

A woman with long brown hair is shown in profile, wearing a VR headset. She is interacting with a large, curved digital screen that displays a complex, colorful, and abstract pattern resembling a fan or a stylized eye. The scene is dimly lit, with blue and green light emanating from the screen and the headset. The background is dark with some blurred light sources.

Third quarter 2022



CEO & President

Anders Lindqvist

Agenda

- Q3 in short
- Divisional development
- Financials
- Final remark
- Q&A

- *Appendix – Market update*





Q3 in short

- New financial and sustainability targets presented at Capital Markets Day in September
- Revolving credit facility with Nordea of SEK 1,000 million renewed until September 2026
 - Currently the credit facility is not utilized
- Order intake increased 30% to SEK 1,609 (1,242) million
 - Strong order intake in Pattern Generators, with seven mask writers
- Net sales increased 23% to SEK 1,214 (986) million
- EBIT increased to SEK 203 (106) million
- EBIT margin at 17 (11)%
- Order backlog at SEK 2,542 (2,030) million
 - Contained 15 mask writers on September 30
- After the end of Q3, an order for two SLX mask writers was received.

Share of Group's net sales

20%

Net sales

SEK 246 M

Order intake

SEK 718 M

EBIT

SEK 76 M

EBIT margin

31%

Pattern Generators

Strong order intake

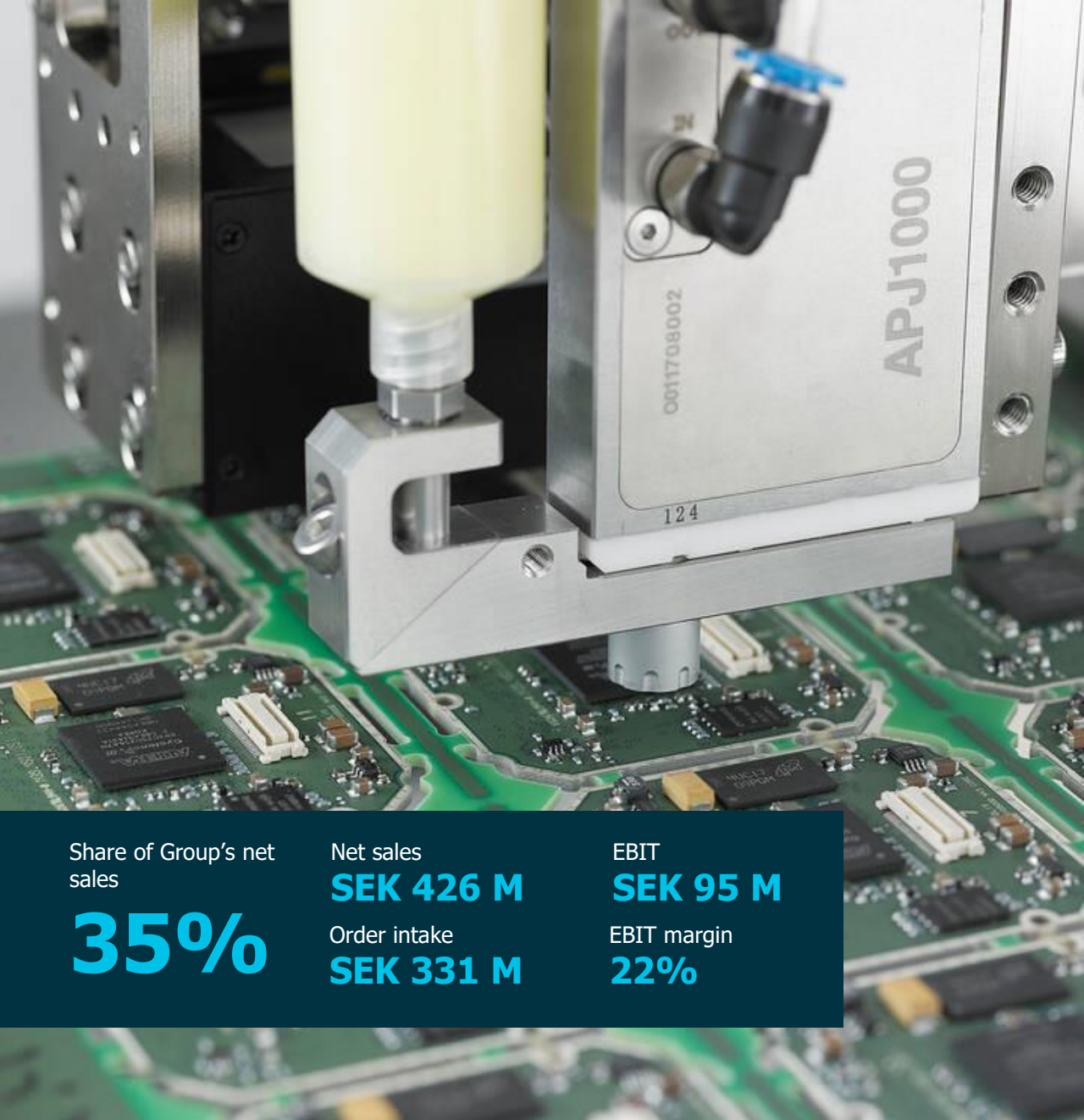
- First order for a Precision 8 Entry Evo
 - New model in the Precision Evo series of mask writers to write photomasks for displays up to mask size G8
 - Can be upgraded to a Precision 8 Evo in order to produce more advanced photomasks
- Strong order intake
 - Seven mask writers: one Precision 8 Entry Evo, two Precision Lite 8 Evos and four SLXs
 - Order intake increased 76 percent to SEK 718 (407) million
- Net sales decreased 7%
 - 1 SLX mask writer delivered
- Gross margin improved to 62 (58)%
- EBIT at SEK 76 (94) million
- Order backlog increased to SEK 1,106 (759) million
- 15 mask writers in order backlog on September 30

High Flex

Stable development

- Demand remained at a healthy level
 - Europe continued to show positive development
 - North America also performed well
- Sales and service center in Mexico expected to be operational in Q4
- Order intake increased 4%
 - Order of almost USD 2 million, for installation in Australia
- Net sales increased 26%
- Gross margin stable at 41 (41)%
- High Flex remained successful in maintaining good delivery times for its key products
- EBIT at SEK 43 (31) million
- Order backlog increased to SEK 243 (214) million





Share of Group's net sales

35%

Net sales

SEK 426 M

Order intake

SEK 331 M

EBIT

SEK 95 M

EBIT margin

22%

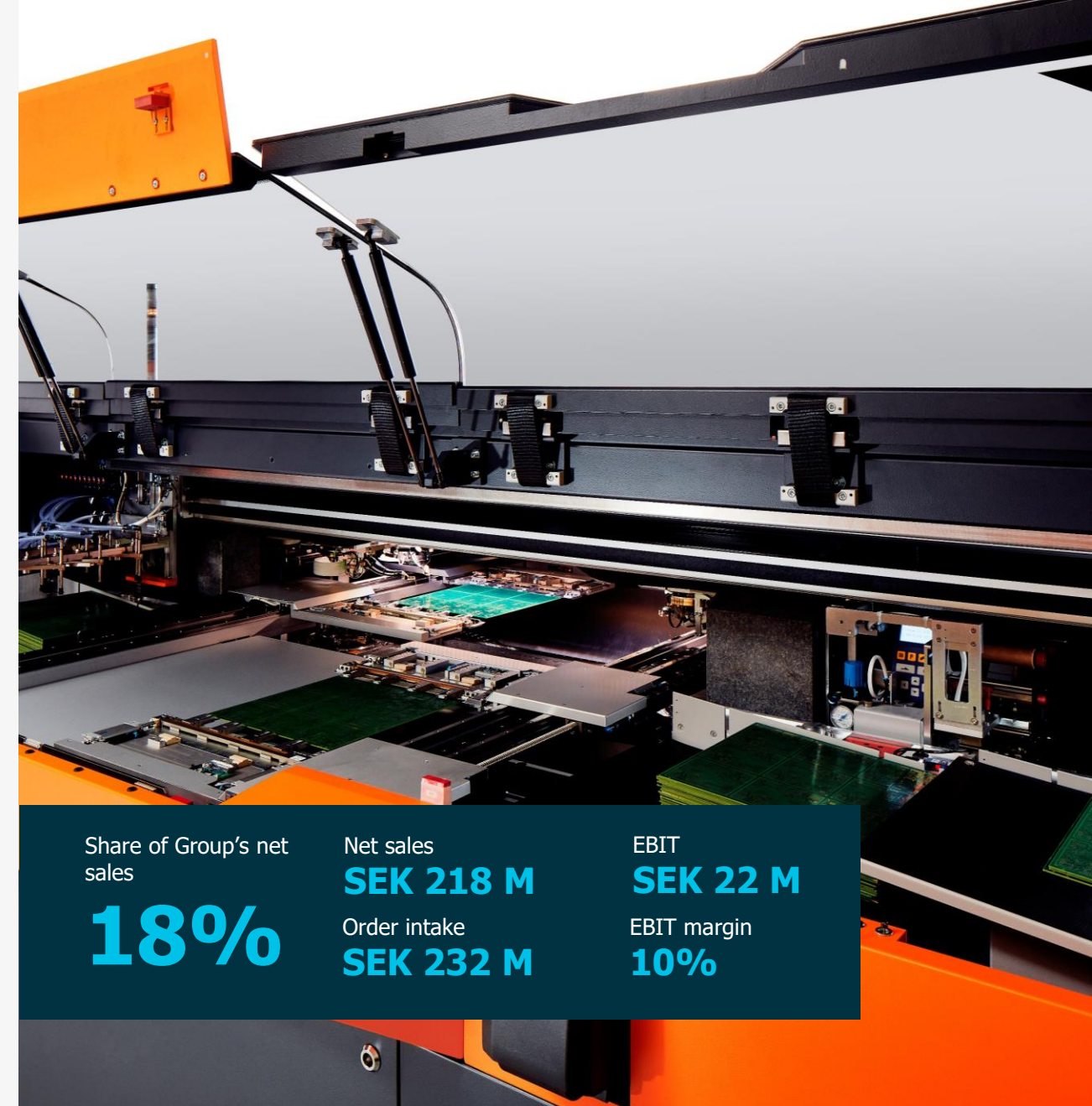
High Volume Strong EBIT

- Suppliers to the electric car industry witnessed high demand and continued to invest
- Consumer electronics remained weak
- Order intake rose 41%
 - Organic order intake increased 17%
- Net sales increased 81%
 - Weak Q3 in 2021
 - Strong volume increases supported by the acquisition and positive currency effects
- Shortage situation improved and did not cause any problems
 - Alternative local suppliers found while freight prices fell sharply from peak levels
- Gross margin improved to 39 (37)%
- EBIT increased to SEK 95 (30) million
- Order backlog increased to SEK 894 (759) million

Global Technologies

Continued double digit EBIT

- Electrical test equipment continued strong performance
- Demand in die bonding from China in telecom and datacom developed negatively
- Order intake decreased 18%
 - Order intake excluding acquisition and divestment was at the same level as the previous year
- Net sales decreased 6%
 - Organic net sales decreased 10%
- Die bonding was affected by disruptions in the supply chain while electrical testing successfully executed its production plan
- Gross margin improved to 39 (23)%
 - Q3 2021 impacted by SEK 26 million in acquisition-related costs due to the acquisition of atg L&M
- EBIT improved to SEK 22 (-16) million



New financial and sustainability targets

Net sales
SEK 10 bn
latest by 2030

EBIT
SEK 2 bn
latest by 2030

CO² emissions
reduced by
50%
latest by 2030

EBIT margin >20 percent
EBIT margin for individual divisions >10 percent
Science Based Targets

Revised outlook 2022

New outlook
SEK 5 bn
at prevailing exchange
rates

Previous outlook
SEK 5 bn
at exchange rates at
the end of 2021

EBIT margin outlook unchanged



CFO & Sr VP Corporate Development

Pierre Brorsson

Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 4,917 million
- EBIT margin R12 at 17%
- Aftermarket revenue R12 increasing quarter-on-quarter since Q1 2021

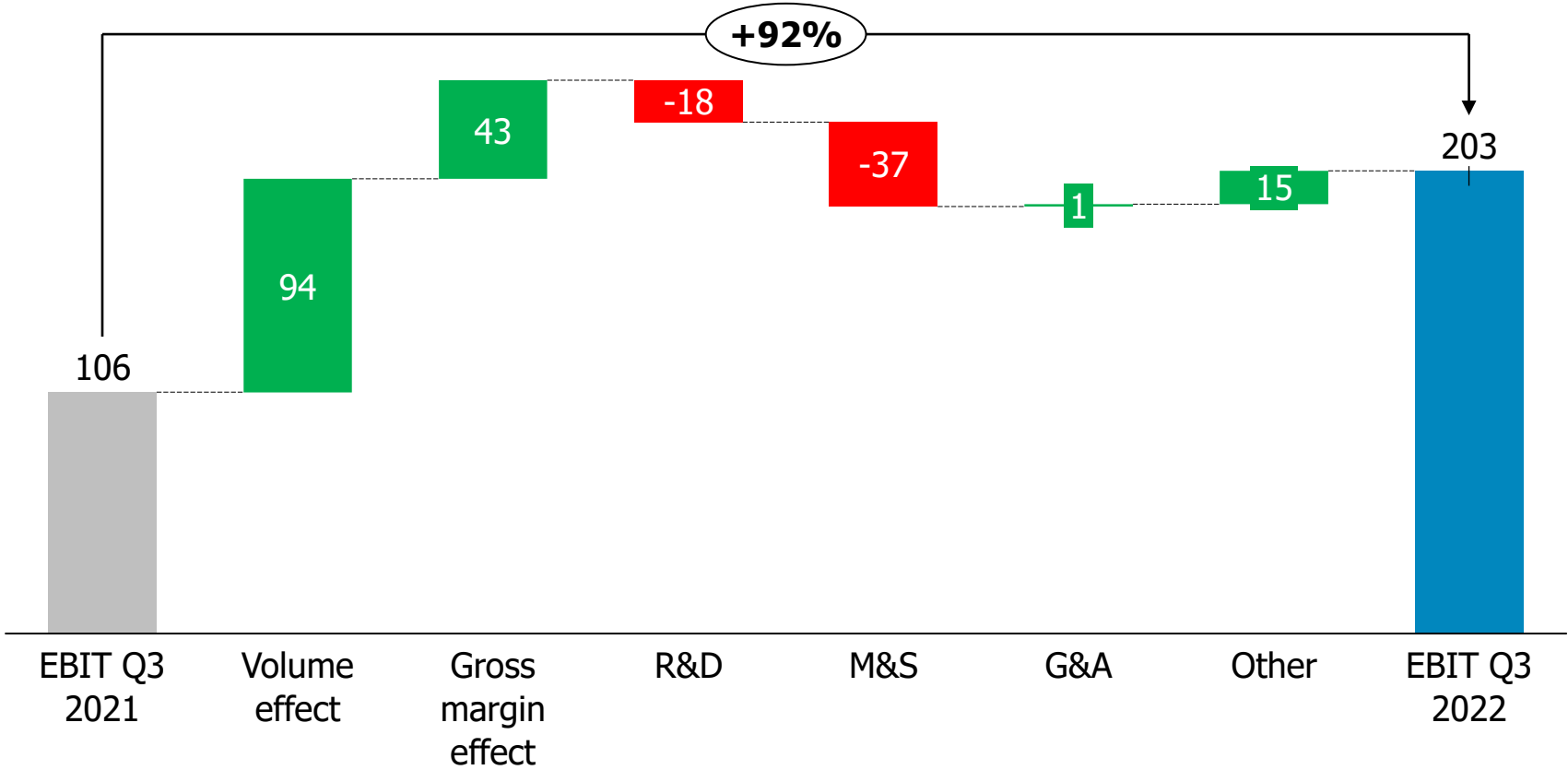
Group net sales and EBIT margin per quarter



- Q3 net sales amounted to SEK 1,214 million
- All divisions showed double digit EBIT margins for the second consecutive quarter
- Higher EBIT-margin vs Q3 2021 explained by improvements in High Volume, Global Technologies and High Flex
- EBIT margin at 17%

Group Q3 EBIT bridge

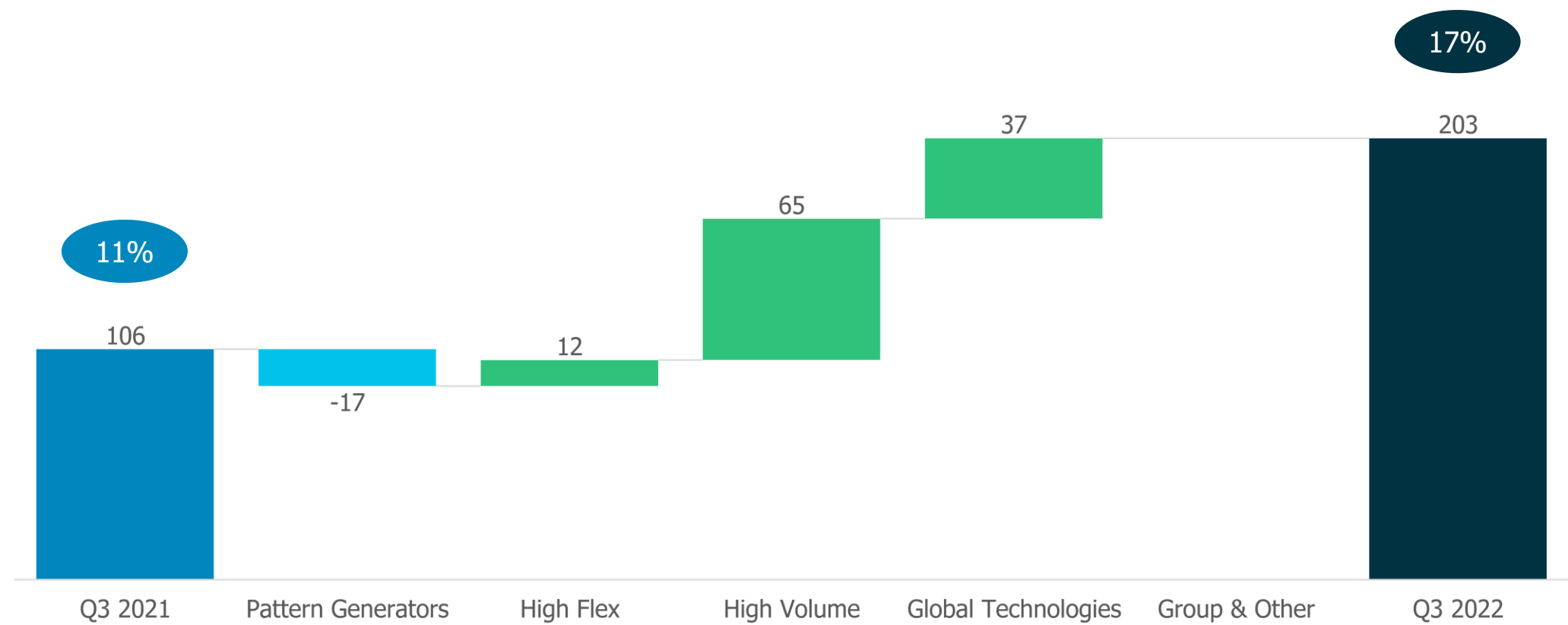
MSEK



% of Sales 2021	11%	41%	-14%	-12%	-7%	2%	
% of Sales 2022		45%	-13%	-13%	-5%	3%	17%

Divisional Q3 EBIT contribution

MSEK



Cash flow

MSK	YTD 2022	YTD 2021	
Cash flow from operations before change in working capital	619	763	
Change in working capital	-203	-5	• Working capital increase driven by trade receivables and inventory
Cash flow from operations	416	758	• Cash flow from investing activities positive due to SEK +216 million from AEi divestment
Investing activities	104	-1,093	
Financing activities	-366	-108	• Financing activities include SEK -294 million in dividend payment
Cash flow for the period	153	-444	
Cash, opening balance*	692	1,303	• Cash at AEi
Exchange difference	60	37	• Net cash amounted to SEK 639 million on September 30
Cash classified as assets held for sale	-	-8	
Cash at end of period	906	887	

*Opening balance 2022 includes cash and cash equivalents classified as assets held for sale



CEO & President

Anders Lindqvist

Sustainability

- The climate target is now presented together with the financial targets
- The climate target means our own CO₂ emissions are to be reduced by 50 percent by 2030
 - Own CO₂ emissions refer to emissions from our production sites and offices, from transportation, and from business travel
- In addition, Mycronic has undertaken to set new climate targets in accordance with Science Based Targets





The image shows a large, orange industrial robotic arm, likely a KUKA model, positioned in a modern factory environment. The arm is extended upwards and slightly to the left. In the background, a male worker wearing safety glasses and green gloves is holding a handheld control device, possibly a teach pendant. The factory floor is visible with various equipment, including a workbench with blue components and other robotic units. The ceiling is high with industrial lighting. The overall scene depicts a collaborative manufacturing environment.

Q&A

APPENDIX

Q3 2022 Market update

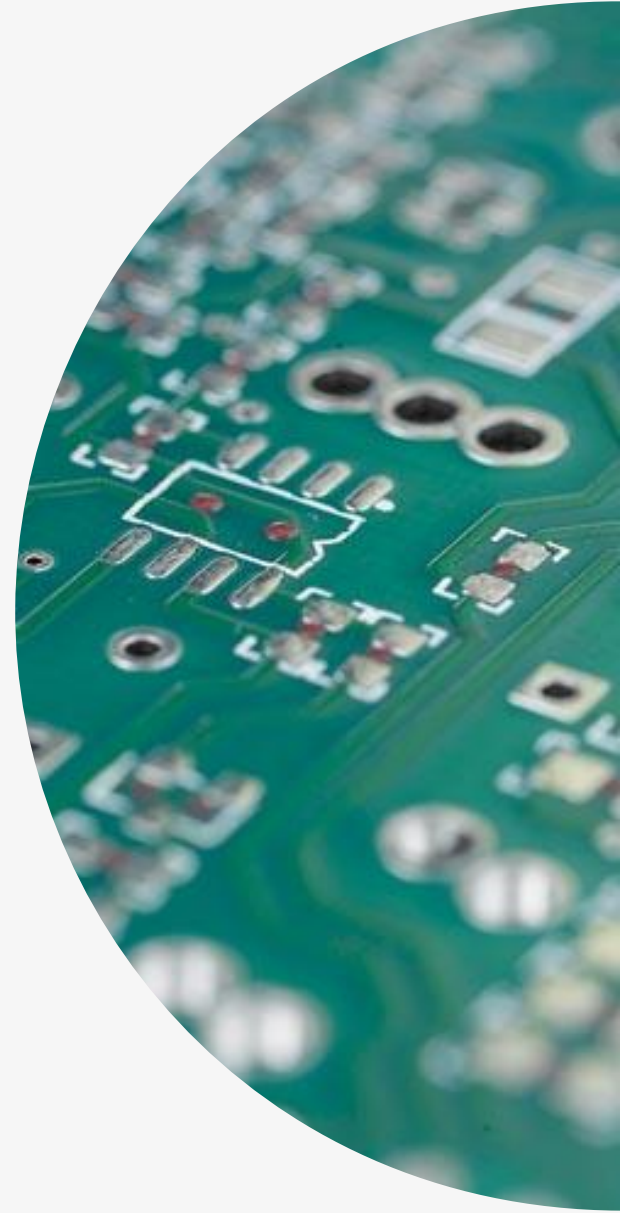
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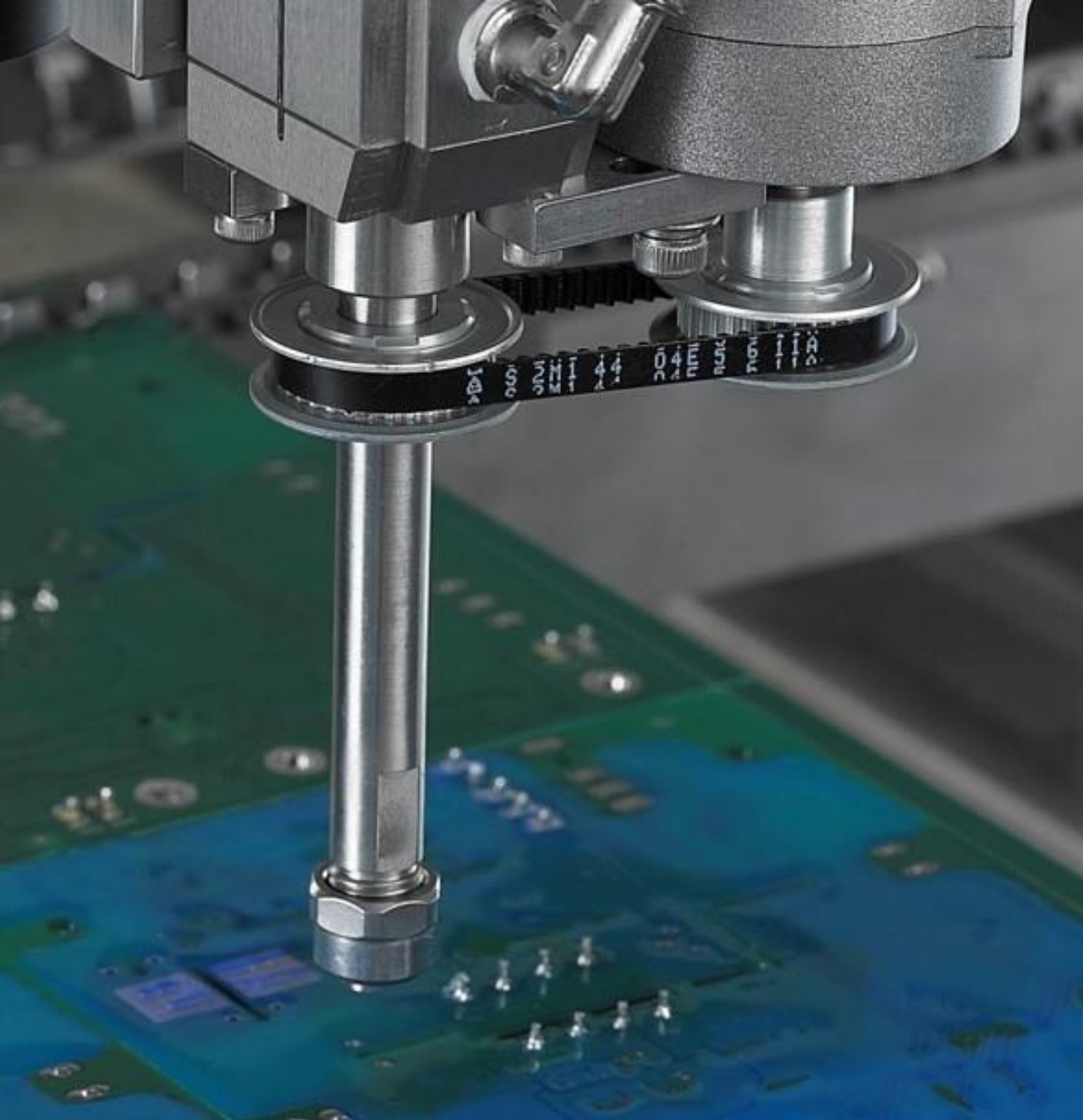
Outcome 2021

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 +8.7% to 12.6 BnUSD³⁾
- Printed circuit boards and substrates +24.1% to 80.9 BnUSD⁴⁾
- Display market +25.7% to 157 BnUSD⁵⁾
- Display photomasks 14.0% to 936 MUSD⁶⁾
- Semicon photomasks +16.2% to 6.1 BnUSD⁷⁾
- Dispensing equipment +24.7% to 910 MUSD⁸⁾

Source: 1) Prismark August 2022, 2) PROTEC MDC July 2022, 3) Lightcounting April 2022, 4) Prismark, May2022, 5) Omdia October 2022, 6) Omdia July 2022 (annual update), 110 YEN/USD used as conversion rate, 7) TechInsights April 2022 (annual update), 8) Prismark April 2022 (annual update)





Forecasts 2022

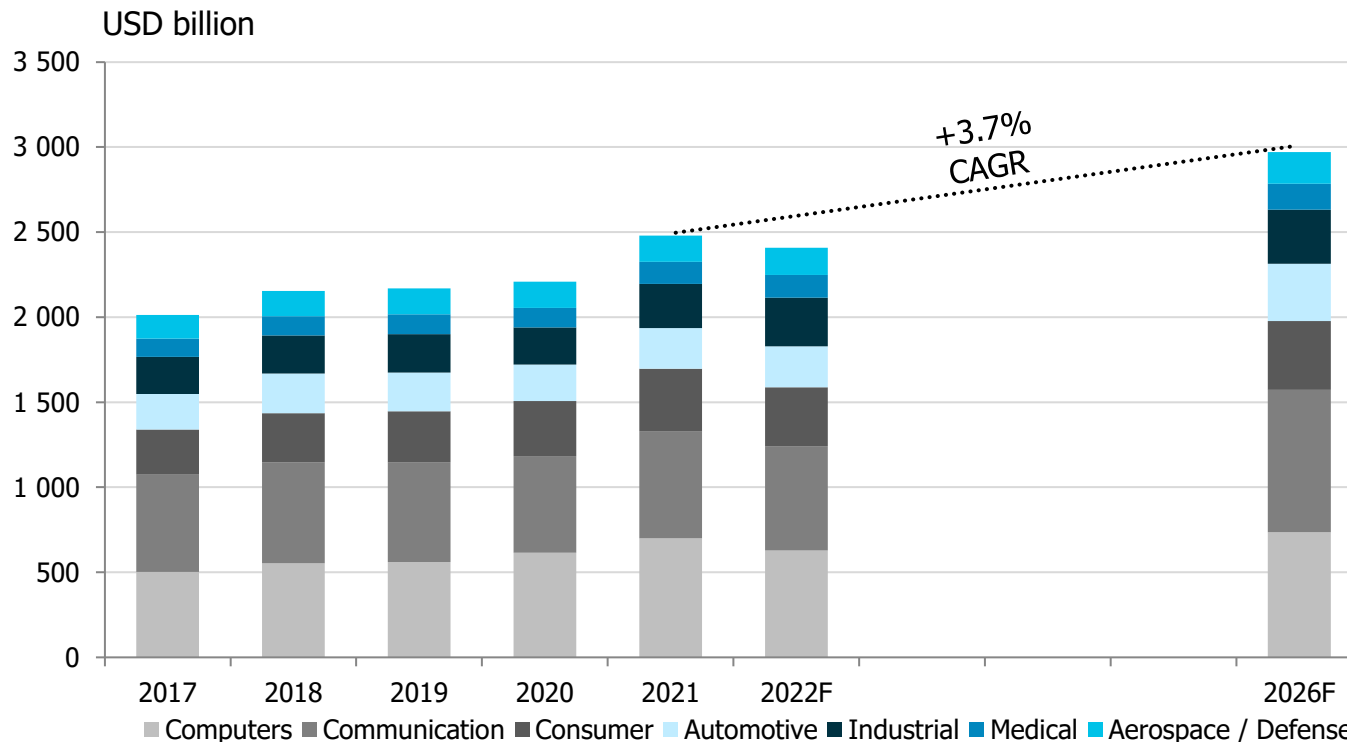
Market summary and updates

- Global electronics industry forecast to decline -2.8%, and to reach 2,409 BnUSD¹⁾
- Semiconductor industry growth forecast +6.3% and to reach 591 BnUSD¹⁾
- Optical components market growth +16.4% to reach \$14.7 BnUSD²⁾
- Printed circuit boards and substrates growth expectations revised down to +1.5%³⁾
- Displays -21.9% to 123 BnUSD⁴⁾
- Display photomasks +9.8% to 1,028 MUSD^{5, 6)}
- Semicon photomasks +18.4% to 7.2 BnUSD⁷⁾
- Dispensing: not available

Source: 1) Prismark August 2022, 2) Lightcounting April 2022, 3) Prismark, August 2022, 4) Omdia October 2022, 5) Omdia FPD large-area photomask research July 2022. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk, 6) 110 YEN per USD used for conversion from JPY to USD, 7) TechInsights April 2022

Electronics industry systems

Yearly development by industry segment

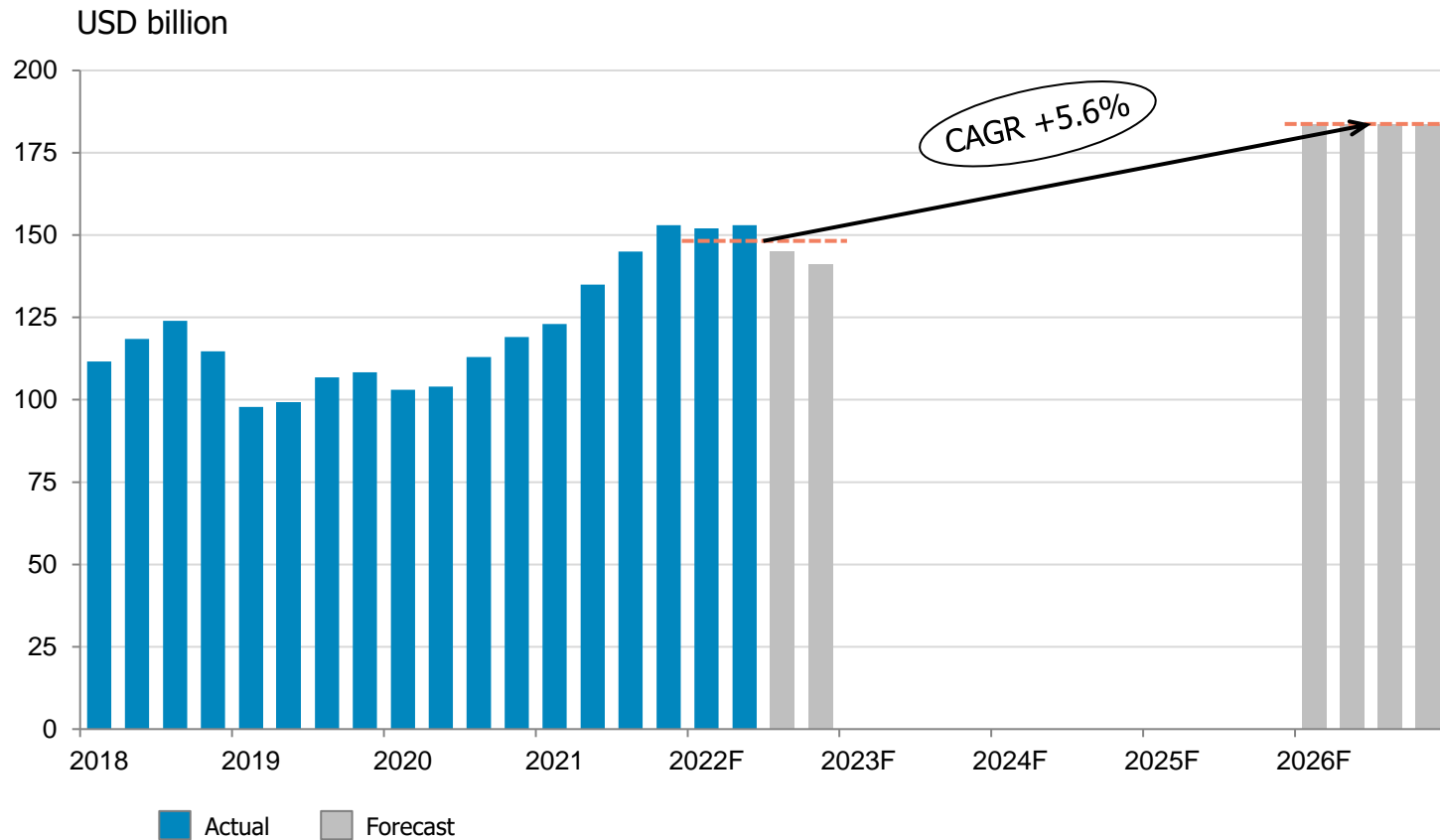


- Estimated growth of +12.3% in 2021 to 2,479 BnUSD with largest growth in segments
 - Industrial +18.7%
 - Computers +13.7%
 - Medical +13.0%
- Forecast decline of -2.8% in 2022 to reach 2,409 BnUSD, with strongest development in
 - Industrial +10.5%
 - Aerospace / Defense +4.0%
 - Medical +3.1%
- +3.7% CAGR expected for 2021-2026, with strongest development in
 - Automotive +7.0%
 - Communication +5.8%
 - Industrial +4.3%
 - Aerospace / Defense +3.7%

Source: Prismark, August 2022

Semiconductors

Quarterly development



- Estimated +26.7% growth in 2021 to 556 BnUSD
- Forecast growth of +6.3% in 2022 to reach 591 BnUSD
- 2022 to 2026 CAGR forecast at +5.6% growth to 735 BnUSD

Source: Prismark, August 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⁾
- The segment declined as a whole in the first half of 2022 compared with the same period last year, even though the markets in Europe, North and South America and Japan reported growth¹⁾.

Dispensing*

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

** No forecast available*

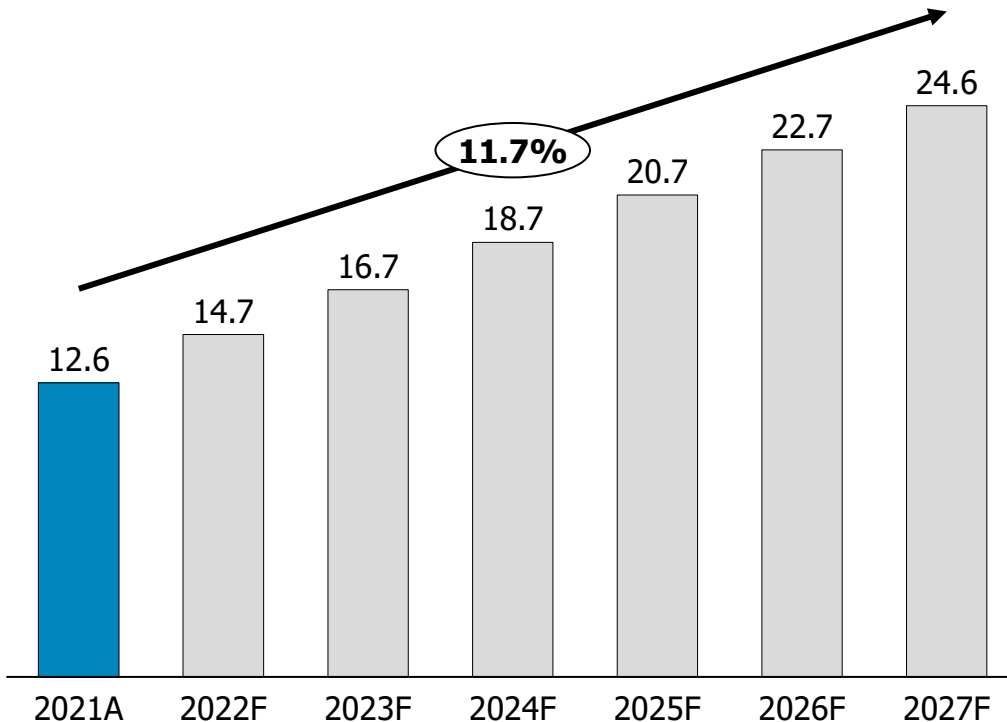
Source: 1) PROTEC MDC July 2022, 2) Prismark April 2022 (annual update)



Die Bonding

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

Optical components production (BUSD)



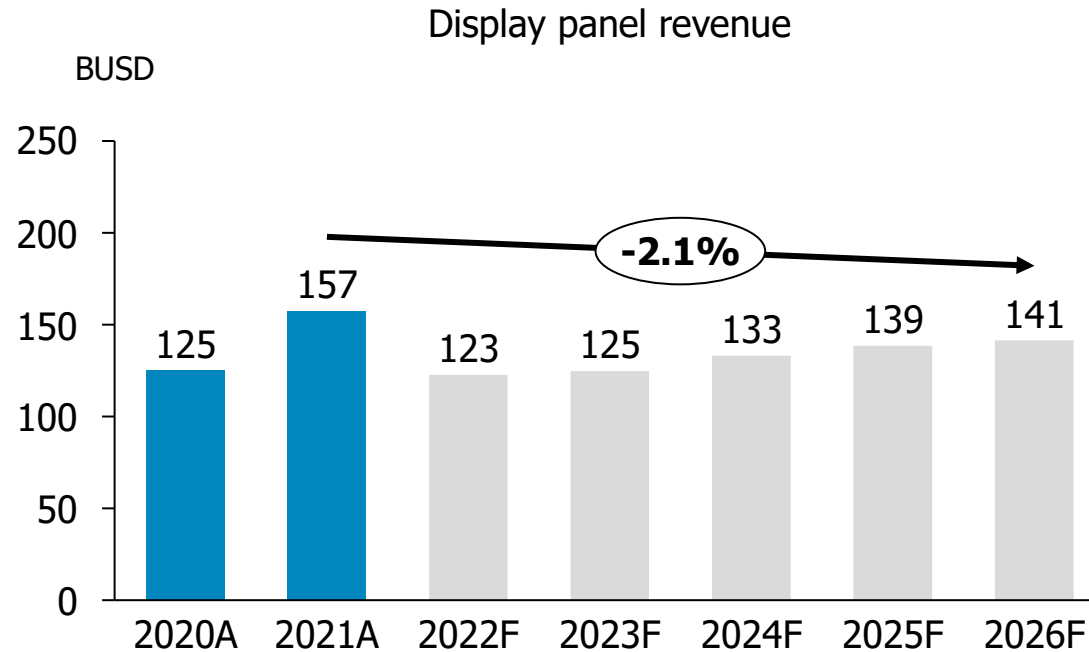
Source: Lightcounting, April 2022

Healthy Data/Telecom long-term growth

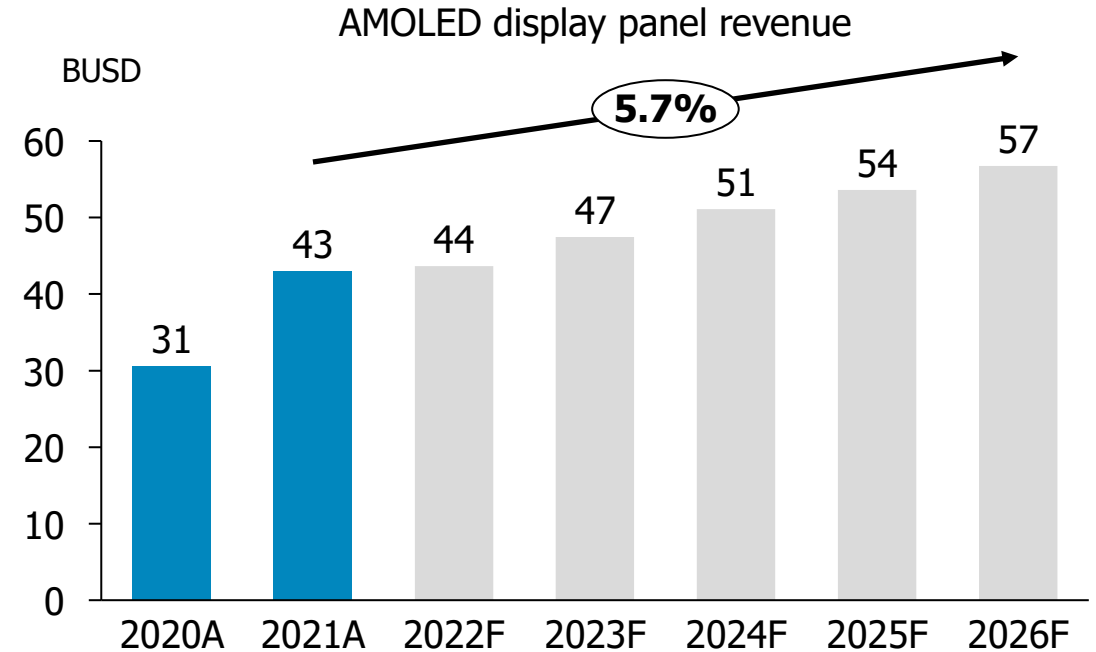
- Optical components production is the main driver for die/lens attach and other adjacent processes.
- Growth driven by mega trends such data centers, 5G/6G, EV, AI, IoT, and global supply chain shifting.
- Post COVID-19 era supports the higher demand for networking bandwidth with optical components fueled by continuous high spending in capex by cash-rich cloud companies.

Pattern Generators

Display panel market



- Display market showed positive growth of 25.7% in 2021
- Negative growth of 21.9% is forecast for 2022
 - LCD TV/IT price pressure and weak demand is the main reason
- After 2022 the market is forecast to stabilize and return to growth

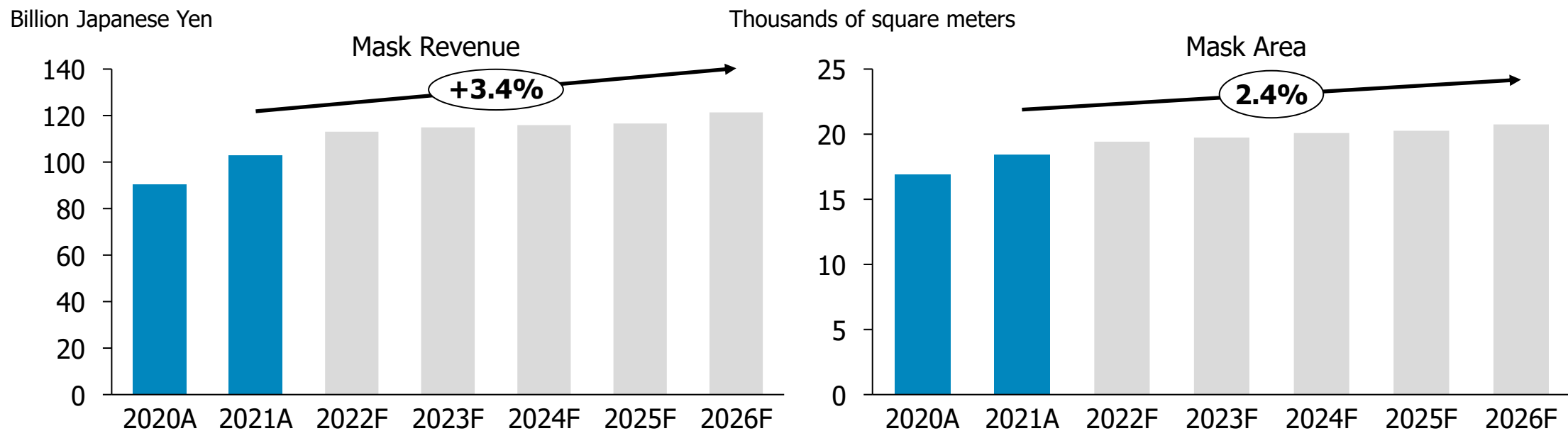


- Shift towards AMOLED continues despite an overall declining display market in 2022
 - Technology shift ongoing from LCD to AMOLED for mobile displays, TV and IT segment
 - Forecast to show growth 2022 of 1.6%
 - AMOLED ratio goes from 27% of total display revenue 2021 to 40% of total display revenue 2026

Source: Omdia, Display Long-Term Demand Forecast Tracker, October 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

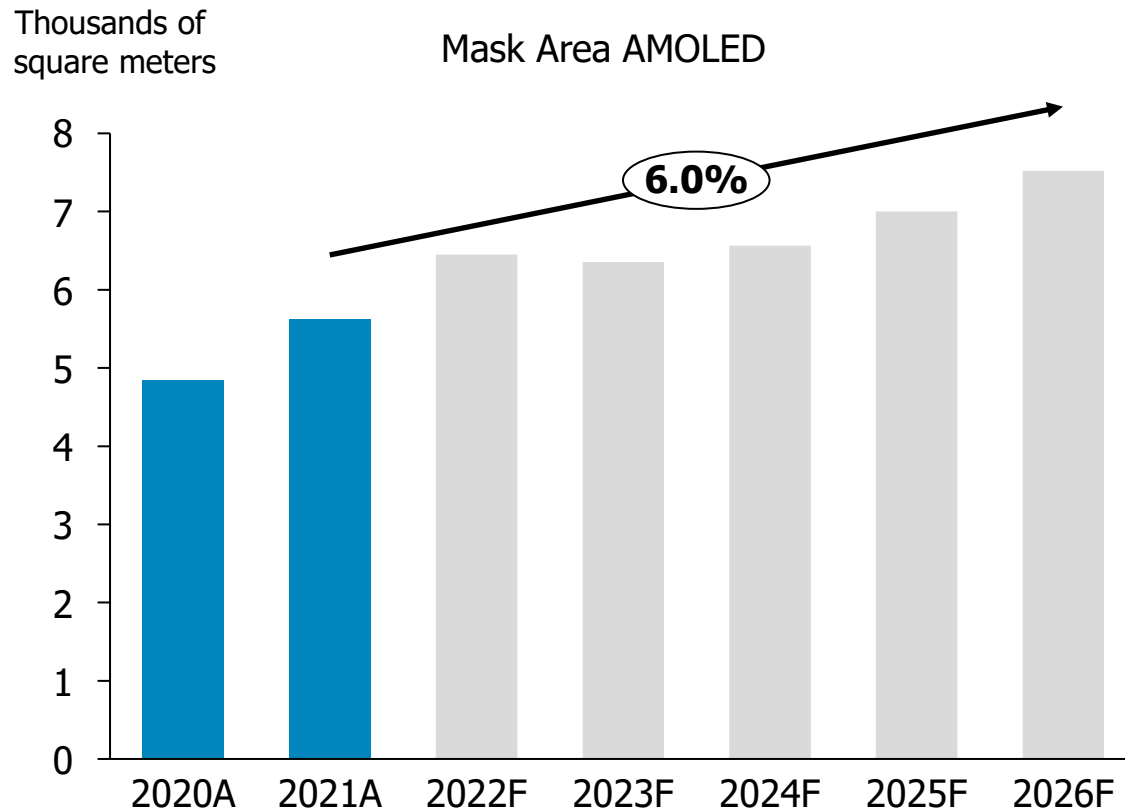


- Display mask developed strongly during 2021
 - Market development during 2021 was strong with a growth of 14.0% after a weak 2020. The photomask market recovered and normalized during 2021 driven by more new developments and display models and transition to more advanced and more high valued photomasks
 - The market is forecast to continue to show good growth positive growth of 9.8% 2022 as transition to more advanced AMOLED masks continues.
- Long-term area growth forecast remains positive
 - Area development during 2021 developed strongly with positive growth of 9.3% after a weak 2020
 - Positive growth 2021-2026 of 2.4% 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, July 2022. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

Increasing demand of photomasks for AMOLED displays



- Technology shift from LCD to AMOLED for mobile and IT displays drives demand for AMOLED photomasks
 - Share of AMOLED photomasks will grow from 31% 2021 to 36% 2026 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, July 2022. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

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