



MICRONIC MYDATA

Micronic Mydata

Q4, 2013

Lena Olving, President and CEO
Per Ekstedt, CFO

4 February, 2014



Agenda

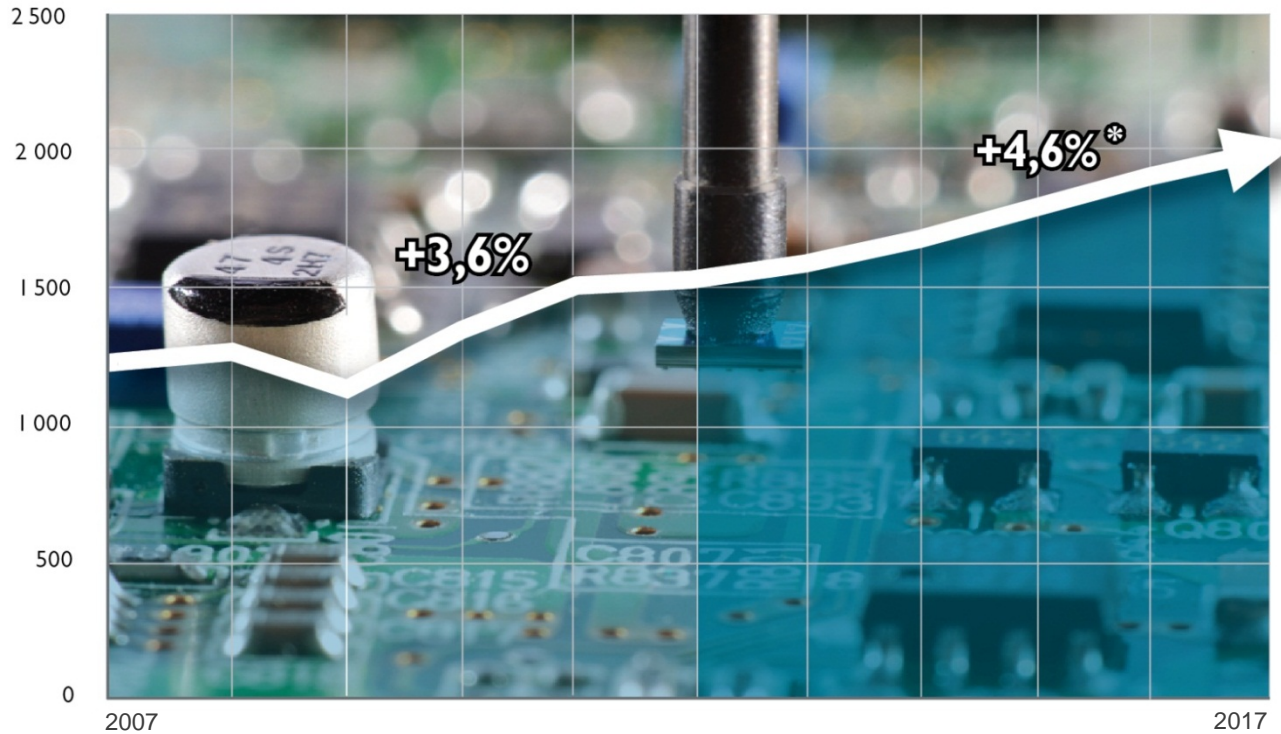
- Brief company presentation
- Financial update Q4 and Full Year, 2013
- Outlook
- Market update

Micronic Mydata operates in a growing market



- Electronics industry growth 1% in 2012
- Expected growth of 3% in 2013
- Annual growth of 5% forecasted 2012 - 2017

Billion USD



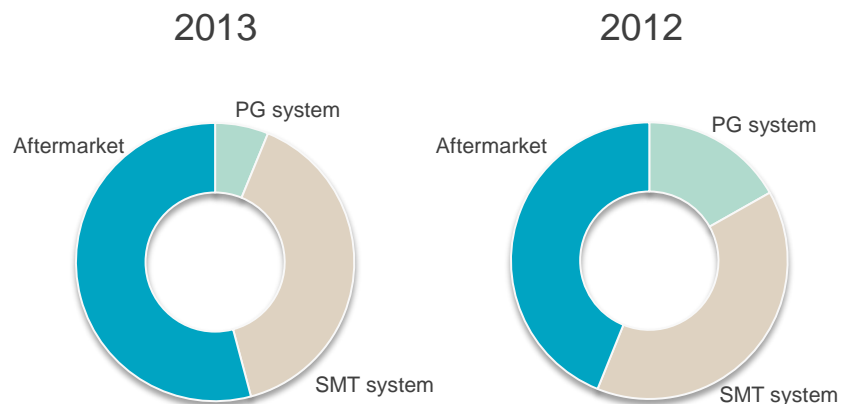
* Expected growth



Production solutions to the electronics industry

- Two business areas:
 - Pattern Generators (PG)
 - Surface Mount Technology (SMT)
- Strong presence close to customers
- Listed on NASDAQ OMX Stockholm, market cap as of 31 December: SEK 1,214 million
- Revenues 2013: SEK 997 million
- 522 employees at end of December

Strategy for sustainable profitability



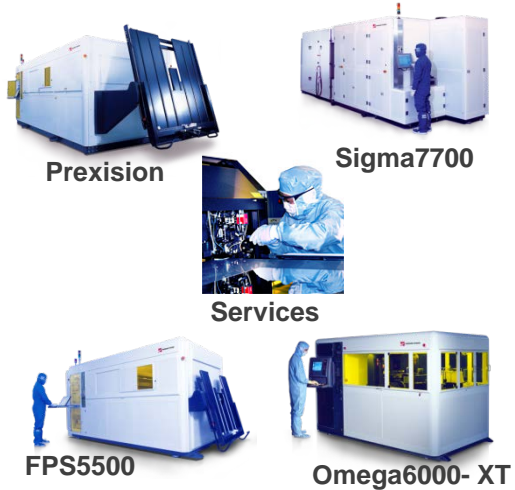
Micronic Mydata world-wide sales and support



Enabling consumer and industrial electronics



Mask writers



Direct writers

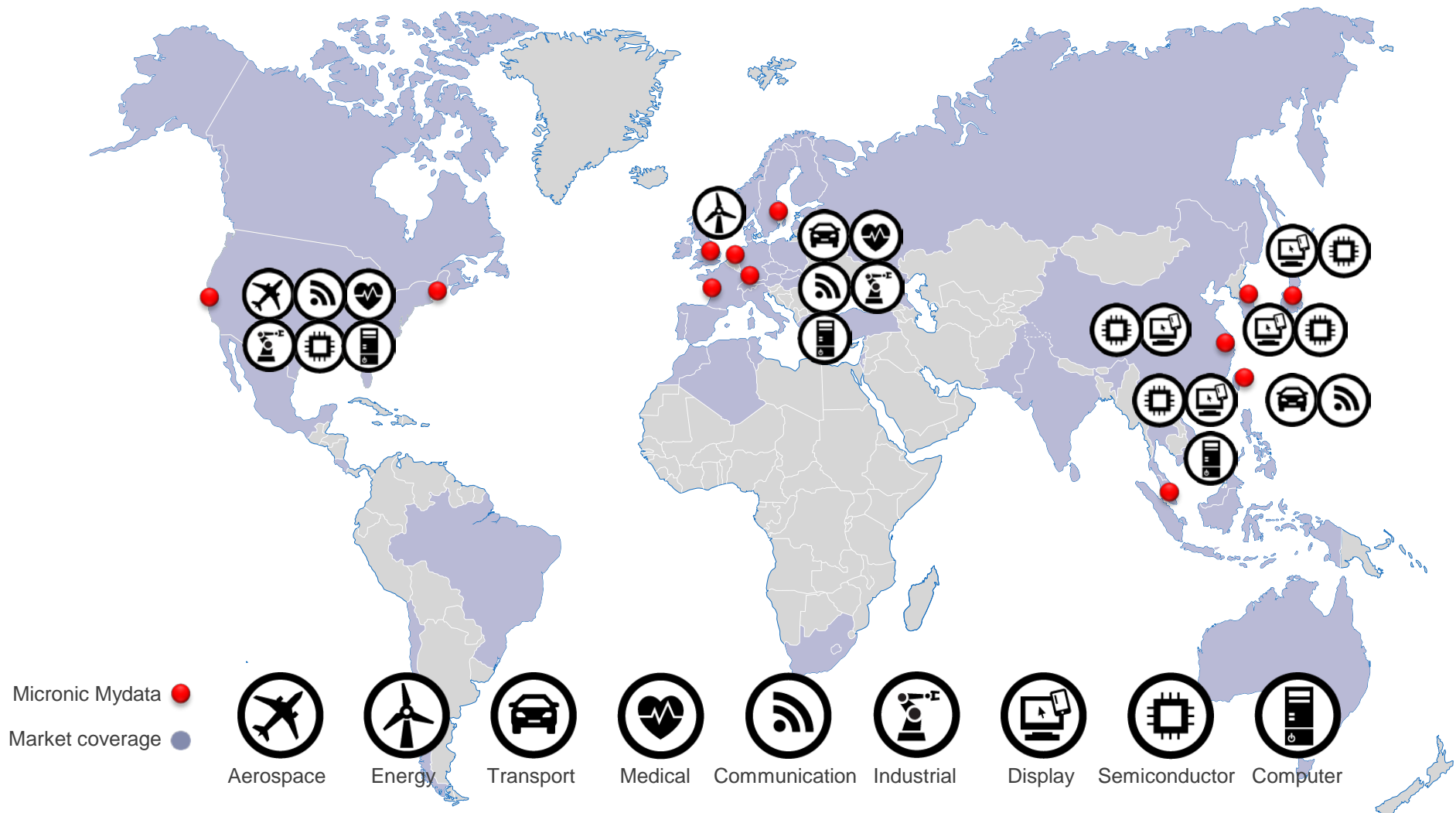


SMT Equipment





Micronic Mydata in the electronics market





Micronic Mydata in the electronics market

Domestic

R&D, manufacturing, sales, service, corporate, demo and application center

Employees	303
Revenue	2%
Purchases	63%

EMEA

Sales, service

Employees	51
Revenue	30%
Purchases	26%

Americas

Sales, service, demo and application center

Employees	50
Revenue	23%
Purchases	10%

Asia

Sales, service, demo and application center

Employees	118
Revenue	45%
Purchases	2%



Key events January-December 2013

- Order intake/sales
 - Year ending with Q4 stronger than previous quarters during the year
 - Continued stable aftermarket business
 - Negative impact on sales from FX effects by 64 MSEK
 - In a weak global market demand for SMT equipment fell by 25 %, while Micronic Mydata sales fell by only 21%
 - Demand for PG systems resulted in orders for two LRS15000 mask writers for display applications, one of them delivered in December, while earlier in the year one LDI order was cancelled by the customer
- Cost reduction
 - Micronic Mydata maintained gross margin level even though substantially lower sales
 - R&D spending reduced and shifted to SMT
 - As earlier communicated cost savings were estimated at 60 MSEK annually but final outcome over performed



Key events January-December 2013

- Market
 - Development within the electronics industry somewhat difficult to assess, which affects our ability to estimate the market short-term
 - Launch of new MY200 for surface mounting of components in November
 - High utilization of mask writers as the volume of photomasks is increasing
 - Technical requirements for electronic packaging are currently developing at a slower pace than earlier assessed and therefore difficult to predict when demand for direct writing production equipment will take off
- Lena Olving CEO from 15 July



Financial objectives

- **Growth** – *net sales will reach SEK 2 billion at the end of the business plan period*
- **Earnings** – *over time EBIT will exceed 10 percent of net sales over a business cycle*
- **Capital structure** – *net debt will be less than 3 times the average EBITDA*



Dividend policy

The objective of the company is to provide both solid returns and value growth.

Between 30 and 50 percent of net profit will be distributed to the shareholders, provided the company has a net debt less than 3 times EBITDA after stipulated dividend.

On each occasion the financial position, profitability trend, growth potential and future investment requirements of the company shall be taken into account



According to the dividend policy the board proposes to the AGM a dividend of SEK 0 for 2013



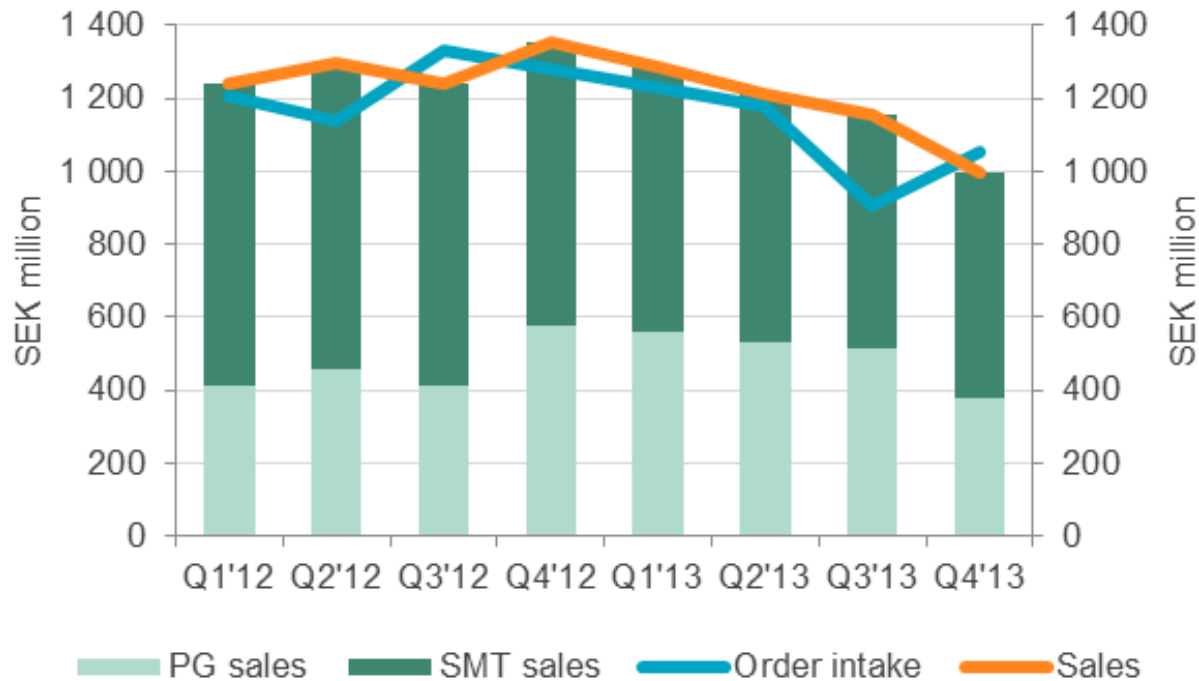
Extra dividend

After review of the capital structure the board proposes an extra dividend of SEK 2.50 per share, amounting to a total of SEK 244.8 million.

The proposed extra dividend requires approval on transfer of the statutory reserve to non-restricted equity from The Swedish Companies Registration Office, which can take up to 3 months after AGM



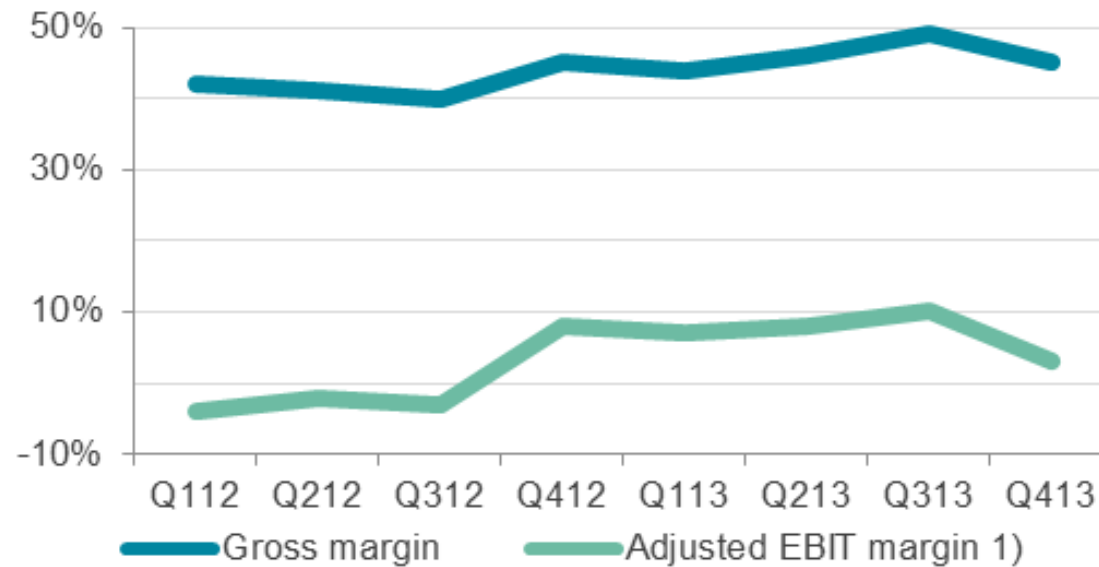
Order intake/net sales, 12 months rolling



- SMT order intake slight recovery late Q4
- PG order intake include order for two LRS15000 mask writers
- Order backlog MSEK 149 (90)
- Micronic Mydata SMT sales down but less than the global market drop of 25%
- Aftermarket sales remain stable in local currencies
- Sales affected negatively by currency effects by 64 MSEK



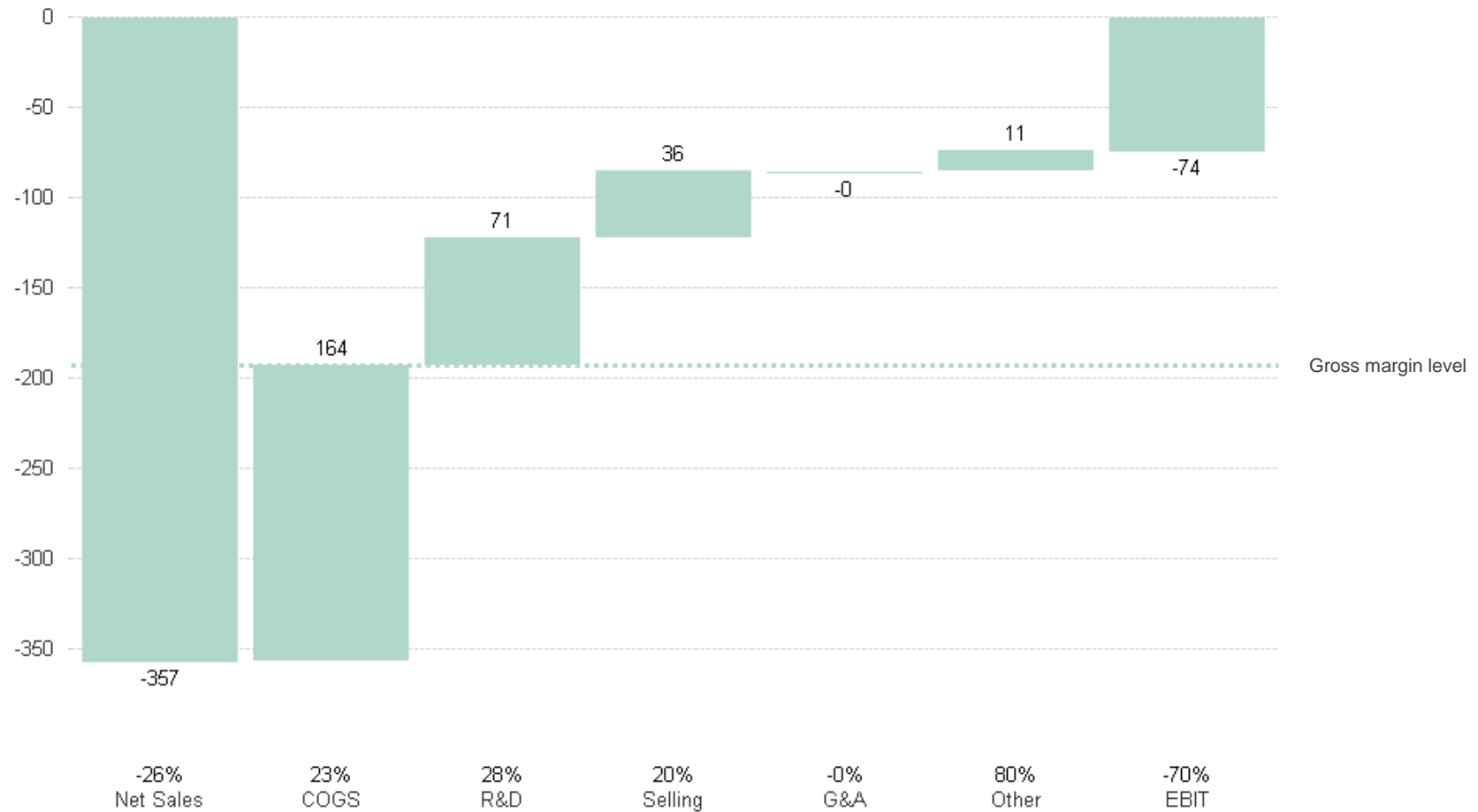
Margins, 12 months rolling



- Gross margin level maintained in times of low sales
- Positive margin trend due to cost savings
- Negative FX-effects on sales 64 MSEK in 2013



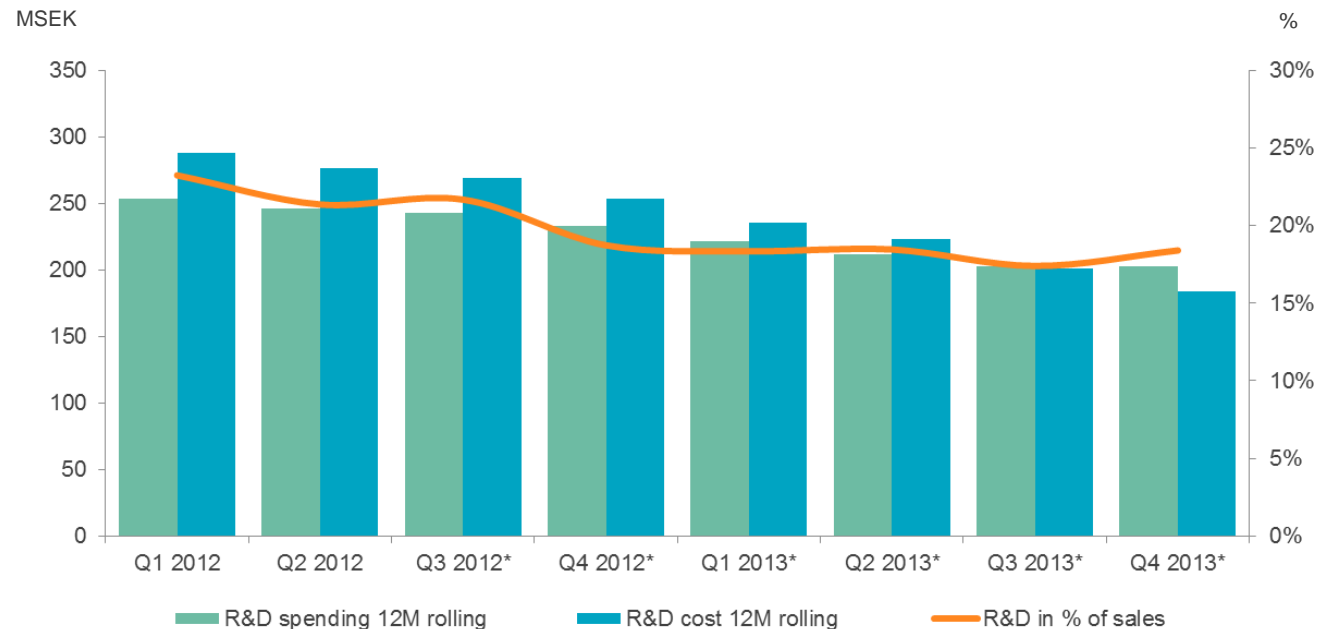
The "bridge" 2013 vs 2012



- Internal efficiency programs have mitigated decline in sales



R&D expenses, 12 months rolling



- R&D costs 18% (21%) of net sales
- R&D spending decreasing
- Higher focus on SMT product development, resulting in e.g. successful launch of MY200
- Development costs of 31 (0) capitalized



Profit and loss by segment, MSEK

	FY 2013	FY 2012 *	Q4 2013	Q4 2012 *
Net Sales				
SMT equipment	618	778	187	209
Pattern generators	379	576	137	272
Group net sales	997	1,354	325	481
Gross margin				
SMT equipment	41%	43%	43%	45%
Pattern generators	50%	53%	52%	65%
Group gross margin	45%	47%	47%	56%
EBIT				
SMT equipment	17	108	17	29
Pattern generators	21	5	27	99
Amortization excess value	-6	-6	-2	-2
Group EBIT	32	107	42	127

* Adjusted for non-recurring costs in FY2012



Cash flow statements, MSEK

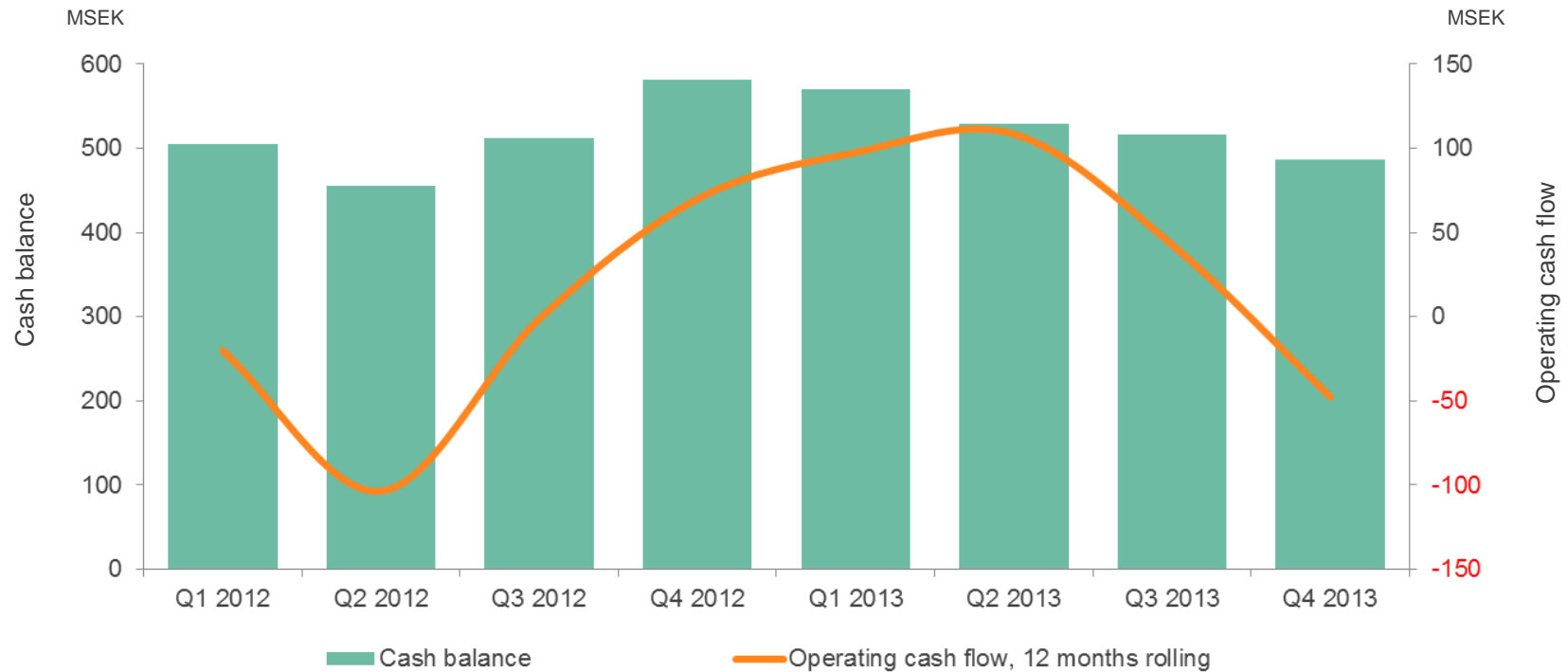
	2013	2012
Cash flow from operations	43	164
Change in working capital	-90	-94
Cash flow from operations after changes in working capital	-47	70
Investments in development	-31	0
Other investments, net	-5	-5
Cash flow before financing activities	-83	65
Financing	-2	-4
Cash flow	-85	61
Cash at end of period*	487	581

* Including effect of exchange rate variances in cash

- Cash flow affected by lower sales 2013 and build up in working capital



Operating cash flow, 12 months rolling



- Lower sales affecting cash flow in Q4 and full year 2013
- Cash balance of MSEK 487 at end of year



Financial summary Full year 2013

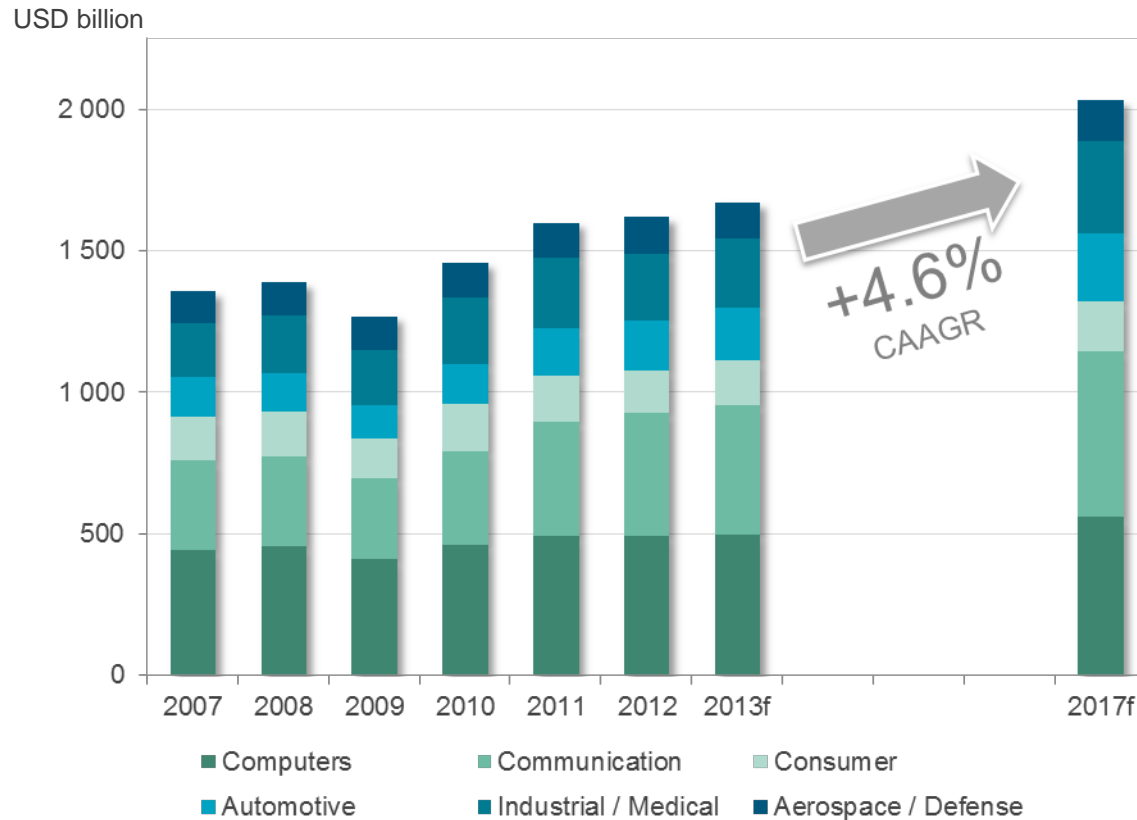
- SMT sales declined due to lower demand and negative FX-effects
 - Global SMT equipment market declined 25%, while Micronic Mydata declined 21%
 - Aftermarket sales remain stable in local currency
- PG sales declined due to lower system sales and negative FX-effects
 - Aftermarket sales remain stable in local currency
 - One mask writer compared to 3 last year
- Lowering costs was essential for maintaining gross margin level
- Cost saving program resulted in lower costs than previously communicated
- R&D activities reduced and shifted towards SMT
- Negative cash flow



SMT Equipment
Pick-and-place and
Jet printing solutions



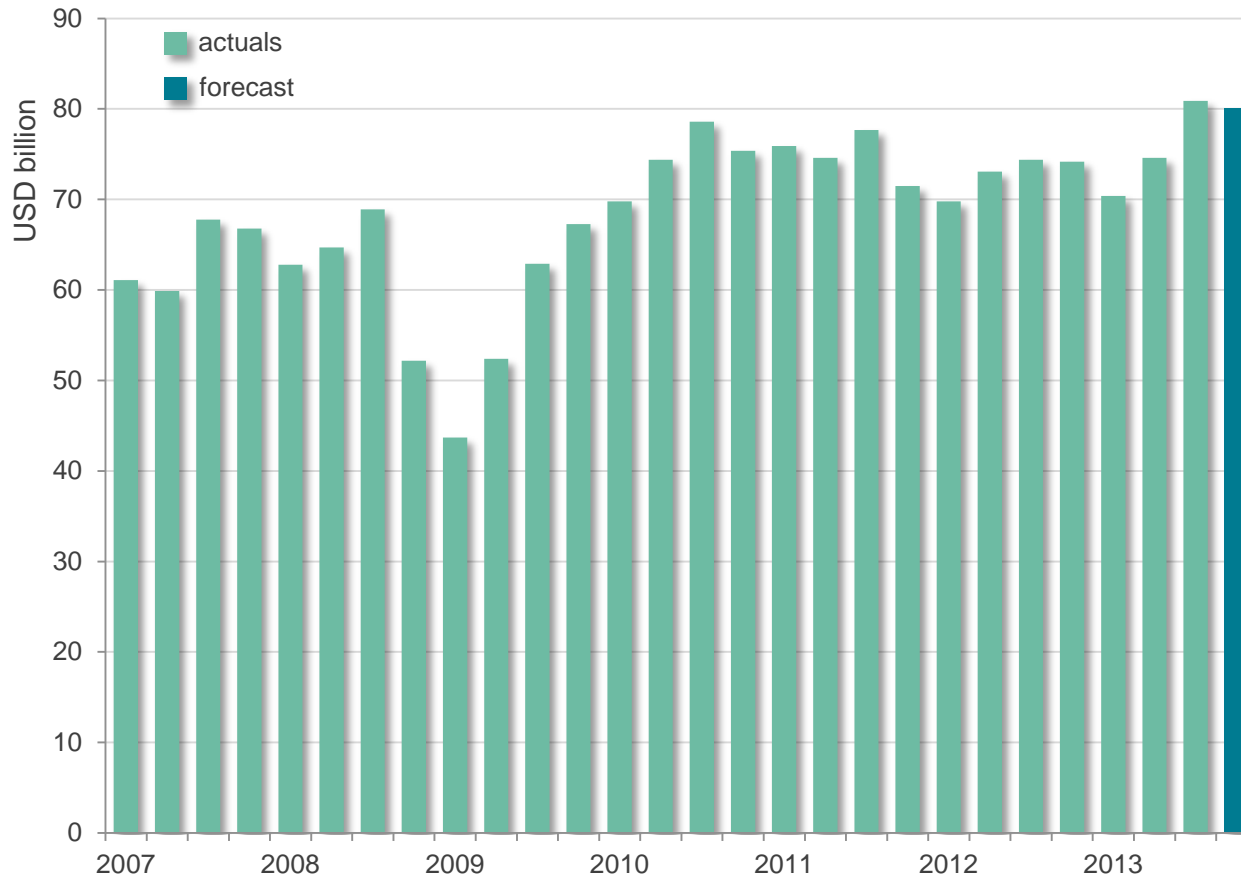
Electronics industry development



- Long-term annual growth of 4.6% 2012-2017 expected*
- Beginning of 2013* electronics industry growth was forecasted at 3% for full year to USD 1,671 billion
- Even though total industry is expected to grow, leading OEM companies forecast full year decline of 2%



Semiconductor market development



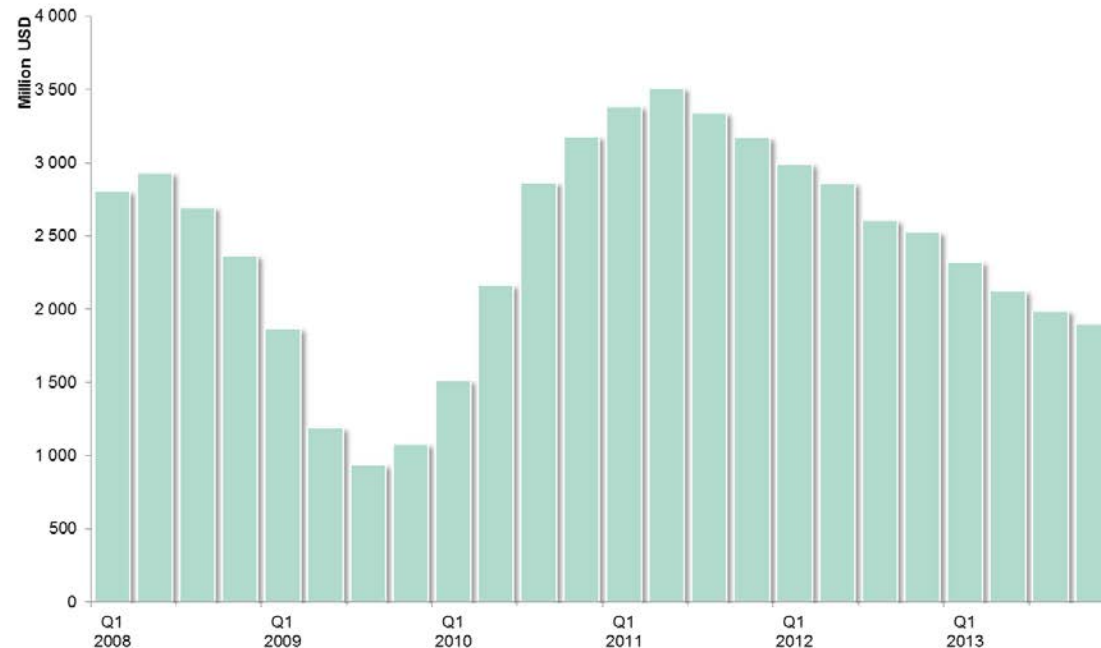
- Forecast for 2013 a growth of 5.0%*
- Development Q1- Q3 2013 improved by 4% compared to same period previous year
- Outlook for 2014 a growth of 4.5%*

*Growth affected by rising memory prices.



SMT equipment market development

SMT equipment sales
rolling 4 quarters



- Global demand 2013 declined by 25% compared to 2012
- Micronic Mydata SMT sales declined by 21%
- The market for SMT equipment normally follows the semiconductor market with a delay of 2-3 quarters



New MY200 performance series

The new MY200 performance series features

- a new high-speed mount head
- a new line scan vision system

delivering twice the accuracy and higher effective throughput.



- Market release November 2013
- First shipments in December 2013
- Seamless transition from MY100e to MY200 series

SMT summary



Market summary

- Electronics industry expected to grow 3% 2013
- Semiconductor market forecasted to grow 5% 2013
- Global SMT assembly equipment market declined 25% 2013



Effects on Micronic Mydata

- Overall weak demand 2013 compared to 2012 with decline of sales by 21%
- Market demand saw a slight recovery late Q4 2013
- Interest in high-mix equipment is increasing



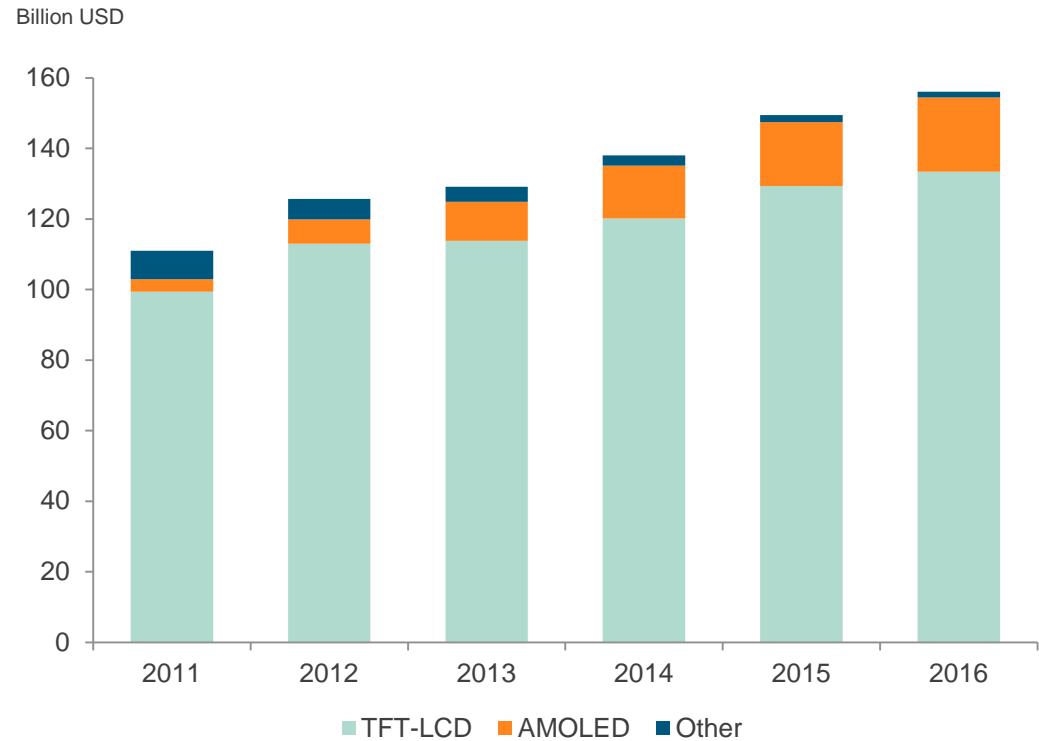
Pattern Generators

Mask writers and Direct writers



Display revenue increasing

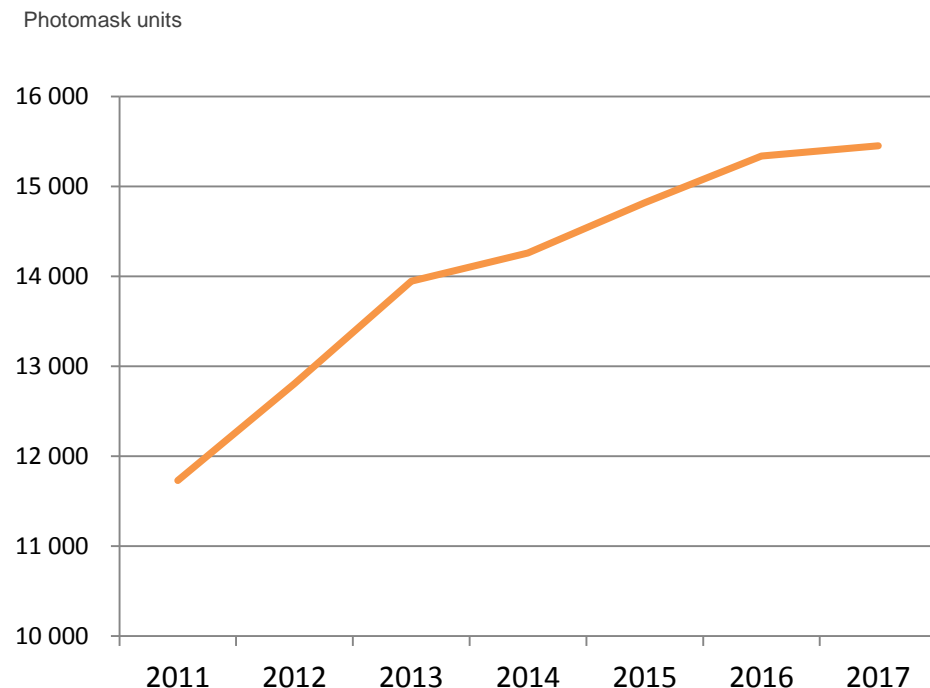
- Display revenue increased 3% to 129 billion USD in 2013
- Display revenue and area expected to continue to grow but at a slower pace
- Several trends drive photomask volumes
 - Increasing number of display types and applications
 - R&D and production of both LCD and AMOLED displays
 - Flexible displays introduced in 2013
 - Trend towards higher resolution displays using less power





Photomask volumes continue to increase

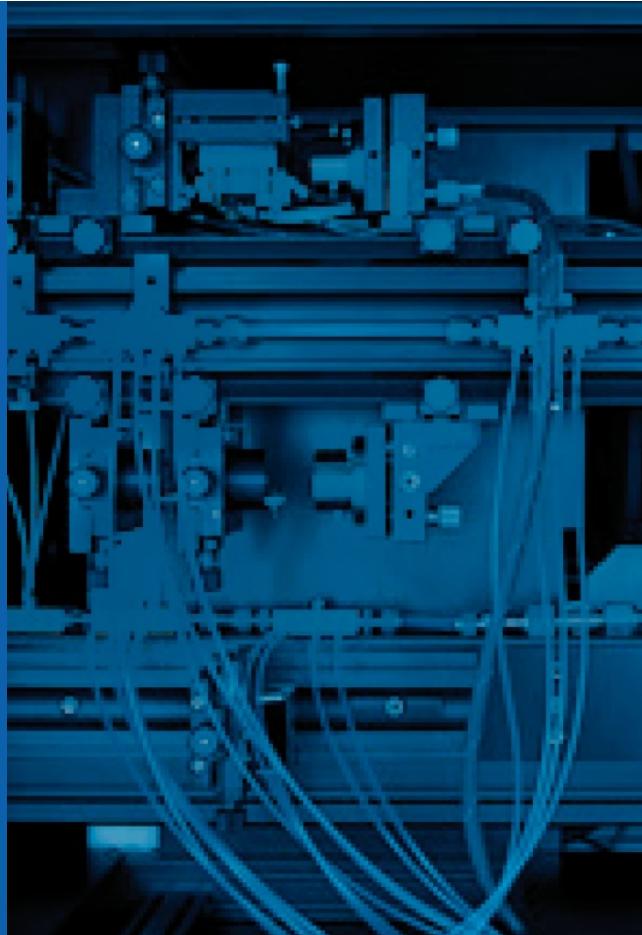
- Growing volumes in the photo-mask market
 - Record utilization of installed mask writers at customer sites
 - Photomask prices short-term stabilized but under pressure
 - Photomask makers profitable
 - Increased need for higher quality photomasks
- Photomask volumes expected to grow by 4% annually 2013-2017
- Volume growth indicates capacity need, but manufacturers still cautious to invest
- Demand for aftermarket products and services remain



Pattern generator – summary

Market summary

- Display and photomask volumes growing
- Mobile applications drive photomask volumes and system utilization
- The variety of new types of displays creates demand for photomasks
- Photomask makers showing profitability
- Cautious to invest



Effects on Micronic Mydata

- Trend towards more advanced display photomasks creates high-end capacity needs
- Difficult to forecast investments in new mask writers
- High utilization secures stable aftermarket sales



Micronic Mydata outlook

- The assessment is that sales 2014 will be in the span of 1,150 - 1,250 MSEK