

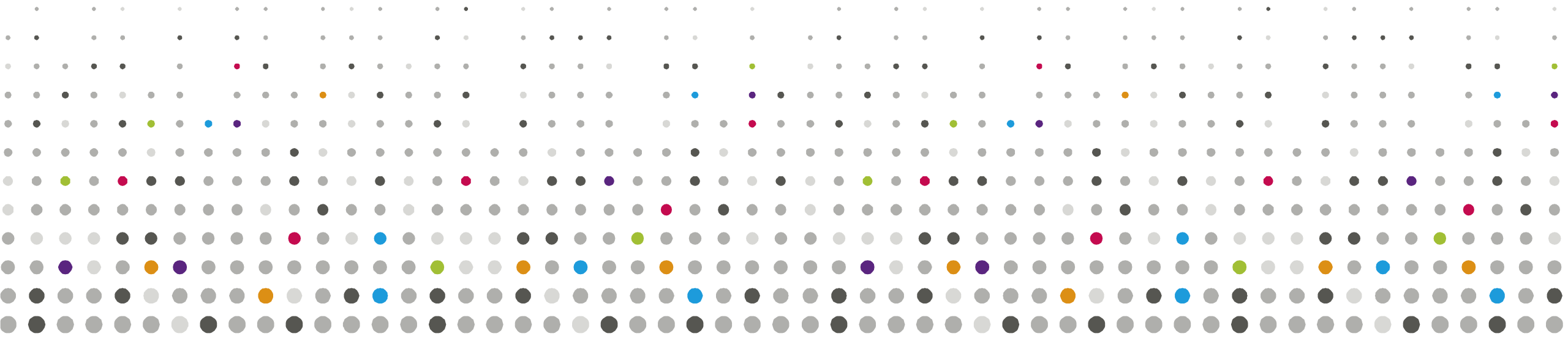
Mycronic, Q1 2018

Lena Olving, CEO

Torbjörn Wingårdh, CFO

Olivier Pirou, Managing Director, Vi TECHNOLOGY

26 April, 2018



Mycronic in short



>40

years of experience in
innovation

>1,050

employees
in ten countries

>50

Mycronic is represented
in more than
50 countries

>490

patents proves the power
of innovation.

>12,000

production systems at more
than 3,000 customers

>98%

of consolidated
net sales are
outside Sweden

Mycronic's Assembly Solutions

Broad product offering for efficient electronics manufacturing



- 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

Mycronic's Pattern Generator solutions

Indispensable for the display industry

Display



- Precision mask writer & metrology series

Multi-purpose



- FPS series

Value Added Products



- Upgrades and modifications to improve mask quality

Key events Q1 2018

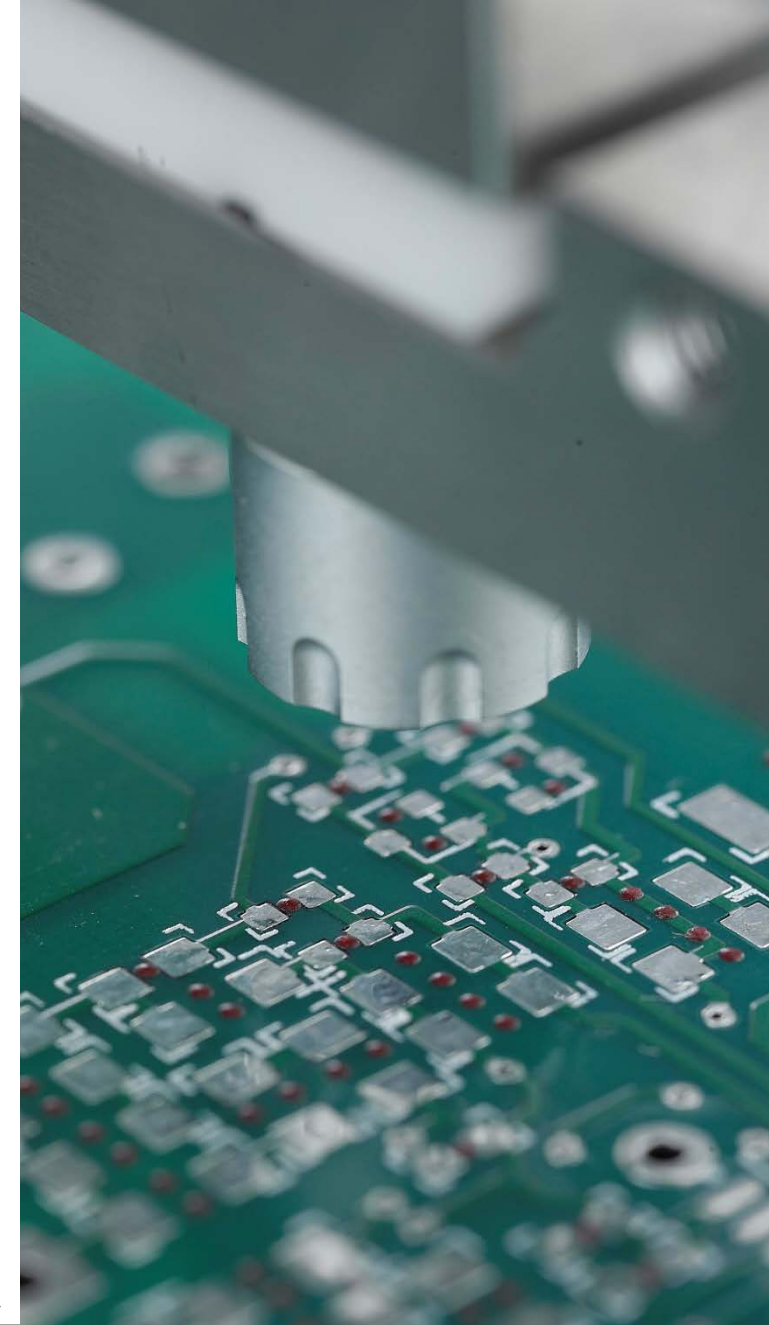
Marketplace

- Actuals 2017: Global electronics industry growth and in Mycronic's segments.
- Forecasts for 2018:
 - Electronics industry 4.5%
 - Semiconductor industry 7.7%
 - Camera module units 24%
 - Display market -2%
 - Display photomasks, value growth 16%
- Market update slides are available at the end of the presentation, pages 27-33.

Products

- Launch of SMD Tower 8000 at APEX in San Diego in February.
- Multiple order in the MYPro product series in new market segment in Asia.
- Vi TECHNOLOGY's products are now being marketed through all of Mycronic's sales channels.
- Participation in Nokia-led cooperation "Factory in a Box".
- First Prexision-800 system delivered to customer ahead of time.

Source: Prismark March 2018, Protec MDC January 2018, IHS April 2018, IHS April/May 2017.



Key events Q1 2018

Results

- Order intake 656 MSEK, on par with previous year.
- Sales increased 11% to 750 MSEK.
- EBIT increased 25% to 196 MSEK, with an EBIT margin of 26%.
- Underlying EBIT increased 4% to 216 MSEK, with an underlying EBIT margin of 29%.
- Order backlog 1,868 MSEK
 - of which AS has a record high order backlog of 391 MSEK.



Key events after end of Q1 2018

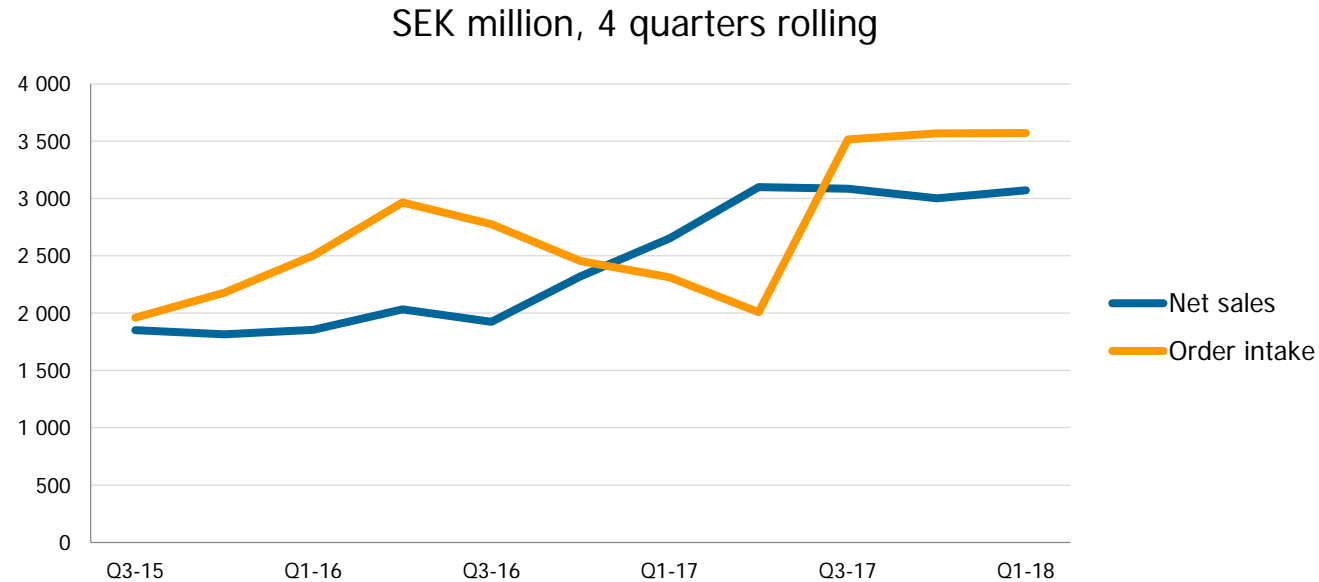
- Launch of FPS8100 mask writer for the multi-purpose segment at the Photomask Japan symposium on 18 April.
 - For efficient production of Fine Metal Masks
- Order for a replacement system based on Prexision-8 was received on 24 April.
 - Delivery in Q3 2019.



Mycronic Outlook 2018

The assessment of the Board of Directors remains that net sales in 2018 will be at the level of 3,500 MSEK.

Order intake and net sales



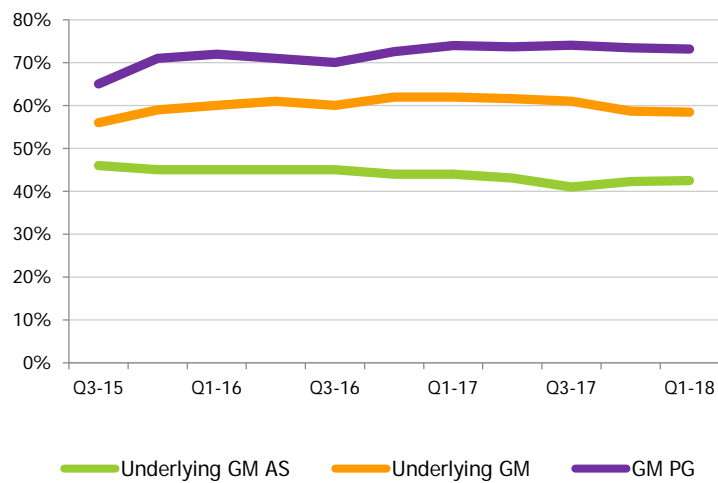
January-March

- Order intake 656 MSEK. Net sales 750 MSEK. Book-to-bill 0.9.
- Assembly Solutions order intake increased 41% to 480 MSEK. Net sales 379 MSEK.
- Pattern Generators order intake decreased 44% with no orders for mask writers. Net sales 371 MSEK.
- Negative currency effects on net sales of 41 MSEK.
- AS net sales impacted by supply chain challenges, related to quality issues and component shortages.
- Order backlog of 1,868 (1,353) MSEK.
 - AS order backlog record high.
 - Seven PG systems and two major upgrades for delivery in 2018.
 - Two PG systems for delivery in 2019.

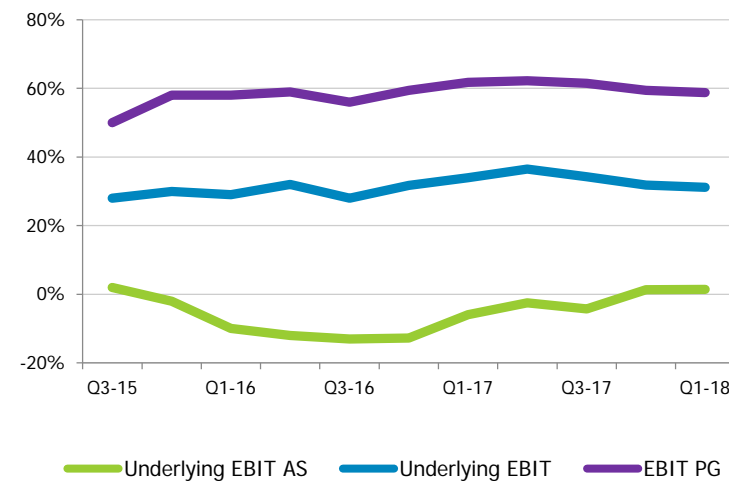
Margins

4 quarters rolling

Gross margin %



EBIT margin %

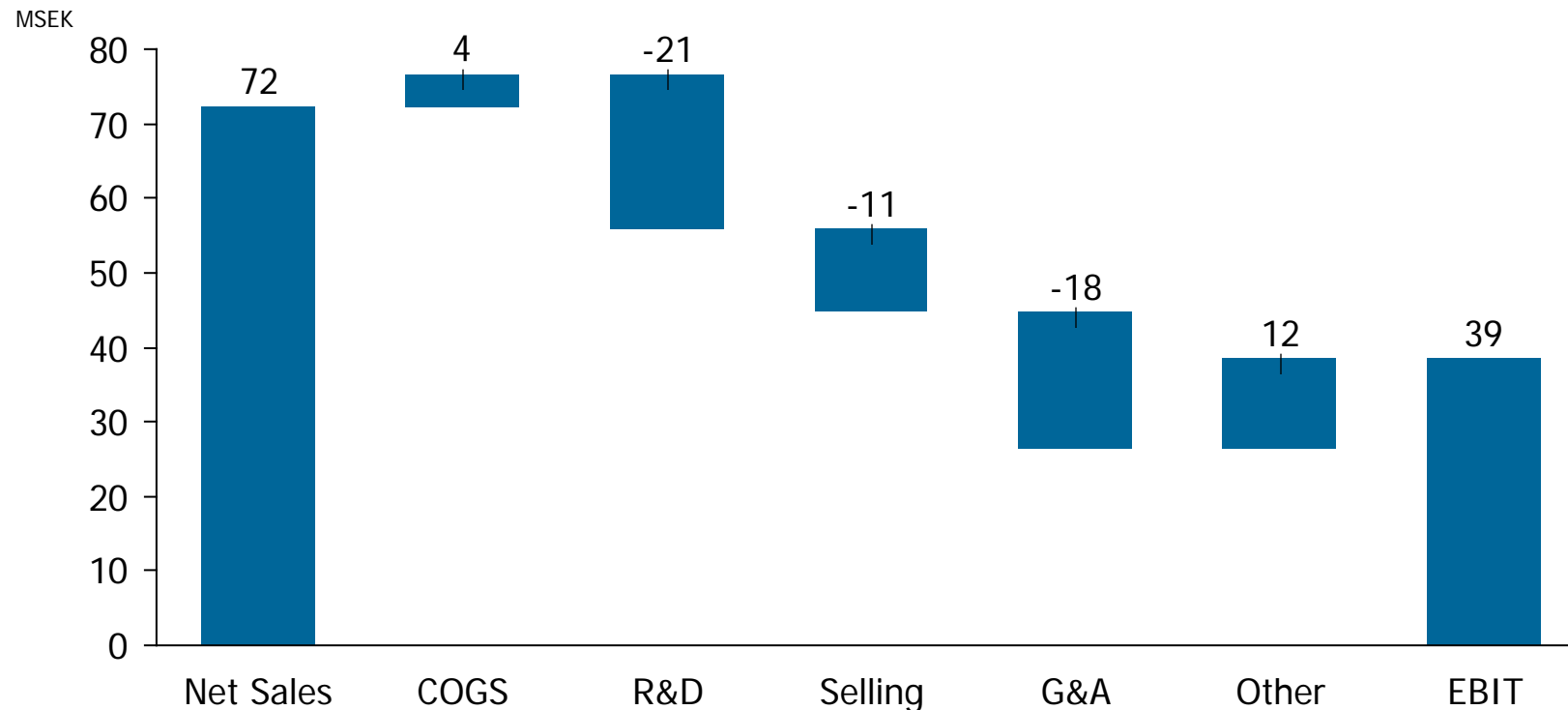


January-March

- Gross margin 58% (53%), affected negatively by acquisition-related costs of 1 (38) MSEK.
- Underlying gross margin 59%, same level as Q1 2017.

- EBIT amounted to 196 (157) MSEK, with a margin of 26% (23%).
- Underlying EBIT amounted to 216 (207) MSEK, with an underlying EBIT margin of 29% (31%).

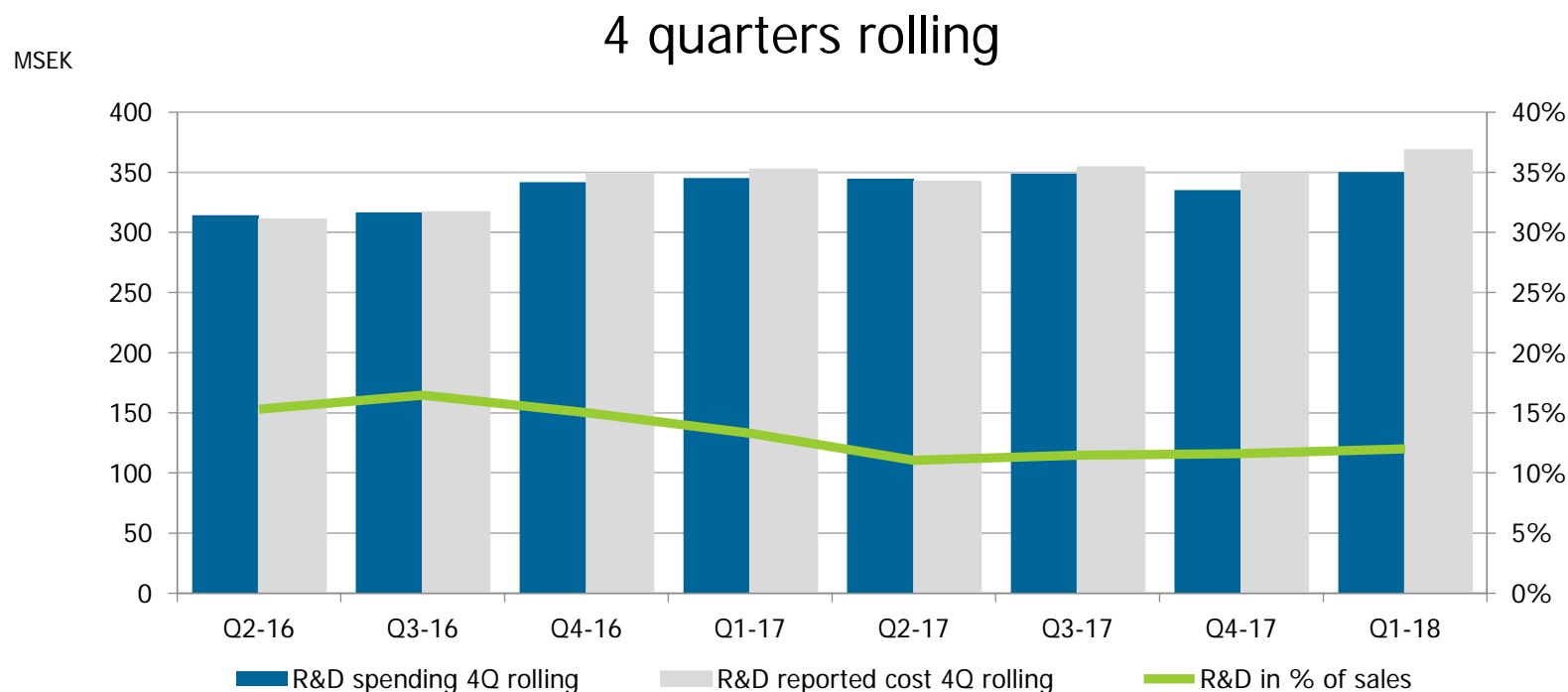
Bridge between Q1 2018 and Q1 2017



- Total growth 11%, consisting of organic growth 13%, acquisitions 4% and currency effects -6%.
- Increase in R&D within PG whereas AS at the same level as in Q1 2017, including Vi TECHNOLOGY.

- Increase in Selling and G&A explained by investments in the sales organization, integration expenses of acquired companies and expenses in newly acquired Vi TECHNOLOGY.
- Other costs are lower, mainly related to currency effects and revaluation of future earn-outs.

R&D



- Total R&D spending increased 15 MSEK in Q1 2018 compared to Q1 2017.
- Increase entirely attributable to PG, while AS spending remained constant, including Vi TECHNOLOGY.
- Q1 2018 R&D spending as a percentage of sales was 13% and below estimated industry average of ~15%. Mycronic growth strategy requires preparedness to increase spending to industry average if and when needed.
- Product development will continue in line with growth strategy within both AS and PG.

Summary by business area, Q1 2018

	Q1 2018	Q1 2017
Assembly Solutions	480	340
Pattern Generators	176	313
Order intake (MSEK)	656	653
Assembly Solutions	391	276
Pattern Generators	1,477	1,077
Order backlog (MSEK)	1,868	1,353
Assembly Solutions	379	330
Pattern Generators	371	348
Net sales (MSEK)	750	678
Assembly Solutions	42%	30%
Pattern Generators	75%	75%
Gross margin %	58%	53%
Assembly Solutions	-6%	-17%
underlying EBIT margin AS	-1%	-2%
Pattern Generators	60%	61%
EBIT margin %	26%	23%
underlying EBIT margin Group	29%	31%

Cash flow

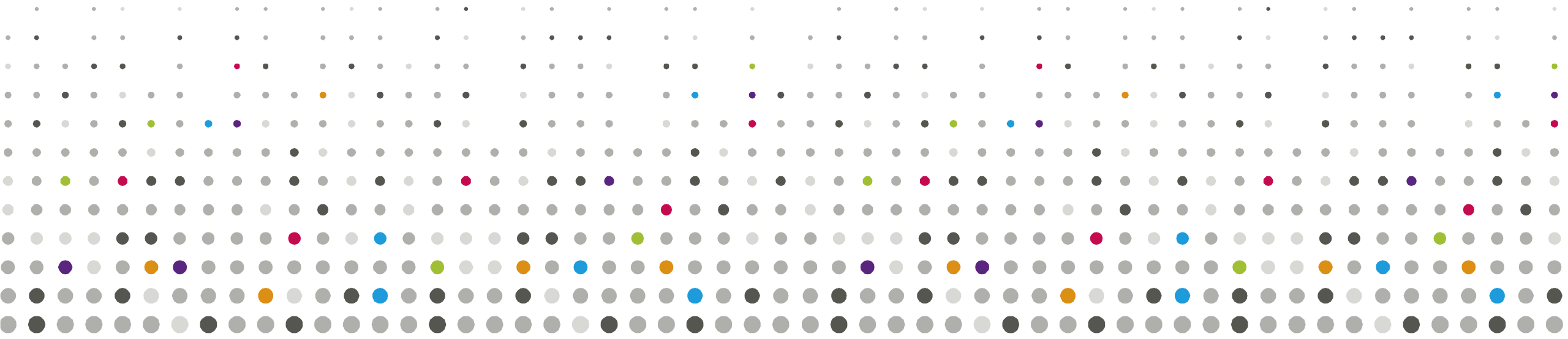
	Q1 2018	Q1 2017
Cash flow from operations	161	130
Change in working capital	-159	71
Cash flow from operations after changes in working capital	2	201
Investments in development	0	-6
Other investments, net	-15	-35
Cash flow before financing activities	-13	160
Financing	0	-1
Cash flow	-13	-159
Cash at end of period	808	369

- Good cash flow from strong results offset by increase in working capital.

- Other investments were primarily related to tangible fixed assets.

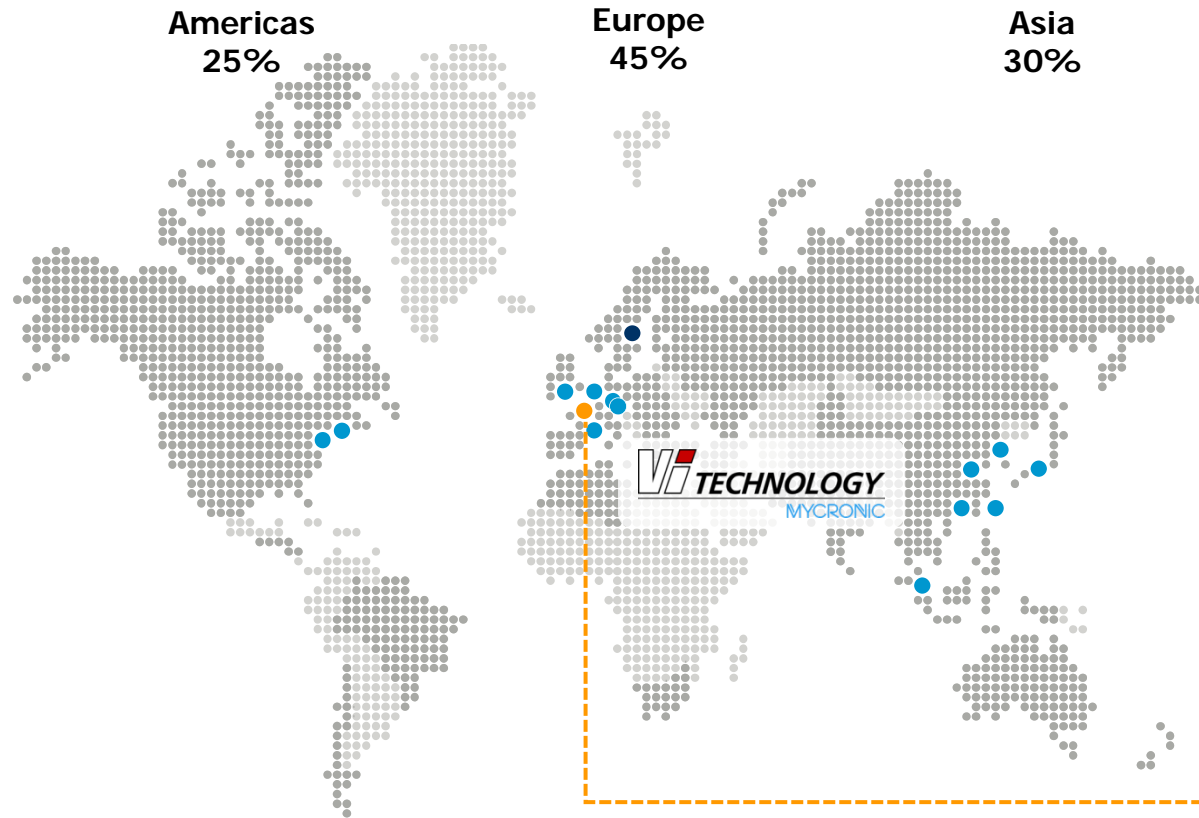
Vi TECHNOLOGY Inspection Solutions

Olivier Pirou, Managing Director, Vi TECHNOLOGY



Vi TECHNOLOGY overview

State-of-the-art inspection solutions provided in >50 countries worldwide



We provide the SMT assembly industry with inspection solutions **since 1998**

Strong **innovation culture** and significant invest in **R&D** over recent years

We serve **500 customers** worldwide with an installed base of more than **3,500 systems**

We develop web-based **smart AOI** connectivity for the **Industry 4.0** era



VIT HQ, Grenoble, France
Global headcount 110

Complementary product offering

A powerful, complete and integrated SMT line offering

In-line inspection -
a 600 MUSD
adressable market



MYCRONIC
MY700



V7 TECHNOLOGY®
PI
SERIES



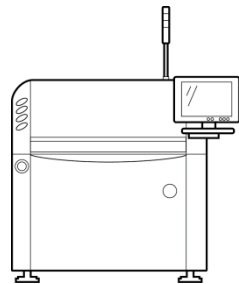
MYCRONIC
MY300



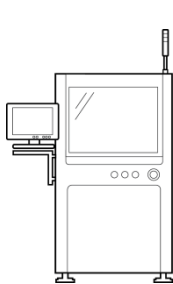
V7 TECHNOLOGY®
K3D
SERIES



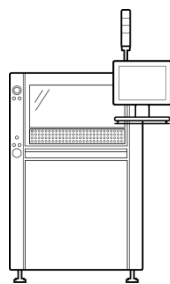
MYCRONIC
MYSmart



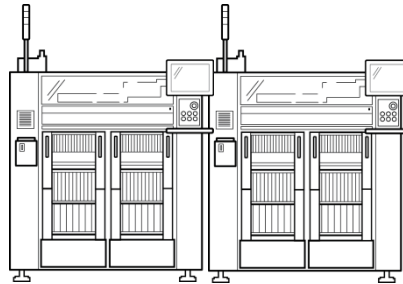
Screen printer
and/or jet printer



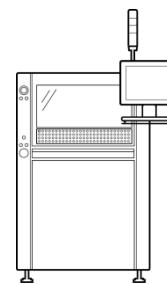
Dispenser



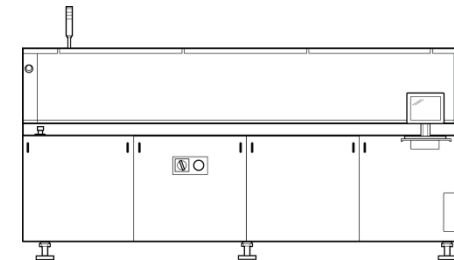
SPI



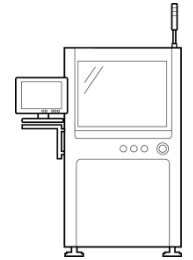
Pick & place



AOI



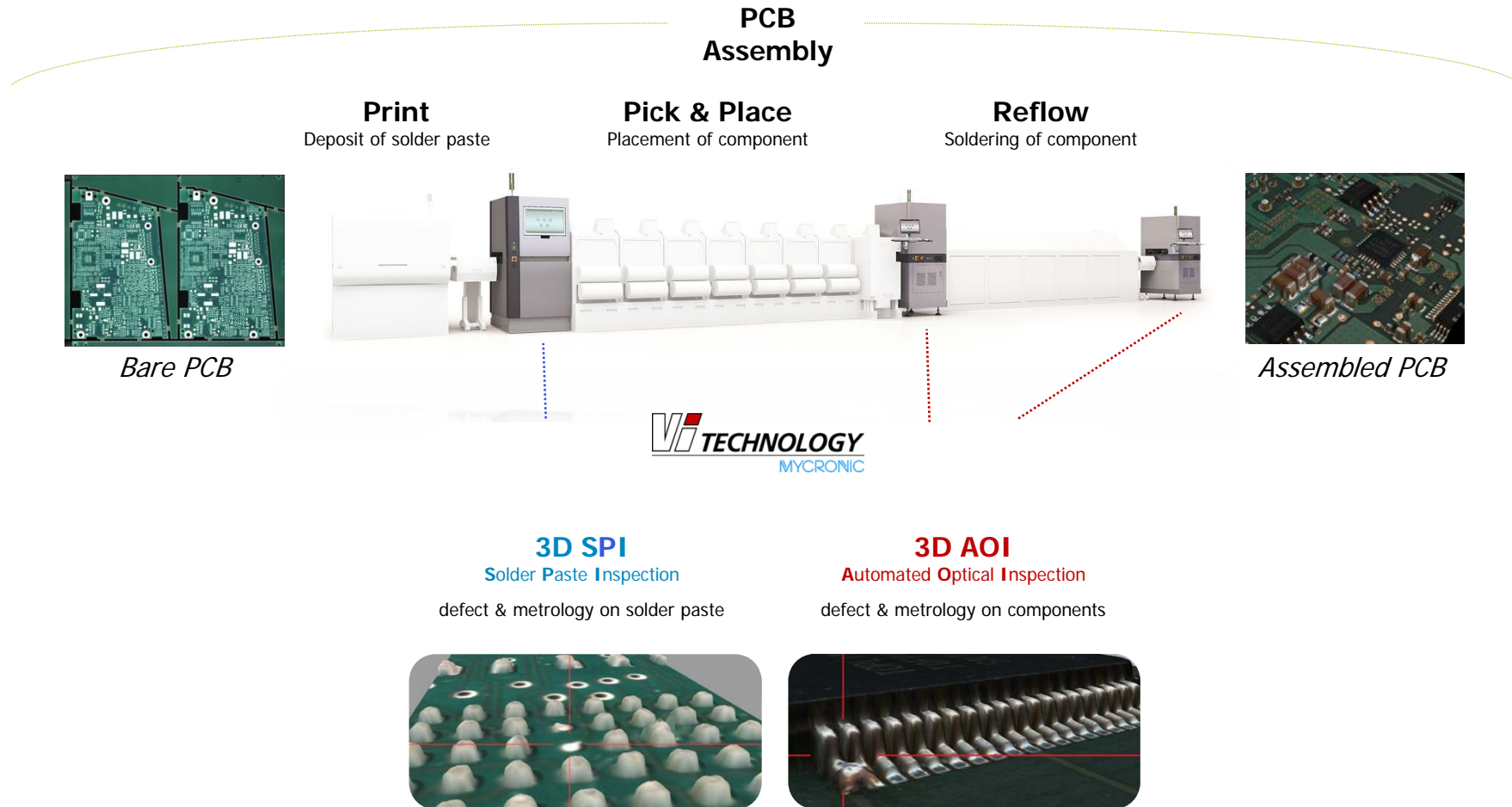
Reflow oven



Dispenser

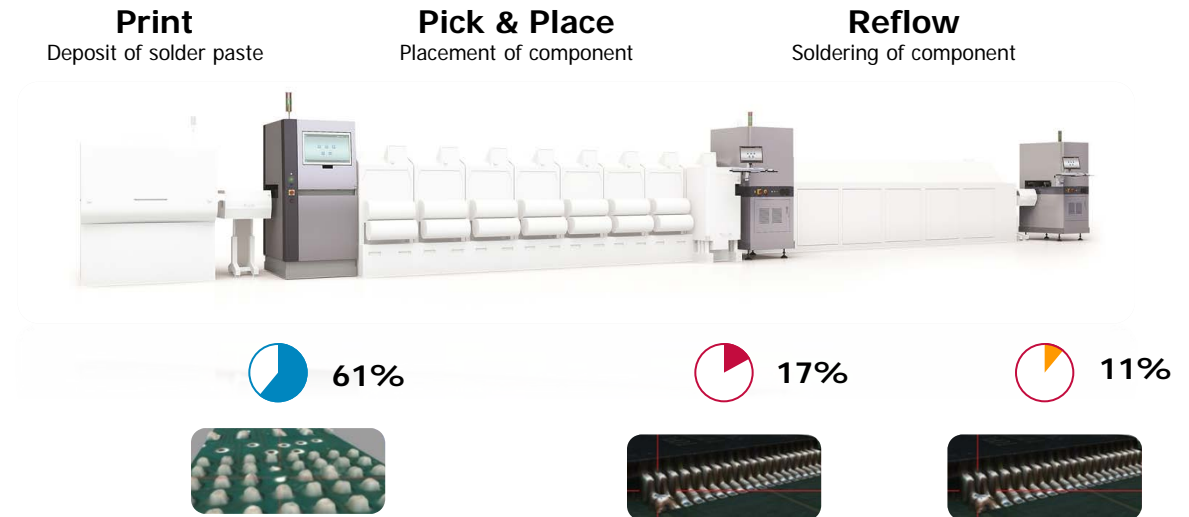
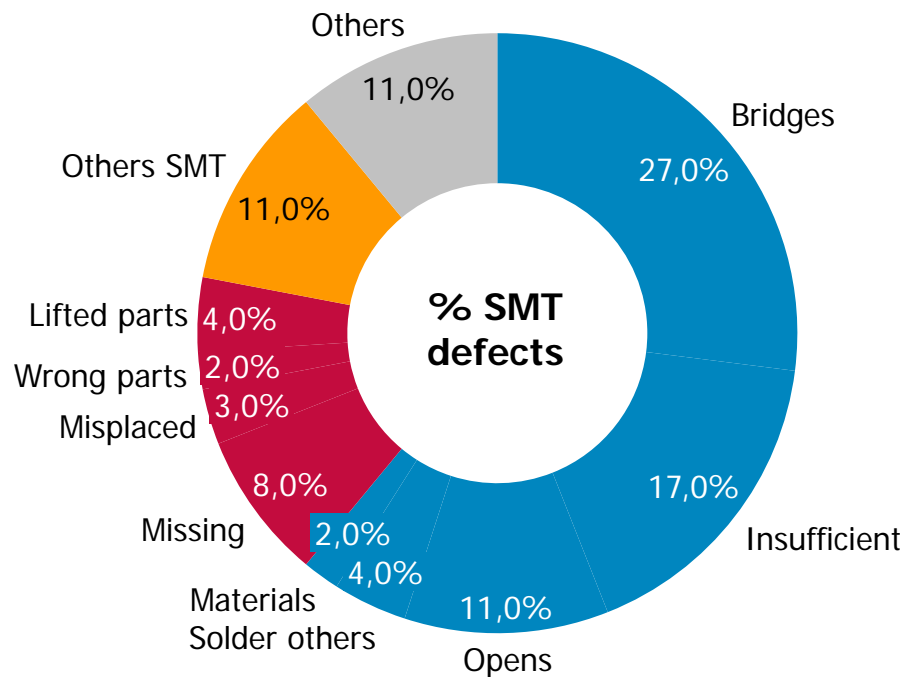
A 3D optical inspection specialist

enabling critical process & quality control in the PCB assembly



AOI is mission critical for our customers

~ 80% of the product quality plan relies on inspection solutions



Source : VIT (2015)

We offer integrated 3D inspection solutions

enabling quality electronics



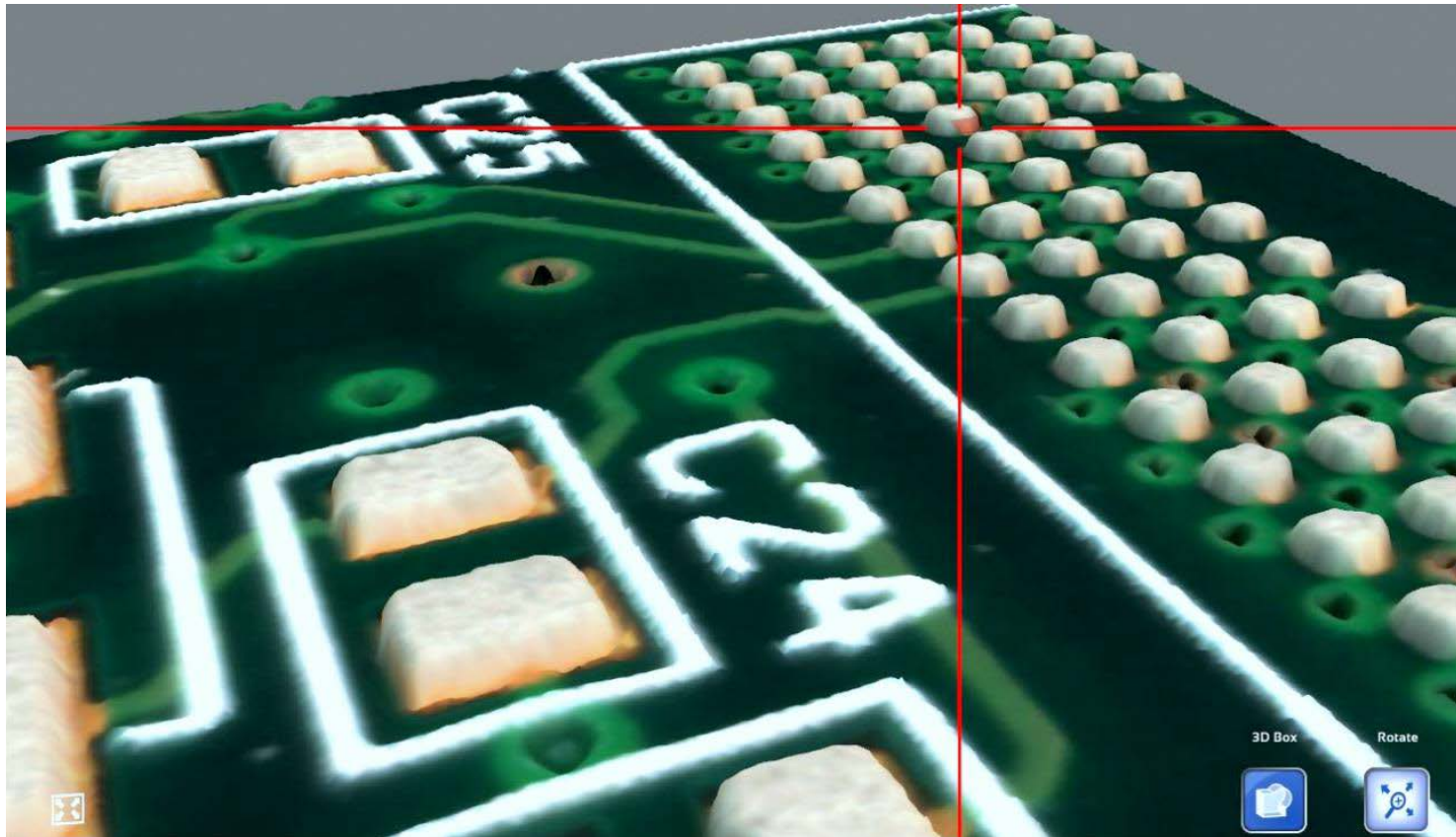
K^{3D}, a **3D AOI solution** offering a state-of-the-art defect coverage and metrology capabilities to guarantee product quality

PI, a **new generation 3D SPI** system offering unrivaled simplicity and unmatched accuracy and repeatability

6, pioneer in-house **process improvement web-based software** that correlates inspection systems results and enables industry 4.0

Revolutionary 3D solder paste inspection (SPI)

PI series for unrivaled simplicity, unmatched accuracy and repeatability

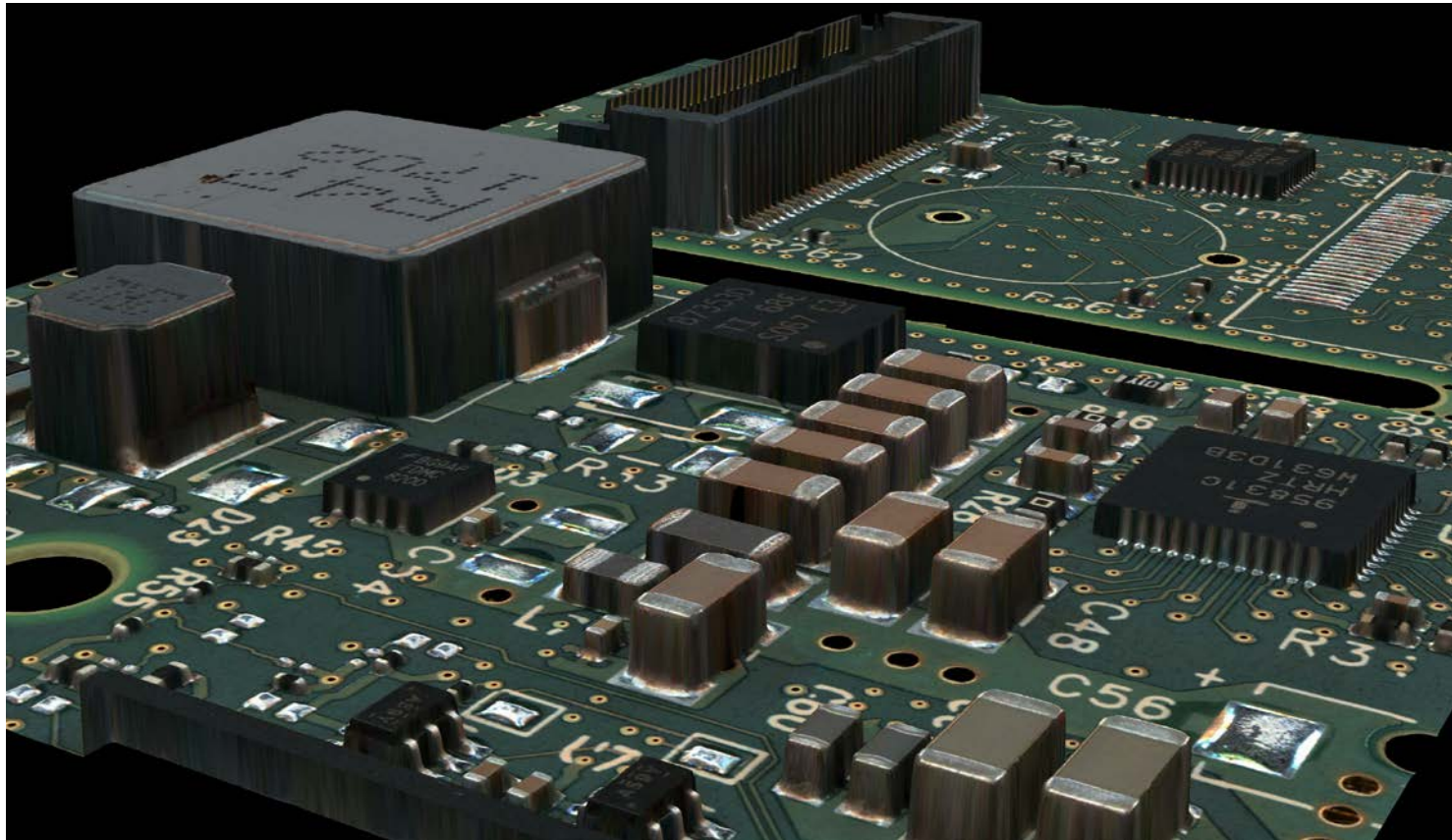


Ultra wide high-resolution 3D picture
<0.5 nl insufficient solder paste
volume, found at the speed of 1 ms

- >60% of SMT defects are printing-generated defects
- miniaturization and complexity requires high metrology SPI capabilities
- and operator-independent performance

Powerful 3D automated optical inspection (AOI)

K3D series expands defect coverage boundaries



Powerful 3D inspection of **components, leads and solder joint defects** on populated printed circuit board

- ~ 30% SMT are P&P and reflow process related
- Miniaturization and increased density demands **3D** automatic **in-line metrology** with **critical measurement capability**
- AOI systems are key to product **quality and long term reliability**

Vision excellence

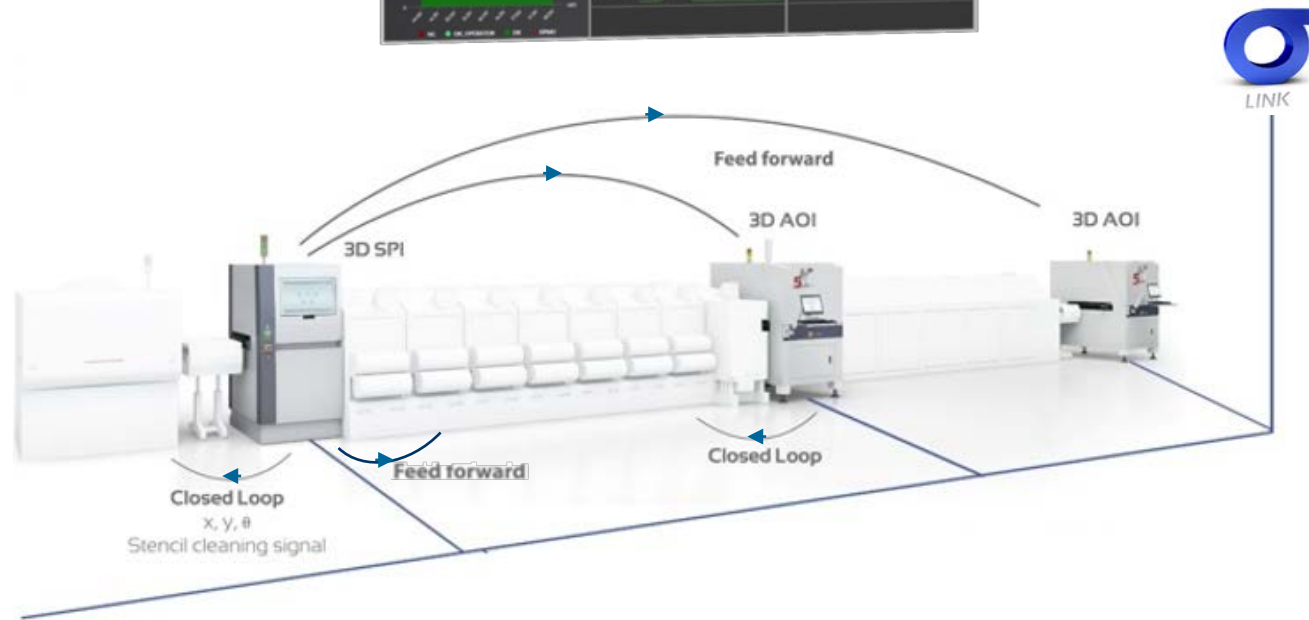
enables process intelligence in the industry 4.0 era



Machine to Machine connectivity and interoperability leveraged by Sigma Link software suite

Sigma Link software suite

- Unique SPI-AOI connectivity enabling improved SMT line efficiency
- Real-time process monitoring
- Web-based software with intuitive GUI for a smarter factory
- Configurable interface with any Manufacturing Execution System (MES)



Significant synergies with Mycronic



- Talented people with similar history and proven innovation culture
- Complete, state of the art SMT product offering
- Complementary industry 4.0 offering
- Great market coverage in all major SMT markets

Status:

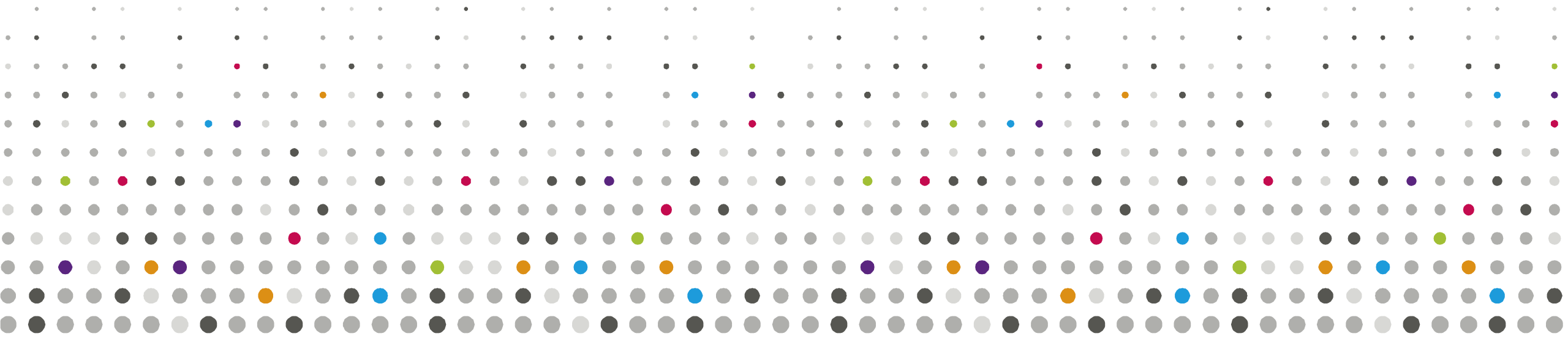
- Joint marketing at key events (Productronica, Apex, Nepcon SHG)
- Sales, After Market and Channel Partners consolidated
→ Much stronger distribution network in Americas & Europe
- First sales synergies materialized in Q1
- First joint R&D efforts kicked-off



MYCRONIC

When passion meets innovation ●

Additional slides – market update Q1 2018

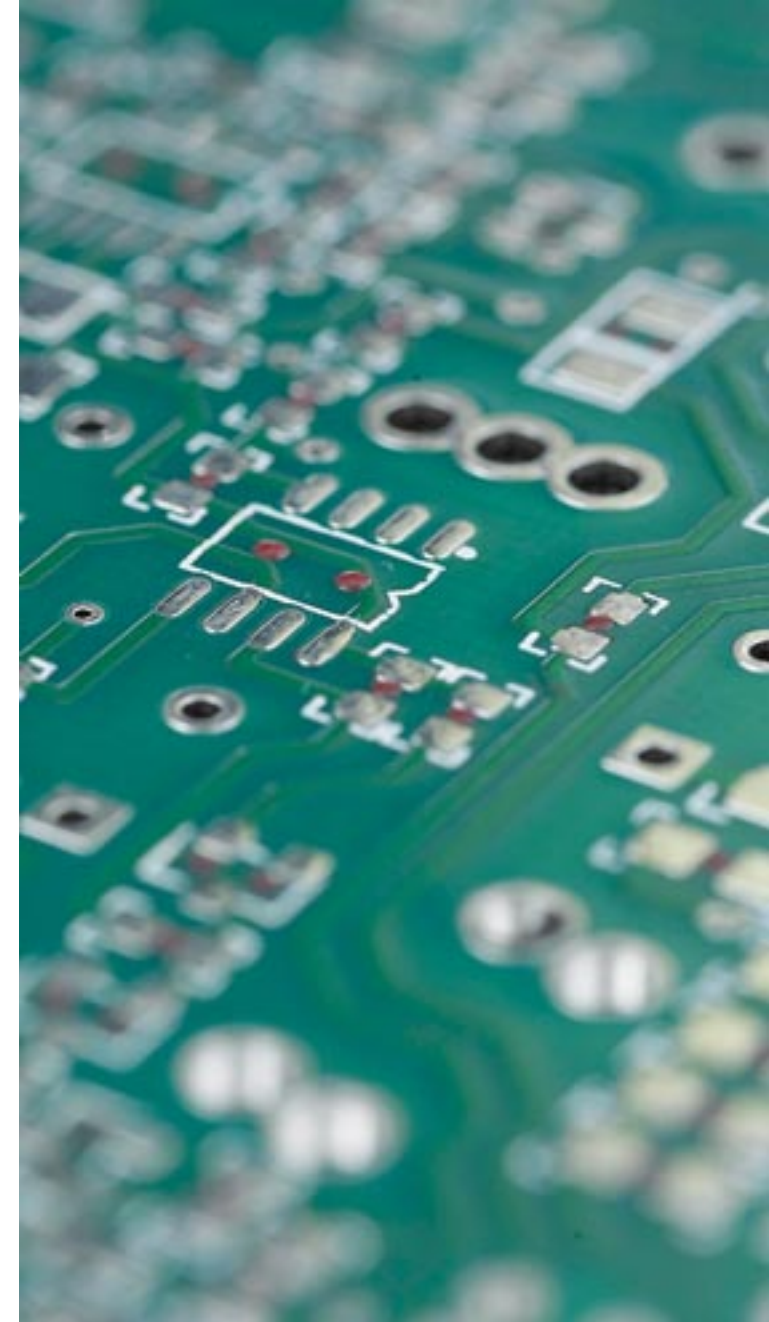


Market update

Summary and updates on 2017 market development

- Global electronics industry growth revised upwards from 3.7% to 6.2% to reach 2,003 BUSD.
- Semiconductor industry growth revised slightly downwards from 22.5% to 21.7% to reach 412 BUSD.
- SMT assembly equipment market grew 32% to 2,615 MUSD.
- Dispensing equipment market grew 18% to 710 MUSD.
- Camera module market: Revised market figures show higher penetration of cameras per car and a growth of 50% to 161 million units.
- Display market actuals for 2017 came in close to expectations, with growth of 19% from 105 BUSD to 124 BUSD.
- Display photomask market grew 16% to 730 MUSD.

Source: Prismark March 2018, Protec MDC January 2018, IHS April 2018, IHS April/May 2017.



Market update

Summary of market forecasts for 2018

- Global electronics industry to continue to show positive growth of 4.5% to 2,094 BUSD.
 - Long term forecast over period 2018 to 2022 indicates a CAGR of 2.6%
- Semiconductor industry revised up from 7.0% to 7.7% to reach 444 BUSD.
 - Forecast 2018 to 2022 stays at a CAGR of 1.4%
- SMT: Not available
- Dispensing: Not available
- Camera module market to grow 24% to 200 million units.
 - Estimated yearly growth of 14% 2018-2022 in number of camera modules to 333 million units
- A softer display market expected with a slight decrease of 2% from 124 billion USD to 122 BUSD
- Display photomask market will grow with 16% to 850 MUSD.

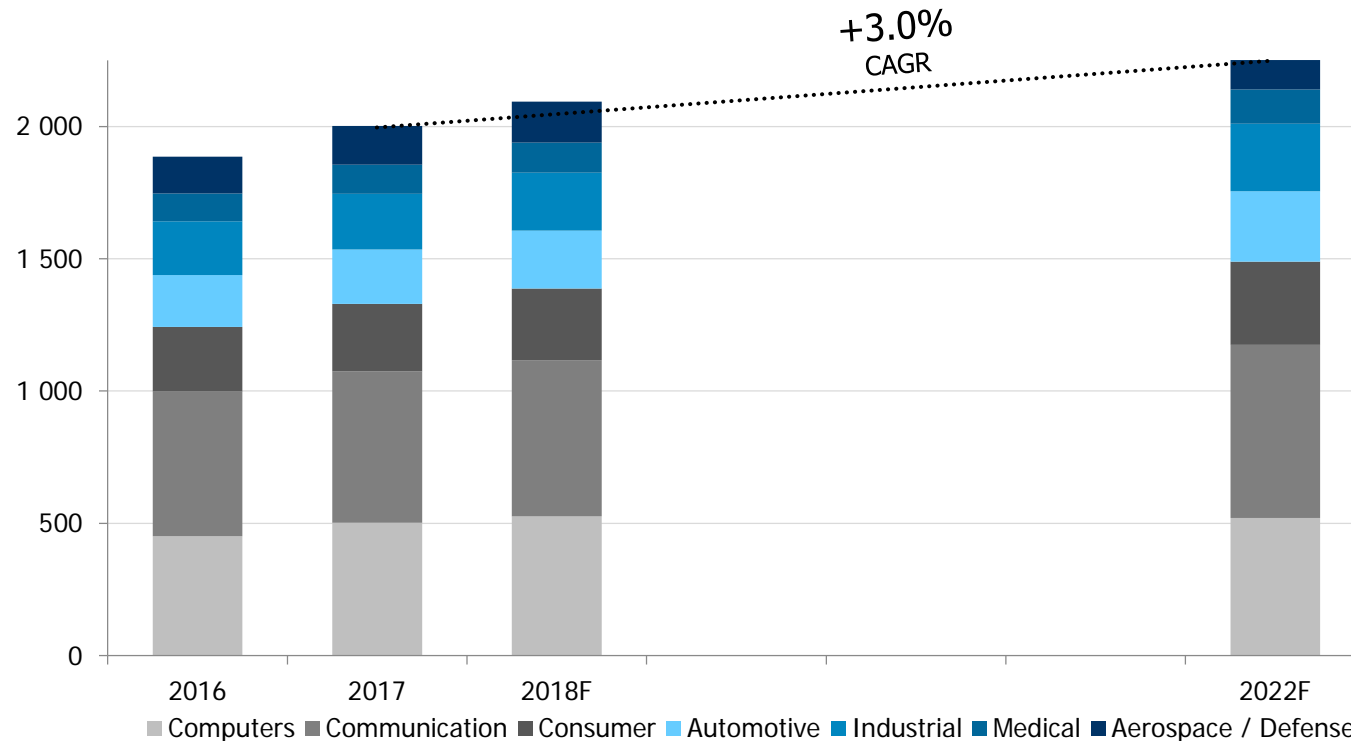
Source: Prismark March 2018, Protec MDC January 2018, IHS April 2018, IHS April/May 2017.



Electronics industry systems market

Yearly development

USD billion



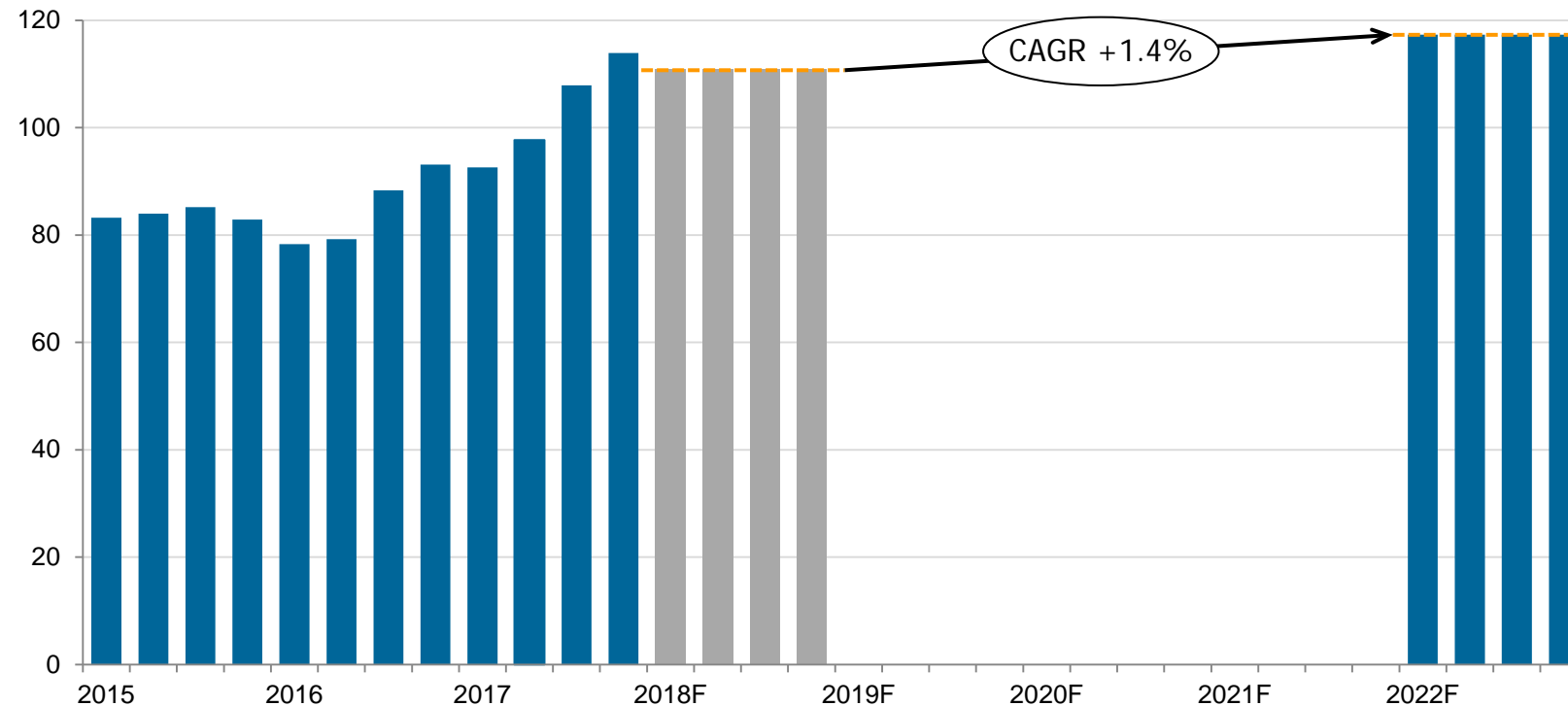
- Electronics systems market grew 6.2% in 2017 to 2,003 BUSD.
- Strong segments 2017
 - computer 11%
 - automotive 6%
 - aerospace 5%
- Electronics systems market forecasted growth of 4.5% in 2018 to 2,094 BUSD.
- Long-term annual growth of 3.0% forecast for period 2017-2022 (2.6% 2018-2022)

Source: Prismark, March 2018

Semiconductor market

Quarterly development

USD billion



- Semiconductor market growth in 2017 was 21.7% compared to FY 2016
- Outlook for FY 2018 indicates a growth of 7.7%
- Annual long term growth at 1.4% 2018 to 2022

Source: Prismark, March 2018

Market update Assembly Solutions

SMT equipment*

- 2017 saw a positive development for assembly equipment with growth of 32% compared to 2016. Positive development in all regions with the strongest development in China and Japan.

Dispensing*

- 2017 market estimated at 710 MUSD.
- Mycronic the fourth largest supplier of dispensing equipment addressing the major part of the total market.

Assembly automation

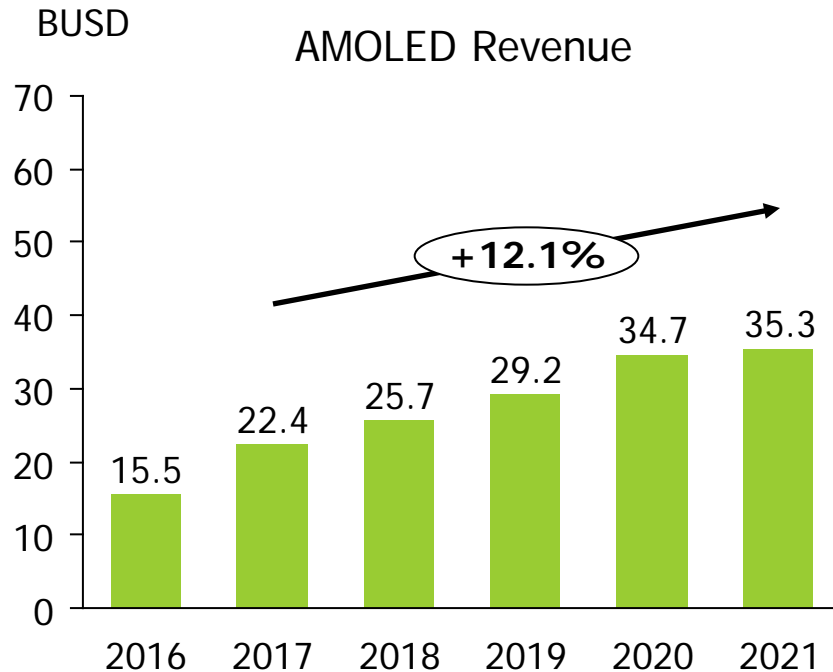
- Automotive is one of the fastest growing segments in the electronics industry.
- Camera modules for ADAS growing fast
 - Estimated 50% growth of number of camera modules produced 2017, 161 million units.
 - Camera module market expected to grow 24% in 2018 to 200 million units.
 - Estimated yearly growth of 14% 2018-2022 in number of camera modules to 333 million units

Source: PROTEC MDC January 2018, Prismark March 2018, Mycronic

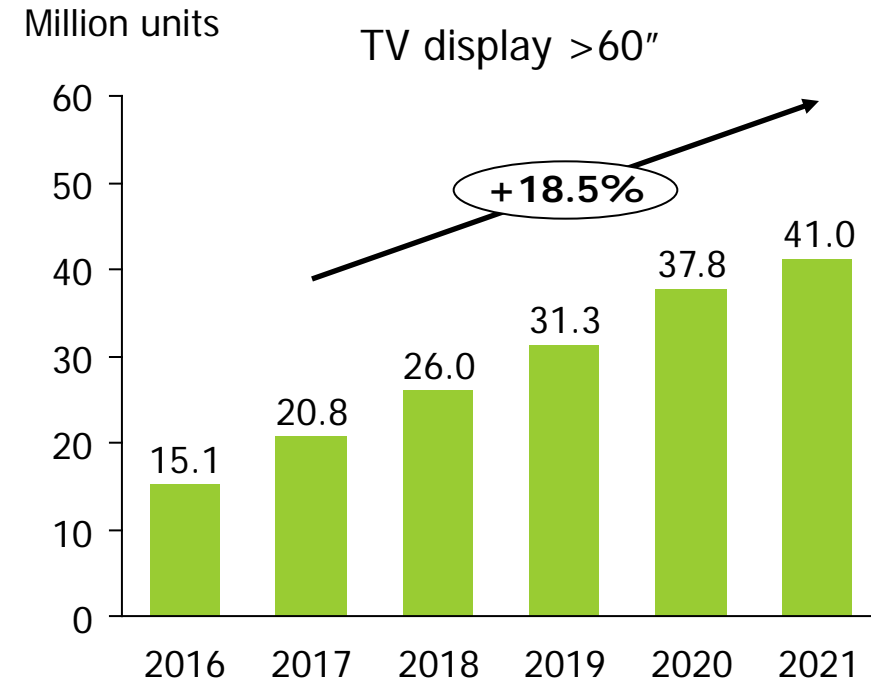
* No external forecast provided for 2018 and onwards

Market update Pattern Generators

Technology transition from LCD to AMOLED and ramp up of large TV production



- AMOLED continues to be a strong growth driver
 - Transition pace a bit slower than thought end of last year.
 - Manufacturing yield and production cost is a challenge.
 - The smartphone is the main application but OLED TV grows fast.
 - Drivers are better image quality, smaller display thickness, flexible properties and enables lower power consumption.

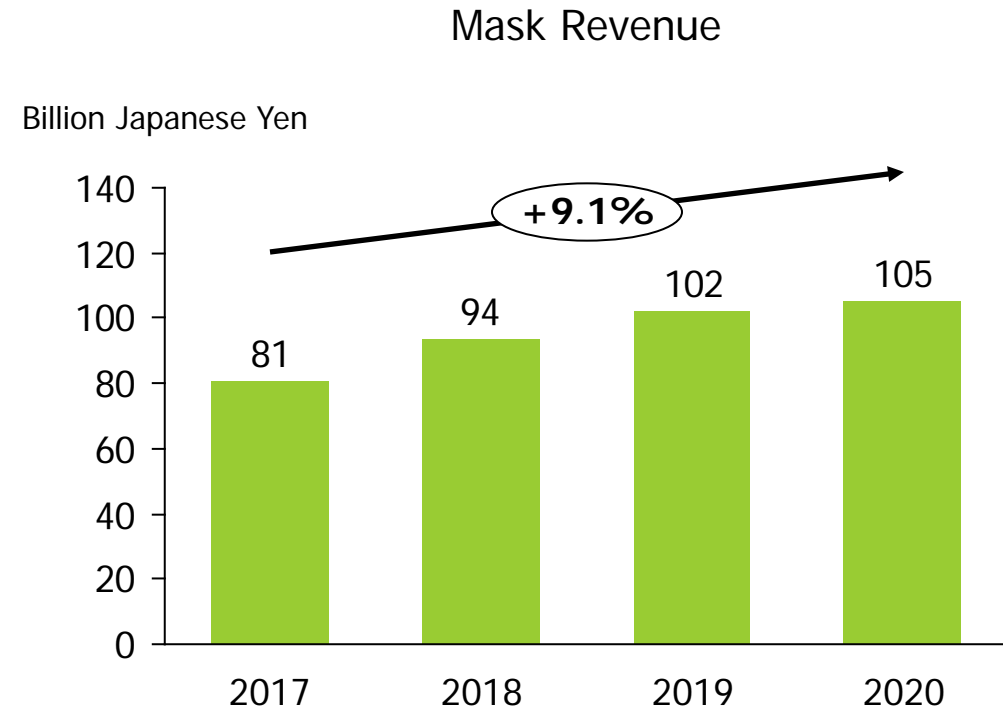
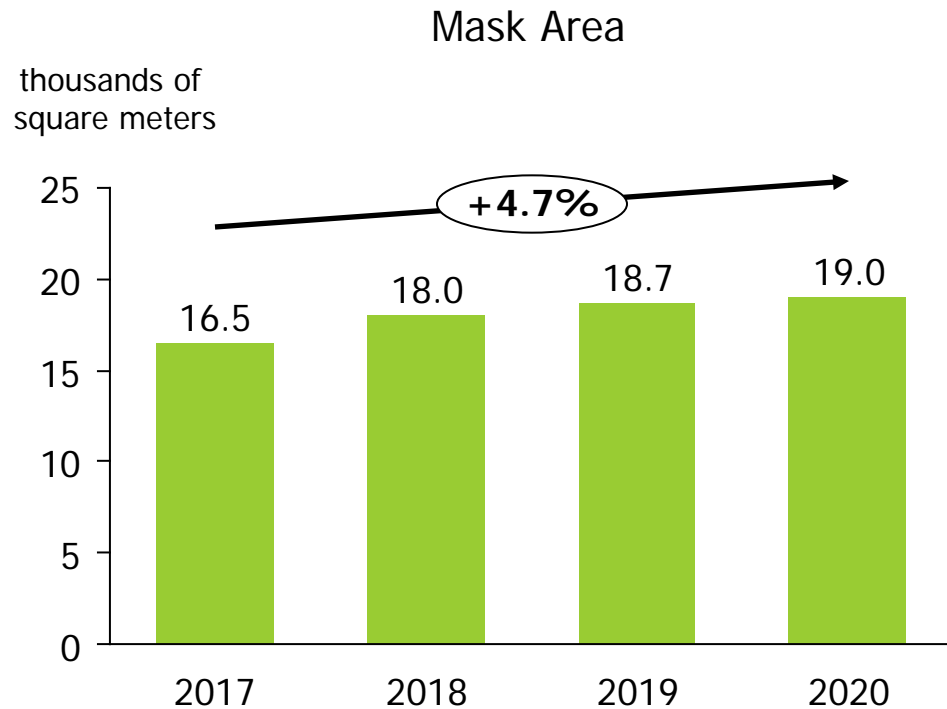


- New G10 display fabs under construction or in planning phase
 - Large TV (>60") is the main driver.
 - Substantial investments in the growing Chinese display market.
 - TV's with 8K resolution starts to ramp up.

Source: IHS, April, 2018

Market update Pattern Generators

Display photomask market



- Forecast for the display mask market is positive for 2018 with a forecasted growth of 16% according to latest forecast from April/May 2017.
 - Increased share of complex and high value masks due to AMOLED transition and transition to displays with higher resolution.
 - Increased share of G10 masks to support new G10 fabs ramping up in China.

Source: IHS April/May 2017 (Display photomask market is forecasted in JPY by IHS since it is mainly priced in that currency)

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