

# Year-end Report 2023

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# President and CEO

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Anders Lindqvist

# Agenda

- Q4 in short
  - Divisional development
  - Financials
  - Sustainability
  - Q&A
- 
- *Appendix – Market update*







## Q4 in short

### Record finish to a record year

- Healthy order intake, although not matching the extremely strong order intake from the fourth quarter of the previous year
  - Order intake declined 43% to SEK 1,448 (2,529) million
- Best ever net sales, increasing 31% to SEK 1,968 (1,497) million
- EBIT increased to the record level SEK 620 (262) million
- EBIT margin at 32 (18)%
- Order backlog at SEK 4,149 (3,574) million
  - 27 Pattern Generators systems on December 31
- After the end of Q4, four orders were received for one Prexision 8 Evo and four SLXs.

Share of Group's net sales

**45%**

Net sales

**SEK 878 M**

Order intake

**SEK 513 M**

EBIT

**SEK 510 M**

EBIT margin

**58%**



## Pattern Generators

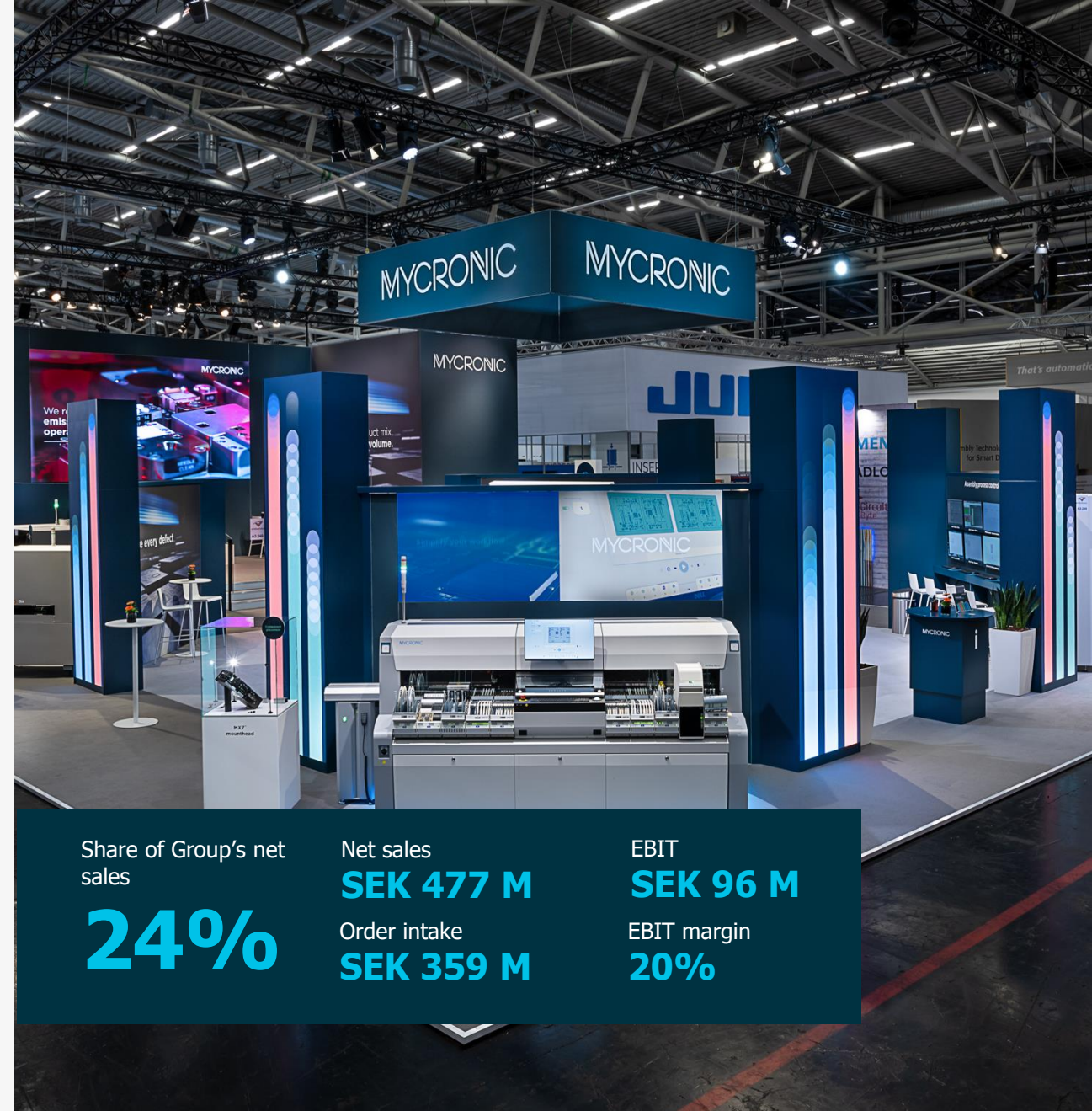
### Focus on execution

- The division focused on execution and delivery of mask writers
- Order intake declined 72% compared with the extremely strong order intake in the corresponding period the previous year
  - Orders for four mask writers received: One Prexision 8 Evo and three SLXs
- Exceptional net sales, increasing 93% to SEK 878 (455) million
  - One Prexision 8 Evo, one Prexision Lite 8 Evo and six SLXs delivered
- Gross margin increased to 68 (54)%
- EBIT increased to a record SEK 510 (154) million
- Order backlog at SEK 3,068 (2,480) million
  - 27 systems in order backlog

# High Flex

## New pick-and-place machine

- The MYPro A40 was launched, a new pick-and-place machine, that is the heart of a production line for surface mount technology
- High Flex participated at Productronica, one of the world's largest electronics production trade fairs
  - The MYPro A40 was exhibited for the first time at the fair and it received very positive feedback
- Order intake rose 11%
- High Flex finished the final quarter of the year with good deliveries, beating the strong quarter in the corresponding period the previous year
  - Net sales increased 7%
- Improved gross margin at 46 (41)%
- EBIT rose to SEK 96 (61) million
- Order backlog at SEK 120 (155) million







## High Volume International expansion

- The division is continuing to focus on expanding its business outside China, accompanying
  - Consumer electronics customers mainly to South-East Asia
  - EV industry customers mainly to North America and Europe
- Order intake rose 29%, compared with a very weak Q4 the previous year
- Net sales declined 18%
- Gross margin at 40 (41)%
- EBIT decreased to SEK 32 (89)
- Order backlog at SEK 662 (700) million

Share of Group's net sales

**16%**

Net sales

**SEK 306 M**

Order intake

**SEK 276 M**

EBIT

**SEK 32 M**

EBIT margin

**10%**

# Global Technologies

## AI-driven demand

- AI-related demand was reflected in strong order intake and net sales in die bonding
- The market for electrical testing of PCBs and substrates has been weak, with the exception of high layer count PCBs associated with AI
- Order intake increased 84%
- Net sales rose 39%
- Gross margin at 39 (37)%
- EBIT increased to SEK 37 (6) million
- Order backlog at SEK 297 (239) million

Share of Group's net sales

**16%**

Net sales

**SEK 310 M**

Order intake

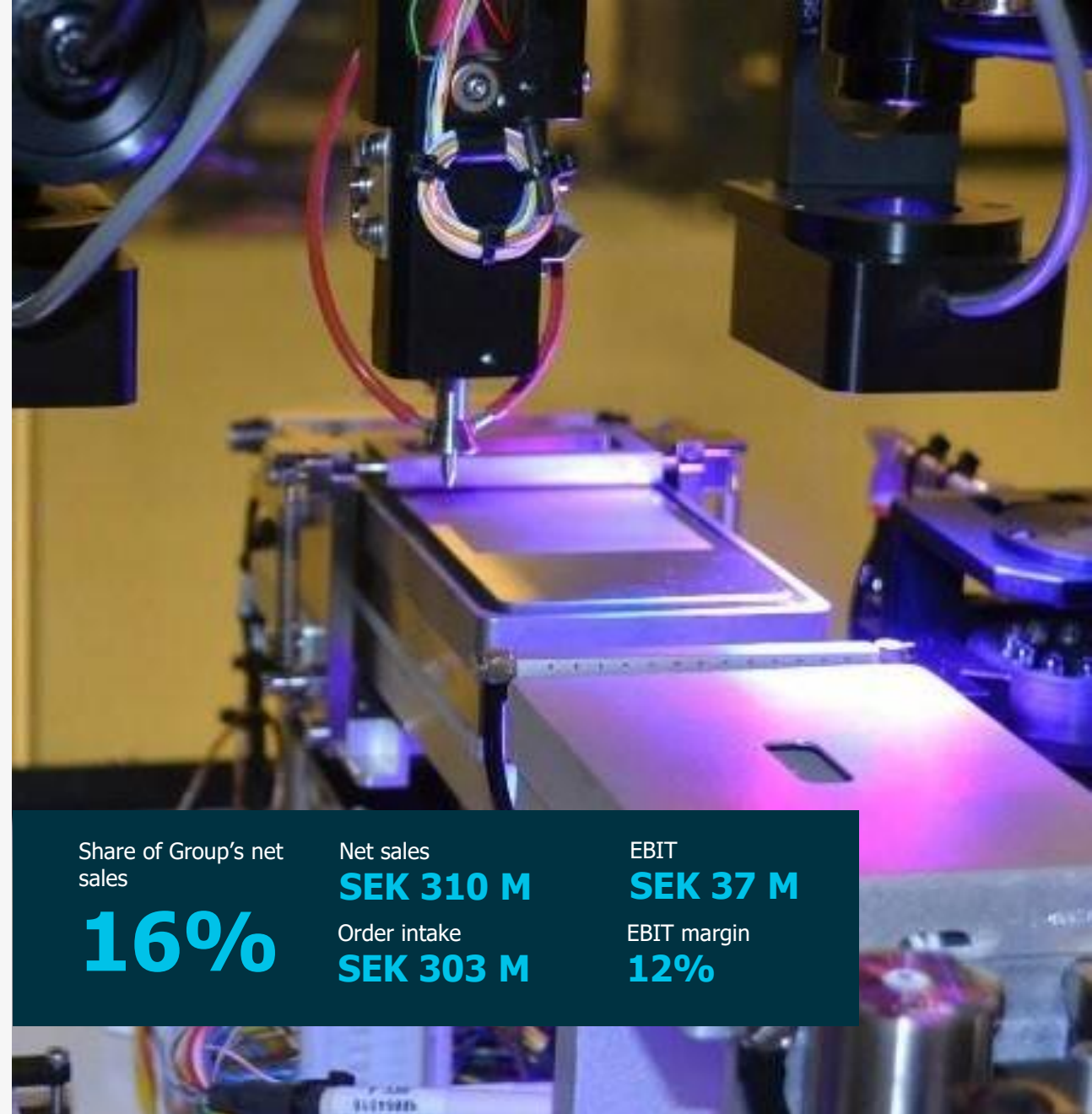
**SEK 303 M**

EBIT

**SEK 37 M**

EBIT margin

**12%**





# Outlook 2024

Net sales  
**SEK 6.25 billion**



# CFO and Sr VP Corporate Development

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Pierre Brorsson

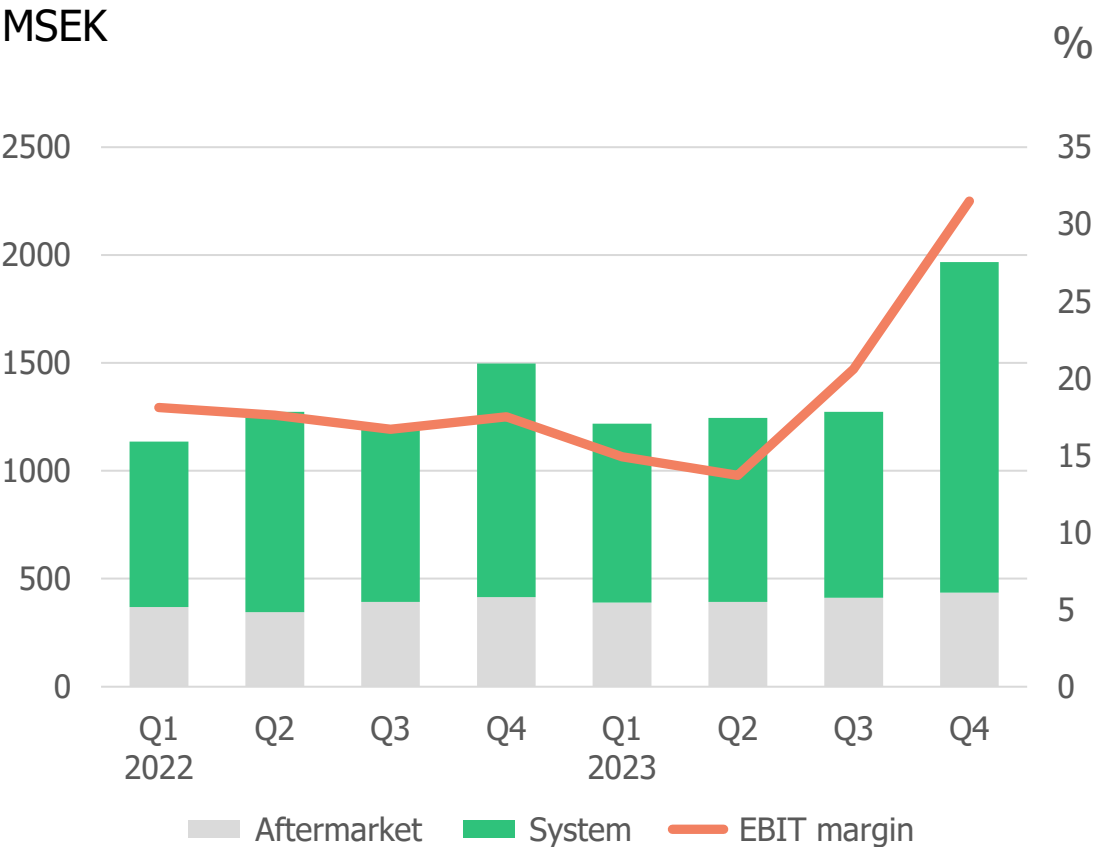


# Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 5,706 million
- EBIT margin R12 at 22%
- Aftermarket revenue R12 at SEK 1,629 million
  - 29% of net sales
  - Increasing quarter-on-quarter since Q1 2021

# Group net sales and EBIT margin per quarter

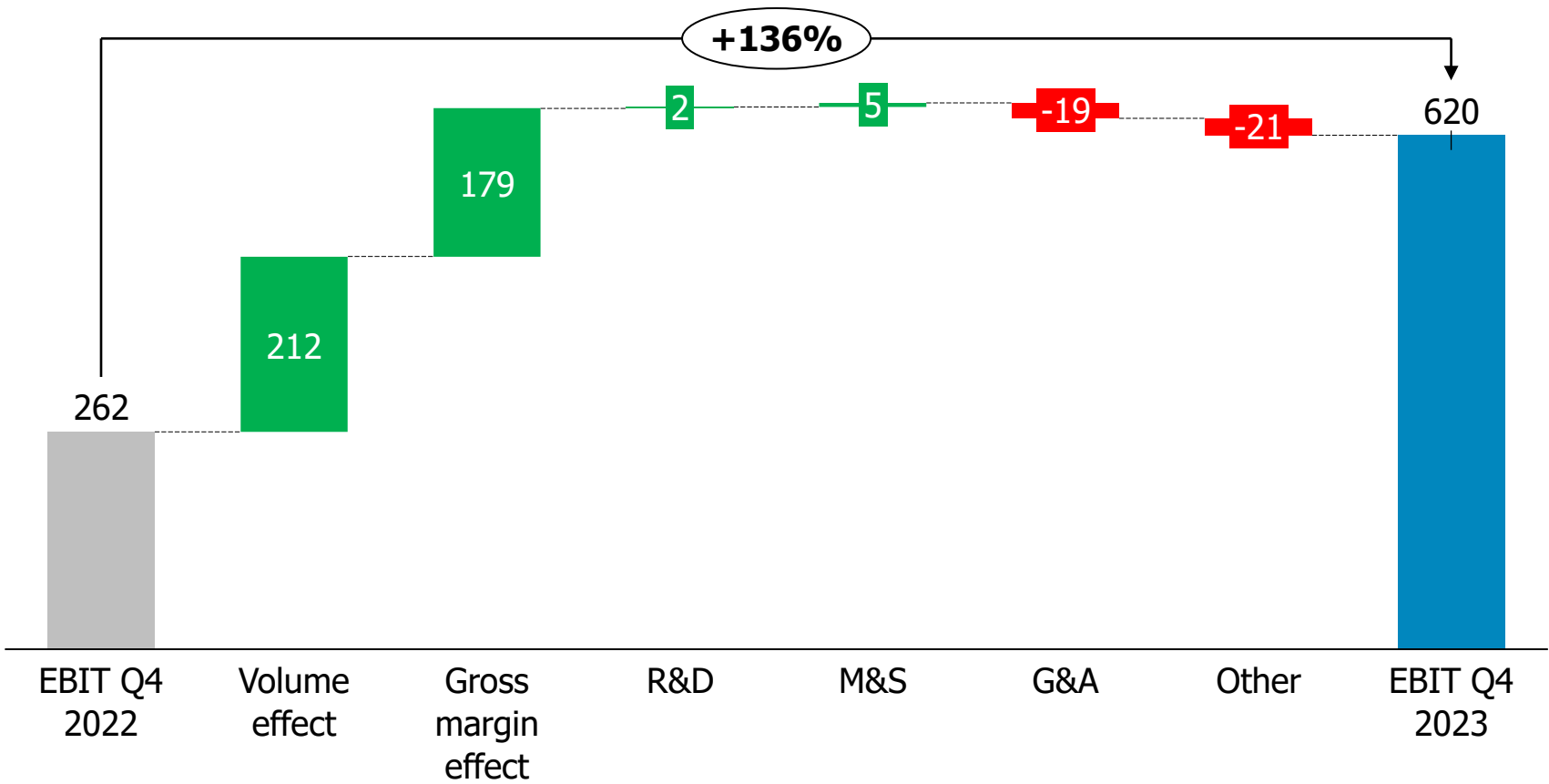


- Net sales increased 31% vs Q4 2022, to a new record level of SEK 1,968 million
- Improved EBIT margin, driven mainly by Pattern Generators
  - EBIT margin at 32%



# Group Q4 EBIT bridge

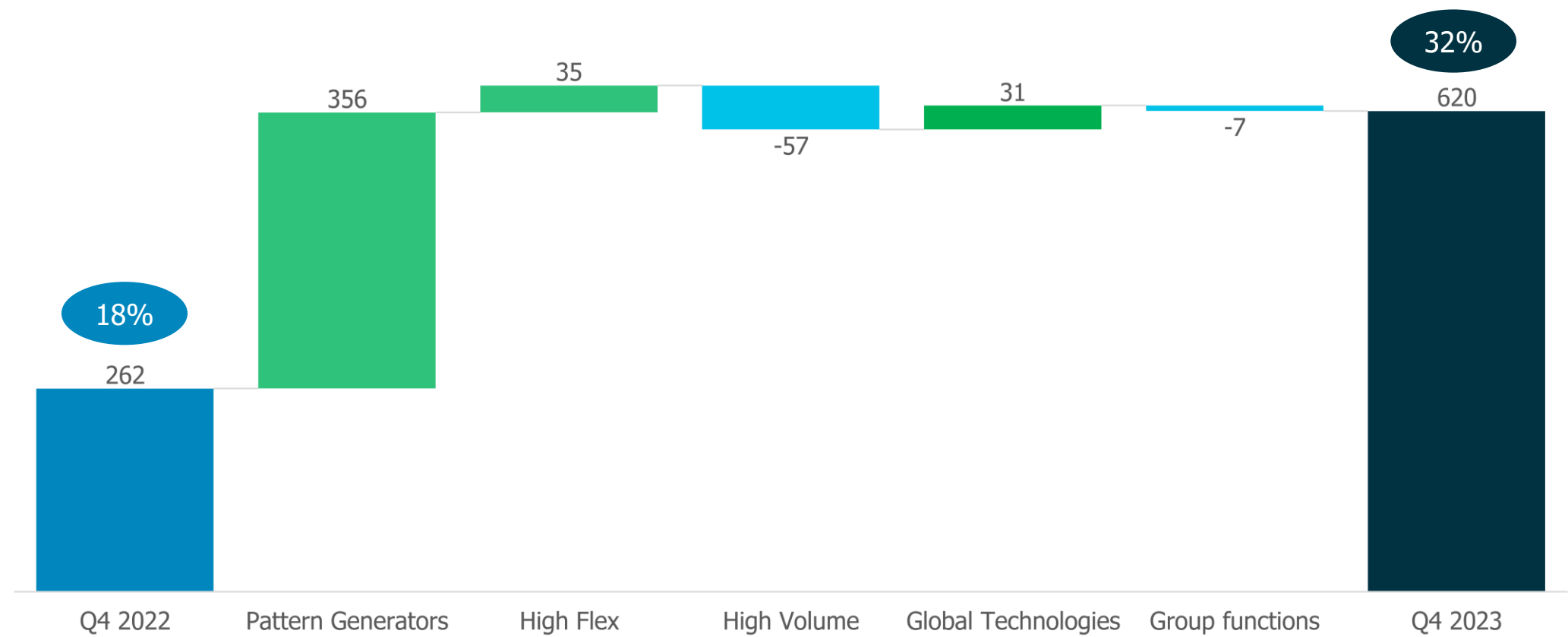
MSEK



% of Sales 2022	18%	45%	-12%	-11%	-6%	1%	
% of Sales 2023		54%	-9%	-8%	-5%	0%	32%

# Divisional Q4 EBIT contribution

MSEK





# Strong cash flow and net cash position

MSEK	YTD 2023	YTD 2022	
Cash flow from operations before change in working capital	1,471	966	• Strong cash flow from operations
Change in working capital	138	-113	• Decrease in working capital mainly attributable to increased advance payments from customers
<b>Cash flow from operations</b>	<b>1,608</b>	<b>853</b>	
Investing activities	-195	67	• The divestment of AEi generated SEK 216 million in positive cash flow in 2022
Financing activities	-447	-382	• Financing activities include SEK 343 million in dividends to shareholders
<b>Cash flow for the period</b>	<b>966</b>	<b>537</b>	
Cash, opening balance*	1,274	692	• Strong net cash position of SEK 1,912 million on December 31
Exchange difference	-100	44	
<b>Cash at end of period</b>	<b>2,140</b>	<b>1,274</b>	

\*Opening balance 2022 includes 9 MSEK in cash and cash equivalents classified as assets held for sale

A background image of a precision industrial machine, likely a laser cutting or engraving system. The machine is dark and metallic, with various components and a large flat surface. Several bright red laser lines are visible, extending across the machine's surface and into the background. The lighting is dramatic, with strong highlights and shadows.

# President and CEO

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Anders Lindqvist



# Sustainability

- Diversity and inclusion was the highest rated topic in Mycronic's annual global employee engagement survey, conducted during the fourth quarter.
  - This supports our ambition to be an attractive employer
- We also completed an update to our materiality assessment, in line with forthcoming requirements under the EU Corporate Sustainability Reporting Directive (CSRD).
  - The results from this assessment will form the basis for Mycronic's sustainability reporting as of the 2024 fiscal year.





Q&A

# APPENDIX

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Q4 2023 Market update

MYCRONIC

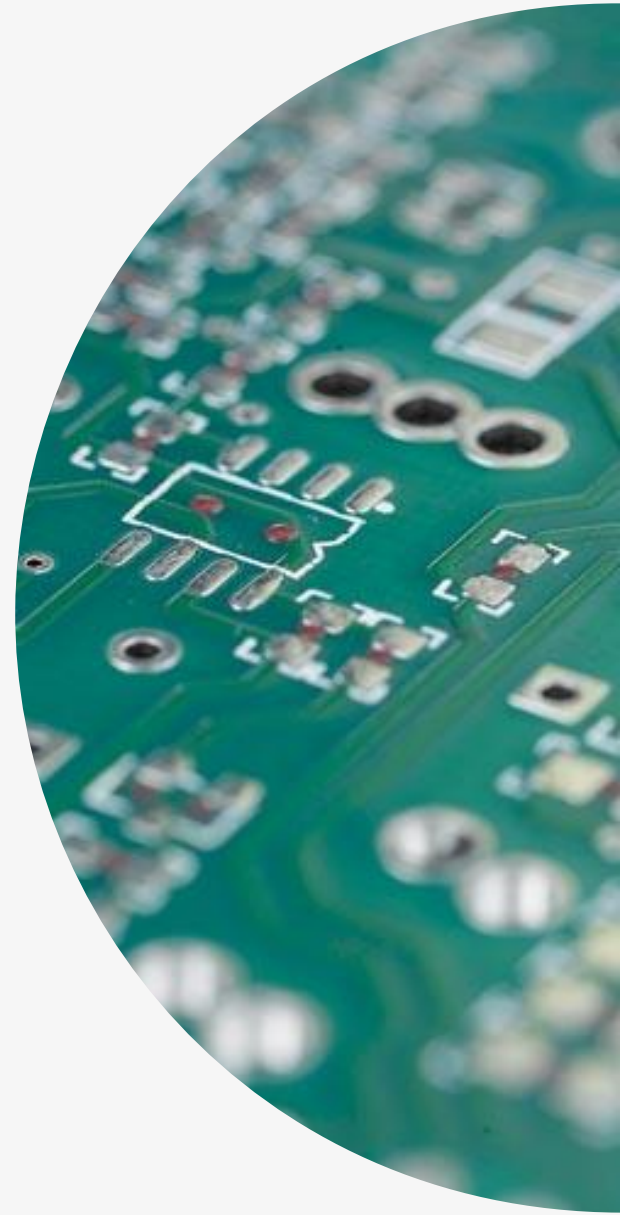


# Preliminary outcome 2023

## Market summary and updates

- Global electronics -0.4% to 2,417 BnUSD<sup>1)</sup>
- Semiconductors -9.2% to 520 BnUSD<sup>1)</sup>
- Optical components -8.1% to 11.5 BnUSD<sup>3)</sup>
- Printed circuit boards and substrates -15.0% to 69.5 BnUSD<sup>4)</sup>
- Display market -5.5% to 116 BnUSD<sup>5)</sup>
- Display photomasks 0.8% to 890 MUSD<sup>6)</sup>
- Semiconductor photomasks 13.0% to 8.3 BnUSD<sup>7)</sup>
- SMT assembly equipment -26.5% to 2,250 MUSD<sup>2)</sup>
- Dispensing equipment: not available<sup>8)</sup>

Source: 1) Prismark December 2023, 2) PROTEC MDC January 2024, 3) Lightcounting October 2023, 4) Prismark, November 2023, 5) Omdia Jan 2024, 6) Omdia July 2023 (annual update), 145 YEN/USD used as conversion rate, 7) TechInsights Nov 2023, 8) Prismark March 2023 (annual update)





# Forecasts 2024

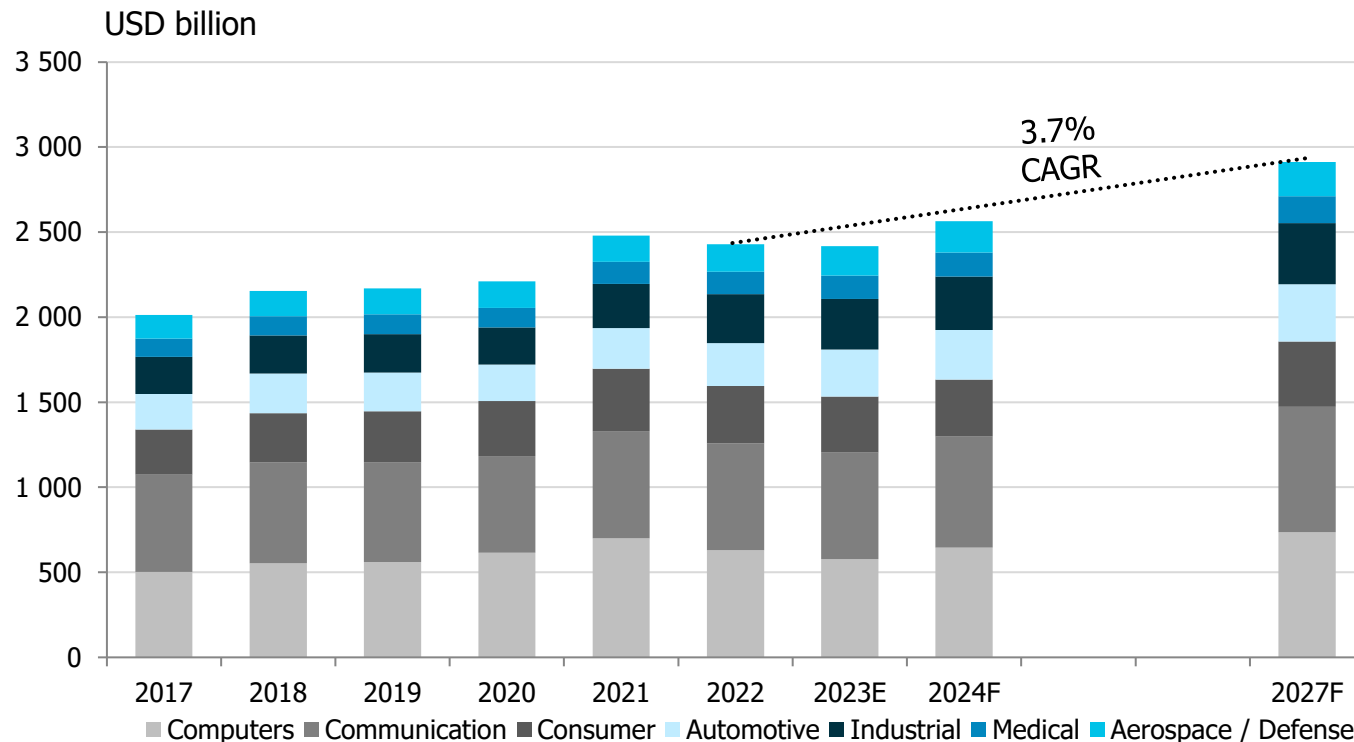
## Market summary and updates

- Global electronics industry +6.1% to reach 2,564 BnUSD<sup>1)</sup>
- Semiconductor industry +11.3% to reach 579 BnUSD<sup>1)</sup>
- Optical components market 17.8% to reach 13.5 BnUSD<sup>2)</sup>
- Printed circuit boards and substrates market 4.1% to reach 72.4 BnUSD<sup>3)</sup>
- Displays 6.7% to 124 BnUSD<sup>4)</sup>
- Display photomasks 1.4% to 903 MUSD<sup>5, 6)</sup>
- Semiconductor photomasks 8.7% to 9.0 BnUSD<sup>7)</sup>
- SMT assembly equipment: not available
- Dispensing: not available

Source: 1) Prismark December 2023, 2) Lightcounting October 2023, 3) Prismark, November 2023, 4) Omdia Jan 2024, 5) Omdia FPD large-area photomask research July 2023. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk, 6) 145 YEN per USD used for conversion from JPY to USD, 7) TechInsights Nov 2023

# Electronics industry systems

## Yearly development by industry segment



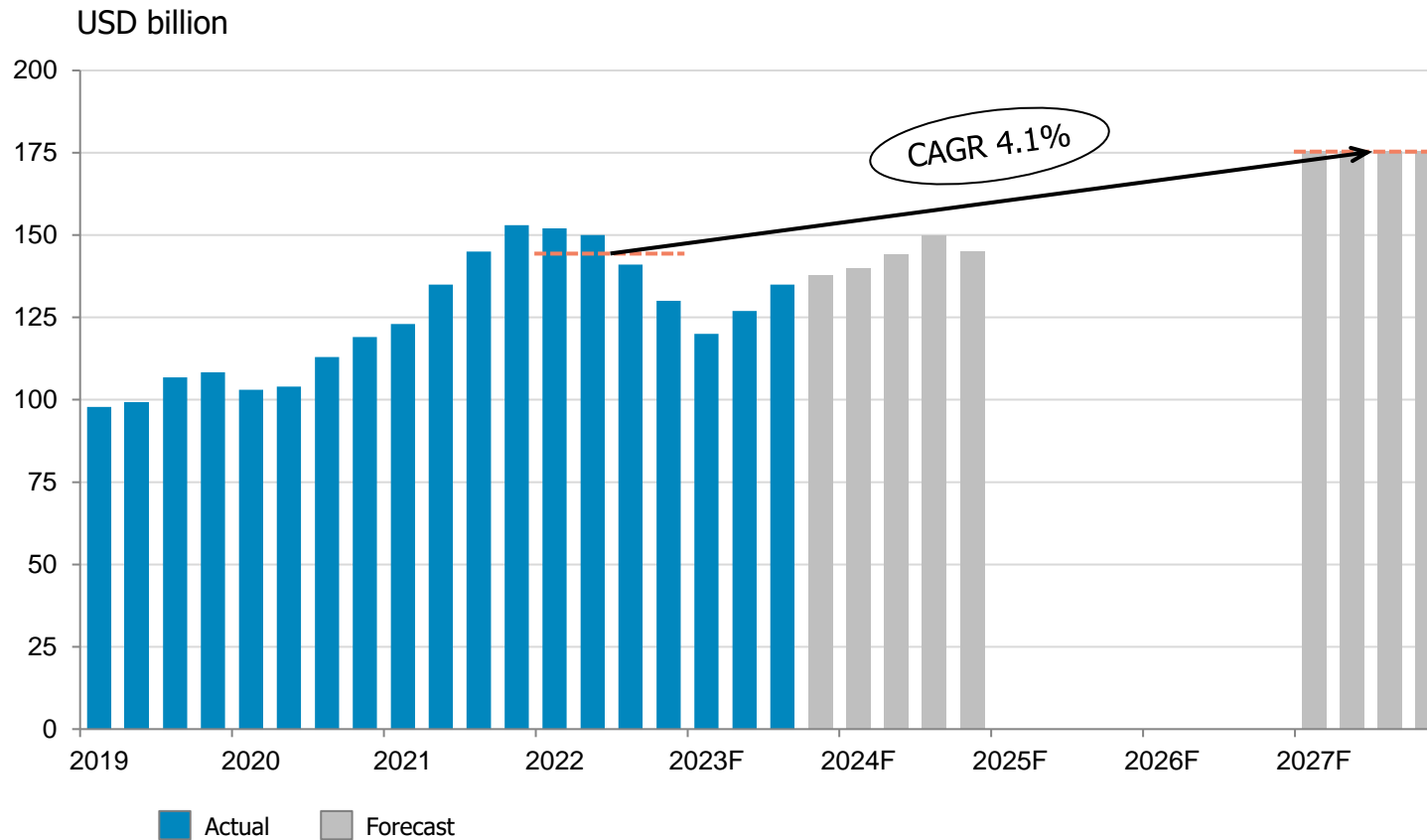
- Modest decline of -0.4% forecast for 2023, to reach 2,417 BnUSD, with strongest development in
  - Automotive 10.0%
  - Aerospace / Defense 6.8%
  - Medical 4.4%
- Growth of +6.1% forecast for 2024, to reach 2,564 BnUSD, with strongest development in
  - Computers 12.0%
  - Aerospace / Defense 7.0%
  - Industrial 5.4%
- 3.7% CAGR expected for 2022-2027, with strongest development in
  - Automotive 6.0%
  - Industrial 4.5%
  - Aerospace / Defense 4.4%

Source: Prismark, November 2023



# Semiconductors

## Quarterly development



- Forecast -9.2% decline in 2023 to reach 520 BnUSD
- Forecast +11.3% growth in 2024 to reach 579 BnUSD
- 2022 to 2027 CAGR growth forecast at 4.1% to reach 702 BnUSD

Source: Prismark, December 2023

# SMT and Dispensing

## Market update

### SMT assembly equipment\*

- The segment declined by 17.9% in 2022 to USD 3,062 million, although the markets in Europe and North and South America reported growth.<sup>1)</sup>
- In 2023 the market declined by 26.5% compared with the previous year, although markets in Japan and Europe reported growth while other markets reported a negative development<sup>2)</sup>.

### Dispensing\*

- 2022 market estimated at 930 MUSD<sup>3)</sup>, a growth of 2.2%.
- Mycronic is the number one supplier of dispensing equipment for the electronics industry, addressing the major part of the total market.

*\* No forecast available*

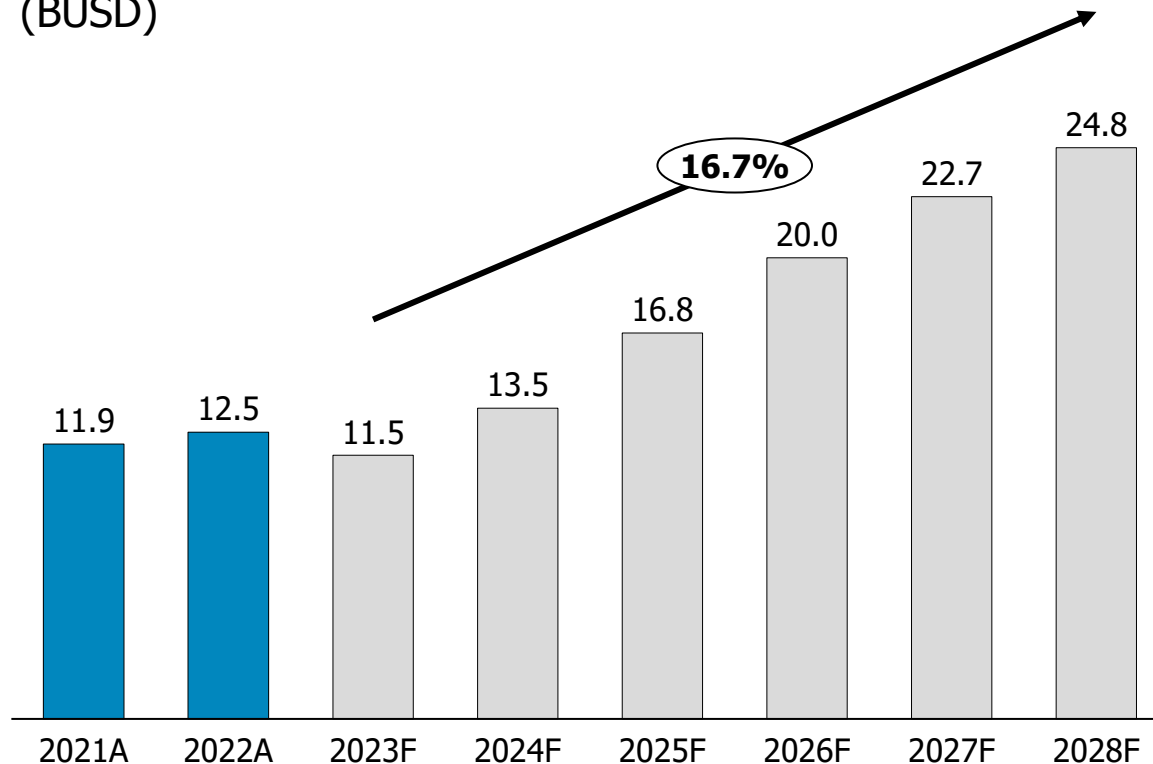
*Source: 1) PROTEC MDC January 2023, 2) PROTEC MDC January 2024, 3) Prismark March 2023 (annual update)*



# Optical components for data/telecom

Long-term growth in key die bonding market driven by mega trends

## Optical components for data/telecom (BUSD)



## Healthy data/telecom long-term growth

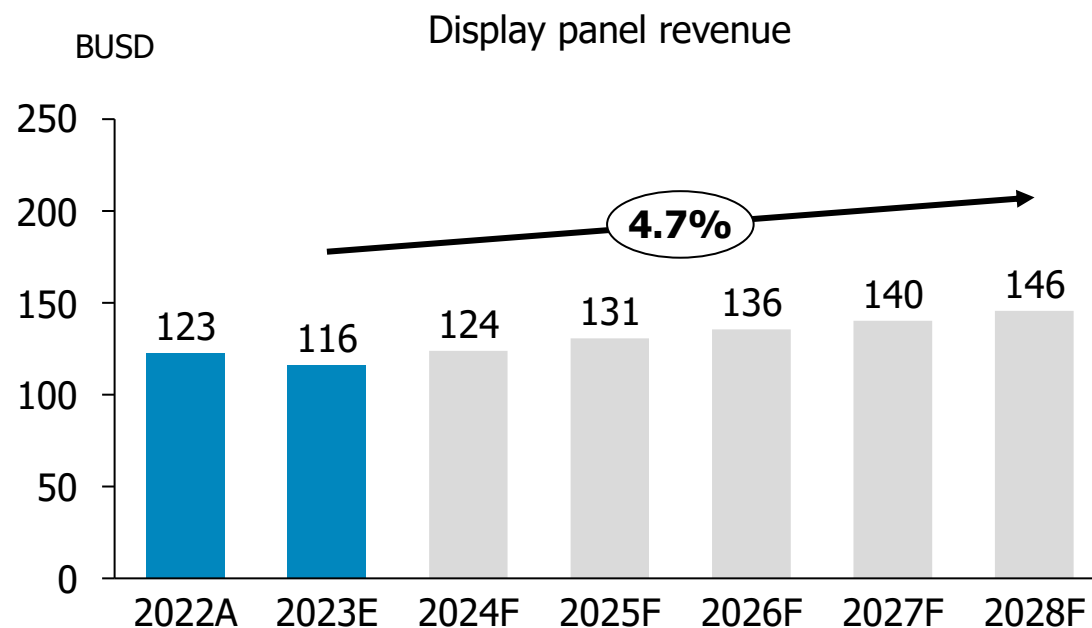
- Optical components production is the main driver for die/lens attach and other adjacent processes.
- Growth driven by mega trends such as hyperscale data centers, 5G/6G, EV, AI, IoT, and global supply chain shifting.
- 2023 data/telecom market is in inventory correction due to over-building during covid. The market is expected to recover in H2 2024 and then assume high growth again to support continuous growth of data demand, particularly driven by recent ChatGPT/AI developments.

Source: Lightcounting, October 2023

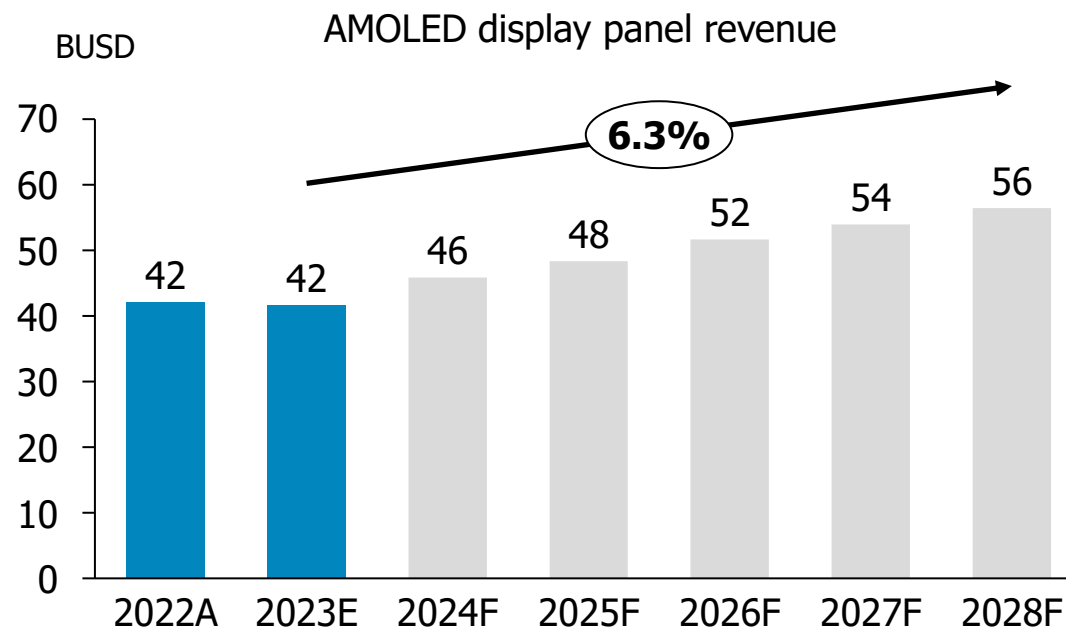


# Pattern Generators

## Display panel market



- Display market showed preliminary a negative growth of 5.5% in 2023 primary driven by weak demand and continues price decline for LCD displays
- For 2024 a growth of 6.7% is expected
  - LCD prices stabilized combined with a positive AMOLED growth
- After 2024 a stable growth is expected



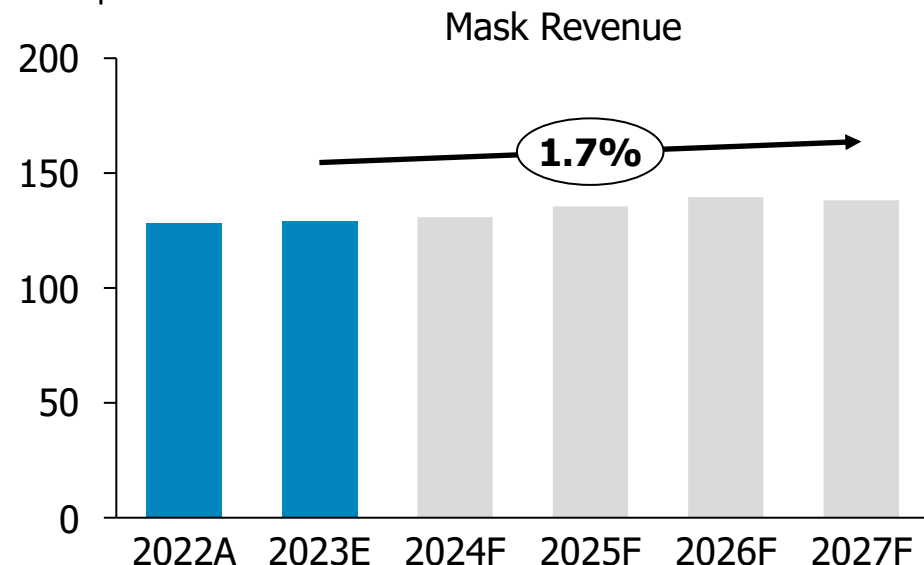
- Despite an overall negative market 2023, the AMOLED market size stayed similar as in 2022
- Shift continues from ongoing from LCD to AMOLED but at a slower pace since AMOLED now is such a big portion of overall market
- New AMOLED technologies and application for larger displays such as TV and IT displays is the primary growth driver going forward

Source: Omdia, Display Long-Term Demand Forecast Tracker, January 2024. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

# Pattern Generators

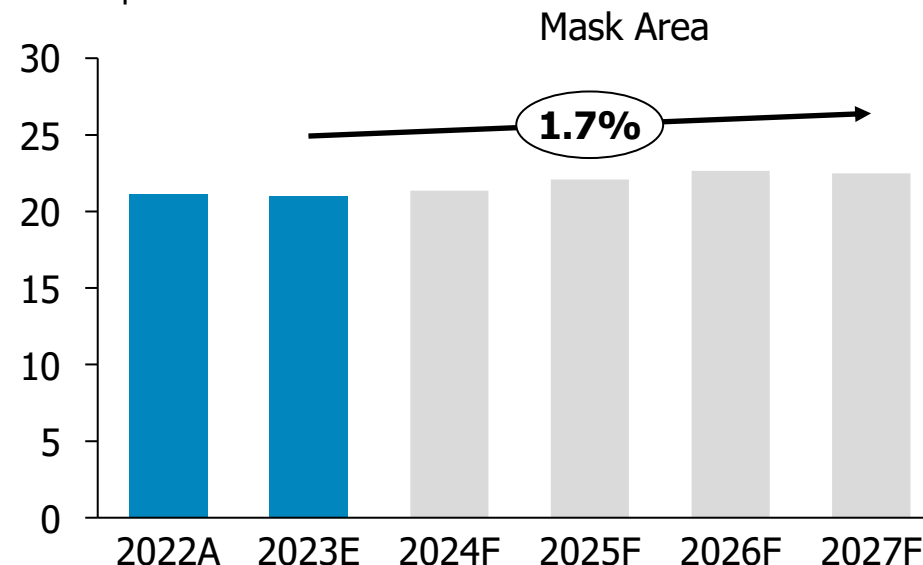
Photomask market estimated to stay on a high level 2023 after a very strong 2022

Billion Japanese Yen



- For 2023 the preliminary estimation is that the market stayed on a high level after a strong 2022 showing a growth of 0.8%
- The good market condition was driven by more new development and transition to more advanced and high value photomasks
- The market is forecast to continue to show growth also in 2024 of 1.4% and the long-term growth trend is also positive with 1.7% CAGR 2023-2027

Thousands of square meters

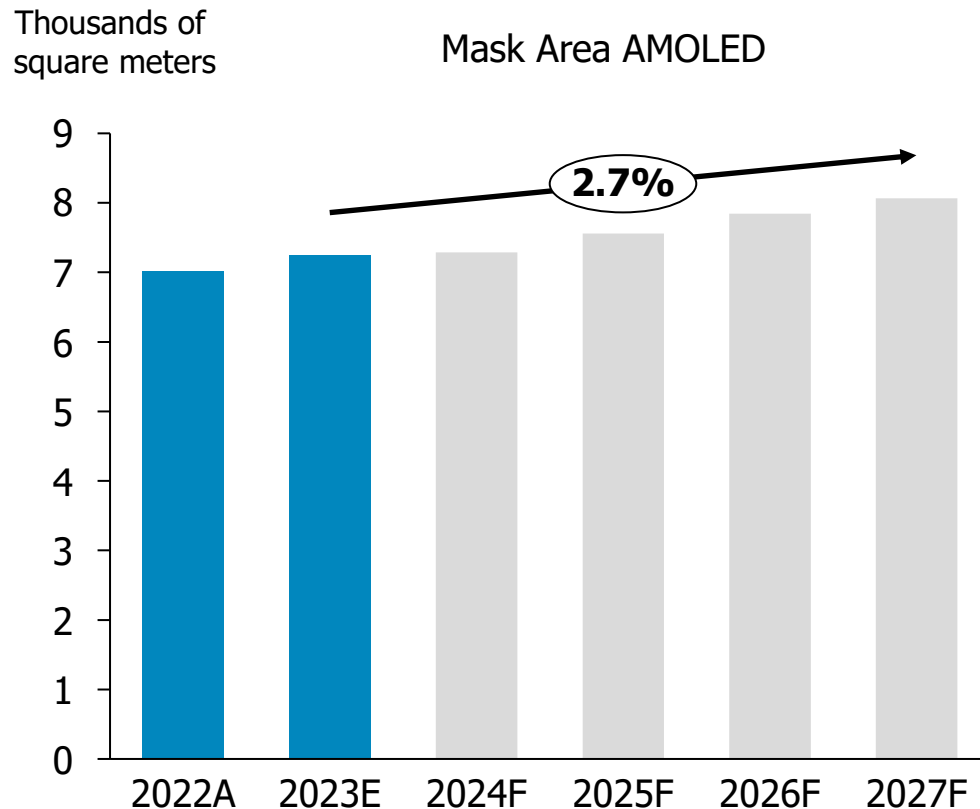


- Long-term area growth forecast remains positive
- Preliminary the photomask area remain stable 2023 with a small negative growth of 0.6%
- For 2024 the market is forecast to turn back to a growth of 1.8%
- Growth 2023-2027 of 1.7% CAGR. Strongest growth seen in segment of complex and high value masks

Source: Omdia, Technology Group, FPD large-area photomask research, July 2023 Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

# Pattern Generators

Increasing photomasks demand for AMOLED displays, estimated 2023 was another positive year



- AMOLED development for mobile, IT and TV displays drives demand for AMOLED photomasks
  - 2023 area growth of photomasks for AMOLED displays is expected to be 3.2%
  - In 2023, around 34% of the total photomask area is expected to be for AMOLED
  - The coming years the transition to AMOLED will continue but at a slower pace compared to previous years since the AMOLED now is a significant portion of 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 2023. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

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