MYCRONIC

Q4

Year-end Report January-December 2022

Fourth quarter

- Order intake amounted to SEK 2,529 (1,234) million, an increase of 105 percent
- Net sales increased 16 percent to SEK 1,497 (1,295) million. Based on constant exchange rates, net sales increased 6 percent
- EBIT amounted to SEK 262 (204) million and the EBIT margin was 18 (16) percent
- Earnings per share were SEK 2.56 (1.82)

January-December

- Order intake amounted to SEK 6,783 (4,506) million, an increase of 51 percent
- Net sales increased 10 percent to SEK 5,119 (4,635) million. Based on constant exchange rates, net sales increased 1 percent
- EBIT amounted to SEK 894 (1,049) million and the EBIT margin was 17 (23) percent
- Earnings per share were SEK 7.59 (8.48)
- The Board of Directors proposes a dividend of SEK 3.50 (3.00) per share to the 2023 Annual General Meeting

"The end of the year was characterized by record order intake, which increased 105 percent in the fourth quarter, driven by a fantastic development in Pattern Generators. The order intake resulted in a record order backlog, which provides a solid base for our work going forward. The Group's net sales were also the best ever, after an increase of 16 percent, with Pattern Generators, High Flex and High Volume contributing to the development. EBIT strengthened to SEK 262 million, corresponding to an EBIT margin of 18 percent", says Anders Lindqvist, President and CEO.

Outlook 2023

It is the Board of Directors' opinion that consolidated net sales for 2023 will be at a level of SEK 5.5 billion.

	Q4		Jan-Dec	
Group summary	**2022**	**2021**	**2022**	**2021**
Order intake, SEK million	2,529	1,234	6,783	4,506
Net Sales, SEK million	1,497	1,295	5,119	4,635
Book-to-bill	1.7	1.0	1.3	1.0
Order backlog, SEK million	3,574	1,975	3,574	1,975
Gross margin, %	44.9%	42.7%	44.7%	49.3%
EBIT, SEK million	262	204	894	1,049
EBIT margin, %	17.5%	15.8%	17.5%	22.6%
Earnings per share before/after dilution, SEK	2.56	1.82	7.59	8.48
Cash Flow, SEK million	384	-218	537	-662
Changes in Net Sales				
Total growth, %	16%	30%	10%	19%
Organic growth, %	9%	15%	-4%	16%
Growth from acquisitions/divestments, %	-3%	12%	5%	7%
Currency effects, %	10%	3%	9%	-3%

CEO comments

The end of the year was characterized by record order intake, which increased 105 percent in the fourth quarter, driven by a fantastic development in Pattern Generators. The order intake resulted in a record order backlog, which provides a solid base for our work going forward. The Group's net sales were also the best ever, after an increase of 16 percent, with Pattern Generators, High Flex and High Volume contributing to the development. EBIT strengthened to SEK 262 million, corresponding to an EBIT margin of 18 percent.

Pattern Generators received its first order for an FPS10 Evo in the fourth quarter. This is a new product in the FPS Evo series for writing photomasks to produce Fine Metal Masks, which are used when manufacturing OLED displays. The order intake for the quarter was at record levels and included one Prexision 800 Evo, three Prexision 8 Evos, one Prexision 8 Entry Evo, two Prexision Lite 8 Evos, one FPS10 Evo, one Prexision MMS and six SLXs.

Demand in High Flex during the fourth quarter was healthy, particularly in Europe, but also in the US and Mexico, where the division's customers have well-filled order books. The Chinese market was challenging, although the easing of covid restrictions could present opportunities going forward. High Flex established operations in Mexico in the fourth quarter and opened a sales and service center in Guadalajara, that will support both High Flex and High Volume in the future.

After covid restrictions in China were lifted at the end of the fourth quarter, High Volume noted a clear increase in project requests from existing customers in consumer electronics, a customer segment that otherwise showed weak demand throughout 2022.

Global Technologies' business for electrical tests of printed circuit boards and substrates reported strong aftermarket sales in a specific type of test, where it commands a unique position. In die bonding, the largest markets are data and telecom, which were hesitant during the quarter, as was the Chinese market as a whole.

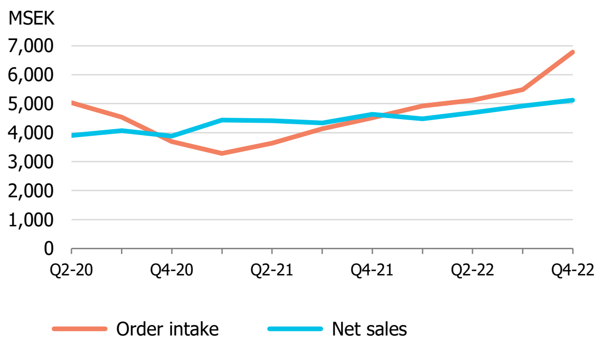
As I look back over the full year 2022, I am happy to conclude that we have been largely successful at producing and delivering to our customers despite being faced with major challenges in terms of shortage of components, logistics and difficulties in recruiting staff. We also succeeded at keeping the gross margins at a healthy level despite rising material costs. The reason that the Group's gross margin nevertheless declined year-on-year was the lower sales and less favorable product mix in Pattern Generators, which we announced already in last year's year-end report.

For us important steps were taken in terms of our sustainability work during 2022. However, much remains to be done and we will tirelessly continue our efforts in this area.

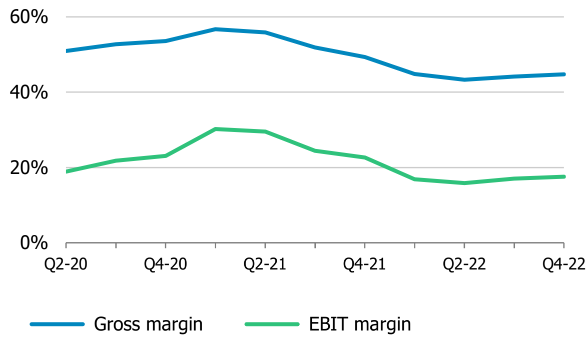
For 2023, the opinion of the Board of Directors and myself is that Mycronic's net sales will be at a level of SEK 5.5 billion.

Anders Lindqvist, President and CEO

Order intake and net sales, rolling 12 months



Gross and EBIT margin, rolling 12 months



MYCRONIC

Financial performance

GROUP

	Q4		Jan-Dec	
	2022	2021	2022	2021
Order intake, SEK million	2,529	1,234	6,783	4,506
Order backlog, SEK million	3,574	1,975	3,574	1,975
Net Sales, SEK million	1,497	1,295	5,119	4,635
Gross profit, SEK million	672	553	2,288	2,284
Gross margin, %	44.9%	42.7%	44.7%	49.3%
EBIT, SEK million	262	204	894	1,049
EBIT margin, %	17.5%	15.8%	17.5%	22.6%
EBITDA, SEK million	336	260	1,147	1,254

The Group's order intake increased during the fourth quarter by 105 percent to SEK 2,529 (1,234) million, mainly driven by the very strong performance by Pattern Generators that received orders for 15 systems, including the fifth order ever for a Prexision 800 Evo. For the full year, order intake increased 51 percent to SEK 6,783 (4,506) million. Order intake excluding acquisitions and divestment increased 107 percent during the quarter and 45 percent for the full year. The Group's order backlog at the end of the year was SEK 3,574 (1,975) million.

Net sales for the final quarter of the year rose 16 percent to SEK 1,497 (1,295) million, with Pattern Generators, High Flex and High Volume contributing to the increase. For the full year, net sales increased 10 percent to SEK 5,119 (4,635) million. Net sales were positively impacted by currency effects of SEK 128 million for the quarter and SEK 443 million for full year. Organic net sales increased 9 percent during the quarter and declined 4 percent for the full year.

The gross margin for the fourth quarter amounted to 45 (43) percent and 45 (49) percent for the full year.

EBIT increased to SEK 262 (204) million during the quarter, corresponding to an EBIT margin of 18 (16) percent. EBIT for the full year amounted to SEK 894 (1,049) million, corresponding to an EBIT margin of 17 (23) percent. The divestment of AEi in February had a positive EBIT impact of SEK 23 million. Acquisition-related costs amounted to SEK 19 (24) million for the final quarter of the year and to SEK 67 (97) million for the full year.

Cash flow and financial position

Consolidated cash and cash equivalents at year-end amounted to SEK 1,274 (683) million. Cash flow for the year amounted to SEK 537 (-662) million. Cash flow from operating activities amounted to SEK 853 (998) million. Working capital increased SEK 113 million during the year, driven by an increase in trade receivables of SEK 414 million, partly offset by an increase in advance payments from customers of SEK 327 million.

Investments during the year generated a positive cash flow of SEK 67 million, compared with a negative cash flow of SEK 1,223 million in the preceding year. The latter is explained by the acquisitions of atg L&M and HC Xin. The divestment of AEi in February 2022 generated SEK 216 million in cash flow, while the capitalization of product development amounted to SEK 30 (46) million and investments in tangible assets to SEK 107 (42) million. Financing activities for the year utilized SEK 382 (437) million, of which SEK 294 (294) million related to dividends to shareholders.

Sustainability

A Group-wide professional network for women was launched during the quarter, with the aim of creating relationships and cooperation between Mycronic's female employees. This network was established following a survey into meaningful Group-wide activities for inspiring and generating engagement among female employees at Mycronic.

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PATTERN GENERATORS

	Q4		Jan-Dec	
	2022	2021	2022	2021
Order intake, SEK million	1,829	384	3,106	1,233
Order backlog, SEK million	2,480	744	2,480	744
Net Sales, SEK million	455	399	1,369	1,645
Gross profit, SEK million	247	224	782	1,105
Gross margin, %	54.4%	56.0%	57.1%	67.2%
EBIT, SEK million	154	146	465	832
EBIT margin, %	33.9%	36.6%	34.0%	50.6%
EBITDA	166	156	510	870
R&D expenditures, SEK million	-61	-57	-219	-219
R&D costs, SEK million	-60	-52	-217	-201

During the quarter the US presented a sanctions package aimed at exports of semiconductor technology to China. This was primarily focused on key technologies for the most advanced nodes and is currently not deemed to have any direct effects on Mycronic's operations. Pattern Generators received the first order for an FPS10 Evo. This is a new product in the FPS Evo series for writing photomasks to produce Fine Metal Masks, which are used when manufacturing OLED displays.

The fourth quarter order intake was at record levels and the division received orders for 15 systems, including the fifth order ever for a Prexision 800 Evo, Mycronic's most advanced mask writer. The order intake constitutes a strong base for 2023 and 2024 and comprised the following: one Prexision 800 Evo, three Prexision 8 Evos, one Prexision 8 Entry Evo, two Prexision Lite 8 Evos, one FPS10 Evo, one Prexision MMS and six SLXs. Order intake increased 377 percent to SEK 1,829 (384) million. For the full year, order intake increased 152 percent to SEK 3,106 (1,233) million. The business is characterized by fluctuations over time and performance should therefore be viewed from a long-term perspective.

At the end of the year, the order backlog amounted to SEK 2,480 (744) million and contained 25 systems with planned system deliveries as follows:

2023 Q1: 1 Prexision Lite 8 Evo, 2 SLXs
2023 Q2: 2 SLXs
2023 Q3: 1 Prexision Lite 8 Evo, 2 SLXs
2023 Q4: 1 Prexision 8 Entry Evo, 1 Prexision Lite 8 Evo, 4 SLXs

2024 Q1: 2 SLXs
2024 Q2: 1 Prexision 800 Evo, 1 Prexision 8 Evo, 1 Prexision MMS
2024 Q3: 1 Prexision 8 Evo
2024 Q4: 1 Prexision 8 Entry Evo, 1 FPS10 Evo

2025 Q1: 1 Prexision 8 Evo
2025 Q2: 1 Prexision Lite 8 Evo
2025 Q3: 1 Prexision Lite 8 Evo

Pattern Generators delivered one Prexision Lite 8 Evo and four SLXs during the fourth quarter, compared with one FPS 6100 Evo and four SLXs during the same period last year. Net sales rose 14 percent and amounted to SEK 455 (399) million. Net sales decreased 17 percent to SEK 1,369 (1,645) million for the full year. Net sales were positively impacted by currency effects of SEK 20 million for the fourth quarter and SEK 79 million for the full year.

The gross margin for the quarter amounted to 54 (56) percent and 57 (67) percent for the full year.

EBIT amounted to SEK 154 (146) million during the quarter, corresponding to an EBIT margin of 34 (37) percent. Due to lower net sales and a less favorable product mix, EBIT for the full year decreased to SEK 465 (832) million, corresponding to an EBIT margin of 34 (51) percent.

R&D costs for the quarter amounted to SEK 60 (52) million and SEK 217 (201) million for the full year. The capitalization of development costs amounted to SEK 1 (5) million for the quarter and SEK 2 (17) million for the full year.

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HIGH FLEX

	Q4		Jan-Dec	
	2022	2021	2022	2021
Order intake, SEK million	333	284	1,385	1,220
Order backlog, SEK million	138	130	138	130
Net Sales, SEK million	438	368	1,378	1,176
Gross profit, SEK million	190	152	571	469
Gross margin, %	43.4%	41.2%	41.4%	39.9%
EBIT, SEK million	77	59	175	136
EBIT margin, %	17.6%	16.1%	12.7%	11.6%
EBITDA	87	68	213	174
R&D expenditures, SEK million	-54	-45	-195	-177
R&D costs, SEK million	-49	-37	-171	-151

Demand during the final quarter of the year was healthy, particularly in Europe, but also in the US and Mexico, where High Flex's customers have well-filled order books. The Chinese market was challenging, although the easing of covid restrictions could present opportunities going forward. The division established operations in Mexico in the fourth quarter and opened a sales and service center in Guadalajara, that will support both High Flex and High Volume in the future. Order intake rose 17 percent during the quarter and amounted to SEK 333 (284) million. For the full year, order intake increased 13 percent to SEK 1,385 (1,220) million. The order backlog at the end of the year was SEK 138 (130) million.

Net sales increased 19 percent to SEK 438 (368) million during the quarter. For the full year, net sales increased 17 percent to SEK 1,378 (1,176) million. Net sales were positively impacted by currency effects of SEK 50 million for the quarter and SEK 131 million for full year.

The gross margin for the quarter amounted to 43 (41) percent and 41 (40) percent for the full year.

The division's EBIT for the fourth quarter was SEK 77 (59) million, with an EBIT margin of 18 (16) percent. EBIT for the full year amounted to SEK 175 (136) million, corresponding to an EBIT margin of 13 (12) percent.

R&D costs for the fourth quarter amounted to SEK 49 (37) million and SEK 171 (151) million for the full year. The capitalization of development costs amounted to SEK 5 (9) million for the quarter and SEK 28 (29) million for the full year.

HIGH VOLUME

	Q4		Jan-Dec	
	2022	**2021**	**2022**	**2021**
Order intake, SEK million	214	328	1,471	1,336
Order backlog, SEK million	717	809	717	809
Net Sales, SEK million	391	283	1,563	1,200
Gross profit, SEK million	151	91	603	508
Gross margin, %	38.6%	32.1%	38.6%	42.3%
EBIT, SEK million	74	17	290	231
EBIT margin, %	18.9%	6.1%	18.5%	19.3%
EBITDA	89	23	325	251
R&D expenditures, SEK million	-32	-24	-141	-107
R&D costs, SEK million	-38	-26	-153	-112

After covid restrictions in China were lifted at the end of the fourth quarter, High Volume noted a clear increase in project requests from existing customers in consumer electronics, a customer segment that otherwise showed weak demand throughout 2022. Order intake declined 35 percent during the quarter and amounted to SEK 214 (328) million. For the full year, order intake increased 10 percent to SEK 1,471 (1,336) million, mainly due to positive currency effects. At the end of the quarter, the order backlog totaled SEK 717 (809) million.

The sudden removal of covid restrictions meant that most employees in Shenzhen contracted covid in December and were on sick leave for about one week per person. However, the division succeeded in catching up with production backlogs. High Volume's customers also experienced a similar trend and returned to normal relatively quickly. Net sales rose 38 percent during the fourth quarter to SEK 391 (283) million, supported by positive currency effects. For the full year, net sales increased 30 percent to SEK 1,563 (1,200) million, also supported by positive currency effects. Net sales were positively impacted by currency effects of SEK 35 million for the quarter and SEK 169 million for the full year. Organic net sales increased 23 percent during the quarter and 10 percent for the full year.

The gross margin for the fourth quarter amounted to 39 (32) percent, where the previous year period was negatively impacted by acquisition-related costs and increased logistics costs. For the full year the gross margin was 39 (42) percent.

High Volume's EBIT for the fourth quarter increased to SEK 74 (17) million, corresponding to an EBIT margin of 19 (6) percent. Selling expenses were impacted by SEK 3 million attributable to impairment of intangible assets in the form of acquired customer relationships in HC Xin. EBIT was positively affected with SEK 6 million by a revalued contingent consideration related to the acquisition of Axxon Piezoelectric Technology. EBIT for the full year amounted to SEK 290 (231) million, corresponding to an EBIT margin of 19 (19) percent.

R&D costs for the quarter amounted to SEK 38 (26) million and were impacted by SEK 4 million attributable to impairment of intangible assets in the form of acquired technology in HC Xin. R&D costs for the full year amounted to SEK 153 (112) million.

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GLOBAL TECHNOLOGIES

	Q4		Jan-Dec	
	2022	2021	2022	2021
Order intake, SEK million	164	245	877	761
Order backlog, SEK million	239	291	239	291
Net Sales, SEK million	224	252	865	657
Gross profit, SEK million	83	86	333	200
Gross margin, %	37.1%	34.1%	38.5%	30.4%
EBIT, SEK million	6	21	101	-3
EBIT margin, %	2.6%	8.2%	11.7%	-0.4%
EBITDA	20	33	156	34
R&D expenditures, SEK million	-21	-23	-71	-68
R&D costs, SEK million	-28	-29	-97	-84

Global Technologies' business for electrical tests of printed circuit boards and substrates reported strong aftermarket sales in a specific type of test, where it commands a unique position. In die bonding, the largest markets are data and telecom, which were hesitant during the quarter, as was the Chinese market as a whole. Order intake amounted to SEK 164 (245) million for the final quarter of the year and SEK 877 (761) million for the full year. Order intake excluding acquisition and divestment declined 20 percent during the fourth quarter and 4 percent for the full year. The order backlog at the end of the year was SEK 239 (291) million.

Net sales amounted to SEK 224 (252) million for the quarter and SEK 865 (657) million for the full year. Net sales were positively impacted by currency effects of SEK 26 million for the quarter and SEK 71 million for full year. Organic net sales declined 3 percent during the quarter and 2 percent for the full year.

In die bonding, the situation regarding the supply of components eased slightly during the quarter, while the strained component supply situation in electrical testing was unchanged. The gross margin for the quarter amounted to 37 (34) percent and 38 (30) percent for the full year.

EBIT for the quarter amounted to SEK 6 (21) million, corresponding to an EBIT margin of 3 (8) percent. EBIT for the full year amounted to SEK 101 (-3) million, corresponding to an EBIT margin of 12 (0) percent. The divestment of AEi in February had a positive EBIT impact of SEK 23 million.

R&D costs for the quarter amounted to SEK 28 (29) million and SEK 97 (84) million for the full year.

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The electronics industry

The global electronics industry is assessed to have declined 2.6 percent in 2022 to USD 2,415 billion[1]. For full year 2022, the semiconductor market is forecast to have grown 3.4 percent to the equivalent of USD 575 billion[1].

OUTLOOK

Annual growth for the electronics industry is forecast at 2.5 percent for the period 2021-2026[1]. Segments with the strongest expected growth during this five-year period are electronics for data centers, automotive industry, communication and industrial applications related to automation and control. The electronics industry is forecast to demonstrate slightly positive growth of 0.8 percent in 2023. Growth will take place in the segments that are not directly linked to consumer electronics. In 2023, the semiconductor market is expected to decline 5.2 percent and is forecast to be positive during the 2022-2026 period as a whole, with annual growth of 4.9 percent[1]. The display market is estimated to have declined 21.7 percent in 2022 to USD 123 billion[2] mainly due to lower prices for LCD displays. For 2023, growth of 0.9 percent is forecast due to the sustained growth for AMOLED displays at the same time as prices for LCD displays are declining, albeit at a slower pace than in 2022. During the 2023-2027 period, the display market is expected to demonstrate cautiously positive growth, with the long-term trend toward a larger share of advanced AMOLED displays expected to continue.

Size/growth	2023F	2022	2021
Electronics industry, percentual change[1]	+0.8%	-2.6%	+12.2%
Semiconductor industry, percentual change[1]	-5.2%	+3.4%	+26.7%
SMT component mounting, percentual change[3]	NA	-17.9%	+26.7%
Dispensing, USD million[4]	NA	NA	910
Displays, USD, billion[2]	124	123	157
Photomasks for displays, percentual change in value[5]	+1.6%	+9.8%	+14.0%
Photomasks for semiconductors, percentual change in value[6]	+5.5%	+18.4%	+16.2%
Display photomask area, thousand sq. meters[5]	19.7	19.4	18.4

SMT AND DISPENSING MARKET AREA

The global market for SMT equipment has annual sales of approximately USD 6,200 million[7]. The segment SMT robots for component mounting declined by 17.9 percent in 2022 to USD 3,062 million, although the markets in Europe and North and South America reported growth[3]. The dispensing equipment market had sales of USD 910 million[4] in 2021 - data for 2022 are not yet available.

ASSEMBLY AUTOMATION AND TEST MARKET AREA

Components for optical communication are expected to have grown by 14.5 percent in 2022, to USD 13.6 billion[8]. For the 2021-2027 period, the market is forecast to grow to USD 22.3 billion[8], which corresponds to annual growth of 11.1 percent. Growth is driven by data centers, 5G/6G, electric vehicles, AI, IoT and changed global supply chains. Growth expectations for the global market for printed circuit boards and substrates have been revised to 2.9 percent in 2022 to USD 83.3 billion[9]. Growth continues to be driven by high layer count PCBs and substrates. For the 2021-2026 period, the market is forecast to grow to USD 101.6 billion[9], which corresponds to annual growth of 4.6 percent.

PATTERN GENERATORS MARKET AREA

PHOTOMASKS FOR DISPLAYS

In 2022, the market is estimated to have grown by 9.8 percent, from USD 792 million to USD 869 million[5,10]. The positive trend is related to the increase in demand for photomasks in 2022, since display manufacturers continued to develop new models at a good pace. The market is also driven by an ongoing shift toward a higher proportion of advanced displays that require more, and more advanced, photomasks. The expectations for 2023 are that the photomask market will grow by 1.6 percent to USD 884 million[5,10]. The forecast for the total area growth amounts to an average of 1.7 percent per year for 2022-2026[5]. Stronger growth for AMOLED photomasks is expected, with an annual average area growth of 3.9 percent for 2022-2026[5], which drives the need for photomasks produced by advanced mask writers.

PHOTOMASKS FOR SEMICONDUCTORS

For 2022, the market is expected to have shown significant growth of 18.4 percent, from USD 6.1 billion to USD 7.2 billion[6]. The market trend was strong, primarily driven by robust growth for the most advanced photomasks, although the market for mature technology nodes addressed by laser-based mask writers was also positive. The expectations for 2023 are that the market will continue to perform positively, but at a slower pace, with growth of 5.5 percent to USD 7.6 billion[6]. The market will continue to be primarily driven by higher volumes of the most advanced photomasks, which are mainly produced by E-beam mask writers.

1) Prismark, latest forecast December 2022
2) Omdia, latest forecast January 2023
3) Protec MDC, January 2023
4) Prismark, April 2022
5) Omdia, July 2022 (annual update)
6) TechInsights, April 2022 (annual update)
7) Protec MDC, April 2022, Mycronic analysis
8) Lightcounting, October 2022
9) Prismark, November 2022
10) 130 YEN/USD used by Mycronic for conversion

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Other

PARENT COMPANY
Mycronic AB is the Group's Parent Company.

The Parent Company's net sales amounted to SEK 2,450 (2,557) million for the full year. EBIT amounted to SEK 571 (794) million.

Cash and cash equivalents at the end of the year amounted to SEK 687 million, compared with SEK 116 million at the end of 2021.

NOMINATION COMMITTEE
The Nomination Committee for Mycronic's 2023 Annual General Meeting has been appointed in accordance with the instructions for the Nomination Committee as decided by the 2022 Annual General Meeting. The Nomination Committee comprises: Henrik Blomquist (Bure Equity), Patrik Jönsson (SEB Fonder), Thomas Ehlin (Fourth AP Fund), and Patrik Tigerschiöld (Chairman of Mycronic). The Nomination Committee represented 47.1 percent of votes and shares as of August 31, 2022.

ANNUAL GENERAL MEETING 2023
The Annual General Meeting will be held on May 9, 2023. The notification will be sent out in due course.

In line with the dividend policy, the Board of Directors is proposing to the Annual General Meeting a dividend of SEK 3.50 (3.00) per share, totaling SEK 342.7 (293.7) million.

The record date for entitlement to the dividend is proposed as May 11, 2023. Provided that the Meeting resolves in favor of the dividend proposal, the dividend will be paid on May 16, 2023.

FINANCIAL INFORMATION
Mycronic AB (publ) is listed on Nasdaq Stockholm, Large Cap. The information in this report is published in accordance with the EU Market Abuse Regulation and the Swedish Securities Act. The information was submitted for publication through the contact persons stated below on February 10, 2023 at 08:00 a.m. CET.

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.

CONFERENCE CALL
Mycronic will hold a teleconference at 10:00 a.m. CET on February 10, 2023, with President and CEO Anders Lindqvist and CFO and Sr VP Corporate Development Pierre Brorsson. To participate, please dial one of the numbers or watch via the web link below.

Sweden: +46 8 505 100 31
UK: +44 207 107 0613
United States: +1 631 570 5613
Link to webcast

FINANCIAL CALENDAR

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

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

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The Board of Directors and CEO certify that this year-end 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, February 10, 2023
Mycronic AB (publ)

Anders Lindqvist
President and CEO

Patrik Tigerschiöld Chairman	Arun Bansal Board member	Anna Belfrage Board member
Katarina Bonde Board member	Staffan Dahlström Board member	Robert Larsson Board member
Bo Risberg Board member	Jörgen Lundberg Employee representative	Sahar Raouf Employee representative

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MYCRONIC

Group

Consolidated profit and loss accounts in summary, SEK million	Note	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	5, 6	1,497	1,295	5,119	4,635
Cost of goods sold		-825	-742	-2,831	-2,351
Gross profit		**672**	**553**	**2,288**	**2,284**
Research and development	7	-175	-143	-638	-548
Selling expenses		-166	-152	-611	-526
Administrative expenses		-87	-65	-278	-243
Other income and expenses		18	11	133	82
EBIT		**262**	**204**	**894**	**1,049**
Financial income and expenses		1	-1	-4	-2
Profit/loss before tax		**263**	**203**	**890**	**1,046**
Tax		-16	-26	-154	-219
Net Profit/loss		**247**	**177**	**737**	**827**
Earnings per share before/after dilution, SEK		2.56	1.82	7.59	8.48
Average number of outstanding shares, thousand		97,597	97,626	97,597	97,649
Results attributable to owners of the Parent Company		250	178	741	828
Results attributable to non-controlling interests		-3	-1	-4	-1
		247	**177**	**737**	**827**

Consolidated statement of comprehensive income in summary, SEK million	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Net Profit/loss	**247**	**177**	**737**	**827**
Other comprehensive income				
Items not to be reclassified to profit/loss, after tax				
Actuarial profit/loss from defined benefits to employees	0	1	0	1
Items to be reclassified to profit/loss, after tax				
Translation differences at translating foreign entities	-69	71	234	191
Hedging of net investment in foreign entities	-	-3	-	-6
Changes in cash flow hedges	91	-16	31	-76
Total comprehensive income	**269**	**231**	**1,001**	**938**
Total comprehensive income attributable to owners of the Parent Company	274	229	1,003	936
Total comprehensive income attributable to non-controlling interests	-5	2	-2	2
	269	**231**	**1,001**	**938**

Consolidated statements of financial position in summary, SEK million	31 Dec 22	31 Dec 21
ASSETS		
Fixed assets		
Intangible assets	2,374	2,296
Tangible assets	513	429
Non-current receivables	66	55
Deferred tax assets	193	145
Total fixed assets	**3,145**	**2,926**
Current assets		
Inventories	1,433	1,363
Trade receivables	1,143	658
Other current receivables	346	320
Cash and cash equivalents	1,274	683
Total current assets	**4,195**	**3,024**
Assets held for sale*	-	186
Total assets	**7,340**	**6,136**
EQUITY AND LIABILITIES		
Equity	**4,703**	**3,997**
Non-current liabilities		
Non-current interest-bearing liabilities	193	181
Deferred tax liabilities	335	329
Other non-current liabilities	48	59
Total non-current liabilities	**575**	**570**
Current liabilities		
Current interest-bearing liabilities	77	62
Trade payables	310	295
Other current liabilities	1,675	1,186
Total current liabilities	**2,062**	**1,544**
Liabilities directly associated with the assets held for sale*	-	26
Total liabilities	**2,637**	**2,139**
Total equity and liabilities	**7,340**	**6,136**

*Pertains to the divestment of AEi, which was completed at the beginning of February 2022.

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Consolidated cash flow statements in summary, SEK million	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Profit/loss before tax	263	203	890	1,046
Adjustments for non-cash items and paid income tax	83	100	75	20
Change in working capital	90	-63	-113	-68
Cash flow from operating activities	**437**	**240**	**853**	**998**
Cash flow from investing activities	-36	-130	67	-1,223
Cash flow from financing activities	-16	-328	-382	-437
Cash flow for the period	**384**	**-218**	**537**	**-662**
Cash and cash equivalents, opening balance*	906	887	692	1,303
Exchange difference for cash and cash equivalents	-16	14	44	51
Cash and cash equivalents classified as assets held for sale	-	-1	-	-9
Cash and cash equivalents, closing balance	**1,274**	**683**	**1,274**	**683**

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

Consolidated statement of changes in equity in summary, SEK million	Jan-Dec 2022	Jan-Dec 2021
Opening balance	**3,997**	**3,378**
Dividend to owners	-294	-294
Dividend to non-controlling interests	-	-4
Change of non-controlling interests*	-	-13
Swap agreement related to own shares	5	10
Repurchase of own shares	-16	-23
Equity-settled share based payments	9	6
Total comprehensive income	1,001	938
Closing balance	**4,703**	**3,997**
Of which holdings of non-controlling interests	40	42

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

Other key figures *	Jan-Dec 2022	Jan-Dec 2021
Equity per share, SEK	48.17	40.94
Return on equity (rolling 12 months), %	16.9%	22.4%
Return on capital employed (rolling 12 months), %	19.6%	26.9%
Net cash, SEK million	1,004	440
Average number of employees	2,002	1,683

*In addition to Key Figures presented on page 1. See calculations on page 19.

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Parent Company

Profit/loss accounts in summary, Parent Company, SEK million	Q4		Jan-Dec	
	2022	**2021**	**2022**	**2021**
Net sales	884	727	2,450	2,557
Cost of goods sold	-446	-386	-1,279	-1,165
Gross profit	**439**	**341**	**1,171**	**1,392**
Other operating expenses	-302	-181	-600	-598
EBIT	**136**	**160**	**571**	**794**
Result from financial items	13	6	108	140
Profit/loss after financial items	**150**	**166**	**679**	**934**
Appropriations	-24	-199	-24	-199
Profit/loss before tax	**125**	**-33**	**655**	**735**
Tax	-30	-2	-127	-135
Net Profit/loss	**95**	**-35**	**528**	**600**
Total comprehensive income	**95**	**-35**	**528**	**600**

Balance sheets in summary, Parent Company, SEK million	31 Dec 22	31 Dec 21
ASSETS		
Fixed assets		
Intangible and tangible assets	147	119
Financial assets	2,959	2,915
Total fixed assets	**3,106**	**3,034**
Current assets		
Inventories	542	512
Current receivables	722	641
Cash and cash equivalents	687	116
Total current assets	**1,951**	**1,269**
TOTAL ASSETS	**5,057**	**4,303**
EQUITY AND LIABILITIES		
Equity	**2,719**	**2,486**
Untaxed reserves	**1,300**	**1,275**
Non-current interest-bearing liabilities	-	-
Other non-current liabilities	2	1
Total non-current liabilities	**2**	**1**
Current interest-bearing liabilities	-	8
Other current liabilities	1,036	532
Total current liabilities	**1,036**	**540**
TOTAL EQUITY AND LIABILITIES	**5,057**	**4,303**

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Notes

NOTE 1 ACCOUNTING POLICIES

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting together with applicable provisions in the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act. For the Group and Parent Company, accounting policies, valuation policies and assumptions were applied in accordance with the latest annual report. The accounting principles of the segments are the same as for the Group, with the exception of IFRS 16 Leases. The segments and the Parent Company recognize lease payments as a cost on a straight-line basis over the period of the lease. The right-of-use asset and the lease liability are thus not reported in the balance sheet.

The nature of financial assets and liabilities is, in all material respects, the same as on December 31, 2021. The carrying amounts and fair values are deemed to essentially correspond with one another.

NOTE 2 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in Note 8 of the 2021 Annual Report. The scope and focus of these transactions did not change significantly during the period.

NOTE 3 RISKS AND UNCERTAINTY FACTORS

There are a number of risks and uncertainty factors of an operational and financial character to which the Group is exposed through its operations, which are described in the 2021 Annual Report. Mycronic is for example exposed to country-specific risks such as political decisions or overarching changes to the regulatory framework, both geographically and product-wise. Mycronic is also exposed to effects from the covid outbreak.

NOTE 4 EVENTS AFTER THE END OF THE PERIOD

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

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Q4		Jan-Dec	
Revenue by geographical market, SEK million	**2022**	**2021**	**2022**	**2021**
EMEA	264	231	810	642
North and South America	302	297	868	669
Asia	932	766	3,441	3,323
	1,497	**1,295**	**5,119**	**4,635**
Revenue by type of good/service, SEK million				
System	1,082	929	3,599	3,340
Aftermarket	415	366	1,520	1,295
	1,497	**1,295**	**5,119**	**4,635**
Timing of revenue recognition, SEK million				
Goods transferred at a point in time	1,236	1,053	4,132	3,817
Services transferred over time	261	242	987	818
	1,497	**1,295**	**5,119**	**4,635**

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NOTE 6 SEGMENT REPORTING

	Q4		Jan-Dec	
SEK million	**2022**	**2021**	**2022**	**2021**
Net sales by Division				
Pattern Generators	455	399	1,369	1,645
High Flex	438	368	1,378	1,176
High Volume	391	283	1,563	1,200
Global Technologies	224	252	865	657
Internal net sales between divisions	-11	-7	-56	-44
	1,497	**1,295**	**5,119**	**4,635**
EBIT by Division				
Pattern Generators	154	146	465	832
High Flex	77	59	175	136
High Volume	74	17	290	231
Global Technologies	6	21	101	-3
Group functions etc	-49	-40	-139	-149
Amortization of previously acquired intangible assets	-	-	-	-2
Effects from IFRS 16	0	2	3	3
Group	**262**	**204**	**894**	**1,049**

SEK million	**31 Dec 22**	**31 Dec 21**
Assets by Division		
Capitalized Development Costs		
Pattern Generators	56	72
High Flex	62	54
	118	**126**
Inventories		
Pattern Generators	406	411
High Flex	301	244
High Volume	482	568
Global Technologies	254	148
Unrealized profit in inventories	-10	-8
	1,433	**1,363**
Trade Receivables		
Pattern Generators	359	182
High Flex	301	240
High Volume	344	117
Global Technologies	138	118
	1,143	**658**

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NOTE 7 RESEARCH AND DEVELOPMENT COSTS

Research and development costs, SEK million	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
R&D expenditures				
Pattern Generators	-61	-57	-219	-219
High Flex	-54	-45	-195	-177
High Volume	-32	-24	-141	-107
Global Technologies	-21	-23	-71	-68
	-167	**-148**	**-626**	**-570**
Capitalization of Development Costs				
Pattern Generators	1	5	2	17
High Flex	5	9	28	29
	6	**14**	**30**	**46**
Amortization of Acquired Technology				
High Flex	-1	-1	-4	-4
High Volume	-2	-2	-8	-5
Global Technologies	-7	-6	-26	-16
	-10	**-9**	**-38**	**-25**
Impairment of Acquired Technology				
High Volume	-4	-	-4	-
Reported cost	**-175**	**-143**	**-638**	**-548**

NOTE 8 DEFINITIONS AND RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES, ETC

The European Securities and Markets Authority (ESMA) has issued guidelines regarding alternative performance measures for listed companies.

These relate to financial key figures used by management, to control and evaluate the Group's business, which cannot be directly inferred from the financial statements. Alternative performance measures are also considered to be of interest to external investors and analysts who monitor the company. For definitions of other key ratios, please refer to the Annual Report.

Acquisition-related costs
Acquisition-related costs include expensing of acquired inventories at fair value, amortization and impairment of acquired intangible assets, changes in value and revaluation of contingent considerations and transaction expenses.

Book-to-bill
Order intake in relation to net sales. Indicates future development of net sales.

Capital employed
Balance sheet total less non-interest bearing liabilities. Used to show a company's ability to meet capital needs from operations.

Earnings per share
Net result attributable to the owners of the Parent Company divided by the average number of outstanding shares before and after dilution. Used to show a company's results per share.

EBITDA
Operating result, EBIT, before depreciation and amortization.

Equity per share
Equity on balance day divided by the number of outstanding shares at the end of the period. Used to measure the value of the company per share.

Net cash
Cash and cash equivalents less interest-bearing liabilities.

Order backlog
Remaining orders for goods, valued at the closing date exchange rate. Used to show secured future net sales of goods.

Order intake
Received orders for goods and services, valued at average exchange rates. The order intake also includes revaluation of the order backlog at closing date exchange rates. Used to show orders received.

Organic growth
Change in net sales, excluding increase related to acquisitions and decrease related to divestments, recalculated to the previous year's currency rates as a percentage of the previous year's net sales. Net sales from acquired companies are included in the calculation of organic growth as of the first day of the first month which falls 12 months after the date of acquisition.

Return on capital employed
Earnings before financial expenses as a percentage of average capital employed. Used to show return on capital needed for operations.

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

Underlying EBIT and underlying EBIT margin
Underlying EBIT consists of operating result excluding acquisition-related costs and gains/losses from divestments of subsidiaries. The underlying EBIT margin is underlying EBIT as a percentage of net sales. Used to describe how operations are developing and performing excluding acquisition-related costs and gains/losses from divestments.

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	Jan-Dec	
Return on equity	**2022**	**2021**
Net profit/loss (rolling 12 months)	737	827
Average shareholders' equity	4,350	3,687
	16.9%	**22.4%**
Return on capital employed		
Profit/loss before tax (rolling 12 months)	890	1,046
Financial expenses	13	14
Profit/loss before financial expenses	**904**	**1,060**
Average balance sheet total	6,738	5,728
Average non-interest-bearing liabilities	2,132	1,787
Average capital employed	**4,607**	**3,941**
	19.6%	**26.9%**
Book-to-bill		
Order intake	6,783	4,506
Net sales	5,119	4,635
	1.3	**1.0**
EBITDA		
EBIT	894	1,049
Depreciation/Amortization	253	205
	1,147	**1,254**
Underlying EBIT		
EBIT	894	1,049
Acquisition-related costs included in:		
Cost of goods sold	-	30
Operating expenses	67	67
	67	97
Gains from divestments of subsidiaries	-23	-
	939	**1,146**
Equity per share		
Equity at balance day	4,703	3,997
No. of outstanding shares at end of period, thousand	97,631	97,635
	48.17	**40.94**
Earnings per share before/after dilution, SEK		
Net Profit/loss attributable to owners of the Parent Company	741	828
Average no. of outstanding shares before dilution, thousand	97,597	97,649
Average no. of outstanding shares after dilution, thousand	97,610	97,709
	7.59	**8.48**
Net cash, SEK million		
Cash and cash equivalents	1,274	683
Interest-bearing liabilities	-270	-243
	1,004	**440**

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Quarterly data	Q4 22	Q3 22	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21
Order intake								
Pattern Generators	1,829	718	176	383	384	407	209	233
High Flex	333	346	332	374	284	334	279	323
High Volume	214	331	484	441	328	236	381	391
Global Technologies	164	232	222	260	245	282	144	90
Internal order intake between divisions	-11	-17	-11	-17	-7	-17	-11	-10
	2,529	**1,609**	**1,203**	**1,441**	**1,234**	**1,242**	**1,002**	**1,027**
Order Backlog								
Pattern Generators	2,480	1,106	635	807	744	759	617	797
High Flex	138	243	239	216	130	214	150	134
High Volume	717	894	988	885	809	759	758	692
Global Technologies	239	298	284	308	291	299	249	82
	3,574	**2,542**	**2,146**	**2,217**	**1,975**	**2,030**	**1,774**	**1,706**
Net Sales								
Pattern Generators	455	246	348	320	399	265	389	592
High Flex	438	341	309	288	368	271	262	276
High Volume	391	426	381	365	283	235	315	368
Global Technologies	224	218	246	179	252	232	107	66
Internal net sales between divisions	-11	-17	-11	-17	-7	-17	-11	-10
	1,497	**1,214**	**1,273**	**1,135**	**1,295**	**986**	**1,064**	**1,291**
Gross Profit								
Pattern Generators	247	154	193	188	224	154	252	476
High Flex	190	139	128	113	152	111	97	110
High Volume	151	166	156	131	91	87	166	165
Global Technologies	83	85	102	64	86	52	41	21
	672	**541**	**578**	**496**	**553**	**405**	**555**	**772**
Gross Margin								
Pattern Generators	54.4%	62.5%	55.4%	58.8%	56.0%	58.0%	64.6%	80.4%
High Flex	43.4%	40.8%	41.4%	39.3%	41.2%	40.8%	36.9%	40.1%
High Volume	38.6%	38.9%	40.8%	35.9%	32.1%	37.2%	52.6%	44.8%
Global Technologies	37.1%	38.9%	41.5%	35.6%	34.1%	22.6%	37.9%	32.1%
	44.9%	**44.6%**	**45.4%**	**43.7%**	**42.7%**	**41.0%**	**52.1%**	**59.8%**
R&D expenses								
Pattern Generators	-60	-49	-60	-48	-52	-45	-57	-47
High Flex	-49	-42	-42	-38	-37	-36	-42	-36
High Volume	-38	-40	-40	-35	-26	-28	-29	-29
Global Technologies	-28	-23	-22	-24	-29	-26	-15	-14
Total R&D expenses	**-175**	**-154**	**-164**	**-145**	**-143**	**-136**	**-144**	**-126**
Selling expenses	-166	-157	-155	-132	-152	-120	-132	-123
Administrative expenses	-87	-65	-64	-62	-65	-66	-55	-57
Other income/expenses	18	37	28	49	11	23	17	32
EBIT	**262**	**203**	**224**	**206**	**204**	**106**	**241**	**498**
Of which EBIT Pattern Generators	154	76	110	125	146	94	174	419
Of which EBIT High Flex	77	43	35	19	59	31	11	35
Of which EBIT High Volume	74	95	65	55	17	30	94	90
Of which EBIT Global Technologies	6	22	43	31	21	-16	7	-14
Of which EBIT Group functions	-49	-34	-30	-25	-40	-34	-44	-30
EBIT margin	17.5%	16.7%	17.6%	18.1%	15.8%	10.7%	22.7%	38.6%
Equity per share	48.17	45.40	43.16	43.29	40.94	38.10	36.96	38.43
Earnings per share before/after dilution	2.56	1.56	1.79	1.69	1.82	0.82	1.84	3.99
Closing share price	195.80	135.00	143.90	176.00	211.00	218.40	258.20	205.00