

A photograph of two scientists, a man and a woman, both wearing white lab coats and safety glasses. They are standing in a laboratory or industrial setting, looking at a tablet held by the woman. In the foreground, there are large, orange and grey robotic arms, likely part of a manufacturing or research equipment. The background shows industrial structures and warm lighting.

First quarter 2022

A background image of a precision industrial machine, likely a semiconductor wafer stepper, with a complex mechanical assembly and a large flat surface. Red and blue laser lines are projected across the machine's surface.

CEO & President

Anders Lindqvist

Agenda

- Q1 in short
 - Divisional development
 - Financials
 - Final remark
 - Q&A
-
- *Appendix – Market update*





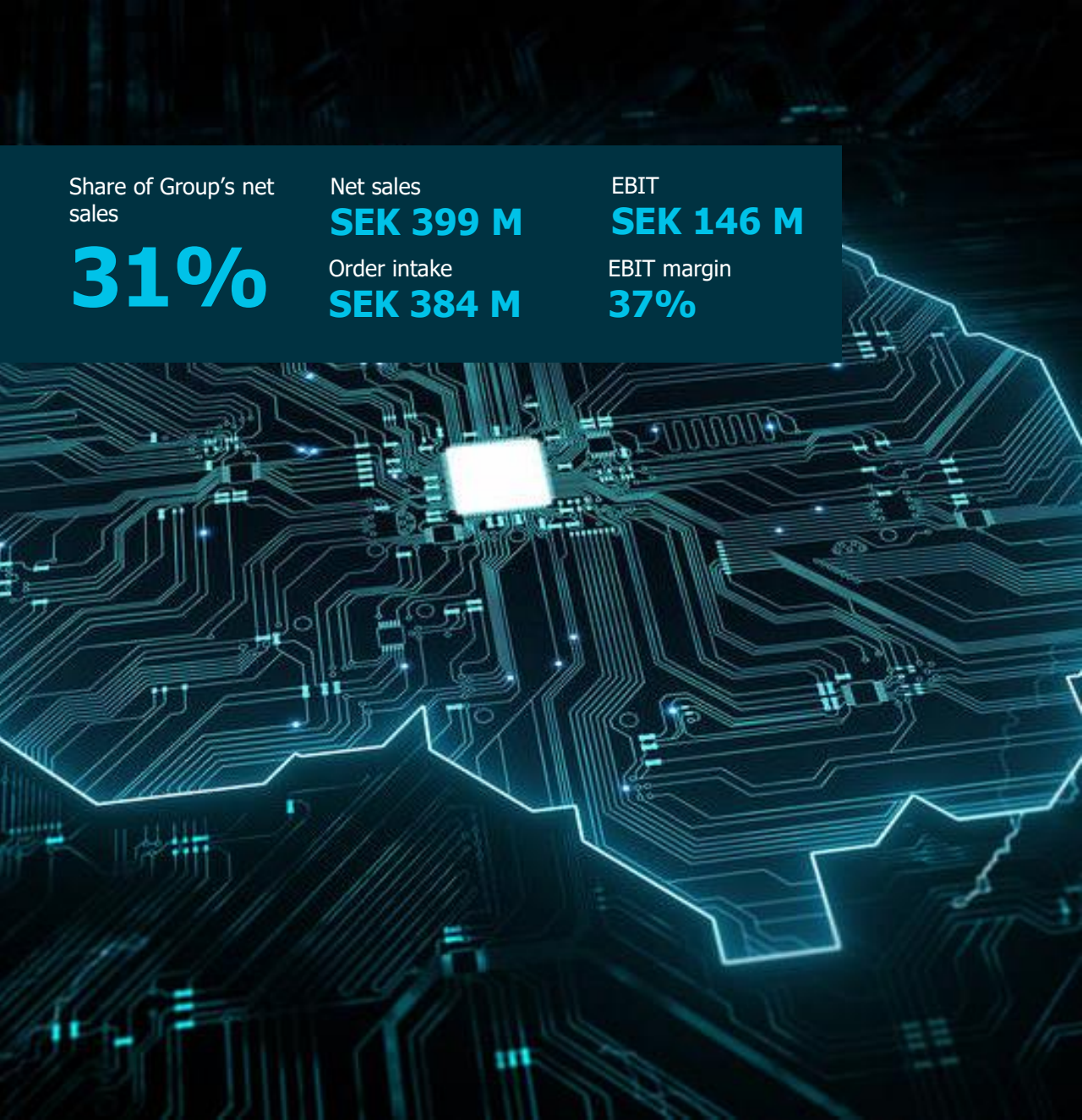
Q1 in short

- Order intake increased 40% to SEK 1,441 (1,027) million
- Net sales declined 12% to SEK 1,135 (1,291) million
- EBIT decreased to SEK 206 (498) million
 - Explained by substantially lower net sales in Pattern Generators
- EBIT margin at 18 (39)%
- Order backlog at SEK 2,217 (1,706) million
 - Contained 14 mask writers on March 31
- Divestment of AEi completed in February 2022
 - Positive EBIT impact of SEK 25 million

A man is shown in profile, looking forward with a slight smile, seated in a flight simulator cockpit. The cockpit is filled with various instruments, including a large primary display showing a blue sky with clouds, and several smaller displays and control panels with numerous buttons and lights. The lighting is dim, with the primary light source being the screens and instrument panels.

Decentralized divisions

Close to customers, short decision-making paths



Share of Group's net sales

28%

Net sales

SEK 320 M

Order intake

SEK 383 M

EBIT

SEK 125 M

EBIT margin

39%

Pattern Generators

SLX momentum continues

- Continued healthy level of activity in the photomask market for semiconductors
- Order intake consisted of three SLX semiconductor mask writers and one Prexision Lite 8 Evo display mask writer
 - Order intake increased 64% to SEK 383 (233) million
- Since the launch in 2019, Pattern Generators has delivered ten SLXs, which have been well received by customers
- Net sales declined 46% to SEK 320 (592) million
 - Two SLXs delivered vs one Prexision 800 Evo, one Prexision Lite 8 Evo, and one SLX in Q1 2021
- EBIT at SEK 125 (419) million due to less favorable product mix and lower net sales
- Order backlog at SEK 807 (797) million
- 14 mask writers in order backlog on March 31

High Flex

Solid order backlog

- Market remained strong and customers have well-filled order books
- Positive market momentum within jet printing and pick-and-place solutions
- Participated at the APEX trade show in San Diego
- Order intake increased 16%
- Net sales rose 5%
- Supply chain issues have had some impact on the possibilities to deliver during the quarter
 - Gross margin was 39 (40)%
- EBIT at SEK 19 (35) million affected by trade show and a worse impact than last year related to realized and unrealized currency gains and losses
- Increased order backlog at SEK 216 (134) million

Share of Group's net sales

25%

Net sales

SEK 288 M

Order intake

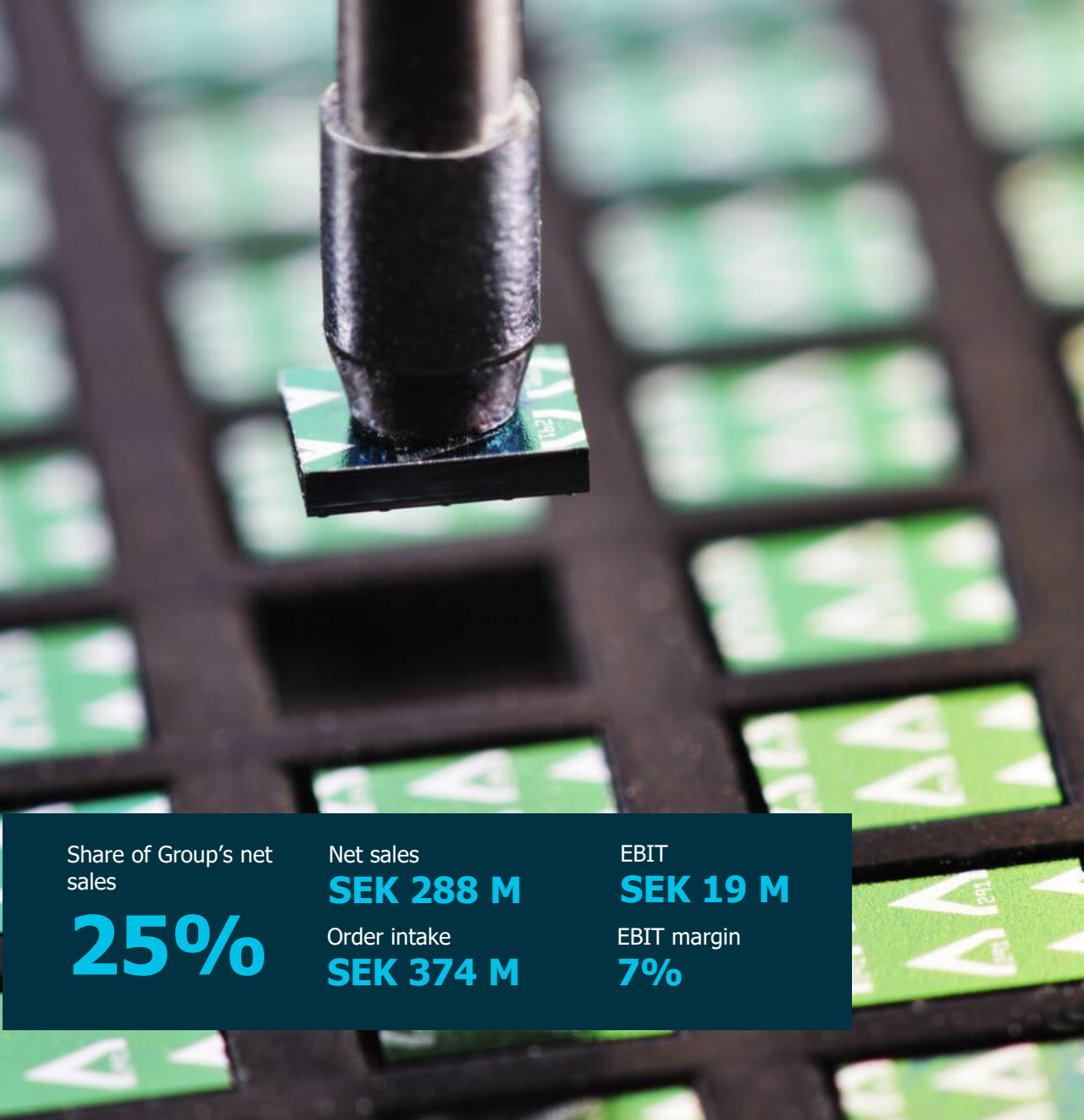
SEK 374 M

EBIT

SEK 19 M

EBIT margin

7%





High Volume

Stable market development

- The electronics industry in China had a stable development during the first quarter, despite uncertainty related to Covid-19
- Close dialogue on future projects with existing customers in the automotive and consumer electronics industries
- Order intake increased 13%
- Net sales declined 1%
 - Shenzhen's one-week lockdown in mid-March had limited impact on the division
- Gross margin at 36 (45)% reflects a less favorable sales mix
 - Strong corresponding period last year
- EBIT declined to SEK 55 (90) million
- Increased order backlog at SEK 885 (692) million

Share of Group's net sales

32%

Net sales

SEK 365 M

Order intake

SEK 441 M

EBIT

SEK 55 M

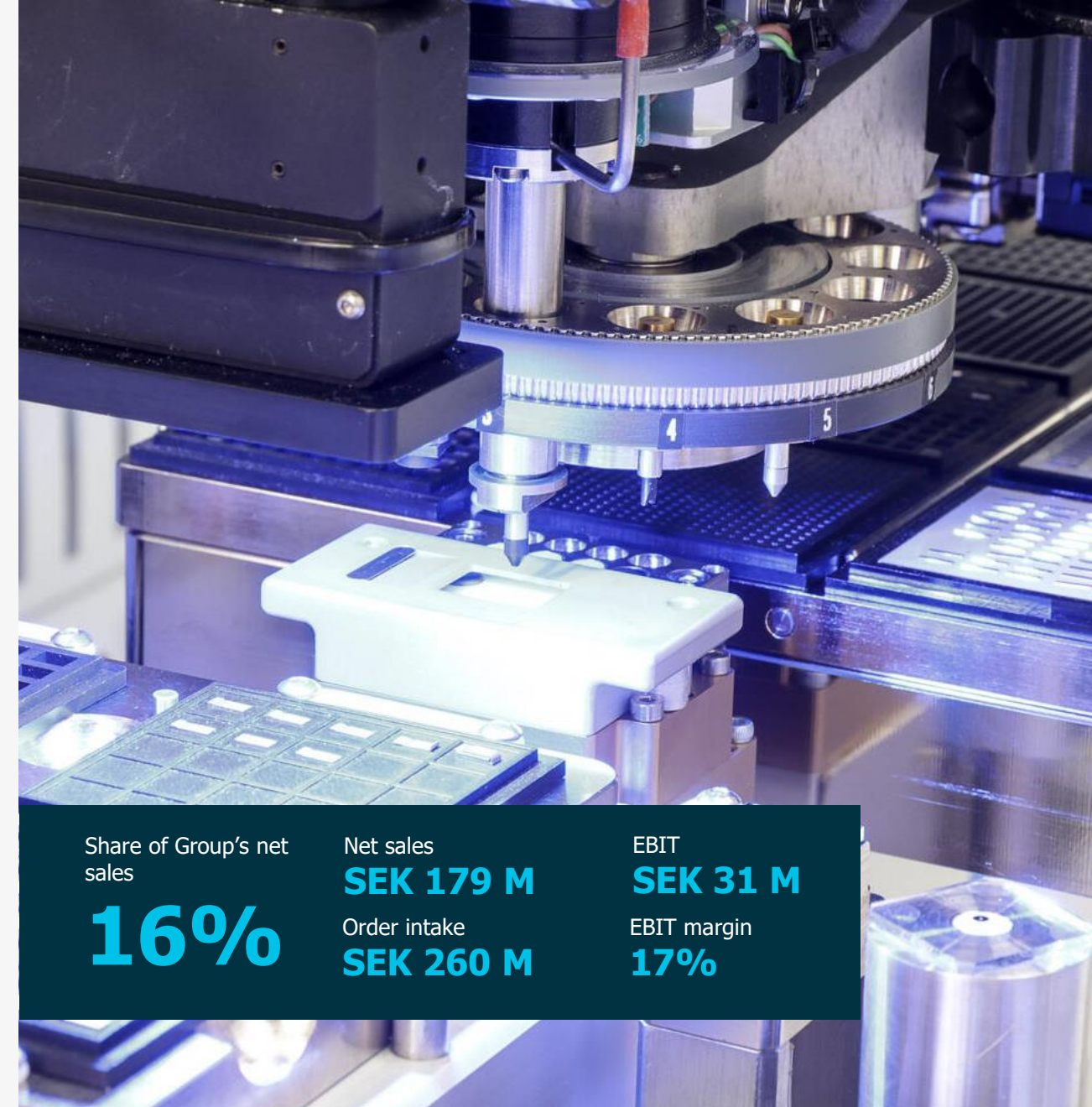
EBIT margin

15%

Global Technologies

Strong order intake

- Market for tele and data communications continued its strong performance, generating demand for die bonding solutions
- Market for electrical testing demonstrated continued strength, driven by robust demand for PCBs and substrates and with a strong recovery in Europe
- Order intake excluding acquisitions and divestments increased 56%
- Organic net sales increased 17%
- The division did not fully succeed in completing its product deliveries due to challenging conditions
- EBIT at SEK 31 (-14) million
 - Positive EBIT impact of SEK 25 million from divestment of AEi
- Order backlog at SEK 308 (82) million
- Divestment of AEi completed in early February 2022



Outlook 2022 confirmed

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 later in 2022



CFO

Pierre Brorsson

Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 4,479 million
- Q1 EBIT margin R12 at 17%
- Aftermarket shows continued increase in revenue

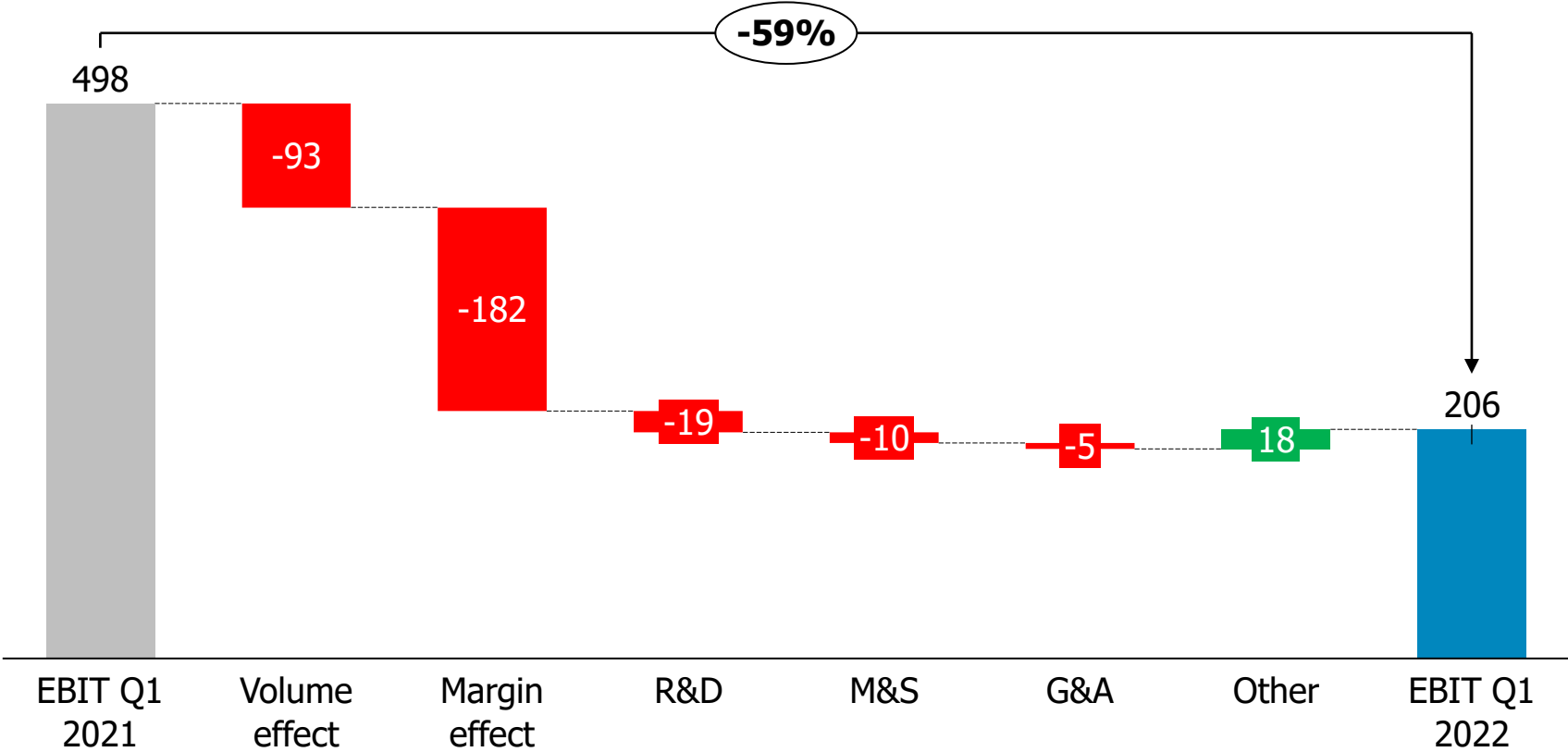
Group net sales and EBIT margin per quarter



- Q1 net sales amounted to SEK 1,135 million
- Lower EBIT-margin vs Q1 2021 attributable to changed sales mix in the Group, with a decline in Pattern Generators' share of total net sales
- EBIT margin at 18%
- Good development of aftermarket revenue

Group Q1 EBIT bridge

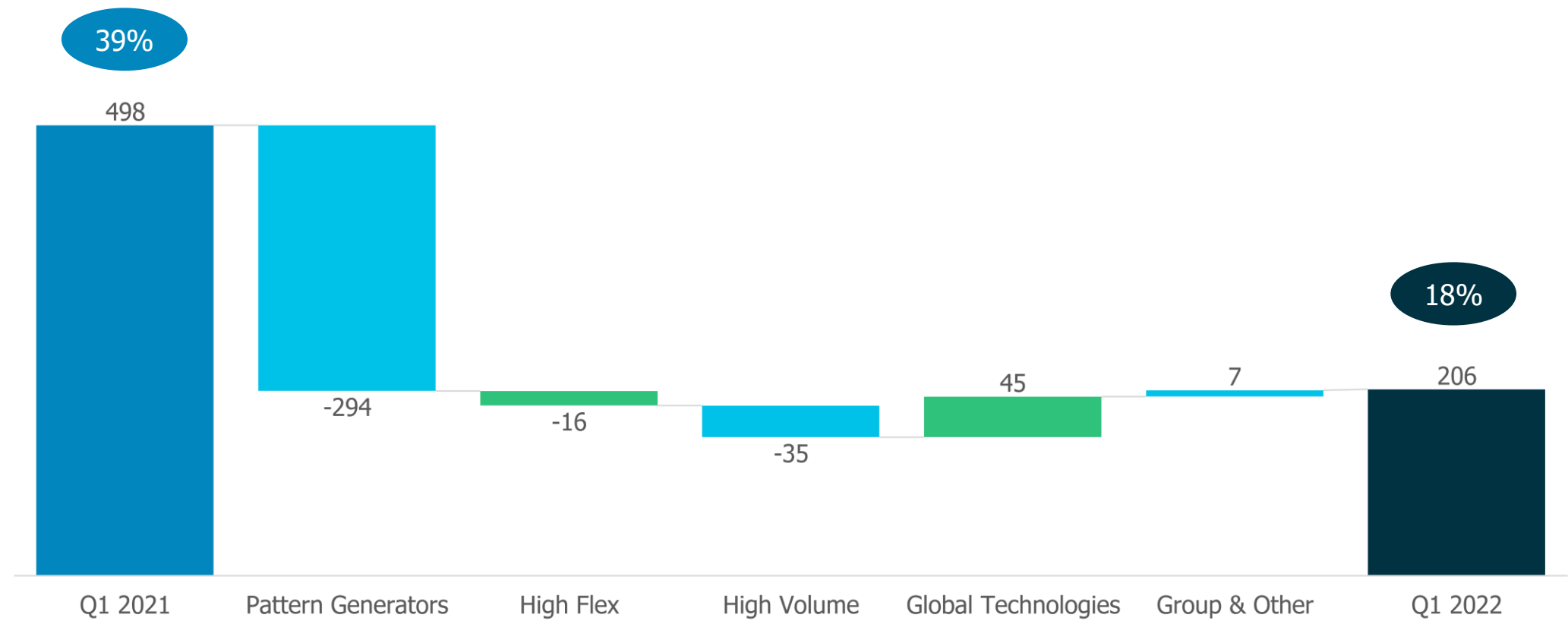
MSEK



% of Sales 2021	39%	60%	-10%	-10%	-4%	2%	
% of Sales 2022		44%	-13%	-12%	-5%	4%	18%

Divisional Q1 EBIT contribution

MSEK



Sale of AEi positively impacted cash flow

MSK	Q1 2022	Q1 2021	
Cash flow from operations before change in working capital	169	420	• Reduced cash flow from operations before changes in working capital due to changed sales mix
Change in working capital	-96	-35	• Cash flow from investing activities:
Cash flow from operations	73	385	<ul style="list-style-type: none"> • Impact of SEK +215 million by AEi divestment • Investments in tangible assets SEK -58 MSEK • Capitalization of product development SEK -10 million
Investing activities	147	-21	
Financing activities	-17	-53	
Cash flow for the period	204	311	• Net cash amounted to SEK 664 million on March 31
Cash, opening balance*	692	1,303	
Exchange difference	11	32	
Cash at end of period	907	1,645	

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

A wide-angle, fisheye photograph of an astronaut in a white spacesuit working on the exterior of a space station. The astronaut is positioned in the center-right, reaching into a large, circular window or hatch. The window reflects the complex structure of the station and the Earth in the background. To the left, there are various pieces of equipment, including a large white box with two circular lights. The overall scene is set against the blackness of space.

CEO & President

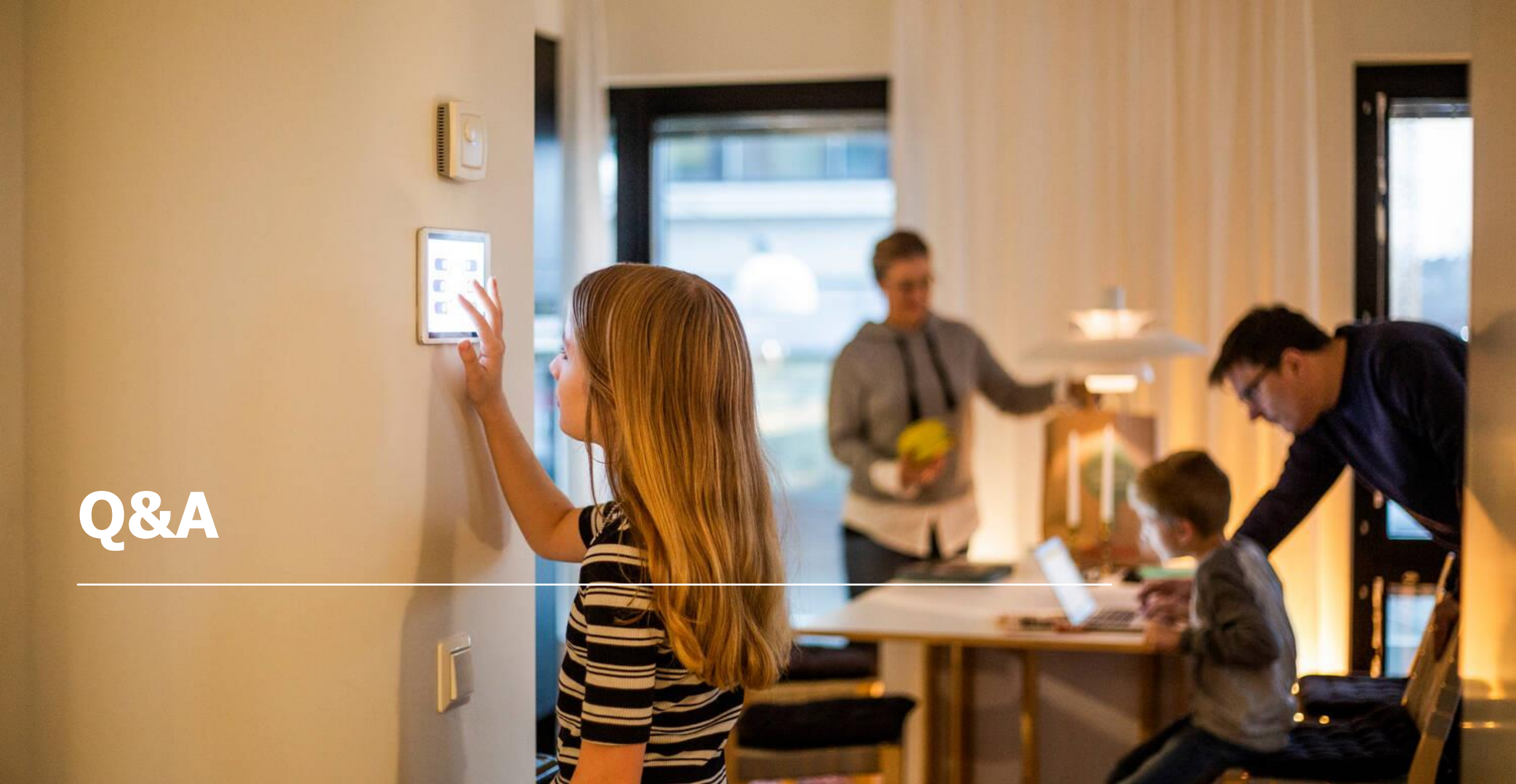
Anders Lindqvist

Growth and sustainability

- Mycronic has a strong position for sustainable profitable growth
- Recently, targeted stakeholder dialogues were conducted regarding sustainability with Mycronic's customers, employees, suppliers and investors
 - These stakeholder dialogues will be reflected in the company's prioritization of sustainability work going forward



Q&A



APPENDIX

Q1 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 +12.4% to 10.5 BnUSD³⁾
- Printed circuit boards and substrates +23.4% to 80.4 BnUSD⁴⁾
- Display market +24.1% to 155 BnUSD⁵⁾
- Display photomasks 4.5% to 858 MUSD⁶⁾
- Semicon photomasks +12.7% to 6.1 BnUSD⁷⁾
- Dispensing equipment +24.7% to 910 MUSD⁸⁾

Source: 1) Prismark March 2022, 2) PROTEC MDC January 2022, 3) Lightcounting October 2021, 4) Prismark, February 2022, 5) Omdia January 2022, 6) Omdia July 2021 (annual update), 110YEN/USD used as conversion rate, 7) VLSI research April 2021 (annual update), 8) Prismark April 2022 (annual update)





Forecasts 2022

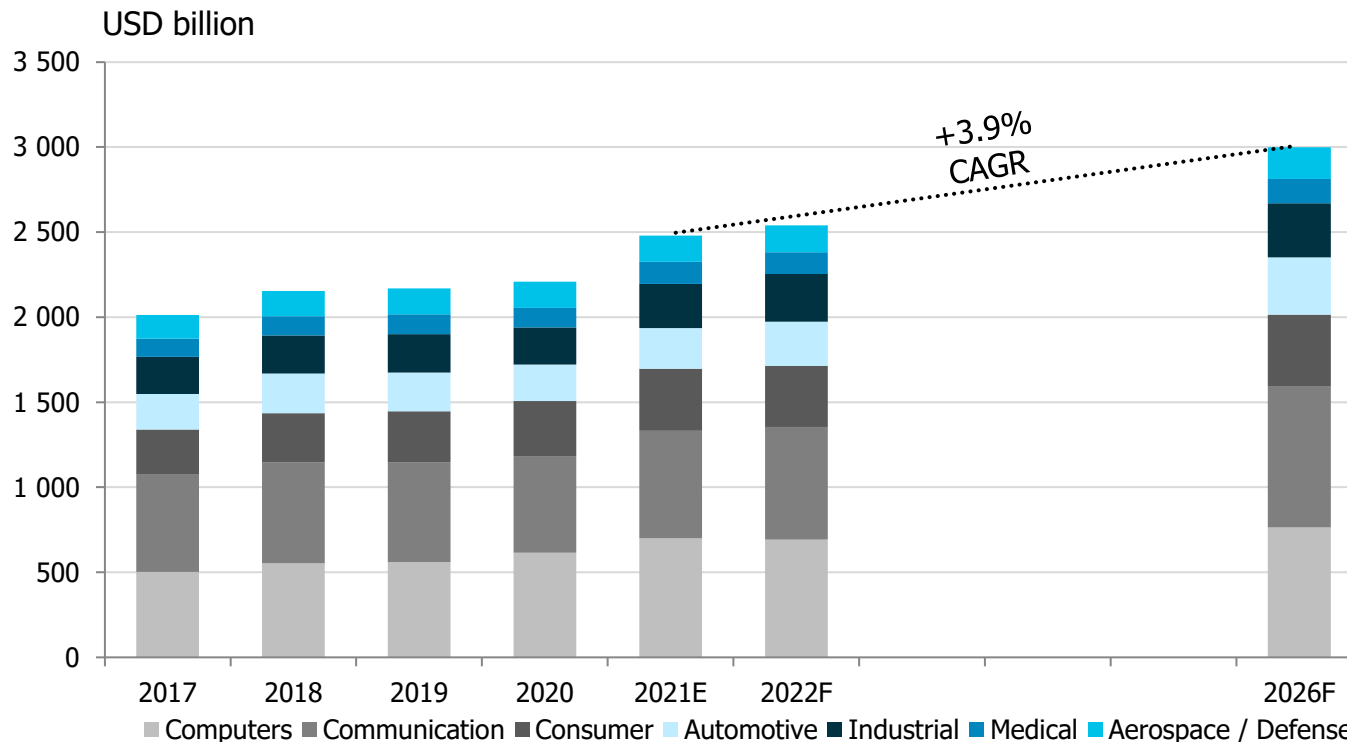
Market summary and updates

- Global electronics industry growth forecast +2.4%, to reach 2,539 BnUSD¹⁾
- Semiconductor industry growth forecast +9.0% and to reach 606 BnUSD¹⁾
- Optical components market growth +15.2% to reach \$12.1 BnUSD²⁾
- Printed circuit boards and substrates +5.2%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 March 2022, 2) Lightcounting October 2021, 3) Prismark, February 2022, 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

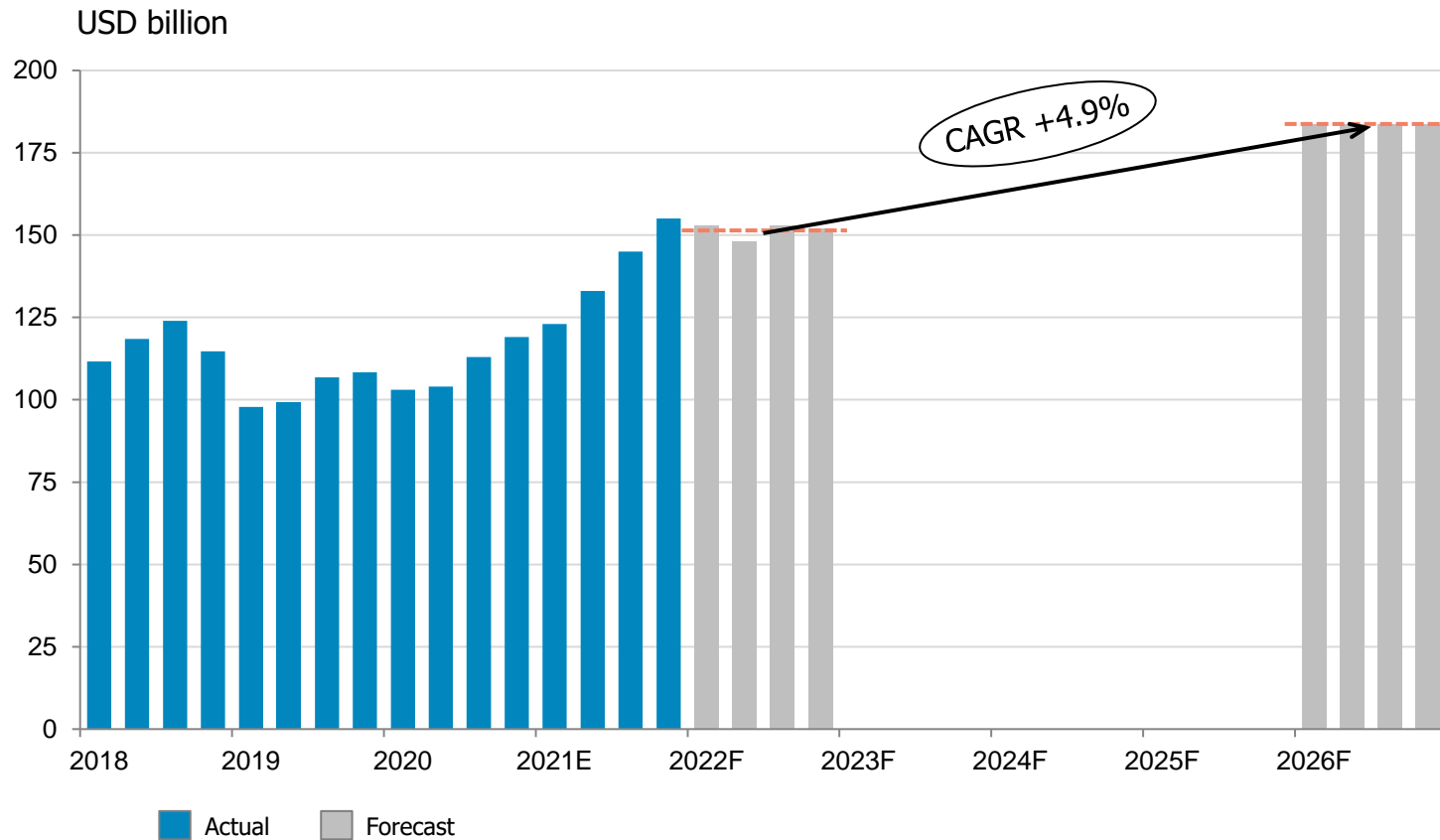


- Estimated growth of +12.3% in 2021 to 2,480 BnUSD with largest growth in segments
 - Industrial +18.8%
 - Computers +13.8%
 - Consumer +12.3%
- Forecast growth of +2.4% in 2022 to reach 2,539 BnUSD, with strongest development in
 - Automotive +8.3%
 - Industrial +8.1%
 - Communication +4.9%
- +3.9% CAGR expected for 2021-2026, with strongest development in
 - Automotive +9.5%
 - Communication +7.9%
 - Industrial +7.8%

Source: Prismark, March 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, April 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⁾

Dispensing*

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

** No forecast available*

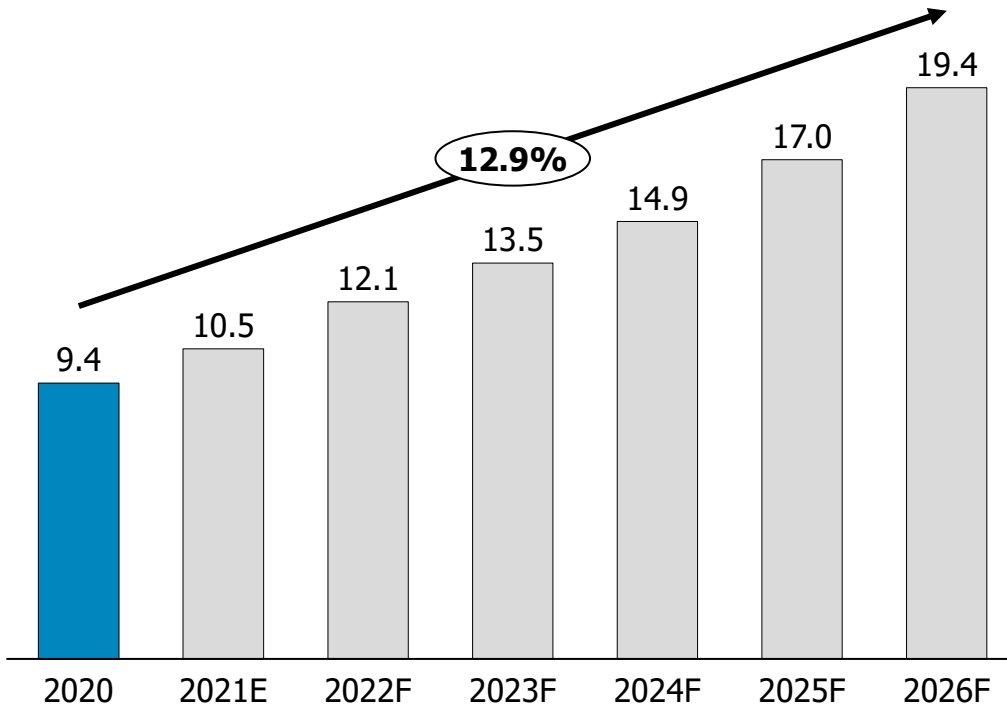
Source: 1) PROTEC MDC January 2022, 2) Prismark April 2022 (annual update)



Die Bonding

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

Optical components production (BUSD)



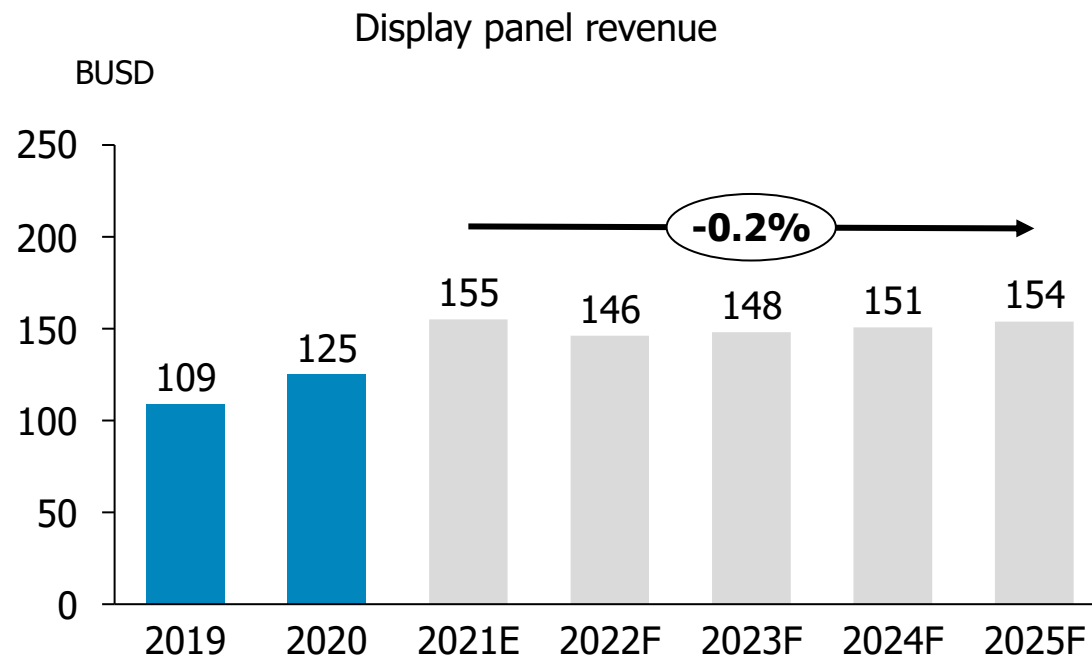
Source: Lightcounting October 2021

Healthy Data/Telecom long-term growth

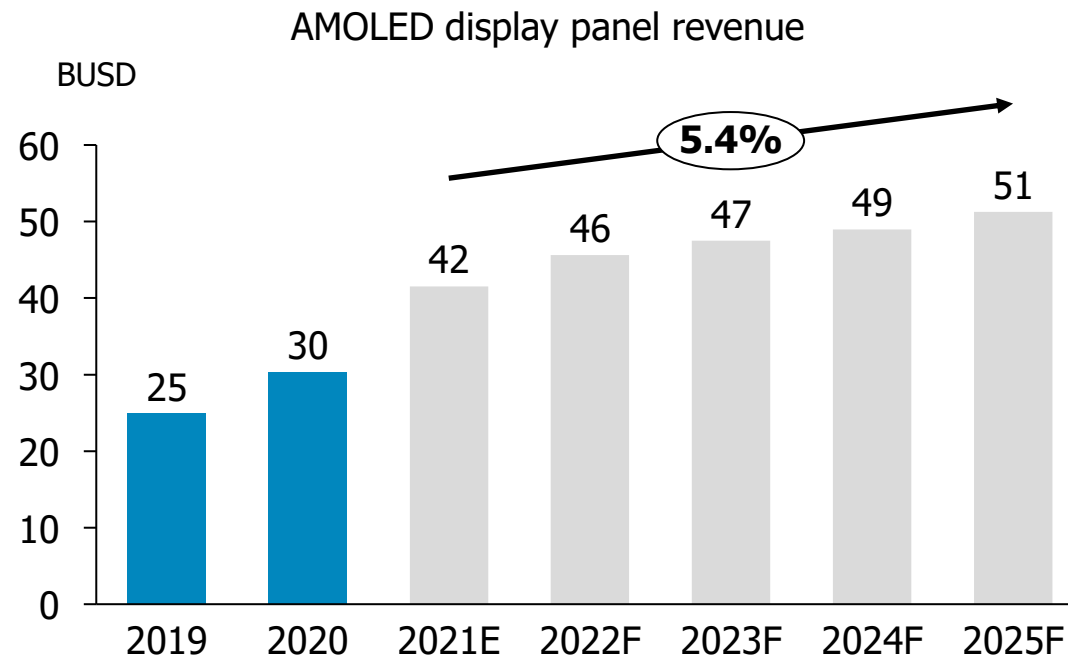
- Optical components production is the main driver for die/lens attach processes.
- Growth driven by mega trends such data centers, 5G/6G, EV, AI, IoT, and global supply chain shifting.
- Future revenue growth rate of the optical components was increased to 12.9% from 9.4% in April 2021 forecast.
- Bottlenecks 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



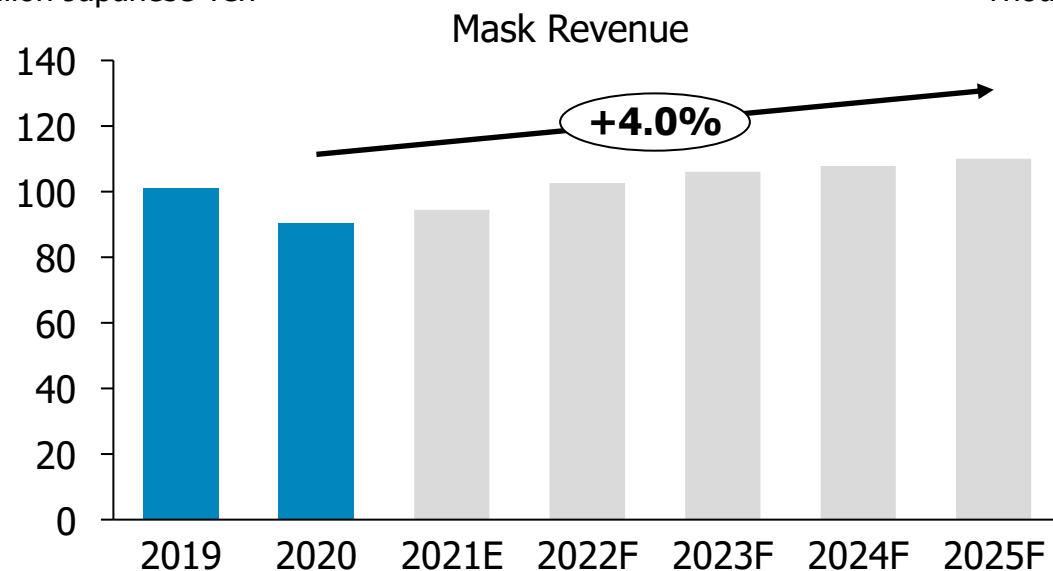
- Shift towards AMOLED continues
 - Technology shift ongoing from LCD to AMOLED for mobile displays, TV and IT segment
 - AMOLED ratio goes from 27% of total display revenue 2021 to 33% of total display revenue 2025

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.

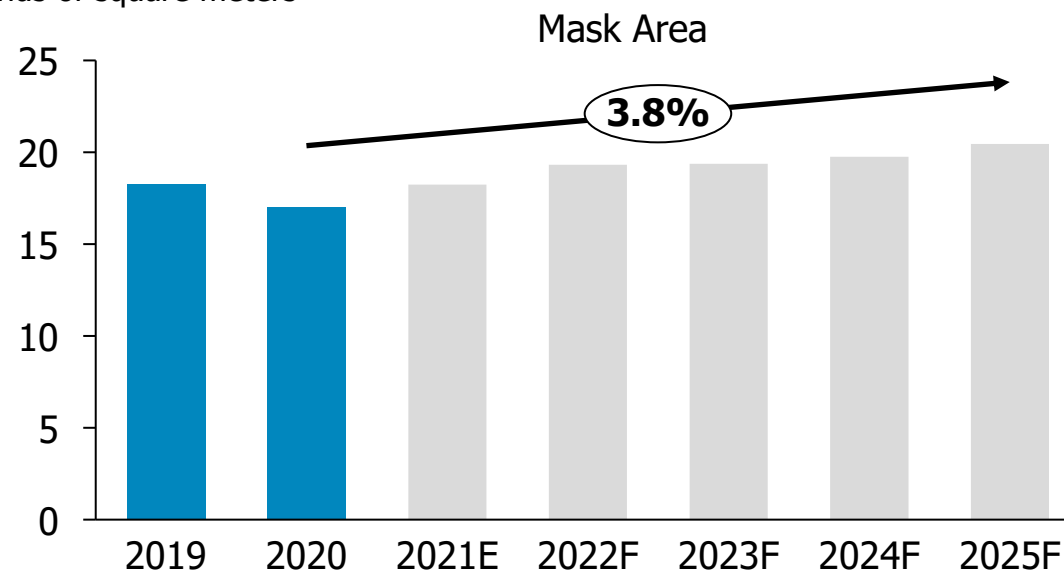
Pattern Generators

Positive photomask market

Billion Japanese Yen



Thousands of square meters



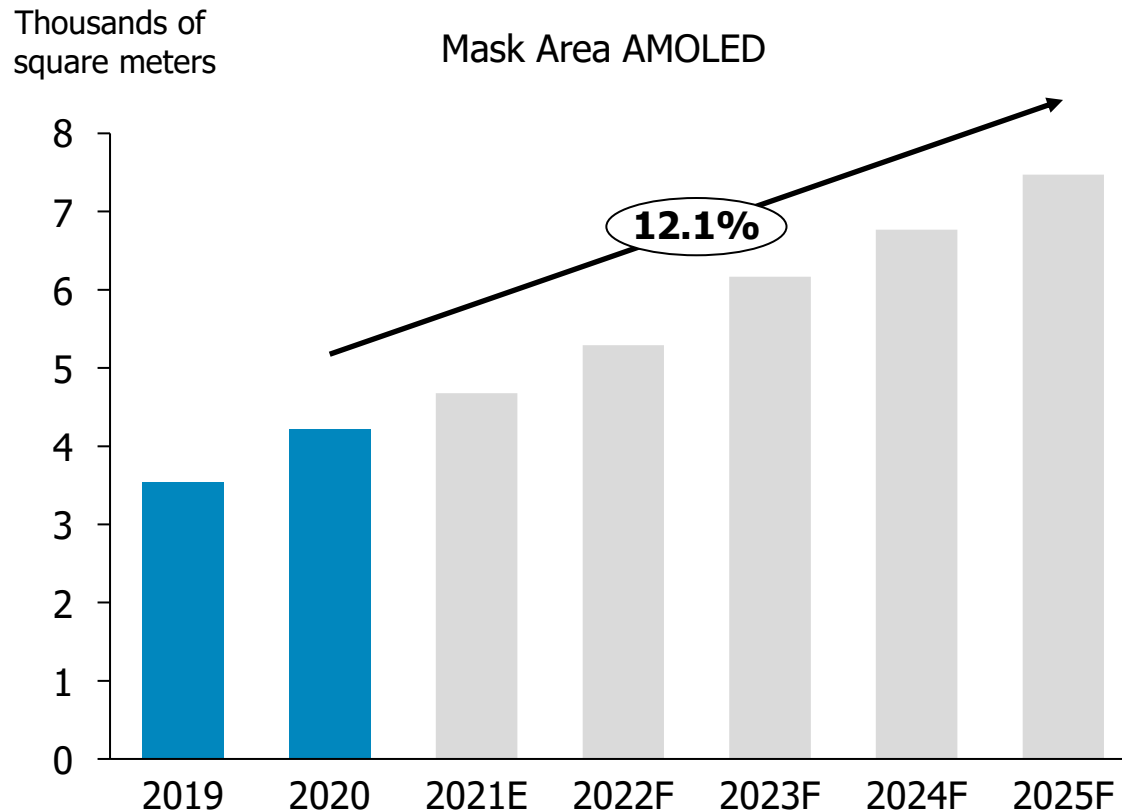
- Display mask market forecast positive after a weak 2020
 - Market development during 2020 was weak with a decline of 10.6%. The strong display market turned focus on production of existing models instead of launching new models
 - The market is forecast to recover 2021-2022 and then continue to grow. 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 advanced mask writer 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.

Bringing tomorrow's electronics to life

MYCRONIC