

## Interim Report January-March 2020

### First quarter

- Order intake increased 99 percent to SEK 1,432 (721) million
- Net sales decreased 33 percent to SEK 736 (1,105) million and 35 percent based on constant exchange rates. As planned, no mask writers were delivered during the period, which in its entirety accounts for the decline in the Group's net sales
- EBIT was SEK 55 (406) million, a decline of 86 percent. As planned, no mask writers were delivered during the period, which in its entirety accounts for the lower EBIT. The EBIT margin was 8 (37) percent
- The underlying EBIT was SEK 65 (420) million, a decline of 85 percent. The underlying EBIT margin was 9 (38) percent
- Earnings per share were SEK 0.40 (3.20)

*"We delivered a stable first quarter, with strong order intake. In a time marked by uncertainty and turbulence, I feel confident in Mycronic's solid financial position and healthy liquidity. In recent years, we have strengthened our aftermarket sales, which accounted for 28 percent of the Group's sales in 2019. Our Pattern Generators business is characterized by long lead times, together with customer relationships that extend over decades. Deliveries of mask writers, from a well-filled order book for the year, are continuing as planned. This feels secure," says Anders Lindqvist, President and CEO*

### Outlook 2020

The Board's assessment is that consolidated net sales for 2020 will be at a level of SEK 4.1 billion, excluding any acquisitions made in 2020. This outlook remains, but the increased uncertainty in the global economy due to COVID-19 should be noted.

Group summary	Q1		Rolling 12 month	Jan-Dec 2019
	2020	2019		
Order intake, SEK million	1,432	721	5,278	4,567
Net Sales, SEK million	736	1,105	3,937	4,307
Book-to-bill	1.9	0.7	1.3	1.1
Order backlog, SEK million	2,860	1,525	2,860	2,164
Gross margin, %	45.4%	62.6%	51.8%	55.7%
EBIT, SEK million	55	406	774	1,124
EBIT margin, %	7.5%	36.7%	19.7%	26.1%
Underlying EBIT margin, %	8.8%	38.0%	20.7%	27.1%
Earnings per share before/after dilution, SEK	0.40	3.20	5.95	8.74
Cash Flow, SEK million	228	32	16	-180
<i>Changes in net sales</i>				
Total growth, %	-33%	47%	-5%	14%
Organic growth, %	-35%	33%	-9%	7%
Growth from acquisitions, %	-	5%	1%	2%
Currency effects, %	2%	9%	3%	5%

## CEO comments



In a time marked by uncertainty and turbulence, I feel confident in Mycronic's strong financial position and healthy liquidity. In recent years, we have strengthened our aftermarket sales, which accounted for 28 percent of the Group sales in 2019. Our Pattern Generator business is characterized by

long lead times, together with customer relationships that extend over decades. Deliveries of mask writers, from a well-filled order book for the year, are progressing as planned. This feels secure.

We have changed our way of working. As of the beginning of April, our daily operations comprise four divisions with the Assembly Solutions business area being divided between the three divisions; High Flex, High Volume and Global Technologies, while Pattern Generators forms the fourth division. The work in our divisions is characterized by clear accountability and leadership, with a decentralized mandate and responsibility to ensure that we always support and enhance our customers' operations in the best possible way. We are continuing to prioritize and invest in innovation, at the same time as there is good potential for the divisions to pursue continuous improvement efforts.

Order intake during the quarter was strong and nearly doubled, from a favourable comparison, to SEK 1,432 million, fueled mainly by the five orders for mask writers secured by Pattern Generators: one Prexision 800 Evo, together with four orders for the recently launched SLX, which produces masks for the semiconductor industry. This is very satisfying and it is confirmation from semiconductor manufacturers that we now offer attractive and effective production solutions also in this segment. Assembly Solutions reported strong performance in the High Volume division driven by strong demand for dispensing equipment

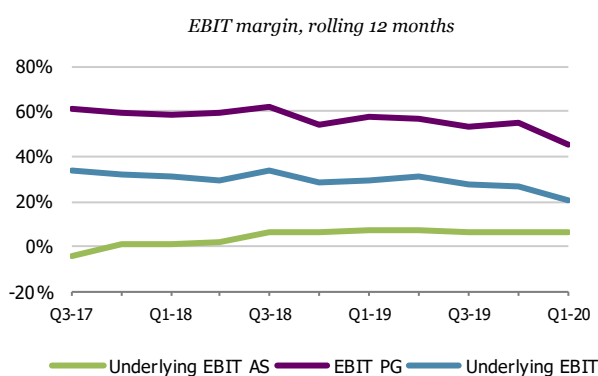
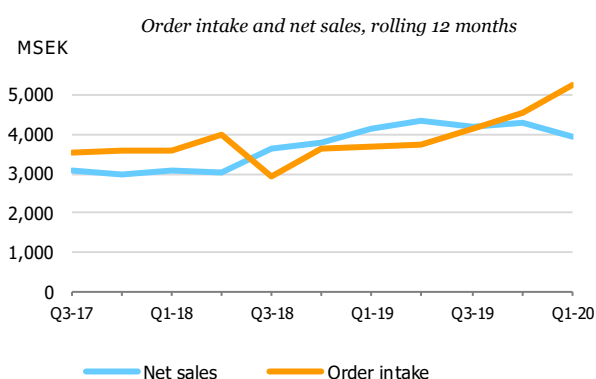
in China, which contributed to an order intake of SEK 707 million, corresponding to growth of 25 percent. In total, this yields a robust order book of nearly SEK 2.9 billion, compared with SEK 1.5 billion a year ago.

Assembly Solutions displayed healthy net sales growth of 8 percent during the quarter, generated by strong performance by the High Volume division in the Chinese market. The operations in Pattern Generators are characterized by natural variations between the quarters and, as planned, no system deliveries were made during the period, which in its entirety, accounts for the Group's year-on-year sales decline of 33 percent.

COVID-19 is spreading throughout the world and is having a major impact on communities and businesses. We are monitoring developments closely and taking a structured approach to reduce the risks for personnel and operations, while we are implementing measures that will also secure scope for manoeuvre in the future. The safety and health of our personnel are our priority, while we are following the official instructions. We are also working to support society wherever we see that we can make a difference. For example, we have put production-ready SMT lines from our demo centers at the disposal of the medical devices industry.

We have a strong financial position combined with the fact that we have delivered a stable first quarter with marginal impact from COVID-19. On this basis, the Board of Directors repeats its outlook issued earlier for net sales at a level of SEK 4.1 billion, while adding that the increased uncertainty in the global economy due to COVID-19 should be noted. Also the long term goal of achieving net sales of SEK 5 billion not later than 2023 remains.

*Anders Lindqvist, President and CEO*



## Financial performance, Group

	Q1		Rolling 12 month	Jan-Dec 2019
	2020	2019		
Order intake, SEK million	1,432	721	5,278	4,567
Order backlog, SEK million	2,860	1,525	2,860	2,164
Net Sales, SEK million	736	1,105	3,937	4,307
Gross profit, SEK million	334	692	2,041	2,399
Gross margin, %	45.4%	62.6%	51.8%	55.7%
EBIT, SEK million	55	406	774	1,124
EBIT margin, %	7.5%	36.7%	19.7%	26.1%
Underlying EBIT, SEK million	65	420	813	1,169
Underlying EBIT margin, %	8.8%	38.0%	20.7%	27.1%
EBITDA, SEK million	98	440	965	1,307

### Group

As of the beginning of April, the company's daily operations comprise four divisions, with the Assembly Solutions business area being divided between the High Flex, the High Volume and the Global Technologies divisions, while Pattern Generators forms the fourth division.

Order intake during the quarter was strong and nearly doubled, from a favorable comparison, to SEK 1,432 (721) million, driven mainly by the five orders for mask writers secured by Pattern Generators, but also by the strong demand experienced by Assembly Solutions in dispensing applications in China. In total, this resulted in a robust order backlog of SEK 2,860 (1,525) million, corresponding to an increase of 88 percent.

Assembly Solutions displayed healthy net sales growth of 8 percent during the quarter, generated by strong performance by the High Volume division in the Chinese market. The operations in Pattern Generators are characterized by natural variations between the quarters and, as planned, no system deliveries were made during the period, which in its entirety accounts for the Group's year-on-year decline in net sales of 33 percent to SEK 736 (1,105) million. Currency effects made a positive contribution of SEK 22 million. The gross margin was 45 (63) percent.

The lower EBIT of SEK 55 (406) million, corresponding to an EBIT margin of 8 (37) percent, is also attributable in its entirety due to that no mask writers were delivered during the quarter. Acquisition-related costs impacted earnings in an amount of SEK 9 (15) million, primarily attributable to amortization of acquired intangible assets, resulting in an underlying EBIT of SEK 65 (420) million, corresponding to a margin of 9 (38) percent.

### Cash flow and financial position

Consolidated cash and cash equivalents at the end of March amounted to SEK 911 (873) million. Cash flow amounted to SEK 228 (32) million during the period. Cash flow from operating activities amounted to SEK 285 (68) million. Working capital tied-up declined during the quarter by SEK 326 (-300) million, mainly due to advances received from customers.

Investments amounted to SEK 43 (24) million, of which capitalization of product development accounted for SEK 29 million. Investments in tangible assets totaled SEK 10 million and mainly related to IT infrastructure.

Financing activities utilized SEK 14 (12) million.

### COVID-19

Mycronic is closely monitoring developments relating to COVID-19 and taking a structured approach to reduce the risks to personnel and operations, while the company is implementing measures that will also secure scope for manoeuvre in the future. The personnel's health and safety is being prioritized, while Mycronic is also following the official instructions. Mycronic is also working to support society wherever the company sees that it can make a difference.

Mycronic has a strong financial position combined with the fact that the company delivered a stable first quarter with marginal impact from COVID-19. As of March 31, the virus outbreak had not had any significant impact on the company's balance sheet. The businesses are diversified and operate in various segments, product areas and geographies. However, the virus has had an impact on the electronics industry and is creating uncertainty in the market, making forecasts and long-term effects difficult to assess.

## Financial performance per business area

Assembly Solutions	Q1		Rolling	Jan-Dec
	2020	2019	12 month	2019
Order intake, SEK million	707	566	2,903	2,762
Order backlog, SEK million	945	553	945	805
Net Sales, SEK million	567	524	2,506	2,463
Gross profit, SEK million	225	214	1,022	1,011
Gross margin, %	39.7%	40.8%	40.8%	41.0%
EBIT, SEK million	20	5	125	110
EBIT margin, %	3.6%	1.0%	5.0%	4.5%
Underlying EBIT, SEK million	30	20	164	155
Underlying EBIT margin, %	5.2%	3.8%	6.6%	6.3%
R&D expenditures, SEK million	-93	-78	-355	-340
R&D costs, SEK million	-91	-77	-357	-344

### Assembly Solutions

As of the beginning of April, Assembly Solutions is organized into three divisions comprising High Flex, High Volume and Global Technologies.

Order intake was strong and increased 25 percent to SEK 707 million. The High Volume division, in particular, contributed significant orders in dispensing in the Chinese market. The healthy order intake contributed to an increase in the order backlog by 71 percent to SEK 945 (553) million.

During the quarter, net sales increased 8 percent to SEK 567 (524) million, mainly generated by strong performance by the High Volume division, which strengthened its leading position in dispensing in the Chinese market. Currency effects made a positive contribution of SEK 18 million.

Gross margin amounted to 40 percent, which is in line with the preceding year.

EBIT for the first three months of the year was SEK 20 (5) million, corresponding to an EBIT margin of 4 (1) percent. Acquisition-related costs impacted earnings in an amount of SEK 9 (15) million, primarily attributable to amortization of acquired intangible assets, resulting in an underlying EBIT of SEK 30 (20) million, corresponding to a margin of 5 (4) percent.

Development costs amounted to SEK 91 (77) million and pertain to existing product development, as well as investments in future growth. Capitalization of R&D costs amounted to SEK 7 (6) million.

Pattern Generators	Q1		Rolling	Jan-Dec
	2020	2019	12 month	2019
Order intake, SEK million	725	156	2,375	1,805
Order backlog, SEK million	1,915	972	1,915	1,359
Net Sales, SEK million	169	581	1,432	1,844
Gross profit, SEK million	109	478	1,020	1,389
Gross margin, %	64.6%	82.3%	71.2%	75.3%
EBIT, SEK million	36	401	654	1,019
EBIT margin, %	21.5%	69.1%	45.7%	55.3%
R&D expenditures, SEK million	-60	-51	-237	-227
R&D costs, SEK million	-39	-51	-203	-215

## Pattern Generators

Pattern Generators had a strong start to the year, securing five orders for mask writers, which yielded an order intake of SEK 725 (156) million, corresponding to an increase of 366 percent, compared with the first quarter of the preceding year when no system orders were secured. The orders secured comprised Mycronic's most advanced mask writer, the Prexision 800 Evo, together with four orders for the recently launched SLX, which produces masks for the semiconductor industry.

The strong order intake contributed to the order backlog – which contains 15 systems and a major upgrade – increasing by 97 percent to SEK 1,915 (972) million. Of this order backlog, 8 systems and a major upgrade are scheduled for delivery during the remainder of the year.

The division is characterized by natural variations between the quarters and, as planned, no system deliveries were made during the period, which explains the decline in net sales to SEK 169 (581) million during the quarter. Currency effects had a positive impact on net sales of SEK 5 million.

Gross margin amounted to 65 (82) percent.

The lower EBIT of SEK 36 (401) million, corresponding to an EBIT margin of 22 (69) percent, is also attributable in its entirety to that no systems being delivered during the quarter.

Development costs amounted to SEK 39 (51) million and pertain mainly to the SLX mask writer, together with the development of the next generation of mask writer.

Capitalization of R&D costs amounted to SEK 21 (0) million.

## The electronics industry

It should be noted that the spread of COVID-19 and the global economic slowdown mean that there is currently heightened uncertainty relating to market forecasts in general.

The global electronics industry is assessed to have grown 0.5 percent in 2019 to USD 2,142 billion<sup>1</sup>. For 2019, the semiconductor market noted a slowdown of 12.1 percent to the equivalent of USD 412 billion<sup>1</sup>. This decrease is attributable to the smaller number of semiconductor circuits manufactured and lower prices for memory circuits in 2019.

### Outlook

Annual growth for the electronics industry is forecast at 3.5 percent for the period 2019–2024<sup>1</sup>. Segments with the strongest expected growth during this five-year period are electronics for wireless communication infrastructure, the automotive industry, data storage, consumer electronics and industrial applications. For 2020, growth in the electronics industry is forecast at 0.7 percent. The semiconductor market is expected to decline 1.0 percent in full-year 2020 compared with 2019 and is forecast to be positive during the 2019–2024 period as a whole, with average annual growth of 5.6 percent<sup>1</sup>.

Size/growth	2020F	2019	2018
Electronics industry, percentual change <sup>1</sup>	+0.7%	+0.5%	+5.9%
Semiconductor industry, percentual change <sup>1</sup>	-1.0%	+12.1%	+13.7%
SMT, percentual change <sup>2</sup>	Not available	-10%	+17%
Dispensing, USD million <sup>3</sup>	Not available	800	780
Camera modules, units, million <sup>3</sup>	Not available	190	165
Displays, USD, billion <sup>4</sup>	108	108	113
Photomasks, percentual change in value <sup>5</sup>	+10%	+9%	+12%
Photomask area, thousand sq. meters <sup>5</sup>	17.1	16.3	15.9

## Assembly Solutions

### SMT and dispensing market area

The global market for SMT equipment has annual sales of approximately USD 5,300 million<sup>6</sup>. The segment SMT robots for component mounting declined 10 percent in 2019 compared with 2018 to USD 2,750 million<sup>2</sup>, a generally negative performance. Parts of Southeast and East Asia went against the tide and reported growth. The dispensing equipment market had sales of USD 800 million<sup>3</sup> in 2019. Mycronic's product portfolio comprises production systems for component mounting, non-contact high-speed dispensing of solder paste, inspection equipment,

automated storage solutions, and equipment for dispensing, including coating of circuit boards.

### Assembly automation market area

AEi offers automated production solutions for assembly and testing of camera modules. A growing segment within the electronics industry is electronics for the automotive industry, which includes camera modules for advanced driver support, or Advanced Driver Assistance Systems (ADAS). Manufacture of camera modules in 2018 amounted to 165 million units and the forecast for 2023 is for production of 315 million units, corresponding to annual growth of 14 percent<sup>3</sup>.

MRSI Systems is operating in a fast-growing sub-segment and offers die bonding equipment with extremely high precision.

## Pattern Generators

The display market decreased 5 percent in 2019 to USD 108 billion, corresponding to 3.6 billion units<sup>4</sup>. The negative growth is primarily a result of the continued negative price development due to the surplus offering of displays produced. The initial assessment for 2020 was stabilized prices and positive growth of 3 percent to USD 112 billion. This assessment has now been revised downward to negative growth of 1 percent to USD 107 billion as an effect of the ongoing COVID-19 outbreak. The assessment is that the trend toward a larger share of advanced displays will continue. During 2020, AMOLED is expected to grow 20 percent to USD 30 billion<sup>4</sup>, driven by an increased share of AMOLED displays and that more display manufacturers are starting to produce displays based on this technology. Meanwhile, the total display area is also increasing, driven by larger screens and more screens in new products.

### Photomasks for displays market area

According to the annual market report from May last year, the market was forecast to grow 9 percent to USD 886 million in 2019 and the forecast for 2020 is for growth of 10 percent to USD 972 million<sup>5,7</sup>. Growth is driven by a higher proportion of advanced photomasks for AMOLED and an increased need for G10 photomasks in China<sup>5</sup>. The forecast for total area growth is an average of 2.3 percent per year for 2019–2023<sup>5</sup>. Strong growth for AMOLED photomasks is expected, with an annual area growth of 15 percent for 2019–2023<sup>5</sup>, which drives the need for photomasks produced by Prexision 80 and Prexision 800 systems.

1) Prismark, latest forecast March 2020

2) Protec MDC, January 2020

3) Prismark, April 2020

4) Omdia (formerly IHS Markit), latest forecast April 2020

5) Omdia (formerly IHS Markit), June 2019 (annual update)

6) Prismark April 2019, Protec MDC January 2019, Mycronic analysis

7) 110 YEN/USD used by Mycronic for conversion

## Other

### The Parent Company

Mycronic AB is the Group's Parent Company.

The Parent Company's net sales amounted to SEK 375 (805) million during the quarter. EBIT was SEK 78 (425) million.

Cash and cash equivalents at the end of the quarter amounted to SEK 415 million, compared with SEK 246 million at the end of 2019.

### Nomination Committee

The Nomination Committee for Mycronic's 2020 AGM comprises: Henrik Blomquist, Bure Equity, Thomas Ehlin, Fourth AP Fund, Hans Ek, SEB Investment Management AB and Patrik Tigerschiöld, Chairman of Mycronic. The Nomination Committee represented 43.1 percent of votes and shares as of August 31, 2019.

### Annual General Meeting 2020

Due to the prevailing uncertainty resulting from the spread of COVID-19, the Board of Directors of Mycronic AB (publ) has decided to postpone the Annual General Meeting to a later date.

The Annual General Meeting was scheduled to be held on May 7, 2020 at Vasateatern, Vasagatan 19 in Stockholm, Sweden. Mycronic AB (publ) will issue notification of the Annual General Meeting not later than four weeks before the new date. The Meeting will be held not later than June 30, 2020, in accordance with applicable legislation.

## Dividend proposal

In accordance with the dividend policy, the Board of Directors is proposing to the Annual General Meeting a dividend of SEK 2.00 (3.00) per share, totaling SEK 195.8 (293.7) million. The dividend proposal has been changed from the 3.25 SEK per share communicated earlier due to the uncertainty created by COVID-19.

## 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 (page 8) on April 23, 2020, at 8:00 a.m.

Financial reports and press releases are published in Swedish and English and are available on [www.mycronic.com](http://www.mycronic.com).

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

## Financial calendar

Annual General Meeting	No later than June 30, 2020
Interim Report January-June 2020	July 16, 2020
Interim Report January-September 2020	October 22, 2020
Year-end Report 2020	February 10, 2021

Täby, April 23, 2020  
Mycronic AB (publ)

Anders Lindqvist  
President and CEO



## *Mycronic's vision*

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

## *Mycronic's 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

Net sales including acquisitions shall reach SEK 5 billion at the end of the business plan period, 4 to 7 years.

### Profitability

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

### Capital structure

Net debt shall be less than 3 times average EBITDA (operating profit before interest, tax, depreciation and amortization). The average is calculated over 3 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 located in Täby, north of Stockholm and the Group has subsidiaries in France, Japan, China, the Netherlands, Singapore, the United Kingdom, South Korea, Germany and the USA. Mycronic (MYCR) is listed on Nasdaq Stockholm. [www.mycronic.com](http://www.mycronic.com)

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## Group

Consolidated profit and loss accounts in summary, SEK million	Note	Q1		Rolling 12 month	Jan-Dec 2019
		2020	2019		
Net sales	5, 6	736	1,105	3,937	4,307
Cost of goods sold		-402	-413	-1,897	-1,908
<b>Gross profit</b>		<b>334</b>	<b>692</b>	<b>2,041</b>	<b>2,399</b>
Research and development	7	-130	-128	-561	-559
Selling expenses		-140	-113	-568	-541
Administrative expenses		-57	-56	-238	-237
Other income and expenses		49	10	101	62
<b>EBIT</b>		<b>55</b>	<b>406</b>	<b>774</b>	<b>1,124</b>
Financial income and expenses		-1	-1	-2	-2
<b>Profit/loss before tax</b>		<b>54</b>	<b>404</b>	<b>771</b>	<b>1,122</b>
Tax		-13	-91	-184	-263
<b>Net Profit/loss</b>		<b>41</b>	<b>313</b>	<b>587</b>	<b>859</b>
Earnings per share before/after dilution, SEK		0.40	3.20	5.95	8.74
Average number of shares, thousand		97,775	97,917	97,858	97,893
Results attributable to owners of the Parent Company		39	313	582	855
Results attributable to non-controlling interests		2	0	5	4
		<b>41</b>	<b>313</b>	<b>587</b>	<b>859</b>

Consolidated statement of comprehensive income in summary, SEK million	Q1		Rolling 12 month	Jan-Dec 2019
	2020	2019		
<b>Net Profit/loss</b>	<b>41</b>	<b>313</b>	<b>587</b>	<b>859</b>
<b>Other comprehensive income</b>				
<i>Items not to be reclassified to profit/loss, after tax</i>				
Actuarial profit/loss from defined benefits to employees	-	-	-2	-2
<i>Items to be reclassified to profit/loss, after tax</i>				
Translation differences at translating foreign entities	125	72	109	56
Hedging of net investment in foreign entities	-	-13	1	-13
Changes in cash flow hedges	-64	-7	-38	19
<b>Total comprehensive income</b>	<b>103</b>	<b>364</b>	<b>658</b>	<b>919</b>
Total comprehensive income attributable to owners of the Parent Company	101	364	653	915
Total comprehensive income attributable to non-controlling interests	2	0	5	4
	<b>103</b>	<b>364</b>	<b>658</b>	<b>919</b>

Consolidated statements of financial position in summary, SEK million	31 Mar 20	31 Mar 19	31 Dec 19
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	1,471	1,429	1,366
Tangible assets	478	284	447
Non-current receivables	55	22	50
Deferred tax assets	118	94	97
<b>Total fixed assets</b>	<b>2,122</b>	<b>1,828</b>	<b>1,960</b>
<b>Current assets</b>			
Inventories	1,231	917	1,109
Trade receivables	768	751	826
Other current receivables	226	179	250
Cash and cash equivalents	911	873	655
<b>Total current assets</b>	<b>3,135</b>	<b>2,718</b>	<b>2,839</b>
<b>Total assets</b>	<b>5,257</b>	<b>4,547</b>	<b>4,800</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>3,082</b>	<b>2,743</b>	<b>2,978</b>
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	266	116	252
Deferred tax liabilities	219	162	226
Other non-current liabilities	61	102	54
<b>Total long-term liabilities</b>	<b>546</b>	<b>380</b>	<b>532</b>
<b>Short-term liabilities</b>			
Short-term interest-bearing liabilities	77	50	66
Trade payables	272	216	288
Other current liabilities	1,280	1,157	936
<b>Total current liabilities</b>	<b>1,629</b>	<b>1,423</b>	<b>1,289</b>
<b>Total liabilities</b>	<b>2,175</b>	<b>1,803</b>	<b>1,822</b>
<b>Total equity and liabilities</b>	<b>5,257</b>	<b>4,547</b>	<b>4,800</b>

Consolidated cash flow statements in summary, SEK million	Q1		Rolling	Jan-Dec
	2020	2019	12 month	2019
Profit/loss before tax	54	404	771	1,122
Adjustments for non-cash items and paid income tax	-95	-36	-137	-79
Change in working capital	326	-300	129	-498
<b>Cash flow from operating activities</b>	<b>285</b>	<b>68</b>	<b>763</b>	<b>545</b>
Cash flow from investing activities	-43	-24	-418	-399
Cash flow from financing activities	-14	-12	-328	-326
<b>Cash flow for the period</b>	<b>228</b>	<b>32</b>	<b>16</b>	<b>-180</b>
Cash and cash equivalents, opening balance	655	829	873	829
Exchange difference for cash and cash equivalents	28	12	22	6
Cash and cash equivalents, closing balance	911	873	911	655

Consolidated statement of changes in equity in summary, SEK million	Jan-Mar		Jan-Dec
	2020	2019	2019
<b>Opening balance</b>	<b>2,978</b>	<b>2,379</b>	<b>2,379</b>
Dividend to owners	-	-	-294
Dividend to non-controlling interests	-	-	-6
Swap agreement related to own shares	-	-	-21
Equity-settled share based payments	1	-	1
Total comprehensive income	103	364	919
<b>Closing balance</b>	<b>3,082</b>	<b>2,743</b>	<b>2,978</b>
Of which holdings of non-controlling interests	8	3	6

Other key figures *	Jan-Mar		Jan-Dec
	2020	2019	2019
Equity per share, SEK	31.52	28.01	30.46
Return on equity (rolling 12 months), %	20.2%	41.1%	32.1%
Return on capital employed (rolling 12 months), %	24.8%	50.5%	39.9%
Net cash, SEK million	568	706	337
Average number of employees	1,458	1,276	1,349

\*In addition to key figures presented on page 1

## Parent Company

Profit/loss accounts in summary, Parent Company, SEK million	Q1		Rolling	Jan-Dec
	2020	2019	12 month	2019
Net sales	375	805	2,404	2,833
Cost of goods sold	-206	-250	-1,053	-1,097
<b>Gross profit</b>	<b>169</b>	<b>554</b>	<b>1,351</b>	<b>1,736</b>
Other operating expenses	-91	-129	-670	-708
<b>EBIT</b>	<b>78</b>	<b>425</b>	<b>681</b>	<b>1,028</b>
Result from financial items	6	5	52	51
<b>Profit/loss after financial items</b>	<b>84</b>	<b>430</b>	<b>733</b>	<b>1,079</b>
Appropriations	-	-	-273	-273
<b>Profit/loss before tax</b>	<b>84</b>	<b>430</b>	<b>460</b>	<b>806</b>
Tax	-18	-92	-94	-169
<b>Net Profit/loss</b>	<b>66</b>	<b>338</b>	<b>366</b>	<b>637</b>
<b>Total comprehensive income</b>	<b>66</b>	<b>338</b>	<b>366</b>	<b>637</b>

Balance sheets in summary, Parent Company, SEK million	31 Mar 20	31 Mar 19	31 Dec 19
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible and tangible assets	104	67	92
Financial assets	1,972	1,821	1,893
<b>Total fixed assets</b>	<b>2,076</b>	<b>1,888</b>	<b>1,985</b>
<b>Current assets</b>			
Inventories	541	468	463
Current receivables	883	760	871
Cash and cash equivalents	415	464	246
<b>Total current assets</b>	<b>1,840</b>	<b>1,692</b>	<b>1,580</b>
<b>TOTAL ASSETS</b>	<b>3,916</b>	<b>3,580</b>	<b>3,565</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,027</b>	<b>1,974</b>	<b>1,960</b>
<b>Untaxed reserves</b>	<b>919</b>	<b>646</b>	<b>919</b>
Long-term interest-bearing liabilities	30	-	28
Other non-current liabilities	5	8	4
<b>Total long-term liabilities</b>	<b>35</b>	<b>8</b>	<b>32</b>
Short-term interest bearing liabilities	20	-	19
Other current liabilities	915	953	636
<b>Total current liabilities</b>	<b>935</b>	<b>953</b>	<b>654</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,916</b>	<b>3,580</b>	<b>3,565</b>

## Notes

### Note 1 Accounting policies

This 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, 2019. As was the case at the end of 2019, 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 2019 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, these are described in the 2019 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

There have been no events after the end of the period which have any significant effects on the Group's results or financial position.

### Note 5 Revenue from Contracts with Customers

Revenue by geographical market, SEK million	Q1		Rolling	Jan-Dec
	2020	2019	12 month	2019
EMEA	155	168	729	743
North and South America	110	400	716	1,005
Asia	471	537	2,493	2,559
	<b>736</b>	<b>1,105</b>	<b>3,937</b>	<b>4,307</b>
<b>Revenue by type of good/service, SEK million</b>				
System	444	827	2,716	3,099
Aftermarket	292	278	1,222	1,208
	<b>736</b>	<b>1,105</b>	<b>3,937</b>	<b>4,307</b>
<b>Timing of revenue recognition, SEK million</b>				
Goods transferred at a point in time	546	925	3,154	3,533
Services transferred over time	189	180	783	774
	<b>736</b>	<b>1,105</b>	<b>3,937</b>	<b>4,307</b>

## Note 6 Segment reporting

SEK million	Q1		Rolling 12 month	Jan-Dec 2019
	2020	2019		
<b>Net sales</b>				
Assembly Solutions	567	524	2,506	2,463
Pattern Generators	169	581	1,432	1,844
	<b>736</b>	<b>1,105</b>	<b>3,937</b>	<b>4,307</b>
<b>EBIT</b>				
Assembly Solutions	20	5	125	110
Pattern Generators	36	401	654	1,019
Amortization of previously acquired intangible assets	-1	-1	-4	-4
Effects from IFRS 16	0	0	-1	-1
<b>Group</b>	<b>55</b>	<b>406</b>	<b>774</b>	<b>1,124</b>

## Note 7 Research and development expenses

Research and development costs, SEK million	Q1		Rolling 12 month	Jan-Dec 2019
	2020	2019		
<i>R&amp;D expenditures</i>				
Assembly Solutions	-93	-78	-355	-340
Pattern Generators	-60	-51	-237	-227
	<b>-153</b>	<b>-129</b>	<b>-591</b>	<b>-567</b>
<i>Capitalization of development costs</i>				
Assembly Solutions	7	6	18	17
Pattern Generators	21	-	34	12
	<b>29</b>	<b>6</b>	<b>51</b>	<b>29</b>
<i>Amortization of acquired technology</i>				
Assembly Solutions	-5	-5	-21	-20
<b>Reported cost</b>	<b>-130</b>	<b>-128</b>	<b>-561</b>	<b>-559</b>

## 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, 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 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 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

Change in 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 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 profit/loss excluding acquisition-related costs. 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.



	Jan-Mar		Rolling	Jan-Dec
	2020	2019	12 month	2019
<b>Return on equity</b>				
Net profit/loss (rolling 12 months)	587	964	587	859
Average shareholders' equity	2,912	2,348	2,912	2,679
	<b>20.2%</b>	<b>41.1%</b>	<b>20.2%</b>	<b>32.1%</b>
<b>Return on capital employed</b>				
Profit/loss before tax (rolling 12 months)	771	1,221	771	1,122
Financial expenses	13	10	13	11
<b>Profit/loss before financial expenses</b>	<b>784</b>	<b>1,231</b>	<b>784</b>	<b>1,133</b>
Average balance sheet total	4,902	3,974	4,902	4,500
Average non-interest-bearing liabilities	1,734	1,536	1,734	1,661
<b>Average capital employed</b>	<b>3,167</b>	<b>2,438</b>	<b>3,167</b>	<b>2,838</b>
	<b>24.8%</b>	<b>50.5%</b>	<b>24.8%</b>	<b>39.9%</b>
<b>Book-to-bill</b>				
Order intake	1,432	721	5,278	4,567
Net sales	736	1,105	3,937	4,307
	<b>1.9</b>	<b>0.7</b>	<b>1.3</b>	<b>1.1</b>
<b>EBITDA</b>				
EBIT	55	406	774	1,124
Depreciation/Amortization	43	34	191	182
	<b>98</b>	<b>440</b>	<b>965</b>	<b>1,307</b>
<b>Underlying EBIT</b>				
EBIT	55	406	774	1,124
Acquisition-related costs included in:				
Cost of goods sold	-	-	-	-
Operating expenses	9	15	39	45
	<b>65</b>	<b>420</b>	<b>813</b>	<b>1,169</b>
<b>Equity per share</b>				
Equity at balance day	3,082	2,743	3,082	2,978
No. of shares at end of period, thousand	97,775	97,917	97,775	97,775
	<b>31.52</b>	<b>28.01</b>	<b>31.52</b>	<b>30.46</b>
<b>Earnings per share before/after dilution, SEK</b>				
Net Profit/loss attributable to owners of the Parent Company	39	313	582	855
Average no. of shares before dilution, thousand	97,775	97,917	97,858	97,893
Average no. of shares after dilution, thousand	97,775	97,917	97,860	97,895
	<b>0.40</b>	<b>3.20</b>	<b>5.95</b>	<b>8.74</b>
<b>Net cash, SEK million</b>				
Cash and cash equivalents	911	873	911	655
Interest-bearing liabilities	-343	-166	-343	-318
	<b>568</b>	<b>706</b>	<b>568</b>	<b>337</b>

Quarterly data	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18
Order Intake Assembly Solutions	707	703	809	685	566	608	508	554
Order Intake Pattern Generators	725	1,004	430	216	156	695	304	317
	<b>1,432</b>	<b>1,706</b>	<b>1,238</b>	<b>901</b>	<b>721</b>	<b>1,303</b>	<b>813</b>	<b>870</b>
Order Backlog Assembly Solutions	945	805	879	654	553	507	520	545
Order Backlog Pattern Generators	1,915	1,359	760	647	972	1,397	1,131	1,390
	<b>2,860</b>	<b>2,164</b>	<b>1,639</b>	<b>1,301</b>	<b>1,525</b>	<b>1,904</b>	<b>1,651</b>	<b>1,935</b>
Net Sales Assembly Solutions	567	776	584	579	524	621	533	478
Net Sales Pattern Generators	169	405	317	541	581	430	563	404
	<b>736</b>	<b>1,181</b>	<b>900</b>	<b>1,120</b>	<b>1,105</b>	<b>1,052</b>	<b>1,096</b>	<b>882</b>
Gross Profit Assembly Solutions	225	308	239	250	214	268	216	195
Gross Profit Pattern Generators	109	277	227	407	478	231	445	304
	<b>334</b>	<b>584</b>	<b>465</b>	<b>657</b>	<b>692</b>	<b>498</b>	<b>662</b>	<b>499</b>
Gross Margin Assembly Solutions	39.7%	39.6%	40.9%	43.2%	40.8%	43.1%	40.6%	40.7%
Gross Margin Pattern Generators	64.6%	68.3%	71.7%	75.3%	82.3%	53.6%	79.1%	75.4%
	<b>45.4%</b>	<b>49.4%</b>	<b>51.7%</b>	<b>58.7%</b>	<b>62.6%</b>	<b>47.4%</b>	<b>60.3%</b>	<b>56.6%</b>
R&D expenses Assembly Solutions	-91	-99	-81	-86	-77	-85	-74	-86
R&D expenses Pattern Generators	-39	-59	-46	-59	-51	-57	-36	-36
Total R&D expenses	-130	-159	-127	-145	-128	-142	-110	-122
Selling expenses	-140	-148	-153	-128	-113	-133	-110	-97
Administrative expenses	-57	-66	-55	-61	-56	-62	-55	-53
Other income/expenses	49	-8	67	-8	10	-11	49	11
<b>EBIT</b>	<b>55</b>	<b>204</b>	<b>198</b>	<b>317</b>	<b>406</b>	<b>151</b>	<b>436</b>	<b>238</b>
Of which EBIT Assembly Solutions	20	42	46	17	5	18	79	-3
Of which EBIT Pattern Generators	36	163	153	302	401	134	357	242
EBIT margin	7.5%	17.2%	21.9%	28.3%	36.7%	14.3%	39.7%	26.9%
Equity per share after tax	31.52	30.46	29.44	27.49	28.01	24.30	22.76	19.41
Earnings per share before/after dilution	0.40	1.57	1.52	2.50	3.20	1.33	3.55	1.77
Closing share price	121.10	185.10	121.90	112.80	132.50	118.10	93.05	100.20