

Interim Report January-June 2020

Second quarter

- Order intake amounted to SEK 651 (901) million, a decline of 28 percent
- Net sales were SEK 1,086 (1,120) million, a decrease of 3 percent. The currency effect was insignificant. Net sales includes the delivery of a Prexision 10, which was brought forward on the initiative of the customer and was completed in the second quarter instead of the fourth quarter of the year as previously planned
- EBIT was SEK 281 (317) million, a decline of 12 percent. The EBIT margin was 26 (28) percent
- The underlying EBIT was SEK 290 (332) million, a decline of 13 percent. The underlying EBIT margin was 27 (30) percent
- Earnings per share were SEK 2.18 (2.50)

January-June

- Order intake increased 28 percent to SEK 2,083 (1,622) million
- Net sales declined 18 percent to SEK 1,822 (2,225) million and 19 percent based on constant exchange rates. Net sales includes the delivery of a Prexision 10, which was brought forward on the initiative of the customer and was completed in the second quarter instead of the fourth quarter of the year as previously planned
- EBIT was SEK 336 (723) million, a decline of 54 percent. The EBIT margin was 18 (32) percent
- The underlying EBIT was SEK 355 (753) million, a decline of 53 percent. The underlying EBIT margin was 19 (34) percent
- Earnings per share were SEK 2.58 (5.70)

"I am proud of how our employees are handling the pandemic and particularly how we have adapted to maintain support to our customers in the best possible way. Our operations are well distributed over different segments and geographies, which is why the impact on the Group differs substantially between its various parts. Despite the challenges and increased uncertainty created by COVID-19, I feel secure on the basis of Mycronic's long-standing customer relationships, well-filled order book and stable financial position," says Anders Lindqvist, President and CEO.

Outlook 2020

The uncertainty in the global economy has further intensified over the last months which increases the difficulties in assessing the 2020 outlook. Despite this, it is the Board of Directors' opinion that, as previously communicated, the consolidated net sales for 2020 will be at a level of SEK 4.1 billion, excluding any acquisitions.

Group summary	Q2		Jan-Jun		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Order intake, SEK million	651	901	2,083	1,622	5,028	4,567
Net Sales, SEK million	1,086	1,120	1,822	2,225	3,904	4,307
Book-to-bill	0.6	0.8	1.1	0.7	1.3	1.1
Order backlog, SEK million	2,425	1,301	2,425	1,301	2,425	2,164
Gross margin, %	55.7%	58.7%	51.5%	60.7%	50.9%	55.7%
EBIT, SEK million	281	317	336	723	737	1,124
EBIT margin, %	25.8%	28.3%	18.4%	32.5%	18.9%	26.1%
Underlying EBIT margin, %	26.7%	29.7%	19.5%	33.8%	19.7%	27.1%
Earnings per share before/after dilution, SEK	2.18	2.50	2.58	5.70	5.65	8.74
Cash Flow, SEK million	106	-173	333	-141	294	-180
<i>Changes in net sales</i>						
Total growth, %	-3%	27%	-18%	36%	-11%	14%
Organic growth, %	-3%	17%	-19%	24%	-13%	7%
Growth from acquisitions, %	-	6%	-	6%	-	2%
Currency effects, %	0%	4%	1%	7%	2%	5%

CEO comments



I am proud of how our employees are handling the pandemic and particularly how we have adapted to maintain support to our customers in the best possible way. Our operations are well distributed over different segments and geographies, which is why the impact on the Group differs substantially

between its various parts. Despite the challenges and increased uncertainty created by COVID-19, I feel secure on the basis of Mycronic's long-standing customer relationships, well-filled order book and stable financial position.

Having initially impacted China, it is now apparent that COVID-19 gained momentum during the second quarter of the year, resulting in the lockdown of large parts of Europe and the USA. This entailed challenges we had never encountered before. While we have prioritized the health and safety of our staff, we have been successful in continuing to help our customers conduct operations despite practical and logistical obstacles. It is clear that our strategy to be close to our customers, with local service and installation capacity in combination with digital support, is now proving its strength.

As a whole, net sales decreased 3 percent during the quarter. The performance of our divisions varied and reflects the diversification of our operations in various segments and geographies. Net sales grew 1 percent for the Assembly Solutions business area, driven by the strong momentum of the High Volume division in the Chinese market, while the High Flex division noted a significant negative effect of the closures in Europe. The situation for the Global Technologies division is divided, with a positive performance and rapid recovery for optoelectronics while the camera modules for the automotive industry segment was characterized by low levels of activity.

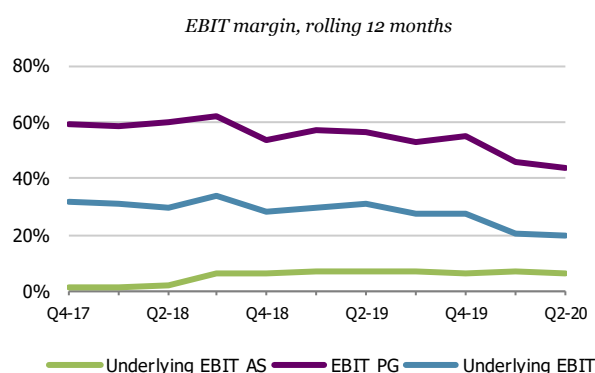
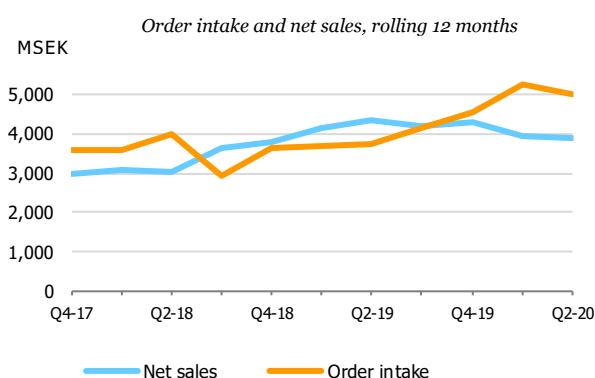
The operations in Pattern Generators reports a stable quarter. Order books are well-filled and deliveries of mask writers during the remainder of the year are unchanged. The first two mask writers using the new Evo platform were shipped during the quarter. Despite the current situation,

we are also pleased that we have satisfied a request from one of our customers to bring forward delivery of a Prexision 10 limited to G8 size. The system was delivered before July 1, which made a positive contribution to developments during the quarter. However, the positive effect from the early delivery of the system was partly offset from the deferral of a major upgrade where the customer was unable to complete the installation work before the end of the quarter due to COVID-19. Overall, the utilization rate remains high in the installed base and we have performed service as requested by our customers.

The pandemic means some customers have opted to temporarily postpone investments, which impacted order intake for the quarter in Europe and the USA. Although division High Volume reported strong order intake in the Chinese market, this was unable to compensate for the weak markets noted by the High Flex division due to the shutdown in Europe and the USA. Pattern Generators, which experiences natural variations between quarters, has a stable aftermarket, but received no system orders during the quarter. Taken together, this is reflected in a reduction in order intake for the Group as a whole by 28 percent.

We have a favorable risk spread and strong balance sheet. The High Volume division reports a strong quarter and Pattern Generators notes a stable performance. A range of efficiency improvements are being implemented in High Flex and Global Technologies. I am also confident in the way we have continued to support our customers and that we can therefore emerge stronger from the challenges presented by the pandemic. However, the uncertainty in the global economy has further intensified over the last months which increases the difficulties in assessing the 2020 outlook. Despite this, it is the Board of Directors' opinion that, as previously communicated, the consolidated net sales for 2020 will be at a level of SEK 4.1 billion, excluding any acquisitions. The long-term goals of achieving net sales of SEK 5 billion not later than 2023 and an EBIT margin of at least 10 percent in Assembly Solutions during 2021 remain.

Anders Lindqvist, President and CEO



Financial performance, Group

	Q2		Jan-Jun		Rolling 12 month	Jan-Dec 2019
	2020	2019	2020	2019		
Order intake, SEK million	651	901	2,083	1,622	5,028	4,567
Order backlog, SEK million	2,425	1,301	2,425	1,301	2,425	2,164
Net Sales, SEK million	1,086	1,120	1,822	2,225	3,904	4,307
Gross profit, SEK million	605	657	938	1,350	1,988	2,399
Gross margin, %	55.7%	58.7%	51.5%	60.7%	50.9%	55.7%
EBIT, SEK million	281	317	336	723	737	1,124
EBIT margin, %	25.8%	28.3%	18.4%	32.5%	18.9%	26.1%
Underlying EBIT, SEK million	290	332	355	753	771	1,169
Underlying EBIT margin, %	26.7%	29.7%	19.5%	33.8%	19.7%	27.1%
EBITDA, SEK million	325	353	423	793	937	1,307

Group

The High Volume division reports strong order intake in the Chinese market. At the same time, the High Flex division was impacted by closures in Europe and the USA. Pattern Generators, which experiences natural variations between quarters, has a stable aftermarket, but received no system orders during the quarter. Overall, the order intake for the quarter declines 28 percent to SEK 651 (901) million. For the first six months, order intake increases 28 percent to SEK 2,083 (1,622) million, mainly driven by Pattern Generators' strong start to the year.

The order backlog increased 86 percent to SEK 2,425 (1,301) million at the end of June. Both Assembly Solutions and Pattern Generators contributed to the robust order backlog through growth of 38 and 135 percent, respectively.

Net sales for the quarter were SEK 1,086 (1,120) million, a decrease of 3 percent. The currency effect was insignificant. Pattern Generators shipped three mask writers, including the delivery of a Prexision 10, which was brought forward on the initiative of the customer and was completed in the second quarter instead of the fourth quarter of the year as previously planned. However, the positive effect from the early delivery of the system was partly offset from the deferral of a major upgrade where the customer was unable to complete the installation work before the end of the quarter due to COVID-19. Assembly Solutions displayed growth of 1 percent during the quarter, driven by strong performance by the High Volume division in the Chinese market, while closures, particularly in Europe, affected the High Flex division. For the first six months, net sales declined 18 percent to SEK 1,822 (2,225) million, which was mainly attributable to Pattern Generators having no system deliveries at the beginning of the year.

EBIT for the quarter amounted to SEK 281 (317) million, corresponding to a decline of 12 percent and an EBIT

margin of 26 (28) percent. Assembly Solutions strengthened its EBIT and margin, driven by a strong trend in the High Volume division. Pattern Generators is characterized by fluctuating volumes and product mix between quarters, which is the reason for the decline in relation to the preceding year. For the first six months, consolidated EBIT amounted to SEK 336 (723) million, corresponding to an EBIT margin of 18 (32) percent, which was mainly attributable to Pattern Generators making no system deliveries at the beginning of the year.

Acquisition-related costs, mainly attributable to the amortization of acquired intangible assets, amounted to SEK 9 (15) million for the second quarter and to SEK 19 (30) million for the first half of the year. Underlying EBIT amounted to SEK 290 (332) million for the quarter and SEK 355 (753) million for the first half of the year, corresponding to an underlying EBIT margin of 27 (30) percent and 19 (34) percent, respectively.

Cash flow and financial position

Consolidated cash and cash equivalents at the end of June amounted to SEK 984 (696) million. Cash flow amounted to SEK 333 (-141) million during the first half of the year. Cash flow from operating activities amounted to SEK 267 (224) million. Working capital tied up increased by SEK 2 (454) million during the period.

Investments amounted to SEK 97 (44) million, of which capitalization of product development accounted for SEK 51 million. Investments in tangible assets totaled SEK 26 million.

Financing activities contributed SEK 163 (-321) million, of which SEK 200 million was attributable to the utilization of credit facilities. Due to the postponed Annual General Meeting, the quarter does not contain any dividend payment.

COVID-19

Mycronic is closely monitoring developments relating to COVID-19 and taking a structured approach to reducing 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 its operations being well distributed over different segments and geographies, which is why the impact of COVID-19 on the Group differs substantially between the various parts. 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

	Q2		Jan-Jun		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Assembly Solutions						
Order intake, SEK million	540	685	1,248	1,250	2,759	2,762
Order backlog, SEK million	903	654	903	654	903	805
Net Sales, SEK million	583	579	1,150	1,103	2,510	2,463
Gross profit, SEK million	244	250	469	464	1,015	1,011
Gross margin, %	41.8%	43.2%	40.8%	42.1%	40.5%	41.0%
EBIT, SEK million	20	17	40	22	128	110
EBIT margin, %	3.4%	2.9%	3.5%	2.0%	5.1%	4.5%
Underlying EBIT, SEK million	29	32	59	52	162	155
Underlying EBIT margin, %	5.1%	5.5%	5.1%	4.7%	6.5%	6.3%
R&D expenditures, SEK million	-85	-84	-178	-162	-355	-340
R&D costs, SEK million	-84	-86	-175	-163	-355	-344

Assembly Solutions

The High Volume division delivers a strong order intake for the second quarter, driven by the demand in the Chinese market, while the High Flex division was impacted by closures and deferred investment decisions as a result of COVID-19 in Europe and the USA. Order intake for the business area as a whole declined 21 percent to SEK 540 (685) million and was essentially unchanged for the first six months at SEK 1,248 (1,250) million. The backlog of orders strengthened 38 percent to SEK 903 (654) million.

Net sales for the quarter grew 1 percent to SEK 583 (579) million, attributable to the strong momentum for the High Volume division in the Chinese market. The High Flex division was impacted by the closures in Europe and the situation for the Global Technologies division is divided, with a positive performance and rapid recovery for optoelectronics, while the camera modules for the automotive industry segment was characterized by low levels of activity. Growth for the first half of the year amounted to 4 percent, corresponding to SEK 1,150 (1,103) million. Currency effects had a positive impact of SEK 6 million during the second quarter and a positive effect of SEK 23 million during the first six months of the year.

EBIT for the quarter strengthened to SEK 20 (17) million, corresponding to an EBIT margin of 3 (3) percent. This was attributable to a strong trend in the High Volume division in the Chinese market, which partly offset the closures in Europe and the USA as well as the costs of efficiency measures in the High Flex division and Global Technologies. For the first six months of the year, EBIT increased to SEK 40 (22) million with an EBIT margin of 4 (2) percent.

Acquisition-related costs, mainly attributable to the amortization of acquired intangible assets, amounted to SEK 9 (15) million for the second quarter and to SEK 19 (30) million for the first half of the year. Underlying EBIT amounted to SEK 29 (32) million for the quarter and SEK 59 (52) million for the first half of the year, corresponding to an underlying EBIT margin of 5 (6) percent and 5 (5) percent, respectively.

Development costs for the second quarter amounted to SEK 84 (86) million and SEK 175 (163) million for the first six months. The costs pertain to existing product development, as well as investments in future growth. The capitalization of R&D costs were SEK 6 (3) million and SEK 13 (9) million, respectively.

Pattern Generators	Q2		Jan-Jun		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Order intake, SEK million	111	216	836	372	2,269	1,805
Order backlog, SEK million	1,522	647	1,522	647	1,522	1,359
Net Sales, SEK million	503	541	672	1,122	1,394	1,844
Gross profit, SEK million	361	407	470	885	974	1,389
Gross margin, %	71.7%	75.3%	69.9%	78.9%	69.8%	75.3%
EBIT, SEK million	261	302	297	703	613	1,019
EBIT margin, %	51.8%	55.8%	44.2%	62.7%	44.0%	55.3%
R&D expenditures, SEK million	-55	-59	-115	-110	-233	-227
R&D costs, SEK million	-38	-59	-77	-109	-183	-215

Pattern Generators

Pattern Generators displays a stable aftermarket, but received no system orders during the quarter and, accordingly, noted a decline in order intake of 49 percent to SEK 111 (216) million. For the first half of the year, order intake increased 125 percent to SEK 836 (372) million, driven by a strong start to the year, with orders for a Prexision 800 Evo and four SLX.

The strong order intake at the beginning of the year, combined with fewer system deliveries in the first six months of the year compared with the preceding year, contributed to an increase of 135 percent in the order backlog to SEK 1,522 (647) million. Of the order backlog, which contains 12 systems and a major upgrade, the following system deliveries are planned:

2020 Q3: FPS 6100, P800 Evo

2020 Q4: FPS 6100, P8 Evo, SLX

2020 H2: Major upgrade of a P8

2021 Q1: P8 Lite Evo, SLX, P800 Evo

2021 Q2: P8 Lite Evo, MMS G8

2021 H1: SLX

2021 H2: SLX

In the second quarter, the first two mask writers based on the new Evo platform were delivered. On the customer's initiative, the delivery was brought forward of a Prexision 10, restricted to a photomask size of up to generation 8. The system, which was delivered before mid-year, was initially scheduled for delivery during the fourth quarter of the year.

A major upgrade of a Prexision 8 was also to have been installed during the quarter, but due to COVID-19, the customer has not yet had the possibility to implement the upgrade, which is scheduled instead for the second half of the year.

Overall, a stable quarter was presented, with net sales of SEK 503 (541) million, corresponding to a decline of 7 percent. For the first six months of the year, net sales amounted to SEK 672 (1,122) million, with the decline largely attributable to no system deliveries being made during the first quarter of the year. The second quarter was negatively impacted by currency effects of SEK 8 million and the first six months negatively by SEK 4 million.

EBIT for the quarter declined 14 percent and amounted to SEK 261 (302) million, corresponding to an EBIT margin of 52 (56) percent. EBIT for the first six months of the year declined 58 percent to SEK 297 (703) million, corresponding to an EBIT margin of 44 (63) percent. The business is characterized by major variations between the quarters in terms of orders and deliveries and development should therefore be viewed over a longer period.

Development costs amounted to SEK 38 (59) million for the quarter and to SEK 77 (109) million for the first six months and pertain mainly to the SLX mask writer, together with the development of the next generation of mask writer. The capitalization of R&D costs amounted to SEK 17 (0) million and SEK 38 (0) million for the respective periods.

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 0.8 percent in 2019 to USD 2,172 billion¹. For 2019, the semiconductor market noted a slowdown of 12.1 percent to the equivalent of USD 412 billion¹. 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 3.8 percent for the period 2019–2024¹. Segments with the strongest expected growth during this five-year period are electronics for data center and wireless communication infrastructure, the automotive industry, consumer electronics and industrial applications. The electronics industry is forecast to decline 5.4 percent in 2020. The semiconductor market is expected to decline 3.0 percent in full-year 2020 compared with 2019 and is forecasted to be positive during the 2019–2024 period as a whole, with average annual growth of 5.6 percent⁸.

Size/growth	2020F	2019	2018
Electronics industry, percentual change ¹	-5.4%	+0.8%	+5.9%
Semiconductor industry, percentual change ¹	-3.0%	+12.1%	+13.7%
SMT, percentual change ²	Not available	-10%	+17%
Dispensing, USD million ³	Not available	800	780
Camera modules, units, million ³	175	191	165
Displays, USD, billion ⁴	106	108	113
Photomasks, percentual change in value ⁵	+2%	+8%	+15%
Photomask area, thousand sq. meters ⁵	17.9	17.4	16.4

Assembly Solutions

SMT and dispensing market area

The global market for SMT equipment has annual sales of approximately USD 5,300 million⁶. The segment SMT robots for component mounting declined 10 percent in 2019 compared with 2018 to USD 2,750 million². Global growth in the first quarter of 2020 was flat compared with the corresponding period in the preceding year, while positive development was noted in China and parts of Asia. The dispensing equipment market had sales of USD 800 million³ 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 2019 amounted to 191 million units and the forecast for 2023 is for production of 338 million units, corresponding to annual growth of 12 percent³. 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 4 percent in 2019 to USD 108 billion, corresponding to 3.6 billion units⁴. 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 for stabilized prices and positive growth of 3 percent to USD 112 billion. This assessment has now been revised downward to negative growth of 2 percent to USD 106 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 17 percent to USD 29 billion⁴, driven by an increased share of AMOLED displays and the fact 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

The market grew by 8 percent to USD 900 million in 2019 and the forecast for 2020 is for growth of 2 percent to USD 919 million^{5,7}. Growth is driven primarily by a higher proportion of advanced photomasks for AMOLED in parallel with slower-than-predicted growth for G10 photomasks due to increased price pressure and the deferral of capacity build-outs⁵. The forecast for total area growth is an average of 2 percent per year for 2019–2024⁵. Strong growth for AMOLED photomasks is expected, with an annual average area growth of 12 percent for 2019–2024⁵, which drives the need for photomasks produced by Prexision 80 and Prexision 800 systems.

1) Prismark, latest forecast June 2020

2) Protec MDC, April 2020

3) Prismark, May 2020

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

5) Omdia (formerly IHS Markit), June 2020 (annual update)

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

7) 110 YEN/USD used by Mycronic for conversion

8) Prismark, latest forecast March 2020

Other

The Parent Company

Mycronic AB is the Group's Parent Company.

The Parent Company's net sales amounted to SEK 1,074 (1,618) million for the first half year. EBIT was SEK 220 (741) million.

Cash and cash equivalents at the end of June amounted to SEK 481 million, compared with SEK 246 million at the end of 2019.

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 July 16, 2020, at 8:00 a.m.

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

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

Financial calendar

Interim Report January-September 2020	October 22, 2020
Year-end Report 2020	February 10, 2021
Interim Report January-March 2021	April 22, 2021
Annual General Meeting 2021	May 5, 2021
Interim Report January-June 2021	July 15, 2021
Interim Report January-September 2021	October 21, 2021
Year-end Report 2021	February 9, 2022

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 16, 2020
Mycronic AB (publ)

Anders Lindqvist
President and CEO

Patrik Tigerschiöld
Chairman of the Board

Arun Bansal
Member of the Board

Anna Belfrage
Member of the Board

Katarina Bonde
Member of the Board

Staffan Dahlström
Member of the Board

Johan Densjö
Employee representative

Robert Larsson
Member of the Board

Jörgen Lundberg
Employee representative

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

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Group

Consolidated profit and loss accounts in summary, SEK million	Note	Q2		Jan-Jun		Rolling	Jan-Dec
		2020	2019	2020	2019	12 month	2019
Net sales	5, 6	1,086	1,120	1,822	2,225	3,904	4,307
Cost of goods sold		-482	-462	-884	-875	-1,916	-1,908
Gross profit		605	657	938	1,350	1,988	2,399
Research and development	7	-122	-145	-252	-273	-538	-559
Selling expenses		-117	-128	-257	-240	-558	-541
Administrative expenses		-61	-61	-118	-117	-239	-237
Other income and expenses		-24	-8	25	3	84	62
EBIT		281	317	336	723	737	1,124
Financial income and expenses		-2	0	-3	-2	-4	-2
Profit/loss before tax		279	317	333	721	733	1,122
Tax		-64	-72	-78	-164	-177	-263
Net Profit/loss		215	245	255	558	557	859
Earnings per share before/after dilution, SEK		2.18	2.50	2.58	5.70	5.65	8.74
Average number of shares, thousand		97,775	97,917	97,775	97,917	97,822	97,893
Results attributable to owners of the Parent Company		213	243	252	556	552	855
Results attributable to non-controlling interests		1	2	3	2	5	4
		215	245	255	558	557	859

Consolidated statement of comprehensive income in summary, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Net Profit/loss	215	245	255	558	557	859
Other comprehensive income						
<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	-133	-11	-7	61	-13	56
Hedging of net investment in foreign entities	-	5	-	-8	-5	-13
Changes in cash flow hedges	70	8	6	1	24	19
Total comprehensive income	151	248	254	612	561	919
Total comprehensive income attributable to owners of the Parent Company	151	246	251	610	557	915
Total comprehensive income attributable to non-controlling interests	1	2	3	2	4	4
	151	248	254	612	561	919

Consolidated statements of financial position in summary, SEK million	30 Jun 20	30 Jun 19	31 Dec 19
ASSETS			
Fixed assets			
Intangible assets	1,390	1,411	1,366
Tangible assets	456	270	447
Non-current receivables	51	23	50
Deferred tax assets	105	97	97
Total fixed assets	2,003	1,801	1,960
Current assets			
Inventories	1,241	963	1,109
Trade receivables	884	769	826
Other current receivables	292	241	250
Cash and cash equivalents	984	696	655
Total current assets	3,400	2,670	2,839
Total assets	5,403	4,471	4,800
EQUITY AND LIABILITIES			
Equity	3,234	2,692	2,978
Long-term liabilities			
Long-term interest-bearing liabilities	251	108	252
Deferred tax liabilities	234	162	226
Other non-current liabilities	45	53	54
Total long-term liabilities	530	322	532
Short-term liabilities			
Short-term interest-bearing liabilities	266	49	66
Trade payables	270	256	288
Other current liabilities	1,103	1,152	936
Total current liabilities	1,639	1,457	1,289
Total liabilities	2,169	1,779	1,822
Total equity and liabilities	5,403	4,471	4,800

Consolidated cash flow statements in summary, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Profit/loss before tax	279	317	333	721	733	1,122
Adjustments for non-cash items and paid income tax	31	-7	-64	-43	-100	-79
Change in working capital	-328	-154	-2	-454	-46	-498
Cash flow from operating activities	-18	157	267	224	588	545
Cash flow from investing activities	-53	-20	-97	-44	-451	-399
Cash flow from financing activities	177	-309	163	-321	158	-326
Cash flow for the period	106	-173	333	-141	294	-180
Cash and cash equivalents, opening balance	911	873	655	829	696	829
Exchange difference for cash and cash equivalents	-33	-4	-5	9	-7	6
Cash and cash equivalents, closing balance	984	696	984	696	984	655

Consolidated statement of changes in equity in summary, SEK million	Jan-Jun		Jan-Dec
	2020	2019	2019
Opening balance	2,978	2,379	2,379
Dividend to owners	-	-294	-294
Dividend to non-controlling interests	-	-5	-6
Swap agreement related to own shares	-	-	-21
Equity-settled share based payments	2	-	1
Total comprehensive income	254	612	919
Closing balance	3,234	2,692	2,978
Of which holdings of non-controlling interests	8	5	6

Other key figures *	Jan-Jun		Jan-Dec
	2020	2019	2019
Equity per share, SEK	33.07	27.49	30.46
Return on equity (rolling 12 months), %	18.8%	45.1%	32.1%
Return on capital employed (rolling 12 months), %	22.7%	53.6%	39.9%
Net cash, SEK million	467	539	337
Average number of employees	1,483	1,320	1,349

*In addition to key figures presented on page 1

Parent Company

Profit/loss accounts in summary, Parent Company, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Net sales	699	813	1,074	1,618	2,290	2,833
Cost of goods sold	-266	-310	-472	-560	-1,009	-1,097
Gross profit	433	503	602	1,058	1,281	1,736
Other operating expenses	-291	-187	-382	-317	-774	-708
EBIT	142	316	220	741	507	1,028
Result from financial items	110	6	116	10	157	51
Profit/loss after financial items	252	322	336	751	663	1,079
Appropriations	-	-	-	-	-273	-273
Profit/loss before tax	252	322	336	751	390	806
Tax	-32	-69	-49	-161	-57	-169
Net Profit/loss	220	252	287	590	334	637
Total comprehensive income	220	252	287	590	334	637

Balance sheets in summary, Parent Company, SEK million	30 Jun 20	30 Jun 19	31 Dec 19
ASSETS			
Fixed assets			
Intangible and tangible assets	105	68	92
Financial assets	2,023	1,824	1,893
Total fixed assets	2,128	1,892	1,985
Current assets			
Inventories	562	447	463
Current receivables	1,089	854	871
Cash and cash equivalents	481	288	246
Total current assets	2,132	1,590	1,580
TOTAL ASSETS	4,259	3,481	3,565
EQUITY AND LIABILITIES			
Equity	2,248	1,933	1,960
Untaxed reserves	919	646	919
Long-term interest-bearing liabilities	19	-	28
Other non-current liabilities	1	8	4
Total long-term liabilities	20	8	32
Short-term interest bearing liabilities	219	-	19
Other current liabilities	854	895	636
Total current liabilities	1,073	895	654
TOTAL EQUITY AND LIABILITIES	4,259	3,481	3,565

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

	Q2		Jan-Jun		Rolling	Jan-Dec
Revenue by geographical market, SEK million	2020	2019	2020	2019	12 month	2019
EMEA	121	159	276	328	691	743
North and South America	127	238	237	637	605	1,005
Asia	838	723	1,309	1,260	2,608	2,559
	1,086	1,120	1,822	2,225	3,904	4,307
Revenue by type of good/service, SEK million						
System	804	817	1,248	1,645	2,702	3,099
Aftermarket	283	303	574	580	1,202	1,208
	1,086	1,120	1,822	2,225	3,904	4,307
Timing of revenue recognition, SEK million						
Goods transferred at a point in time	895	925	1,441	1,850	3,124	3,533
Services transferred over time	191	195	380	375	780	774
	1,086	1,120	1,822	2,225	3,904	4,307

Note 6 Segment reporting

SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Net sales						
Assembly Solutions	583	579	1,150	1,103	2,510	2,463
Pattern Generators	503	541	672	1,122	1,394	1,844
	1,086	1,120	1,822	2,225	3,904	4,307
EBIT						
Assembly Solutions	20	17	40	22	128	110
Pattern Generators	261	302	297	703	613	1,019
Amortization of previously acquired intangible assets	-1	-1	-2	-2	-4	-4
Effects from IFRS 16	1	0	1	0	0	-1
Group	281	317	336	723	737	1,124

Note 7 Research and development expenses

Research and development costs, SEK million	Q2		Jan-Jun		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
<i>R&D expenditures</i>						
Assembly Solutions	-85	-84	-178	-162	-355	-340
Pattern Generators	-55	-59	-115	-110	-233	-227
	-140	-143	-293	-272	-588	-567
<i>Capitalization of development costs</i>						
Assembly Solutions	6	3	13	9	21	17
Pattern Generators	17	0	38	0	50	12
	23	4	51	10	71	29
Amortization of acquired technology						
Assembly Solutions	-5	-5	-10	-10	-21	-20
<i>Reported cost</i>	-122	-145	-252	-273	-538	-559

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 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, 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-Jun		Rolling	Jan-Dec
	2020	2019	12 month	2019
Return on equity				
Net profit/loss (rolling 12 months)	557	1,035	557	859
Average shareholders' equity	2,963	2,296	2,963	2,679
	18.8%	45.1%	18.8%	32.1%
Return on capital employed				
Profit/loss before tax (rolling 12 months)	733	1,305	733	1,122
Financial expenses	14	8	14	11
Profit/loss before financial expenses	747	1,313	747	1,133
Average balance sheet total	4,937	4,106	4,937	4,500
Average non-interest-bearing liabilities	1,638	1,654	1,638	1,661
Average capital employed	3,300	2,452	3,300	2,838
	22.7%	53.6%	22.7%	39.9%
Book-to-bill				
Order intake	2,083	1,622	5,028	4,567
Net sales	1,822	2,225	3,904	4,307
	1.1	0.7	1.3	1.1
EBITDA				
EBIT	336	723	737	1,124
Depreciation/Amortization	87	70	199	182
	423	793	937	1,307
Underlying EBIT				
EBIT	336	723	737	1,124
Acquisition-related costs included in:				
Cost of goods sold	-	-	-	-
Operating expenses	19	30	34	45
	355	753	771	1,169
Equity per share				
Equity at balance day	3,234	2,692	3,234	2,978
No. of shares at end of period, thousand	97,775	97,917	97,775	97,775
	33.07	27.49	33.07	30.46
Earnings per share before/after dilution, SEK				
Net Profit/loss attributable to owners of the Parent Company	252	556	552	855
Average no. of shares before dilution, thousand	97,775	97,917	97,822	97,893
Average no. of shares after dilution, thousand	97,775	97,917	97,824	97,895
	2.58	5.70	5.65	8.74
Net cash, SEK million				
Cash and cash equivalents	984	696	984	655
Interest-bearing liabilities	-516	-157	-516	-318
	467	539	467	337

Quarterly data	Q2 20	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Order Intake Assembly Solutions	540	707	703	809	685	566	608	508
Order Intake Pattern Generators	111	725	1,004	430	216	156	695	304
	651	1,432	1,706	1,238	901	721	1,303	813
Order Backlog Assembly Solutions	903	945	805	879	654	553	507	520
Order Backlog Pattern Generators	1,522	1,915	1,359	760	647	972	1,397	1,131
	2,425	2,860	2,164	1,639	1,301	1,525	1,904	1,651
Net Sales Assembly Solutions	583	567	776	584	579	524	621	533
Net Sales Pattern Generators	503	169	405	317	541	581	430	563
	1,086	736	1,181	900	1,120	1,105	1,052	1,096
Gross Profit Assembly Solutions	244	225	308	239	250	214	268	216
Gross Profit Pattern Generators	361	109	277	227	407	478	231	445
	605	334	584	465	657	692	498	662
Gross Margin Assembly Solutions	41.8%	39.7%	39.6%	40.9%	43.2%	40.8%	43.1%	40.6%
Gross Margin Pattern Generators	71.7%	64.6%	68.3%	71.7%	75.3%	82.3%	53.6%	79.1%
	55.7%	45.4%	49.4%	51.7%	58.7%	62.6%	47.4%	60.3%
R&D expenses Assembly Solutions	-84	-91	-99	-81	-86	-77	-85	-74
R&D expenses Pattern Generators	-38	-39	-59	-46	-59	-51	-57	-36
Total R&D expenses	-122	-130	-159	-127	-145	-128	-142	-110
Selling expenses	-117	-140	-148	-153	-128	-113	-133	-110
Administrative expenses	-61	-57	-66	-55	-61	-56	-62	-55
Other income/expenses	-24	49	-8	67	-8	10	-11	49
EBIT	281	55	204	198	317	406	151	436
Of which EBIT Assembly Solutions	20	20	42	46	17	5	18	79
Of which EBIT Pattern Generators	261	36	163	153	302	401	134	357
EBIT margin	25.8%	7.5%	17.2%	21.9%	28.3%	36.7%	14.3%	39.7%
Equity per share after tax	33.07	31.52	30.46	29.44	27.49	28.01	24.30	22.76
Earnings per share before/after dilution	2.18	0.40	1.57	1.52	2.50	3.20	1.33	3.55
Closing share price	175.70	121.10	185.10	121.90	112.80	132.50	118.10	93.05