

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 2021



CEO & President

Anders Lindqvist

Agenda

- Q3 in short
 - Divisional development
 - Financials
 - Final remark
 - Q&A
-
- *Appendix – Market update*






Q3 in short

- Signing of **acquisition** of HC Xin and **divestment** of AEi
- **Order intake** increased 68% to SEK 1,242 (739) million
- **Net sales** decreased 8% to SEK 986 (1,068) million
- **EBIT** decreased to SEK 106 (348) million
 - Less advantageous product mix in Pattern Generators
- **EBIT margin** at 11 (33)%
- **Order backlog** at SEK 2,030 (2,096) million
 - Contained 13 mask writers on September 30

An aerial night photograph of a city, likely New York City, showing a dense grid of streets and glowing lights from buildings and traffic. The image is used as a background for the slide.

Decentralized divisions

Close to customers, short decision-making paths



Share of Group's net sales

27%

Net sales

SEK 265 M

Order intake

SEK 407 M

EBIT

SEK 94 M

EBIT margin

35%

Pattern Generators

Strong order intake

- Display photomasks
 - The market has still not returned to pre-pandemic levels
- Semiconductor photomasks
 - Strong trend, creating favorable conditions for the SLX mask writer
- Improved order intake
 - 235% increase on previous year to SEK 407 (122) million
- Backlog of SEK 759 (1,138) million
 - 13 mask writers
- Net sales, gross margin and EBIT lower due to significantly less favorable product mix
 - Q3 2020 included a Prexision 800 Evo

Assembly Solutions

High Flex

Positive development

- Demand at high level
 - Good demand for MYPro products
 - Increasing interest in the MYSmart dispensing product line
- Order intake increased 13%
 - Many orders, smaller order size
- Net sales increased 14%
- EBIT at SEK 31 (24) million
- Effects of component shortages and higher logistics costs starting to be noticed
- Increased backlog at SEK 214 (148) million



Share of Group's net sales

27%

Net sales

SEK 271 M

Order intake

SEK 334 M

EBIT

SEK 31 M

EBIT margin

11%



Assembly Solutions High Volume Acquisition of HC Xin

- Agreement to acquire HC Xin
 - Stencil printers (80%) and pick & place machines (20%)
 - Expected closing in Q4 2021
- Focus on offering competitive and intelligent automation solutions
- Order intake was stable
- Net sales increased 5%
- Impact from increased transportation costs and higher prices for raw materials and certain components, although no component shortage
- EBIT at SEK 30 (38) million

Share of Group's net sales

24%

Net sales

SEK 235 M

Order intake

SEK 236 M

EBIT

SEK 30 M

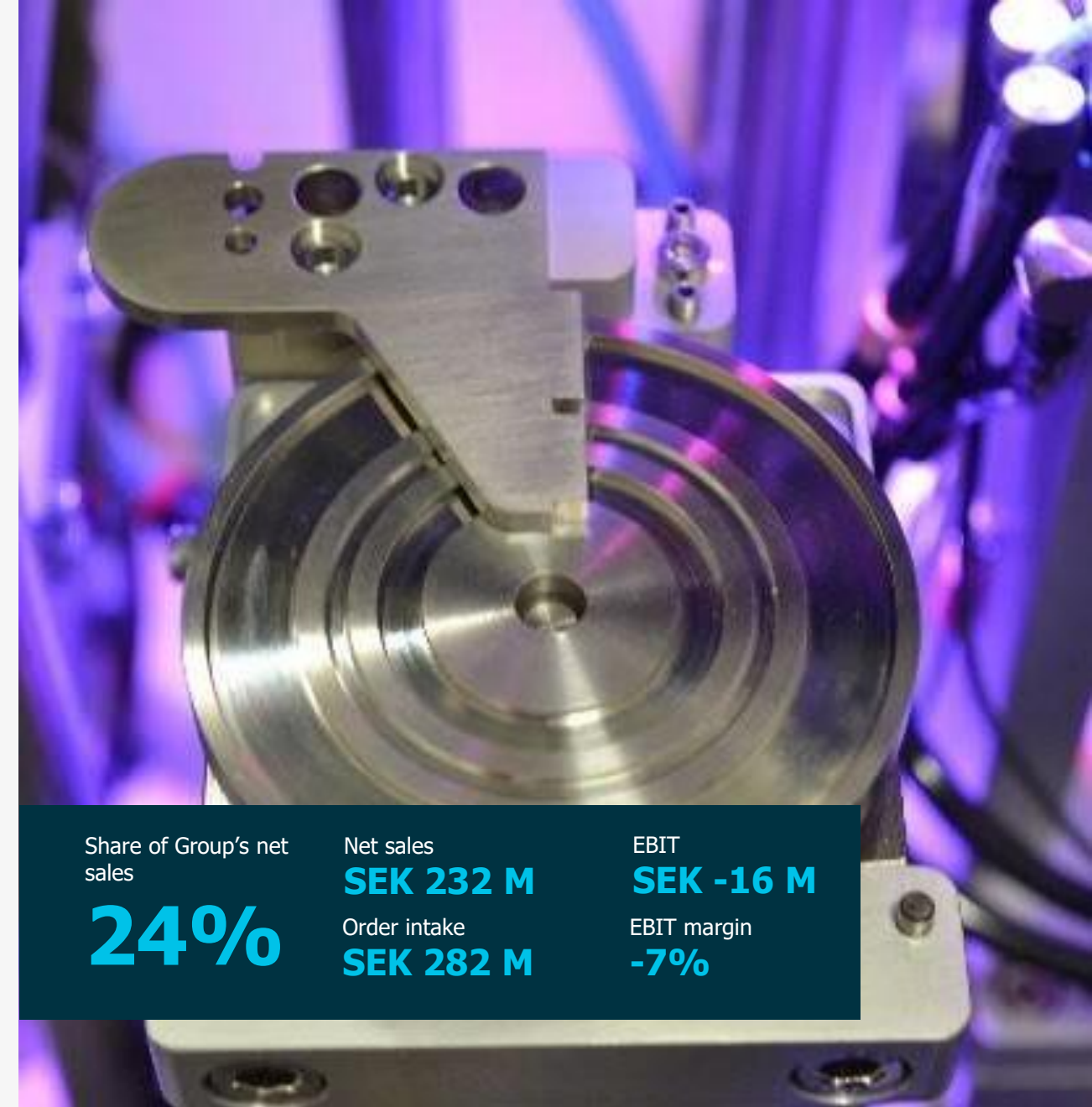
EBIT margin

13%

Global Technologies

Divestment of AEi

- Agreement to divest AEi
 - Enables focus on and investment in markets that are strategically more relevant
 - Expected closing in Q4 2021 or Q1 2022
- Die bonding positively impacted by 5G investments
- New machine generation launch in Q1 for the test systems market has gone according to plan
- Order intake increased 218%
 - Organic order intake increased 81%
- Net sales increased 124%
 - Organic net sales decreased 12%
- Quarter was affected by disruption in the supply chain and component shortages
- EBIT at SEK -16 (-57) million
 - SEK 36 million in acquisition-related costs
 - Q3 2020 impacted by SEK 43 million write-down



Outlook and financial targets

Outlook 2021

SEK 4.5 bn

at prevailing
exchange rates

Profitability

>15%

over a business
cycle

Profitability
2021

>10%

in former
Assembly
Solutions

Net debt

<3x EBITDA

Growth

SEK 5 bn

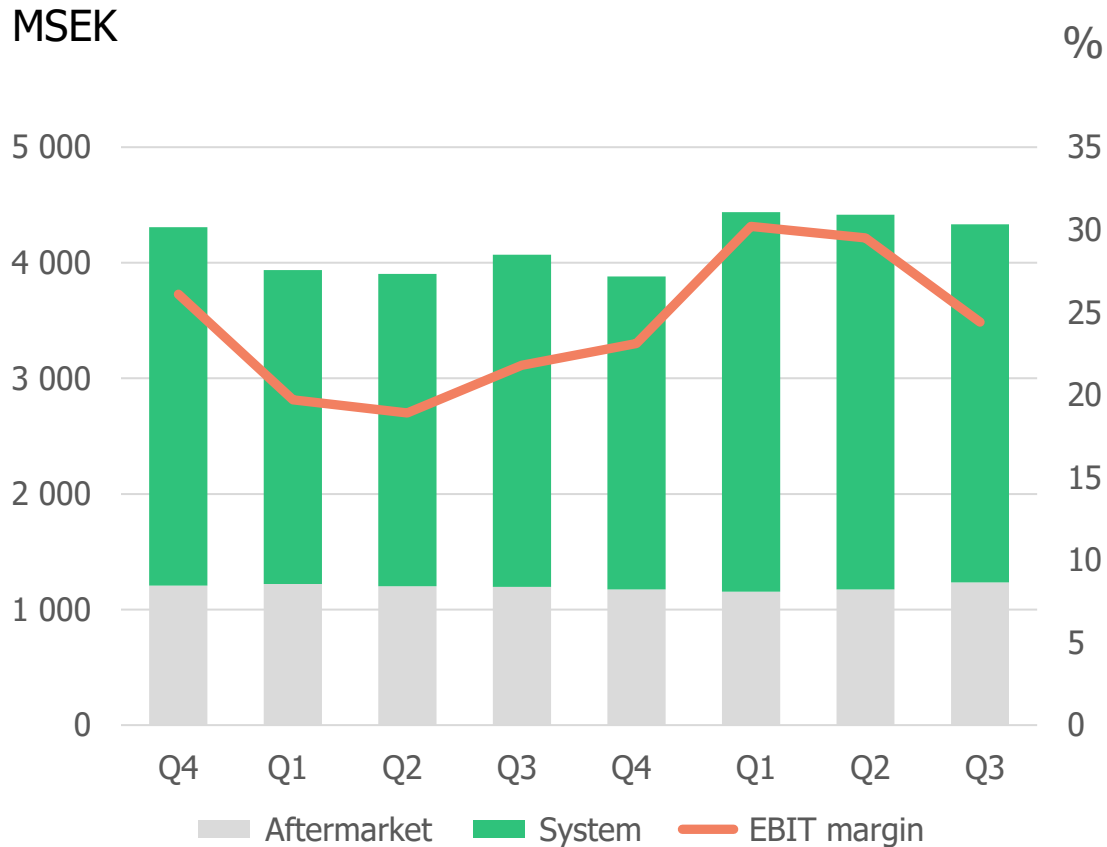
latest by 2023



CFO

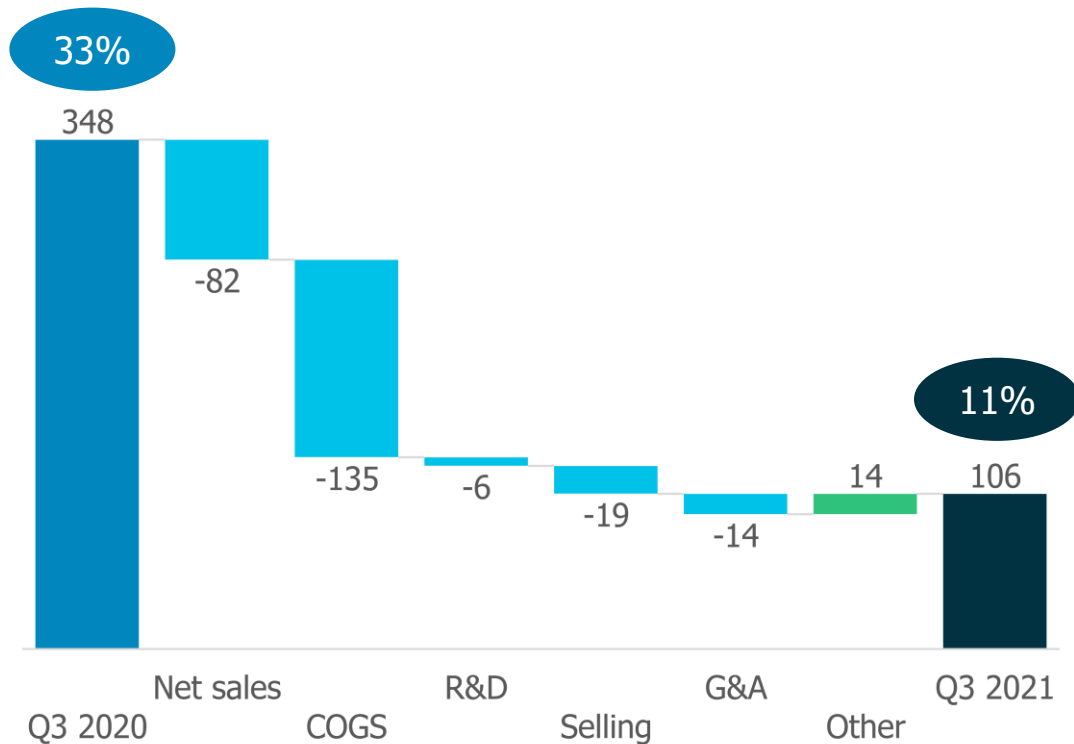
Torbjörn Wingårdh

Net sales and EBIT margin rolling 12 months



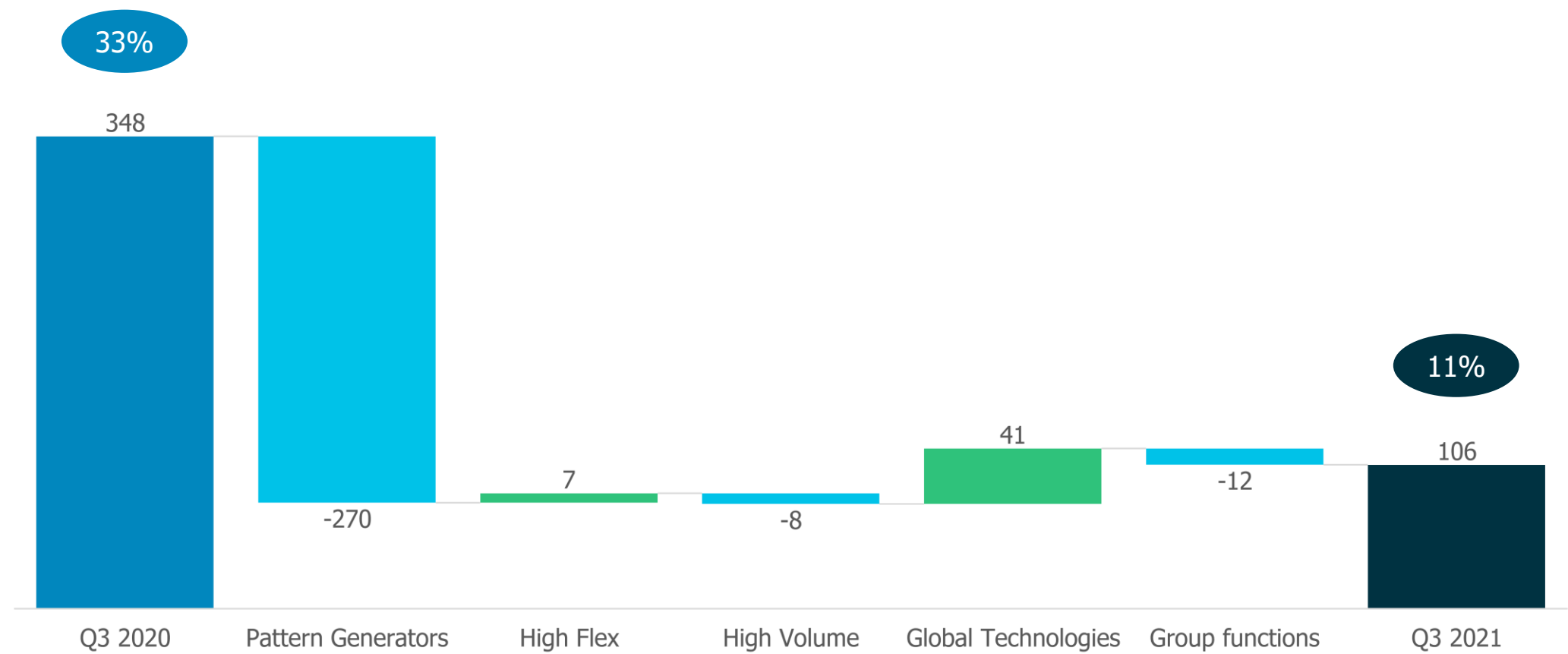
- Net sales R12 amounted to SEK 4,333 million
- Lower EBIT explained by
 - Less favorable product mix in Pattern Generators
 - Expensing of acquired inventory at fair value in atg L&M
- Q3 EBIT margin at 11% and R12 at 24%
- Aftermarket constitutes a stable base of recurring revenue

Lower EBIT in Q3



- Negative net sales effect from Pattern Generators outweighed positive contributions from High Flex, High Volume and Global Technologies
- Less advantageous product mix impacted COGS
 - As did expensing of acquired inventory at fair value
- Positive currency results explain improvement in other income and expenses

Divisional EBIT contribution



Major impact on cash flow from acquisition

MSK	YTD 2021	YTD 2020	
Cash flow from operations before change in working capital	763	643	• Stronger cash flow from operations before changes in working capital
Change in working capital	-5	188	• Acquisition of atg L&M impacted investing activities with SEK 1,027 million
Cash flow from operations	758	831	• Financing activities include:
Investing activities	-1,093	-122	• SEK +306 million utilization of credit facilities
Financing activities	-108	-266	• SEK -294 million dividend payment to shareholders of the parent company
Cash flow for the period	-444	442	• SEK -39 million acquisition of non-controlling interest in Axxon Piezoelectric Technology Co, Ltd
Cash, opening balance	1,303	655	• Cash at AEi
Exchange difference	37	-8	• Net cash amounted to SEK 323 million on September 30
Cash classified as assets held for sale	-8	-	
Cash at end of period	887	1,089	



CEO & President

Anders Lindqvist

Growth and sustainability

- Mycronic has a strong position for sustainable profitable growth:
 - Customer-centric, scalable and decentralized organization
 - Competitive product portfolio
 - Combination of organic and acquisition-driven growth
 - Dynamic, innovative and responsible culture
- As part of Mycronic's sustainability strategy, an innovation fund for sustainability was established in Q3
 - Financing internal projects or projects in collaboration with external partners





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 what appears to be a workbench with electronic components in the foreground. The ceiling is high with industrial lighting. The overall scene depicts a collaborative or supervised industrial automation setup.

Q&A

APPENDIX

Q3 2021 Market update

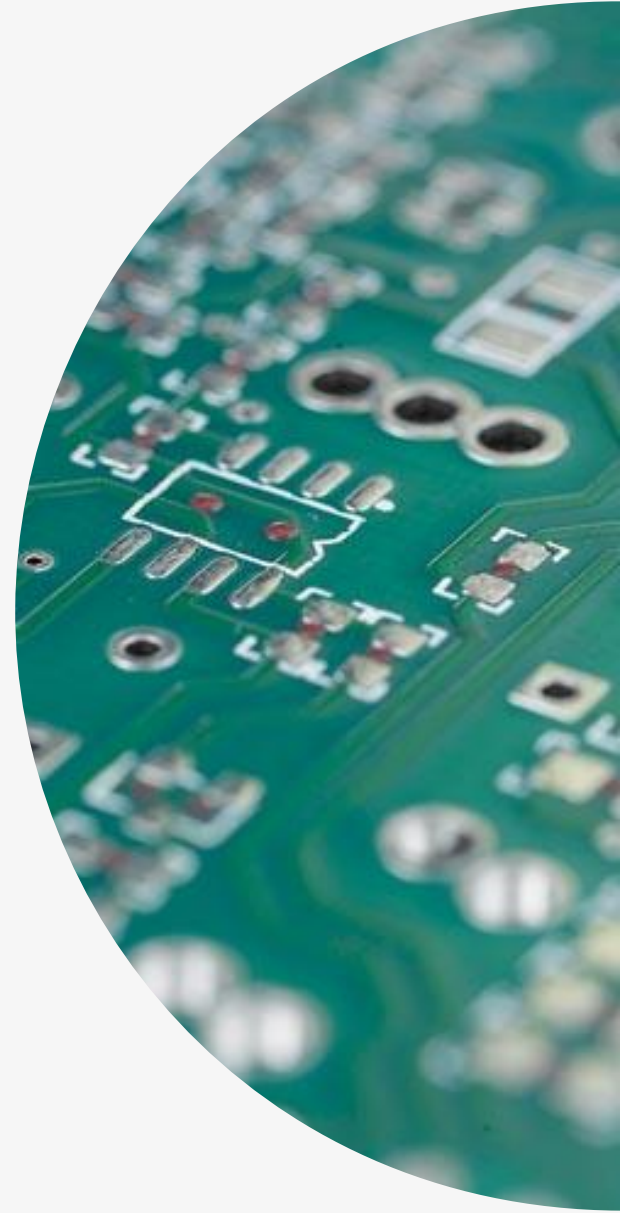
MYCRONIC

Outcome 2020

Market summary and updates

- Global electronics at +1.7% to 2,209 BnUSD¹⁾
- Semiconductors +6.5% to 439 BnUSD¹⁾
- SMT assembly equipment +7.2% to 2,945 MUSD²⁾
- Dispensing equipment -8.8% to 730 MUSD³⁾
- Optical components +19% to 9,345 BnUSD⁴⁾
- Camera modules -8.6% to 171 million units⁵⁾
- Display market +13.7% to 124 BnUSD⁶⁾
- Display photomasks -10.6% to 821 MUSD⁷⁾
- Semicon photomasks +8.0% to 5.4 BnUSD⁸⁾

Source: 1) Prismark September 2021, 2) Protec MDC July 2021, 3) Prismark April 2021, 4) Lightcounting April 2021, 5) IHS Markit April 2021, 6) Omdia July 2021 7) Omdia June 2021, 110YEN/USD used as conversion rate 8) VLSIresearch April 2021





Forecasts 2021

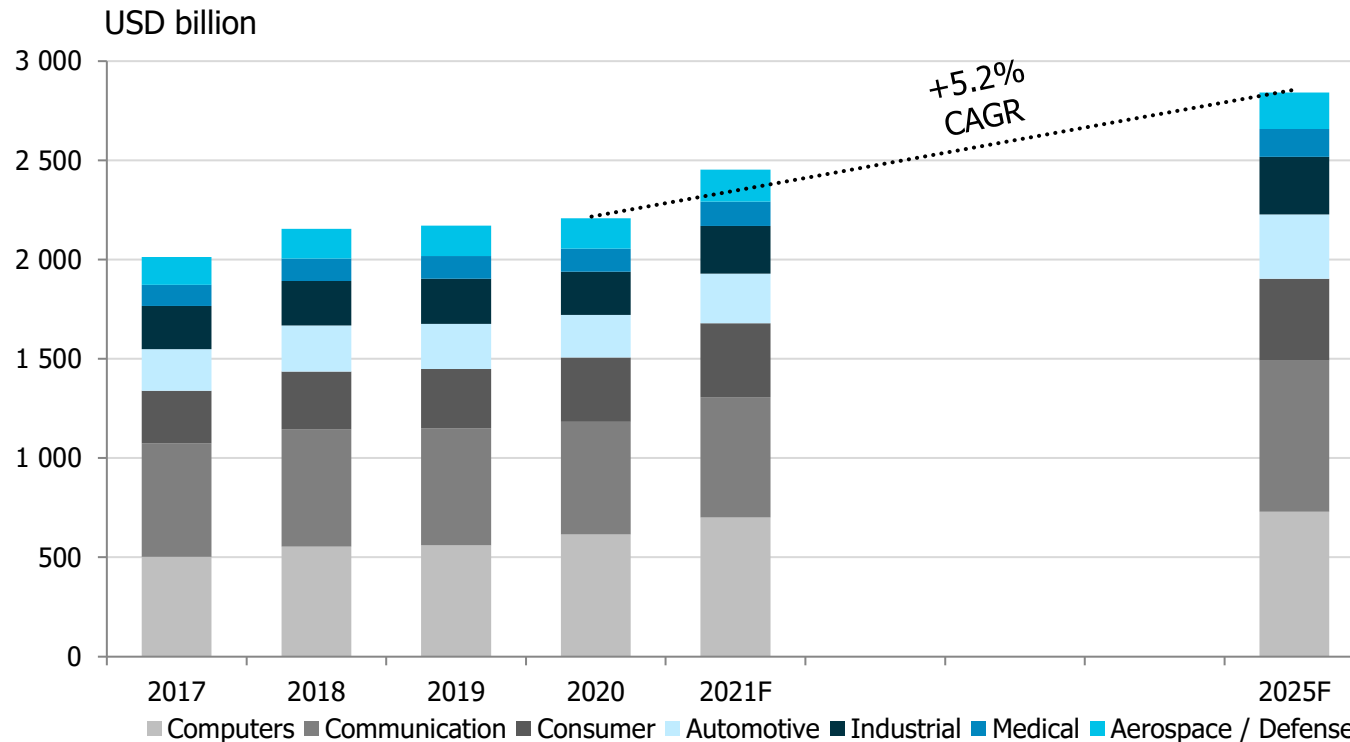
Market summary and updates

- Global electronics industry growth forecast +11.1%, to reach 2,454 BnUSD¹⁾
 - Long term forecast 2020 to 2025 indicates a CAGR of +5.2%
- Semiconductor industry growth forecast +21.1%, to reach 531 BnUSD¹⁾
 - Long term forecast 2021 to 2025 indicates a CAGR of +3.7%¹⁾
- Optical components market growth +7% to reach \$10 BnUSD²⁾
 - Long term forecast 2020 to 2026 indicates a CAGR of +9%
- Camera modules forecast to 210 million units³⁾
 - +10.0% CAGR 2019 to 2025 to 333 million units
- PCB industry, including substrates +18.2%¹⁾
- Displays +29.7% to 161 BnUSD⁴⁾
- Display photomasks +4.5% to 858 MUSD^{5, 6)}
- Semicon photomasks +12.7% to 6.1 BnUSD⁷⁾
- Dispensing: not available

Source: 1) Prismark September 2021, 2) Lightcounting April 2021, 3) IHS Markit April 2021, 4) Omdia April 2021, 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) VLSIresearch April 2021

Electronics industry systems

Yearly development by industry segment

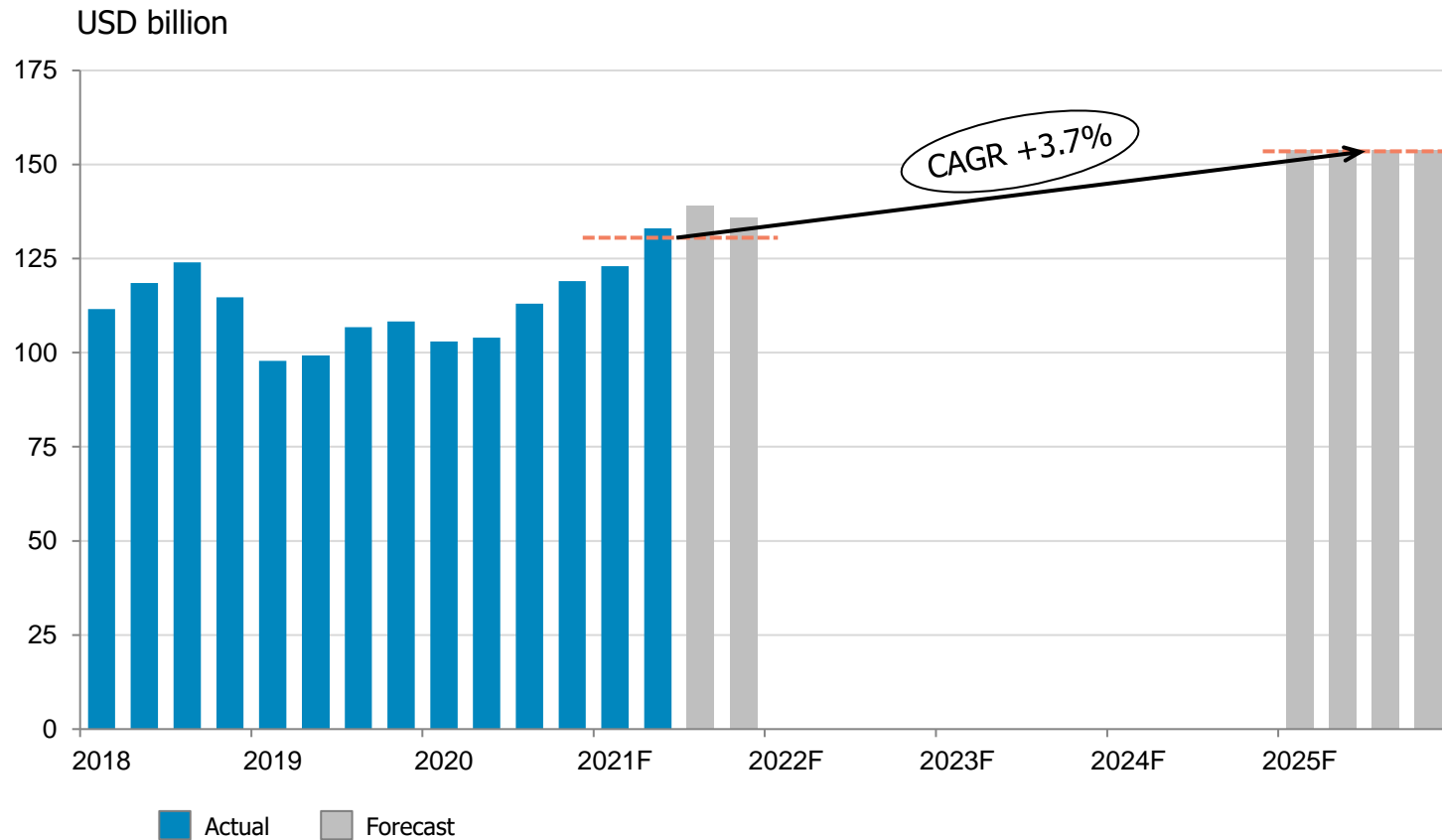


- Growth of +1.7% in 2020 to 2,209 BnUSD
- Forecast growth of +11.1% in 2021 to 2,454 BnUSD with expected growth in segments
 - Automotive +16.8%
 - Computers +13.8%
 - Communication +7.0%
- +5.2% CAGR expected for 2020-2025, with strongest development in
 - Automotive +8.6%
 - Communication +6.1%
 - Industrial +5.9%

Source: Prismark, September 2021

Semiconductors

Quarterly development



- +6.5% growth in 2020 to 439 BnUSD
- +21.0% growth forecast in 2021 to 531 BnUSD
- 2021 to 2025 CAGR forecast at +3.7% growth to 615 BnUSD

Source: Prismark, September 2021

SMT and Dispensing

Market update

SMT equipment*

- 2020 full year 2,945 MUSD, a positive development of 7.2% compared to 2019. A strong development on the Chinese market, whereas markets in Americas, Europe and Japan declined¹⁾
- Positive world market development YTD Q2 2021 compared to 2020. Market in Japan declined

Dispensing*

- 2020 market estimated at 730 MUSD²⁾, a decline of 8.8% compared to 2019.
- Mycronic second largest supplier of dispensing equipment addressing the major part of the total market

** No forecast available*

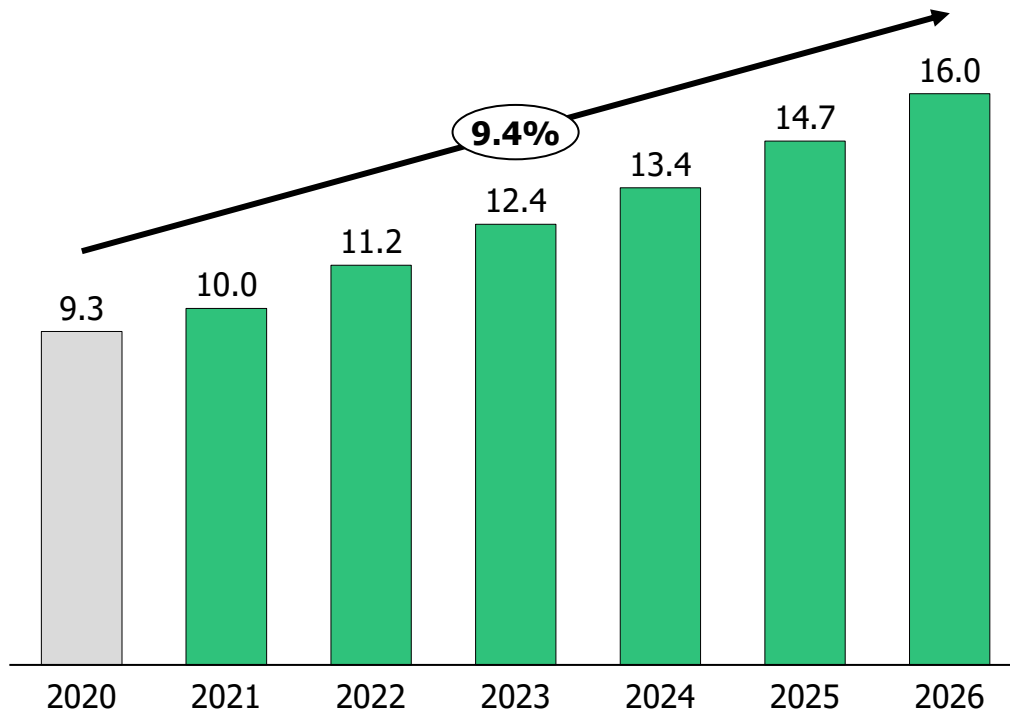
Source: 1) PROTEC MDC July 2021, 2) Prismark April 2021



Die Bonding

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

Optical components production (BnUSD)



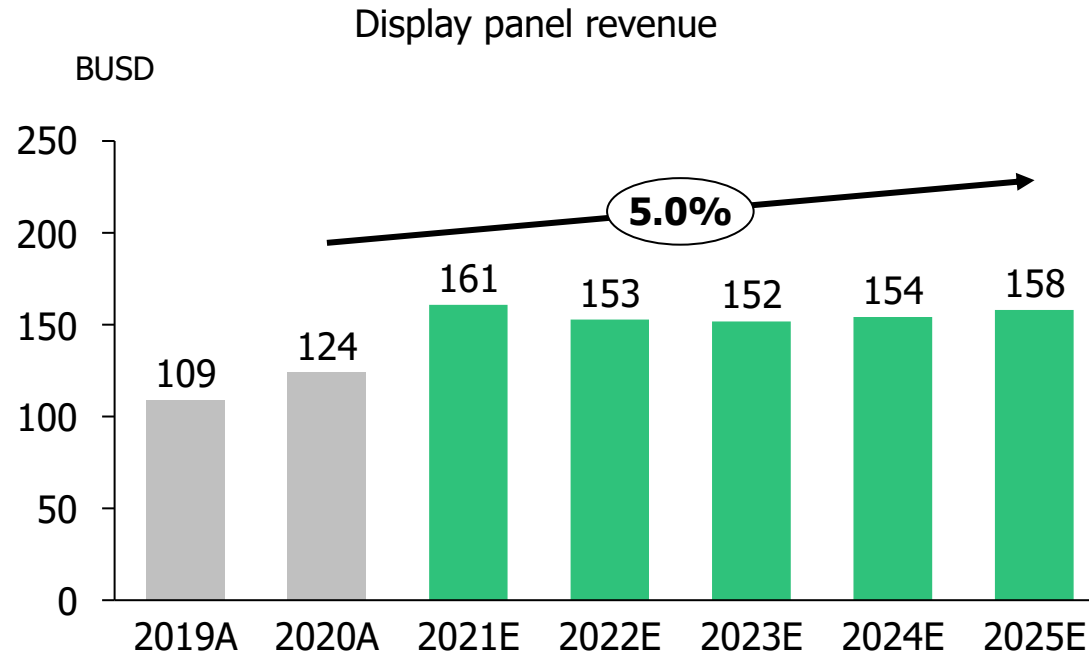
Healthy Data/Telecom long-term growth

- Optical components production is the main driver for die/lens attach processes
- Growth driven by mega trends such 5G, data centers, IoT, AI, global supply chain shifting
- Future revenue growth rate of optical components was reduced from 11.6% in last year's forecast, due to trade-war, COVID-19, and faster ASP erosion
- 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

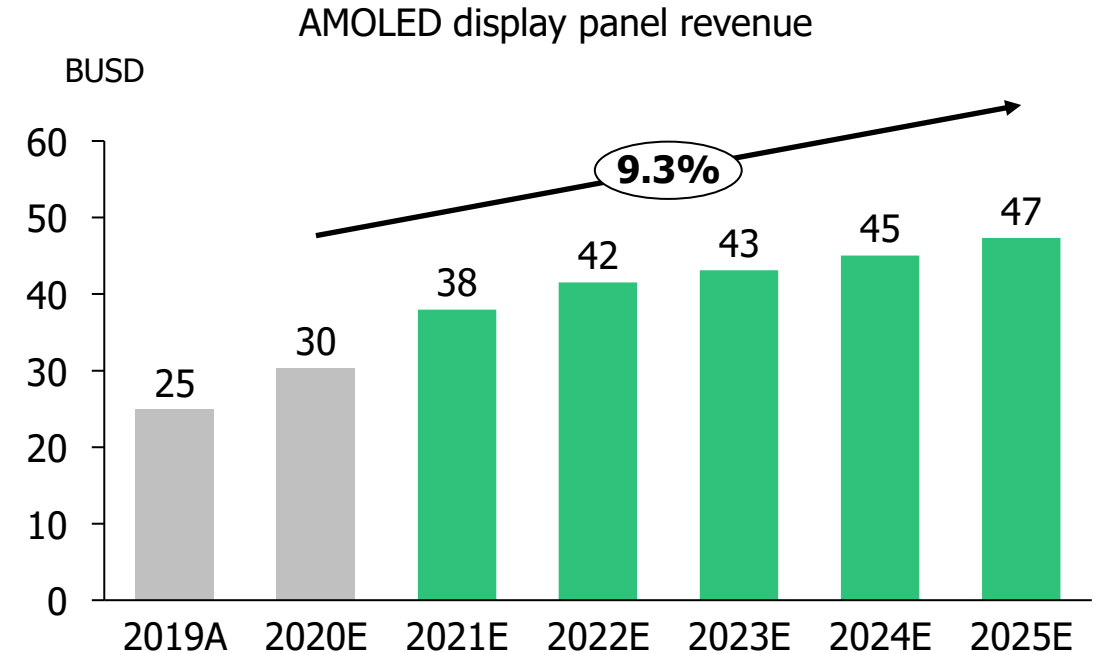
Source: Lightcounting April 2021

Pattern Generators

Display panel market



- Display market showed positive growth of 13.7% in 2020 and forecast to show positive growth also 2021 of 29.7%
 - Shortage of displays drove up prices during H2 2020, especially for LCD
 - Situation forecast to continue during 2021, with strong price development for LCD panels
 - After 2021 the market is forecast to stabilize on a historically high level



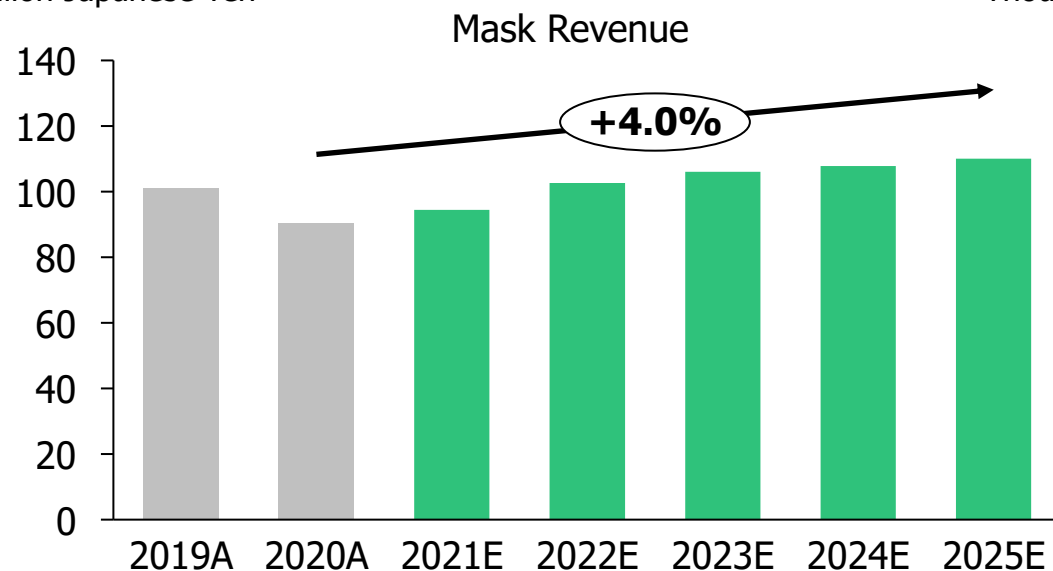
- Shift towards AMOLED continues
 - Technology shift ongoing from LCD to AMOLED for mobile displays but now also in TV and IT segment
 - AMOLED ratio goes from 24% of total display revenue 2020 to 30% of total display revenue 2025

Source: Omdia, Display Long-Term Demand Forecast Tracker, June 2021. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

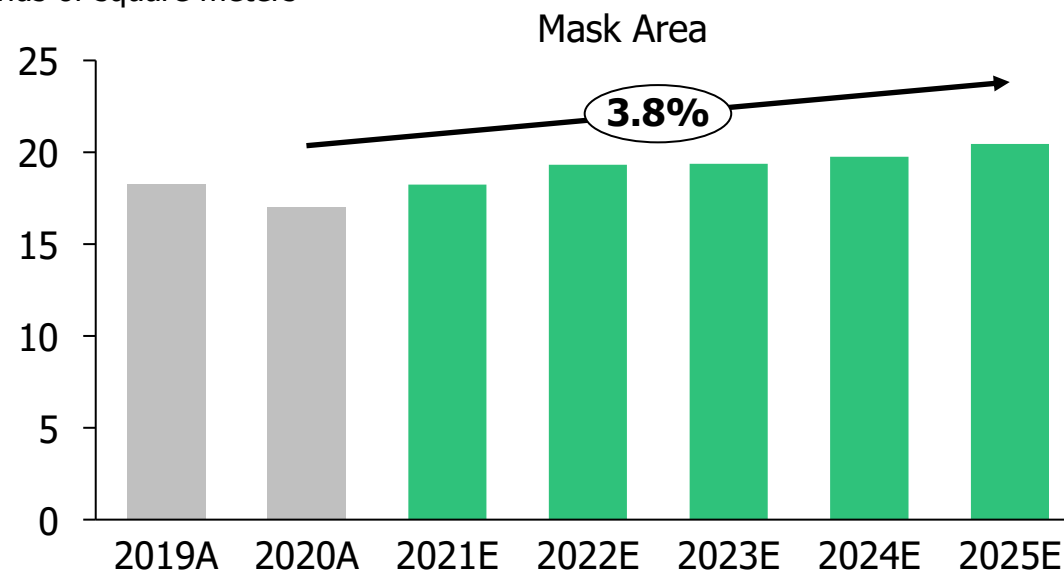
Pattern Generators

Positive photomask market

Billion Japanese Yen



Thousands of square meters



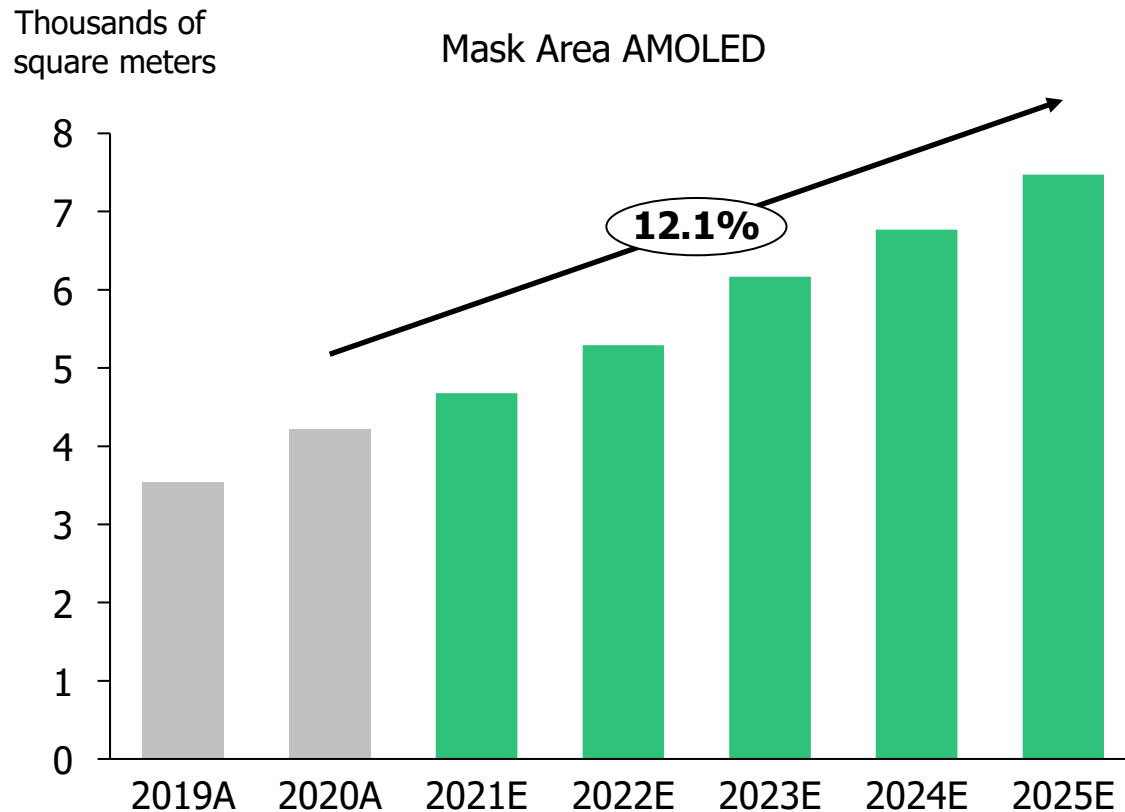
- Display mask market forecast positive after a weak 2020
 - Market development during 2020 was weak with a decline of 10.6%. The strong display market turned focus on production of existing models instead of launching new models
 - The market is forecast to recover 2021-2022 and then continue to grow. 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 P80 and P800 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

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