

## **Mycronic AB (publ), interim report January-June 2016**

### **Strong demand results in record high order backlog and continued good results**

Mycronic reports a strong first half-year with regard to the order intake, sales and earnings. Sales increased 37 percent. EBIT reached SEK 137 million, which corresponds to an operating margin of 17 percent. The Group is entering the second half-year with a record high order backlog of SEK 1,828 million. Demand for mask writers is favorable for both production capacity and for advanced photomasks for future electronics products. At the same time, the Group has focused on future growth through product development, primarily within SMT, and through launches within both business areas.

#### **Second quarter April-June 2016**

- Order intake was SEK 775 (311) million
- Net sales were SEK 463 (285) million
- EBIT was SEK 106 (1) million
- Earnings per share was SEK 0.83 (0.01)

#### **First half-year January-June 2016**

- Order intake reached SEK 1,569 (782) million
- Net sales reached SEK 807 (589) million
- EBIT was SEK 137 (27) million
- Earnings per share was SEK 1.08 (0.20)

### **Outlook**

The Board's assessment remains, that sales in 2016 will be at the level of SEK 1,900 million.

### **CEO comments**

During the first half of the year, Mycronic saw strong demand for the Group's products within the electronics industry, primarily due to a good photomask market.

The Group reports a strong first half-year with regard to order intake, sales and earnings. Sales increased 37 percent compared with the first half of 2015, and the operating margin reached 17 percent. We are now entering the second half year with a record high order backlog and we see continuing high levels of activity on the market and amongst our customers.

The global market for SMT equipment experienced a negative trend in 2015, while Mycronic maintained its volumes and margins. In 2016, the slowdown has affected us and demand for SMT equipment remains difficult to assess. Hence, it is essential that we invest in product development to secure our competitive edge. We have introduced equipment for dispensing of several different mounting fluids. Our Jet Dispenser builds on the unique jet printing platform and is considerably faster than other existing solutions. The equipment targets new segments within the surface mount market. We have broadened our product offering and created opportunities for a position shift. The first systems reached customers during the second quarter.

During the period, Mycronic acquired RoyoTech, the German company that developed the strategic storage solutions which have long been an integrated part of Mycronic's offering for the smart factory, Mycronic 4.0.

During the first half-year, we received orders for eight mask writers for various applications, of which several were advanced systems. We received the first order for a measuring system for quality assurance of the most advanced photomasks, which is becoming increasingly important as more photomasks are produced for products where the display is central. Our replacement offering has proven to be in line with customers' requirements to ensure long-term high productivity for photomask manufacturing. During the second quarter we launched the Prexision-800, a mask writer for the most complex photomasks, which ensures effective production of photomasks for the 4K phones and advanced AMOLED displays of the future.

In short, during the first half of 2016, we continued delivering results at a fast pace while simultaneously executing our strategy for growth.

Lena Olving  
*CEO and President*

## Financial performance, Group

Summary SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Rolling 12 months	Jan-Dec 15
Order intake	774.7	311.2	1,569.0	782.3	2,965.5	2,178.8
Order backlog	1,828.3	895.5	1,828.3	895.5	1,828.3	1,065.9
Net sales	462.5	284.6	806.5	588.8	2,032.7	1,815.0
Gross profit	261.2	134.6	449.6	278.2	1,247.0	1,075.6
Gross margin	56%	47%	56%	47%	61%	59%
EBIT	105.9	1.1	137.4	26.9	650.8	540.3
EBIT margin	23%	0%	17%	5%	32%	30%
Earnings per share, SEK	0.83	0.01	1.08	0.20	5.40	4.52
Cash flow	-461.5	-408.3	-203.3	-210.4	239.7	232.6

### Second quarter April-June 2016

The order intake comprised three mask writers, SMT equipment, and aftermarket. During the second quarter last year, order for one mask writer was received.

Net sales included delivery of two mask writers and positive currency effects of SEK 2 (37) million. Recalculated to the same exchange rates which prevailed during the corresponding period last year, sales reached SEK 461 million.

Gross profit corresponded to a gross margin of 56 (47) percent. This improvement over last year is due to the delivery of two mask writers.

The operating margin was 23 (0) percent in the second quarter. It is a significant margin increase, in spite of higher development costs, and is explained by a strong demand resulting in increased sales and good gross profit.

Development expenditures were SEK 32 million higher, mainly as a result of increased product development for business area SMT. Administration costs increased by SEK 4 million, including higher M&A activities. Other income reached SEK 8 (-4) million.

During the second quarter, dividends were paid out, SEK 392 million.

### First half-year January-June 2016

The order intake comprised eight mask writers, SMT equipment, and aftermarket. During the first half-year last year, orders for four mask writers were received. The order backlog of SEK 1,828 million comprises four mask writers for delivery in 2016 and ten mask writers for later delivery.

Net sales included delivery of three mask writers and positive currency effects of SEK 4 (86) million. Recalculated to the same exchange rates which prevailed during the corresponding period last year, sales reached SEK 803 million.

Gross profit corresponded to a gross margin of 56 (47) percent. This improvement over the previous year is primarily due to delivery of three mask writers.

The first half-year operating margin was 17 (5) percent. The increase is explained by higher sales, which provides a good operating result in spite of higher development costs. Development expenditures were SEK 52 million higher as a result of decided increased efforts within product development for business area SMT. Selling expenses increased SEK 7 million, as a result of several marketing activities and additional expansion of the sales organization – geographically and product wise.

### Cash flow and financial position

Consolidated cash and cash equivalents reached SEK 701 (455) million at the end of June, 2016. Cash flow for the first six months was SEK -203 (-210) million. During the second quarter, dividends totalling SEK 392 million were paid out.

The operating cash flow was SEK 245 (195) million. This is explained by the positive earnings and the reduction in operating capital. The decrease in working capital is mainly attributable to customer payments in the form of a decrease in trade receivables and an increase in advance payments.

Investing activities claimed SEK 57 (14) million, of which SEK 8 (-) million related to capitalized development within SMT. During the first quarter, the German companies RoyoTech and Kognitec were acquired, which claimed SEK 49 million.

### Equity

Consolidated equity at the end of the first half-year reached SEK 986 million, compared with SEK 1,268 million at the end of 2015. The number of outstanding shares was 97,916,509. Earnings per share were SEK 1.08 (0.20).

## Business area SMT

SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Rolling 12 months	Jan-Dec 15
<b>Order intake and net sales</b>						
Order intake	199.3	191.4	351.4	424.7	756.1	829.4
Order backlog	57.0	74.9	57.0	74.9	57.0	51.8
Income from external customers	193.6	193.9	346.3	415.8	774.0	843.6
<b>Results</b>						
Gross profit	91.4	88.8	153.1	188.4	348.3	383.7
Gross margin	47%	46%	44%	45%	45%	45%
EBIT	-21.5	-10.4	-74.4	-0.7	-90.2	-16.4
EBIT margin	-11%	-5%	-21%	-0%	-12%	-2%
<b>Development costs</b>	-73.4	-53.8	-138.1	-102.6	-260.2	-224.8

### Financial performance January-June 2016

Mycronic's order intake and net sales for SMT equipment declined during the first half of 2016 by 17 percent compared with the first half of 2015. Mycronic is currently affected, with some delay, by the slowdown in demand on the global market for SMT equipment in 2015. During 2015 the market declined by 19 percent.

Net sales were impacted negatively by currency effects of SEK -3 (59) million. Recalculated to the same exchange rates which prevailed during the same period in 2015, net sales reached SEK 350 million.

Gross profit corresponded to a gross margin of 44 (45) percent, which is in line with last year despite the impact of lower volumes.

EBIT corresponded to an operating margin of -21 (0) percent. EBIT was affected by both lower sales volumes and increased efforts within product development, in line with the company's communicated strategy to invest in future growth within SMT. Development expenditures were SEK 43 million higher than for the same period last year.

Development was capitalized in the amount of SEK 8 (-) million, while amortization of previously capitalized development amounted to SEK 6 (6) million.

### Mycronic in the SMT market

In 2015, the global electronics industry experienced a decline of 0.1 percent to USD 1,865 billion. The semiconductor industry also experienced a weak decline of 0.3 percent. The global market for SMT equipment declined by 19 percent to USD 1.9 billion, primarily due to weaker demand on the markets in Asia. (PROTEC MDC, April 2016).

Indications from early 2016 are for continuing weakness within the electronics industry, where the assessment is for weak negative growth for the whole year. Areas where positive growth is expected for the year include electronics for servers and data storage, automotive electronics, and automation and control electronics, areas where Mycronic's customers are active. The assessment for the semiconductor market is for weak positive growth in 2016.

During the first quarter of 2016, the global market for SMT equipment experienced continued negative growth, with a decline of 5 percent compared with first quarter 2015. Markets in Europe, North and South America and Japan experienced a negative trend while markets in China and the rest of Asia have rebounded from the negative trend of 2015 to show weak positive growth. (PROTEC MDC, April 2016).

In November 2015, Mycronic introduced equipment for dispensing of a wide spectrum of mounting fluids, with applications within both the surface mount and semiconductor industries. This creates opportunities on what is for the company new markets. The market introduction has continued globally during the first half of 2016 and the first systems were delivered to customers during the second quarter.

Demand for SMT equipment remains difficult to assess. Several indicators within the electronics and semiconductor markets, as well as the uncertain global economy, point towards a relatively weak trend in 2016. It is Mycronic's assessment that these factors will affect demand for SMT equipment, with the possibility of a positive trend during the latter part of 2016.

## Business area PG

SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Rolling 12 months	Jan-Dec 15
<b>Order intake and net sales</b>						
Order intake	575.4	119.8	1,217.5	357.5	2,209.4	1,349.4
Order backlog	1,771.3	820.6	1,771.3	820.6	1,771.3	1,014.0
Income from external customers	269.0	90.7	460.3	172.9	1,258.7	971.4
<b>Results</b>						
Gross profit	169.7	45.8	296.5	89.7	898.7	691.9
Gross margin	63%	50%	64%	52%	71%	71%
EBIT	127.8	12.0	212.7	28.5	742.8	558.6
EBIT margin	48%	13%	46%	16%	59%	58%
<b>Development costs</b>	-17.5	-8.3	-31.0	-22.1	-50.8	-41.9

### Financial performance January-June 2016

The order intake comprised eight (four) mask writers and aftermarket. The order backlog, amounting to SEK 1,771 million, comprised 14 mask writers in total, of which four systems are for delivery in 2016. Delivery capacity has been reached for 2016 for mask writers for advanced display applications.

During the first half-year, three mask writers were delivered, two of which were for display applications. There were no system deliveries during the same period last year. Net sales were impacted positively by currency effects of SEK 7 (27) million. Recalculated to the same exchange rates which prevailed during the corresponding period last year, net sales amounted to SEK 453 million.

Gross profit corresponded to a gross margin of 64 (52) percent. The improved margin is due to the delivery of three mask writers and continuing stability for aftermarket business.

The increased operating margin of 46 (16) percent is explained mainly by the mask writer deliveries. Development expenditures increased by SEK 9 million, and comprised development of the next generation of mask writer for the most complex photomasks among other things.

### Mycronic in the display market

The assessment for the display market is for a decline of 9 percent in 2016 to USD 103 billion. This is a larger decline than the initial assessment of minus 6 percent made at the beginning of the year. Some factors behind the weak trend include lower prices for TV displays and weak demand for displays for laptops and tablets. However, the market remains positive within several of the more advanced segments including AMOLED displays and high resolution displays. The number of displays produced is estimated to remain at approximately 3.7 billion units. (IHS, May 2016).<sup>1</sup>

The market for photomasks for displays continues to develop positively. Approximately 17,000 photomasks worth USD 610 million were sold in 2015. For 2016-2019, the number of photomasks for display manufacturing is estimated to show annual growth of 3 percent. Turnover for the period is expected to grow 5 percent annually to approximately USD 750 million in 2019. (IHS, April 2016). Several factors affect the photomask market positively. High resolution displays and the AMOLED trend are driving technology development and hence demand for complex photomasks. Additional factors behind the increase in demand for photomasks is the growing number of different types of displays, and that several new factories for display production have been brought into operation, primarily in China.

The degree of utilization on Mycronic's mask writers remains at high levels approaching customers' maximum production capacity. An earthquake occurred in Japan during the second quarter in an area where photomask production takes place, which leads to some reduction in manufacturing capacity for a time.

Good demand for photomasks, in combination with the trend towards more complex photomasks, is driving demand for Precision capacity. Mycronic's offering to exchange older mask writers for a modern system is attractive. High resolution mobile displays and AMOLED technology is simultaneously driving capacity demand from the Precision-80. Producing the really high resolution displays in the future will require a new generation of mask writers. During the second quarter, Mycronic launched the Precision-800, which offers higher optical resolution and which write structures approximately 25 percent smaller than the Precision-80.

<sup>1</sup> IHS has revised its definition of the display market. The value of back-ground lighting used in LCD displays, USD 13 billion, is no longer included in the value of the display market. Comparative figures are recalculated.

## Other

### Parent company

Mycronic AB is the Group's parent company. Product development and sales of mask writers are, as previously, conducted through the parent company. During the second quarter 2016, Mycronic Technologies AB was merged into the parent company. All Swedish employees are now employed in the parent company and all operations in Sweden are conducted in the parent company. See page 13.

The parent company's sales during the first half-year were SEK 727 (189) million and comprise sales of three mask writers. Net sales comprise the sales from Mycronic Technologies AB from 1 January until the merger in June.

EBIT was SEK 134 (29) million. Research and development expenditures are expensed as they occur.

In order to better adapt the property in Täby to future requirements, the company purchased the property from the owner, and sold it immediately to a new owner. The transaction, which took place on 30 June, 2016, resulted in a gain of SEK 3.3 million after transaction costs, which was reported as other operating income. The new lease is for ten years.

Cash and cash equivalents at the end of the first quarter were SEK 593 million, compared to SEK 759 million at the end of 2015.

Mycronic winner of European Business Awards  
On 17 June, Mycronic was appointed winner of the European Business Awards 2015/2016 in the Import/Export category. During 15 months, Europe's largest business competition has involved more than 32,000 companies from 33 countries. The motivation comes from Mycronic's unique capability to develop innovative production technologies which enable the electronics industry to achieve higher productivity.

### Events after the end of the second quarter

Per Ekstedt, CFO, has decided to leave Mycronic to take on a position as CFO for Alimak Hek Group AB (publ). He assumes the position no later than 1 January 2017. The process to find a successor has been initiated.

### 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. These are described in the 2015 annual report. No new major risks have occurred since publication of the 2015 annual report.

Those risks which are most prominent in the short term relate to the results of efforts within development and launches within new product areas.

### Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable parts of the Annual Accounts Act. The report for the parent company has been prepared in accordance with Chapter 9 of the Annual Accounts Act.

For the Group and the parent company, the same accounting principles, estimates and assumptions have been used in this report as were used in the most recent annual report.

The character of financial assets and liabilities are essentially the same as they were on 31 December, 2015. As was the case at the end of 2015, reported values are the same as fair values.

### Financial information

Mycronic AB (publ) is listed on NASDAQ Stockholm, Mid Cap, MYCR. 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 13 July, 2016, at 8 am.

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

Mycronic also publish market updates on the website when new market statistics are available. The latest update was published on 20 June, 2016.

This report has not been reviewed by the company's auditor.

### Financial calendar

Interim report January-September	20 October, 2016
Full year report 2016	10 February, 2017
Interim report January-March 2017	20 April, 2017
Annual general meeting 2017	4 May, 2017

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The board of directors and the CEO hereby give their assurance that this semi-annual 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, 12 July 2016  
Mycronic AB (publ)

Lena Olving  
CEO and President

Patrik Tigerschiöld  
Chairman of the board

Katarina Bonde  
Board member elected by AGM

Tobias Böök  
Representing  
Akademikerna

Ulla-Britt Fräjdin-Hellqvist  
Board member elected by AGM

Per Holmberg  
Board member elected by AGM

Magnus Lindquist  
Board member elected by AGM

Stefan Skarin  
Board member elected by AGM

Peter Sundström  
Representing Unionen

#### *Mycronics vision\**

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

#### *Mycronics 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 objectives*

##### Growth

Consolidated net sales will reach SEK 2 billion at the end of the period covered by the business plan.

##### Profitability

Over time EBIT (earnings before interest and tax) will exceed 10 percent of net sales over a business cycle.

##### Capital structure

Net debt will be less than 3 times the average EBITDA (earnings before depreciation, amortization, interest and tax).

#### *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. On each occasion the financial position, profitability trend, growth potential and future investment requirements of the company shall be taken into account.

#### *About Mycronic*

Mycronic AB is a high-tech Swedish company engaged in developing, manufacturing and marketing of production solutions to the electronics industry. Mycronic headquarters are located in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany, Japan, Singapore, South Korea, Taiwan, the Netherlands, United Kingdom and the US. For more information, see the company website [www.mycronic.com](http://www.mycronic.com).

Mycronic AB (publ) is listed on NASDAQ Stockholm, Mid Cap: MYCR.

*This interim report is a translation of the Swedish version. In the event of any differences between this translation and the Swedish original version, the Swedish version shall have precedence.*

Consolidated profit and loss accounts, SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Rolling 12 months	Jan-Dec 15
Net sales	462.5	284.6	806.5	588.8	2,032.7	1,815.0
Cost of goods sold	-201.3	-150.0	-356.9	-310.6	-785.7	-739.4
<b>Gross profit</b>	<b>261.2</b>	<b>134.6</b>	<b>449.6</b>	<b>278.2</b>	<b>1,247.0</b>	<b>1,075.6</b>
Research and development expenses	-90.9	-62.2	-169.0	-124.7	-311.0	-266.7
Selling expenses	-49.2	-48.1	-100.1	-93.1	-187.1	-180.0
Administrative expenses	-23.3	-19.2	-48.0	-43.8	-95.2	-91.1
Other income and expenses	8.1	-4.0	5.0	10.4	-2.9	2.6
<b>EBIT</b>	<b>105.9</b>	<b>1.1</b>	<b>137.4</b>	<b>26.9</b>	<b>650.8</b>	<b>540.3</b>
Financial income and expenses	0.0	0.1	-0.1	0.1	0.0	0.2
<b>Profit/loss before tax</b>	<b>105.9</b>	<b>1.2</b>	<b>137.3</b>	<b>27.0</b>	<b>650.8</b>	<b>540.5</b>
Tax	-24.2	-0.6	-31.7	-7.7	-122.0	-98.0
<b>Net profit/loss</b>	<b>81.7</b>	<b>0.6</b>	<b>105.6</b>	<b>19.3</b>	<b>528.8</b>	<b>442.5</b>
Earnings/share, SEK	0.83	0.01	1.08	0.20	5.40	4.52
Average number of shares, thousand	97,917	97,917	97,917	97,917	97,917	97,917
Consolidated comprehensive income, SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Rolling 12 months	Jan-Dec 15
<b>Net profit/loss</b>	<b>81.7</b>	<b>0.6</b>	<b>105.6</b>	<b>19.3</b>	<b>528.8</b>	<b>442.5</b>
<b>Other comprehensive income</b> <i>Items not to be reclassified to profit/loss, after tax</i>						
Actuarial loss from defined benefits to employees	-	-	-	-	-5.2	-5.2
<i>Items to be reclassified to profit/loss, after tax</i>						
Translation differences at translating foreign entities	14.9	-6.1	17.6	11.7	21.6	15.7
Changes in cash flow hedges	-17.7	-11.7	-13.4	-2.7	-10.9	-0.1
<b>Total comprehensive income</b>	<b>78.9</b>	<b>6.2</b>	<b>109.9</b>	<b>28.3</b>	<b>534.3</b>	<b>452.8</b>

The entire results are attributable to owners of the Parent Company.

Research and development, SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Rolling 12 months	Jan-Dec 15
<i>R&amp;D expenditure</i>						
SMT equipment	-73.2	-50.8	139.4	-96.5	-263.5	-220.5
Pattern generators, PG	-17.5	-8.3	-31.0	-22.1	-50.8	-41.9
	-90.7	-59.1	-170.4	-118.6	-314.2	-262.4
<i>Capitalization of development</i>						
SMT equipment	2.9	-	7.6	-	15.7	8.0
<i>Amortization of capitalized development</i>						
SMT equipment	-2.9	-3.1	-6.0	-6.2	-12.1	-12.3
	0.0	-3.1	1.6	-6.2	3.6	-4.3
Amortization of acquired technology	-0.2	-	-0.3	-	-0.3	-
<b>R&amp;D costs</b>	<b>-90.9</b>	<b>-62.2</b>	<b>-169.0</b>	<b>-124.7</b>	<b>-311.0</b>	<b>-266.7</b>

Consolidated cash flow statements, SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Rolling 12 months	Jan-Dec 15
Cash flow from operations before changes in working capital	108.3	7.6	144.0	19.7	674.8	550.5
Changes in working capital	-176.0	-16.2	101.5	175.4	37.0	110.9
<b>Cash flow from operations</b>	<b>-67.7</b>	<b>-8.6</b>	<b>245.5</b>	<b>195.1</b>	<b>711.8</b>	<b>661.4</b>
Cash flow from investing activities	-2.1	-8.0	-57.1	-13.9	-80.4	-37.2
Cash flow from financing activities	391.7	-391.7	-391.7	-391.7	-391.7	-391.7
<b>Cash flow</b>	<b>-461.5</b>	<b>-408.3</b>	<b>-203.3</b>	<b>-210.4</b>	<b>239.7</b>	<b>232.6</b>
Cash and cash equivalents, opening balance	1,156.7	869.0	897.7	661.0	455.0	661.0
Exchange differences	5.6	-5.7	6.3	4.4	6.0	4.2
Cash and cash equivalents, closing balance	700.7	455.0	700.7	455.0	700.7	897.7

Consolidated statements of financial position, SEK million	30 June 16	30 June 15	31 Dec 15
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	188.6	121.9	122.9
Tangible assets	35.8	32.3	38.1
Long-term receivables	37.7	37.2	40.1
Deferred tax assets	49.1	101.4	40.9
<b>Total fixed assets</b>	<b>311.2</b>	<b>292.9</b>	<b>242.0</b>
<b>Current assets</b>			
Inventories	349.2	275.7	275.9
Trade receivables	278.9	242.3	271.1
Other current receivables	169.6	58.7	55.4
Cash and cash equivalents	700.7	455.0	897.7
<b>Total current assets</b>	<b>1,498.3</b>	<b>1,031.6</b>	<b>1,500.2</b>
<b>Total assets</b>	<b>1,809.5</b>	<b>1,324.5</b>	<b>1,742.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>986.4</b>	<b>843.7</b>	<b>1,268.2</b>
<b>Liabilities</b>			
Other long-term liabilities	43.0	11.4	21.0
Deferred tax liabilities	14.0	4.8	15.3
<b>Total long-term liabilities</b>	<b>57.0</b>	<b>16.2</b>	<b>36.3</b>
Trade payables	95.4	72.7	90.9
Other current liabilities	670.7	391.9	346.8
<b>Total current liabilities</b>	<b>766.1</b>	<b>464.6</b>	<b>437.7</b>
<b>Total liabilities</b>	<b>823.1</b>	<b>480.8</b>	<b>474.0</b>
<b>Total equity and liabilities</b>	<b>1,809.5</b>	<b>1,324.5</b>	<b>1,742.2</b>

Consolidated statements of changes in equity, SEK million	Jan-June 16	Jan-June 15	Jan-Dec 15
<b>Opening balance</b>	<b>1,268.2</b>	<b>1,207.1</b>	<b>1,207.1</b>
Dividend	-391.7	-391.7	-391.7
Total comprehensive income	109.9	28.3	452.8
<b>Closing balance</b>	<b>986.4</b>	<b>843.7</b>	<b>1,268.2</b>



<b>Financial key figures</b>	<b>Jan-June 16</b>	<b>Jan-June 15</b>	<b>Jan-Dec 15</b>
Order intake	1,569.0	782.3	2,178.8
Net sales	806.5	588.8	1,815.0
Order backlog	1,828.3	895.5	1,065.9
Gross margin	55.7%	47.2%	59.3%
EBITDA 1)	151.1	39.2	565.5
EBIT margin	17.0%	4.6%	29.8%
Return on equity	9.4%	1.9%	35.8%
Net debt	-700.7	-455.0	-897.7
Equity/total assets	54.5%	63.7%	72.8%
Equity/average number of shares	10.1	8.6	13.0
Average number of employees	505	499	501
<b>Capital spending</b>			
Capitalized development	7.6	0.0	8.0
Other capital spending	7.7	13.9	29.2
<b>The Mycronic share</b>			
Closing share price	62.75	60.25	82.25
Market cap	6,144.3	5,899.5	8,053.6

1) EBITDA, earnings before depreciation, amortization, interest and tax. See page 12.

For other key figure definitions, see the 2015 annual report.

Financial key figures are used by Group management and the Board of directors to manage and evaluate operations.

These key figures are also seen as being of interest for external analysts and investors monitoring the company.

<b>Revenue geographical market, SEK million</b>	<b>April-June 16</b>	<b>April-June 15</b>	<b>Jan-June 16</b>	<b>Jan-June 15</b>	<b>Rolling 12 months</b>	<b>Jan-Dec 15</b>
EMEA	86.5	109.0	167.9	196.6	395.1	423.8
Americas	104.6	76.5	167.1	169.7	307.9	310.5
Asia	271.5	99.1	471.5	222.5	1,329.7	1,080.6
	<b>462.5</b>	<b>284.6</b>	<b>806.5</b>	<b>588.8</b>	<b>2,032.7</b>	<b>1,815.0</b>

<b>Segment reporting, SEK million</b>	<b>April-June 16</b>	<b>April-June 15</b>	<b>Jan-June 16</b>	<b>Jan-June 15</b>	<b>Rolling 12 months</b>	<b>Jan-Dec 15</b>
<b>Income from external customers</b>						
SMT	193.6	193,9	346.3	415.8	774.0	843.6
PG	269.0	90,7	460.3	172.9	1,258.7	971.4
	<b>462.5</b>	<b>284,6</b>	<b>806.5</b>	<b>588.8</b>	<b>2,032.7</b>	<b>1,815.0</b>
<b>EBIT</b>						
SMT	-21.5	-10,4	-74.4	-0.7	-90.2	-16.4
PG	127.8	12,0	212.7	28.5	742.8	558.6
Amortization of acquired intangible assets	-0.5	-0,5	-0.9	-0.9	-1.9	-1.9
<b>Group</b>	<b>105.9</b>	<b>1,1</b>	<b>137.4</b>	<b>26.9</b>	<b>650.8</b>	<b>540.3</b>

Quarterly data	Q2-16	Q1-16	Q4-15	Q3-15	Q2-15	Q1-15	Q4-14	Q3-14
Order intake SMT	199.3	152.1	202.4	202.3	191.4	233.3	204.6	205.1
Order intake PG	575.4	642.1	635.5	356.3	119.8	237.7	413.8	637.3
	<b>774.7</b>	<b>794.3</b>	<b>837.9</b>	<b>558.6</b>	<b>311.2</b>	<b>471.0</b>	<b>618.4</b>	<b>842.4</b>
Sales SMT	193.6	152.7	220.5	207.3	193.9	222.0	229.8	180.3
Sales PG	269.0	191.3	400.9	397.6	90.7	82.2	426.7	157.8
	<b>462.5</b>	<b>344.0</b>	<b>621.3</b>	<b>604.9</b>	<b>284.6</b>	<b>304.1</b>	<b>656.4</b>	<b>338.0</b>
Gross profit SMT	91.4	61.7	96.2	99.0	88.8	99.6	108.0	78.2
Gross profit PG	169.7	126.8	308.4	293.8	45.8	43.9	260.0	54.2
	<b>261.2</b>	<b>188.4</b>	<b>404.7</b>	<b>392.8</b>	<b>134.6</b>	<b>143.5</b>	<b>368.0</b>	<b>132.4</b>
Gross margin SMT	47%	40%	44%	48%	46%	45%	47%	43%
Gross margin PG	63%	66%	77%	74%	50%	53%	61%	34%
	<b>56%</b>	<b>55%</b>	<b>65%</b>	<b>65%</b>	<b>47%</b>	<b>47%</b>	<b>56%</b>	<b>39%</b>
Reserch and development	-90.9	-78.2	-80.2	-61.8	-62.2	-62.6	-63.8	-46.5
Selling expenses	-49.2	-51.0	-42.4	-44.5	-48.1	-45.0	-46.2	-38.1
Administrative expenses	-23.3	-24.7	-25.1	-22.1	-19.2	-24.6	-33.2	-21.5
Other income/ expenses	8.1	-3.1	-5.5	-2.4	-4.0	14.5	6.1	10.7
<b>EBIT</b>	<b>105.9</b>	<b>31.5</b>	<b>251.4</b>	<b>261.9</b>	<b>1.1</b>	<b>25.8</b>	<b>231.0</b>	<b>36.9</b>
EBIT margin	22.9%	9.2%	40.5%	43.3%	0.4%	8.5%	35.2%	10.9%
Return on equity, rolling 4 quarters	58%	35%	36%	47%	28%	24%	22%	6%
Equity per share	10.1	13.3	13.0	11.0	8.6	12.6	12.3	9.9
Earnings per share	0.83	0.24	1.99	2.33	0.01	0.19	2.37	0.31
Cash flow per share	-4.7	2.64	2.04	2.49	-4.17	2.02	1.85	-0.79
Closing share price	62.75	73.25	82.25	46.00	60.25	53.50	24.80	17.50

Income statements Parent Company, SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Jan-Dec 15
Net sales	529.8	90.6	727.3	189.5	1,003.7
Cost of goods sold	-257.2	-48.2	-336.1	-104.4	-339.8
<b>Gross profit</b>	<b>272.6</b>	<b>42.4</b>	<b>391.2</b>	<b>85.1</b>	<b>663.9</b>
Reserch and development expenses	-153.9	-7.9	-167.2	-21.1	-41.0
Selling expenses	-47.8	-7.4	-58.9	-13.6	-30.5
Administrative expenses	-25.8	-9.1	-35.1	-16.8	-35.6
Other income/expenses	3.7	-4.6	4.4	-4.4	-4.6
<b>EBIT</b>	<b>48.8</b>	<b>13.4</b>	<b>134.3</b>	<b>29.2</b>	<b>552.2</b>
Result from financial investments	0.0	0.1	0.0	0.1	0.2
<b>Profit/loss after financial items</b>	<b>48.8</b>	<b>13.5</b>	<b>134.3</b>	<b>29.3</b>	<b>552.4</b>
Appropriations	-	-	-	-	-114.0
<b>Profit/loss before tax</b>	<b>48.8</b>	<b>13.5</b>	<b>134.3</b>	<b>29.3</b>	<b>438.4</b>
Tax	-21.1	0.0	-29.5	0.1	-71.6
<b>Net profit/loss</b>	<b>27.7</b>	<b>13.5</b>	<b>104.8</b>	<b>29.4</b>	<b>366.8</b>

Statements of comprehensive income, SEK million	April-June 16	April-June 15	Jan-June 16	Jan-June 15	Jan-Dec 15
<b>Net profit/loss</b>	<b>27.7</b>	<b>13.5</b>	<b>104.8</b>	<b>29.4</b>	<b>366.8</b>
<b>Other comprehensive income</b>					
<i>Item to be reclassified to profit and loss, after tax</i>					
Translation differences	-	-0.2	-	0.1	0.5
<b>Total comprehensive income</b>	<b>27.7</b>	<b>13.3</b>	<b>104.8</b>	<b>29.6</b>	<b>367.3</b>

In June 2016 Mycronic merged Mycronic Technologies AB into the Parent Company through absorption of wholly owned subsidiary. The income statement of Mycronic Technologies AB from 1 January, 2016 until the merger is included in the income statement of the Parent Company for the second quarter. See page 13.

<b>Balance sheets Parent Company, SEK million</b>	<b>30 June 16</b>	<b>30 June 15</b>	<b>31 Dec 15</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible and tangible assets	26.2	25.9	30.5
<i>Financial assets</i>			
Participation in group companies	174.6	365.5	365.5
Receivables from group companies	-	4.5	0.0
Other non-current receivables	22.4	25.0	25.5
Deferred tax receivables	3.1	63.6	1.8
<i>Total financial assets</i>	<i>200.1</i>	<i>458.6</i>	<i>392.7</i>
<b>Total fixed assets</b>	<b>226.3</b>	<b>484.5</b>	<b>423.2</b>
<b>Current assets</b>			
Inventories	266.6	21.8	13.2
<i>Current receivables</i>			
Trade receivables	108.3	16.7	43.8
Receivables from group companies	100.2	158.0	88.0
Other current receivables	139.1	15.0	23.1
<i>Total current receivables</i>	<i>347.6</i>	<i>189.7</i>	<i>154.9</i>
Cash and cash equivalents	592.6	308.7	759.0
<b>Total current assets</b>	<b>1,206.8</b>	<b>520.2</b>	<b>927.1</b>
<b>Total assets</b>	<b>1,433.1</b>	<b>1,004.7</b>	<b>1,350.3</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>730.2</b>	<b>714.0</b>	<b>1,051.7</b>
<b>Untaxed reserves</b>	<b>25.0</b>	<b>-</b>	<b>25.0</b>
<b>Other non-current liabilities</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
Trade payables	85.6	16.0	21.1
Liabilities to group companies	14.8	1.6	5.4
Current liabilities	577.3	272.9	246.9
<b>Total liabilities</b>	<b>677.9</b>	<b>290.7</b>	<b>273.6</b>
<b>Total equity and liabilities</b>	<b>1,433.1</b>	<b>1,004.7</b>	<b>1,350.3</b>
<i>Pledged assets</i>	<i>89.0</i>	<i>89.0</i>	<i>89.0</i>

In June 2016 Mycronic merged Mycronic Technologies AB into the Parent Company through absorption of wholly owned subsidiary. At the merger, the Parent Company took over all assets and liabilities from Mycronic Technologies AB. See page 13.

## Additional information on acquisitions

<b>Business combinations, SEK million</b>	<b>Jan-June 16</b>
<b>Acquisition price</b>	
Cash paid for acquisitions during the period	55.6
Holdbacks and deferred considerations for acquisitions during the period	17.1
	<b>72.7</b>
<b>Acquired assets and liabilities at fair value</b>	
Intangible assets	9.5
Tangible assets	0.6
Financial assets	0.0
Inventories	9.1
Short-term receivables	8.0
Cash and cash equivalents	6.8
Long-term liabilities	-2.9
Short-term liabilities	-12.6
<b>Total</b>	<b>18.5</b>
<b>Goodwill</b>	<b>54.1</b>
<b>Changes in cash and cash equivalents from acquisitions</b>	
Cash paid for acquisitions during the period	55.6
Cash and cash equivalents in acquired subsidiaries	-6.8
	<b>48.9</b>

During the first quarter 2016, 100 percent of Kognitec Vertrieb and Service GmbH was acquired, as well as 75 percent of RoyoTech Digitalelektronik GmbH, with an option to acquire the remaining 25 percent approximately two years from the acquisition date. The seller of RoyoTech also has an option to sell the remaining 25 percent at the same point in time. Mycronic's intention is to exercise this option. Mycronic's assessment is that the terms of the options are designed so that the remaining 25 percent of RoyoTech be regarded as acquired and that the estimated price consists of an earn-out.

Mycronic has made preliminary acquisition analyses. The combined acquisition price for the two businesses is SEK 73 million and the preliminary acquisition analyses indicate that goodwill is SEK 54 million. The acquisition price is adjusted for the estimated earn-out of SEK 17 million, calculated by best estimate. The companies are fully consolidated into the Mycronic Group as of 1 January, 2016.

## Additional information on alternative key figures

	Jan-June 16	Jan-June 15	Jan-Dec 15
EBITDA			
EBIT	137.4	26.9	540.3
Amortization and depreciation	13.7	12.3	25.2
EBITDA	151.1	39.2	565.5

EBITDA is a component in the dividend policy.

## Additional information on merger

In June 2016 Mycronic merged Mycronic Technologies AB into the Parent Company through absorption of wholly owned subsidiary. The income statement of Mycronic Technologies AB from 1 January, 2016 until the merger is included in the income statement of the Parent Company for the second quarter. At the merger, the Parent Company took over all assets and liabilities from Mycronic Technologies AB. The merger resulted in a negative merger difference of SEK 35 million, which is accounted for in non-restricted equity.

### Income statement Mycronic Technologies AB

#### 1 January 2016 until merger

Net sales 1)	213,5
Cost of goods sold	-141.0
<b>Gross profit</b>	<b>72.5</b>
Reserch and development expenses	-112.8
Selling expenses	-28.1
Administrative expenses	-14.8
Other income and expenses	-1.3
<b>EBIT</b>	<b>-84.4</b>
Result from financial investments	0.0
<b>Profit/loss before tax</b>	<b>-84.4</b>

1) Of which SEK 43.7 million refer to internal sales to the Parent Company and is not recorded after the merger.

### Balance sheet Mycronic Technologies AB at merger

<b>ASSETS</b>	
<b>Fixed assets</b>	
Financial assets	19.4
<b>Current assets</b>	
Inventories	278.0
Current receivables	121.4
<b>Total current assets</b>	<b>399.4</b>
<b>Total assets</b>	<b>418.7</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	<b>145.6</b>
Current liabilities 2)	273.2
<b>Total liabilities</b>	<b>273.2</b>
<b>Total equity and liabilities</b>	<b>418.7</b>

2) Of which SEK 182.5 million refer to liabilities to the Parent Company and is not recorded after the merger.