



Third quarter 2023



President and CEO

Anders Lindqvist

Agenda

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






Q3 in short

A good quarter

- First Prexision system equipped with solid state laser delivered
 - Reduces laser energy consumption by up to 99 percent compared with a gas laser
- Order received after the end of the quarter to upgrade from gas lasers to solid state lasers in previously installed mask writers for displays
- Healthy order intake, yet a decrease of 9% to SEK 1,467 (1,609) million
- Net sales increased 5% to SEK 1,274 (1,214) million
- EBIT increased to SEK 263 (203) million
- EBIT margin at 21 (17)%
- Record order backlog at SEK 4,669 (2,542) million
 - 31 Pattern Generators systems on September 30
- Large M&A project terminated without resulting in a transaction



Share of Group's net sales

34%

Net sales

SEK 435 M

Order intake

SEK 561 M

EBIT

SEK 203 M

EBIT margin

47%

Pattern Generators

Energy efficient laser for displays

- A Prexision Lite 8 Evo, the first new display mask writer equipped with a solid state laser, was delivered
- Order received after Q3 to upgrade from gas lasers to solid state lasers in previously installed mask writers for displays
- Order intake declined 22 percent
 - Orders for 3 mask writers received: One Prexision 8 Evo and two SLXs
- Net sales increased 77% to SEK 435 (246) million
 - 3 mask writers delivered: One Prexision Lite 8 Evo and two SLXs
- Gross margin increased to 66 (62)%
- Improved EBIT at SEK 203 (76) million
- Order backlog at SEK 3,433 (1,106) million
 - 31 systems in order backlog on September 30

High Flex

Now offering stencil printing

- The market in Europe in particular, as well as in North America, remained robust, while demand in China and the rest of Asia was weak
- High Flex took over global responsibility for China-based HC Xin from High Volume
 - Provides stencil printers for application of solder paste and shares a common customer base with High Flex
- With both jet printing and stencil printers, High Flex can now offer solutions that meet all customer demands related to solder paste dispensing
- Order intake increased 15%
- Net sales rose 7%
- Gross margin stable at 41 (40)%
- EBIT increased to SEK 60 (45) million
- Order backlog at SEK 239 (279) million



Share of Group's net sales

30%

Net sales

SEK 378 M

Order intake

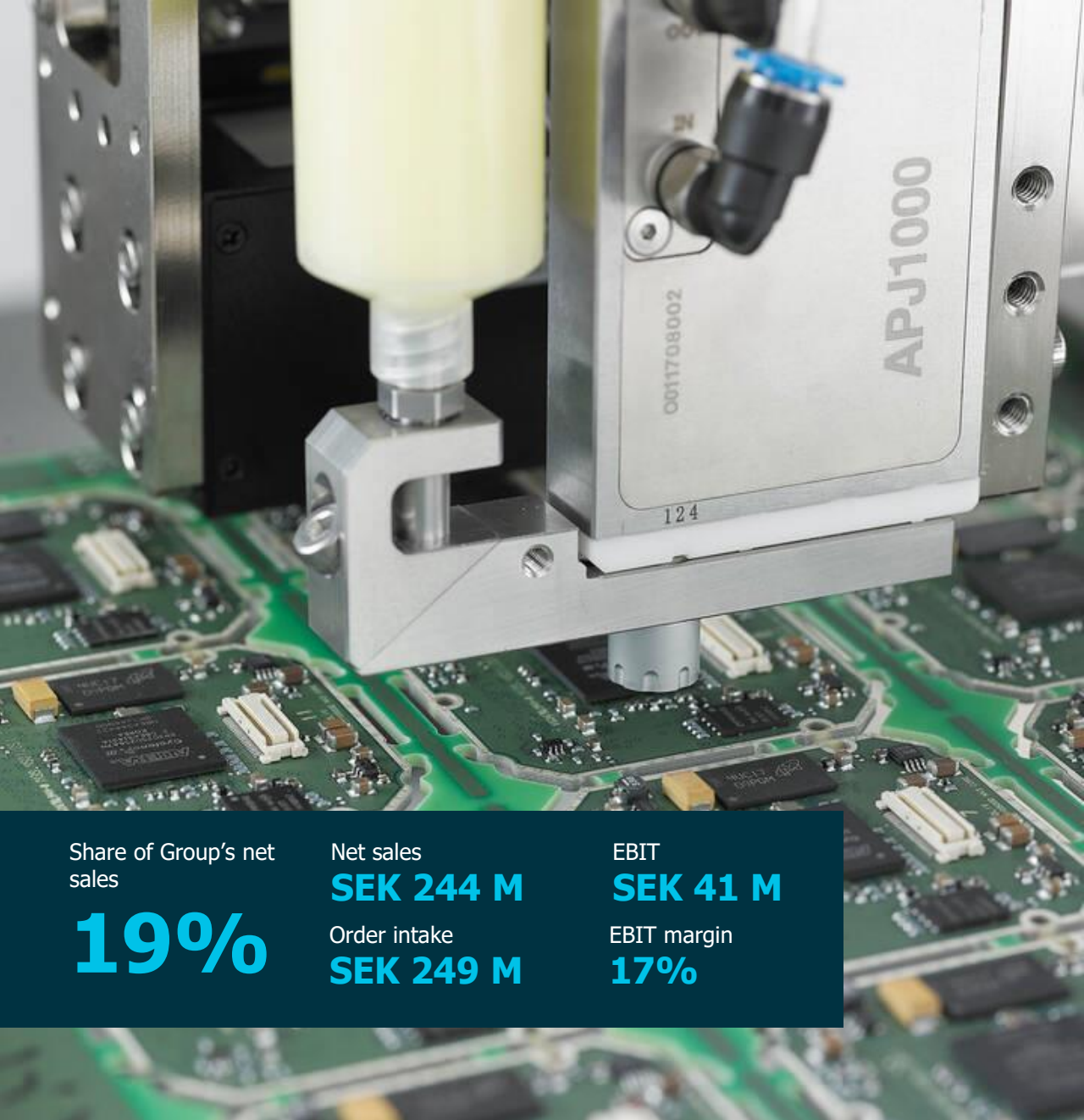
SEK 407 M

EBIT

SEK 60 M

EBIT margin

16%



Share of Group's net sales

19%

Net sales

SEK 244 M

Order intake

SEK 249 M

EBIT

SEK 41 M

EBIT margin

17%

High Volume

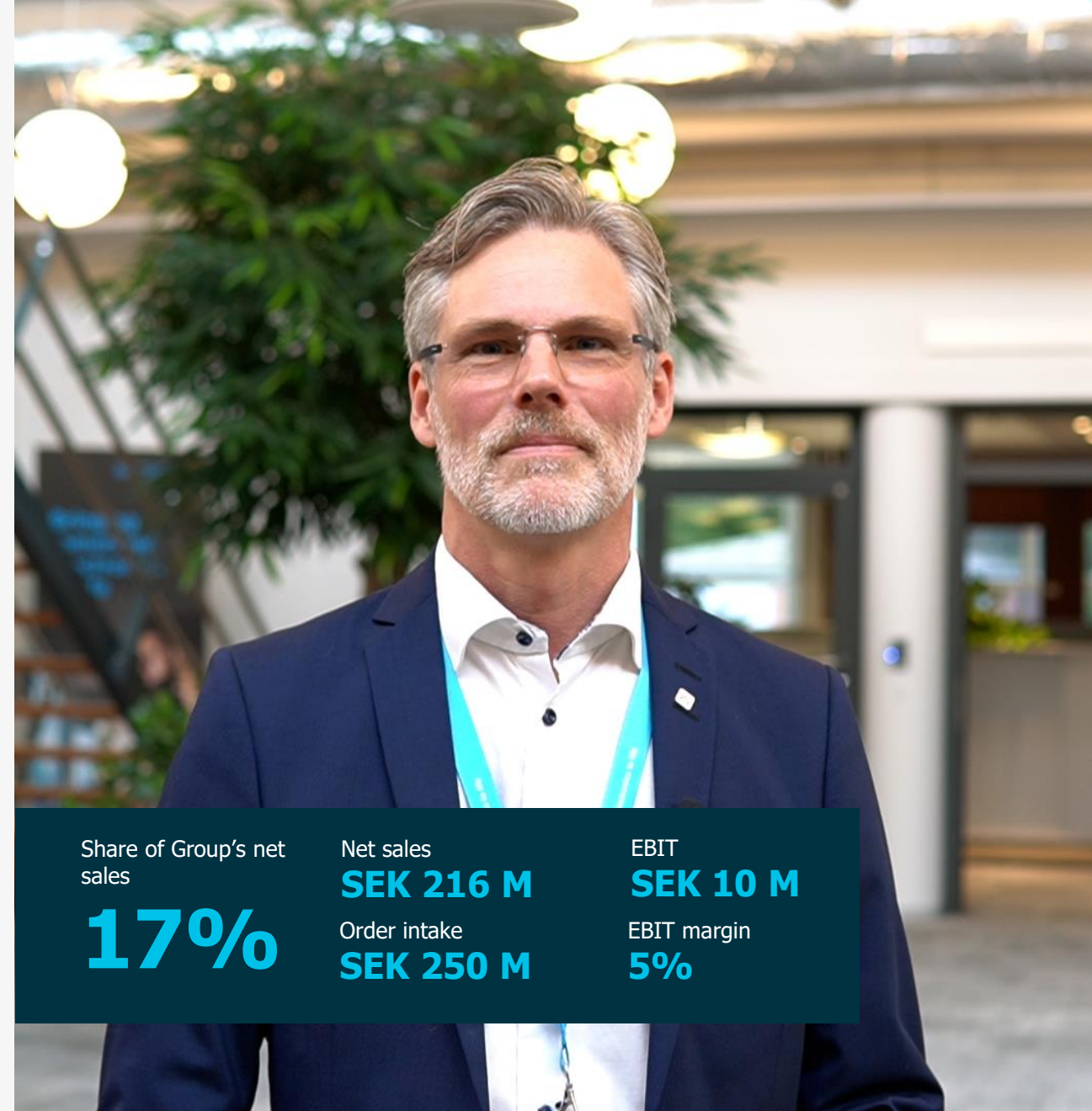
Taking over dispensing globally

- The third quarter saw a slight recovery in investments among Chinese mobile phone manufacturers
- The electric vehicle industry remained steady
- High Volume took over global responsibility for both the MYSmart dispensing products and the Mexico office from High Flex
- Order intake declined 19%
- Net sales decreased 39%
- Gross margin maintained at 41 (41)% despite lower net sales
- EBIT declined to SEK 41 (94) million
 - Positive impact of SEK 6 million due to reversal of bad debt provisions
- Order backlog at SEK 692 (858) million

Global Technologies

Permanent Head of division

- Sluggish market demand in the third quarter, especially from China, with the exception of AI-related demand
- Acting Sr VP Global Technologies Magnus Marthinsson assumed the position on a permanent basis
- Order intake rose 8%, helped by a strong development in die bonding
- Net sales declined 1%
- Gross margin at 37 (39)%
- EBIT lower at SEK 10 (22) million
- Order backlog at SEK 305 (298) million



Share of Group's net sales

17%

Net sales

SEK 216 M

Order intake

SEK 250 M

EBIT

SEK 10 M

EBIT margin

5%

Outlook 2023 confirmed

Net sales 2023
SEK 5.5 billion



CFO & Sr VP Corporate Development

Pierre Brorsson

Group net sales and EBIT margin rolling 12 months



- Net sales R12 amounted to SEK 5,235 million
- EBIT margin R12 at 17%
- Aftermarket revenue R12 at SEK 1,609 million
 - 31% of net sales
 - Increasing quarter-on-quarter since Q1 2021

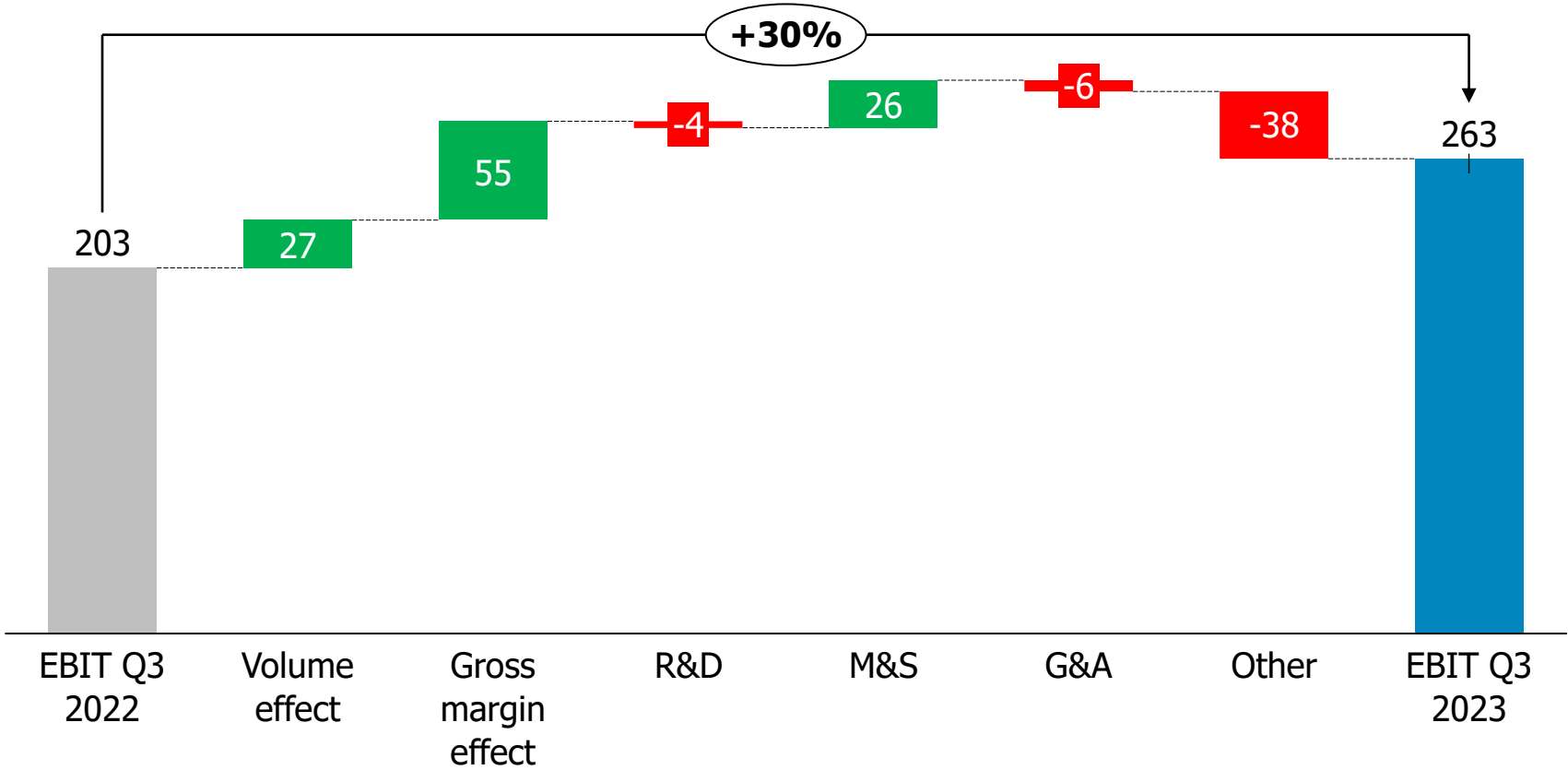
Group net sales and EBIT margin per quarter



- Net sales increased 5% vs Q3 2022, mainly explained by Pattern Generators
- Improved EBIT margin driven by Pattern Generators and a more favorable division mix, with Pattern Generators representing a larger share of the Group's net sales
- EBIT margin at 21%

Group Q3 EBIT bridge

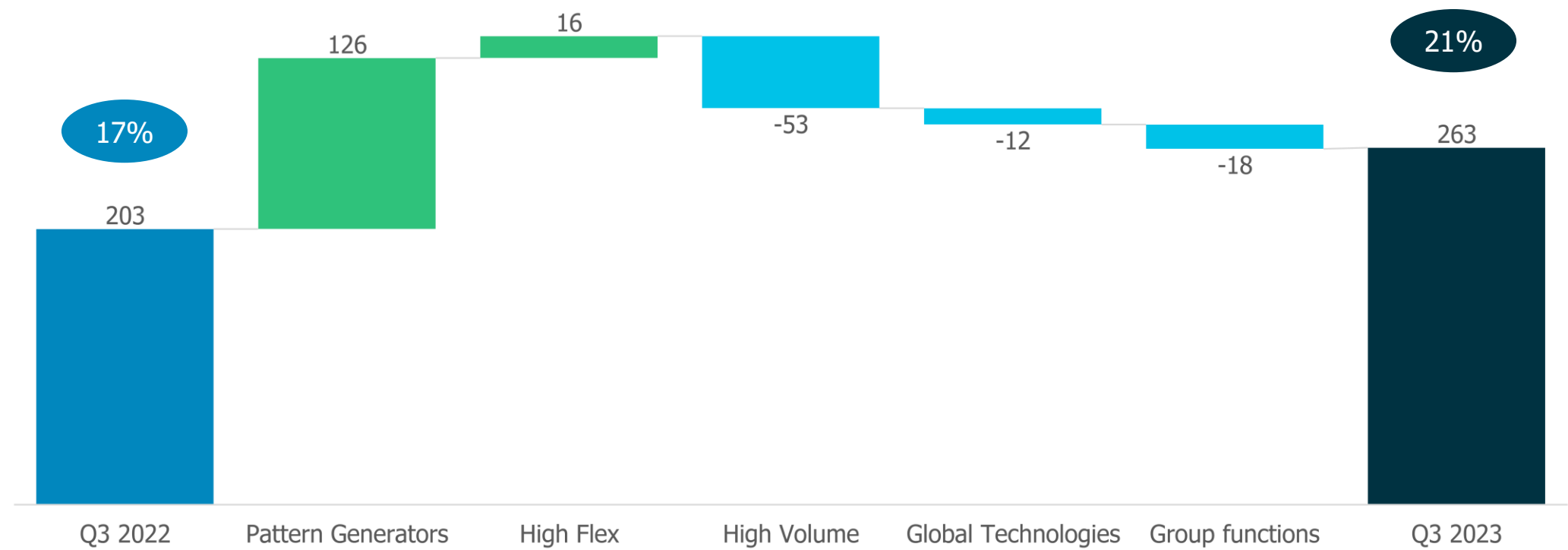
MSEK



% of Sales 2022	17%	45%	-13%	-13%	-5%	3%	
% of Sales 2023		49%	-12%	-10%	-6%	0%	21%

Divisional Q3 EBIT contribution

MSEK



Strong cash flow

MSEK	YTD 2023	YTD 2022	
Cash flow from operations before change in working capital	722	619	• Decrease in working capital mainly attributable to increased advance payments from customers
Change in working capital	323	-203	• The divestment of AEi generated SEK 216 million in positive cash flow in 2022
Cash flow from operations	1,045	416	• Financing activities include SEK 343 million in dividends to shareholders
Investing activities	-140	104	• Strong net cash position of SEK 1,523 million on September 30
Financing activities	-431	-366	
Cash flow for the period	475	153	
Cash, opening balance*	1,274	692	
Exchange difference	-4	60	
Cash at end of period	1,745	906	

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



President and CEO

Anders Lindqvist

Sustainability

- September saw the delivery of the first Prexision system equipped with a solid state laser, which reduces laser energy consumption by up to 99 percent compared with a gas laser.
 - The laser accounts for the majority of the energy consumed by the mask writer
- In addition, an order was received after the end of the quarter to upgrade from gas lasers to solid state lasers in previously installed mask writers for displays
- These two events represent milestones in Mycronic's contribution to the development of sustainable electronics production





Q&A

APPENDIX

Q3 2023 Market update

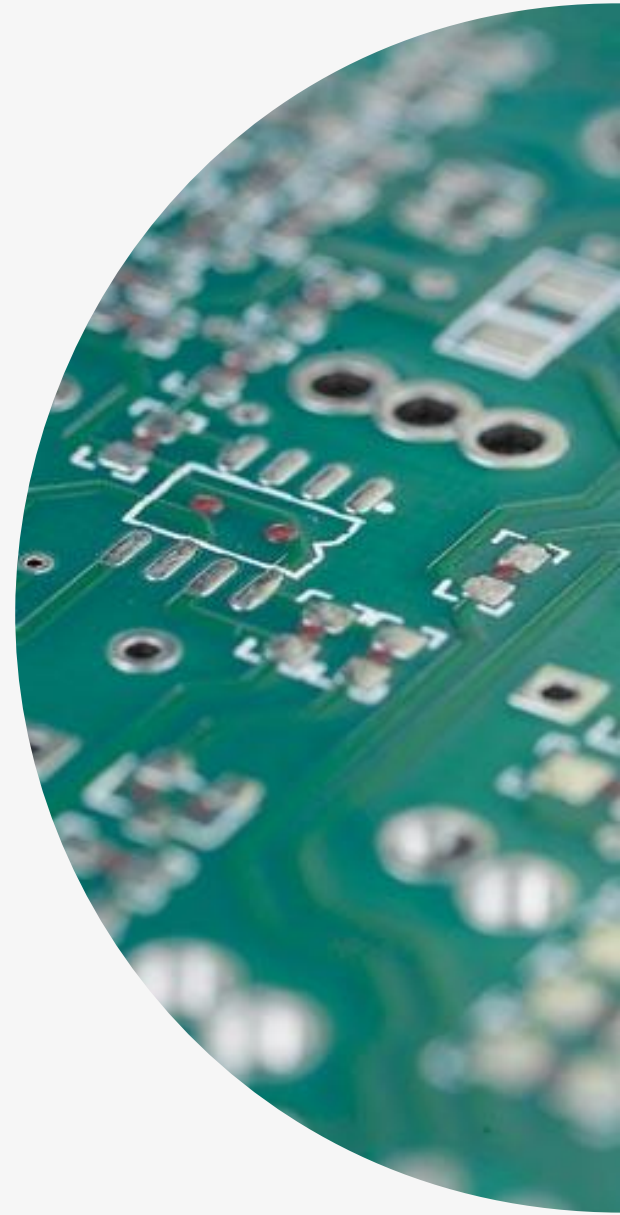
MYCRONIC

Outcome 2022

Market summary and updates

- Global electronics -2.1% to 2,428 BnUSD¹⁾
- Semiconductors 3.1% to 573 BnUSD¹⁾
- Optical components 7.3% to 12.9 BnUSD³⁾
- Printed circuit boards and substrates 1.0% to 81.7 BnUSD⁴⁾
- Display market -22.0% to 123 BnUSD⁵⁾
- Display photomasks 24.4% to 883 MUSD⁶⁾
- Semiconductor photomasks 18.3% to 7.2 BnUSD⁷⁾
- SMT assembly equipment -17.9% to 3,062 MUSD²⁾
- Dispensing equipment 2.2% to 930 MUSD⁸⁾

Source: 1) Prismark August 2023, 2) PROTEC MDC January 2023, 3) Lightcounting April 2023, 4) Prismark, February 2023, 5) Omdia July 2023, 6) Omdia July 2023 (annual update), 145 YEN/USD used as conversion rate, 7) TechInsights April 2023 (annual update), 8) Prismark March 2023 (annual update)





Forecasts 2023

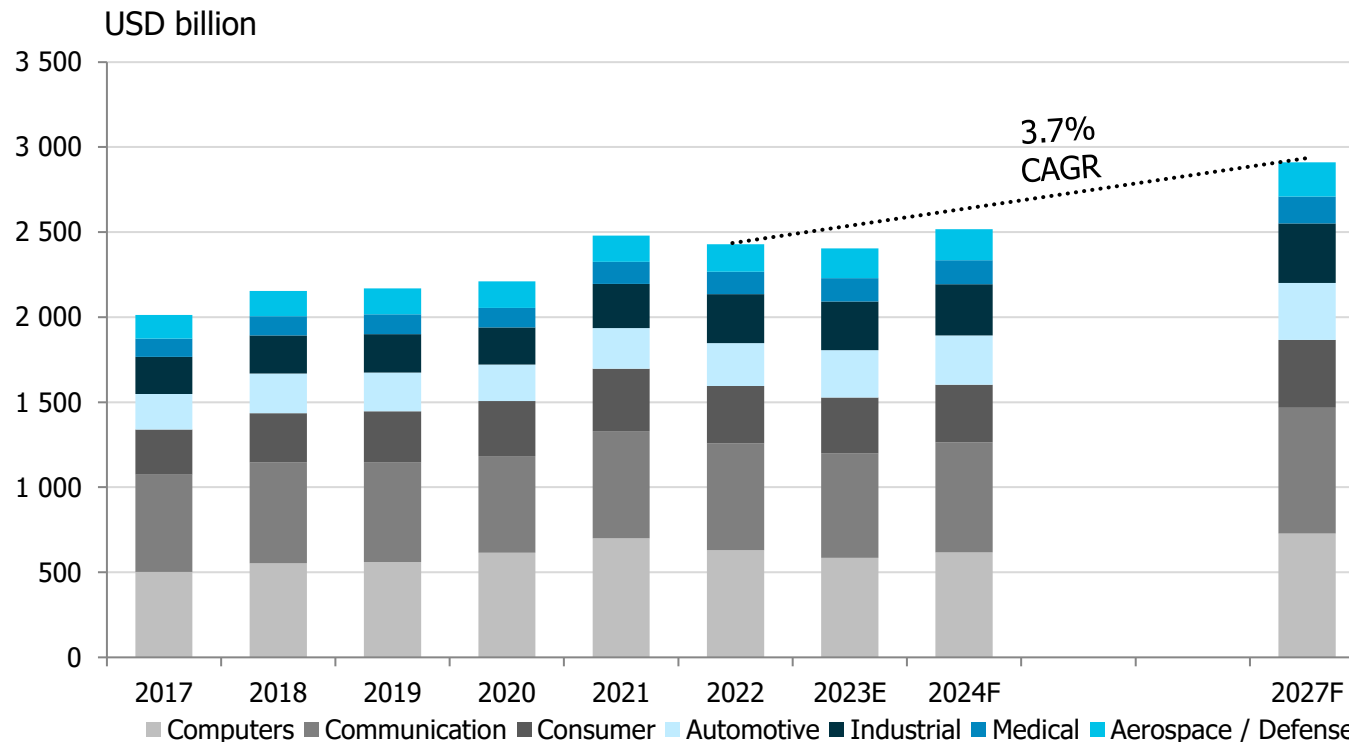
Market summary and updates

- Global electronics industry -1.0% to reach 2,404 BnUSD¹⁾
- Semiconductor industry -9.8% to reach 517 BnUSD¹⁾
- Optical components market -2.7% to reach 12.4 BnUSD²⁾
- Printed circuit boards and substrates market -15.0% to reach 69.5 BnUSD³⁾
- Displays -3.6 % to 118 BnUSD⁴⁾
- Display photomasks 0.8% to 890 MUSD^{5, 6)}
- Semiconductor photomasks -0.5% to 7.2 BnUSD⁷⁾
- SMT assembly equipment: Not available
- Dispensing: not available

Source: 1) Prismark August 2023, 2) Lightcounting April 2023, 3) Prismark, August 2023, 4) Omdia July 2023, 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 April 2023

Electronics industry systems

Yearly development by industry segment

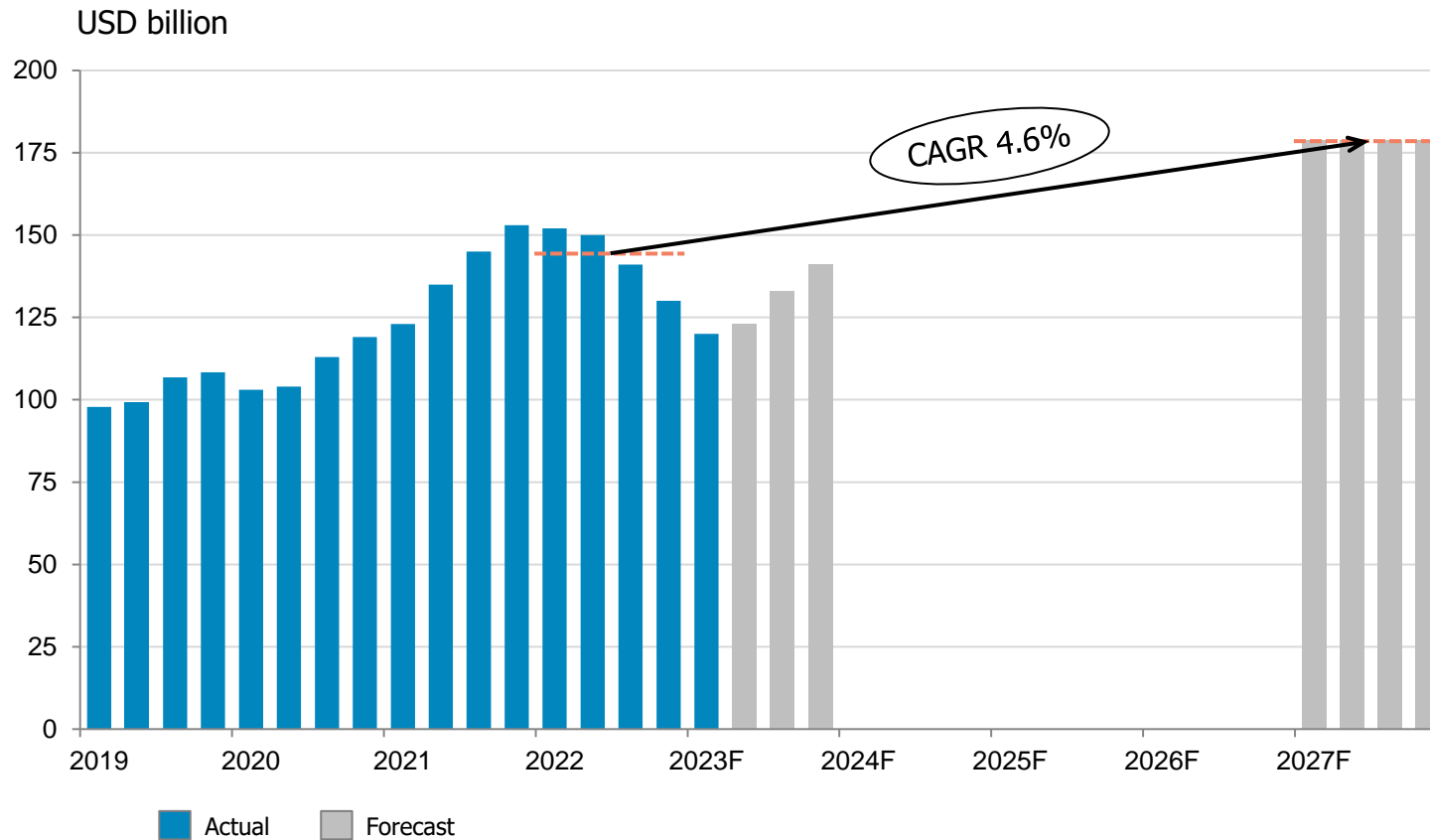


- Modest decline of -1.0% forecast for 2023, to reach 2,404 BnUSD, with strongest development in
 - Automotive 10.3%
 - Aerospace / Defense 8.7%
 - Medical 4.4%
- Growth of +4.7% forecast for 2024, to reach 2,517 BnUSD, with strongest development in
 - Computers 5.6%
 - Communication 5.2%
 - Industrial 4.8%
- 3.7% CAGR expected for 2022-2027, with strongest development in
 - Automotive 5.9%
 - Aerospace / Defense 4.4%
 - Industrial 4.0%

Source: Prismark, August 2023

Semiconductors

Quarterly development



- 3.1% growth in 2022 and reached 573 BnUSD
- Forecast -9.8% in 2023 to reach 517 BnUSD
- 2022 to 2027 CAGR growth forecast at 4.6% to reach 716 BnUSD

Source: Prismark, August 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.¹⁾
- During the first two quarters the market declined by 25.7% compared to same period in 2022, although markets Japan and Europe reported growth while North and South America reported close to a flat development²⁾.

Dispensing*

- 2022 market estimated at 930 MUSD³⁾, 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*

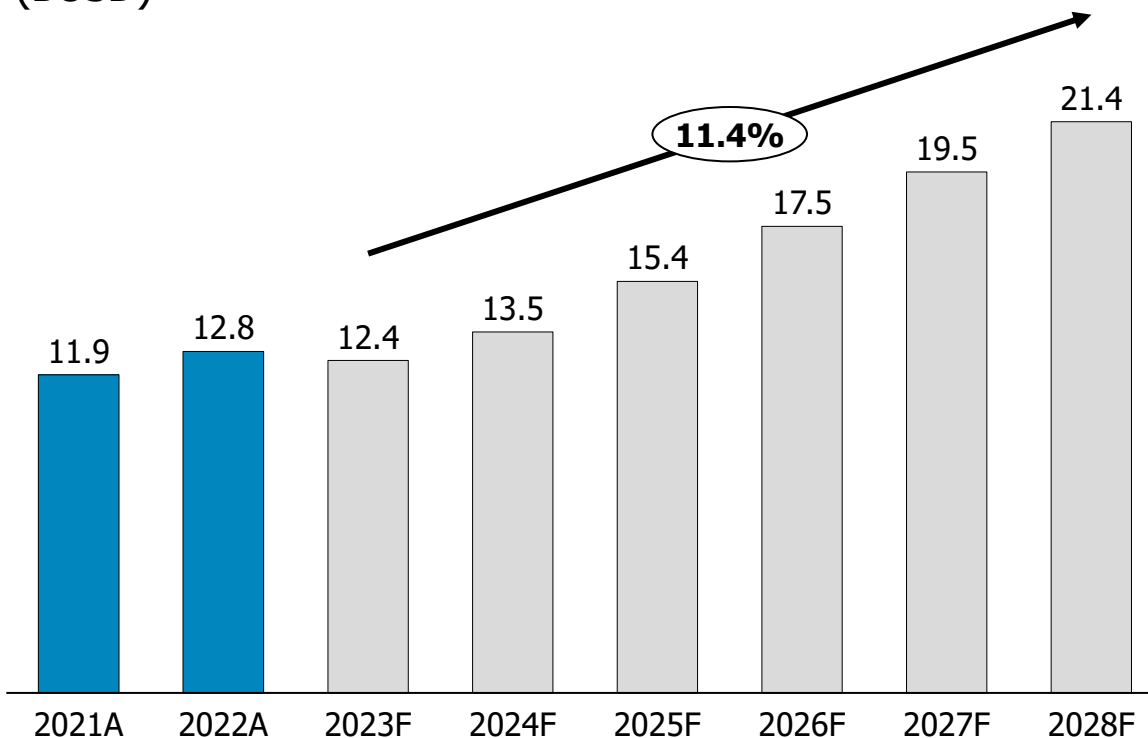
Source: 1) PROTEC MDC January 2023, 2) PROTEC MDC July 2023, 3) Prismark March 2023 (annual update)



Optical components for data/telecom

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

Optical components for data/telecom (BUSD)



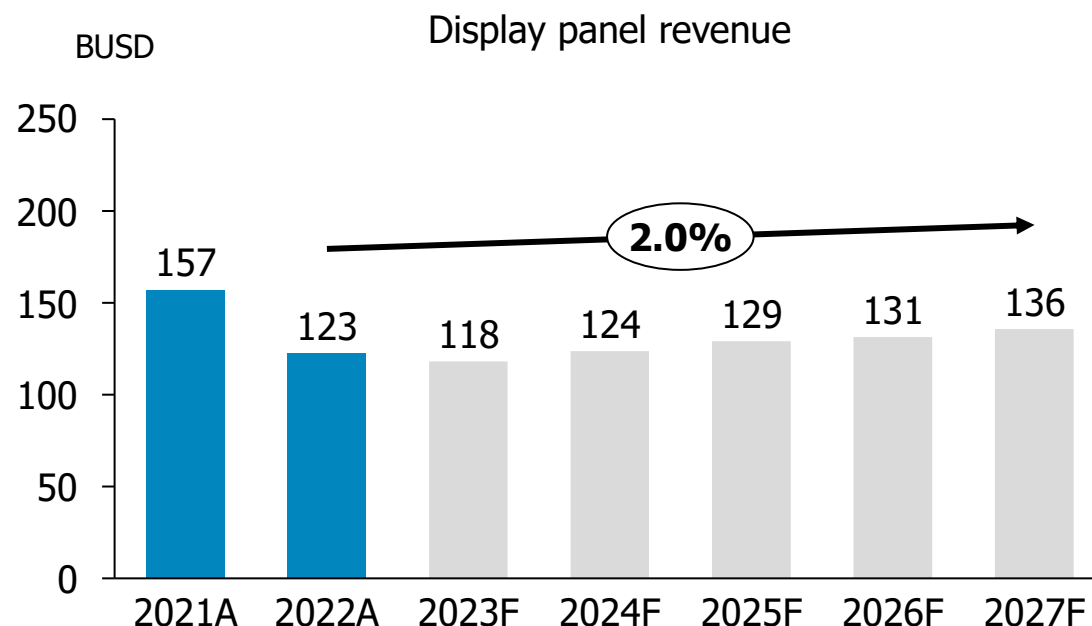
Healthy data/telecom long-term growth

- 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.

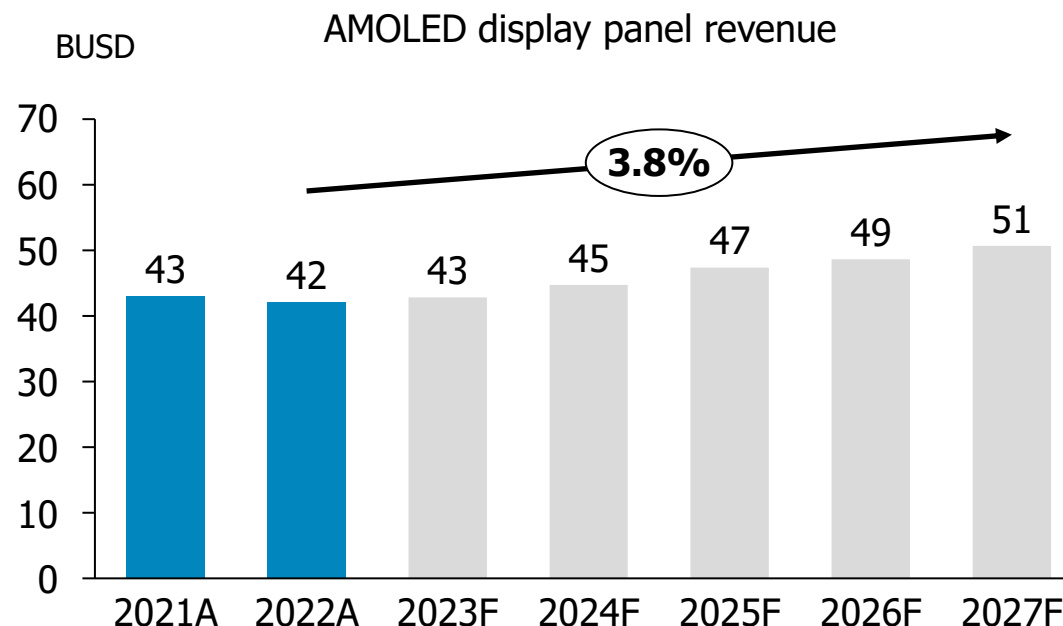
Source: Lightcounting, April 2023

Pattern Generators

Display panel market



- Display market showed a negative growth of 22.0% in 2022 primary driven by weak demand and price decline for LCD displays
- Negative growth of 3.6% is forecast for 2023
 - Continued LCD TV/IT price pressure but at a slower pace compared to 2022
- After 2023 a stable market with modest growth is expected

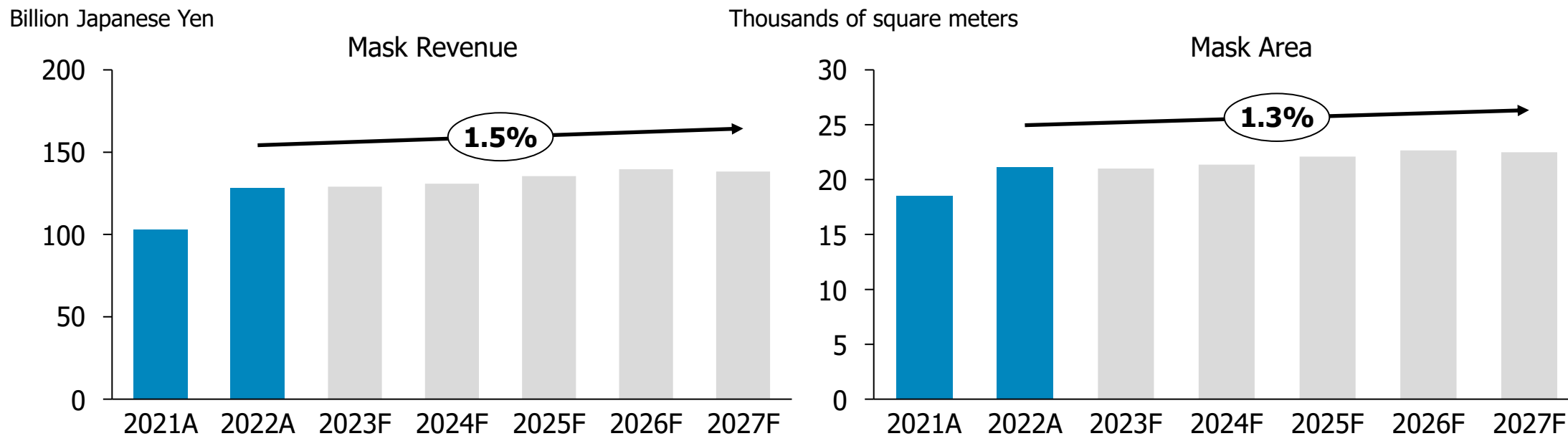


- Shift towards AMOLED continued in 2022 despite an overall declining display market, the AMOLED market size was similar as in 2021
- Technology shift ongoing from LCD to AMOLED for mobile displays, TV and IT segment
 - AMOLED forecast to grow 1.7% in 2023
- AMOLED ratio goes from 34% of total display revenue in 2022 to 37% of total display revenue in 2027

Source: Omdia, Display Long-Term Demand Forecast Tracker, July 2023. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

Continued positive photomask market forecast after a very strong 2022



- Display developed very strong during 2022
 - Market growth during 2022 is estimated to 24.8%. The photomask market has continued to recover, driven by more new development and display models and transition to more advanced and high value photomasks
- The market is forecast to continue to show growth also in 2023 of 0.8% and the long-term growth trend is also positive with 1.5% CAGR 2022-2027

- Long-term area growth forecast remains positive
 - Photomask area continued to show good growth during 2022 of 13.9%
 - For 2023 the market is forecast to stabilize on the high level achieved in 2022 and show a small negative growth of -0.6%
 - Growth 2022-2026 of 1.3% CAGR. Strongest growth seen in segment of complex and high value masks, due to AMOLED transition and transition to displays with higher quality

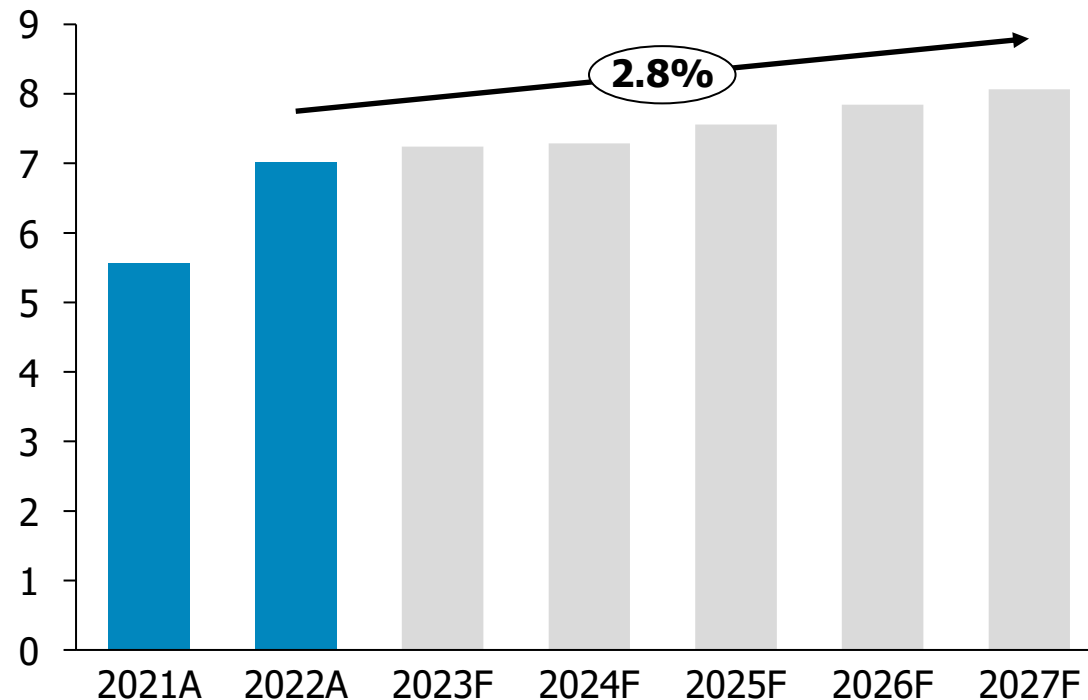
Source: Omdia, Technology Group, FPD large-area photomask research, July 2023. Information is not an endorsement of Mycronic. Any reliance on these results is at the third party's own risk.

Pattern Generators

Increasing photomasks demand for AMOLED displays, 2022 was a very strong year

Thousands of
square meters

Mask Area AMOLED



- Technology shift from LCD to AMOLED for mobile and IT displays drives demand for AMOLED photomasks
 - 2022 area growth of photomasks for AMOLED displays was strong and landed at 26.1%, significant portion of the growth happened in China
 - In 2022, 33% of the total photomask area was for AMOLED
 - The coming years the transition to AMOLED will continue but at a slower pace 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.

Bringing tomorrow's electronics to life

MYCRONIC