

Interim Report January–September 2022

Third quarter

- Order intake amounted to SEK 1,609 (1,242) million, an increase of 30 percent
- Net sales increased 23 percent to SEK 1,214 (986) million. Based on constant exchange rates, net sales increased 10 percent
- EBIT amounted to SEK 203 (106) million and the EBIT margin was 17 (11) percent
- Earnings per share were SEK 1.56 (0.82)

January–September

- Order intake amounted to SEK 4,253 (3,272) million, an increase of 30 percent
- Net sales increased 8 percent to SEK 3,622 (3,341) million. Based on constant exchange rates, net sales decreased 1 percent
- EBIT amounted to SEK 632 (845) million and the EBIT margin was 17 (25) percent
- Earnings per share were SEK 5.03 (6.66)

“Order intake increased during the third quarter by 30 percent compared with a relatively weak corresponding quarter in the preceding year, mainly driven by a strong performance by Pattern Generators, and supported by positive currency effects. Net sales increased 23 percent, with good growth in High Flex and High Volume, here again supported by positive currency effects. EBIT increased to SEK 203 million with an EBIT margin of 17 percent and I am pleased to note that all divisions reported double-digit EBIT margins for the second consecutive quarter,” says Anders Lindqvist, President and CEO.

Outlook 2022

It is the Board of Directors’ revised opinion that consolidated net sales for 2022 will be at a level of SEK 5 billion at prevailing exchange rates*. Due to the product mix of announced orders in Pattern Generators with deliveries in 2022, the Group’s EBIT margin is, as before, expected to be slightly above the previous long-term financial target of >15 percent.

*The previous opinion was of net sales of SEK 5 billion, based on exchange rates at the end of 2021.

Group summary	Q3		Jan-Sep		Rolling 12 month	Jan-Dec 2021
	2022	2021	2022	2021		
Order intake, SEK million	1,609	1,242	4,253	3,272	5,487	4,506
Net Sales, SEK million	1,214	986	3,622	3,341	4,917	4,635
Book-to-bill	1.3	1.3	1.2	1.0	1.1	1.0
Order backlog, SEK million	2,542	2,030	2,542	2,030	2,542	1,975
Gross margin, %	44.6%	41.0%	44.6%	51.8%	44.1%	49.3%
EBIT, SEK million	203	106	632	845	836	1,049
EBIT margin, %	16.7%	10.7%	17.5%	25.3%	17.0%	22.6%
Earnings per share before/after dilution, SEK	1.56	0.82	5.03	6.66	6.86	8.48
Cash Flow, SEK million	67	-138	153	-444	-64	-662
Changes in Net Sales						
Total growth, %	23%	-8%	8%	16%	13%	19%
Organic growth, %	9%	-22%	-9%	16%	-3%	16%
Growth from acquisitions, %	1%	13%	8%	5%	9%	7%
Currency effects, %	13%	1%	9%	-6%	8%	-3%

CEO comments



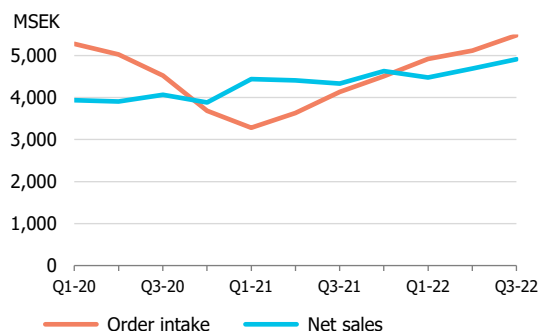
Order intake increased during the third quarter by 30 percent compared with a relatively weak corresponding quarter in the preceding year, mainly driven by a strong performance by Pattern Generators, and supported by positive currency effects. Net sales increased 23 percent, with good growth in High Flex and High Volume, here again supported by positive currency effects. EBIT increased to SEK 203 million with an EBIT margin of 17 percent and I am pleased to note that all divisions reported double-digit EBIT margins for the second consecutive quarter.

In conjunction with Mycronic's Capital Markets Day in September, we presented new, ambitious growth and profitability targets. We also highlighted the previously communicated climate target and presented it together with the financial targets. By 2030, we will double net sales and EBIT while halving our own CO₂ emissions. The Group's EBIT margin is to be above 20 percent, the EBIT margin for individual divisions is to be above 10 percent and we undertake to set new climate targets in accordance with Science Based Targets.

At the end of September, we renewed a revolving credit facility of SEK 1,000 million until September 2026 to secure flexibility in connection with business opportunities. In total, we continue to have access to SEK 2,000 million in bank financing, though at present the credit facility is not utilized.

Pattern Generators received its first order for a Prexision 8 Entry Evo during the quarter. This is a new model in the Prexision Evo series of mask writers to write photomasks for displays up to mask size G8. Third quarter order intake was strong and the division received orders for seven mask

Order intake and net sales, rolling 12 months



writers: one Prexision 8 Entry Evo, two Prexision Lite 8 Evos and four SLXs. At the same time, one SLX was delivered.

Demand remained at a healthy level for High Flex during the third quarter, despite an uncertain macroeconomic environment. Europe has continued to show positive development, with particularly strong demand noted in Italy. North America also performed well. High Flex's sales and service center in Mexico is expected to be operational in the fourth quarter.

For High Volume, suppliers to the electric car industry witnessed high demand and continued to invest. Consumer electronics remained weak and the division's customers in this industry are thus postponing new investments.

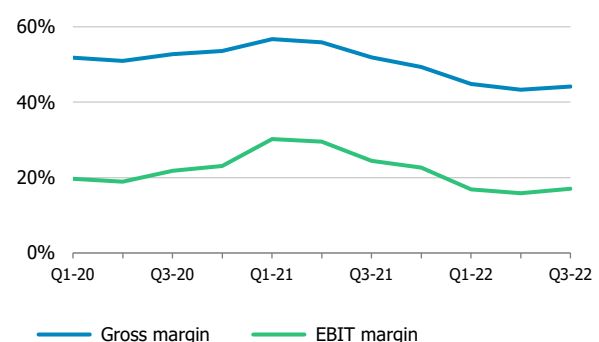
For Global Technologies, customers' investments in China continued in substrates, which meant that the division's electrical test equipment for substrates continued to demonstrate strong performance. In parallel, demand for test equipment for PCBs was stable, with the decline in investments in consumer electronics offset by demand driven by high layer count PCBs. Demand in die bonding from China in telecom and datacom developed negatively.

During the quarter, our die bonding operations within Global Technologies struggled with component shortages, while the other divisions were largely successful in delivering as planned. The high energy prices have not had a material direct impact on cost.

The revised opinion of the Board of Directors and myself is that consolidated net sales for 2022 remain at a level of SEK 5 billion, but based on prevailing exchange rates, where a softer SEK has compensated for weaker demand in China.

Anders Lindqvist, President and CEO

Gross and EBIT margin, rolling 12 months



Financial performance

GROUP

	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	1,609	1,242	4,253	3,272	5,487	4,506
Order backlog, SEK million	2,542	2,030	2,542	2,030	2,542	1,975
Net Sales, SEK million	1,214	986	3,622	3,341	4,917	4,635
Gross profit, SEK million	541	405	1,615	1,731	2,168	2,284
Gross margin, %	44.6%	41.0%	44.6%	51.8%	44.1%	49.3%
EBIT, SEK million	203	106	632	845	836	1,049
EBIT margin, %	16.7%	10.7%	17.5%	25.3%	17.0%	22.6%
EBITDA, SEK million	265	162	811	993	1,072	1,254

In September, Mycronic held a Capital Markets Day at the company's headquarters, during which new financial and sustainability targets were presented. The financial targets state that Mycronic is to achieve net sales of SEK 10 billion and that EBIT is to exceed SEK 2 billion by 2030. In addition, the Group's EBIT margin is to be above 20 percent, while the EBIT margin for individual divisions is to be above 10 percent.

During the quarter, the company repurchased 113,900 of its own shares for delivery to participants of LTIP 2022. At the end of September, a revolving credit facility with Nordea of SEK 1,000 million was renewed until September 2026.

The Group's order intake increased in the third quarter by 30 percent to SEK 1,609 (1,242) million, mainly driven by a favorable performance by Pattern Generators, and supported by positive currency effects. For the first nine months, order intake increased 30 percent to SEK 4,253 (3,272) million. Order intake excluding acquisitions and divestment increased 31 percent in the quarter and 22 percent for the first nine months of the year. The Group's order backlog was SEK 2,542 (2,030) million at the end of the quarter.

Net sales increased 23 percent to SEK 1,214 (986) million, with good growth in High Flex and High Volume, here again supported by positive currency effects. For the first nine months, net sales increased 8 percent to SEK 3,622 (3,341) million. Net sales were positively impacted by currency effects of SEK 127 million for the quarter and SEK 315 million for the first nine months.

In the third quarter 2021, the Group's gross margin was negatively affected by SEK 26 million in acquisition-related costs due to the acquisition of atg L&M. This partly explains the improvement in gross margin this year to 45 (41) percent. The gross margin for the first nine months was 45 (52) percent.

EBIT increased to SEK 203 (106) million during the quarter, corresponding to an EBIT margin of 17 (11) percent. EBIT for the first nine months of the year amounted to SEK 632 (845) million, corresponding to an EBIT margin of 17 (25) percent. Acquisition-related costs amounted to SEK 17 (42) million for the quarter and SEK 49 (73) million for the first nine months of the year.

Cash flow and financial position

Consolidated cash and cash equivalents at the end of September amounted to SEK 906 (887) million. Cash flow amounted to SEK 153 (-444) million for the first nine months of the year. Cash flow from operating activities amounted to SEK 416 (758) million. Working capital increased SEK 203 million, driven by trade receivables and inventory.

Investments during the first nine months of the year generated a positive cash flow of SEK 104 million, compared with a negative cash flow of SEK 1,093 million in the preceding year. The divestment of AEi in February generated SEK 216 million in cash flow, while the capitalization of product development amounted to SEK 25 (33) million and investments in tangible assets to SEK 87 (29) million. Financing activities utilized SEK 366 (108) million, of which SEK 294 million related to dividends to shareholders.

Sustainability

In conjunction with Mycronic's Capital Market Day, the company's climate target was presented together with the financial targets. Mycronic's ambition is to cut CO₂ emissions from production sites, offices, transportation and travel with 50 percent by 2030. In addition, Mycronic has undertaken to set Science Based Targets.

PATTERN GENERATORS

	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	718	407	1,276	849	1,660	1,233
Order backlog, SEK million	1,106	759	1,106	759	1,106	744
Net Sales, SEK million	246	265	914	1,246	1,313	1,645
Gross profit, SEK million	154	154	535	881	758	1,105
Gross margin, %	62.5%	58.0%	58.5%	70.7%	57.7%	67.2%
EBIT, SEK million	76	94	311	686	457	832
EBIT margin, %	31.0%	35.3%	34.0%	55.1%	34.8%	50.6%
EBITDA	88	103	343	714	499	870
R&D expenditures, SEK million	-50	-48	-159	-162	-215	-219
R&D costs, SEK million	-49	-45	-157	-149	-209	-201

Pattern Generators received its first order for a Precision 8 Entry Evo during the quarter. This is a new model in the Precision Evo series of mask writers to write photomasks for displays up to mask size G8. Unlike Precision Lite 8 Evo, this model is supplied with flexible configuration options, which allows the customers to upgrade to a Precision 8 Evo in order to produce more advanced photomasks.

Third quarter order intake was strong and the division received orders for seven mask writers: one Precision 8 Entry Evo, two Precision Lite 8 Evos and four SLXs. Order intake increased 76 percent to SEK 718 (407) million. For the first nine months of the year, order intake increased 50 percent to SEK 1,276 (849) million.

At the end of the September, the order backlog amounted to SEK 1,106 (759) million and contained 15 systems with planned deliveries as follows:

2022 Q4: 4 SLXs, 1 Precision Lite 8 Evo

2023 Q1: 2 SLXs, 1 Precision Lite 8 Evo

2023 Q2: 1 SLX

2023 Q3: 1 Precision Lite 8 Evo

2023 Q4: 2 SLXs, 1 Precision 8 Entry Evo, 1 Precision Lite 8 Evo

2024 Q1: 1 SLX

The delivery of an SLX announced earlier, has been moved from the third to the fourth quarter of 2022.

Pattern Generators delivered one SLX during the third quarter, compared with one Precision Lite 8 Evo and one SLX during the same period last year. Net sales declined 7 percent and amounted to SEK 246 (265) million. For the first nine months of the year, net sales decreased 27 percent to SEK 914 (1,246) million. Net sales were positively impacted by currency effects of SEK 19 million for the third quarter and SEK 58 million for the first nine months.

The gross margin for the quarter amounted to 62 (58) percent and 59 (71) percent for the first nine months of the year.

EBIT declined to SEK 76 (94) million during the quarter, corresponding to an EBIT margin of 31 (35) percent. Due to lower net sales and a less advantageous product mix, EBIT for the first nine months of the year decreased to SEK 311 (686) million, corresponding to an EBIT margin of 34 (55) percent.

R&D costs for the quarter amounted to SEK 49 (45) million and SEK 157 (149) million for the first nine months. The capitalization of development costs amounted to SEK 0 (3) million for the quarter and SEK 2 (13) million for the first nine months.

HIGH FLEX

	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	346	334	1,052	936	1,337	1,220
Order backlog, SEK million	243	214	243	214	243	130
Net Sales, SEK million	341	271	939	809	1,307	1,176
Gross profit, SEK million	139	111	381	318	532	469
Gross margin, %	40.8%	40.8%	40.5%	39.3%	40.7%	39.9%
EBIT, SEK million	43	31	97	77	157	136
EBIT margin, %	12.7%	11.5%	10.4%	9.5%	12.0%	11.6%
EBITDA	53	41	125	105	194	174
R&D expenditures, SEK million	-45	-41	-141	-131	-186	-177
R&D costs, SEK million	-42	-36	-121	-114	-158	-151

Demand remained at a healthy level during the third quarter, despite an uncertain macroeconomic environment. Europe has continued to show positive development, with particularly strong demand noted in Italy. North America also performed well. High Flex's sales and service center in Mexico is expected to be operational in the fourth quarter. Order intake rose 4 percent in the quarter and amounted to SEK 346 (334) million. At the end of the quarter, High Flex received an order of almost USD 2 million, for installation in Australia. For the first nine months of the year, order intake increased 12 percent to SEK 1,052 (936) million. At the end of the quarter, the order backlog totaled SEK 243 (214) million.

During the quarter High Flex successfully managed the situation with components shortage and logistics challenges. Net sales increased 26 percent to SEK 341 (271) million. For the first nine months, net sales increased 16 percent to SEK

939 (809) million. Net sales were positively impacted by currency effects of SEK 35 million for the quarter and SEK 81 million for the first nine months.

High Flex continued maintaining good delivery times for its key products. The gross margin for the quarter was 41 (41) percent and 41 (39) percent for the first nine months.

EBIT increased to SEK 43 (31) million with an EBIT margin of 13 (11) percent. EBIT for the first nine months of the year was SEK 97 (77) million, corresponding to an EBIT margin of 10 (9) percent.

R&D costs for the quarter amounted to SEK 42 (36) million and SEK 121 (114) million for the first nine months. The capitalization of development costs amounted to SEK 4 (6) million for the quarter and SEK 23 (20) million for the first nine months of the year.

HIGH VOLUME

	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	331	236	1,257	1,007	1,585	1,336
Order backlog, SEK million	894	759	894	759	894	809
Net Sales, SEK million	426	235	1,172	918	1,455	1,200
Gross profit, SEK million	166	87	452	418	543	508
Gross margin, %	38.9%	37.2%	38.6%	45.5%	37.3%	42.3%
EBIT, SEK million	95	30	216	214	233	231
EBIT margin, %	22.4%	12.8%	18.4%	23.3%	16.0%	19.3%
EBITDA	102	35	236	228	260	251
R&D expenditures, SEK million	-38	-27	-109	-83	-133	-107
R&D costs, SEK million	-40	-28	-114	-86	-140	-112

During the quarter, suppliers to the electric car industry witnessed high demand and continued to invest. Consumer electronics remained weak and the division's customers in this industry are thus postponing new investments. Order intake rose 41 percent in the quarter and amounted to SEK 331 (236) million. Order intake excluding acquisitions increased 30 percent, supported by strong positive currency effects, while in local currency order intake increased 17 percent. For the first nine months of the year, order intake increased 25 percent to SEK 1,257 (1,007) million, while the order intake excluding acquisitions increased 16 percent, fully explained by positive currency effects. At the end of the quarter, the order backlog totaled SEK 894 (759) million.

Component and raw material availability, as well as the distribution logistics situation, improved in the third quarter. High Volume has found alternative local suppliers and freight prices fell sharply from peak levels. During the quarter, the division also established increased production capacity in Shenzhen. Net sales increased 81 percent in the

period to SEK 426 (235) million compared to a weak corresponding quarter in the previous year, with strong volume increases supported by the acquisition and positive currency effects. For the first nine months, net sales increased 28 percent to SEK 1,172 (918) million. Organic net sales increased 49 percent during the quarter and 6 percent for the first nine months of the year. Net sales were positively impacted by currency effects of SEK 51 million for the quarter and SEK 135 million for the first nine months.

The gross margin for the third quarter amounted to 39 (37) percent and 39 (46) percent for the first nine months.

The division's EBIT for the third quarter increased to SEK 95 (30) million, corresponding to an EBIT margin of 22 (13) percent. EBIT for the first nine months of the year amounted to SEK 216 (214) million, corresponding to an EBIT margin of 18 (23) percent.

R&D costs for the quarter amounted to SEK 40 (28) million and SEK 114 (86) million for the first nine months.

GLOBAL TECHNOLOGIES

	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Order intake, SEK million	232	282	713	517	958	761
Order backlog, SEK million	298	299	298	299	298	291
Net Sales, SEK million	218	232	642	405	894	657
Gross profit, SEK million	85	52	250	114	336	200
Gross margin, %	38.9%	22.6%	39.0%	28.2%	37.6%	30.4%
EBIT, SEK million	22	-16	95	-23	116	-3
EBIT margin, %	10.0%	-6.7%	14.8%	-5.8%	13.0%	-0.4%
EBITDA	35	-2	135	1	169	34
R&D expenditures, SEK million	-16	-20	-50	-45	-73	-68
R&D costs, SEK million	-23	-26	-69	-55	-98	-84

In China, customers' investments continued in substrates, which meant that the division's electrical test equipment for substrates continued to demonstrate strong performance. In parallel, demand for test equipment for PCBs was stable, with the decline in investments in consumer electronics offset by demand driven by high layer count PCBs. Demand in die bonding from China in telecom and datacom developed negatively. Global Technologies' order intake amounted to SEK 232 (282) million for the quarter and SEK 713 (517) million for the first nine months. Order intake excluding acquisition and divestment was during the third quarter at the same level as the previous year and increased 4 percent for the first nine months. At the end of the quarter, the order backlog totaled SEK 298 (299) million.

During the quarter, the operations in die bonding faced challenges in terms of the supply of components while electrical testing successfully executed its production plan despite the strained component supply situation. Net sales amounted to SEK 218 (232) million for the quarter and SEK 642 (405) million for the first nine months. Organic net

sales decreased 10 percent in the quarter and was for the first nine months at the same level as the previous year. Net sales for the quarter were positively impacted by currency effects of SEK 24 million and the first nine months positively by SEK 45 million.

During the third quarter 2021, Global Technologies' gross margin was negatively affected by SEK 26 million in acquisition-related costs due to the acquisition of atg L&M. This partly explains the improvement in gross margin this year to 39 (23) percent. For the first nine months, the gross margin was 39 (28) percent.

EBIT for the quarter increased to SEK 22 (-16) million corresponding to an EBIT margin of 10 (-7) percent. EBIT for the first nine months of the year amounted to SEK 95 (-23) million, corresponding to an EBIT margin of 15 (-6) percent. The divestment of AEi in February had a positive EBIT impact of SEK 25 million.

R&D costs for the quarter amounted to SEK 23 (26) million and SEK 69 (55) million for the first nine months.

The electronics industry

The global electronics industry grew by 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 2.8 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 6.3 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 5.6 percent¹. The display market is estimated to have grown 25.7 percent in 2021 to USD 157 billion². For 2022, negative growth of 21.9 percent is forecast due to a reduction in the prices of LCD displays. During the 2022-2026 period, the display market is expected to return to positive growth, 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	-2.8%	+12.3%	+1.8%
Semiconductor industry, percentual change ¹	+6.3%	+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	123	157	125
Photomasks for displays, percentual change in value ⁵	+9.8%	+14.0%	-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 half of 2022 compared with the same period last year, even though the markets in Europe, North and South America and Japan reported growth³. 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 by 16.4 percent in 2022, to USD 14.7 billion⁸. For the period 2021-2027 the market is forecast to grow to USD 24.6 billion⁸, which corresponds to annual growth of 11.7 percent. Growth expectations for the global market for printed circuit boards and substrates has been revised downward to 1.5 percent in 2022 to USD 82.1 billion⁹. Growth continues to be driven by high layer count PCBs and substrates. For the period 2021-2026, the market is forecast to grow to USD 101.6 billion⁹, which corresponds to annual growth of 4.6 percent.

PATTERN GENERATORS MARKET AREA

PHOTOMASKS FOR DISPLAYS

In 2021 the market showed growth of 14.0 percent, from USD 821 million to USD 936 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 show positive growth of 9.8 percent to USD 1,028 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 6.0 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 addressed by laser-based mask writers 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 August 2022
- 2) Omdia, latest forecast October 2022
- 3) Protec MDC, July 2022
- 4) Prismark, April 2022
- 5) Omdia, July 2022 (annual update)
- 6) TechInsights, April 2022 (annual update)
- 7) Protec MDC, April 2022, Mycronic analysis
- 8) Lightcounting, April 2022
- 9) Prismark, August 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 1,566 (1,830) million for the first nine months of the year. EBIT amounted to SEK 434 (634) million.

Cash and cash equivalents at the end of September amounted to SEK 269 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 October 20, 2022 at 08:00 a.m. CEST.

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

This report was reviewed by the company's auditor.

CONFERENCE CALL

Mycronic will hold a teleconference at 10:00 a.m. CEST on October 20, 2022, with President and CEO Anders Lindqvist and CFO & Sr VP Corporate Development Pierre Brorsson. To participate, please dial one of the numbers or watch via the web link below.

Täby, October 20, 2022
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<https://mycronic-external.creo.se/221020>

FINANCIAL CALENDAR

Year-end report 2022	February 10, 2023
Annual and Sustainability Report 2022	April 3, 2023
Interim Report January–March 2023	April 27, 2023
Annual General Meeting 2023	May 9, 2023
Interim Report January–June 2023	July 14, 2023
Interim Report January–Sept. 2023	October 19, 2023
Year-end report 2023	February 8, 2024

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Group

Consolidated profit and loss accounts in summary, SEK million	Note	Q3		Jan-Sep		Rolling	Jan-Dec
		2022	2021	2022	2021	12 month	2021
Net sales	5, 6	1,214	986	3,622	3,341	4,917	4,635
Cost of goods sold		-672	-581	-2,007	-1,609	-2,748	-2,351
Gross profit		541	405	1,615	1,731	2,168	2,284
Research and development	7	-154	-136	-462	-405	-606	-548
Selling expenses		-157	-120	-445	-374	-597	-526
Administrative expenses		-65	-66	-191	-179	-256	-243
Other income and expenses		37	23	115	71	126	82
EBIT		203	106	632	845	836	1,049
Financial income and expenses		-2	-1	-5	-2	-6	-2
Profit/loss before tax		201	105	627	843	830	1,046
Tax		-50	-25	-138	-193	-164	-219
Net Profit/loss		151	80	489	650	666	827
Earnings per share before/after dilution, SEK		1.56	0.82	5.03	6.66	6.86	8.48
Average number of outstanding shares, thousand		97,523	97,599	97,597	97,656	97,605	97,649
Results attributable to owners of the Parent Company		152	80	491	650	669	828
Results attributable to non-controlling interests		-1	-	-2	-	-3	-1
		151	80	489	650	666	827

Consolidated statement of comprehensive income in summary, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Net Profit/loss	151	80	489	650	666	827
Other comprehensive income						
Items not to be reclassified to profit/loss, after tax						
Actuarial profit/loss from defined benefits to employees	-	-	-	-	1	1
Items to be reclassified to profit/loss, after tax						
Translation differences at translating foreign entities	108	62	303	120	374	191
Hedging of net investment in foreign entities	-	-3	-	-3	-3	-6
Changes in cash flow hedges	-31	-8	-60	-60	-76	-76
Total comprehensive income	228	131	732	707	963	938
Total comprehensive income attributable to owners of the Parent Company	228	131	729	707	958	936
Total comprehensive income attributable to non-controlling interests	0	-	3	-	4	2
	228	131	732	707	963	938

Consolidated statements of financial position in summary, SEK million	30 Sep 22	30 Sep 21	31 Dec 21
ASSETS			
Fixed assets			
Intangible assets	2,440	2,154	2,296
Tangible assets	506	454	429
Non-current receivables	57	37	55
Deferred tax assets	160	135	145
Total fixed assets	3,162	2,780	2,926
Current assets			
Inventories	1,587	1,363	1,363
Trade receivables	972	604	658
Other current receivables	308	317	320
Cash and cash equivalents	906	887	683
Total current assets	3,772	3,172	3,024
Assets held for sale*	-	167	186
Total assets	6,934	6,118	6,136
EQUITY AND LIABILITIES			
Equity	4,428	3,719	3,997
Non-current liabilities			
Non-current interest-bearing liabilities	195	188	181
Deferred tax liabilities	311	286	329
Other non-current liabilities	51	56	59
Total non-current liabilities	556	529	570
Current liabilities			
Current interest-bearing liabilities	72	377	62
Trade payables	369	301	295
Other current liabilities	1,509	1,163	1,186
Total current liabilities	1,950	1,840	1,544
Liabilities directly associated with the assets held for sale*	-	30	26
Total liabilities	2,506	2,399	2,139
Total equity and liabilities	6,934	6,118	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	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Profit/loss before tax	201	105	627	843	830	1,046
Adjustments for non-cash items and paid income tax	20	7	-8	-80	92	20
Change in working capital	-51	-37	-203	-5	-266	-68
Cash flow from operating activities	170	76	416	758	656	998
Cash flow from investing activities	-16	-23	104	-1,093	-26	-1,223
Cash flow from financing activities	-87	-191	-366	-108	-694	-437
Cash flow for the period	67	-138	153	-444	-64	-662
Cash and cash equivalents, opening balance*	819	1,019	692	1,303	895	1,303
Exchange difference for cash and cash equivalents	20	15	60	37	75	51
Cash and cash equivalents classified as assets held for sale	-	-8	-	-8	-	-9
Cash and cash equivalents, closing balance	906	887	906	887	906	683

*Cash and cash equivalents at the beginning of 2022 and rolling 12 months include cash and cash equivalents classified as assets held for sale.

Consolidated statement of changes in equity in summary, SEK million	Jan-Sep		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	-4
Change of non-controlling interests*	-	-53	-13
Swap agreement related to own shares	-	4	10
Repurchase of own shares	-16	-23	-23
Equity-settled share based payments	9	4	6
Total comprehensive income	732	707	938
Closing balance	4,428	3,719	3,997
Of which holdings of non-controlling interests	44	-	42

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

Other key figures *	Jan-Sep		Jan-Dec
	2022	2021	2021
Equity per share, SEK	45.40	38.10	40.94
Return on equity (rolling 12 months), %	16.4%	23.7%	22.4%
Return on capital employed (rolling 12 months), %	18.8%	27.2%	26.9%
Net cash, SEK million	639	323	440
Average number of employees	1,987	1,636	1,683

*In addition to Key Figures presented on page 1. See calculations on page 18.

Parent Company

Profit/loss accounts in summary, Parent Company, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Net sales	460	457	1,566	1,830	2,293	2,557
Cost of goods sold	-244	-243	-834	-779	-1,219	-1,165
Gross profit	216	214	732	1,051	1,073	1,392
Other operating expenses	-71	-106	-298	-417	-479	-598
EBIT	145	108	434	634	594	794
Result from financial items	9	3	95	134	101	140
Profit/loss after financial items	154	111	529	768	696	934
Appropriations	-	-	-	-	-199	-199
Profit/loss before tax	154	111	529	768	496	735
Tax	-34	-23	-96	-132	-99	-135
Net Profit/loss	121	88	433	635	398	600
Total comprehensive income	121	88	433	635	398	600

Balance sheets in summary, Parent Company, SEK million	30 Sep 22	30 Sep 21	31 Dec 21
ASSETS			
Fixed assets			
Intangible and tangible assets	151	340	119
Financial assets	3,023	2,762	2,915
Total fixed assets	3,174	3,102	3,034
Current assets			
Inventories	601	553	512
Current receivables	565	691	641
Cash and cash equivalents	269	157	116
Total current assets	1,435	1,401	1,269
TOTAL ASSETS	4,609	4,504	4,303
EQUITY AND LIABILITIES			
Equity	2,618	2,515	2,486
Untaxed reserves	1,275	1,076	1,275
Non-current interest-bearing liabilities	-	-	-
Other non-current liabilities	2	1	1
Total non-current liabilities	2	1	1
Current interest bearing liabilities	-	323	8
Other current liabilities	713	587	532
Total current liabilities	713	911	540
TOTAL EQUITY AND LIABILITIES	4,609	4,504	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

After the end of the period, an order for two SLX mask writers was received.

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue by geographical market, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
EMEA	185	168	547	411	778	642
North and South America	212	126	567	372	864	669
Asia	817	692	2,509	2,557	3,275	3,323
	1,214	986	3,622	3,341	4,917	4,635
Revenue by type of good/service, SEK million						
System	821	631	2,516	2,412	3,445	3,340
Aftermarket	392	354	1,106	929	1,471	1,295
	1,214	986	3,622	3,341	4,917	4,635
Timing of revenue recognition, SEK million						
Goods transferred at a point in time	965	791	2,896	2,764	3,948	3,817
Services transferred over time	249	195	726	576	968	818
	1,214	986	3,622	3,341	4,917	4,635

NOTE 6 SEGMENT REPORTING

SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
Net sales by Division						
Pattern Generators	246	265	914	1,246	1,313	1,645
High Flex	341	271	939	809	1,307	1,176
High Volume	426	235	1,172	918	1,455	1,200
Global Technologies	218	232	642	405	894	657
Internal net sales between divisions	-17	-17	-45	-37	-52	-44
	1,214	986	3,622	3,341	4,917	4,635
EBIT by Division						
Pattern Generators	76	94	311	686	457	832
High Flex	43	31	97	77	157	136
High Volume	95	30	216	214	233	231
Global Technologies	22	-16	95	-23	116	-3
Group functions etc	-34	-34	-89	-109	-130	-149
Amortization of previously acquired intangible assets	-	-	-	-2	-	-2
Effects from IFRS 16	1	1	3	2	5	3
Group	203	106	632	845	836	1,049

SEK million	30 Sep 22	30 Sep 21	31 Dec 21
Assets by Division			
Capitalized Development Costs			
Pattern Generators	60	71	72
High Flex	62	50	54
	122	122	126
Inventories			
Pattern Generators	439	430	411
High Flex	323	260	244
High Volume	600	521	568
Global Technologies	235	155	148
	1,587	1,363	1,363
Trade Receivables			
Pattern Generators	215	150	182
High Flex	289	201	240
High Volume	312	91	117
Global Technologies	155	161	118
	972	604	658

NOTE 7 RESEARCH AND DEVELOPMENT COSTS

Research and development costs, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2022	2021	2022	2021	12 month	2021
R&D expenditures						
Pattern Generators	-50	-48	-159	-162	-215	-219
High Flex	-45	-41	-141	-131	-186	-177
High Volume	-38	-27	-109	-83	-133	-107
Global Technologies	-16	-20	-50	-45	-73	-68
	-149	-136	-459	-422	-607	-570
Capitalization of Development Costs						
Pattern Generators	0	3	2	13	6	17
High Flex	4	6	23	20	32	29
	5	9	25	33	38	46
Amortization of Acquired Technology						
High Flex	-1	-1	-3	-3	-4	-4
High Volume	-2	-1	-6	-3	-7	-5
Global Technologies	-7	-6	-19	-10	-25	-16
	-10	-9	-28	-17	-37	-25
Reported cost	-154	-136	-462	-405	-606	-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.

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-Sep		Rolling	Jan-Dec
Return on equity	2022	2021	12 month	2021
Net profit/loss (rolling 12 months)	666	830	666	827
Average shareholders' equity	4,073	3,497	4,073	3,687
	16.4%	23.7%	16.4%	22.4%
Return on capital employed				
Profit/loss before tax (rolling 12 months)	830	1,054	830	1,046
Financial expenses	13	14	13	14
Profit/loss before financial expenses	843	1,068	843	1,060
Average balance sheet total	6,526	5,669	6,526	5,728
Average non-interest-bearing liabilities	2,037	1,738	2,037	1,787
Average capital employed	4,489	3,931	4,489	3,941
	18.8%	27.2%	18.8%	26.9%
Book-to-bill				
Order intake	4,253	3,272	5,487	4,506
Net sales	3,622	3,341	4,917	4,635
	1.2	1.0	1.1	1.0
EBITDA				
EBIT	632	845	836	1,049
Depreciation/Amortization	179	149	236	205
	811	993	1,072	1,254
Underlying EBIT				
EBIT	632	845	836	1,049
Acquisition-related costs included in:				
Cost of goods sold	-	26	4	30
Operating expenses	49	47	69	67
	49	73	73	97
Gains from divestments of subsidiaries	-25	-	-25	-
	655	917	884	1,146
Equity per share				
Equity at balance day	4,428	3,719	4,428	3,997
No. of outstanding shares at end of period, thousand	97,529	97,608	97,529	97,635
	45.40	38.10	45.40	40.94
Earnings per share before/after dilution, SEK				
Net Profit/loss attributable to owners of the Parent Company	491	650	669	828
Average no. of outstanding shares before dilution, thousand	97,597	97,656	97,605	97,649
Average no. of outstanding shares after dilution, thousand	97,613	97,690	97,624	97,709
	5.03	6.66	6.86	8.48
Net cash, SEK million				
Cash and cash equivalents	906	887	906	683
Interest-bearing liabilities	-267	-564	-267	-243
	639	323	639	440

Quarterly data	Q3 22	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20
Order intake								
Pattern Generators	718	176	383	384	407	209	233	403
High Flex	346	332	374	284	334	279	323	269
High Volume	331	484	441	328	236	381	391	163
Global Technologies	232	222	260	245	282	144	90	51
Internal order intake between divisions	-17	-11	-17	-7	-17	-11	-10	-20
	1,609	1,203	1,441	1,234	1,242	1,002	1,027	865
Order Backlog								
Pattern Generators	1,106	635	807	744	759	617	797	1,156
High Flex	243	239	216	130	214	150	134	86
High Volume	894	988	885	809	759	758	692	669
Global Technologies	298	284	308	291	299	249	82	57
	2,542	2,146	2,217	1,975	2,030	1,774	1,706	1,969
Net Sales								
Pattern Generators	246	348	320	399	265	389	592	385
High Flex	341	309	288	368	271	262	276	331
High Volume	426	381	365	283	235	315	368	203
Global Technologies	218	246	179	252	232	107	66	93
Internal net sales between divisions	-17	-11	-17	-7	-17	-11	-10	-20
	1,214	1,273	1,135	1,295	986	1,064	1,291	992
Gross Profit								
Pattern Generators	154	193	188	224	154	252	476	283
High Flex	139	128	113	152	111	97	110	136
High Volume	166	156	131	91	87	166	165	68
Global Technologies	85	102	64	86	52	41	21	32
	541	578	496	553	405	555	772	519
Gross Margin								
Pattern Generators	62.5%	55.4%	58.8%	56.0%	58.0%	64.6%	80.4%	73.6%
High Flex	40.8%	41.4%	39.3%	41.2%	40.8%	36.9%	40.1%	41.0%
High Volume	38.9%	40.8%	35.9%	32.1%	37.2%	52.6%	44.8%	33.3%
Global Technologies	38.9%	41.5%	35.6%	34.1%	22.6%	37.9%	32.1%	34.4%
	44.6%	45.4%	43.7%	42.7%	41.0%	52.1%	59.8%	52.3%
R&D expenses								
Pattern Generators	-49	-60	-48	-52	-45	-57	-47	-51
High Flex	-42	-42	-38	-37	-36	-42	-36	-36
High Volume	-40	-40	-35	-26	-28	-29	-29	-30
Global Technologies	-23	-22	-24	-29	-26	-15	-14	-15
Total R&D expenses	-154	-164	-145	-143	-136	-144	-126	-132
Selling expenses	-157	-155	-132	-152	-120	-132	-123	-76
Administrative expenses	-65	-64	-62	-65	-66	-55	-57	-66
Other income/expenses	37	28	49	11	23	17	32	-31
EBIT	203	224	206	204	106	241	498	214
Of which EBIT Pattern Generators	76	110	125	146	94	174	419	201
Of which EBIT High Flex	43	35	19	59	31	11	35	25
Of which EBIT High Volume	95	65	55	17	30	94	90	30
Of which EBIT Global Technologies	22	43	31	21	-16	7	-14	-8
Of which EBIT Group functions	-34	-30	-25	-40	-34	-44	-30	-35
EBIT margin	16.7%	17.6%	18.1%	15.8%	10.7%	22.7%	38.6%	21.5%
Equity per share	45.40	43.16	43.29	40.94	38.10	36.96	38.43	34.58
Earnings per share before/after dilution	1.56	1.79	1.69	1.82	0.82	1.84	3.99	1.80
Closing share price	135.00	143.90	176.00	211.00	218.40	258.20	205.00	245.40

THIS REPORT IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

Mycronic AB (publ), corporate identity number 556351-2374

Introduction

We have reviewed the condensed interim report for Mycronic AB (publ) as at September 30, 2022 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, date as evidenced by our digital signature

Ernst & Young AB

Erik Sandström
Authorized Public Accountant