

Interim Report January–June 2022

Second quarter

- Order intake amounted to SEK 1,203 (1,002) million, an increase of 20 percent
- Net sales increased 20 percent to SEK 1,273 (1,064) million. Based on constant exchange rates, net sales increased 10 percent
- EBIT amounted to SEK 224 (241) million and the EBIT margin was 18 (23) percent
- Earnings per share were SEK 1.79 (1.84)

January–June

- Order intake amounted to SEK 2,644 (2,030) million, an increase of 30 percent
- Net sales increased 2 percent to SEK 2,408 (2,355) million. Based on constant exchange rates, net sales decreased 6 percent
- EBIT amounted to SEK 429 (739) million and the EBIT margin was 18 (31) percent
- Earnings per share were SEK 3.47 (5.84)

"The order intake and net sales were fairly stable in local currencies during the second quarter. Supported by positive currency effects and acquisitions, both increased 20 percent compared with the same quarter last year. High Flex, High Volume and Global Technologies showed increases in net sales, whereas Pattern Generators' net sales declined. EBIT was SEK 224 million with an EBIT margin of 18 percent, where all divisions showed double digit EBIT margins. The decline compared to last year was mainly due to the previously communicated change to the sales mix in the Group, resulting in a decrease in Pattern Generators' share of total net sales, but also due to the second quarter last year being a very challenging comparative period for High Volume", says Anders Lindqvist, President and CEO.

Outlook 2022

It remains the Board of Directors' opinion that consolidated net sales for 2022 will be at a level of SEK 5 billion, based on exchange rates at the end of 2021. Due to the product mix of announced orders in Pattern Generators with deliveries in 2022, the Group's EBIT margin is expected to be slightly above the long-term financial goal of >15 percent.

Group summary	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	1,203	1,002	2,644	2,030	5,120	4,506
Net Sales, SEK million	1,273	1,064	2,408	2,355	4,689	4,635
Book-to-bill	0.9	0.9	1.1	0.9	1.1	1.0
Order backlog, SEK million	2,146	1,774	2,146	1,774	2,146	1,975
Gross margin, %	45.4%	52.1%	44.6%	56.3%	43.3%	49.3%
EBIT, SEK million	224	241	429	739	739	1,049
EBIT margin, %	17.6%	22.7%	17.8%	31.4%	15.8%	22.6%
Earnings per share before/after dilution, SEK	1.79	1.84	3.47	5.84	6.12	8.48
Cash Flow, SEK million	-118	-617	86	-306	-270	-662
Changes in Net Sales						
Total growth, %	20%	-2%	2%	29%	6%	19%
Organic growth, %	-3%	6%	-16%	39%	-11%	16%
Growth from acquisitions, %	13%	-	11%	-	12%	7%
Currency effects, %	10%	-8%	8%	-10%	5%	-3%

CEO comments



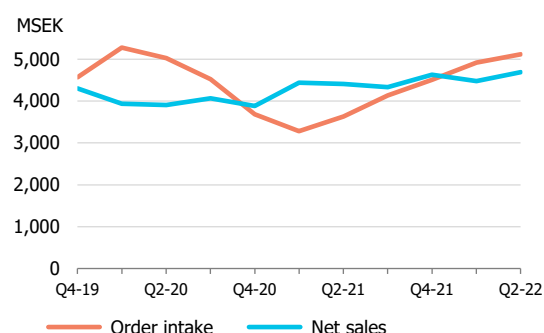
The order intake and net sales were fairly stable in local currencies during the second quarter. Supported by positive currency effects and acquisitions, both increased 20 percent compared with the same quarter last year. High Flex, High Volume and Global

Technologies showed increases in net sales, whereas Pattern Generators' net sales declined. EBIT was SEK 224 million with an EBIT margin of 18 percent, where all divisions showed double digit EBIT margins. The decline compared to last year was mainly due to the previously communicated change to the sales mix in the Group, resulting in a decrease in Pattern Generators' share of total net sales, but also due to the second quarter last year being a very challenging comparative period for High Volume.

In June, the Board of Mycronic decided to investigate the possibility of listing Axxon, the core of the High Volume division, on the STAR market of the Shanghai stock exchange and floating a minority stake. Axxon has developed very successfully since Mycronic's acquisition in 2016. A net sales compound annual growth rate of 39 percent, with healthy profitability, has brought Axxon to a market leadership position in dispensing for the electronics industry. A listing would strengthen Axxon's brand and position as the global leader in dispensing for the electronics industry and make it easier for the company to achieve its full potential. If feasible, the listing could take place during 2024.

The photomask market for both semiconductors and displays was healthy in the second quarter, even though the war in Ukraine and lockdowns in China created uncertainty regarding investment decisions. The authorities in China announced their intent to further stimulate the semiconductor industry, which could be positive for Pattern Generators. The division did not receive any orders for mask writers during the quarter, while 5 SLX systems were delivered.

Order intake and net sales, rolling 12 months



For High Flex, the quarter was characterized by continued high demand despite the current world situation. Primarily Europe but also North America noted a strong market development, while China was weak due to lockdowns. There is a trend in High Flex's market where production of electronics is being relocated to North America and Europe. With our product offering and geographical presence, we are well positioned for this trend and High Flex is in the process of opening an entity in Mexico that is expected to be operational by the end of the year.

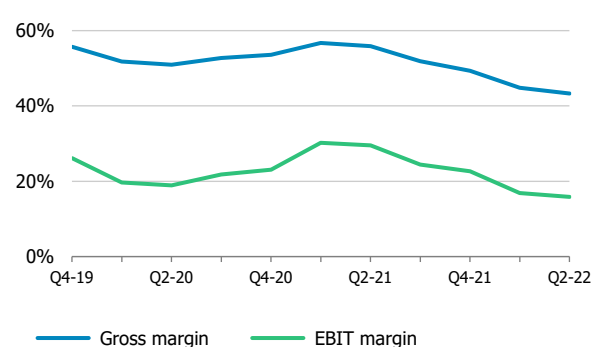
For High Volume, demand from suppliers to the electric car industry was strong. They were not seriously impacted by the lockdowns in China, since contractors that supply electronic components to electric car manufacturers also have production in e.g. Taiwan, Vietnam and Mexico. The surface mount technology (SMT) industry that supplies components for consumer electronics was impacted by the lockdowns. However, the consumer electronics industry is expected to recover in the second half of the year if restrictions are eased.

In Global Technologies, the market for electrical testing of PCBs and substrates performed strongly in Asia, but was slightly weaker in Europe and the US. No slowdown was noted in China despite the lockdowns. Demand in die bonding was solid, even though several large data centers and cloud-service providers announced recruitment freezes during the quarter.

I am pleased to conclude that due to our continued hard work in the second quarter we succeeded in managing the challenges related to the supply of components and transportation and mostly succeeded in delivering our production equipment to our customers according to plan. To date, we have also been successful in managing rising inflation. With a strong balance sheet and net cash of SEK 505 million, we are well prepared to face future challenges and opportunities.

Anders Lindqvist, President and CEO

Gross and EBIT margin, rolling 12 months



Financial performance

GROUP

	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	1,203	1,002	2,644	2,030	5,120	4,506
Order backlog, SEK million	2,146	1,774	2,146	1,774	2,146	1,975
Net Sales, SEK million	1,273	1,064	2,408	2,355	4,689	4,635
Gross profit, SEK million	578	555	1,074	1,327	2,032	2,284
Gross margin, %	45.4%	52.1%	44.6%	56.3%	43.3%	49.3%
EBIT, SEK million	224	241	429	739	739	1,049
EBIT margin, %	17.6%	22.7%	17.8%	31.4%	15.8%	22.6%
EBITDA, SEK million	284	288	547	831	969	1,254

The Group's order intake increased 20 percent to SEK 1,203 (1,002) million in the second quarter, supported by positive currency effects and acquisitions. For the first six months, order intake increased 30 percent to SEK 2,644 (2,030) million. Order intake excluding acquisitions and divestment increased 8 percent during the quarter and 16 percent for the first six months of the year. Order backlog increased to SEK 2,146 (1,774) million at the end of the quarter.

Net sales increased 20 percent to SEK 1,273 (1,064) million, supported by positive currency effects and acquisitions. High Flex, High Volume and Global Technologies showed increases in net sales, whereas Pattern Generators' net sales declined. Net sales for the first six months of the year increased 2 percent to SEK 2,408 (2,355) million. Organic net sales decreased 3 percent during the quarter and 16 percent for the first six months. Net sales were positively impacted by currency effects of SEK 104 million for the quarter and SEK 187 million for the first six months.

The Group's gross margin for the second quarter was 45 (52) percent, with the decline attributable to a changed sales mix, where Pattern Generators' share of the Group's net sales was reduced, but also due to last year being a very challenging comparative period for High Volume. The gross margin for the first six months of the year declined to 45 (56) percent for the same reasons.

Operating expenses increased by SEK 52 million during the quarter, where SEK 25 million were net increases attributable to acquisitions and divestment. The remaining increase is mainly attributable to High Volume. EBIT for the quarter was SEK 224 (241) million, corresponding to an EBIT margin of 18 (23) percent. EBIT for the first six months of the year was SEK 429 (739) million,

corresponding to an EBIT margin of 18 (31) percent.

Acquisition-related costs amounted to SEK 16 (24) million for the quarter and to SEK 32 (31) million for the first six months.

Cash flow and financial position

Consolidated cash and cash equivalents at the end of June amounted to SEK 819 (1,019) million. Cash flow for the first six months amounted to SEK 86 (-306) million. Cash flow from operating activities amounted to SEK 246 (682) million. Working capital increased SEK 152 million during the first six months of the year, mainly driven by increased trade receivables in China, compared with a decline of SEK 31 million in the preceding year.

Investments generated a positive cash flow of SEK 120 million for the first six months, compared with a negative SEK 1,071 million in the preceding year. The divestment of AEi in February generated SEK 215 million in cash flow, while the capitalization of product development amounted to SEK 20 (24) million and investments in tangible assets to SEK 75 (15) million. Financing activities utilized SEK 279 million, of which SEK 294 million related to dividends to shareholders, compared with a positive cash flow of SEK 83 million in the previous year.

Sustainability

To achieve Mycronic's target of halving CO₂ emissions from our own operations by 2030, air freight must be reduced in all divisions. A study was initiated in the second quarter to investigate various opportunities for reducing Mycronic's emissions from transportation. The study is scheduled to be completed in the third quarter and will provide support for the divisions in their ongoing work.

PATTERN GENERATORS

	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	176	209	559	442	1,350	1,233
Order backlog, SEK million	635	617	635	617	635	744
Net Sales, SEK million	348	389	668	981	1,332	1,645
Gross profit, SEK million	193	252	381	728	758	1,105
Gross margin, %	55.4%	64.6%	57.0%	74.2%	56.9%	67.2%
EBIT, SEK million	110	174	234	593	474	832
EBIT margin, %	31.5%	44.6%	35.1%	60.4%	35.6%	50.6%
EBITDA	121	184	255	611	515	870
R&D expenditures, SEK million	-60	-61	-109	-114	-214	-219
R&D costs, SEK million	-60	-57	-108	-104	-205	-201

The photomask market for both semiconductors and displays was healthy in the second quarter, even though the war in Ukraine and lockdowns in China created uncertainty regarding investment decisions. The authorities in China announced their intent to further stimulate the semiconductor industry, which could be positive for Pattern Generators.

The division did not receive any orders for mask writers during the second quarter, although the pipeline for the remainder of the year looks promising. The order intake declined 16 percent to SEK 176 (209) million. For the first six months of the year, order intake increased 26 percent to SEK 559 (442) million. The business is characterized by fluctuations over time and performance should be viewed from a long-term perspective.

At the end of June, the order backlog amounted to SEK 635 (617) million and contained 9 systems, with planned deliveries as follows:

2022 Q3: 2 SLXs

2022 Q4: 3 SLXs, 1 Prexision Lite 8 Evo

2023 Q1: 2 SLXs, 1 Prexision Lite 8 Evo

At the customer's request, the delivery of an SLX has been moved from the third quarter of 2022 to the fourth quarter of 2022.

Pattern Generators delivered 5 SLX mask writers in the second quarter, compared with 4 systems in the previous year, whereof 1 SLX. Net sales declined 11 percent and amounted to SEK 348 (389) million. For the first six months, net sales declined 32 percent to SEK 668 (981) million. Net sales for the second quarter were positively impacted by currency effects of SEK 22 million and the first six months positively by SEK 39 million.

The shortage of components required additional work finding alternative components and solutions, yet remained manageable during the quarter. The gross margin decreased to 55 (65) percent during the quarter due to a less advantageous product mix and to 57 (74) percent for the first six months.

EBIT declined to SEK 110 (174) million during the quarter, corresponding to an EBIT margin of 31 (45) percent. EBIT for the first six months of the year decreased to SEK 234 (593) million, corresponding to an EBIT margin of 35 (60) percent.

R&D costs for the quarter amounted to SEK 60 (57) million and SEK 108 (104) million for the first six months. The capitalization of development costs amounted to SEK 0 (4) million for the quarter and SEK 1 (10) million for the first six months.

HIGH FLEX

	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	332	279	707	602	1,325	1,220
Order backlog, SEK million	239	150	239	150	239	130
Net Sales, SEK million	309	262	598	538	1,236	1,176
Gross profit, SEK million	128	97	242	207	504	469
Gross margin, %	41.4%	36.9%	40.4%	38.5%	40.7%	39.9%
EBIT, SEK million	35	11	54	46	144	136
EBIT margin, %	11.3%	4.1%	9.0%	8.5%	11.7%	11.6%
EBITDA	44	20	72	64	181	174
R&D expenditures, SEK million	-51	-47	-96	-90	-183	-177
R&D costs, SEK million	-42	-42	-80	-78	-153	-151

The quarter was characterized by continued high demand despite the current world situation. Primarily Europe but also North America noted a strong market development, while China was weak due to lockdowns. There is a trend in High Flex's market where production of electronics is being relocated to North America and Europe. With its product offering and geographical presence, the division is well positioned for this trend and High Flex is in the process of opening an entity in Mexico that is expected to be operational by the end of the year. Order intake rose 19 percent during the second quarter and amounted to SEK 332 (279) million. For the first six months, order intake increased 17 percent to SEK 707 (602) million. At the end of the quarter, the order backlog totaled SEK 239 (150) million.

The main difficulty during the quarter was delivering products to the customers. A shortage of components, the transportation situation with closed ports and lockdowns in China, presented a major challenge. Despite this, with the help of positive currency effects, net sales rose 18 percent

during the second quarter and amounted to SEK 309 (262) million. For the first six months, net sales increased 11 percent to SEK 598 (538) million. Net sales were positively impacted by currency effects of SEK 26 million for the quarter and SEK 46 million for the first six months.

Despite general delivery challenges, High Flex succeeded in maintaining good delivery times for its key products within pick-and-place. The gross margin for the quarter was 41 (37) percent and 40 (39) percent for the first six months.

EBIT increased to SEK 35 (11) million with an EBIT margin of 11 (4) percent. EBIT for the first six months of the year was SEK 54 (46) million, corresponding to an EBIT margin of 9 (8) percent.

R&D costs for the quarter amounted to SEK 42 (42) million and SEK 80 (78) million for the first six months. The capitalization of development costs amounted to SEK 10 (6) million for the quarter and SEK 19 (14) million for the first six months.

HIGH VOLUME

	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	484	381	925	771	1,489	1,336
Order backlog, SEK million	988	758	988	758	988	809
Net Sales, SEK million	381	315	746	683	1,264	1,200
Gross profit, SEK million	156	166	287	330	464	508
Gross margin, %	40.8%	52.6%	38.4%	48.4%	36.8%	42.3%
EBIT, SEK million	65	94	120	184	168	231
EBIT margin, %	17.1%	29.9%	16.1%	26.9%	13.3%	19.3%
EBITDA	72	99	134	193	192	251
R&D expenditures, SEK million	-38	-28	-71	-56	-121	-107
R&D costs, SEK million	-40	-29	-74	-58	-128	-112

For High Volume, demand from suppliers to the electric car industry was strong. They were not seriously impacted by the lockdowns in China, since contractors that supply electronic components to electric car manufacturers also have production in e.g. Taiwan, Vietnam and Mexico. The surface mount technology (SMT) industry that supplies components for consumer electronics was impacted by the lockdowns. However, the consumer electronics industry is expected to recover in the second half of the year if restrictions are eased. Order intake for the second quarter of the year increased 27 percent and amounted to SEK 484 (381) million. Order intake excluding acquisitions increased 18 percent, explained by strong positive currency effects, while in local currency order intake was at last year's level. For the first six months, order intake increased 20 percent to SEK 925 (771) million, while the order intake excluding acquisitions increased 12 percent, also explained by strong positive currency effects. At the end of the quarter, the order backlog totaled SEK 988 (758) million.

Lockdowns in China led to a shortage of materials and components as well as challenges regarding transportation. However, the situation could be successfully managed and the impact on the division was limited during the quarter. With the help of the acquisition and supported by positive currency effects, net sales rose 21 percent and amounted to SEK 381 (315) million. For the first six months, net sales increased 9 percent to SEK 746 (683) million. Organic net sales decreased 1 percent during the quarter and 9 percent for the first six months of the year. Net sales were positively

impacted by currency effects of SEK 44 million for the quarter and SEK 84 million for the first six months.

The gross margin declined to 41 (53) percent during the quarter, which was attributable to a very favorable sales mix in the same period last year. The gross margin for the first six months decreased to 38 (48) percent.

EBIT declined to SEK 65 (94) million, mainly explained by lower gross profit and increased bad debt provisions, impacting operating expenses. The EBIT margin was 17 (30) percent. EBIT for the first six months of the year decreased to SEK 120 (184) million, corresponding to an EBIT margin of 16 (27) percent.

R&D costs for the quarter amounted to SEK 40 (29) million and SEK 74 (58) million for the first six months.

In June, the Board of Mycronic decided to investigate the possibility of listing Axxon, the core of the High Volume division, on the STAR market of the Shanghai stock exchange and floating a minority stake. Axxon has developed very successfully since Mycronic's acquisition in 2016. A net sales compound annual growth rate of 39 percent, with healthy profitability, has brought Axxon to a market leadership position in dispensing for the electronics industry. A listing would strengthen Axxon's brand and position as the global leader in dispensing for the electronics industry and make it easier for the company to achieve its full potential. If feasible, the listing could take place during 2024.

GLOBAL TECHNOLOGIES

	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	222	144	481	234	1,008	761
Order backlog, SEK million	284	249	284	249	284	291
Net Sales, SEK million	246	107	424	173	908	657
Gross profit, SEK million	102	41	165	62	304	200
Gross margin, %	41.5%	37.9%	39.0%	35.7%	33.4%	30.4%
EBIT, SEK million	43	7	73	-8	78	-3
EBIT margin, %	17.3%	6.1%	17.3%	-4.5%	8.6%	-0.4%
EBITDA	56	12	100	3	131	34
R&D expenditures, SEK million	-16	-13	-34	-26	-76	-68
R&D costs, SEK million	-22	-15	-47	-29	-101	-84

The market for electrical testing of PCBs and substrates performed strongly in Asia, but was slightly weaker in Europe and the US. No slowdown was noted in China despite the lockdowns. Demand in die bonding was solid, even though several large data centers and cloud-service providers announced recruitment freezes during the quarter. Order intake amounted to SEK 222 (144) million for the quarter and SEK 481 (234) million for the first six months. Order intake excluding acquisition and divestment decreased 9 percent during the quarter and increased 10 percent for the first six months. At the end of the quarter, the order backlog totaled SEK 284 (249) million.

Both of the operations were successful in delivering machines to their customers despite experiencing challenges in terms of component supplies. Net sales amounted to SEK 246 (107) million for the quarter and SEK 424 (173) million for the first six months. Organic net sales increased 11 percent during the quarter and 12 percent for

the first six months. Net sales for the quarter were positively impacted by currency effects of SEK 14 million and the first six months positively by SEK 21 million.

The gross margin amounted to 41 (38) percent in the quarter and 39 (36) percent for the first six months.

EBIT in the second quarter was very strong for Global Technologies, increasing to SEK 43 (7) million, corresponding to an EBIT margin of 17 (6) percent. EBIT for the first six months of the year was SEK 73 (-8) million, corresponding to an EBIT margin of 17 (-4) percent. The divestment of AEi in February had a positive EBIT impact of SEK 25 million. Acquisition-related costs amounted to SEK 10 million for the quarter and SEK 20 million for the first six months.

R&D costs for the quarter amounted to SEK 22 (15) million and SEK 47 (29) million for the first six months.

The electronics industry

The global electronics industry grew 12.3 percent in 2021 to USD 2,480 billion¹. For full-year 2021, the semiconductor market grew 26.7 percent to the equivalent of USD 556 billion¹.

OUTLOOK

Annual growth for the electronics industry is forecast at 3.6 percent for the period 2021-2026¹. Segments with the strongest expected growth during this five-year period are electronics for data centers, automotive industry, communication and industrial applications related to automation and control. The electronics industry is forecast to show negative growth of 1.1 percent in 2022 as a result of increasing weakness in PC, mobile phone and TV markets and the automotive segment not fully recovering the ground lost during the pandemic. The semiconductor market is expected to grow 9.0 percent in the full-year 2022 compared with 2021 and is forecast to be positive during the 2022-2026 period as a whole, with annual growth of 4.9 percent¹. The display market is estimated to have grown 25.8 percent in 2021 to USD 157 billion². For 2022, negative growth of 10.8 percent is forecast due to a reduction in the prices of LCD displays. During the 2022-2026 period, the display market is expected to remain at roughly the same level as in 2022, with the long-term trend towards a larger share of advanced AMOLED displays expected to continue.

Size/growth	2022F	2021	2020
Electronics industry, percentual change ¹	-1.1%	+12.3%	+1.8%
Semiconductor industry, percentual change ¹	+9.0%	+26.7%	+6.5%
SMT component mounting, percentual change ³	NA	+26.7%	+7.2%
Dispensing, USD million ⁴	NA	910	730
Displays, USD, billion ²	140	157	125
Photomasks for displays, percentual change in value ⁵	+10.1%	+13.7%	-10.6%
Photomasks for semiconductors, percentual change in value ⁶	+18.4%	+16.2%	+8.0%
Display photomask area, thousand sq. meters ⁵	19.4	18.4	16.9

SMT AND DISPENSING MARKET AREA

The global market for SMT equipment has annual sales of approximately USD 6,200 million⁷, of which the segment SMT robots for component mounting amounted to USD 3,732 million in 2021. The segment declined as a whole in the first quarter of 2022 compared with the same period last year, even though the markets in Europe, North and South America and Japan reported growth. The dispensing equipment market increased 24.7 percent and had sales of USD 910 million⁴ in 2021.

ASSEMBLY AUTOMATION AND TEST MARKET AREA

Components for optical communication are expected to grow from USD 12.6 billion in 2021 to USD 24.6 billion in 2027, which corresponds to annual growth of 11.7 percent⁸. The global market for printed circuit boards and substrates is expected to grow 4.2 percent in 2022 to USD 84.3 billion⁹ and post annual growth of 4.6 percent⁹ during the 2021-2026 period.

PATTERN GENERATORS MARKET AREA

PHOTOMASKS FOR DISPLAYS

In 2021 the market showed growth of 13.7 percent, from USD 821 million to USD 934 million^{5,10}. The positive trend is largely related to the increase in demand for photomasks in 2021, since the display manufacturers began to re-focus on developing new models after a period with priority on production of existing models. In addition, there is an ongoing shift toward a higher proportion of advanced displays that require more, and more advanced, photomasks. The expectations for 2022 are that the photomask market will continue to grow and post positive growth of 10.1 percent to USD 1,027 million^{5,10}. The market is driven primarily by a higher proportion of advanced photomasks for AMOLED displays. The forecast for the total area growth amounts to an average of 2.4 percent per year for 2021-2026⁵. Strong growth for AMOLED photomasks is expected, with an annual average area growth of 7.0 percent for 2021-2026⁵, which drives the need for photomasks produced by advanced mask writers.

PHOTOMASKS FOR SEMICONDUCTORS

In 2021 the market showed growth of 16.2 percent, from USD 5.3 billion to USD 6.1 billion⁶. Despite the pandemic, the market trend was strong, primarily driven by robust growth for the most advanced photomasks, although the market for mature technology nodes was also positive. The expectations for 2022 are that the market will continue to perform positively, with growth of 18.4 percent to USD 7.2 billion⁶. The market will also remain primarily driven by higher volumes of the most advanced photomasks, which are mainly produced by E-beam mask writers.

- 1) Prismark, latest forecast June 2022
- 2) Omdia, latest forecast April 2022
- 3) Protec MDC, March 2022
- 4) Prismark, April 2022
- 5) Omdia, June 2022 (annual update)
- 6) TechInsights, April 2022 (annual update)
- 7) Protec MDC, April 2022, Mycronic analysis
- 8) Lightcounting, April 2022
- 9) Prismark, May 2022
- 10) 110 YEN/USD used by Mycronic for conversion

Other

PARENT COMPANY

Mycronic AB is the Group's Parent Company.

The Parent Company's net sales amounted to SEK 1,106 (1,373) million for the first six months. EBIT amounted to SEK 289 (526) million.

Cash and cash equivalents at the end of the first six months amounted to SEK 257 million, compared with SEK 116 million at the end of 2021.

FINANCIAL INFORMATION

Mycronic AB (publ) is listed on Nasdaq Stockholm, Large Cap. The information in this report is published in accordance with the EU Market Abuse Regulation and the Swedish Securities Act. The information was submitted for publication through the contact persons stated below on July 14, 2022, at 8:00 a.m. CEST.

Financial reports and press releases are published in Swedish and English and are available on www.mycronic.com.

This report was not reviewed by the company's auditor.

CONFERENCE CALL

Mycronic will hold a teleconference at 10:00 a.m. CEST on July 14, 2022, with President and CEO Anders Lindqvist and CFO and Senior VP Corporate Development Pierre Brorsson. To take part of the presentation, please dial one of the numbers or watch via the web link below.

Sweden: +46 8 505 100 31

UK: +44 207 107 0613

United States: +1 631 570 5613

<https://mycronic-external.creo.se/220714>

FINANCIAL CALENDAR

Capital Markets Day	September 5, 2022
Interim Report January–September 2022	October 20, 2022
Year-end report 2022	February 10, 2023
Annual and Sustainability Report 2022	April 3, 2023
Interim Report January–March 2023	April 20, 2023
Annual General Meeting 2023	May 9, 2023
Interim Report January–June 2023	July 13, 2023
Interim Report January–September 2023	October 19, 2023
Year-end report 2023	February 8, 2024

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

Anders Lindqvist
President and CEO
+46 8 638 52 00
anders.lindqvist@mycronic.com

Pierre Brorsson
Chief Financial Officer & Sr VP Corporate Development
+46 8 638 52 00
pierre.brorsson@mycronic.com

Sven Chetkovich
Director Investor Relations
+46 70 558 39 19
sven.chetkovich@mycronic.com

The Board of Directors and President certify that this interim report provides a true and fair view of the business activities, financial position and results of operations of the Parent Company and the Group and describes the significant risks and uncertainties to which the Parent Company and the Group are exposed.

Täby, July 14, 2022
Mycronic AB (publ)

Anders Lindqvist
President and CEO

Patrik Tigerschiöld
Chairman

Arun Bansal
Board member

Anna Belfrage
Board member

Katarina Bonde
Board member

Staffan Dahlström
Board member

Robert Larsson
Board member

Bo Risberg
Board member

Jörgen Lundberg
Employee representative

Sahar Raouf
Employee representative

Mycronic AB (publ)
PO Box 3141
SE-183 03 Täby, Sweden
Tel: +46 8 638 52 00
Fax: +46 8 638 52 90

www.mycronic.com
Reg office: Stockholm
Reg no: 556351-2374
VAT no: SE556351237401

Group

Consolidated profit and loss accounts in summary, SEK million	Note	Q2		Jan-Jun		Rolling	Jan-Dec
		2022	2021	2022	2021	12 month	2021
Net sales	5, 6	1,273	1,064	2,408	2,355	4,689	4,635
Cost of goods sold		-695	-509	-1,334	-1,028	-2,657	-2,351
Gross profit		578	555	1,074	1,327	2,032	2,284
Research and development	7	-164	-144	-309	-270	-587	-548
Selling expenses		-155	-132	-288	-254	-560	-526
Administrative expenses		-64	-55	-126	-112	-257	-243
Other income and expenses		28	17	78	49	111	82
EBIT		224	241	429	739	739	1,049
Financial income and expenses		-2	-1	-3	-1	-5	-2
Profit/loss before tax		222	240	426	738	734	1,046
Tax		-48	-60	-88	-168	-139	-219
Net Profit/loss		174	180	338	570	595	827
Earnings per share before/after dilution, SEK		1.79	1.84	3.47	5.84	6.12	8.48
Average number of outstanding shares, thousand		97,635	97,685	97,635	97,685	97,624	97,649
Results attributable to owners of the Parent Company		175	180	339	570	597	828
Results attributable to non-controlling interests		0	-	-1	-	-2	-1
		174	180	338	570	595	827

Consolidated statement of comprehensive income in summary, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Net Profit/loss	174	180	338	570	595	827
Other comprehensive income						
Items not to be reclassified to profit/loss, after tax						
Actuarial profit/loss from defined benefits to employees	0	-	0	-	1	1
Items to be reclassified to profit/loss, after tax						
Translation differences at translating foreign entities	131	-31	195	58	328	191
Hedging of net investment in foreign entities	-	0	-	0	-6	-6
Changes in cash flow hedges	-28	0	-29	-52	-53	-76
Total comprehensive income	276	148	504	576	866	938
Total comprehensive income attributable to owners of the Parent Company	275	148	502	576	862	936
Total comprehensive income attributable to non-controlling interests	1	-	2	-	4	2
	276	148	504	576	866	938

Consolidated statements of financial position in summary, SEK million	30 Jun 22	30 Jun 21	31 Dec 21
ASSETS			
Fixed assets			
Intangible assets	2,394	2,218	2,296
Tangible assets	497	448	429
Non-current receivables	56	35	55
Deferred tax assets	167	125	145
Total fixed assets	3,113	2,826	2,926
Current assets			
Inventories	1,499	1,344	1,363
Trade receivables	874	659	658
Other current receivables	332	303	320
Cash and cash equivalents	819	1,019	683
Total current assets	3,524	3,326	3,024
Assets held for sale*	-	-	186
Total assets	6,637	6,153	6,136
EQUITY AND LIABILITIES			
Equity	4,214	3,610	3,997
Long-term liabilities			
Long-term interest-bearing liabilities	196	168	181
Deferred tax liabilities	321	298	329
Other non-current liabilities	48	55	59
Total long-term liabilities	565	521	570
Short-term liabilities			
Short-term interest-bearing liabilities	118	537	62
Trade payables	443	330	295
Other current liabilities	1,298	1,155	1,186
Total current liabilities	1,859	2,022	1,544
Liabilities directly associated with the assets held for sale*	-	-	26
Total liabilities	2,424	2,542	2,139
Total equity and liabilities	6,637	6,153	6,136

* Pertains to the divestment of AEi, which was completed at the beginning of February 2022.

Consolidated cash flow statements in summary, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Profit/loss before tax	222	240	426	738	734	1,046
Adjustments for non-cash items and paid income tax	7	-9	-28	-87	80	20
Change in working capital	-56	66	-152	31	-252	-68
Cash flow from operating activities	172	297	246	682	562	998
Cash flow from investing activities	-27	-1,050	120	-1,071	-33	-1,223
Cash flow from financing activities	-263	136	-279	83	-799	-437
Cash flow for the period	-118	-617	86	-306	-270	-662
Cash and cash equivalents, opening balance*	907	1,645	692	1,303	1,019	1,303
Exchange difference for cash and cash equivalents	30	-9	41	22	69	51
Cash and cash equivalents classified as assets held for sale	-	-	-	-	-	-9
Cash and cash equivalents, closing balance	819	1,019	819	1,019	819	683

*Including cash and cash equivalents classified as assets held for sale.

Consolidated statement of changes in equity in summary, SEK million	Jan-Jun		Jan-Dec
	2022	2021	2021
Opening balance	3,997	3,378	3,378
Dividend to owners	-294	-294	-294
Dividend to non-controlling interests	-	-	-4
Change of non-controlling interests*	-	-53	-13
Swap agreement related to own shares	-	-	10
Repurchase of own shares	-	-	-23
Equity-settled share based payments	6	2	6
Total comprehensive income	504	576	938
Closing balance	4,214	3,610	3,997
Of which holdings of non-controlling interests	44	-	42

*Pertains to the acquisition of the non-controlling interest in Axson Piezoelectric Technology and the non-controlling interest in HC Xin.

Other key figures *	Jan-Jun		Jan-Dec
	2022	2021	2021
Equity per share, SEK	43.16	36.96	40.94
Return on equity (rolling 12 months), %	15.2%	29.8%	22.4%
Return on capital employed (rolling 12 months), %	16.9%	32.4%	26.9%
Net cash, SEK million	505	313	440
Average number of employees	1,969	1,549	1,683

*In addition to Key Figures presented on page 1. See calculations on page 19.

Parent Company

Profit/loss accounts in summary, Parent Company, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Net sales	575	581	1,106	1,373	2,290	2,557
Cost of goods sold	-302	-282	-590	-536	-1,218	-1,165
Gross profit	273	300	516	837	1,071	1,392
Other operating expenses	-78	-199	-227	-311	-514	-598
EBIT	195	101	289	526	557	794
Result from financial items	77	127	86	131	95	140
Profit/loss after financial items	272	228	375	656	653	934
Appropriations	-	-	-	-	-199	-199
Profit/loss before tax	272	228	375	656	454	735
Tax	-42	-21	-63	-110	-88	-135
Net Profit/loss	231	206	312	547	366	600
Total comprehensive income	231	206	312	547	366	600

Balance sheets in summary, Parent Company, SEK million	30 Jun 22	30 Jun 21	31 Dec 21
ASSETS			
Fixed assets			
Intangible and tangible assets	159	346	119
Financial assets	2,937	2,735	2,915
Total fixed assets	3,096	3,081	3,034
Current assets			
Inventories	533	495	512
Current receivables	611	727	641
Cash and cash equivalents	257	228	116
Total current assets	1,400	1,451	1,269
TOTAL ASSETS	4,496	4,531	4,303
EQUITY AND LIABILITIES			
Equity	2,511	2,443	2,486
Untaxed reserves	1,275	1,076	1,275
Long-term interest-bearing liabilities	-	-	-
Other non-current liabilities	2	1	1
Total long-term liabilities	2	1	1
Short-term interest bearing liabilities	50	472	8
Other current liabilities	658	538	532
Total current liabilities	708	1,010	540
TOTAL EQUITY AND LIABILITIES	4,496	4,531	4,303

Notes

NOTE 1 ACCOUNTING POLICIES

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting together with applicable provisions in the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act. For the Group and Parent Company, accounting policies, valuation policies and assumptions were applied in accordance with the latest annual report. The accounting principles of the segments are the same as for the Group, with the exception of IFRS 16 Leases. The segments and the Parent Company recognize lease payments as a cost on a straight-line basis over the period of the lease. The right-of-use asset and the lease liability are thus not reported in the balance sheet.

The nature of financial assets and liabilities is, in all material respects, the same as on December 31, 2021. The carrying amounts and fair values are deemed to essentially correspond with one another.

NOTE 2 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in Note 8 of the 2021 Annual Report. The scope and focus of these transactions did not change significantly during the period.

NOTE 3 RISKS AND UNCERTAINTY FACTORS

There are a number of risks and uncertainty factors of an operational and financial character to which the Group is exposed through its operations, which are described in the 2021 Annual Report. Mycronic is for example exposed to country-specific risks such as political decisions or overarching changes to the regulatory framework, both geographically and product-wise. Mycronic is also exposed to effects from the COVID-19 outbreak.

NOTE 4 EVENTS AFTER THE END OF THE PERIOD

No events took place after the end of the period that had a significant impact on the Group's earnings or financial position.

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue by geographical market, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
EMEA	179	118	362	243	761	642
North and South America	172	146	354	246	778	669
Asia	922	800	1,692	1,866	3,150	3,323
	1,273	1,064	2,408	2,355	4,689	4,635
Revenue by type of good/service, SEK million						
System	928	761	1,695	1,780	3,255	3,340
Aftermarket	345	303	713	575	1,434	1,295
	1,273	1,064	2,408	2,355	4,689	4,635
Timing of revenue recognition, SEK million						
Goods transferred at a point in time	1,032	863	1,931	1,973	3,774	3,817
Services transferred over time	242	201	477	381	914	818
	1,273	1,064	2,408	2,355	4,689	4,635

NOTE 6 SEGMENT REPORTING

SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Net sales by Division						
Pattern Generators	348	389	668	981	1,332	1,645
High Flex	309	262	598	538	1,236	1,176
High Volume	381	315	746	683	1,264	1,200
Global Technologies	246	107	424	173	908	657
Internal net sales between divisions	-11	-11	-28	-20	-52	-44
	1,273	1,064	2,408	2,355	4,689	4,635
EBIT by Division						
Pattern Generators	110	174	234	593	474	832
High Flex	35	11	54	46	144	136
High Volume	65	94	120	184	168	231
Global Technologies	43	7	73	-8	78	-3
Group functions etc	-30	-44	-55	-74	-130	-149
Amortization of previously acquired intangible assets	-	-1	-	-2	-	-2
Effects from IFRS 16	1	0	2	1	5	3
Group	224	241	429	739	739	1,049

SEK million	30 Jun 22	30 Jun 21	31 Dec 21
Assets by Division			
Capitalized Development Costs			
Pattern Generators	64	72	72
High Flex	63	50	54
	127	122	126
Inventories			
Pattern Generators	392	408	411
High Flex	297	252	244
High Volume	622	481	568
Global Technologies	195	205	148
	1,499	1,344	1,363
Trade Receivables			
Pattern Generators	221	238	182
High Flex	235	169	240
High Volume	262	83	117
Global Technologies	156	170	118
	874	659	658

NOTE 7 RESEARCH AND DEVELOPMENT COSTS

Research and development costs, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
R&D expenditures						
Pattern Generators	-60	-61	-109	-114	-214	-219
High Flex	-51	-47	-96	-90	-183	-177
High Volume	-38	-28	-71	-56	-121	-107
Global Technologies	-16	-13	-34	-26	-76	-68
	-164	-150	-310	-286	-594	-570
Capitalization of Development Costs						
Pattern Generators	0	4	1	10	9	17
High Flex	10	6	19	14	34	29
	10	10	20	24	43	46
Amortization of Acquired Technology						
High Flex	-1	-1	-2	-2	-4	-4
High Volume	-2	-1	-4	-2	-7	-5
Global Technologies	-6	-2	-13	-4	-25	-16
	-9	-4	-19	-8	-36	-25
Reported cost	-164	-144	-309	-270	-587	-548

NOTE 8 DEFINITIONS AND RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES, ETC

The European Securities and Markets Authority (ESMA) has issued guidelines regarding alternative performance measures for listed companies.

These relate to financial key figures used by management, to control and evaluate the Group's business, which cannot be directly inferred from the financial statements. Alternative performance measures are also considered to be of interest to external investors and analysts who monitor the company. For definitions of other key ratios, please refer to the Annual Report.

Acquisition-related costs

Acquisition-related costs include expensing of acquired inventories at fair value, amortization and impairment of acquired intangible assets, changes in value and revaluation of contingent considerations and transaction expenses.

Book-to-bill

Order intake in relation to net sales. Indicates future development of net sales.

Capital employed

Balance sheet total less non-interest bearing liabilities. Used to show a company's ability to meet capital needs from operations.

Earnings per share

Net result attributable to the owners of the Parent Company divided by the average number of outstanding shares before and after dilution. Used to show a company's results per share.

EBITDA

Operating result, EBIT, before depreciation and amortization. EBITDA is a component used in expressing the company's financial goals and dividend policy.

Equity per share

Equity on balance day divided by the number of outstanding shares at the end of the period. Used to measure the value of the company per share.

Net cash

Cash and cash equivalents less interest-bearing liabilities.

Order backlog

Remaining orders for goods, valued at the closing date exchange rate. Used to show secured future net sales of goods.

Order intake

Received orders for goods and services, valued at average exchange rates. The order intake also includes revaluation of the order backlog at closing date exchange rates. Used to show orders received.

Organic growth

Change in net sales, excluding increase related to acquisitions and decrease related to divestments, recalculated to the previous year's currency rates as a percentage of the previous year's net sales. Net sales from acquired companies are included in the calculation of organic growth as of the first day of the first month which falls 12 months after the date of acquisition.

Return on capital employed

Earnings before financial expenses as a percentage of average capital employed. Used to show return on capital needed for operations.

Return on equity

Net profit/loss as a percentage of average equity. Used to demonstrate return on shareholder capital over time.

Underlying EBIT and underlying EBIT margin

Underlying EBIT consists of operating result excluding acquisition-related costs and gains/losses from divestments of subsidiaries. The underlying EBIT margin is underlying EBIT as a percentage of net sales. Used to describe how operations are developing and performing excluding acquisition-related costs and gains/losses from divestments.

	Jan-Jun		Rolling	Jan-Dec
Return on equity	2022	2021	12 month	2021
Net profit/loss (rolling 12 months)	595	1,018	595	827
Average shareholders' equity	3,912	3,422	3,912	3,687
	15.2%	29.8%	15.2%	22.4%
Return on capital employed				
Profit/loss before tax (rolling 12 months)	734	1,295	734	1,046
Financial expenses	14	13	14	14
Profit/loss before financial expenses	748	1,308	748	1,060
Average balance sheet total	6,395	5,778	6,395	5,728
Average non-interest-bearing liabilities	1,973	1,745	1,973	1,787
Average capital employed	4,421	4,033	4,421	3,941
	16.9%	32.4%	16.9%	26.9%
Book-to-bill				
Order intake	2,644	2,030	5,120	4,506
Net sales	2,408	2,355	4,689	4,635
	1.1	0.9	1.1	1.0
EBITDA				
EBIT	429	739	739	1,049
Depreciation/Amortization	117	92	230	205
	547	831	969	1,254
Underlying EBIT				
EBIT	429	739	739	1,049
Acquisition-related costs included in:				
Cost of goods sold	-	-	30	30
Operating expenses	32	31	68	67
	32	31	98	97
Gains from divestments of subsidiaries	-25	-	-25	-
	437	770	813	1,146
Equity per share				
Equity at balance day	4,214	3,610	4,214	3,997
No. of outstanding shares at end of period, thousand	97,635	97,685	97,635	97,635
	43.16	36.96	43.16	40.94
Earnings per share before/after dilution, SEK				
Net Profit/loss attributable to owners of the Parent Company	339	570	597	828
Average no. of outstanding shares before dilution, thousand	97,635	97,685	97,624	97,649
Average no. of outstanding shares after dilution, thousand	97,654	97,685	97,643	97,709
	3.47	5.84	6.12	8.48
Net cash, SEK million				
Cash and cash equivalents	819	1,019	819	683
Interest-bearing liabilities	-314	-706	-314	-243
	505	313	505	440

Quarterly data	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20
Order intake								
Pattern Generators	176	383	384	407	209	233	403	122
High Flex	332	374	284	334	279	323	269	296
High Volume	484	441	328	236	381	391	163	235
Global Technologies	222	260	245	282	144	90	51	89
Internal order intake between divisions	-11	-17	-7	-17	-11	-10	-20	-4
	1,203	1,441	1,234	1,242	1,002	1,027	865	739
Order Backlog								
Pattern Generators	635	807	744	759	617	797	1,156	1,138
High Flex	239	216	130	214	150	134	86	148
High Volume	988	885	809	759	758	692	669	711
Global Technologies	284	308	291	299	249	82	57	100
	2,146	2,217	1,975	2,030	1,774	1,706	1,969	2,096
Net Sales								
Pattern Generators	348	320	399	265	389	592	385	506
High Flex	309	288	368	271	262	276	331	237
High Volume	381	365	283	235	315	368	203	224
Global Technologies	246	179	252	232	107	66	93	104
Internal net sales between divisions	-11	-17	-7	-17	-11	-10	-20	-4
	1,273	1,135	1,295	986	1,064	1,291	992	1,068
Gross Profit								
Pattern Generators	193	188	224	154	252	476	283	404
High Flex	128	113	152	111	97	110	136	98
High Volume	156	131	91	87	166	165	68	84
Global Technologies	102	64	86	52	41	21	32	35
	578	496	553	405	555	772	519	622
Gross Margin								
Pattern Generators	55.4%	58.8%	56.0%	58.0%	64.6%	80.4%	73.6%	79.7%
High Flex	41.4%	39.3%	41.2%	40.8%	36.9%	40.1%	41.0%	41.2%
High Volume	40.8%	35.9%	32.1%	37.2%	52.6%	44.8%	33.3%	37.3%
Global Technologies	41.5%	35.6%	34.1%	22.6%	37.9%	32.1%	34.4%	33.6%
	45.4%	43.7%	42.7%	41.0%	52.1%	59.8%	52.3%	58.3%
R&D expenses								
Pattern Generators	-60	-48	-52	-45	-57	-47	-51	-35
High Flex	-42	-38	-37	-36	-42	-36	-36	-35
High Volume	-40	-35	-26	-28	-29	-29	-30	-22
Global Technologies	-22	-24	-29	-26	-15	-14	-15	-39
Total R&D expenses	-164	-145	-143	-136	-144	-126	-132	-130
Selling expenses	-155	-132	-152	-120	-132	-123	-76	-101
Administrative expenses	-64	-62	-65	-66	-55	-57	-66	-52
Other income/expenses	28	49	11	23	17	32	-31	9
EBIT	224	206	204	106	241	498	214	348
Of which EBIT Pattern Generators	110	125	146	94	174	419	201	364
Of which EBIT High Flex	35	19	59	31	11	35	25	24
Of which EBIT High Volume	65	55	17	30	94	90	30	38
Of which EBIT Global Technologies	43	31	21	-16	7	-14	-8	-57
Of which EBIT Group functions	-30	-25	-40	-34	-44	-30	-35	-22
EBIT margin	17.6%	18.1%	15.8%	10.7%	22.7%	38.6%	21.5%	32.6%
Equity per share	43.16	43.29	40.94	38.10	36.96	38.43	34.58	33.54
Earnings per share before/after dilution	1.79	1.69	1.82	0.82	1.84	3.99	1.80	2.71
Closing share price	143.90	176.00	211.00	218.40	258.20	205.00	245.40	211.40