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# Mycronic AB (MYCR.SE)

Q4 2021 Earnings Call

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**Fredrik Lithell**

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## MANAGEMENT DISCUSSION SECTION

**Sven Chetkovich**

*Director-Investor Relations, Mycronic AB*

Hello and welcome to the Presentation of Mycronic's Q4 Report. My name is Sven Chetkovich. I'm the Director, Investor Relations at Mycronic. With me today, I have Mycronic's CEO and President, Anders Lindqvist; and also Mycronic's new CFO and Senior Vice President, Corporate Development, Pierre Brorsson; who will be presenting his first quarterly report for Mycronic today.

And with that, I hand over to Anders.

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**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

Thank you very much, Sven. And I will move the presentation here. So, what we will talk about today is the usual agenda, so a little bit of snapshot, a short look on the quarter four and then a little bit more details on the development with – in all the divisions. Pierre will then talk about the financials. Some final remark, and then we will have some room also for question-and-answer session. And in the material, there's also an appendix with the market update, which we will not present, but that is in the presentation that you can download after that – after this session.

So, if we start to talk about the quarter, and all comparisons here are, of course, compared to the same quarter in 2020. So, we saw a good order intake, which increased with 43%, up to a very nice number of 1-2-3-4, so SEK 1.234 billion, and also an increase of net sales with 30%, up close to SEK 1.3 billion. At the same time, we saw also that the EBIT decreased to SEK 204 million. And the reason for that decrease – I will explain that a little bit more in detail – is the product mix in the Pattern Generators division. And then, of course, that EBIT margin ended at 16%.

So, the order backlog is still very strong at close to SEK 2 billion. And at the end of the quarter, we had 12 mask writers on the backlog. And then we have also received actually two more orders after the quarter. So, as it is right now, we have 14 mask writers in the backlog, and 10 of them will be delivered this year. And we also completed and closed the acquisition in China of a company, HC Xin, which is a company doing screen printers for the electronics industry and also have a little bit of business in the pick & place equipment. And as I said, that after the end of the quarter – so this was during this year – we received two orders, and each order had one SLX mask writer for the semiconductor industry. And we also completed and closed the divestment of AEI, which are now sold to ASM PT, and that was closed in the beginning of February this year.

That was the quarter in short. If we take one look on the full year, and we are very happy and proud about that, is that we reached an EBIT margin of 11% in what was formerly the Assembly Solutions business area. And we have kept tracking this number because we had it put on the target I think two years ago that we would reach 10% EBIT in this business area for 2021, and we ended at 11%. So, that is accomplished, and we're very happy about that.

If I then move into the different divisions starting with the Pattern Generators, and here we have seen a continuous very strong demand from the – especially from the semiconductor industry. Everyone knows about the semiconductor shortage and that this industry is very busy right now. And at the same time, we have also quite an installed base of equipment here for this industry when it comes to laser-based mask writers which have created a very strong demand for our SLX mask writer that was quite recently introduced on the market. And that strong demand has translated into an order intake where we had in the quarter orders for four machines, SLX machines, for the semiconductor industry.

And as a total, the order intake declined 5% to SEK 384 million. Also, sales were up 4% to SEK 399 million, and the EBIT ended at SEK 146 million. And this is less than the quarter the year before, and this is because we had a less favorable product mix where we didn't ship any advanced systems for the display industry. Backlog was at the end of the quarter SEK 744 million, and at the end of the quarter, as I said, we had 12 mask writers in the backlog, whereof 11 were SLX mask writers and one is a Prexision Lite 8 Evo. And then we have received two more orders, as said, so which means that we have 13 SLX and one Prexision Lite 8 in the backlog, and 10 of them will be delivered this year.

Then moving to the High Flex division in the Assembly Solutions business area, yeah, so in the quarter, we had a very successful participation on the trade show called Productronica. So, Productronica is the largest and most important trade show globally for our kind of high-flex industry. It's held in Munich every second year. And despite pandemic and such things, it was quite good participation on this time, both from exhibitors but more important from potential customers, of course. And we launched a lot of new products on that fair, and one of those launches was an upgraded inspection system in that range and also a broadening of our MYSmart series. And the MYSmart series is a dispensing equipment, and we offer products here for conformal coating and inline dispensing.

The orders were up 6%, and we had orders all across the entire product portfolio. Sales were up 11% to SEK 368 million. And on the delivery side, so we have been successful with most of deliveries. But we have, of course, negative effects from higher expenses, both from logistics but also from components and also more effort to manage deliveries because of the shortages both on transportation and on the components. We have mitigated also with price increases, and the gross margin is – has remained stable at 41%, which is good. EBIT is up to SEK 59 million, which means also 16%, which is quite a good number here if you look on the history. Backlog ended up at SEK 130 million for the quarter.

Then move to the High Volume division, so here also we see a continued strong demand from the industry. And it's mainly in the consumer electronics industry, which is kind of traditional industry for our High Volume segment, but also quite a very strong demand from electrical vehicles placing orders for production equipment here. We also are broadening our offering, focusing more on complete solutions. And we see some good effect from that. We had an order intake increase of 102%. This is – of course, it's also compared to a not-so-good quarter before, but the order intake ended in absolute numbers at SEK 328 million, which is still a very good number for us.

Sales increased almost 40% to SEK 283 million. We had some pressure on the EBIT, so we ended on 17% (sic) [SEK 17 million], and it's a mix between that we had a little bit lower-than-normal gross margin and also that we have made quite some investment in commercial resources for the quarter. And also here, we have a comparison effect where the quarter four in 2020 had lower-than-average selling cost, so the comparable effect is bigger. The backlog ended very strongly at SEK 809 million, and here we closed the acquisition we made in China of a company, HC Xin, which I mentioned before, and that was closed in November 2021.

Now we go to the Global Technologies. So, here we offer – now we offer two lines of business we have here. So, one is electrical testing of PCBs, and then we have die bonding equipment for very precise placement of components. And in the quarter, we also had the camera module assembly technology in this, but we'll talk about that in a second. But starting a little bit with the market, so we saw a very good demand driven by investments in 5G and data center, and that translated into purchases of equipment from us. We also see good activity in the electrical testing for PCBs in that market.

Order increased quite a lot, but it's a little bit an unfair comparison because we didn't have the electrical test equipment in the same quarter in 2020. But nevertheless, the order intake ended at SEK 245 million and the sales at SEK 252 million. Now, also here, we have managed to deliver products according to schedule although the circumstances are a little bit challenging, and EBIT ended at 8% or SEK 21 million. And after the period, after the quarter, we closed the transaction and the sales of AEi, and that happened in the beginning of February this year.

So, we have also, as usual, in this quarter, updated the outlook for this year, 2022, and you see that we project and aim to reach a sales of SEK 5 billion, which is actually equal to our long-term financial target. And that financial target was supposed to be reached latest 2023, and now we believe that we will reach that this year. So, our outlook for the sales is SEK 5 billion. Then the product mix that I mentioned that we had in the quarter four will continue throughout the year. And this is quite visible if you look in the backlog of Pattern Generators where there is no super-advanced display mask writer in. And therefore we believe and we also wanted to give this information that we believe that the EBIT will be slightly above our long-term target of being above 15%. And this is all because of this effect from the product mix.

So, I mentioned already the reach of the financial target of sales that we believe we will reach this year. So, it's about time that we update that, and this will happen later this year, so we will update our financial targets during the year for the coming long-term period. And the current targets, as mentioned then, to stay with a profitability above 15% over a business cycle, which we do, and not having a net debt which is larger than 3 times EBITDA, and this is also an average number, so this is over a period of time.

So, with that, I will hand over to Pierre here who will go a little bit deeper in the financials.

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## Pierre Brorsson

*Chief Financial Officer & Senior Vice President-Corporate Development, Mycronic AB*

Happy to do so and happy to join Mycronic with the first webcast. So, if we look at the development rolling 12 months, we have now reached a point of SEK 4.6 billion, and this is just slightly above the outlook that we have

had for the year lately. We reached a similar EBIT margin as the previous year, around 23%. And we can also conclude that the aftermarket constitutes a stable base for our revenue going forward.

Looking at it quarter by quarter, however, you can see that the EBIT margin is a little bit more volatile, and I think this is an important thing to note when we present the numbers for the quarter and also looking ahead. We – if we compare quarter-on-quarter, we have a decline in net margin despite a higher sales number. And as Anders already mentioned, this is related to the product mix and primarily then the sales within the Pattern Generators. You can also see that as we are moving up and growing, aftermarket in amount is also continuing to grow, and this is a very important metric for us in developing the business further.

Looking at the bridge quarter-on-quarter, we had, as mentioned, a net sales increase. And multiplying that with the margin of last year, you would have a volume effect that is expected to increase the EBIT with SEK 158 million. However, with the margins in the product mix that we have, and this is as – if you analyze it, you can see that it's totally attributable to the PG division; had a negative impact of SEK 125 million. R&D on relatively similar levels. Sales costs were higher in several of the underlying divisions. This was partly driven by the high activity level where you have sales commissions, the Productronica fair and so on, and also adding sales resources, in particular, in the High Volume division and, of course, the acquisitions that has been made during the year.

That said we had also a very low comparative number in Q4 last year, where Q4 sales numbers only constituted 17% of the annual sales costs. We had also finally a very big positive effect quarter-on-quarter what is characterized as Other here, and this is mainly onetime events such as currency fluctuations and the like, and it was somewhat positive this year and strongly negative last year. And that takes us to the SEK 204 million of EBIT that we report for Q4.

Division by division, you can see that we had a decline in Pattern Generators and mainly an improvement in High Flex and Global Technologies, which has been a bit difficult for us over the years and now improving with a slight negative contribution in the High Volume and the group functions. And actually, in the fourth quarter for the two months, we had HC Xin. This contributed slightly negatively on the result but not substantially on a group level.

I then added this picture to show that the reliance on the Pattern Generator division, which has been extremely big for the group, is declining if we look 2021 versus the two prior years, and this is also what we see a bit in the outlook for 2022. It's important contribution and important improvements in all divisions.

If we look at the annual cash flow, we have a strong cash flow from the operations. We have actually improved the metrics in particular on the receivables when it comes to working capital during the year. Less days of sales tied up there. So, in relation to the net profit, you can say that this cash conversion is very good overall. On the investing side, it's mainly been driven by the acquisitions that we made and then, of course, the big one in the middle of the year, atg L&M, accounted for most of that. And as expected, we have paid some dividends to the shareholders. And as you may have noted, the proposal from the board is also to keep the dividend on a similar level for the next year.

With that, I hand the microphone back to Anders.

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## Per Anders Lindqvist

*President & Chief Executive Officer, Mycronic AB*

All right. Thank you very much. So, I will end the presentation to talk a little bit about our platform for growth and also the sustainability work that we are doing at Mycronic. So, I think – we believe that we have a strong position for sustainable, profitable growth. I think the profitable word here, you can see from Pierre's graph that what we

believe now that all divisions are a meaningful contributor to the business and getting more even distribution there and also have a very strong position to continue that growth position.

When it comes to sustainability, so I think we have, during the year, taking several good steps in a very good direction here, and especially in the last quarter of last year where we have broken down the overall sustainability targets that we have put in place for the year 2030 now broken down into the different divisions and translated into different activities. And the targets we have will create a focus on innovation for sustainability because our largest impact on the environment is through our products, and we believe that, through innovation, we can do a good difference here.

We also employ a great number of engineers, and we will employ a big number of future engineers, and here we want to drive a diversity focus for future engineers. And, of course, then our own environmental footprint, which is not enormous, but everyone can always do something. So, we also have activities in place to reduce that to the target levels earlier communicated. So, the overall group's goal is now broken down into specific goals and/or targets and challenges and opportunities in different divisions to make them as concrete as ever possible. So, we are very happy with that.

So that, in fact, concludes the presentation part of today. And now we have quite a good time for questions and some answers also.

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## Sven Chetkovich

*Director-Investor Relations, Mycronic AB*

Great. Thank you, Anders and Pierre. And now we're moving over to our Q&A session.

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**Operator:** Thank you, sir.

## Sven Chetkovich

*Director-Investor Relations, Mycronic AB*

So, operator, we are ready to take questions.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you, sir. [Operator Instructions] So, we have one first question from Mr. Mikael Laséen from Carnegie. Sir, please go ahead.

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

Yes. Good morning. Thanks. I have a few questions, and I thought I'd take them one by one. Start with the one on the PG side, Pattern Generators side. Can you talk about the market activity, the order funnel for 2022 and product categories maybe, how they are developing in terms of order activity and interest?

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

I can give a part of that at least I think. If you look on the market, we could say that on the mask market, that has returned to good levels because there was a decline in that earlier in last year. So, we believe that the underlying demand or the demand for photomask is quite high. And that should translate, of course, into use of equipment. We'll not comment really how our funnel looks like, but I think long term we have seen no difference really in demand or technology change that is not in our favor. I would say that is – I think we still see the same trend in the AMOLED display which is a more advanced displays requiring more advanced and the more photomask. We see also the shapes and forms of displays, it's also – continue to develop; also creating the need of photomask and so on. So, I think for the display side, really long term, no difference and, more recently, a pickup on the mask market. Yeah. So, we can definitely hope for orders, of course.

And on the semiconductor side, I think I mentioned a little bit earlier there, there's a – demand is very strong, and I think we have a kind of an underlying demand because of the aging of the installed base, which was the – one of the reasons actually that we went back into this market with the SLX but also, of course, the more recent increase on the semiconductor market in general. So, here, we're quite happy with how that has translated into orders for us.

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

Okay. Got it. Thanks.

[indiscernible] (00:23:57)

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

Yeah. That's helpful. Can you also explain mainly how your delivery possibilities look like, give an update on that?

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

Yeah. Yeah. That depends a little bit. So, the backlog right now is 14 machines. And now I should remember. I think 13 SLX and one Prexision in that. And the 12 of those – no, 10 of them will be delivered during this year. And this is a quite busy – that's quite a lot for us. That's a quite high production number. So, in general, I would say that – but it depends on customer needs and the type of machines and so on. But in general, most delivers –



orders taken now will be in general before 2023, but that's a very general direction of the question. It depends on the order, the equipment, the customer need, and our ability to prioritize.

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

Okay. Good. And I was also wondering here if you can explain what the revenue margin guidance for 2022 means for your segment. Does it imply that the PG segment will have lower revenue in 2022? And it looks like that given the order backlog.

**Pierre Brorsson**

*Chief Financial Officer & Senior Vice President-Corporate Development, Mycronic AB*

A

We will not guide on specific revenues by division, and so I mean it – obviously it will not be a record year for the PG division given that we are informing that we expect a somewhat lower EBIT than we have had the last couple of years.

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

Okay. Okay. But if...

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

But then you can look on the backlog and on the communicated value in the press releases, and you will get a good picture if you add back.

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

No. I've done that.

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

Add back [ph] to the OpEx (00:26:05).

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

And if I do it that, it means that including service revenue and including what you have said about 2023 deliveries, revenue will decline by maybe 15% if you take a few more orders with a shorter lead times. And that also implies that Assembly Solutions segment, the three other segments, have to grow by 20% in order to get to SEK 5 billion. Is that a fair description of roughly what it looks like, roughly how we should think about it?

**Pierre Brorsson**

*Chief Financial Officer & Senior Vice President-Corporate Development, Mycronic AB*

A

Unfortunately, we will have to ask you to do the math. But I reiterate that we will have a larger – we have seen this year a larger dependency on the other divisions than on the PG delivering the profit, and that will continue also in 2022.



**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

Okay. So, it means very strong growth with Assembly Solutions, but you don't have any acquisitions that were not – that you don't have already done sort of in that guidance figure.

**Pierre Brorsson**

*Chief Financial Officer & Senior Vice President-Corporate Development, Mycronic AB*

A

This is correct. We – this is for what we have today, including the already closed acquisitions and the divestment which was now concluded here beginning February.

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

Okay. Got it. And then my final one for now is on atg that you acquired last year, if you can say something about the organic growth and the margins the company had in Q4 and maybe talk a bit about the outlook for 2022.

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

No, so we will not be specific on that level, but we've seen it has been according to expectations. I would say the acquisition, I think we announced at the acquisition some historical numbers, and we have been very satisfied with the development since that. We also see good development both from product launches but also good from the market; has a good momentum in that business. And we have a very – quite high share of aftermarket also in that, giving some kind of baseline or stability to that business as well. So, so far, we are very happy with that one.

**Mikael Laséen**

*Analyst, Carnegie Investment Bank AB*

Q

Okay. Thanks.

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

Thank you.

**Operator:** Thank you, sir. Next question is from Mr. Fredrik Lithell from Handelsbanken. Sir, please go ahead.

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

Thank you very much. Thank you for taking my questions. Well, I think I'll take two questions, and then I'll go back into the line and see if there are other ones to ask questions as well. Just a housekeeping on the acquisition-related costs. You state that you had SEK 11 million of those in Global Technologies. Is the rest – and on the group level, you had SEK 24 million. So, is the rest then attributed to High Volume segment and the HC Xin acquisition? That's the first one.

And then maybe if you could elaborate a little bit on High Volume segment where you had a bit of a spike in OpEx. It might not be a surprise to you, of course, but could you describe what you have been doing there that is taking a toll of the EBIT in the quarter? It's a very uneven type of EBIT performance throughout the quarter, so it would be very interesting to hear. Thank you.

**Pierre Brorsson**

*Chief Financial Officer & Senior Vice President-Corporate Development, Mycronic AB*

A

Okay. If we start with acquisition-related costs, we consider acquisition-related costs, both the amortization of the intangibles, as well as the transaction costs, and there was a little bit of transaction costs closing for the HC Xin in the quarter, but the majority is amortization of intangibles. And as you mentioned, the largest portion of that is related to Global Technologies or, rather, atg. I think that that probably explains that one.

And then the second question was...

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

The OpEx in High Volume.

**Pierre Brorsson**

*Chief Financial Officer & Senior Vice President-Corporate Development, Mycronic AB*

A

The OpEx in High Volume, yes. Yes, we have continued to invest in the growth in Axxon. We have seen very good development on both orders and net sales. So, we have a little bit decided to front-load on the commercial resources. And this, in combination with a little bit the – a little bit lower costs in Q4 last year, may make it look dramatic. It's not as dramatic for us. I think it is an uneven EBIT performance throughout the year. I think, from our side, I think it's important that we are able to keep up the gross margin. I think that is – even if the comparison there is somewhat more favorable, I think that is a critical item and that we can only do by having good commercial resources.

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

Yeah. Can I have a follow-up on High Volume there? You have had a very good run when it comes to order intake, but some of it has also sort of stayed in the order backlog, which is now quite big. Is that due to that there's a lot of larger system type of orders that you deliver a big system for the customer, and then you sort of revenue-recognize that that's a lump sum, and you pass some – yeah, is that part of revenues here and order intake?

**Pierre Brorsson**

*Chief Financial Officer & Senior Vice President-Corporate Development, Mycronic AB*

A

We have a rather cautious point of recognizing revenues in HV, so that is one key parameter.

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

But is it [ph] system (00:32:36) sales or is it machine for machine that you deliver because also when you look at net sales, that means Q1 2021 you had SEK 368 million revenues, and now it's SEK 283 million. So, it goes also up and down, but I mean the order backlog is signaling that you have a very high activity. So, is it lumpy in that sense when you deliver?

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

I can say that the character of orders differs a little bit year from year depending on the customer type and the product type, and sometimes it's more solutions and lines rather than as machine by machine. And you're right in saying that we – yes, we are very cautious on how we recognize the revenue. And typically there are conditions

also from when the product is considered to be delivered from – with installation and functionality and all that. So, that can differ a little bit back and forth. And then we have had quite large orders, complex orders, somewhat recently, so that's definitely one of the reasons but not everything. So, there will always be a mix between that depending a little bit on customer type and product type.

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

Okay. Perfect. Thank you very much. I will go back into the line.

**Operator:** Thank you, sir. We have no other questions. [Operator Instructions] So, we have another question from Mr. Fredrik Lithell from Handelsbanken. Sir, please go ahead.

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

Hi. I came back earlier than I thought. So, can we come back a little bit on Pattern Generators and your – the long-term trends and what you see there? It would be interesting to have you put some more flavor on it. And you talk about increased activity that you've seen lately. I mean, we looked at – Samsung had an Investor Day where they were very positive on the OLED penetration on the laptop side, for example, and so on, and maybe also big screens and a little bit on the news from CES, the transparent solutions and everything. What's your view on how sort of the different applications for your machines – is that growing quicker than you think, or do you see that it will start to grow quicker, or anything you'd like to put some more light on on the trends in the display industry would be interesting to hear. Thank you.

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

I think there is some material also in the backup slide so that you can look at where we kind of – any third-party analyses, all of that, looking at the display market and how that will grow. And I think we have the same view as those external analyses and – but you're right that the driver for that growth is very much the technology change which is AMOLED is one of them. We also have the other mini-LED, micro-LED coming a little bit stronger although still not very big on that one; and the different shapes and transparency and also more equipment. I think we have seen that's been a good push from smart watches and health devices and all kind of devices with screens inside; also from the automotive side and so on and so on.

So, I think we have said that for some time now, but there's no reason for us to change that statement and long term. And we have seen there's a shift a little bit. I think last year there was a big push on – I think the LCD actually grow a little bit faster than expected last year because of the computer display market was extremely strong; very much driven by home office and several more working locations. And that push is a little bit gone right now, but now it turns – now we see other segments growing faster; like you said, the AMOLED for laptops and so on. So, it's – I think other than that the LCD maybe last year lasted a little bit longer than we thought, we see no other change in the market dynamics going forward from now.

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

And just a follow-up on where you stand on your technology on the PG side. I mean, we heard a lot about the metaverse and everything. And – but VR and AR is [ph] turning true (00:37:13), and your P-800 machine might be optimized for a 4K smartphone screen in terms of right time and productivity, but where do you stand in terms of

the next – if you need the next-generation technology in order to push forward in productivity and so on? Any light you can shed on that would be interesting.

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

Yeah. We need to go hand in hand with the rest of the technology needed to make displays. So, even if you would invent the mask right there that is better than the aligners and the – the other equipment in that supply chain has to also follow in that. So, that's kind of the whole industry needs to move in that direction. And I think that is what has happened in the past. And I think it's – we don't see any reason why it should not happen going forward as well. But it's not us alone. It's kind of...

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

No.

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

There's a lot of other technologies as well, of course, that needs to follow.

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

Yeah. But you are well prepared for that if there would be a shift, a step-up in technology. You are well prepared for that?

**Per Anders Lindqvist**

*President & Chief Executive Officer, Mycronic AB*

A

I think, yeah, we are very flexible on the R&D side. So, we will definitely take the challenge.

**Fredrik Lithell**

*Analyst, Handelsbanken Markets*

Q

Okay. Perfect. Thank you very much.

**Operator:** Thank you, sir. We have no other questions. Back to you for the conclusion.

**Sven Chetkovich**

*Director-Investor Relations, Mycronic AB*

Okay. Thank you. Well, with that, we've reached the end of today's presentation. Thank you for attending.

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