Epiroc

Q3 2019

Epiroc interim report Q3

July – September 2019 in brief

- **Orders received increased 2% to MSEK 9 600 (9 413), organic decline of 6%**
- **Revenues increased 5% to MSEK 10 158 (9 651), organic decline of 3%**
- **Operating profit was MSEK 1 927 (1 898), including items affecting comparability of MSEK -233***
- **Operating margin was 19.0% (19.7). Adjusted operating margin was 21.3%***
- **Basic earnings per share were SEK 1.11 (1.18)**
- **Operating cash flow of MSEK 1 883 (777)**

Key figures

MSEK	2019 Q3	2018 Q3	Δ	2019 YTD	2018 YTD	Δ	2019 12M Sep	2018 Full year
Orders received	9 600	9 413	2%	30 216	29 932	1%	39 684	39 400
Revenues	10 158	9 651	5%	30 569	27 727	10%	41 127	38 285
Operating profit	1 927	1 898	2%	6 120	5 223	17%	8 282	7 385
Operating margin, %	*19.0%*	*19.7%*		*20.0%*	*18.8%*		*20.1%*	*19.3%*
Profit before tax	1 866	1 861	0%	5 921	5 085	16%	8 037	7 201
Profit margin, %	*18.4%*	*19.3%*		*19.4%*	*18.3%*		*19.5%*	*18.8%*
Profit for the period	1 341	1 412	-5%	4 395	3 814	15%	6 018	5 437
Operating cash flow	1 883	777	142%	3 861	1 642	135%	6 103	3 884
Basic earnings per share, SEK	1.11	1.18	-6%	3.66	3.18	15%	5.01	4.50
Diluted earnings per share, SEK	1.11	1.18	-6%	3.66	3.17	15%	5.01	4.49
Return on capital employed, %	29.5	30.9					29.5	32.0
Net debt/EBITDA, ratio	0.24	0.39					0.29	0.14

** Information on restructuring costs in Tools & Attachments, see page 9. Information on change in provision for share-based long-term incentive programs can be found on page 4.*
Key figures for 2018 are not restated for IFRS 16. See pages 12-13.

CEO comments

Growth in aftermarket, lower equipment demand
The customer activity continued at a high level in the quarter, driving a robust aftermarket development. We saw a strong organic order growth of 11% in service. As expected, the order intake for equipment was lower than in Q2. Equipment orders from infrastructure customers were particularly soft. Our mining customers are cautious and investment decisions are being postponed.

In the near-term, we expect that the demand will remain largely at the level seen in the third quarter. That said, the economic environment continues to be uncertain.

Improved underlying margin and cash flow
Revenues increased year-on-year with 5% to MSEK 10 158 with an organic decline of 3%. The operating profit was MSEK 1 927, including restructuring costs in Tools & Attachments of MSEK 179 and change in provision for long-term incentive programs of MSEK -54. Adjusted for these items, the operating margin improved to 21.3%. Operating cash flow improved both compared to the previous quarter and year-on-year and amounted to MSEK 1 883.

Actions to improve our resilience and safety
Epiroc has an agile and resilient business model and we continuously adapt the organization to prevailing business activity. We have already adapted our workforce, mainly in manufacturing, and also identified further areas for efficiency improvements. These will be carried out in the coming quarters and are expected to give visible effects in the first half of 2020.

In Tools & Attachments, we continued to deliver on our strategy for operational excellence and also completed the divestment of the geotechnical consumables product line. In addition, we decided to restructure our manufacturing of handheld rock drilling tools in China and the majority of the restructuring costs in Tools & Attachments are related to this.

The work-related injuries continued to decrease in the quarter and we continue to strengthen our work in this area. The safety awareness initiative launched last quarter is being rolled out globally.

Significant interest for automation and information management, and for battery-electric vehicles
It's exciting to see that the launch of our 6th Sense automation and information management solutions received significant attention from the market and that we received multiple orders. In Chile, we also won a large mining equipment service contract. The contract includes the opportunity in the near future to implement automation features for the customer's equipment fleet. The number of connected machines continued to increase at a rapid pace, and we also see strong customer interest for our battery-electric mining equipment. We are proud to support the industry's drive toward automation, digitalization, and electrification.

Committed to value creation
In the quarter, we gathered our leaders in Stockholm to align on future expectations and how we best face the opportunities and challenges of tomorrow. We are committed to create value for our stakeholders both in the shorter and longer term. We will relentlessly contribute to our customers' drive for productivity, safety and sustainability with our innovative solutions, while continuously improving our agility and resilience.

Per Lindberg
President and CEO

Epiroc **Q3** 2019

Orders and revenues

MSEK	2019 Q3	2018 Q3	Δ	2019 YTD	2018 YTD	Δ	2019 12M Sep	2018 Full year
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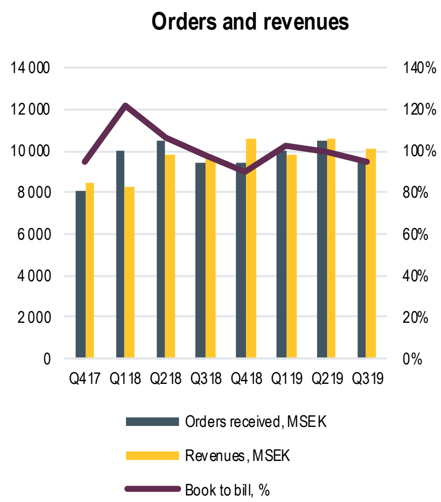
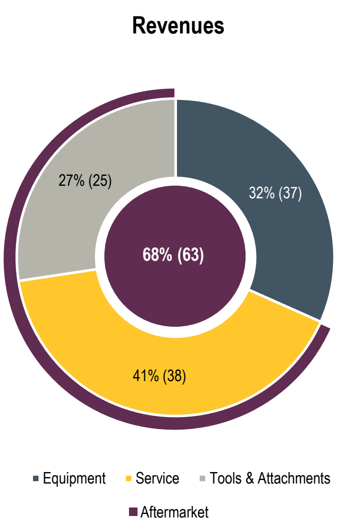
Operating margin, %	*19.0%*	*19.7%*		*20.0%*	*18.8%*		*20.1%*	*19.3%*





Orders received

Orders received increased 2% to MSEK 9 600 (9 413), corresponding to an organic decline of 6% year-on-year. Currency contributed positively with 5% and structural changes with 3%. Sequentially, i.e. compared to the previous quarter, orders received decreased 9%.

Compared to the previous year, orders received in local currency increased in South America, decreased in Europe, while the other regions had a more stable development.

Mining customers represented 79% of orders received in the quarter.

Revenues

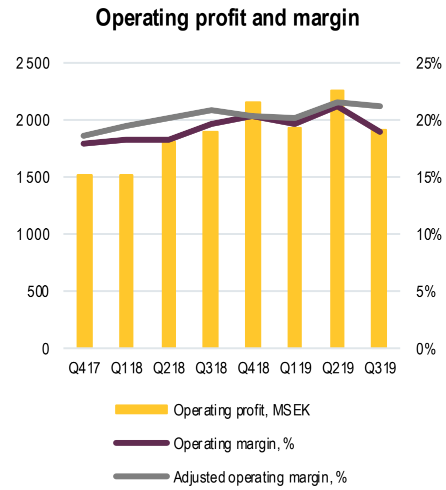
Revenues increased 5% to MSEK 10 158 (9 651), corresponding to an organic decline of 3%. Currency contributed positively with 5% and structural changes with 3%. The book to bill ratio was 95% (98).

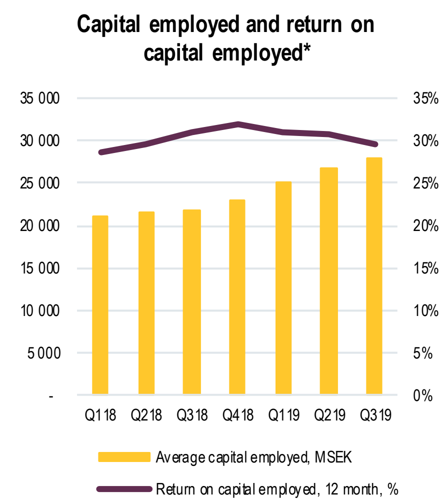
The aftermarket represented 68% (63) of revenues in the quarter.

Sales Bridge	Orders Received	Revenues
	MSEK, Δ%	MSEK, Δ%
Q3 2018	**9 413**	**9 651**
Organic	-6	-3
Currency	+5	+5
Structure and other*	+3	+3
Total	+2	+5
Q3 2019	**9 600**	**10 158**

**Includes acquisitions and contract manufacturing. Contract manufacturing of road construction equipment was discontinued at year end 2018.*

Profits and returns





Numbers for 2018, not restated for IFRS 16.

Profit bridge	Operating profit	
	MSEK, Δ	Margin, %, Δ pp
Q3 2018	**1 898**	**+19.7**
Organic	+3	+0.7
Currency	+89	-0.1
Structure and other*	-63	-1.3
Total	+29	-0.7
Q3 2019	**1 927**	**+19.0**

**Includes operating profit/loss from acquisitions, contract manufacturing, one-time items, and change in provision for share-based long-term incentive programs. Contract manufacturing of road construction equipment was discontinued at year end 2018.*

Operating profit increased 2% to MSEK 1 927 (1 898) including restructuring costs of MSEK 179 related to Tools & Attachments, see page 9. Change in provision for share-based long-term incentive programs was MSEK -54 (-56). Acquisitions and currency had a positive contribution to the operating profit. The operating margin decreased to 19.0% (19.7). Excluding the restructuring costs and the change in provision for long-term incentive programs, the margin was 21.3%, positively impacted by revenue mix.

Net financial items were MSEK -61 (-37). Interest net was MSEK -54 (-34).

Profit before tax was MSEK 1 866 (1 861), corresponding to a margin of 18.4% (19.3). Income tax expense amounted to MSEK -525 (-449), corresponding to an effective tax rate of 28.1% (24.1). The higher tax rate is explained mainly by the restructuring costs in Tools & Attachments.

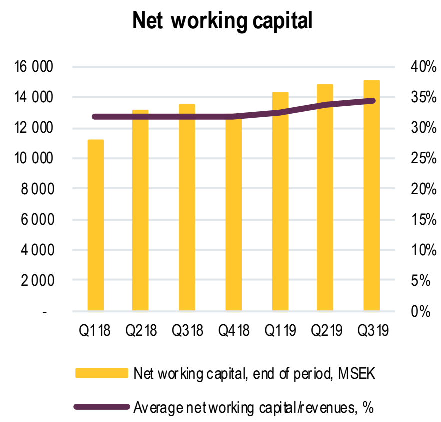
Profit for the period totaled MSEK 1 341 (1 412). Basic and diluted earnings per share were SEK 1.11 (1.18).

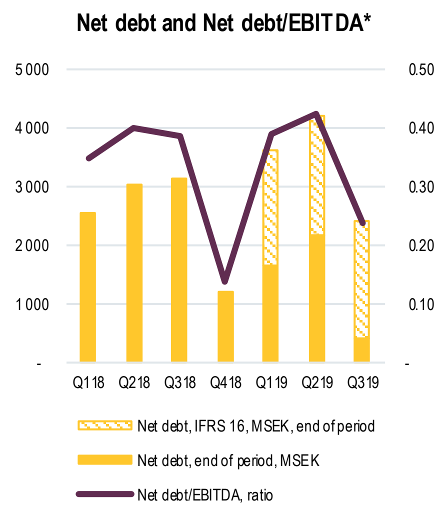
The return on capital employed during the last 12 months was 29.5% (30.9), negatively impacted by the implementation of IFRS 16 Leases. Return on equity was 30.6% (32.6).

Employees

On September 30, 2019, the number of employees was 14 670 (13 837). The number of consultants/external workforce was 1 485 (1 706). For comparable units, the total workforce decreased with 600 from September 30, 2018.

Balance sheet





Numbers for 2018, not restated for IFRS 16.

Net working capital

Net working capital increased 12% to MSEK 15 120 (13 465) compared to the previous year. Currency and acquisitions contributed with 11%. For comparable units and currency adjusted, net working capital increased 1%. Both trade receivables and inventories decreased, while this improvement was more than offset by lower payables. As a percentage of revenues last 12 months, the average net working capital was 34.3% (31.9).

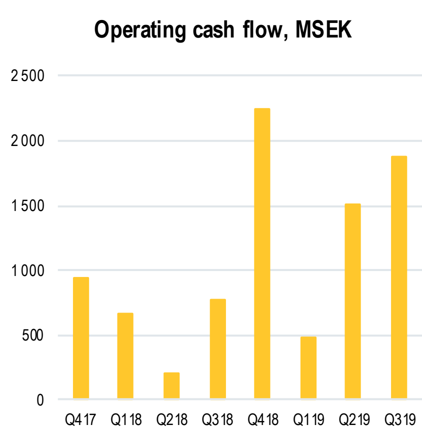
Supply chain program

The supply chain improvement program for parts and consumables with the aim to improve delivery service to customers, reduce costs, e.g. for transport, and reduce capital tied-up in inventories, continued according to plan with gradual improvements.

Net debt

The Group's net debt amounted to MSEK 2 416 (3 146), of which MSEK 640 (212) was attributable to post-employment benefits. The implementation of IFRS 16 has increased the net debt by MSEK 2 012 as of September 30, 2019. The second part of the dividend will be paid in November 2019 and is recorded as a liability. The net debt/EBITDA ratio was 0.24 (0.39). The net debt/equity ratio was 11.1% (18.1).

Cash Flow and acquisitions



Operating cash flow

The operating cash flow improved to MSEK 1 883 (777). The working capital decreased in the quarter by MSEK 126 (increased by 599). Trade receivables and inventories decreased, while payables were lower.

Acquisitions and divestments

Cash flow from acquisitions and divestments were MSEK +33 (-), see pages 19 and 23.

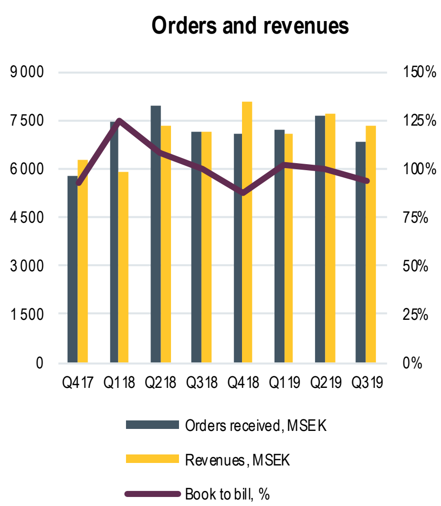
Equipment & Service

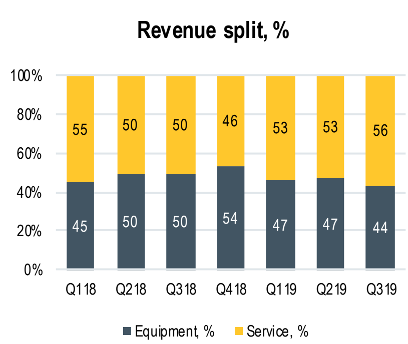
The Equipment & Service segment provides rock drilling equipment, equipment for mechanical rock excavation, rock reinforcement, loading and haulage, ventilation systems, drilling equipment for exploration, water, oil and gas, as well as related spare parts and service for the mining and infrastructure industries.

MSEK	2019 Q3	2018 Q3	Δ	2019 YTD	2018 YTD	Δ	12M	2018 Full year
Orders received	6 874	7 190	-4%	21 799	22 579	-3%	28 914	29 695
Revenues	7 334	7 178	2%	22 151	20 446	8%	30 245	28 540
Operating profit	1 932	1 764	10%	5 621	4 875	15%	7 497	6 751
Operating margin, %	*26.3%*	*24.6%*		*25.4%*	*23.8%*		*24.8%*	*23.7%*

Q3 in brief

- Orders received in service increased by 11% organically
- Equipment orders declined 27% organically
- Operating profit increased by 10% and the margin to 26.3% (24.6).





Orders received

The orders received for Equipment & Service decreased 4% to MSEK 6 874 (7 190), corresponding to an organic decline of 8%. Currency contributed positively to orders received with 5%, while structural changes had a net negative impact of 1%. Compared to the previous quarter, orders received decreased 10%. Compared to the previous year, orders received in local currency increased in South America, but decreased in the other regions.

The orders received for service increased 16% to MSEK 4 147 (3 589), corresponding to an organic growth of 11%. Compared to the previous year, service orders in local currency increased in all regions with the highest growth rate in Asia. The share of orders from service in the segment was 60% (50).

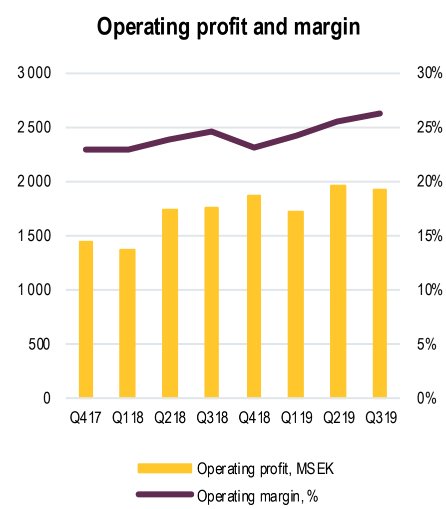
Equipment orders decreased 27% organically compared to the previous year and amounted to MSEK 2 727 (3 601) and include a cancellation of one large order booked in 2018. Orders for both underground and surface equipment decreased. Compared to the previous year, equipment orders in local currency increased in South America, but decreased in all other regions. Most of the equipment orders from mining customers continued to relate to expansion in or adjacent to existing mines. The share of orders from equipment in the segment was 40% (50).

Revenues

Revenues increased 2% to MSEK 7 334 (7 178), corresponding to an organic decline of 2%. Revenues for service increased 10% while revenues for equipment declined 12% organically. The share of revenues from service in the segment was 56% (50). The book to bill ratio was 94% (100).

Sales Bridge	Equipment and Service Orders Received	 Revenues	Equipment Orders Received	 Revenues	Service Orders Received	 Revenues
	MSEK, Δ%	MSEK, Δ%	MSEK, Δ%	MSEK, Δ%	MSEK, Δ%	MSEK, Δ%
Q3 2018	**7 190**	**7 178**	**3 601**	**3 570**	**3 589**	**3 608**
Organic	-8	-2	-27	-12	+11	+10
Currency	+5	+5	+5	+4	+5	+5
Structure and other*	-1	-1	-2	-2	+0	+0
Total	-4	+2	-24	-10	+16	+15
Q3 2019	**6 874**	**7 334**	**2 727**	**3 198**	**4 147**	**4 136**

**Acquisitions and contract manufacturing. Contract manufacturing of road construction equipment was discontinued at year end 2018.*




Scooptram Automation Total improves safety, productivity and cost effectiveness for the customers.

Operating profit and margin

Operating profit increased 10% to MSEK 1 932 (1 764), corresponding to a margin of 26.3% (24.6). The margin improved, mainly due to revenue mix.

Profit bridge	Operating profit MSEK, Δ	 Margin, %, Δ pp
Q3 2018	**1 764**	**+24.6**
Organic	+102	+1.7
Currency	+61	-0.3
Structure and other	+5	+0.3
Total	+168	+1.7
Q3 2019	**1 932**	**+26.3**

Business development

A decision was taken in the quarter to expand and consolidate a production facility in Örebro, Sweden. Production efficiency within the Surface and Exploration Drilling division will be strengthened. In total, the expansion measures about 10 000 square meters. The construction will begin this year and the facilities will be inaugurated in 2021.

Innovations

Epiroc has launched the solution “Scooptram Automation Total”, which improves safety, productivity and cost effectiveness. The solution provides a traffic management and information environment that controls multiple loaders. From a safe distance in a comfortable operator’s station, operators can easily control and monitor the loaders throughout the mine.

Epiroc has launched the Mobilaris Onboard™ solution which enhances safety, productivity and smooth traffic flow underground. The solution provides drivers and operators with real-time situational awareness of all vehicles and personnel underground on a standard tablet without a positioning infrastructure. The system enables easy navigation and avoidance of traffic congestions and, in case of an evacuation event, instant directions to the closest rescue chamber or exit.

Tools & Attachments

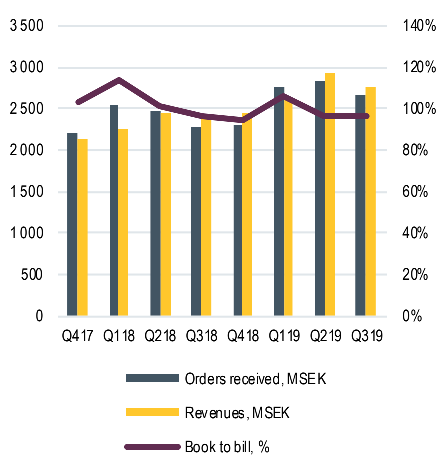
The Tools & Attachments segment provides rock drilling tools and hydraulic attachments that are attached to machines used mainly for drilling, deconstruction and recycling as well as rock excavation. It also provides related service and spare parts and serves the mining and infrastructure industries.

MSEK	2019 Q3	2018 Q3	Δ	2019 YTD	2018 YTD	Δ	12M	2018 Full year
Orders received	2 665	2 285	17%	8 251	7 305	13%	10 556	9 611
Revenues	2 765	2 382	16%	8 296	7 079	17%	10 736	9 519
Operating profit	157	324	-52%	957	915	5%	1 281	1 239
Operating margin, %	*5.7%*	*13.6%*		*11.5%*	*12.9%*		*11.9%*	*13.0%*

Q3 in brief

- Orders received increased 17%, but decreased 3% organically
- Restructuring costs of MSEK 179
- Operating margin decreased to 5.7% (13.6). Adjusted margin 12.2%.

Orders and revenues



Orders received

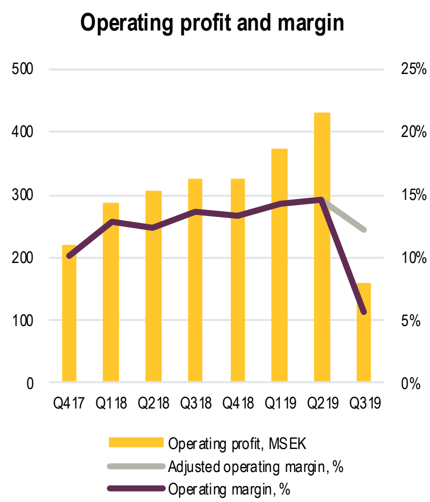
The orders received for Tools & Attachments increased 17% to MSEK 2 665 (2 285), corresponding to an organic decline of 3%. Acquisitions contributed to the increase with 15% and currency with 5%. The order intake of rock drilling tools was negatively impacted by optimization of the product offering and as such decreased somewhat organically. The orders received for hydraulic attachment tools decreased organically compared to the previous year. Compared to the previous quarter, orders received decreased 6%.

Compared to the previous year, orders received in local currency increased in all regions except Europe, which had a flat development. Acquisitions contributed positively to the development.

Revenues

Revenues increased 16% to MSEK 2 765 (2 382), corresponding to an organic decline of 3%. Acquisitions contributed to the increase with 14% and currency with 5%. The book to bill ratio was 96% (96).

Sales Bridge	Orders Received	Revenues
	MSEK, Δ%	MSEK, Δ%
Q3 2018	**2 285**	**2 382**
Organic	-3	-3
Currency	+5	+5
Structure and other	+15	+14
Total	+17	+16
Q3 2019	**2 665**	**2 765**



Operating profit and margin

Operating profit was MSEK 157 (324), including costs of MSEK 179 related to restructuring of handheld rock drilling tools and the divestment of geotechnical consumables product line, see below, and a provision of MSEK 41 for a collection claim towards a distributor. The operating margin was 5.7% (13.6). Adjusted for the restructuring and divestment, but not adjusted for the collection claim, the margin was 12.2%.

Profit bridge	Operating profit	
	MSEK, Δ	Margin, %, Δ pp
Q3 2018	**324**	**+13.6**
Organic	-88	-2.0
Currency	+50	+1.4
Structure and other	-129	-7.3
Total	-167	-7.9
Q3 2019	**157**	**+5.7**

The new Powerbit Underground sets a new productivity standard for underground mining, averaging 37% more drill meters before being discarded vs. previous generations.

Business development

Epiroc has ongoing actions to optimize its product portfolio and exit non-core areas to increase focus and efficiency. In line with this, Epiroc has taken the following actions:

- In the quarter, the decision was made to close a factory of handheld rock drilling equipment and tools in Shandong, China, and to divest certain assets. About 300 employees will be affected. The restructuring is expected to be finalized by year-end 2019. It is expected to have a negative impact on annual revenues with approximately MSEK 125, but a positive impact on operating profit.
- The divestment of the geotechnical consumables product line, which was announced in June, was finalized in the quarter. The products consist mainly of large down-the-hole hammers and related drill bits and casing advancement systems. The business had revenues of MSEK 275 in 2018 and about 40 employees.

The costs of the actions above amount to MSEK 179.

Innovations

A new range of drill bits for underground drilling was launched. The bits offer higher penetration rate and longer service life, which improve customers' productivity and reduce cost per drilled meter.

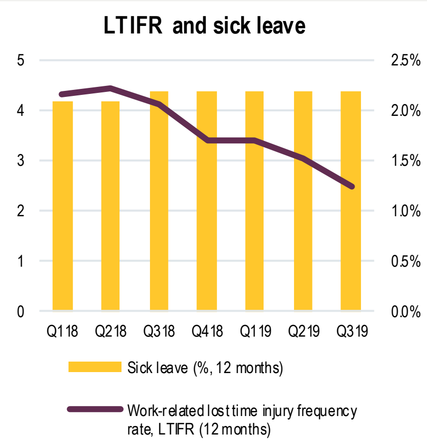
Sustainability development

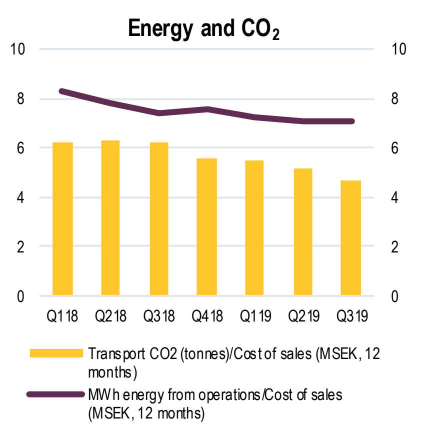
Epiroc has four prioritized areas within sustainability: We live by the highest ethical standards; We invest in safety and well-being; We grow together with passionate people and courageous leaders and We use resources responsibly and efficiently. For each area there are several targets and key performance indicators.

Sustainability measurements	2019 Q3	2018 Q3	2018 Full year
Work-related lost time injury frequency rate, LTIFR (12 months)	2.5	4.1	3.4
Sick leave (%, 12 months)	2.2	2.2	2.2
MWh energy from operations/Cost of sales (MSEK, 12 months)	7.1	7.4	7.6
Transport CO_2 (tonnes)/Cost of sales (MSEK, 12 months)	4.7	6.2	5.6

Q3 in brief

- Lost time injury frequency rate decreased
- CO_2 emissions from transport improved
- ISO 50001 Energy Management System certification in Germany





Lost time injury frequency rate and sick leave

The number of work related lost time injuries per million working hours (LTIFR), continued to decrease. Preventive measures and a continued focus on training and activities contributed to the reduction. Sick leave continued to stay on a low level.

Energy and CO_2 emissions

MWh energy from operations/Cost of sales has continued to decrease, supported by several initiatives to increase energy efficiency. For example, the production company in Essen, Germany, which produces hydraulic attachment tools, was certified to the stringent ISO 50001 Energy Management System.

CO_2 emissions from transport improved compared to the 12 months period ending in September 2018 mainly due to a higher share of sea shipments instead of air freights.

New tool for reporting violations against the Code of Conduct

"Speak Up", a new tool for anonymous reporting of activities or situations that go against the Code of Conduct, was launched in the quarter.

January – September 2019 in summary

Orders received in the first nine months in 2019 were MSEK 30 216 (29 932), corresponding to an organic decline of 5%. Revenues increased 10% to MSEK 30 569 (27 727), corresponding to 4% organic increase. Currency and structural changes contributed positively to revenues with 4% and 2%, respectively.

Sales Bridge	Orders Received	Revenues
	MSEK, Δ%	MSEK, Δ%
Q3 2018	**29 932**	**27 727**
Organic	-5	+4
Currency	+4	+4
Structure and other	+2	+2
Total	+1	+10
Q3 2019	**30 216**	**30 569**

Operating profit was MSEK 6 120 (5 223) with positive contribution from currency and organic growth. Change in provision for share based long-term incentive programs was MSEK -152 (-133). The operating margin was 20.0% (18.8). Excluding change in provision for long-term incentive programs and restructuring costs in Tools & Attachments, the margin was 21.1%.

Profit bridge	Operating profit	
	MSEK, Δ	Margin, %, Δ pp
Q3 2018	**5 223**	**+18.8**
Organic	+335	+0.4
Currency	+482	+0.9
Structure and other	+80	-0.1
Total	+897	+1.2
Q3 2019	**6 120**	**+20.0**

Profit before tax was MSEK 5 921 (5 085), corresponding to a margin of 19.4% (18.3). Profit for the period totaled MSEK 4 395 (3 814). Basic earnings per share were SEK 3.66 (3.18). Operating cash flow was MSEK 3 861 (1 642).

Key events after the end of the period

Epiroc AB has entered into an agreement to sell its handheld drilling consumables manufacturing facility in Ockelbo, Sweden, to an affiliate of Monark AS. The approximately 40 employees who work at the facility will be offered to transfer to the new owner. The transaction is expected to be completed this year. The sales price is not material and not disclosed.

Risks and uncertainty factors

The Group's and Parent Company's significant risks and uncertainty factors include market and external risks, financial risks, operational and commercial risks, and legal risks. Further information on risks and risk management can be found in Epiroc's Annual and Sustainability Report 2018. See www.epirocgroup.com/en/investors.

Epiroc AB
Nacka, October 25, 2019
Per Lindberg, *President and CEO*
This report has not been audited.

Accounting principles

The consolidated financial statements of the Epiroc Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. The accounting principles applied in the preparation of this interim report apply to all periods and comply with the accounting principles presented in Epiroc's "Annual and Sustainability Report 2018" in note 1 Significant accounting principles except for the adoption of new standards effective as of January 1, 2019, which comply with the accounting principles presented below. The interim report is prepared in accordance with IAS 34 Interim financial reporting.

IFRS 16 Leases

IFRS 16 Leases is effective from January 1, 2019 and replaced the lease standard IAS 17 Leases and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The changes relate mainly to the accounting treatment of the lessee. IFRS 16 introduces a single accounting model for leases and requires the recognition of substantially all leases in the balance sheet and the separation of depreciation of right-of-use assets from interest of lease liabilities in the income statement.

The Epiroc Group as Lessee under IFRS 16

The Epiroc Group as lessee recognizes a right-of-use asset in the balance sheet as well as a lease liability. On commencement date, the lease liability is initially measured at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement comprise of fixed payments, variable lease payments that depend on an index or a rate, amounts to be paid under a residual value guarantee and lease payments due to the exercise of any options in the contract, if the Group is reasonably certain to use the option. The lease liability is subsequently measured at amortized cost adjusted for any remeasurement.

The right-of use assets comprise of the initial measurement of the corresponding lease liability with the addition of any lease payments made at or before the commencement day and any initial direct costs. The leased asset is subsequently measured at cost less accumulated depreciation and impairment and adjusted for any remeasurement. The leased asset is depreciated over the lease term on a straight-line basis or over its useful life of the underlying asset if it is assessed to be reasonably certain that the Group will obtain ownership at the end of the lease term. The depreciation starts at the commencement date of the lease. The depreciation is recognized within operating profit and interest expense on the lease liability within net financial items. The right-of-use asset is tested for impairment following the principle described in Epiroc's "Annual and Sustainability Report 2018" in Note 1 under section "Impairment of non-financial assets".

If the lease contract is considered to include a low value asset or has a lease term that is less than 12 months, or includes non-lease components such as cost for maintenance, such payments are recognized as an expense on a straight-line basis over the lease term. The Group has leases of certain office equipment (i.e. personal computers, printing and photocopying machines) that are considered leases of low value.

Transition to IFRS 16

The standard has been applied by the Epiroc Group from January 1, 2019, using the modified retrospective approach. Comparative information has therefore not been restated. The Group has chosen the option to set the right-of-use asset equal to the lease liability at transition and the lease liability is calculated based on the incremental borrowing rate (IBR) at transition. The Group has at transition further decided to apply the practical expedient that permits not to reassess whether a contract is, or contains, a lease at the date of initial application. The Group has also applied a practical expedient to exclude leases that ends within 12 months of initial application, and leases for which the underlying asset is of low value. IFRS 16 has not resulted in any changes for the Epiroc Group as lessor compared to the accounting under IAS 17.

At the date of initial application of IFRS 16 the Group recognized a right-of-use asset of MSEK 2 158 within "Other property, plant and equipment" and a corresponding lease liability amounted to MSEK 2 153, whereof MSEK 1 760 reported as "non-current interest bearing liability" and MSEK 393 as "current interest bearing liability". The transition to IFRS 16 has no impact on the Group's equity. The table below presents the difference between operating lease commitments under IAS 17 at December 31, 2018 and the initial measurement of lease liabilities under IFRS 16 at January 1, 2019:

Reconciliation of operating lease commitment and lease liabilities as of January 1, 2019:

MSEK	
Operating lease commitment at December 31, 2018 (IAS 17)	1 550
Discounting effect	- 77
Operating lease commitment at December 31, 2018 (discounted)	1 473
Adjusted for	
Low-value and short-term leases	- 62
Costs attributable to extension option (discounted)	636
Lease liability as a result of initial application of IFRS 16 of previous operating leases at January 1, 2019	2 047
Finance lease liabilities at December 31 2018	106
Total lease liability at January 1, 2019	**2 153**

The weighted average Incremental borrowing rate (IBR) as of January 1, 2019 was approximately 1.5%. Epiroc Group has established the IBR at the date of transition based on the different contract currencies and lease terms.

Due to the adoption of IFRS 16, the Group's tangible assets and interest-bearing liabilities have increased. The Group's leased properties in Sweden contributes to a large extent to the right-of-use asset and lease liability. There is no material impact on the Groups income statement. The lease expenses for previous operating leases in operating profit have been replaced by depreciation on the right-of-use asset and interest expense on the lease liability, the latter is presented in net financial items. EBITDA has increased after transition to IFRS 16 due to that lease expenses being replaced by depreciation and interest expense. Average capital employed increases while return on capital employed (%) decreases, due to a larger amount of leased assets within the Group. Net debt and the net debt/EBITDA ratio has increased due to additional interest-bearing liabilities. The timing of cash flows are not impacted by the new standard. However, the amortization portion of Epiroc's lease payment is reported as a financing cash flow instead of operating cash flow. Lease payments for low value and short term leases will continue to be reported as operating cash flows together with interest payments on the lease liability.

In the first nine months 2019, the new accounting standard IFRS 16 impacted EBITDA positive with approximately MSEK 334 (MSEK 127 in the third quarter), net debt increased with approximately MSEK 2 012 (MSEK -25 in the third quarter) and capital employed with approximately MSEK 1 987 (MSEK -33 in the third quarter) compared to accounting under IAS 17. Operating cash flow during the first nine months increased with approximately MSEK 305 (MSEK 116 in the third quarter) due to the shift of lease payments from operating activities to financing activities.

Accounting principles of the parent company

The interim financial statements of Epiroc AB have been prepared in accordance with the Swedish Annual Accounts Act and the recommendation RFR 2, "Accounting for Legal Entities", issued by the Swedish Financial Reporting Board. The accounting principles used in this interim report are the same as those described in Epiroc's "Annual and Sustainability Report 2018" in Note A1 in the Parent Company accounts. As from 2019, no changed accounting standards and interpretations are considered to have any material effect on the Parent Company's financial statements. The Parent Company will recognize leases in accordance with the exemption rule for IFRS 16 provided in RFR 2, which results in no change compared to previous year (2018).

Condensed consolidated income statement

MSEK	2019 Q3	2018 Q3	2019 YTD	2018 YTD	2018 Full year
Revenues	10 158	9 651	30 569	27 727	38 285
Cost of sales	-6 431	-6 095	-19 170	-17 596	-24 317
Gross profit	**3 727**	**3 556**	**11 399**	**10 131**	**13 968**
Marketing expenses	- 734	- 630	-2 107	-1 906	-2 574
Administrative expenses	- 826	- 691	-2 413	-1 968	-2 589
Research and development expenses	- 227	- 217	- 773	- 696	- 977
Other operating income and expenses	- 13	- 120	14	- 338	- 443
Operating profit	**1 927**	**1 898**	**6 120**	**5 223**	**7 385**
Net financial items	- 61	- 37	- 199	- 138	- 184
	1 866	**1 861**	**5 921**	**5 085**	**7 201**
Income tax expense	- 525	- 449	-1 526	-1 271	-1 764
Profit for the period	**1 341**	**1 412**	**4 395**	**3 814**	**5 437**
Profit attributable to					
- owners of the parent	1 339	1 410	4 389	3 808	5 430
- non-controlling interests	2	2	6	6	7
Basic earnings per share, SEK	1.11	1.18	3.66	3.18	4.50
Diluted earnings per share, SEK	1.11	1.18	3.66	3.17	4.49

Key ratios

	2019 Q3	2018 Q3	2019 YTD	2018 YTD	2018 Full year
Basic number of shares outstanding, millions	1 202	1 210	1 200	1 210	1 206
Diluted number of shares outstanding, millions	1 202	1 211	1 201	1 211	1 206
Operating margin, %	19.0%	19.7%	20.0%	18.8%	19.3%
Equity per share, period end, SEK	18.19	14.39	18.19	14.39	15.63
Return on capital employed, %	29.5	30.9	29.5	30.9	32.0
Return on equity, %	30.6	32.6	30.6	32.6	33.3
Net debt/EBITDA, ratio	0.24	0.39	0.24	0.39	0.14
Net debt/equity, ratio, period end, %	11.1	18.1	11.1	18.1	6.4
Equity/assets, ratio, period end, %	52.6	50.5	52.6	50.5	52.1
Number of employees, period end	14 670	13 837	14 670	13 837	13 847

Condensed consolidated statements of comprehensive income

MSEK	2019 Q3	2018 Q3	2019 YTD	2018 YTD	2018 Full year
Profit for the period	**1 341**	**1 412**	**4 395**	**3 814**	**5 437**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit pension plans	- 171	- 31	- 329	- 29	- 122
Income tax relating to items that will not be reclassified	37	8	72	5	25
Total items that will not be reclassified to profit or loss	**- 134**	**- 23**	**- 257**	**- 24**	**- 97**
Items that may be reclassified subsequently to profit or loss					
Translation differences on foreign operations	537	- 417	1 149	- 71	8
- realized and reclassified to profit and loss	- 7	-	- 7	-	-
Cash flow hedges	- 26	-	- 45	-	22
Income tax relating to items that may be reclassified	6	-	10	-	- 5
Total items that may be reclassified subsequently to profit or loss	**510**	**- 417**	**1 107**	**- 71**	**25**
Other comprehensive income for the period, net of tax	**376**	**- 440**	**850**	**- 95**	**- 72**
Total comprehensive income for the period	**1 717**	**972**	**5 245**	**3 719**	**5 365**
Total comprehensive income attributable to					
- owners of the parent	1 713	973	5 235	3 715	5 358
- non-controlling interests	4	- 1	10	4	7

Condensed consolidated balance sheet

Assets, MSEK	2019 Sep 30	2018 Sep 30	2018 Dec 31
Intangible assets	4 242	3 532	3 620
Rental equipment	1 309	1 277	1 233
Other property, plant and equipment	4 775	2 421	2 473
Investments in associates	209	91	208
Financial assets and other receivables	1 135	1 199	1 119
Deferred tax assets	717	526	543
Total non-current assets	**12 387**	**9 046**	**9 196**
Inventories	11 392	10 789	10 516
Trade receivables	8 068	7 821	8 005
Other receivables	1 340	1 277	1 289
Income tax receivables	472	576	333
Financial assets	1 052	1 029	944
Cash and cash equivalents	6 814	3 949	5 872
Total current assets	**29 138**	**25 441**	**26 959**
Total assets	**41 525**	**34 487**	**36 155**

Equity and liabilities, MSEK			
Share capital	500	500	500
Retained earnings	21 282	16 859	18 297
Total equity attributable to equity holders of the parent	**21 782**	**17 359**	**18 797**
Non-controlling interest	52	47	50
Total equity	**21 834**	**17 406**	**18 847**
Interest bearing loans	7 877	1 097	5 095
Post-employment benefits	640	212	283
Other liabilities and provisions	399	418	412
Total non-current liabilities	**8 916**	**1 727**	**5 790**
Interest bearing loans	750	5 786	1 702
Trade payables	3 701	4 421	4 711
Income tax liabilities	510	683	605
Other liabilities and provisions	5 814	4 464	4 500
Total current liabilities	**10 775**	**15 354**	**11 518**
Total equity and liabilities	**41 525**	**34 487**	**36 155**

Fair value of derivatives and borrowings

The carrying value and fair value of the Group's outstanding derivatives and borrowings are shown in the tables below. The fair values of bonds are based on level 1 and the fair values of derivatives and other loans are based on level 2 in the fair value hierarchy. Compared to 2018, no transfers have been made between different levels in the fair value hierarchy for derivatives and borrowings and no significant changes have been made to valuation techniques, inputs or assumptions.

Outstanding derivatives recorded to fair value	**2019**	**2018**
MSEK	**Sep 30**	**Dec 31**
Non-current assets and liabilities		
Assets	9	0
Liabilities	-	-
Current assets and liabilities		
Assets	53	108
Liabilities	104	7

Carrying value and fair value	**2019**	**2019**	**2018**	**2018**
MSEK	**Sep 30**	**Sep 30**	**Dec 31**	**Dec 31**
	Carrying value	Fair value	Carrying value	Fair value
Bonds	1 992	2 137	1 996	2 010
Other loans	6 635	6 782	4 801	4 852
	8 627	**8 918**	**6 797**	**6 862**

Condensed consolidated statement of changes in equity

MSEK	Equity attributable to owners of the parent	non-controlling interests	Total equity
Opening balance, January 1, 2019	**18 797**	**50**	**18 847**
Total comprehensive income for the period	5 235	10	5 245
Dividend	-2 520	- 8	-2 528
Acquisition and divestment of own shares	295	-	295
Share-based payments, equity settled	- 25	-	- 25
Closing balance, September 30, 2019	**21 782**	**52**	**21 834**
Opening balance, January 1, 2018	**12 041**	**6**	**12 047**
Impact of change in accounting policy	1	-	1
Restated balance January 1, 2018	**12 042**	**6**	**12 048**
Changes in equity for the period			
Total comprehensive income for the period	3 715	4	3 719
Transactions with shareholders	2 692	37	2 729
Acquisition and divestment of own shares	-1 100	-	-1 100
Share-based payments, equity settled	10	-	10
Closing balance, September 30, 2018	**17 359**	**47**	**17 406**
Opening balance, January 1, 2018	**12 041**	**6**	**12 047**
Impact of change in accounting policy	1	-	1
Restated balance January 1, 2018	**12 042**	**6**	**12 048**
Changes in equity for the period			
Total comprehensive income for the period	5 358	7	5 365
Transactions with shareholders	2 693	37	2 730
Acquisition and divestment of own shares	-1 308	-	-1 308
Share-based payments, equity settled	12	-	12
Closing balance, December 31, 2018	**18 797**	**50**	**18 847**

Consolidated condensed statement of cash flow

MSEK	2019 Q3	2018 Q3	2019 YTD	2018 YTD	2018 Full year
Cash flow from operating activities					
Operating profit	1 927	1 898	6 120	5 223	7 385
Depreciation, amortization and impairment	556	362	1 496	1 019	1 369
Capital gain/loss and other non-cash items	- 104	199	- 224	182	101
Net financial items received/paid	- 113	- 88	- 385	- 459	- 483
Taxes paid	- 559	- 741	-1 900	-1 421	-1 747
Pension funding and payment of pension to employees	- 13	- 10	- 43	- 56	- 52
Change in w orking capital	126	- 599	- 725	-2 290	-1 875
Increase in rental equipment	- 181	- 215	- 726	- 658	- 896
Sale of rental equipment	213	114	438	297	522
Net cash from operating activities	**1 852**	**920**	**4 051**	**1 837**	**4 324**
Cash flow from investing activities					
Investments in other property, plant and equipment	- 111	- 136	- 386	- 426	- 577
Sale of other property, plant and equipment	18	8	43	24	26
Investments in intangible assets	- 90	- 102	- 358	- 313	- 459
Sale of intangible assets	1	-	1	-	-
Acquisition of subsidiaries and associated companies	- 107	-	-1 134	- 482	- 546
Sale of subsidiaries	140	-	140	-	-
Proceeds to/from other financial assets, net	78	292	32	101	219
Net cash from investing activities	**- 71**	**62**	**-1 662**	**-1 096**	**-1 337**
Cash flow from financing activities					
Dividend	-	-	-1 260	-	-
Dividend to non-controlling interest	- 1	-	- 8	-	-
Sale/ Repurchase of ow n shares	248	-1 100	295	-1 100	-1 307
Change in interest-bearing liabilities	- 152	- 92	- 639	2 477	2 367
Net cash from financing activities	**95**	**-1 192**	**-1 612**	**1 377**	**1 060**
Net cash flow for the period	**1 876**	**-210**	**777**	**2 118**	**4 047**
Cash and cash equivalents, beginning of the period	4 883	4 205	5 872	1 808	1 808
Exchange differences in cash and cash equivalents	55	- 46	165	23	17
Cash and cash equivalents, end of the period	**6 814**	**3 949**	**6 814**	**3 949**	**5 872**

	2019 Q3	2018 Q3	2019 YTD	2018 YTD	2018 Full year
Operating cash flow					
Net cash flow from operating activities	1 852	920	4 051	1 837	4 324
Net cash from investing activities	- 71	62	-1 662	-1 096	-1 337
Acquisition and divestments of subsidiaries	- 33	-	994	482	546
Other adjustments	135	- 205	478	419	351
Operating cash flow	**1 883**	**777**	**3 861**	**1 642**	**3 884**

Condensed segments quarterly

Epiroc has two reporting segments, Equipment & Service and Tools & Attachments. In addition, Epiroc reports common group functions, which includes Payment Solutions, offering financing to customers, Group management and common functions, as well as eliminations. Payment Solutions receives payments from credit arrangements, for example financial leases, which is reported as financial income. Payment Solutions also has a rental fleet generating operating lease payments, which are reported as revenue.

	2018				2018	2019		
Orders received, MSEK	**Q1**	**Q2**	**Q3**	**Q4**	**Full year**	**Q1**	**Q2**	**Q3**
Equipment & Service	7 442	7 947	7 190	7 116	29 695	7 248	7 677	6 874
Equipment	*4 054*	*4 234*	*3 601*	*3 355*	*15 244*	*3 442*	*3 580*	*2 727*
Service	*3 388*	*3 713*	*3 589*	*3 761*	*14 451*	*3 806*	*4 097*	*4 147*
Tools & Attachments	2 550	2 470	2 285	2 306	9 611	2 760	2 826	2 665
Common group functions	44	66	- 62	46	94	55	50	61
Epiroc Group	**10 036**	**10 483**	**9 413**	**9 468**	**39 400**	**10 063**	**10 553**	**9 600**
Revenues, MSEK								
Equipment & Service	5 943	7 325	7 178	8 094	28 540	7 115	7 702	7 334
Equipment	*2 678*	*3 640*	*3 570*	*4 350*	*14 238*	*3 313*	*3 638*	*3 198*
Service	*3 265*	*3 685*	*3 608*	*3 744*	*14 302*	*3 802*	*4 064*	*4 136*
Tools & Attachments	2 245	2 452	2 382	2 440	9 519	2 605	2 926	2 765
Common group functions	45	66	91	24	226	65	- 2	59
Epiroc Group	**8 233**	**9 843**	**9 651**	**10 558**	**38 285**	**9 785**	**10 626**	**10 158**
Operating profit and profit before tax, MSEK								
Equipment & Service	1 364	1 747	1 764	1 876	6 751	1 719	1 970	1 932
Tools & Attachments	287	304	324	324	1 239	371	429	157
Common group functions	- 136	- 241	- 190	- 38	- 605	- 160	- 136	- 162
Epiroc Group	**1 515**	**1 810**	**1 898**	**2 162**	**7 385**	**1 930**	**2 263**	**1 927**
Net financial items	- 57	- 44	- 37	- 46	- 184	- 100	- 38	- 61
Profit before tax	**1 458**	**1 766**	**1 861**	**2 116**	**7 201**	**1 830**	**2 225**	**1 866**
Operating margin, %								
Equipment & Service	22.9%	23.9%	24.6%	23.2%	23.7%	24.2%	25.6%	26.3%
Tools & Attachments	12.8%	12.4%	13.6%	13.3%	13.0%	14.2%	14.6%	5.7%
Epiroc Group	**18.4%**	**18.4%**	**19.7%**	**20.5%**	**19.3%**	**19.7%**	**21.3%**	**19.0%**
Items affecting comparability, MSEK								
Change in provision for LTI-program	-	77	56	- 67	66	59	39	54
Costs for split from Atlas Copco	95	104	70	59	328	-	-	-
Costs in Equipment & Service	-	-	-	-	-	-	-	-
Costs in Tools & Attachments	-	-	-	-	-	-	-	179
Epiroc Group	**95**	**181**	**126**	**- 8**	**394**	**59**	**39**	**233**
Adj. margin for items affecting comparability, %								
Adjusted operating margin, %	19.6%	20.2%	21.0%	20.4%	20.3%	20.3%	21.7%	21.3%
Adjusted operating margin, E&S, %	22.9%	23.9%	24.6%	23.2%	23.7%	24.2%	25.6%	26.3%
Adjusted operating margin, T&A, %	12.8%	12.4%	13.6%	13.3%	13.0%	14.2%	14.6%	12.2%
Split and incentive program costs, MSEK*								
Change in provision for LTI-program	-	77	56	- 67	66	59	39	54
Costs for split from Atlas Copco	95	104	70	59	328	17	23	11
Epiroc Group	**95**	**181**	**126**	**- 8**	**394**	**76**	**62**	**65**

** Reported in Common group functions. Change in provision for long-term incentive programs is reported as administrative expenses.*

Geographical distribution of orders received

MSEK % currency adjusted	2018 Q1	Q2	Q3	Q4	2018 Full year	2019 Q1	Q2	Q3	Δ,% Y-o-Y
Epiroc group	**10 036**	**10 483**	**9 413**	**9 468**	**39 400**	**10 063**	**10 553**	**9 600**	**- 3**
North America	2 176	2 076	2 180	2 379	8 812	2 160	2 262	2 360	0
South America	1 488	1 844	1 236	1 657	6 225	1 344	1 481	1 451	12
Europe	2 488	2 503	2 388	1 969	9 349	2 430	2 399	2 063	- 17
Africa/Middle East	1 478	1 518	1 191	1 260	5 446	1 311	1 409	1 274	3
Asia/Australia	2 406	2 542	2 418	2 203	9 568	2 818	3 002	2 452	- 3
Equipment & Service	**7 442**	**7 947**	**7 190**	**7 116**	**29 695**	**7 248**	**7 677**	**6 874**	**- 9**
North America	1 426	1 385	1 572	1 709	6 093	1 265	1 444	1 529	- 10
South America	1 255	1 633	1 023	1 449	5 360	1 041	1 207	1 189	11
Europe	1 662	1 765	1 790	1 275	6 491	1 690	1 655	1 436	- 24
Africa/Middle East	1 127	1 056	811	906	3 899	893	863	716	- 16
Asia/Australia	1 972	2 108	1 994	1 777	7 852	2 359	2 508	2 004	- 4
Tools & Attachments	**2 550**	**2 470**	**2 285**	**2 306**	**9 611**	**2 760**	**2 826**	**2 665**	**11**
North America	737	662	689	634	2 721	867	783	797	7
South America	232	211	213	209	865	303	274	262	18
Europe	804	715	598	691	2 807	724	738	613	- 1
Africa/Middle East	350	462	380	354	1 547	418	547	557	45
Asia/Australia	427	420	405	418	1 671	448	484	436	2

Geographical distribution of revenues

MSEK % currency adjusted	2018 Q1	Q2	Q3	Q4	2018 Full year	2019 Q1	Q2	Q3	Δ,% Y-o-Y
Epiroc group	**8 233**	**9 843**	**9 651**	**10 558**	**38 285**	**9 785**	**10 626**	**10 158**	**0**
North America	1 888	2 118	2 141	2 300	8 447	2 227	2 403	2 191	- 5
South America	1 024	1 199	1 230	1 573	5 026	1 571	1 616	1 646	28
Europe	1 864	2 471	2 224	2 545	9 104	2 432	2 473	2 154	- 8
Africa/Middle East	1 103	1 350	1 444	1 456	5 353	1 182	1 396	1 351	- 8
Asia/Australia	2 354	2 705	2 612	2 684	10 355	2 373	2 738	2 816	3
Equipment & Service	**5 943**	**7 325**	**7 178**	**8 094**	**28 540**	**7 115**	**7 702**	**7 334**	**- 3**
North America	1 173	1 410	1 412	1 644	5 639	1 425	1 580	1 362	- 10
South America	813	981	1 020	1 361	4 175	1 327	1 341	1 356	27
Europe	1 235	1 696	1 488	1 807	6 225	1 674	1 682	1 469	- 7
Africa/Middle East	766	972	1 054	1 031	3 823	787	847	792	- 26
Asia/Australia	1 956	2 266	2 204	2 251	8 678	1 902	2 252	2 355	2
Tools & Attachments	**2 245**	**2 452**	**2 382**	**2 440**	**9 519**	**2 605**	**2 926**	**2 765**	**11**
North America	700	681	703	641	2 725	773	848	802	6
South America	211	218	210	212	851	244	276	290	33
Europe	607	750	688	738	2 783	733	777	669	- 7
Africa/Middle East	337	378	390	425	1 530	395	549	559	42
Asia/Australia	390	425	391	424	1 630	460	476	445	7

Condensed parent company income statement

MSEK	2019 Q3	2018 Q3	2019 YTD	2018 YTD	2018 Full year
Administrative expenses	- 59	- 47	- 173	- 117	- 143
Marketing expenses	- 4	- 3	- 13	- 9	- 13
Other operating income and expenses	11	39	36	- 34	- 43
Operating profit/loss	**- 52**	**- 11**	**- 150**	**- 160**	**- 199**
Financial income and expenses	- 4	- 6	- 9	- 9	- 17
Appropriations	-	-	-	-	4 424
Profit/loss before tax	**- 56**	**- 17**	**- 159**	**- 169**	**4 208**
Income tax	28	0	48	36	- 927
Profit/loss for the period	**- 28**	**- 17**	**- 111**	**- 133**	**3 281**

Condensed parent company balance sheet

MSEK	2019 Sep 30	2018 Sep 30	2018 Dec 31
Total non-current assets	52 003	46 893	50 823
Total current assets	3 278	6 279	5 553
Total assets	**55 281**	**53 172**	**56 376**
Total restricted equity	503	503	503
Total non-restricted equity	47 192	46 345	49 553
Total equity	**47 695**	**46 848**	**50 056**
Total provisions	191	229	167
Total non-current liabilities	6 059	1 030	5 023
Total current liabilities	1 336	5 065	1 130
Total equity and liabilities	**55 281**	**53 172**	**56 376**

Acquisitions and divestments

Date	Acquisitions	Divestments	Segment	Revenues*	Employees
2019 Sep 3		Geotechnical consumables	T&A	-275	-40
2019 Apr 2	New Concept Mining		T&A	645	900
2019 Feb 1	Noland Drilling Equipment		E&S		8
2019 Jan 3	Fordia		T&A	580	250
2018 Nov 2	Sautec		E&S		6
2018 Oct 30	ASI Mining (34%)**		E&S	55	
2018 Feb 1	Hy-Performance Fluid Power		E&S	50	26
2018 Jan 3	Rock Drill Services Australia		E&S	90	37
2018 Jan 3	Cate Drilling Solutions		E&S		35
2018 Jan 2	Renegade Drilling Supplies		T&A		22

** Annual revenues, MSEK, and number of employees at time of acquisition/divestment. For distributors, revenues are not disclosed.*
***Not consolidated.*

The acquisitions of Fordia and New Concept Mining were finalized in 2019. As per September 30, the acquisitions of Fordia and New Concept Mining have had a total cash flow effect of MSEK -1 048. According to the preliminary purchase price allocation, intangible assets amount to MSEK 240 and goodwill amounts to MSEK 232. Fordia and New Concept Mining have contributed to revenues with MSEK 756 and to operating profit with MSEK 75 since their respective dates of acquisition.

Fair value of acquired assets and liabilities	**Group recognized values**
MSEK	**YTD 2019**
Net assets identified	641
Intangible assets	240
Goodwill	232
Total consideration	1 113
Net cash outflow	1 048

Transactions with related parties

Significant related-party transactions are described in Note 28 to the consolidated accounts in Epiroc's Annual and Sustainability Report 2018. No material changes have taken place in relations or transactions with related parties compared with the description in Epiroc's Annual and Sustainability Report 2018.

Share buy-backs

The Board of Directors of Epiroc has been authorized to purchase, transfer and sell own shares in relation to Epiroc's performance based personnel option plans. More information regarding the option plans can be found in Epiroc's Annual and Sustainability Report 2018, see www.epirocgroup.com/en/investors. In the quarter, Epiroc divested 2 378 584 A shares for SEK 248 143 740 in accordance with mandates granted. As of September 30, 2019, Epiroc AB held 11 186 873 shares class A. The total numbers of issued Epiroc shares at the end of the period were 1 213 738 703 shares, whereof 823 765 854 shares class A and 389 972 849 shares class B.

Financial definitions

Financial definitions can be found on Epiroc's website, https://www.epirocgroup.com/en/investors/financial-publications. Non-IFRS measures are also presented in this report since they are considered to be important supplemental measures of the company's performance. Information on how these measures have been calculated can also be found on the website.

Financial calendar

Webcast & conference call

At 10.00 CEST on the report issue date, Epiroc will host a combined presentation and conference call for investors, analysts and media. The presentation, which will be conducted in English, will be held in Epiroc's office, Sickla Industriväg 19, Nacka, Sweden. The report will be presented by President and CEO Per Lindberg and CFO Anders Lindén. Link to the webcast: https://edge.media-server.com/mmc/p/jwemf9z4

Dial-in numbers for the conference call:

- Sweden: +46 8 566 42651
- United Kingdom: +44 333 300 0804
- United States: +1 631 913 1422

PIN: 39672688#

Upcoming investor events

- October 29, 2019: Shares trade excluding right to dividend of SEK 1.05
- October 31, 2019: Last day to register for the Capital Markets Day
- November 4, 2019, Dividend payment date
- November 14, 2019: Capital Markets Day
- January 31, 2020: Q4 2019
- April 23, 2020: Q1 2020
- May 12, 2020: Annual General Meeting in Stockholm
- July 23, 2020: Q2 2020
- October 23, 2020: Q3 2020

Further information

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Epiroc in brief

Epiroc is a leading productivity partner for the mining and infrastructure industries. With cutting-edge technology, Epiroc develops and produces innovative, safe and sustainable drill rigs, rock excavation and construction equipment and tools. The company also provides world-class service solutions for automation and interoperability. The company is based in Stockholm, Sweden, and had revenues of BSEK 38 in 2018 and has more than 14 000 passionate employees supporting and collaborating with customers in more than 150 countries.