

Interim report January-June 2018

Strong order growth

"Mycronic performs well, as we simultaneously invest in continued growth. We delivered particularly strong order growth during the year's second quarter, and we have a good base of planned deliveries from our order backlog to reach net sales at a level of SEK 3.5 billion, excluding acquisitions, for the year. During the first half-year, we executed 3 planned deliveries of mask writers, compared to 7 deliveries last year. We have also taken another important step in line with our strategy through the acquisition of American MRSI Systems in the second quarter," says Lena Olving, President and CEO.

Second quarter

- The order intake increased 86 percent to SEK 870 (469) million
- Net sales was SEK 882 (905) million, a decrease of 3 percent calculated in SEK and in constant exchange rates
- The underlying EBIT was SEK 265 (326) million, a decline of 19 percent. The underlying EBIT margin was 30 percent
- EBIT amounted to SEK 238 (315) million, a decrease of 24 percent. The EBIT margin was 27 percent
- Earnings per share amounted to SEK 1.77 (2.46)

January-June

- The order intake increased 36 percent to SEK 1,526 (1,121) million
- Net sales increased 3 percent to SEK 1,633 (1,583) million and by 5 percent when calculated using constant exchange rates
- The underlying EBIT was SEK 481 (533) million, a decrease of 10 percent. The underlying EBIT margin was 29 percent
- EBIT amounted to SEK 434 (472) million, a decrease of 8 percent. The EBIT margin was 27 percent
- Earnings per share amounted to SEK 3.22 (3.60)

Outlook 2018

The Board's assessment remains that consolidated net sales for 2018 will be at a level of SEK 3,500 million, with the clarification that this excludes acquisitions already made in 2018 as well as possible additional acquisitions during the remainder of 2018.

Group summary	April-June 18	April-June 17*	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
Order intake, SEK million	870	469	1,526	1,121	3,972	3,567
Net Sales, SEK million	882	905	1,633	1,583	3,049	3,000
Book-to-bill	1.0	0.5	0.9	0.7	1.3	1.2
Order backlog, SEK million	1,935	914	1,935	914	1,935	1,963
Gross margin, %	56.6%	57.6%	57.4%	55.8%	58.0%	57.2%
EBIT margin, %	26.9%	34.8%	26.6%	29.8%	26.4%	28.1%
Underlying EBIT margin, %	30.0%	36.0%	29.4%	33.7%	29.5%	31.7%
Earnings per share before/after dilution, SEK	1.77	2.46	3.22	3.60	5.99	6.37
Cash Flow, SEK million	-511	-106	-523	54	32	609
<i>Changes in net sales</i>						
Total growth, %	-3%	97%	3%	97%	-2%	29%
Organic growth, %	-9%	65%	0%	63%	-5%	14%
Growth from acquisitions, %	6%	24%	5%	27%	8%	16%
Currency effects, %	1%	8%	-2%	7%	-4%	-1%

*In this report, comparative figures are restated to account for the effects of the new accounting standard for revenue recognition, IFRS 15 Revenue from Contracts with Customers. See Note 1 for details regarding these effects.

CEO comments

Mycronic performs well, as we simultaneously invest in continued growth. We delivered particularly strong order growth during the year's second quarter, and we have a good base of planned deliveries from our order backlog to reach a net sales level of SEK 3.5 billion, excluding acquisitions, for the year. During the first half-year, we executed 3 planned deliveries of mask writers, compared to 7 deliveries last year. We have also taken another important step in line with our strategy through the acquisition of American MRSI Systems in the second quarter.

Leading product development together with our acquisition strategy ensures that we continually enhance our offering, which places us in an ever better position. The acquisitions of recent years have been successful and my expectation is that MRSI will also contribute to Mycronic's financial development and to strengthening our competence and our offering in a variety of application areas.

During the quarter we introduced the FPS8100, a mask writer focused on meeting the growing demand for photomasks for manufacture of fine metal masks within the broader multi-purpose segment. We are already the market leader in this segment and this introduction further consolidates our position.

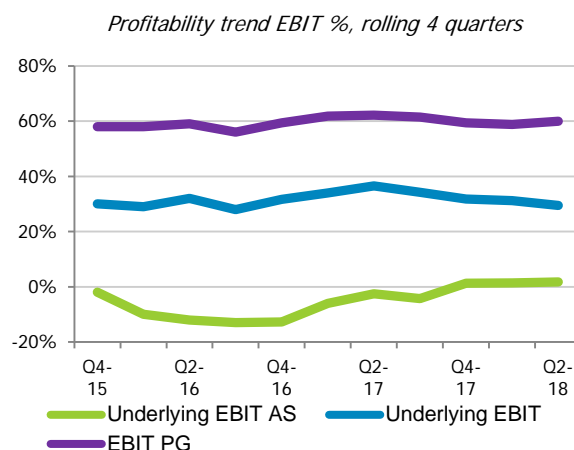
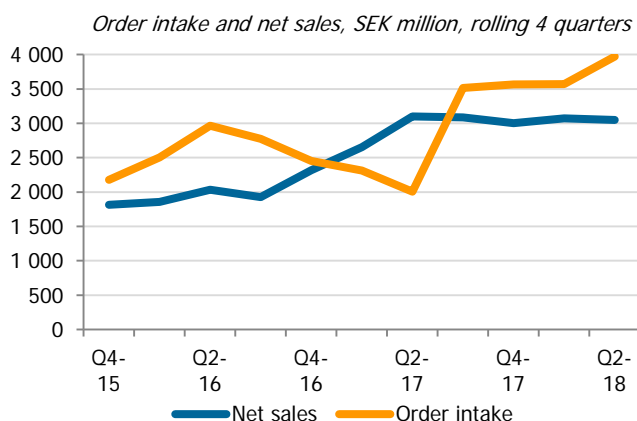
We demonstrated strong order growth of 86 percent for the quarter and 36 percent for the first half-year. Growth was driven primarily by business area Assembly Solutions, which performed well. It is gratifying that several of our acquisitions contributed substantially to the growth. During the quarter, we secured an order within business area Pattern Generators for a replacement system based on the Prexision-8.

Assembly Solutions demonstrated solid net sales growth for both the quarter and the first half-year, despite the continuing supply disruptions originating with subcontractors during the second quarter. The business area is investing in product development and marketing which together with acquisition-related costs results in EBIT not developing in line with net sales.

Pattern Generators continue to show robust growth with an EBIT margin that improved over the previous year's even though the business area's deliveries during the corresponding periods last year were higher. Fluctuations between quarters are natural for the business area, which is why the trend should be viewed in the longer term. Consolidated growth was 3 percent for the first half-year and declined 3 percent for the quarter, which is attributable to a challenging comparison with last year, together with lower volumes within Pattern Generators, especially during the second quarter.

Demand in the market segments where we have made a strategic choice to be active developed well, and the expectation is for good growth also in the future. Both Assembly Solutions and Pattern Generators have well-stocked orderbooks that constitute a good basis for deliveries for the remainder of the year. I am confident that we will achieve net sales in the area of SEK 3.5 billion, excluding acquisitions, for full-year 2018. At the same time, we continue to support our customers by developing the best and most effective solutions for their businesses, even as we invest in our own organization and its development to ensure profitable growth in the future.

Lena Olving, President and CEO



Financial performance, Group

	April-June 18	April-June 17*	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
Order intake, SEK million	870	469	1,526	1,121	3,972	3,567
Order backlog, SEK million	1,935	914	1,935	914	1,935	1,963
Net Sales, SEK million	882	905	1,633	1,583	3,049	3,000
Gross profit, SEK million	499	522	938	883	1,770	1,716
Gross margin, %	56.6%	57.6%	57.4%	55.8%	58.0%	57.2%
EBIT, SEK million	238	315	434	472	806	844
EBIT margin, %	26.9%	34.8%	26.6%	29.8%	26.4%	28.1%
Underlying EBIT, SEK million	265	326	481	533	899	951
Underlying EBIT margin, %	30.0%	36.0%	29.4%	33.7%	29.5%	31.7%
EBITDA, SEK million	255	330	467	501	884	919

MRSI systems included as of June 1, 2018. Vi TECHNOLOGY included as of October 30, 2017

*Restated for comparability, see Note 1.

Second quarter

The second quarter order intake was very strong, increasing 86 percent to SEK 870 (469) million, which corresponds to organic growth of 78 percent. Assembly Solutions performed well, with significant contributions from several of the companies acquired in recent years. Pattern Generators also performed well, with growth driven by an order for a replacement system based on the Prexision-8.

Acquisitions during recent years have had a positive impact on net sales in Assembly Solutions. During the quarter, 2 planned deliveries of mask writers within Pattern Generators were executed compared to 5 for the corresponding period last year. Fluctuations between quarters have had a temporary negative impact on net sales, which totaled SEK 882 (905) million, a decrease of 3 percent. Organic growth declined 9 percent, excluding positive currency effects of SEK 5 million. American company MRSI Systems, acquired during the second quarter, performed unusually strong in June, contributing SEK 27 million to net sales.

EBIT for the quarter amounted to SEK 238 (315) million, corresponding to an EBIT margin of 27 (35) percent. The result was affected primarily by lower delivery volumes of mask writers, higher development costs and acquisition-related costs of SEK 28 (11) million, including the acquisition of MRSI during the quarter. Of acquisition-related costs, SEK 3 (4) million was charged against gross profit. The underlying EBIT amounted to SEK 265 (326) million, corresponding to an EBIT margin of 30 (36) percent.

January-June

The order intake for the first half-year was strong, growing 36 percent to SEK 1,526 (1,121) million, corresponding to organic growth of 29 percent. The increase is mainly due to the strong performance of Assembly Solutions where several of the acquired

companies made significant contributions. The strong order intake contributed to the order backlog increasing 112 percent to SEK 1,935 million.

Net sales rose 3 percent to SEK 1,633 (1,583) million during the period. The increase within Assembly Solutions is partly offset by lower net sales within Pattern Generators due to the delivery of 3 mask writers during the period compared to 7 in the same period last year. Organic growth remained unchanged, excluding negative currency effects of SEK 37 million.

EBIT amounted to SEK 434 (472) million, corresponding to an EBIT margin of 27 (30) percent. The result was affected primarily by lower delivery volumes of mask writers, higher development costs and acquisition-related costs. Acquisition-related costs amounted to SEK 47 (61) million, of which SEK 5 (42) million was charged against gross profit. The underlying EBIT amounted to SEK 481 (533) million, corresponding to an EBIT margin of 29 (34) percent.

Cash flow and financial position

Cash and cash equivalents at the end of the first half-year amounted to SEK 306 million, compared to SEK 813 million at year-end 2017. Cash flow for the first half-year was SEK -523 (54) million. Cash flow from operating activities was SEK -38 (359) million. Working capital claimed SEK 400 million, mainly due to capital tied up in inventories and trade receivables.

Investments claimed SEK 382 million, of which SEK 354 million is attributable to the acquisition of MRSI. Other investments related primarily to tangible fixed assets.

Financing activities claimed SEK 104 million, of which dividends of SEK 245 million were paid out during the second quarter.

Financial performance per business area

Assembly Solutions	April-June 18	April-June 17	Jan-June 18	Jan-June 17	Rolling 12	Jan-Dec 17
Order intake, SEK million	554	359	1,033	698	1,759	1,424
Order backlog, SEK million	545	280	545	280	545	290
Net Sales, SEK million	478	354	858	684	1,592	1,419
Gross profit, SEK million	195	148	355	248	664	557
Gross margin, %	40.7%	41.8%	41.4%	36.3%	41.7%	39.3%
EBIT, SEK million	-3	4	-28	-51	-64	-88
EBIT margin, %	-0.7%	1.0%	-3.2%	-7.5%	-4.0%	-6.2%
Underlying EBIT, SEK million	24	15	19	9	29	19
Underlying EBIT margin, %	5.0%	4.1%	2.3%	1.4%	1.8%	1.3%
R&D expenditures, SEK million	-81	-73	-153	-146	-274	-267
R&D costs, SEK million	-86	-64	-163	-136	-308	-280

MRSI systems included as of June 1, 2018. Vi TECHNOLOGY included as of October 30, 2017.

Assembly Solutions performed well during the period, with significant contributions from several of the companies acquired in recent years. The second quarter order intake increased 54 percent compared with the corresponding period of 2017. Organic growth was 45 percent. For the first half-year, the order intake increased 48 percent compared with the previous year, corresponding to organic growth of 36 percent. The strong order intake contributed to the order backlog reaching a new record high of SEK 545 million, corresponding to an increase of 95 percent.

Net sales demonstrated a solid performance during the quarter, with growth of 35 percent to SEK 478 (354) million. Organic growth was 17 percent, excluding positive currency effects of SEK 8 million. The business area continued to experience supply disruptions originating with subcontractors also during the second quarter. For the first half-year, net sales increased 25 percent to SEK 858 (684) million, which corresponds to organic growth of 14 percent, excluding negative currency effects of SEK 3 million.

At the beginning of June, Mycronic acquired the American company MRSI Systems, a leading manufacturer and developer of production systems for die bonding. This is a complementary step in the manufacturing process for circuit boards and electronics components. Like Mycronic, MRSI offers solutions characterized by particularly high precision and flexibility. Applications include optical communication, an area of strong growth driven by increased speeds within telecommunications and data communications, as well as industry segments requiring particularly high reliability. In these segments, MRSI and Mycronic have overlapping customer bases.

MRSI, which performed particularly favorably in June, contributed SEK 27 million to net sales. The business area also executed a smaller acquisition of a Japanese development partner during the quarter.

The business area is investing in product development and marketing which together with acquisition-related costs results in EBIT not developing in line with net sales.

Acquisition-related costs amounted to SEK 28 (11) million for the second quarter and SEK 47 (61) million for the first half-year. Of acquisition-related costs for the first half-year, SEK 5 (42) million were charged against the gross profit.

The underlying EBIT for the second quarter amounted to SEK 24 (15) million, corresponding to a margin of 5 (4) percent. For the first half-year, the underlying EBIT amounted to SEK 19 (9) million, corresponding to a margin of 2 (1) percent.

Development costs for existing product development and investment in development for future growth amounted to SEK 86 (64) million and SEK 163 (136) million for the second quarter and the first half-year respectively. The increases are mainly due to development costs within the acquired companies Vi TECHNOLOGY and MRSI.

Pattern Generators	April-June 18	April-June 17*	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
Order intake, SEK million	317	110	493	423	2,213	2,143
Order backlog, SEK million	1,390	634	1,390	634	1,390	1,672
Net Sales, SEK million	404	551	775	899	1,457	1,581
Gross profit, SEK million	304	373	583	635	1,106	1,158
Gross margin, %	75.4%	67.8%	75.2%	70.7%	75.9%	73.3%
EBIT, SEK million	242	312	463	526	873	936
EBIT margin, %	59.9%	56.7%	59.8%	58.5%	59.9%	59.2%
R&D costs, SEK million	-36	-17	-61	-27	-102	-68

*Restated for comparability, see Note 1.

Business area Pattern Generators continues to show robust growth with an EBIT margin that improved over the previous year's, which was attributable primarily to a more favorable product mix. At the same time, the number of planned deliveries was significantly lower than during the corresponding periods last year. Fluctuations between quarters are natural for the business area, which is why the trend should be considered in the longer term.

During the second quarter, an order was received for a replacement system based on the Prexision-8, which is the main reason that the order intake for the quarter increased 188 percent. For the first half-year, the order intake increased 17 percent.

The order backlog at the end of the period was SEK 1,390 (634) million, corresponding to an increase of 119 percent. The order backlog comprises 8 systems, of which 5 with planned delivery during the remainder of 2018 and 3 systems for delivery in 2019. The order backlog also contains two major upgrades for delivery in 2018.

During the quarter, the FPS8100 was introduced, a mask writer focused on meeting the growing demand for photomasks for the manufacture of fine metal masks within the wider multi-purpose segment. Mycronic is already the market leader in this segment and this introduction further consolidates this position. The system is based on a new platform that includes a series of technical innovations that improve important factors such as stability and speed, providing customers with very cost-efficient production.

Net sales for the quarter amounted to SEK 404 (551) million and SEK 775 (899) million for the first half-year. This corresponds to a decrease of 27 and 14 percent respectively, since 2 systems were delivered during the quarter and 3 during the first half-year, compared to 5 and 7 systems during the same periods last year. Based on constant exchange rates, the decrease was 26 and 10 percent respectively.

Gross profit and EBIT were impacted by lower volumes. At the same time, the gross margin improved to 75 percent for both the quarter and the first half-year. The EBIT margin also increased to 60 percent for both periods. The margin improvements are mainly due to a more favorable product mix relative to the corresponding periods last year.

Development expenditures increased to SEK 36 (17) million for the quarter and to SEK 61 (27) million for the first half-year due to the development of the next generation of mask writers along with further development of existing products.

The electronics industry

The global electronics industry grew 6.1 percent in 2017, to USD 2,004 billion¹. For 2017, the semiconductor market grew 22 percent to USD 412 billion¹. The rise is due to an increase in the number of semiconductor circuits manufactured and higher prices for memory circuits.

Outlook

Annual growth for the electronics industry is forecast at 2.9 percent for the period 2017-2022¹. Industry segments with the strongest expected growth for the five-year period are electronics for the automotive and aviation industries, consumer electronics, industrial applications, wireless infrastructure and data storage. For 2018-2022, the semiconductor market is expected to grow an average of 0.6 percent annually¹.

Size/growth	2018F	2017	2016
Electronics Industry, percentual change ¹	+4,1%	+6,1%	+0,2%
Semiconductor industry, percentual change ¹	+11,1%	+21,7%	+1,1%
SMT, percentual change ²	not available	+32%	+5%
Dispensing, USD million ³	not available	770	600
Camera modules, units, million ¹	155	130	97
Displays, USD, billion ⁴	122	124	105
Photomasks, percentual change in value ⁵	+8%	+14%	-6%
Photomask area, thousand sq. meters ⁵	15.6	15.4	14.1

Assembly Solutions

SMT and dispensing market area

The global market for SMT equipment has annual sales of approximately USD 4,800 million. The segment SMT robots for mounting of components grew 32 percent in 2017 to USD 2,615 million², where the markets in China and Japan displayed the strongest growth. During the first quarter of 2018, the market grew 37 percent compared with the same quarter last year. All markets, excluding North and South America combined, displayed a positive trend. The dispensing equipment market had sales of USD 770 million³ in 2017. Mycronic's product portfolio comprises production systems for mounting of components, non-contact application of solder paste, inspection equipment, automated storage solutions, equipment for dispensing of and coating of circuit boards and high-speed dispensing of solder paste.

Assembly automation market area

A growing segment within the electronics industry is electronics for the automotive industry. One segment within automotive electronics is camera modules for advanced driver support, or

Advanced Driver Assistance Systems (ADAS). The number of camera modules manufactured in 2017 has been revised to 130 million units, and the forecast for 2022 is that 300 million units will be manufactured, corresponding to average annual growth of 18 percent¹. Through AEi, Mycronic offers automated production solutions for assembly and testing of camera modules.

Through the acquisition of the American company MRSI, Mycronic now offers die bonding equipment. The global market in 2017 reached USD 919 million⁷. MRSI is active in the rapidly growing ultra-high precision die bonding segment.

Pattern Generators

In 2017, the display market grew 19 percent to USD 124 billion, corresponding to 3.7 billion units⁴, due to a stable price trend for existing displays and a shift towards more advanced AMOLED and high-resolution displays. For 2018, the market is expected to decline 2 percent. One reason is weaker than expected demand for AMOLED displays. Growth within AMOLED is, however, expected to remain strong, and the market is expected to grow 15 percent in 2018 to USD 26 billion⁴. Total display area also continues to increase as displays get larger and are increasingly used in new products, for example, in cars.

Photomasks for display market area

The photomask market opened tentatively in 2017, but gradually developed more positively during the year growing 14 percent in 2017 to USD 704 million^{5,6}, driven by the increased requirement for photomasks for AMOLED and China's increasing requirements. The forecast for 2018 is also positive with growth of 8 percent to USD 762 million^{5,6}. Growth is driven by the larger proportion of advanced photomasks for AMOLED and an increase in the number of G10 photomasks to meet increasing needs in China⁵. The forecast for area growth is also positive, with average growth of 2.7 percent for 2017-2021⁵. This is, however, lower than the growth forecast from last year, as IHS adjusted growth for AMOLED downward, taking into consideration that some older display factories can close during the period due to competition from new, modern display factories in China. Growth within AMOLED remains, however, strong for photomasks and the assessment is for an average area growth of 25 percent for the period 2017-2021⁵. The positive market trend over recent years in combination with the continuing favorable outlook has led to increased interest in the market for advanced mask writers, which can attract new actors. Mycronic's technology, expertise and position are at the forefront in this area, which has created high barriers to enter the market for advanced mask writers. During the second quarter of 2018, the degree of utilization on Mycronic's mask writers was at a high level.

1) Market data from Prismark, latest forecast June 2018. The calculation model for camera modules has been updated for this report. Changes affect historical and forecast data.

2) Market data from Protec MDC, April 2018.

3) Market data from Prismark, May 2018.

4) Market data from IHS, latest forecast April 2018.

5) IHS, May 2018.

6) 110 yen/USD used by Mycronic for conversion from yen to USD.

7) Market data from VLSI Research, June 2018.

Other

The Parent Company

Mycronic AB is the Group's Parent Company.

The Parent Company's net sales for the first half-year amounted to SEK 1,190 (1,276) million. EBIT was SEK 479 (464) million. Research and development expenditures are expensed as incurred.

Cash and cash equivalents at the end of the first half-year amounted to SEK 64 million, compared with SEK 596 million at year-end 2017.

Financial information

Mycronic AB (publ) is listed on NASDAQ Stockholm, Mid Cap, MYCR. 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 (page 8), on July 13, 2018, at 8 am.

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

Review of interim report

This interim report has not been reviewed by the auditor.

Financial calendar

Interim report

January-September 2018 October 24, 2018

Capital Markets Day November 29, 2018

Full-year report 2018 February 7, 2019

Interim report January-March 2019 April 25, 2019

The Board of Directors and the CEO hereby give their assurance that this half-year report provides a true and fair picture 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 13, 2018

Mycronic AB (publ)

Lena Olving

CEO and President

Patrik Tigerschiöld
Chairman of the Board

Anna Belfrage
Board member elected by AGM

Katarina Bonde
Board member elected by AGM

Tobias Böök
Representing Akademikerna

Ulla-Britt Fräjdin-Hellqvist
Board member elected by AGM

Per Holmberg
Board member elected by AGM

Robert Larsson
Board member elected by AGM

Peter Sundström
Representing Unionen

*Mycronics vision**

The business partner of choice, enabling the future of electronics.

*Mycronics mission**

We aim to be the market leader within our key segments across the globe.

We continuously improve and develop innovative solutions, products and services to meet the changing needs of our customers.

We do not compromise with our goal to deliver sustainable growth, profitability and shareholder value.

We meet our challenging goals by engaging the passion and talent of people dedicated to deliver.

Mycronic's long-term financial goals announced in February 2017

Growth

Consolidated net sales including acquisitions will reach SEK 5 billion at the end of the business plan period, four to seven years.

Profitability

EBIT will exceed 15 percent of net sales over a business cycle.

Capital structure

Net debt should be less than 3 times the average EBITDA (earnings before interest, tax, depreciation, and amortization). The average is calculated over three years.

Mycronic's dividend policy

The objective of the company is to provide both good returns and value growth. Between 30 and 50 percent of net profit will be distributed to the shareholders, provided the company has a net debt lower than 3 times EBITDA after stipulated dividend. In each case, account shall be taken of the Company's financial position, profitability trends, growth potential and future investment needs.

About Mycronic

Mycronic AB is a Swedish high-tech company engaged in the development, manufacture and marketing of production equipment with high precision and flexibility requirements for the electronics industry. Mycronic's headquarters are in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany, Japan, Singapore, South Korea, the Netherlands, Taiwan, United Kingdom and the United States. For more information, visit our website www.mycronic.com.

Mycronic AB (publ) is listed on NASDAQ Stockholm, Mid Cap: MYCR.

* The Company's vision and mission are expressed in the Group's corporate language English.

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Consolidated profit and loss accounts, SEK million

	April-June 18	April-June 17*	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
Net sales, Note 1,5	882.3	905.3	1,632.6	1,583.4	3,049.2	3,000.1
Cost of goods sold, Note 1	-383.3	-383.7	-695.1	-700.0	-1,279.2	-1,284.1
Gross profit	499.0	521.6	937.5	883.4	1,770.0	1,716.0
Research and development, Note 6	-121.8	-80.6	-224.6	-162.9	-409.7	-348.0
Selling expenses	-97.4	-80.1	-178.6	-150.0	-338.3	-309.8
Administrative expenses	-52.9	-41.1	-111.0	-80.8	-211.6	-181.4
Other income and expenses, Note 1	10.7	-4.9	10.4	-17.4	-4.7	-32.5
EBIT	237.6	314.9	433.7	472.3	805.7	844.2
Financial income and expenses	-4.5	-2.0	-6.1	-4.7	-10.0	-8.6
Profit/loss before tax	233.1	312.8	427.6	467.5	795.7	835.6
Tax, Note 1	-59.4	-71.7	-112.5	-115.1	-209.6	-212.3
Net Profit/loss	173.7	241.1	315.1	352.4	586.1	623.4
Earnings per share before/after dilution, SEK	1.77	2.46	3.22	3.60	5.99	6.37
Average number of shares, thousand	97,917	97,917	97,917	97,917	97,917	97,917
Results attributable to owners of the Parent Company	173.7	241.1	315.0	352.4	586.4	623.8
Results attributable to non-controlling interests	0.0	0.0	0.1	0.0	-0.3	-0.4
	173.7	241.1	315.1	352.4	586.1	623.4

Consolidated statement of comprehensive income, SEK, million

	April-June 18	April-June 17*	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
Net Profit/loss	173.7	241.1	315.1	352.4	586.1	623.4
Other comprehensive income						
<i>Items not to be reclassified to profit/loss, after tax</i>						
Actuarial loss from defined benefits to employees	-	-	-	-	-3.2	-3.2
<i>Items to be reclassified to profit/loss, after tax</i>						
Translation differences at translating foreign entities	38.2	-39.5	81.6	-42.4	75.7	-48.3
Changes in cash flow hedges	-20.3	9.7	-32.0	13.8	-36.4	9.4
Total comprehensive income	191.6	211.3	364.7	323.8	622.2	581.3
Total comprehensive income attributable to owners of the Parent Company	191.6	211.3	364.6	323.8	622.5	581.7
Total comprehensive income attributable to non-controlling interests	0.0	0.0	0.1	0.0	-0.3	-0.4
	191.6	211.3	364.7	323.8	622.2	581.3

Consolidated cash flow statements, SEK million

	April-June 18	April-June 17	Jan-June 18	Jan-June 17	Rolling 12	Jan-Dec 17
Cash flow from operating activities						
before changes in working capital	201.5	300.5	362.3	431.0	744.1	812.8
Change in working capital	-241.2	-142.7	-399.9	-71.8	-157.1	171.0
Cash flow from operating activities	-39.8	157.8	-37.6	359.2	587.0	983.8
Cash flow from investing activities	-366.7	-71.7	-381.6	-112.5	-450.2	-181.1
Cash flow from financing activities	-104.1	-191.8	-104.1	-193.0	-104.7	-193.6
Cash flow for the period	-510.6	-105.7	-523.3	53.7	32.1	609.1
Cash and cash equivalents, opening balance	808.4	368.7	812.7	208.6	258.2	208.6
Exchange difference for cash and cash equivalents	8.6	-4.7	17.0	-4.1	16.1	-5.0
Cash and cash equivalents, closing balance	306.4	258.2	306.4	258.2	306.4	812.7

* Restated for comparability, see Note 1.

Consolidated statements of financial position

SEK, million	30 June 18	30 June 17*	31 Dec 17*
ASSETS			
Fixed assets			
Intangible assets	1,422.5	1,039.3	1,037.0
Tangible assets	94.2	65.7	69.5
Non-current receivables	21.5	20.0	17.1
Deferred tax assets, Note 1	83.8	60.8	68.8
Total fixed assets	1,622.1	1,185.8	1,192.4
Current assets			
Inventories	919.8	486.5	588.6
Trade receivables	689.2	500.1	512.4
Other current receivables	203.0	126.0	138.4
Cash and cash equivalents	306.4	258.2	812.7
Total current assets	2,118.5	1,370.8	2,052.0
Total assets	3,740.6	2,556.6	3,244.4
EQUITY AND LIABILITIES			
Equity, Note 1	1,900.1	1,522.3	1,780.2
Liabilities			
Other non-current liabilities	302.8	261.4	269.3
Deferred tax liabilities	113.9	79.0	118.8
Total long-term liabilities	416.8	340.5	388.1
Short-term interest-bearing liabilities	154.3	13.0	12.6
Trade payables	278.3	134.3	154.7
Other current liabilities, Note 1	991.1	546.5	908.8
Total current liabilities	1,423.7	693.8	1,076.1
Total liabilities	1,840.5	1,034.3	1,464.2
Total equity and liabilities	3,740.6	2,556.6	3,244.4

Consolidated statement of changes in equity

SEK, million	Jan-June 18	Jan-June 17*	Jan-Dec 17*
Opening balance, Note 1	1 780,2	1 394,3	1 394,3
Dividend	-244,8	-195,8	-195,8
Transactions with non-controlling interests	-	-	0,4
Total comprehensive income	364,7	323,8	581,3
Closing balance	1 900,1	1 522,3	1 780,2
Of which holdings of non-controlling interest	0,1	0,0	0,0

Other key figures *	Jan-June 18	Jan-June 17*	Jan-Dec 17*
Equity per share, SEK	19,41	15,55	18,18
Return on equity (rolling 4Q), %	34,3%	61,6%	39,1%
Return on capital employed (rolling 4Q), %	45,0%	81,4%	52,6%
Net cash, SEK million	152,1	245,2	800,0
Average number of employees	1071	928	962

Other than key figures presented on page 1.

* Restated for comparability, see Note 1.

Profit/loss accounts in summary, Parent Company, SEK million	April-June 18	April-June 17*	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
Net sales, Note 1	636.0	729.2	1,189.5	1,276.5	2,248.0	2,334.9
Cost of goods sold, Note 1	-249.2	-299.5	-466.7	-514.2	-889.4	-936.9
Gross profit	386.8	429.7	722.8	762.3	1,358.6	1,398.0
Other operating expenses, Note 1	-117.0	-151.0	-244.3	-298.0	-540.9	-594.5
EBIT	269.7	278.7	478.5	464.3	817.7	803.5
Result from financial items	0.7	0.9	2.0	1.1	5.7	4.8
Profit/loss after financial items	270.4	279.6	480.5	465.4	823.4	808.3
Appropriations	-	-	-	-	-204.0	-204.0
Profit/loss before tax	270.4	279.6	480.5	465.4	619.4	604.3
Tax, Note 1	-61.0	-64.6	-110.1	-105.4	-139.6	-134.9
Net Profit/loss	209.4	215.0	370.4	359.9	479.8	469.4
Total comprehensive income	209.4	215.0	370.4	359.9	479.8	469.4

Balance sheets in summary, Parent Company, SEK million	30 June 18	30 June 17*	31 Dec 17*
ASSETS			
Fixed assets			
Intangible and tangible assets	44.7	39.7	37.4
Financial assets, Note 1	1,739.6	1,159.2	1,281.2
Total fixed assets	1,784.3	1,198.9	1,318.6
Current assets			
Inventories	460.1	271.3	346.6
Current receivables	639.7	448.9	426.6
Cash and cash equivalents	63.7	127.9	595.8
Total current assets	1,163.6	848.0	1,369.0
TOTAL ASSETS	2,947.9	2,046.9	2,687.6
EQUITY AND LIABILITIES			
Equity, Note 1	1,434.0	1,187.3	1,308.4
Untaxed reserves	410.8	206.8	410.8
Other non-current liabilities	215.8	166.1	184.6
Short-term interest bearing liabilities	150.0	-	-
Other current liabilities, Note 1	737.3	486.7	783.8
TOTAL EQUITY AND LIABILITIES	2,947.9	2,046.9	2,687.6

* Restated for comparability, see Note 1.

Note 1 - Accounting principles

This interim report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, as well as applicable parts of the Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act. For the Group and the Parent Company, the accounting principles, estimates and assumptions used in this report are in accordance with the most recent annual report.

The character of financial assets and liabilities are essentially the same as they were on December 31, 2017. As was the case at the end of 2017, reported values are the same as fair values.

IFRS 9, Financial Instruments, enters into force for the financial year beginning 1 January, 2018 or later. The standard has not had any material effect on the Group's financial statements.

IFRS 15, Revenue from Contracts with Customers, replaces all previously published standards and interpretations for managing revenues with a single model for revenue recognition. The standard is being applied by the Mycronic Group and the Parent Company as of 1 January, 2018 with full retrospective. When applying the new standard, system sales within Pattern Generators are divided into separate performance obligations, with the result that a minor portion of system revenue will be reported over time and later than for the previous standard. The new standard's effects on the comparative figures in this report are shown below. All adjustments relate to business area PG.

Effect on Group and Parent Company income statements, SEK million

	April-June 17	Jan-June 17	Rolling 12	Jan-Dec 17
Net sales	-4.3	-2.5	1.4	-1.1
Cost of goods sold	2.3	0.5	-4.0	-3.5
Other income and expenses	2.4	1.3	-0.4	0.9
EBIT	0.5	-0.7	-3.0	-3.7
Tax	-0.1	0.2	0.6	0.8
Net Profit/loss	0.4	-0.5	-2.4	-2.9
Effect on earnings per share	0.00	-0.01	-0.02	-0.03
Entire effect is attributable to owners of the Parent Company				

Effect on Group statements of financial position and Parent Company's balance sheets, SEK million

	30 June 17	31 Dec 17
ASSETS		
Deferred tax assets	5.0	5.7
Total assets	5.0	5.7
EQUITY AND LIABILITIES		
Other current liabilities	22.8	25.9
Total liabilities	22.8	25.9
Accumulated profit/loss	-17.3	-17.3
Net profit for the year	-0.5	-2.9
EQUITY	-17.8	-20.2
Total equity and liabilities	5	5.7
Effect on Group and business area PG order backlogs, SEK million	36.8	35.8

Note 2 - Transactions with related parties

Transactions with related parties are described in Note 12 of the 2017 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, and these are described in the 2017 Annual Report. Mycronic is exposed to country-specific risks such as political decisions or overarching changes to the regulatory framework on partially new markets, both geographically and product-wise.

Note 4 - Events after the end of the quarter

There are no events after the end of the quarter which have had a significant impact on the results or financial position of the company.

Note 5 – Revenue and segment reporting

Revenue by geographical market

SEK, million	April-June 18	April-June 17*	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
EMEA	197.5	133.8	367.7	248.9	685.7	566.9
North and South America	141.1	88.0	236.0	200.6	400.9	365.5
Asia	543.7	683.5	1,029.0	1,133.9	1,962.7	2,067.6
	882.3	905.3	1,632.6	1,583.4	3,049.2	3,000.1
of which, system sales	637.6	648.4	1,167.6	1,101.6	2,155.0	2,089.1
of which, after market sales	244.7	256.9	465.0	481.8	894.2	911.0
	882.3	905.3	1,632.6	1,583.4	3,049.2	3,000.1

SEK, million	April-June 18	April-June 17*	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
Net sales						
Assembly Solutions	478.5	354.4	857.5	684.5	1,592.1	1,419.1
Pattern Generators	403.8	550.9	775.0	898.9	1,457.1	1,581.0
	882.3	905.3	1,632.5	1,583.4	3,049.2	3,000.1
EBIT						
Assembly Solutions	-3.4	3.6	-27.6	-51.5	-63.7	-87.6
Pattern Generators	242.0	312.3	463.3	525.8	873.4	935.9
Amortization of previously acquired intangible assets	-1.0	-1.0	-2.0	-2.0	-4.0	-4.0
Group	237.6	314.9	433.7	472.3	805.7	844.2

* Restated for comparability, see Note 1.

Note 6 – Research and development expenses

Research and development costs

SEK, million	April-June 18	April-June 17	Jan-June 18	Jan-June 17	Rolling 12	Jan-Dec 17
<i>R&D expenditures</i>						
Assembly Solutions	-80.6	-73.1	-153.1	-145.9	-274.2	-267.0
Pattern Generators	-36.0	-17.1	-61.3	-27.3	-102.3	-68.3
	-116.6	-90.2	-214.4	-173.2	-376.5	-335.3
<i>Capitalization of development costs</i>						
Assembly Solutions	0.3	15.0	0.3	21.0	0.3	21.0
<i>Amortization of capitalized development</i>						
Assembly Solutions	-1.8	-3.1	-3.7	-6.0	-21.8	-24.1
	-1.5	11.9	-3.4	15.0	-21.5	-3.1
<i>Amortization of acquired technology</i>						
Assembly Solutions	-3.7	-2.3	-6.8	-4.7	-11.7	-9.6
Reported cost	-121.8	-80.6	-224.6	-162.9	-409.7	-348.0

Note 7 – Acquisitions*Acquisition of MRSI Systems, LLC*

During the second quarter, Mycronic acquired 100 percent of the shares in MRSI Systems, LLC in the USA. The purchase price amounted to USD 40.7 million on a cash and debt-free basis. Under certain conditions, based on parameters such as sales and earnings, an additional purchase price up to a maximum of USD 20.2 million will be paid in 2020. The total acquisition price amounts to SEK 430 million. Efforts to assign values of acquired assets and liabilities is ongoing, and hence the acquisition analysis was still preliminary as of June 30. According to the preliminary acquisition analysis, goodwill amounts to SEK 238 million. Goodwill is primarily attributable to the company's strong position as an external supplier in a growth market and to the competence of the company's employees, as well as synergies such as global presence within its current market segment. The acquisition price is adjusted for earn-outs, which are estimated at fair value. The company was consolidated within the Mycronic Group as of June 1, 2018.

SEK, million	June 2018
Acquisition price	
Cash paid for acquisitions	390.9
Deferred considerations for acquisitions (estimated fair value)	39.4
Total	430.3
Acquired assets and liabilities at fair value	
Intangible assets	83.9
Tangible assets	10.3
Long-term receivables	1.9
Inventories	84.4
Current receivables	29.8
Cash and cash equivalents	37.0
Non-current liabilities	-2.0
Current liabilities	-52.8
Total	192.4
Goodwill	237.9
Changes in consolidated cash and cash equivalents as of acquisition	
Cash paid for this year's acquisition	390.9
Cash and cash equivalents in acquired subsidiary	-37.0
Total	353.9

MRSI's operations have impacted consolidated sales in the amount of SEK 27 million and contributed SEK 5 million to consolidated EBIT from the acquisition date. If the acquisition had been executed at the beginning of the year, consolidated sales would have been impacted in the amount of SEK 75 million and EBIT by SEK 2 million.

Acquisition of Japanese development partner

During the quarter, 70 percent of the shares in a Japanese development partner were acquired with an option to acquire the remaining 30 percent 2-3 years after the acquisition date. The total acquisition price amounted to SEK 9 million. According to the preliminary acquisition analysis, goodwill amounts to SEK 4 million. The company was consolidated into the Mycronic Group as of June 1, 2018.

Note 8 – Definitions and reconciliation alternative performance measures, etc.

The European Securities and Markets Authority (ESMA) has published guidelines regarding alternative performance measures for publicly traded companies. Alternative performance measures relate to financial key figures used by management to control and evaluate the Group's business, and which cannot be directly inferred from the financial statements. These ratios are also considered to be of interest to external analysts and investors who monitor the Company. For definitions of other key ratios please refer to the Annual Report.

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 divided by the number of shares at the end of the period. Used to show a company's results per share.

EBITDA

Operating result (EBIT) before depreciation and amortization, interest and tax. 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 shares at the end of the period. Used to measure the value of the Company per share.

Net cash and cash equivalents

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 aftermarket, 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

Increase of net sales excluding increase related to acquisitions, 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 the return on capital needed for operations

Return on equity

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

Underlying EBIT and underlying EBIT margin

EBIT excluding acquisition-related costs. These costs include expensing of acquired inventories at fair value, amortization of acquired intangible assets, revaluation of earn-outs and transaction expenses. The underlying EBIT margin is underlying EBIT as a percentage of net sales.

Return on equity	Jan-June 18	Jan-June 17*	Rolling 12*	Jan-Dec 17*
Net profit/loss (rolling 4Q)	586.1	773.1	586.1	623.4
Average shareholders' equity	1,711.2	1,254.4	1,711.2	1,595.9
	34.3%	61.6%	34.3%	39.1%
Return on capital employed				
Profit/loss before tax (rolling 4Q)	795.7	1019.6	795.7	835.6
Financial expenses	11.6	6.8	11.6	9.4
<i>Profit/loss before financial expenses</i>	807.3	1026.4	807.3	845.0
Average balance sheet total	3,148.6	2,183.1	3,148.6	2,999.9
Average non-interest-bearing liabilities	1,353.8	922.2	1,353.8	1,392.3
<i>Average capital employed</i>	1,794.9	1,260.9	1,794.9	1,607.6
	45.0%	81.4%	45.0%	52.6%
Book-to-bill				
Order intake	1,526.3	1,121.2	3,972.3	3,567.2
Net sales	1,632.6	1,583.4	3,049.2	3,000.1
	0.9	0.7	1.3	1.2
EBITDA				
EBIT	433.7	472.3	805.7	844.2
Depreciation/Amortization	32.8	29.1	78.4	74.7
	466.5	501.3	884.1	919.0
Underlying EBIT				
EBIT	433.7	472.3	805.7	844.2
<i>Acquisition-related costs</i>				
Cost of goods sold	4.5	41.9	4.9	42.3
Operating expenses	42.5	18.9	88.1	64.5
	480.8	533.1	898.7	951.0
Equity per share				
Equity at balance day	1,900.1	1,522.3	1,900.1	1,780.2
No. of shares at end of period, thousand	97,917	97,917	97,917	97,917
	19.41	15.55	19.41	18.18
Earnings per share				
Net Profit/loss	315.1	352.4	586.1	623.4
No. of shares at end of period, thousand	97,917	97,917	97,917	97,917
	3.22	3.60	5.99	6.37
Net cash, SEK million				
Cash and cash equivalents	306.4	258.2	306.4	812.7
Interest-bearing liabilities	-154.3	-13.0	-154.3	-12.6
	152.1	245.2	152.1	800.0

* Restated for comparability, see Note 1.

Quarterly data	Q2-18	Q1-18	Q4-17*	Q3-17*	Q2-17*	Q1-17*	Q4-16	Q3-16
Order Intake Assembly Solutions	553.5	479.9	374.4	351.4	358.6	339.9	389.2	219.0
Order Intake Pattern Generators	316.9	176.0	197.6	1,522.6	109.9	312.8	128.9	148.4
	870.5	655.9	571.9	1,874.0	468.5	652.7	518.1	367.5
Order Backlog Assembly Solutions	544.9	391.1	290.3	371.5	280.4	276.2	266.4	65.4
Order Backlog Pattern Generators	1,390.1	1,477.1	1,672.3	1,926.2	633.8	1,077.2	1,075.6	1,633.5
	1,935.0	1,868.2	1,962.6	2,297.7	914.3	1,353.4	1,342.0	1,698.9
Net Sales Assembly Solutions	478.5	379.0	472.9	261.7	354.4	330.1	329.1	210.6
Net Sales Pattern Generators	403.8	371.2	452.7	229.4	550.9	348.1	686.8	286.2
	882.3	750.2	925.6	491.1	905.3	678.1	1,015.9	496.8
Gross Profit Assembly Solutions	194.7	160.2	207.3	102.0	148.3	99.9	118.3	98.2
Gross Profit Pattern Generators	304.3	278.2	364.0	159.1	373.3	262.0	546.9	197.3
	499.0	438.4	571.3	261.1	521.6	361.9	665.2	295.5
Gross Margin Assembly Solutions	40.7%	42.3%	43.8%	39.0%	41.8%	30.3%	35.9%	46.6%
Gross Margin Pattern Generators	75.4%	75.0%	80.4%	69.4%	67.8%	75.3%	79.6%	68.9%
	56.6%	58.4%	61.7%	53.2%	57.6%	53.4%	65.5%	59.5%
R&D expenses Assembly Solutions	-85.9	-77.4	-79.6	-64.5	-63.6	-72.0	-91.2	-62.0
R&D expenses Pattern Generators	-36.0	-25.4	-25.9	-15.1	-17.1	-10.2	-20.4	-5.7
Total R&D expenses	-121.8	-102.8	-105.4	-79.7	-80.6	-82.2	-111.7	-67.7
Selling expenses	-97.4	-81.1	-92.9	-66.8	-80.1	-69.9	-85.2	-53.4
Administrative expenses	-52.9	-58.1	-60.8	-39.8	-41.1	-39.8	-58.2	-31.7
Other income/expenses	10.7	-0.3	-6.2	-8.9	-4.9	-12.5	-4.9	5.7
EBIT	237.6	196.1	306.0	65.9	314.9	157.4	405.2	148.4
Of which EBIT Assembly Solutions	-3.4	-24.2	8.5	-44.6	3.6	-55.1	-71.5	-11.4
Of which EBIT Pattern Generators	242.0	221.3	298.5	111.6	312.3	213.5	477.7	160.8
EBIT margin	26.9%	26.1%	33.1%	13.4%	34.8%	23.2%	39.9%	29.9%
Equity per share after tax	19.41	19.95	18.18	15.62	15.55	15.55	14.42	11.35
Net earnings per share	1.77	1.44	2.32	0.45	2.46	1.14	3.12	1.17
Closing share price	100.20	106.80	85.00	111.75	76.75	91.75	98.00	107.00

* Restated for comparability, see Note 1.