

Mycronic, first quarter January-March, 2017

Mycronic reports growth in all market segments for the first quarter

Mycronic's net sales rose 97 percent compared to the first quarter of 2016. The underlying EBIT margin amounted to 31 percent. "Growth in the quarter proves that our product offering meets the customers' challenges," says Lena Olving, President and CEO.

First quarter January-March 2017

- Order intake reached SEK 653 (794) million
- Net sales reached SEK 676 (344) million
- EBIT was SEK 159 (32) million
- Underlying EBIT was SEK 208 (32) million
- Earnings per share was SEK 1.15 (0.24)

Outlook 2017

It is the Board's assessment that net sales in 2017 will be at the level SEK 2,800 million.

Events since end of the quarter

Today, on 20 April, 2017, Mycronic launches the all new product platform, MY700, of the next generation product series MYPro. With the MY700, for application of solder paste and dispensing of assembly fluids, Mycronic addresses more application areas and a larger market in the electronics industry. The MY700 can apply two different media in the same process step.

Group summary	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Order intake, SEK million	653	794	2,313	2,455
Net sales, SEK million	676	344	2,652	2,319
Book-to-bill	1.0	2.3	0.9	1.1
Order backlog, SEK million	1,318	1,516	1,318	1,342
Gross margin, %	53.5%	54.8%	59.7%	60.8%
EBIT margin, %	23.4%	9.2%	30.9%	29.8%
Underlying EBIT margin, %	30.8%	9.3%	34.4%	31.7%
Earnings per share, SEK	1.15	0.24	6.28	5.38
Cash flow, SEK million	159	258	-797	-699
<i>The share</i>				
Closing price, SEK	91.75	73.25	91.75	98.00
Market cap, SEK million	8,984	7,172	8,984	9,596
<i>Changes in net sales</i>				
Organic growth, %	59%	11%	28%	19%
Currency effects, %	6%	1%	4%	3%
Growth from acquisitions, %	32%	1%	11%	6%
Total growth, %	97%	13%	43%	28%

CEO comments

During the first quarter, consolidated net sales increased 97 percent. As presented in the table on the previous page, the increase is from both organic growth in Assembly Solutions and Pattern Generators, and from the acquired operations. During the quarter, we delivered two mask writers and a MY600 multiple order among other things, and we had a closing order backlog of SEK 1.3 billion.

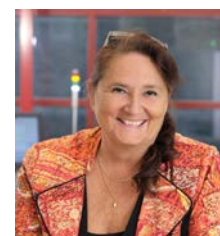
Consolidated EBIT continued to develop favorably and was 23 percent for the first quarter. EBIT is charged with costs related to the acquisitions, which are not related to operational activities. These costs will remain for some time to come, even if they are greatest during the current year. In this report we refer to the concept of underlying EBIT to show how our operations develop and perform. The underlying business achieved an EBIT margin of 31 percent.

As we have said many times since the strategy for growth was decided in 2013, Mycronic continues to invest in product development. The largest financial investments are being made in Assembly Solutions, both within our SMT operations and in the acquired companies, which has affected the profitability in this business area. These investments enable us to continue providing our customers with efficient production solutions. And today I am happy to announce the launch of MY700, an all new product platform as one result from these investments. We expect to remain at the current level this year.

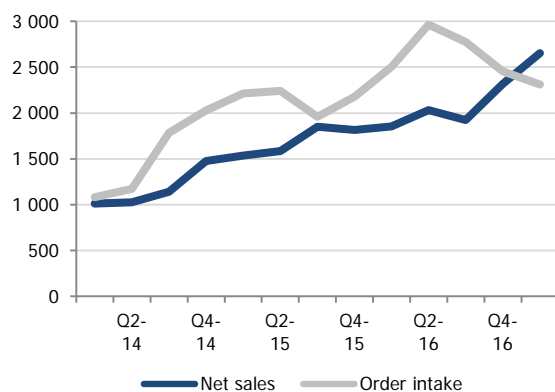
Market data shows that after a sluggish first half-year 2016, the global SMT equipment market grew for the full-year. There is no prognosis for the trend for SMT equipment in 2017, but the assessment is for positive development in the electronics and semiconductor industries, creating favorable conditions for the SMT market. Through our acquisitions, Assembly Solutions now addresses a larger share of the electronics industry. This broadens our product offering and reach a larger market, product wise as well as geographically.

Both the display and photomask markets declined in 2016. There is a shift towards a greater proportion of AMOLED displays. During the reconstruction phase of factories, capacity is temporarily reduced and development activities are also decreasing during this phase. The assessment is that production capacity will increase in 2017 as the re-modeled production lines are brought into operation and development activities can be resumed. The continuous contact we maintain with our customers, and with the customers' customers, shows continued demand for equipment that enables efficient photomask production for the advanced displays of the future.

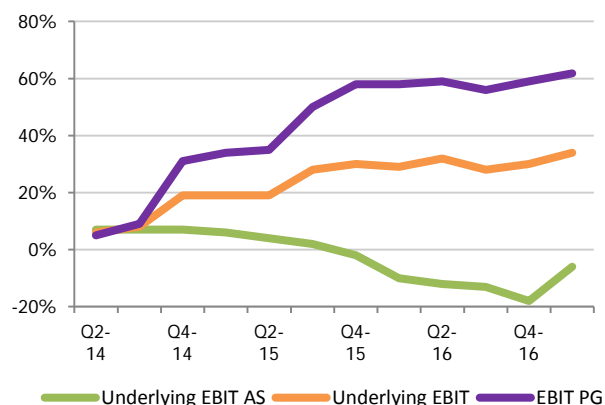
Lena Olving, CEO and President



Order intake and net sales, rolling 4 Q, SEK million



Profitability, EBIT %, rolling 4 Q



Financial

performance, Group

	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Order intake, SEK million	653	794	2,313	2,455
Order backlog, SEK million	1,318	1,516	1,318	1,342
Net sales, SEK million	676	344	2,652	2,319
Gross profit, SEK million	362	188	1,584	1,410
Gross margin, %	53.5%	54.8%	59.7%	60.8%
EBIT, SEK million	159	32	818	691
EBIT margin, %	23.4%	9.2%	30.9%	29.8%
Underlying EBIT, SEK million	208	32	911	735
Underlying EBIT margin, %	30.8%	9.3%	34.4%	31.7%
EBITDA, SEK million	173	38	858	724

Axxon and AEi are included from the respective acquisition day in Q4, 2016.

First quarter January-March 2017

The order intake for the first quarter included equipment and aftermarket. The order intake for Assembly Solutions included the second multiple order for the Jet Printer MY600 among other things. Within Pattern Generators, orders were received for one mask writer and one mask writer upgrade. For the first quarter last year, orders for five mask writers were received.

Net sales for the first quarter included two (one) mask writers and positive currency effects in the amount of SEK 22 (2) million. Recalculated to the same exchange rates that prevailed during the first quarter 2016, net sales amounted to SEK 654 million. Net sales from Axxon and AEi, which were acquired at the end of 2016, amounted to SEK 108 million for the first quarter.

Consolidated earnings were charged with acquisition-related costs of SEK 50 million. These costs, which are not related to operations, include the expensing of acquired inventories at fair value, amortization of acquired intangible assets and discounting of earn-outs. These costs will remain in the future but they are largest during 2017. The underlying EBIT that shows how operations develop and perform amounted to SEK 208 (32) million, with an underlying EBIT margin of 31 (9) percent.

Expensing of acquired inventories will be completed during the second quarter. Total acquisition-related costs for the remaining three quarters of 2017 is expected to be in line with first quarter expenses.

Gross profit has been charged with SEK 38 million of the acquisition-related costs, thus impacting the gross margin negatively. Adjusted for these costs the gross margin was 59 percent.

As a result of the acquisitions, the group now has R&D activities in China and the USA. Consolidated development costs increased by SEK 4 million. Sales and administrative expenses increased SEK 34 million, mainly due to the operating expenses in the acquired companies.

Cash flow and financial position

The Mycronic Group's cash and cash equivalents at the end of the first quarter amounted to SEK 369 million, compared to SEK 209 million at year-end 2016. Cash flow was SEK 159 (258) million. The group reported a positive cash flow from operations of SEK 201 million. This is due to the positive result and a reduction in working capital.

Investments claimed SEK 41 (55) million and related primarily to the purchase price paid for the additional five percent of shares in Axxon, SEK 31 million (total holdings 80 percent) and capitalized product development of SEK 6 million.

Financial performance business areas

Assembly Solutions	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Order intake, SEK million	340	152	1,147	960
Order backlog, SEK million	276	51	276	266
Net sales, SEK million	330	153	1,063	886
Gross profit, SEK million	100	62	408	370
Gross margin, %	30.3%	40.4%	38.4%	41.7%
EBIT, SEK million	-55	-53	-159	-157
EBIT margin, %	-16.7%	-34.6%	-15.0%	-17.8%
Underlying EBIT, SEK million	-5	-52	-66	-113
Underlying EBIT margin, %	-1.6%	-34.3%	-6.2%	-12.8%
Development costs, SEK million	-72	-65	-299	-291

Axxon and AEi are included from the respective acquisition day in Q4, 2016.

Assembly Solutions includes the acquired companies Axxon and AEi, which were acquired in 2016.

Demand for the group's production solutions was favorable in the first quarter, and included another multiple order for the Jet Printer MY600. Net sales increased, both organically and through acquisitions, which contributed SEK 108 million. Net sales were positively impacted by currency effects of SEK 10 million. Recalculated to the same exchange rates that prevailed during the first quarter 2016, net sales amounted to SEK 320 million.

The business area's gross profit and EBIT was charged with acquisition-related costs. These costs, which totaled SEK 50 million, include expensing of acquired inventories at fair value, amortization of acquired intangible assets

and discounting of earn-outs. Of these acquisition-related costs, SEK 38 million was charged against gross profit, which amounted to 42 percent after adjustments. The gross margin for SMT operations was in line with the gross margin in 2016.

The underlying EBIT was SEK -5 (-52) million. All segments within Assembly Solutions contributed to the increase in results.

Development expenditures increased SEK 7 million and included product development for the group's existing products and investments for future growth.

Other operating expenses increased mainly through the acquired operations.

Pattern Generators	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Order intake, SEK million	313	642	1,166	1,495
Order backlog, SEK million	1,042	1,465	1,042	1,076
Net sales, SEK million	346	191	1,588	1,433
Gross profit, SEK million	262	127	1,176	1,041
Gross margin, %	75.7%	66.3%	74.0%	72.6%
EBIT, SEK million	215	85	981	851
EBIT margin, %	62.0%	44.4%	61.8%	59.4%
Development costs, SEK million	-10	-13	-54	-57

The order intake included one mask writer, a mask writer upgrade, and aftermarket. For the first quarter last year, orders for five mask writers were received. The ongoing technology shift from LCD to AMOLED has affected short-term demand. As manufacturers bring their rebuilt production facilities into operation, demand for photomasks is expected to increase.

During the first quarter, two (one) mask writers were delivered, one for display applications and one for the multi-purpose segment. Net sales were positively impacted by currency effects of SEK 12 million. Recalculated to the same exchange rates which prevailed during the first

quarter 2016, net sales amounted to SEK 334 million. The order backlog comprises nine mask writers, seven of which are scheduled for delivery in 2017.

Gross profit and EBIT, which are affected by volume and product mix, reached SEK 262 (127) million and SEK 215 (85) million respectively.

Development expenditures amounted to SEK 10 (13) million. Development activities focused mainly on the ongoing development of the next generation of mask writers.

Electronics industry

After several years of growth, the global electronics industry is expected to decline 1 percent in 2016 to USD 1,838 billion. Industry segments that have resisted this trend and experienced the strongest positive growth are electronics with applications in the automotive industry and consumer electronics such as TVs.

During the first half of 2016, the semiconductor market performed weakly, declining 6 percent compared with the corresponding period in 2015. After a strong second half-year, growth for full-year 2016 was 1 percent.

Future outlook

Long-term growth for the electronics industry is forecast at 3.1 percent annually for the period 2016-2021. For 2017, the forecast is for growth of 2 percent. Industry segments with the strongest expected growth over the five-year period include electronics for the automotive industry, wireless infrastructure, consumer electronics and industrial applications.

The trend on the semiconductor market is expected to continue in a positive direction with an average annual growth of 3.7 percent for the period 2016-2021. For 2017, growth of 5 percent is expected.

Size/growth	2017F ⁵⁾	2016	2015
Electronics industry change in percent ¹	+2.0%	-1.1%	-0.1%
Semicon industry, change in percent ¹	+5.0%	+1.1%	-0.2%
SMT, change in percent ²	Not available	+5%	-19%
Dispensing, USD million ³	Not available	600	500
Camera modules, million units ¹	92	77	55
Displays, USD billion ⁴	127	105	114
Photomasks, change in percent ⁴	+11%	-11%	+6%
Photomasks, thousand units ⁴	16.8	15.2	17.2

Assembly Solutions

SMT & dispensing market area

The global market for SMT equipment has an annual turnover of approximately USD 4,000 million. The segment for surface mount machines for mounting of components had a turnover of USD 1,980 million in 2016, or growth of 5 percent. It was primarily the markets in China and the rest of Asia, excluding Japan, which demonstrated a positive trend. Dispensing equipment is used in the production of surface-mounted electronics and in the manufacturing and packaging of electronics components. The dispensing equipment market

had a turnover of approximately USD 500 million in 2015, of which USD 400 million is within the segment that Mycronic addresses.

Mycronic's product portfolio comprises production systems for component mounting, non-contact application of solder paste, automated storage solutions, and equipment for dispensing and coating of circuit boards and high-speed dispensing of solder paste.

Production automation market area

One segment within the electronics industry which has grown and is expected to continue growing is electronics for the automotive industry. Cars are being equipped with increasingly more electronics. One segment in the automotive electronics market is camera modules for advanced driver assistance systems, or ADAS. In 2016, estimated production of camera modules is expected to reach 77 million units, and it is expected that more than 210 million units will be produced globally by 2021. Mycronic offers automated production solutions for assembly and test of camera modules.

Pattern Generators

The display market rebounded during the second half-year 2016 and growth in 2017 is expected to reach 21 percent. A better balance between supply and demand, and transition toward more sophisticated displays such as AMOLED and high-resolution displays, is expected to drive growth. The total display area manufactured is growing steadily as displays get larger and are increasingly used in new products, for example in cars.

Photomask market area

Mycronic is the only supplier of production equipment for the manufacture of advanced photomasks for the display industry. The photomask market performed strongly in early 2016, but during the second half-year, activity declined, and the assessment for full-year 2016 is for a decline of 11 percent. This is the first time since 2012 that the photomask market for displays decreased. This decline was primarily due to the technology shift from LCD to AMOLED technology. During the reconstruction phase of factories, capacity is reduced temporarily. To meet demand for AMOLED displays, manufacturers focused on existing models and put fewer resources into R&D. The assessment is that the market will rebound in 2017 as the new AMOLED factories ramp up the need for photomasks. The market trend was reflected in the degree of utilization on Mycronic's mask writers during the second half of 2016. During the first quarter of 2017, the degree of utilization remained at somewhat lower levels.

1) Market data from Prismark.

2) Market data from Protec MDC.

3) Market data from Prismark and Mycronic.

4) Market data from IHS.

5) Latest estimate for 2017: Prismark (March 2017), Protec MDC (January 2017), IHS (April 2017). Actuals per quarter are not always available.

Other

Parent Company

Mycronic AB is the Group's Parent Company. Product development and sales of mask writers are conducted in the Parent Company. During 2016, Mycronic Technologies AB merged into the Parent Company. After the merger, all operations which occurred previously in the subsidiary, are now conducted in the Parent Company.

The Parent Company's net sales in the first quarter were SEK 545 (198) million and comprised two mask writers.

EBIT reached SEK 187 (86) million. Research and development expenditures are expensed as they occur.

Cash and cash equivalents at end of the first quarter amounted to SEK 208 million, compared to SEK 60 million at year-end 2016.

Nomination committee

The composition of the nomination committee for the 2017 AGM is:

Henrik Blomquist, Bure Equity
Thomas Ehlin, Fjärde AP-fonden
Joachim Spetz, Swedbank Robur Fonder
Patrik Tigerschiöld, Chairman of the Board

The nomination committee represents 40 percent of shares and votes. The nomination committee is tasked with putting forth proposals for Board members and Board chairman, and for remuneration of Board members and auditor. The 2017 AGM will be held on 4 May, 2017.

Dividend proposal

According to the dividend policy the Board proposes to the AGM an ordinary dividend of SEK 2.00 (1.50) per share, a total of SEK 195.8 (146.9) million. As earlier communicated no extra dividend is proposed. Last year's extra dividend amounted to SEK 2.50, a total of SEK 244.8 million. Record date is proposed to be 8 May, and disbursement day 11 May.

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 20 April 2017, at 8 am.

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

This interim report has not been reviewed by the auditor.

Financial calendar

AGM 2017	4 May, 2017
Interim report January-June 2017	14 July, 2017
Interim report January-September 2017	19 October, 2017

Täby, 20 April, 2017

Lena Olving
CEO

Contacts at Mycronic:

Lena Olving
CEO
+46 8 - 638 52 00
lena.olving@mycronic.com

Torbjörn Wingårdh
CFO
+46 8 - 638 52 00
torbjorn.wingardh@mycronic.com

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 goals

Growth

Consolidated net sales including acquisitions will reach SEK 5 billion, at the end of the period covered by the business plan, 4 to 7 years.

Profitability

EBIT (earnings before interest and tax) will exceed 15 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). Average is calculated over three years.

Mycronic's dividend policy

The objective of the company is to provide both good returns and value growth. Between 30 and 50 percent of net profit will be distributed to the shareholders, provided the company has a net debt lower than 3 times EBITDA after stipulated dividend. 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 Swedish high-tech company engaged in the development, manufacture and marketing of production equipment with high precision and flexibility requirements for the electronics industry. Mycronic's headquarters are located in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany, Japan, Singapore, South Korea, the Netherlands, Taiwan, United Kingdom and the United States. For more information, see our web site at: www.mycronic.com

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

This 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 has precedence.

Mycronic AB (publ)

Mycronic AB (publ)
PO Box 3141
SE-183 03 Täby
Sweden

Tel: +46 8 638 52 00
Fax: +46 8 638 52 90

www.mycronic.com

Reg office: Stockholm
Reg no: 556351-2374

Vat no: SE556351237401

Consolidated profit and loss accounts, SEK million	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Net sales, note 4	676.3	344.0	2,651.6	2,319.3
Cost of goods sold	-314.4	-155.6	-1,067.9	-909.0
Gross profit	361.9	188.4	1,583.7	1,410.2
Research and development expenses, note 5	-82.2	-78.2	-352.5	-348.4
Selling expenses	-69.9	-51.0	-257.7	-238.7
Administrative expenses	-39.8	-24.7	-152.9	-137.8
Other income and expenses	-11.4	-3.1	-2.5	5.8
EBIT	158.5	31.5	818.0	691.0
Financial income and expenses	-2.7	-0.1	-4.2	-1.6
Profit/loss before tax	155.8	31.4	813.8	689.4
Tax	-43.7	-7.5	-199.2	-163.1
Net profit	112.2	23.9	614.6	526.3
Earnings per share before/after dilution, SEK	1.15	0.24	6.28	5.38
Average number of shares, thousand	97,917	97,917	97,917	97,917

Consolidated comprehensive income, SEK million	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Net profit	112.2	23.9	614.6	526.3
Other comprehensive income				
<i>Items not to be reclassified to profit/loss, after tax</i>				
Actuarial loss from defined benefits to employees	-	-	-1.7	-1.7
<i>Items to be reclassified to profit/loss, after tax</i>				
Translation differences at translating foreign entities	-2.9	2.7	14.3	19.9
Changes in cash flow hedges	4.2	4.3	-9.6	-9.5
Total comprehensive income	113.5	30.9	617.6	535.0

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

Consolidated cash flow statements, SEK million	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Cash flow from operations before changes in working capital	130.5	35.7	749.5	654.7
Changes in working capital	70.9	277.5	-399.5	-192.8
Cash flow from operations	201.4	313.2	350.0	461.9
Cash flow from investing activities	-40.8	-55.0	-753.8	-768.0
Cash flow from financing activities	-1.2	0.0	-393.6	-392.4
Cash flow	159.4	258.2	-797.4	-698.6
Cash and cash equivalents, opening balance	208.6	897.7	1,156.7	897.7
Exchange differences	0.7	0.7	9.4	9.4
Cash and cash equivalents, closing balance	368.7	1,156.7	368.7	208.6

Consolidated statements of financial position, SEK million	31 March 17	31 March 16	31 Dec 16
ASSETS			
Fixed assets			
Intangible assets	1,070.5	188.0	1,085.2
Tangible assets	59.4	38.3	60.1
Long-term receivables	21.6	38.3	22.9
Deferred tax assets	57.2	44.7	56.5
Total fixed assets	1,208.8	309.3	1,224.6
Current assets			
Inventories	551.7	335.8	574.8
Trade receivables	397.4	198.5	596.8
Other current receivables	104.2	76.9	150.5
Cash and cash equivalents	368.7	1,156.7	208.6
Total current assets	1,422.0	1,767.8	1,530.6
Total assets	2,630.7	2,077.1	2,755.3
EQUITY AND LIABILITIES			
Equity	1,525.1	1,299.1	1,411.6
Liabilities			
Other long-term liabilities	264.5	40.1	258.8
Deferred tax liabilities	75.7	19.1	76.1
Total long-term liabilities	340.2	59.2	334.9
Short-term interest-bearing liabilities	9.5	-	10.7
Trade payables	130.4	112.7	185.8
Other current liabilities	625.6	606.2	812.2
Total current liabilities	765.5	718.9	1,008.7
Total liabilities	1,105.7	778.0	1,343.6
Total equity and liabilities	2,630.7	2,077.1	2,755.3

Consolidated statements of changes in equity, SEK million	Jan-March 17	Jan-March 16	Jan-Dec 16
Opening balance	1,411.6	1,268.2	1,268.2
Dividend		-	-391.7
Total comprehensive income	113.5	30.9	535.0
Closing balance	1,525.1	1,299.1	1,411.6

Other key figures *	Jan-March 17	Jan-March 16	Jan-Dec 16
Equity per share, SEK	15.58	13.27	14.42
Return on equity (rolling 4Q), %	43.5%	35.4%	39.3%
Return on capital employed (rolling 4Q), %	57.8%	43.2%	51.4%
Net cash, SEK million	359.2	1,156.7	197.9
Average number of employees	919	507	577

* Other than key figures presented on page 1.

Profit and loss accounts, Parent Company, SEK million	Jan-March 17	Jan-March 16	Jan-Dec 16
Net sales	545.4	197.5	2,020.6
Cost of goods sold	-212.9	-79.0	-756.1
Gross profit	332.5	118.5	1,264.5
Other operating expenses	-145.8	-32.9	-534.1
EBIT	186.7	85.6	730.4
Result from financial items	0.2	0.0	-0.5
Profit/loss after financial items	187.0	85.6	729.9
Appropriations	-	-	-181.8
Result before tax	187.0	85.6	548.1
Tax	-41.1	-8.4	-121.4
Net profit/loss	145.8	77.2	426.7
Total comprehensive income	145.8	77.2	426.7

Balance sheets , Parent Company, SEK million	31 March 17	31 March 16	31 Dec 16
ASSETS			
Fixed assets			
Intangible and tangible assets	37.9	29.4	37.6
Financial assets	1,198.1	447.0	1,202.0
Total fixed assets	1,236.0	476.4	1,239.6
Current assets			
Inventories	315.1	16.0	281.0
Other current receivables	332.1	200.0	519.0
Cash and cash equivalents	208.5	1,010.2	60.0
Total current assets	855.6	1,226.2	860.0
TOTAL ASSETS	2,091.7	1,702.6	2,099.6
EQUITY AND LIABILITIES			
Equity	1,198.0	1,128.8	1,052.1
Untaxed reserves	206.8	25.0	206.8
Other non-current liabilities	167.2	0.2	164.3
Current liabilities	519.7	548.5	676.4
TOTAL EQUITY AND LIABILITIES	2,091.7	1,702.6	2 099.6

In June 2016, Mycronic Technologies AB (org nummer 556238-6739) merged into the Parent Company through absorption of wholly-owned subsidiary. At the merger, the Parent Company took over all assets and liabilities in Mycronic Technologies AB.

Note 1 - 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, 2016. As was the case at the end of 2016, reported values are the same as fair values.

Note 2 – Risks and uncertainties

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 2016 annual report. Through acquisitions during 2016, operations in China have expanded. Mycronic is exposed to country specific risks, such as political decisions or overall changes in rules and regulations on markets which are partly new for the company, geographically and product-wise.

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

Note 3 – Events after year-end

Today, on 20 April, 2017, Mycronic launches the all new product platform, MY700, of the next generation product series MYPro. With the MY700, for application of solder paste and dispensing of assembly fluids, Mycronic addresses more application areas and a larger market in the electronics industry. The MY700 can apply two different media in the same process step.

There are no events after year-end which have had a significant impact on the results or financial positions of the company.

Note 4 –Segment reporting

SEK million	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Net sales				
Assembly Solutions	330.1	152.7	1,063.3	886.0
Pattern Generators	346.2	191.3	1,588.2	1,433.3
	676.3	344.0	2,651.6	2,319.3
EBIT				
Assembly Solutions	-55.1	-52.9	-159.5	-157.3
Pattern Generators	214.6	84.9	980.9	851.2
Amortization of acquired assets	-1.0	-0.5	-3.5	-2.9
Group	158.5	31.5	818.0	691.0

Revenue geographical market, SEK million	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
EMEA	115.1	81.4	416.8	383.2
Americas	112.6	62.5	393.3	343.2
Asia	448.6	200.0	1,841.4	1,592.9
	676.3	344.0	2,651.6	2,319.3

Note 5 – Research and development costs

SEK million	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
<i>R&D expenditure</i>				
Assembly Solutions	-72.8	-66.2	-291.3	-284.7
Pattern Generators	-10.2	-13.5	-53.9	-57.1
	-83.0	-79.7	-345.2	-341.8
<i>Capitalization of development</i>				
Assembly Solutions	6.0	4.7	8.9	7.6
<i>Amortization of capitalized development</i>				
Assembly Solutions	-2.9	-3.1	-12.3	-12.5
	3.1	1.6	-3.4	-4.9
<i>Amortization of acquired technology</i>	-2.4	-0.2	-3.9	-1.8
R&D costs	-82.2	-78.2	-352.5	-348.4

Note 6 – Definitions and reconciliation

ESMA (The European Securities and Markets Authority) has issued guidelines regarding alternate ratios for listed companies.

Alternate ratios relate to financial key figures used by management, to control and evaluate the Group's business, which can not be directly inferred from the financial statements. These ratios are also considered to be of interest to external investors and analysts who monitor the company. For definitions of other key figures see the annual report.

Book-to-bill

Order intake in relation to net sales. Used to show future expected net sales development.

Capital employed

Total assets reduced by non-interest bearing liabilities. Used to show the ability to meet capital needs from operations.

Earnings per share

Net result divided by the number of shares at the end of the period. Used to show the value of the company per share.

EBITDA

Operating result (EBIT) before depreciation and amortization, interest and tax. EBITDA is a component in expressing the financial goals and in the dividend policy.

Equity per share

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

Net cash

Cash and cash equivalents minus interest-bearing liabilities.

Order intake

Orders received for goods and aftermarket, valued at average exchange rates. The order intake also includes revaluation of the order backlog at closing rate. Used to show orders received.

Order backlog

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

Return on equity

Net result in percent of average equity. Used to show return on shareholders capital over time.

Return on capital employed

Earnings before financial expenses in percent of capital employed. Used to show return on capital needed for operations.

Underlying EBIT

EBIT adjusted for acquisition-related costs. These costs include expensing of acquired inventories at fair value, amortization of acquired intangible assets, discounted earn-outs and transaction costs.

<i>Return on equity</i>	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Net result (rolling 4 q)	614.6	447.7	614.6	526.3
Average equity	1,412.1	1,264.2	1,412.1	1,339.9
	43.5%	35.4%	43.5%	39.3%

<i>Return on capital employed</i>	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Earnings before tax (rolling 4 q)	813.8	546.1	813.8	689.4
Financial expenses	4.7	0.5	4.7	2.0
<i>Earnings before financial expenses</i>	818.5	546.6	818.5	691.4
Average total assets	2,353.9	1,900.7	2,353.9	2,248.8
Average non interest-bearing liabilities	937.1	636.5	937.1	903.5
<i>Average capital employed</i>	1,416.9	1,264.2	1,416.9	1,345.3
	57.8%	43.2%	57.8%	51.4%

<i>Book-to-bill</i>	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Order intake	652.7	794.3	2,313.0	2,454.5
Net sales	676.3	344.0	2,651.6	2,319.3
	1.0	2.3	0.9	1.1

<i>EBITDA</i>	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
EBIT	158.5	31.5	818.0	691.0
Depreciation/amortization	14.3	6.8	40.1	32.6
	172.8	38.3	858.1	723.6

<i>Underlying EBIT</i>	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
EBIT	158.5	31.5	818.0	691.0
<i>Acquisition-related costs</i>				
Cost of good sold	37.9	-	58.5	20.6
Operating expenses	11.9	0.5	34.8	23.4
	208.3	32.1	911.3	735.1

<i>Equity per share</i>	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Equity on balance day	1,525.1	1,299.1	1,525.1	1,411.6
Number of shares at end of period	97,917	97,917	97,917	97,917
	15.58	13.27	15.58	14.42

<i>Earnings per share</i>	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Net result	112.2	23.9	614.6	526.3
Number of shares at end of period	97,917	97,917	97,917	97,917
	1.15	0.24	6.28	5.38

<i>Net cash</i>	Jan-March 17	Jan-March 16	Rolling 12	Jan-Dec 16
Cash and cash equivalents	368.7	1,156.7	368.7	208.6
Interest-bearing liabilities	-9.5	-	-9.5	-10.7
	359.2	1,156.7	359.2	197.9

Q 1-17

Q 4-16

Q 3-16

Q 2-16

Q 1-16

Q 4-15

Q 3-15

Q 2-15

Quarterly data - Group

Order intake Assembly Solutions	339.9	389.2	219.0	199.3	152.1	202.4	202.3	191.4
Order intake Pattern Generators	312.8	128.9	148.4	575.4	642.1	635.5	356.3	119.8
	652.7	518.1	367.5	774.7	794.3	837.9	558.6	311.2
Order backlog Assembly Solutions	276.2	266.4	65.4	57.0	51.3	51.8	69.9	74.9
Order backlog Pattern Generators	1,042.2	1,075.6	1,633.5	1,771.3	1,464.9	1,014.0	779.4	820.6
	1,318.4	1,342.0	1,698.9	1,828.3	1,516.2	1,065.8	849.3	895.5
Net sales Assembly Solutions	330.1	329.1	210.6	193.6	152.7	220.5	207.3	193.9
Net sales Pattern Generators	346.2	686.8	286.2	269.0	191.3	400.9	397.6	90.7
	676.3	1,015.9	496.8	462.5	344.0	621.3	604.9	284.6
Gross profit Assembly Solutions	99.9	118.3	98.2	91.4	61.7	96.2	99.0	88.8
Gross profit Pattern Generators	262.0	546.9	197.3	169.7	126.8	308.4	293.8	45.8
	361.9	665.2	295.5	261.2	188.4	404.7	392.8	134.6
Gross margin Assembly Solutions	30%	36%	47%	47%	40%	44%	48%	46%
Gross margin Pattern Generators	76%	80%	69%	63%	66%	77%	74%	50%
	54%	65%	59%	56%	55%	65%	65%	47%
R&D costs Assembly Solutions	-72.0	-90.0	-61.8	-73.2	-64.6	-69.2	-53.1	-53.9
R&D costs Pattern Generators	-10.2	-20.4	-5.7	-17.5	-13.5	-11.1	-8.7	-8.3
Total R&D costs	-82.2	-111.7	-67.7	-90.9	-78.2	-80.2	-61.8	-62.2
Selling expenses	-69.9	-85.2	-53.4	-49.2	-51.0	-42.4	-44.5	-48.1
Administrative expenses	-39.8	-58.2	-31.7	-23.3	-24.7	-25.1	-22.1	-19.2
Other income and expenses	-11.4	-4.9	5.7	8.1	-3.1	-5.5	-2.4	-4.0
EBIT	158.5	405.2	148.4	105.9	31.5	251.4	261.9	1.1
Of which Assembly Solutions	-55.1	-71.5	-11.4	-21.5	-52.9	-18.3	2.5	-10.4
Of which Pattern Generators	214.6	477.7	160.8	127.8	84.9	270.2	259.9	12.0
EBIT margin	23.4%	39.9%	29.9%	22.9%	9.2%	40.5%	43.3%	0.4%
Equity per share	15.58	14.42	11.35	10.07	13.27	12.95	10.98	8.62
Net result per share	1.15	3.12	1.17	0.83	0.24	1.99	2.33	0.01
Closing share price	91.75	98.00	107.00	62.75	73.25	82.25	46.00	60.25