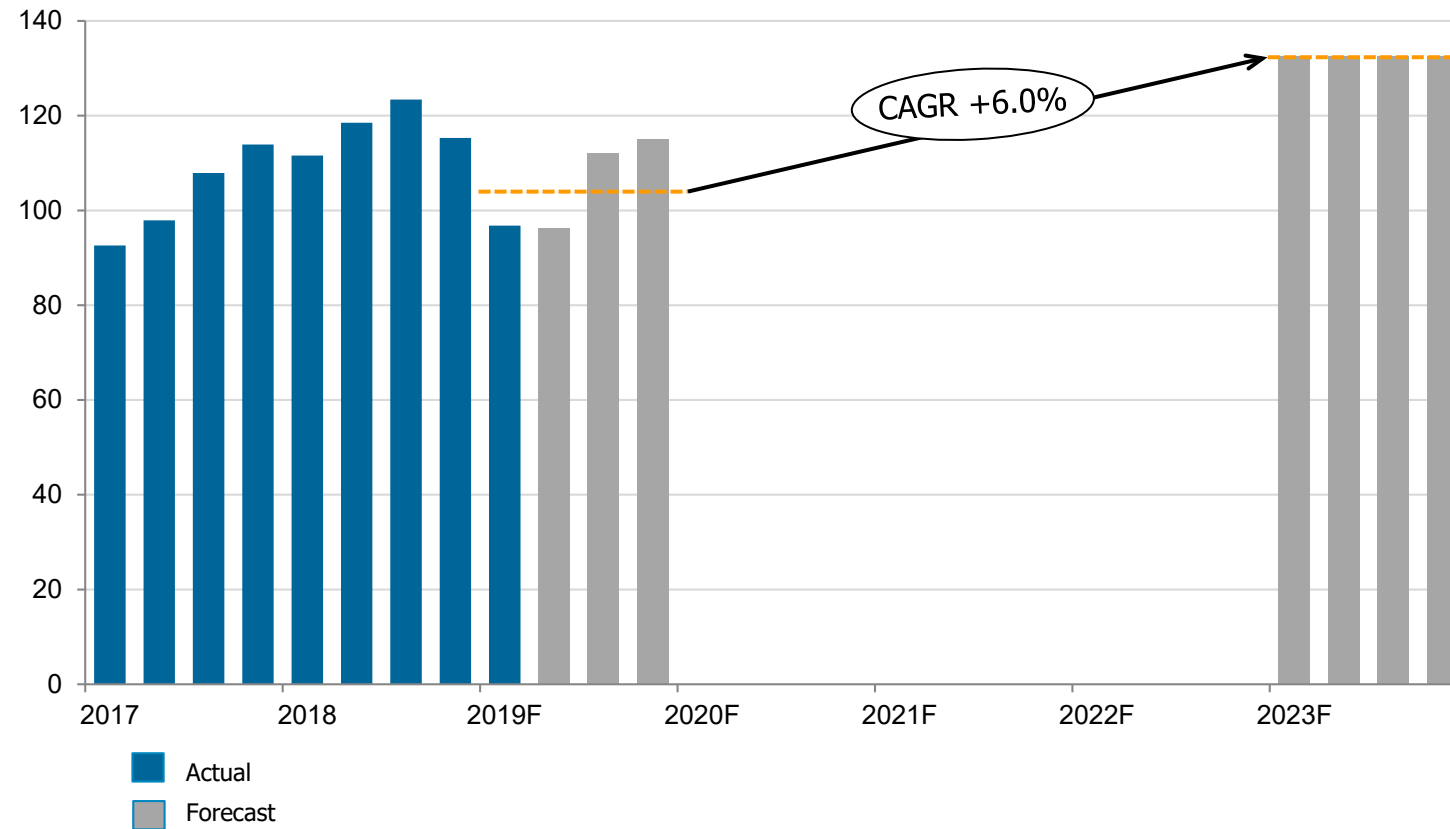
- +5.5% in 2018 to 2,125 BnUSD
- Expected growth of +0.1% in 2019 to 2,127 BnUSD with strongest development in segments
 - Aerospace +5%
 - Industrial +3%
 - Consumer +3%
 - Medical +3%
- +3.2% CAGR expected for 2018-2023

Source: Prismark, June 2019

Semiconductors

Quarterly development

Bn USD



- +13.7% in 2018 to 469 BnUSD
- -10.4% decline expected in 2019 to 420 BnUSD
- 2019 to 2023 CAGR forecast at +6.0% growth

Source: Prismark, June 2019

Assembly Solutions

Market update

SMT equipment*

- 2018 saw a positive development for assembly equipment with a growth of 17% compared to full year 2017.
- 2019 Q1 negative development of -8% compared to 2018 Q1, mainly driven by Europe, Japan and China.

Dispensing*

- 2018 market estimated at 780 MUSD
- Mycronic within the top 4 largest suppliers of dispensing equipment addressing the major part of the total market

Assembly automation

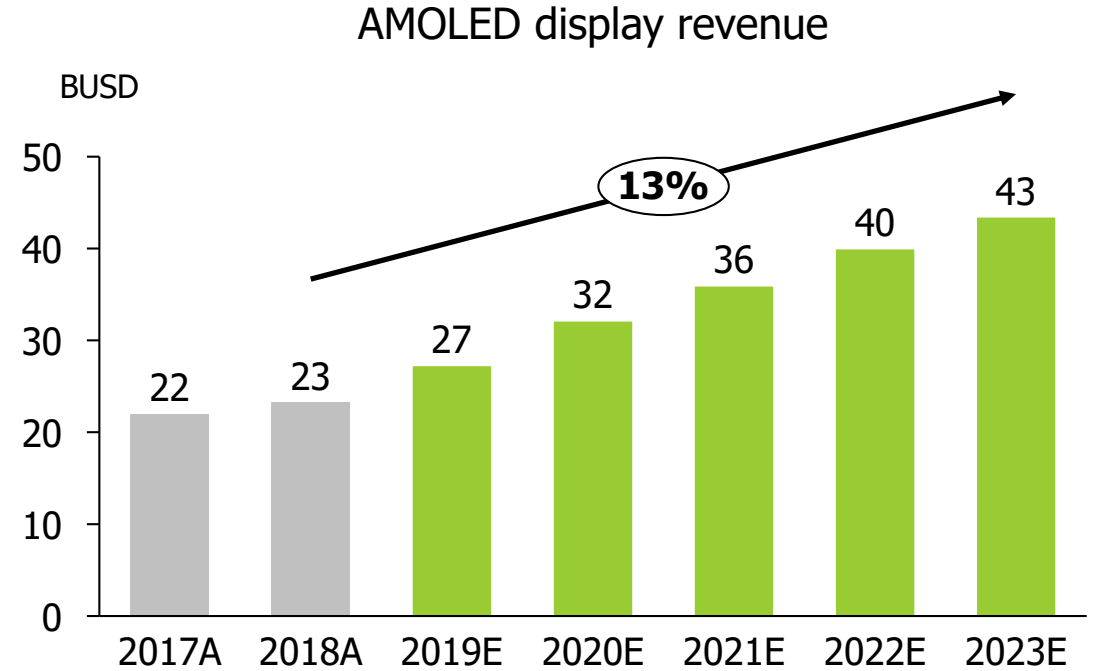
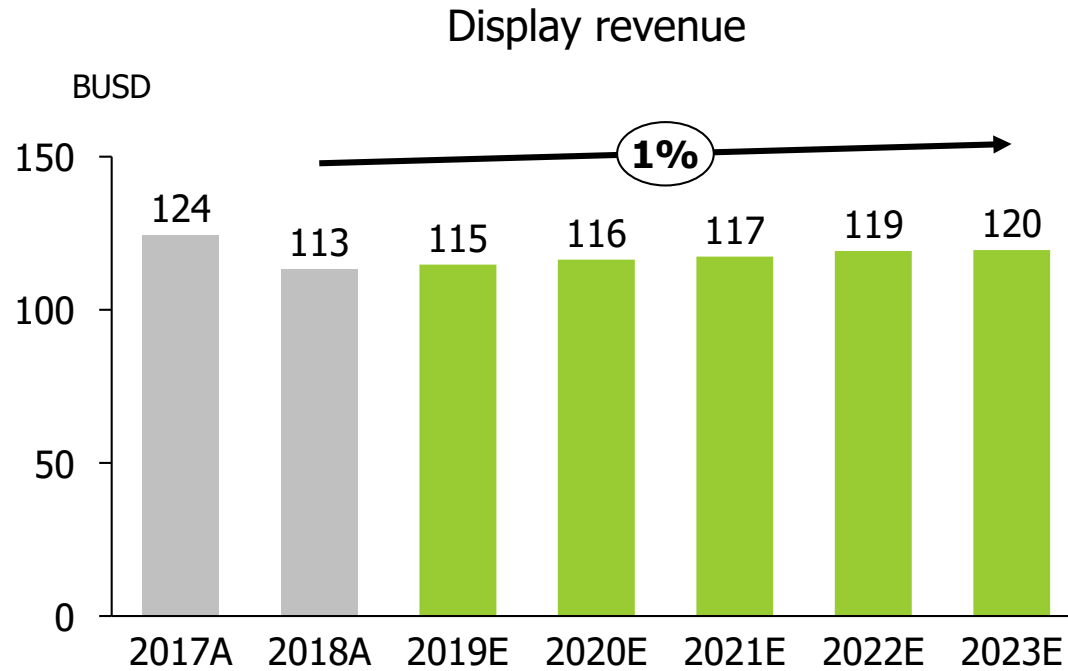
- Camera modules for ADAS is growing fast
 - Grew 27% in 2018 to 165 million units
 - +14% CAGR 2018-2023 to reach 315 million units
 - Ongoing transition in China to actively aligned camera modules driven by more advanced automotive applications

Source: PROTEC MDC April 2019, Prismark April and June 2019, Mycronic

** No external forecast provided for 2019 and onwards*

Pattern Generators

Display market



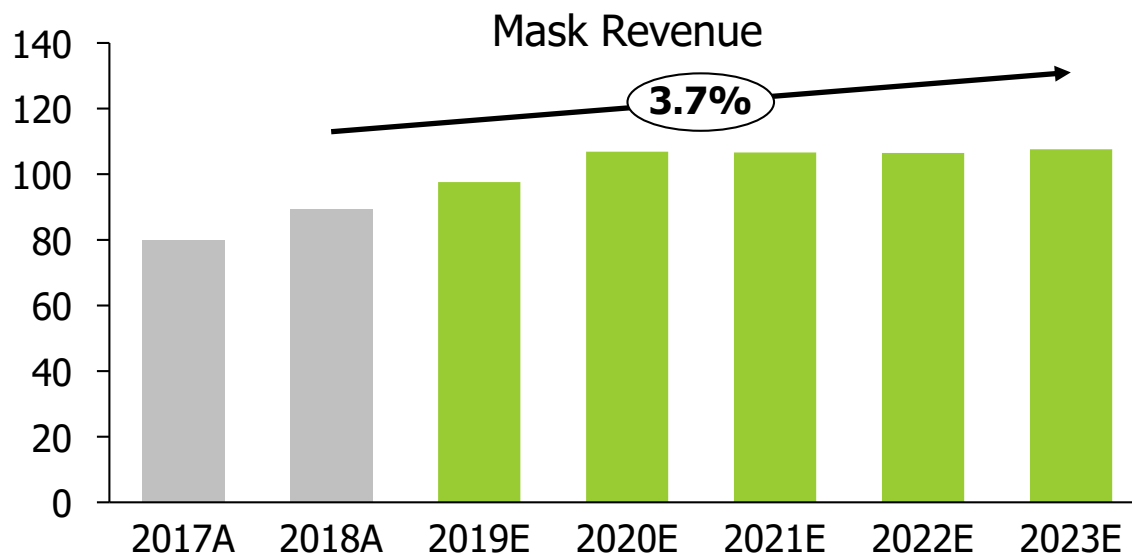
- Display market showed negative growth of 9% in 2018 but forecast to turn to positive growth in 2019
 - More stable supply/demand forecast 2019 compared to 2018 together with a trend towards more advanced displays
- Strong growth in AMOLED the coming years
 - Technology shift ongoing from LCD to AMOLED for mobile displays but now also in TV segment
 - AMOLED ratio goes from 20% of total display revenue 2018 to 36% of total display revenue 2023

Source: IHS Markit, Technology Group, Display Long-Term Demand Forecast Tracker, May 7, 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details

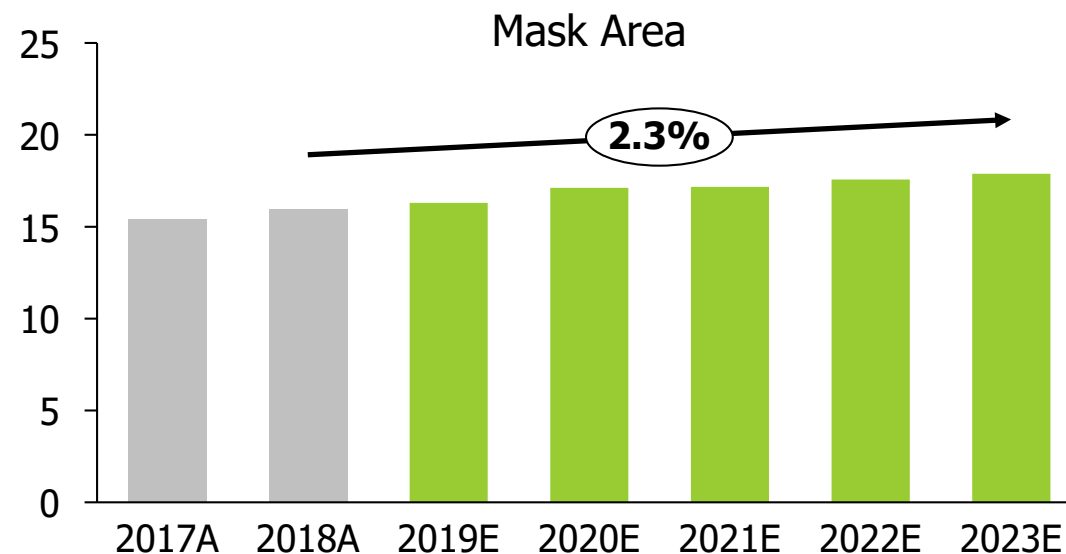
Pattern Generators

Positive photomask market

Billion Japanese Yen



Thousands of square meters

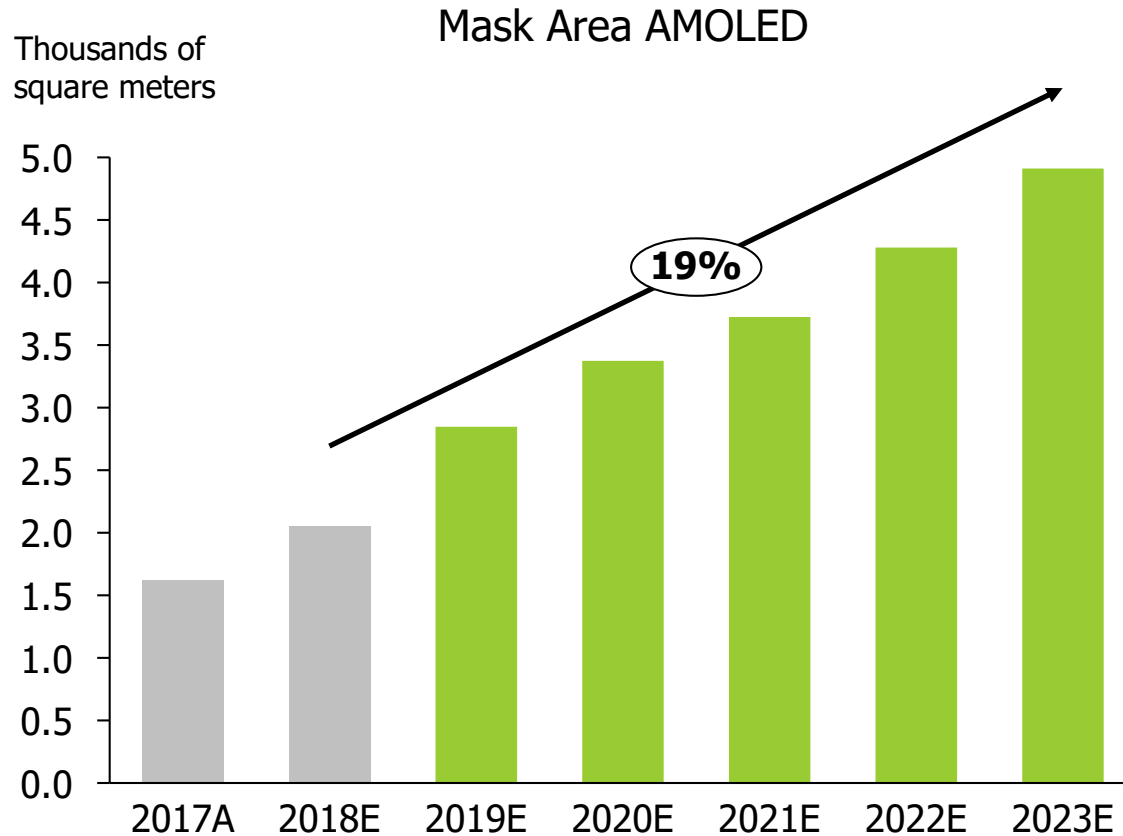


- Display mask market forecast positive
 - +9% revenue growth 2019, increased share of complex AMOLED masks and increased share of G10 masks drives strong revenue growth
 - 2020-2023 the market is forecast to stabilize on a high level, positive effects from area growth and transition to more advanced AMOLED masks are offset by expected lower prices on G10 masks
- Long term area growth forecast remains positive
 - Strongest growth seen in segment of complex and high value masks due to AMOLED transition and transition to displays with higher quality

Source: IHS Markit, Technology Group, FPD large-area photomask research, June 7 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details

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 13% 2018 to 27% 2023 in relation to the total photomask area
- 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

Source: IHS Markit, Technology Group, FPD large-area photomask research, June 7 2019. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk. Visit www.technology.ihs.com for more details

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