

Interim Report January-September 2020

Third quarter

- Order intake amounted to SEK 739 (1,238) million, a decline of 40 percent
- Net sales increased 19 percent to SEK 1,068 (900) million and 25 percent based on constant exchange rates
- EBIT rose 76 percent to SEK 348 (198) million and EBIT margin was 33 (22) percent
- The underlying EBIT was SEK 400 (202) million, an increase of 98 percent. The underlying EBIT margin was 37 (22) percent
- Earnings per share were SEK 2.71 (1.52)

January-September

- Order intake was SEK 2,822 (2,861) million, a decrease of 1 percent
- Net sales declined 8 percent to SEK 2,889 (3,125) million and 6 percent based on constant exchange rates
- EBIT was SEK 684 (920) million, a decline of 26 percent. The EBIT margin was 24 (29) percent
- The underlying EBIT was SEK 755 (955) million, a decline of 21 percent. The underlying EBIT margin was 26 (31) percent
- Earnings per share were SEK 5.29 (7.22)

“While we are devoting much energy to addressing the uncertainty in our macro environment, I can feel a fundamental sense of security in the long-term development of the business and in how the organization has handled the pandemic. Our operations are well-diversified across various segments and geographies and offer us a good resilience and risk spread. We have a well-filled order book and we delivered net sales growth of 19 percent for the quarter, increased EBIT by 76 percent and reported a margin of 33 percent,” says Anders Lindqvist, President and CEO.

Outlook 2020

It is the Board of Director's opinion that consolidated net sales for 2020 will be at a level of SEK 3.9 billion, excluding any acquisitions. The adjustment from the previously communicated SEK 4.1 billion is mainly due to currency effects but also to the pandemic's impact on operations.

Group summary	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Order intake, SEK million	739	1,238	2,822	2,861	4,528	4,567
Net Sales, SEK million	1,068	900	2,889	3,125	4,071	4,307
Book-to-bill	0.7	1.4	1.0	0.9	1.1	1.1
Order backlog, SEK million	2,096	1,639	2,096	1,639	2,096	2,164
Gross margin, %	58.3%	51.7%	54.0%	58.1%	52.7%	55.7%
EBIT, SEK million	348	198	684	920	888	1,124
EBIT margin, %	32.6%	21.9%	23.7%	29.5%	21.8%	26.1%
Underlying EBIT margin, %	37.5%	22.4%	26.1%	30.5%	23.8%	27.1%
Earnings per share before/after dilution, SEK	2.71	1.52	5.29	7.22	6.86	8.74
Cash Flow, SEK million	109	118	442	-23	285	-180
<i>Changes in net sales</i>						
Total growth, %	19%	-18%	-8%	15%	-3%	14%
Organic growth, %	25%	-20%	-6%	6%	-3%	7%
Growth from acquisitions, %	-	-	-	3%	0%	2%
Currency effects, %	-6%	2%	-1%	5%	0%	5%

CEO comments



While we are devoting much energy to addressing the uncertainty in our macro environment, I can feel a fundamental sense of security in the long-term development of the business and in how the organization has handled the pandemic. We delivered net sales growth of 19 percent for the quarter,

increased EBIT by 76 percent and reported a margin of 33 percent. It is clear that our well-filled order book and stable financial position in combination with the adjustments we have made to continue to support our customers in the best possible manner have helped to bridge this period marked by greater uncertainty than we are used to handle. Our operations are well diversified across various segments and geographies and offer us a good resilience and risk spread. This is also reflected in the varying performance for the divisions during the quarter.

The robust performance of the High Volume division was further cemented during the quarter. The division's leading position in dispensing in China and the favorable market in the country contributed to the strong growth. High Flex, which primarily operates in the European and North American markets, noted a slight increase in activity during the quarter. Even if the increase is from low levels, it is pleasing to note that we, for example, secured a few major orders where we support customer businesses with fully automated complete assembly lines including software tools and process monitoring. For the Global Technologies division, optoelectronics has continued to develop favorably, driven by the strong Chinese market while the camera modules to the automotive industry segment was characterized by low levels of activity. Net sales for the Assembly Solutions business area as a whole decreased 4 percent year on year, mainly attributable to lengthier or temporarily postponed investment decisions.

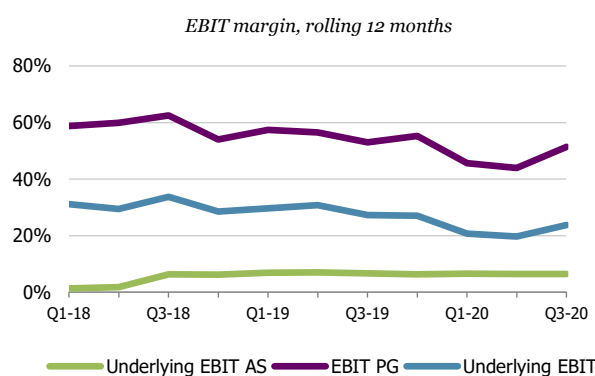
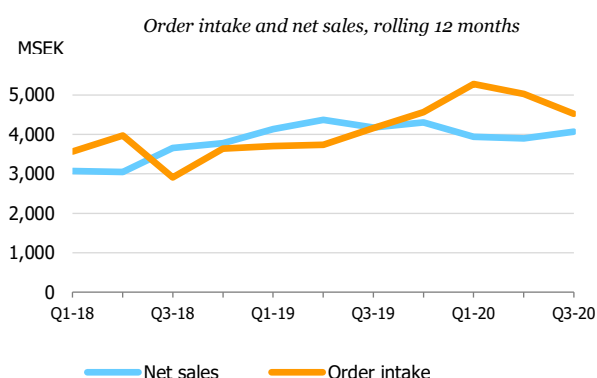
Pattern Generators again reported a strong quarter with a stable aftermarket combined with the delivery of an FPS 6100 Evo and our most advanced system, Prexision 800 Evo.

This is the third Prexision 800 to be delivered and the system is primarily used to write the most advanced photomasks used to manufacture AMOLED displays. Net sales for the division rose 60 percent and EBIT by 132 percent, with a margin of 70 percent. Order books are well-filled and all planned deliveries are unchanged while the long-term outlook is deemed to be unchanged. The rate of development of new display technology is high although we can also see, depending on how long the uncertainty surrounding the pandemic continues, that over time this may lead to longer investment processes. The business area, which experiences natural variations between quarters, has a stable aftermarket but received no system orders during the quarter. Taken together, this contributed to a reduction in order intake for the Group as a whole by 40 percent during the quarter and 1 percent during the first nine months of the year.

Our efficiency improvements in High Flex and Global Technologies are continuing according to plan and the EBIT margin target of at least 10 percent in 2021 for Assembly Solutions as a whole stands firm. It is mainly due to currency effects, but also to the pandemic's impact on operations, that the Board adjusts the 2020 outlook for Group net sales to the level of SEK 3.9 billion. The long-term goal of net sales of SEK 5 billion not later than 2023 stands firm.

We are in a period of uncertainty where we continually assess and plan for various business scenarios depending on the future progress of the pandemic. I am proud of how our employees are managing the new circumstances on a daily basis and helping our customers to deal with problems in the wake of the pandemic. At the same time, I would like to point out that we have a long-term focus to continue investing in the next generation of innovations with the aim of always offering our customers the most efficient and smartest solutions.

Anders Lindqvist, President and CEO



Financial performance, Group

	Q3		Jan-Sep		Rolling 12 month	Jan-Dec 2019
	2020	2019	2020	2019		
Order intake, SEK million	739	1,238	2,822	2,861	4,528	4,567
Order backlog, SEK million	2,096	1,639	2,096	1,639	2,096	2,164
Net Sales, SEK million	1,068	900	2,889	3,125	4,071	4,307
Gross profit, SEK million	622	465	1,560	1,815	2,144	2,399
Gross margin, %	58.3%	51.7%	54.0%	58.1%	52.7%	55.7%
EBIT, SEK million	348	198	684	920	888	1,124
EBIT margin, %	32.6%	21.9%	23.7%	29.5%	21.8%	26.1%
Underlying EBIT, SEK million	400	202	755	955	969	1,169
Underlying EBIT margin, %	37.5%	22.4%	26.1%	30.5%	23.8%	27.1%
EBITDA, SEK million	434	270	857	1,063	1,101	1,307

Group

Division High Flex noted a slight increase in activity, from low levels, that included a few major orders for fully automated complete assembly lines during the quarter. High Volume reported a continued strong order intake, driven by demand in the Chinese market. Global Technologies demonstrated strong momentum in optoelectronics while the weak trend for camera modules to the automotive industry continued. Pattern Generators has a stable after-market, but received no system orders during the quarter, which reflects the business area's natural variations between quarters. Overall, the order intake for the quarter declined 40 percent to SEK 739 (1,238) million and 1 percent for the first nine months to SEK 2,822 (2,861) million.

The order backlog amounts to SEK 2,096 (1,639) million at the end of September. Both Assembly Solutions and Pattern Generators contributed to the robust order backlog.

Net sales increased 19 percent to SEK 1,068 (900) million during the quarter. Currency effects had a negative impact of SEK 57 million. The increase is attributable to the stable aftermarket for Pattern Generators combined with the delivery of an FPS 6100 Evo and a Prexision 800 Evo. The High Volume division also reported strong growth in the Chinese market for dispensing. For Global Technologies, optoelectronics has continued to develop favorably driven by the strong Chinese market while the camera modules to the automotive industry segment was characterized by low levels of activity. The High Flex division has continued to feel the effects of the pandemic. For the first nine months of the year, Group net sales decreased 8 percent to SEK 2,889 (3,125) million.

EBIT for the quarter increased 76 percent to SEK 348 (198) million, corresponding to an EBIT margin of 33 (22) percent. Figures for Assembly Solutions are mixed, with a strong trend in dispensing and

optoelectronics in the Chinese market while the impact of the pandemic can still be felt in Europe and the USA.

Impairment of intangible assets in the Global Technologies division, attributable to the weak outlook for system sales for assembly of camera modules, had a negative impact of SEK 43 million. Pattern Generators reported a robust aftermarket business together with the delivery of two mask writers during the quarter. For the first nine months of the year, the Group's EBIT amounted to SEK 684 (920) million, corresponding to an EBIT margin of 24 (29) percent.

Acquisition-related costs, mainly attributable to the amortization and impairment of acquired intangible assets, amounted to SEK 52 (4) million for the third quarter and to SEK 71 (34) million for the first nine months of the year. Underlying EBIT amounted to SEK 400 (202) million for the quarter and SEK 755 (955) million for the first nine months of the year, corresponding to an underlying EBIT margin of 37 (22) percent and 26 (31) percent, respectively.

Cash flow and financial position

Consolidated cash and cash equivalents at the end of September amounted to SEK 1,089 (826) million. Cash flow amounted to SEK 442 (-23) million for the first nine months of the year. Cash flow from operating activities amounted to SEK 831 (326) million. Working capital tied up decreased by SEK 188 million during the period, compared with an increase of SEK 455 million in the corresponding period last year.

Investments amounted to SEK 122 (69) million, of which capitalization of product development accounted for SEK 69 (13) million. Investments in tangible assets totaled SEK 37 (47) million.

Financing activities utilized SEK 266 (280) million during the first nine months of the year. During the third quarter, financing activities totaled SEK -429 (41) million, of which

SEK 196 million relates to dividends to shareholders and SEK 200 million was attributable to repayment of used credit facilities.

COVID-19

Mycronic is closely monitoring developments related to COVID-19 and is 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 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

	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Assembly Solutions						
Order intake, SEK million	617	809	1,865	2,059	2,567	2,762
Order backlog, SEK million	958	879	958	879	958	805
Net Sales, SEK million	561	584	1,711	1,687	2,488	2,463
Gross profit, SEK million	218	239	687	703	995	1,011
Gross margin, %	38.9%	40.9%	40.1%	41.7%	40.0%	41.0%
EBIT, SEK million	-6	46	35	68	77	110
EBIT margin, %	-1.0%	7.9%	2.0%	4.0%	3.1%	4.5%
Underlying EBIT, SEK million	46	50	105	102	158	155
Underlying EBIT margin, %	8.2%	8.6%	6.1%	6.0%	6.4%	6.3%
R&D expenditures, SEK million	-77	-79	-254	-241	-353	-340
R&D costs, SEK million	-95	-81	-270	-244	-369	-344

Assembly Solutions

The High Flex division noted a slight increase in activity, from low levels, that included a few major orders for fully automated complete assembly lines including software tools and process monitoring during the quarter. High Volume reported a continued strong order intake, driven by demand in the Chinese market. Global Technologies demonstrated strong momentum in optoelectronics while the weak trend for camera modules continued. Order intake for the business area as a whole declined 24 percent to SEK 617 (809) million and 9 percent for the first nine months at SEK 1,865 (2,059) million. The backlog of orders strengthened to SEK 958 (879) million.

Net sales for the quarter declined 4 percent to SEK 561 (584) million. The robust performance of the High Volume division was further cemented during the quarter. The High Flex division has continued to feel the effects of the pandemic. The situation for the Global Technologies division is divided, with a sustained positive performance for optoelectronics while the camera modules to the automotive industry segment was characterized by low levels of activity. For the first nine months of the year, net sales amounted to SEK 1,711 (1,687) million, corresponding to growth of 1 percent. Currency effects had a

negative impact of SEK 37 million during the third quarter and a negative effect of SEK 13 million during the first nine months of the year.

EBIT for the quarter was SEK -6 (46) million, corresponding to an EBIT margin of -1 (8) percent. The change is largely due to the impairment of intangible assets in the Global Technologies division of SEK 43 million. The impairment is attributable to the weak outlook for system sales for assembly of camera modules. Earnings were also affected by the impact of the pandemic on primarily the High Flex division in the European and North American markets together with costs for efficiency measures in the High Flex division and Global Technologies. During the first nine months of the year, EBIT decreased to SEK 35 (68) million.

Acquisition-related costs, mainly attributable to the amortization and impairment of acquired intangible assets, amounted to SEK 52 (4) million for the third quarter and to SEK 71 (34) million for the first nine months of the year. Underlying EBIT amounted to SEK 46 (50) million for the quarter and SEK 105 (102) million for the first nine months of the year, corresponding to an underlying EBIT margin of 8 (9) percent and 6 (6) percent, respectively.

R&D costs for the third quarter amounted to SEK 95 (81) million and SEK 270 (244) million for the first nine months. The costs pertain to existing product

development, as well as investments in future growth. The capitalization of R&D costs were SEK 5 (3) million and SEK 18 (12) million, respectively.

	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Pattern Generators						
Order intake, SEK million	122	430	958	802	1,961	1,805
Order backlog, SEK million	1,138	760	1,138	760	1,138	1,359
Net Sales, SEK million	506	317	1,178	1,438	1,583	1,844
Gross profit, SEK million	404	227	873	1,113	1,150	1,389
Gross margin, %	79.7%	71.7%	74.1%	77.3%	72.6%	75.3%
EBIT, SEK million	354	153	652	856	815	1,019
EBIT margin, %	70.0%	48.2%	55.3%	59.5%	51.5%	55.3%
R&D expenditures, SEK million	-47	-47	-163	-157	-232	-227
R&D costs, SEK million	-35	-46	-112	-156	-171	-215

Pattern Generators

Pattern Generators reported a stable aftermarket, but received no system orders during the quarter and, accordingly, noted a decline in order intake of 72 percent to SEK 122 (430) million. For the first nine months of the year, order intake increased 19 percent to SEK 958 (802) million, driven by a strong start to the year.

The strong order intake at the beginning of the year, combined with slightly fewer system deliveries in the first nine months of the year compared with the preceding year, contributed to an increase in the order backlog to SEK 1,138 (760) million. The pandemic means that the uncertainty regarding the time of planned deliveries has increased somewhat. Of the order backlog, which contains 10 systems and a major upgrade, the following system deliveries are planned:

2020 Q4: FPS 6100 Evo, Prexision 8 Evo, SLX, a major upgrade of a Prexision 8

2021 Q1: Prexision 8 Lite Evo, SLX, Prexision 800 Evo

2021 Q2: Prexision 8 Lite Evo, MMS G8

2021 H1: SLX

2021 H2: SLX

Net sales for the quarter rose 60 percent to SEK 506 (317) million, driven by the stable aftermarket combined with the

delivery of an FPS 6100 Evo and a Prexision 800 Evo. For the first nine months of the year, net sales amounted to SEK 1,178 (1,438) million, with the decline largely attributable to slightly fewer system deliveries compared with the preceding year. The third quarter was negatively impacted by currency effects of SEK 20 million and the first nine months negatively by SEK 24 million.

EBIT for the quarter increased 132 percent and amounted to SEK 354 (153) million, corresponding to an EBIT margin of 70 (48) percent. EBIT for the first nine months of the year declined 24 percent to SEK 652 (856) million, corresponding to an EBIT margin of 55 (60) 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.

R&D costs amounted to SEK 35 (46) million for the quarter and to SEK 112 (156) million for the first nine months of the year and pertain mainly to the SLX mask writer, together with the development of current and next generation mask writers. The capitalization of R&D costs amounted to SEK 13 (1) million and SEK 51 (2) 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 4.1 percent in 2020. The semiconductor market is expected to grow 3.0 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 percent¹.

Size/growth	2020F	2019	2018
Electronics industry, percentual change ¹	-4.1%	+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 half of 2020 was 2 percent² compared with the corresponding period in the preceding year, mainly driven by a strong trend in China during the period. 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

Mycronic offers very high precision die bonding solutions for manufacturing microelectronics and optoelectronics that serve communications, defense and aerospace, medical devices, and industrial markets. Driven by data center, AI, IoT (Internet of Things) and 5G, optical components for communications is expected to grow from USD 7.4 billion in 2019 to USD 14.4 billion in 2025, with 12 percent annual growth⁸. Mycronic also offer solutions for assembly and testing of camera modules including those for Advanced Driver Assistance Systems (ADAS) in the automotive market. Camera modules manufactured are expected to increase from 201 million units in 2019 to 399 million in 2025, with 12 percent annual growth³.

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. However, there are signs that the market has begun a recovery during the third quarter and both demand and prices are rising. 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. At the same time, predicted growth for G10 photomasks has been slower 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 September 2020.

2) Protec MDC, July 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 January 2019, Mycronic analysis

7) 110 YEN/USD used by Mycronic for conversion

8) Lightcounting, May 2020

Other

The Parent Company

Mycronic AB is the Group's Parent Company.

The Parent Company's net sales amounted to SEK 1,736 (2,136) million for the first nine months of the year. EBIT was SEK 504 (940) million.

Cash and cash equivalents at the end of September amounted to SEK 561 million, compared with SEK 246 million at the end of 2019.

Nomination Committee

The Nomination Committee for Mycronic's 2021 Annual General Meeting has been appointed in accordance with the instructions for the Nomination Committee as decided by the 2020 Annual General Meeting. The Nomination Committee comprises: Henrik Blomquist, Bure Equity, Per Trygg, SEB Funds, Thomas Ehlin, The Fourth Swedish National Pension Fund, and Patrik Tigerschiöld, Chairman. The Nomination Committee represents 47.6 percent of votes and shares as of 31 August, 2020.

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 October 22, 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 reviewed by the company's auditor.

Financial calendar

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

Täby, October 22, 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

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Group

Consolidated profit and loss accounts in summary, SEK million	Note	Q3		Jan-Sep		Rolling	Jan-Dec
		2020	2019	2020	2019	12 month	2019
Net sales	5, 6	1,068	900	2,889	3,125	4,071	4,307
Cost of goods sold		-446	-435	-1,329	-1,310	-1,927	-1,908
Gross profit		622	465	1,560	1,815	2,144	2,399
Research and development	7	-130	-127	-382	-400	-540	-559
Selling expenses		-101	-153	-359	-393	-506	-541
Administrative expenses		-52	-55	-170	-171	-236	-237
Other income and expenses		9	67	34	70	26	62
EBIT		348	198	684	920	888	1,124
Financial income and expenses		-2	0	-5	-2	-6	-2
Profit/loss before tax		346	197	679	919	882	1,122
Tax		-78	-48	-156	-212	-207	-263
Net Profit/loss		268	149	523	707	675	859
Earnings per share before/after dilution, SEK		2.71	1.52	5.29	7.22	6.86	8.74
Average number of shares, thousand		97,741	97,917	97,764	97,917	97,778	97,893
Results attributable to owners of the Parent Company		265	147	517	702	670	855
Results attributable to non-controlling interests		3	2	5	5	5	4
		268	149	523	707	675	859

Consolidated statement of comprehensive income in summary, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Net Profit/loss	268	149	523	707	675	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	-32	62	-39	123	-106	56
Hedging of net investment in foreign entities	-	-5	-	-13	0	-13
Changes in cash flow hedges	18	-14	24	-13	56	19
Total comprehensive income	254	192	508	804	623	919
Total comprehensive income attributable to owners of the Parent Company	251	190	502	799	619	915
Total comprehensive income attributable to non-controlling interests	3	2	5	5	4	4
	254	192	508	804	623	919

Consolidated statements of financial position in summary, SEK million	30 Sep 20	30 Sep 19	31 Dec 19
ASSETS			
Fixed assets			
Intangible assets	1,329	1,412	1,366
Tangible assets	442	283	447
Non-current receivables	48	60	50
Deferred tax assets	119	108	97
Total fixed assets	1,938	1,863	1,960
Current assets			
Inventories	1,242	1,085	1,109
Trade receivables	645	774	826
Other current receivables	307	236	250
Cash and cash equivalents	1,089	826	655
Total current assets	3,283	2,921	2,839
Total assets	5,220	4,784	4,800
EQUITY AND LIABILITIES			
Equity	3,275	2,883	2,978
Long-term liabilities			
Long-term interest-bearing liabilities	239	142	252
Deferred tax liabilities	240	161	226
Other non-current liabilities	44	51	54
Total long-term liabilities	524	354	532
Short-term liabilities			
Short-term interest-bearing liabilities	65	68	66
Trade payables	261	274	288
Other current liabilities	1,095	1,204	936
Total current liabilities	1,421	1,547	1,289
Total liabilities	1,945	1,901	1,822
Total equity and liabilities	5,220	4,784	4,800

Consolidated cash flow statements in summary, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Profit/loss before tax	346	197	679	919	882	1,122
Adjustments for non-cash items and paid income tax	28	-95	-36	-137	22	-79
Change in working capital	190	-1	188	-455	145	-498
Cash flow from operating activities	564	102	831	326	1,050	545
Cash flow from investing activities	-26	-25	-122	-69	-453	-399
Cash flow from financing activities	-429	41	-266	-280	-312	-326
Cash flow for the period	109	118	442	-23	285	-180
Cash and cash equivalents, opening balance	984	696	655	829	826	829
Exchange difference for cash and cash equivalents	-3	11	-8	20	-22	6
Cash and cash equivalents, closing balance	1,089	826	1,089	826	1,089	655

Consolidated statement of changes in equity in summary, SEK million	Jan-Sep		Jan-Dec
	2020	2019	2019
Opening balance	2,978	2,379	2,379
Dividend to owners	-196	-294	-294
Dividend to non-controlling interests	-1	-6	-6
Swap agreement related to own shares	-17	-	-21
Equity-settled share based payments	4	-	1
Total comprehensive income	508	804	919
Closing balance	3,275	2,883	2,978
Of which holdings of non-controlling interests	10	7	6

Other key figures *	Jan-Sep		Jan-Dec
	2020	2019	2019
Equity per share, SEK	33.54	29.44	30.46
Return on equity (rolling 12 months), %	21.9%	32.7%	32.1%
Return on capital employed (rolling 12 months), %	26.9%	40.5%	39.9%
Net cash, SEK million	785	616	337
Average number of employees	1,505	1,327	1,349

*In addition to key figures presented on page 1. See calculations on page 16.

Parent Company

Profit/loss accounts in summary, Parent Company, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Net sales	662	518	1,736	2,136	2,434	2,833
Cost of goods sold	-223	-217	-695	-777	-1,015	-1,097
Gross profit	439	301	1,041	1,358	1,419	1,736
Other operating expenses	-155	-102	-537	-419	-827	-708
EBIT	284	199	504	940	592	1,028
Result from financial items	41	26	157	36	172	51
Profit/loss after financial items	325	225	661	976	764	1,079
Appropriations	-	-	-	-	-273	-273
Profit/loss before tax	325	225	661	976	491	806
Tax	-62	-48	-111	-209	-70	-169
Net Profit/loss	264	177	550	767	421	637
Total comprehensive income	264	177	550	767	421	637

Balance sheets in summary, Parent Company, SEK million	30 Sep 20	30 Sep 19	31 Dec 19
ASSETS			
Fixed assets			
Intangible and tangible assets	105	70	92
Financial assets	1,993	1,928	1,893
Total fixed assets	2,099	1,998	1,985
Current assets			
Inventories	551	465	463
Current receivables	807	824	871
Cash and cash equivalents	561	425	246
Total current assets	1,919	1,714	1,580
TOTAL ASSETS	4,018	3,712	3,565
EQUITY AND LIABILITIES			
Equity	2,300	2,109	1,960
Untaxed reserves	919	646	919
Long-term interest-bearing liabilities	18	40	28
Other non-current liabilities	1	5	4
Total long-term liabilities	20	44	32
Short-term interest bearing liabilities	19	20	19
Other current liabilities	761	892	636
Total current liabilities	780	913	654
TOTAL EQUITY AND LIABILITIES	4,018	3,712	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, see page 4.

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	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
EMEA	113	190	389	517	614	743
North and South America	141	145	378	782	601	1,005
Asia	814	566	2,122	1,826	2,856	2,559
	1,068	900	2,889	3,125	4,071	4,307
Revenue by type of good/service, SEK million						
System	774	600	2,021	2,245	2,875	3,099
Aftermarket	294	300	868	880	1,196	1,208
	1,068	900	2,889	3,125	4,071	4,307
Timing of revenue recognition, SEK million						
Goods transferred at a point in time	871	700	2,312	2,550	3,295	3,533
Services transferred over time	197	200	577	575	776	774
	1,068	900	2,889	3,125	4,071	4,307

Note 6 Segment reporting

SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
Net sales						
Assembly Solutions	561	584	1,711	1,687	2,488	2,463
Pattern Generators	506	317	1,178	1,438	1,583	1,844
	1,068	900	2,889	3,125	4,071	4,307
EBIT						
Assembly Solutions	-6	46	35	68	77	110
Pattern Generators	354	153	652	856	815	1,019
Amortization of previously acquired intangible assets	-1	-1	-3	-3	-4	-4
Effects from IFRS 16	0	0	1	0	0	-1
Group	348	198	684	920	888	1,124

Note 7 Research and development expenses

Research and development costs, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2020	2019	2020	2019	12 month	2019
<i>R&D expenditures</i>						
Assembly Solutions	-77	-79	-254	-241	-353	-340
Pattern Generators	-47	-47	-163	-157	-232	-227
	-124	-126	-417	-398	-586	-567
<i>Capitalization of development costs</i>						
Assembly Solutions	5	3	18	12	23	17
Pattern Generators	13	1	51	2	62	12
	18	4	69	13	85	29
<i>Amortization of acquired technology</i>						
Assembly Solutions	-5	-5	-15	-15	-20	-20
<i>Impairment of acquired technology</i>						
Assembly Solutions	-19	-	-19	-	-19	-
Reported cost	-130	-127	-382	-400	-540	-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-Sep		Rolling	Jan-Dec
	2020	2019	12 month	2019
Return on equity				
Net profit/loss (rolling 12 months)	675	837	675	859
Average shareholders' equity	3,079	2,556	3,079	2,679
	21.9%	32.7%	21.9%	32.1%
Return on capital employed				
Profit/loss before tax (rolling 12 months)	882	1,067	882	1,122
Financial expenses	14	10	14	11
Profit/loss before financial expenses	896	1,077	896	1,133
Average balance sheet total	5,002	4,273	5,002	4,500
Average non-interest-bearing liabilities	1,665	1,612	1,665	1,661
Average capital employed	3,337	2,662	3,337	2,838
	26.9%	40.5%	26.9%	39.9%
Book-to-bill				
Order intake	2,822	2,861	4,528	4,567
Net sales	2,889	3,125	4,071	4,307
	1.0	0.9	1.1	1.1
EBITDA				
EBIT	684	920	888	1,124
Depreciation/Amortization	173	142	213	182
	857	1,063	1,101	1,307
Underlying EBIT				
EBIT	684	920	888	1,124
Acquisition-related costs included in:				
Cost of goods sold	-	-	-	-
Operating expenses	71	34	81	45
	755	955	969	1,169
Equity per share				
Equity at balance day	3,275	2,883	3,275	2,978
No. of shares at end of period, thousand	97,672	97,917	97,672	97,775
	33.54	29.44	33.54	30.46
Earnings per share before/after dilution, SEK				
Net Profit/loss attributable to owners of the Parent Company	517	702	670	855
Average no. of shares before dilution, thousand	97,764	97,917	97,778	97,893
Average no. of shares after dilution, thousand	97,775	97,917	97,805	97,895
	5.29	7.22	6.86	8.74
Net cash, SEK million				
Cash and cash equivalents	1,089	826	1,089	655
Interest-bearing liabilities	-304	-211	-304	-318
	785	616	785	337

Quarterly data	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18
Order Intake Assembly Solutions	617	540	707	703	809	685	566	608
Order Intake Pattern Generators	122	111	725	1,004	430	216	156	695
	739	651	1,432	1,706	1,238	901	721	1,303
Order Backlog Assembly Solutions	958	903	945	805	879	654	553	507
Order Backlog Pattern Generators	1,138	1,522	1,915	1,359	760	647	972	1,397
	2,096	2,425	2,860	2,164	1,639	1,301	1,525	1,904
Net Sales Assembly Solutions	561	583	567	776	584	579	524	621
Net Sales Pattern Generators	506	503	169	405	317	541	581	430
	1,068	1,086	736	1,181	900	1,120	1,105	1,052
Gross Profit Assembly Solutions	218	244	225	308	239	250	214	268
Gross Profit Pattern Generators	404	361	109	277	227	407	478	231
	622	605	334	584	465	657	692	498
Gross Margin Assembly Solutions	38.9%	41.8%	39.7%	39.6%	40.9%	43.2%	40.8%	43.1%
Gross Margin Pattern Generators	79.7%	71.7%	64.6%	68.3%	71.7%	75.3%	82.3%	53.6%
	58.3%	55.7%	45.4%	49.4%	51.7%	58.7%	62.6%	47.4%
R&D expenses Assembly Solutions	-95	-84	-91	-99	-81	-86	-77	-85
R&D expenses Pattern Generators	-35	-38	-39	-59	-46	-59	-51	-57
Total R&D expenses	-130	-122	-130	-159	-127	-145	-128	-142
Selling expenses	-101	-117	-140	-148	-153	-128	-113	-133
Administrative expenses	-52	-61	-57	-66	-55	-61	-56	-62
Other income/expenses	9	-24	49	-8	67	-8	10	-11
EBIT	348	281	55	204	198	317	406	151
Of which EBIT Assembly Solutions	-6	20	20	42	46	17	5	18
Of which EBIT Pattern Generators	354	261	36	163	153	302	401	134
EBIT margin	32.6%	25.8%	7.5%	17.2%	21.9%	28.3%	36.7%	14.3%
Equity per share after tax	33.54	33.07	31.52	30.46	29.44	27.49	28.01	24.30
Earnings per share before/after dilution	2.71	2.18	0.40	1.57	1.52	2.50	3.20	1.33
Closing share price	211.40	175.70	121.10	185.10	121.90	112.80	132.50	118.10

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, 2020 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, October 22, 2020

Ernst & Young AB

Erik Sandström
Authorized Public Accountant