

Epiroc interim report Q4

- Orders received decreased 2% to MSEK 9 276 (9 468), organic decline of 7%
- Revenues decreased 3% to MSEK 10 280 (10 558), organic decline of 7%
- Operating profit was MSEK 2 016 (2 162), including items affecting comparability of MSEK -115*
- Operating margin was 19.6% (20.5). Adjusted operating margin was 20.7%*
- Basic earnings per share were SEK 1.23 (1.35)
- Operating cash flow of MSEK 2 827 (2 242)
- The Board proposes a dividend of SEK 2.40 (2.10) per share to be paid in two installments
- Helena Hedblom appointed new President and CEO as from March 1, 2020

Key figures

MSEK	2019 Q4	2018 Q4	Δ	2019 Full year	2018 Full year	Δ
Orders received	9 276	9 468	-2%	39 492	39 400	0%
Revenues	10 280	10 558	-3%	40 849	38 285	7%
Operating profit	2 016	2 162	-7%	8 136	7 385	10%
Operating margin, %	19.6%	20.5%		19.9%	19.3%	
Profit before tax	1 922	2 116	-9%	7 843	7 201	9%
Profit margin, %	18.7%	20.0%		19.2%	18.8%	
Profit for the period	1 489	1 623	-8%	5 884	5 437	8%
Operating cash flow	2 827	2 242	26%	6 688	3 884	72%
Basic earnings per share, SEK	1.23	1.35	-9%	4.89	4.50	9%
Diluted earnings per share, SEK	1.22	1.35	-10%	4.89	4.49	9%
Return on capital employed, %				27.6	32.0	
Net debt/EBITDA, ratio				0.05	0.14	

* Information on items affecting comparability, see page 4.
Key figures for 2018 are not restated for IFRS 16. See pages 12-13.

CEO comments

Record revenues and profit in a strong 2019

Epiroc's revenues, profit and cash flow increased in 2019, supported by strong growth of our service business and efficiency initiatives. Revenues increased 7% to almost BSEK 41, our operating profit increased 10% compared to 2018 and we improved our operating margin and cash flow. Our customers continue to show interest in our innovative productivity solutions, even if the overall demand for equipment softened.

Continued growth in service in Q4

Order intake in Q4 remained at a similar level as in Q3, which was expected. Compared to the previous year, we saw a continued solid development in service with an organic order growth of 6%, while the demand for equipment softened with a decline in orders.

It is clear that our customers remain cautious in making investment decisions. In the near-term we expect that demand will remain largely at the level seen in the fourth quarter.

Improved underlying margin and cash flow

In spite of record revenues for the full year, we had a year-on-year decline in revenues in Q4 as orders for equipment have gradually softened throughout 2019. Revenues decreased by 3% to MSEK 10 280 with an organic decline of 7%. The operating profit was MSEK 2 016, including items affecting comparability of MSEK -115. The adjusted operating margin improved to 20.7%. Operating cash flow improved both compared to the previous quarter and year-on-year and amounted to MSEK 2 827.

Continued actions for resilience

Epiroc's business model is agile and designed to be resilient. We continuously adapt the organization to prevailing business activity, and in Q4 we reduced our headcount by 521, or 3%, and also identified further areas for efficiency improvements. These are expected to give visible effects in the first half of 2020.

We continue to adapt our product portfolio and production footprint. We completed the restructuring of the handheld rock drilling tools business in Tools & Attachments in the quarter. Going forward, we will continue to optimize our product portfolio and related footprint.

Innovation and commitment to value creation

We continue to focus on innovations, such as automation, digitalization and electrification. In Q4 we signed a collaboration agreement with Pucobre in Chile to further digitalize their mining operations, boosting productivity and safety. We assist our customers in connecting existing machine fleets regardless of make or model, and to optimize processes through automation, system integration and information management. In other words, we deliver smart, safe and seamless operations. During the quarter we also announced our partnership with world-leading commercial explosives provider Orica to jointly develop a semi-automated explosives delivery system, enabling safer and more productive blasting operations in underground mines.

Through passion, commitment and collaboration, we support our customers in achieving higher productivity, and a cost effective, safe and sustainable business. This enables us to create long-term value and further strengthen Epiroc for the future.

Handing over to Helena Hedblom

In November we announced that I will be stepping down and that Helena Hedblom will take over as President and CEO starting March 1, 2020. My mission from the beginning was to establish the new company, list it on the stock exchange, and ensure it stands strong for the future. The mission is accomplished and I am happy to be handing over to Helena. She has deep knowledge and experience of the business, a strong drive, and a strong focus on innovation and customers' needs. She is a highly appreciated leader and perfect to lead the company into the future.

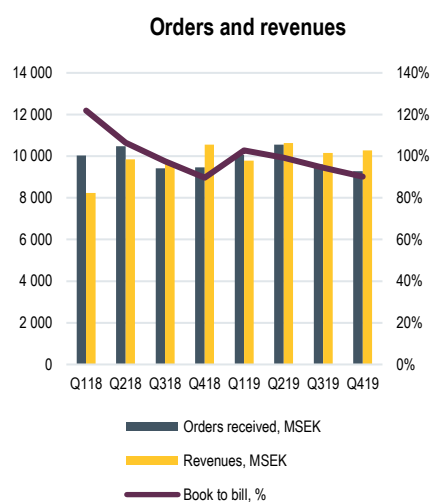


Thank you!

Per Lindberg
President and CEO

Orders and revenues

MSEK	2019 Q4	2018 Q4	Δ	2019 Full year	2018 Full year	Δ
Orders received	9 276	9 468	-2%	39 492	39 400	0%
Revenues	10 280	10 558	-3%	40 849	38 285	7%
Operating profit	2 016	2 162	-7%	8 136	7 385	10%
Operating margin, %	19.6%	20.5%		19.9%	19.3%	



Orders received

Orders received decreased 2% to MSEK 9 276 (9 468), corresponding to an organic decline of 7% year-on-year. Currency contributed positively with 3% and structural changes with 2%. Sequentially, i.e. compared to the previous quarter, orders received decreased 3%, mainly due to currency.

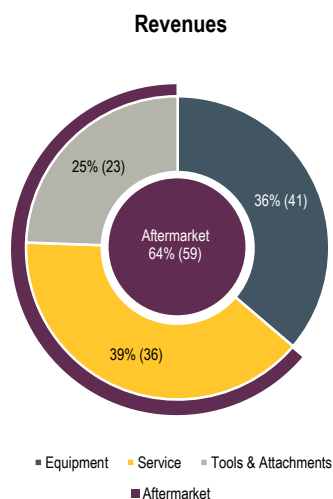
Compared to the previous year, orders received in local currency increased in Asia/Australia, Africa/Middle East and Europe, while they decreased in North and South America.

Mining customers represented 76% of orders received in the quarter.

Revenues

Revenues decreased 3% to MSEK 10 280 (10 558), corresponding to an organic decline of 7%. Currency contributed positively with 3% and structural changes with 1%. The book to bill ratio was 90% (90).

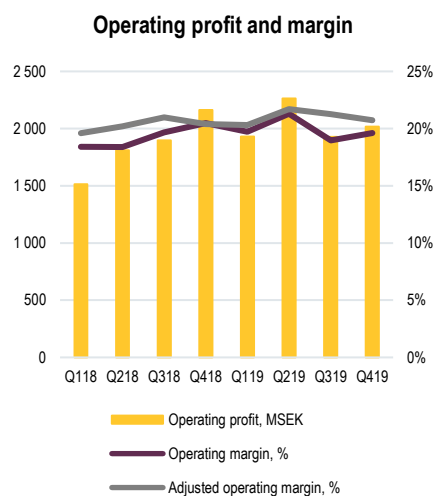
The aftermarket represented 64% (59) of revenues in the quarter.



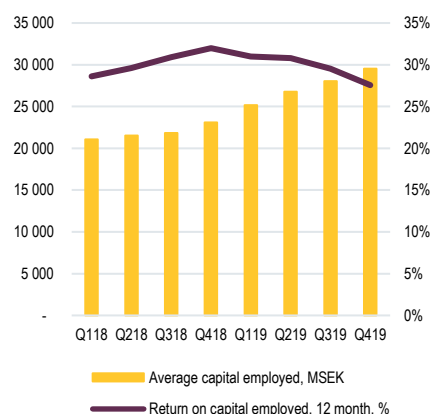
Sales Bridge	Orders Received	Revenues
	MSEK, Δ%	MSEK, Δ%
Q4 2018	9 468	10 558
Organic	-7	-7
Currency	+3	+3
Structure and other*	+2	+1
Total	-2	-3
Q4 2019	9 276	10 280

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

Profits and returns



Capital employed and return on capital employed*



*Numbers for 2018, not restated for IFRS 16.

Profit bridge	Operating profit	
	MSEK, Δ	Margin, %, Δ pp
Q4 2018	2 162	20.5
Organic	-172	-0.3
Currency	+175	+1.2
Structure and other*	-149	-1.8
Total	-146	-0.9
Q4 2019	2 016	19.6

*Includes operating profit/loss from acquisitions, contract manufacturing, items affecting comparability, 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 decreased 7% to MSEK 2 016 (2 162), including items affecting comparability of MSEK -115. These items include costs of MSEK -45 related to efficiency improvements, MSEK -28 related to the agreement with the departing President and CEO, and change in provision for share-based long-term incentive programs of MSEK -42 (+67). The operating profit was negatively impacted by the organic revenue decline and acquisitions, but supported by currency. The operating margin was 19.6% (20.5). Excluding the items affecting comparability, the margin was 20.7%, positively impacted by currency and mix, but diluted by acquisitions and lower revenue volume.

Net financial items were MSEK -94 (-46), negatively impacted by exchange rate differences. Interest net was MSEK -35 (-37).

Profit before tax was MSEK 1 922 (2 116), corresponding to a margin of 18.7% (20.0). Income tax expense amounted to MSEK -433 (-493), corresponding to an effective tax rate of 22.5% (23.3).

Profit for the period totaled MSEK 1 489 (1 623). Basic earnings per share were SEK 1.23 (1.35).

The return on capital employed during the last 12 months was 27.6% (32.0), diluted by acquisitions, accumulation of cash, and by the implementation of IFRS 16 Leases. Return on equity was 28.3% (33.2).

Employees

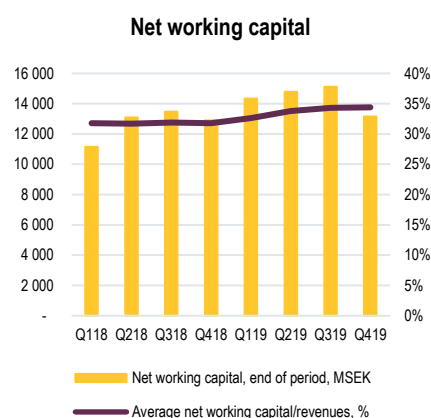
On December 31, 2019, the number of employees was 14 268 (13 847). The number of consultants/external workforce was 1 366 (1 610). For comparable units, the total workforce decreased with 987 compared to the previous year.

New President and CEO

On November 26, the Board of Directors of Epiroc AB appointed Helena Hedblom as the new President and CEO of Epiroc AB, effective March 1, 2020. She will replace Per Lindberg, who will leave the company after having successfully established Epiroc as a listed company.

[Link to press release.](#)

Balance sheet

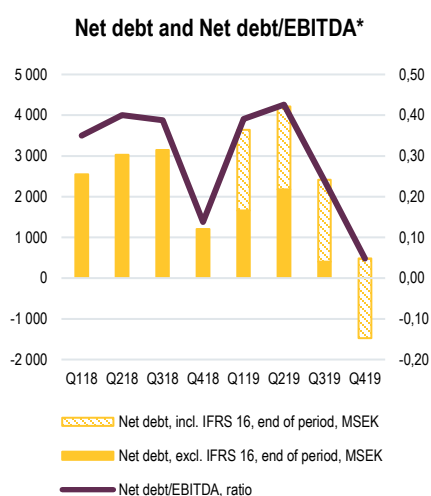


Net working capital

Net working capital increased 2% to MSEK 13 153 (12 897) compared to the previous year, due to currency and acquisitions. For comparable units and currency adjusted, net working capital decreased 6%, with a reduction in both trade receivables and inventories. Trade payables and advance payments were lower, which partly offset the improvement year-on-year. As a percentage of revenues last 12 months, the average net working capital was 34.4% (31.8).

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

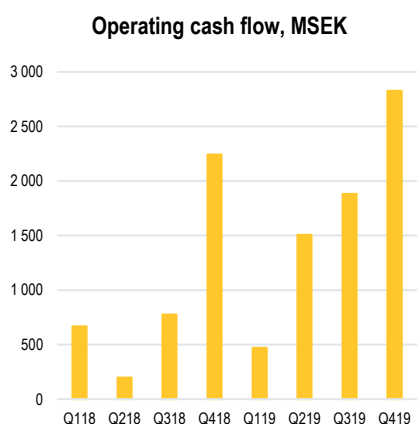
The Group's net debt amounted to MSEK 483 (1 208), of which MSEK 596 (283) was attributable to post-employment benefits. The implementation of IFRS 16 has increased the net debt by MSEK 1 956 as of December 31, 2019. The second part of the dividend was paid in November 2019 and amounted to MSEK 1 263. The net debt/EBITDA ratio was 0.05 (0.14). The net debt/equity ratio was 2.1% (6.4).

Dividend

The Board of directors proposes to the Annual General Meeting a dividend of SEK 2.40 (2.10) per share, equal to MSEK 2 887 (2 523). The dividend is proposed to be paid in two equal installments with record dates May 14 and October 29, 2020.

*Numbers for 2018, not restated for IFRS 16.

Cash flow



Operating cash flow

The operating cash flow improved to MSEK 2 827 (2 242). The working capital decreased by MSEK 1 062 (415) sequentially, compared to the previous quarter, mainly due to a reduction of inventories and trade receivables.

Acquisitions and divestments

Cash flow from acquisitions and divestments was MSEK +10 (-64), see pages 19 and 23.

Divestment of credit portfolios

Epiroc divested some credit portfolios in the quarter, which gave proceeds from other financial assets of MSEK 113.

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.

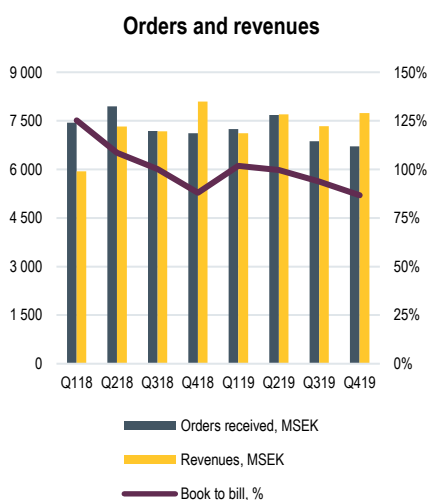
MSEK	2019 Q4	2018 Q4	Δ	2019 Full year	2018 Full year	Δ
Orders received	6 710	7 116	-6%	28 509	29 695	-4%
Revenues	7 740	8 094	-4%	29 891	28 540	5%
Operating profit	1 853	1 876	-1%	7 474	6 751	11%
Operating margin, %	23.9%	23.2%		25.0%	23.7%	

Q4 in brief

- Orders received in service increased by 6% organically
- Equipment orders declined 22% organically
- Operating margin improved to 23.9% (23.2)

Orders received

The orders received for Equipment & Service decreased 6% to MSEK 6 710 (7 116), corresponding to an organic decline of 7%. Currency contributed positively to orders received with 2%, while structural changes had a net negative impact of 1%. Compared to the previous quarter, orders received decreased 2%. Compared to the previous year, orders received in local currency increased in Asia/Australia, Africa/Middle East and Europe, while they decreased in North and South America.

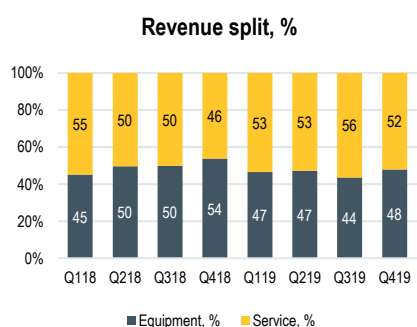


The orders received for service increased 9% to MSEK 4 104 (3 761), corresponding to an organic growth of 6%. Compared to the previous year, service orders in local currency increased in all regions, except in North America, with the highest growth rate in Africa/Middle East. The share of orders from service in the segment was 61% (53).

Equipment orders decreased 22% organically compared to the previous year and amounted to MSEK 2 606 (3 355). Orders for both underground and surface equipment decreased. Compared to the previous year, equipment orders in local currency increased in Asia/Australia and in Europe, but decreased in all other regions. More than half 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 39% (47).

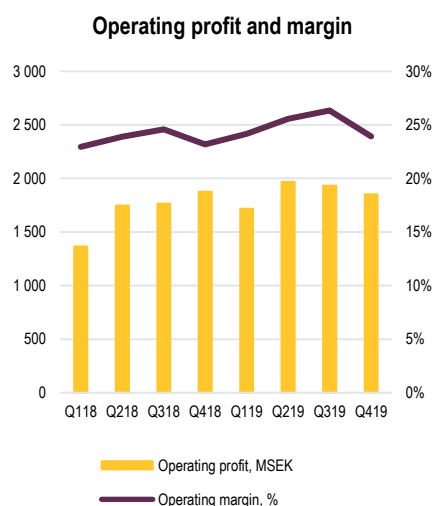
Revenues

Revenues decreased 4% to MSEK 7 740 (8 094), corresponding to an organic decline of 6%. Revenues for service increased 5% while revenues for equipment declined 15% organically. The share of revenues from service in the segment was 52% (46). The book to bill ratio was 87% (88).



Sales Bridge	Equipment & Service		Equipment		Service	
	Orders Received	Revenues	Orders Received	Revenues	Orders Received	Revenues
	MSEK, Δ%	MSEK, Δ%	MSEK, Δ%	MSEK, Δ%	MSEK, Δ%	MSEK, Δ%
Q4 2018	7 116	8 094	3 355	4 350	3 761	3 744
Organic	-7	-6	-22	-15	+6	+5
Currency	+2	+3	+2	+2	+3	+3
Structure and other*	-1	-1	-2	-2	+0	+0
Total	-6	-4	-22	-15	+9	+8
Q4 2019	6 710	7 740	2 606	3 712	4 104	4 028

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



Operating profit and margin

Operating profit decreased 1% to MSEK 1 853 (1 876), including costs of MSEK -28 related to efficiency improvements, corresponding to a margin of 23.9% (23.2). The margin was supported by currency and mix, but negatively impacted by lower volumes and costs related to efficiency improvements.

Profit bridge	Operating profit	
	MSEK, Δ	Margin, %, Δ pp
Q4 2018	1 876	23.2
Organic	-139	-0.4
Currency	+145	+1.2
Structure and other	-29	-0.1
Total	-23	+0.7
Q4 2019	1 853	23.9

Business development

During the quarter, Epiroc entered into a partnership with world-leading commercial explosives provider Orica to jointly develop a semi-automated explosives delivery system, enabling safer and more productive blasting operations in underground mines.

In January 2020, it was announced that Epiroc will consolidate the dimension stone industry manufacturing to its existing production facility in Nashik, India. The relocation will place the development and manufacturing in the center of the strong and growing dimension stone industry market in India. This will facilitate a solid and efficient development of the product offering and shorten time to market. The manufacturing at Epiroc Stonetec in Bagnolo, Italy, will be closed by mid-2020, affecting about 40 employees.

Innovations

Epiroc has launched the surface drill rig PowerROC D60, equipped with a Tier 4 engine. The D60 is a powerful and safe rig that is easy to use and repair. The new version offers high productivity and reduced environmental footprint.

Epiroc has launched the new Pit Viper 270 XC series blasthole drilling rig. It is equipped with Epiroc's latest Rig Control System, which offers several automation features and provides a foundation to add new functionality and options. Autonomous drilling can be implemented with almost no human interaction with the drill. It can also be configured to provide higher bit load capacity.



Epiroc Pit Viper 270 XC series with advanced rig control system with several automation features.

Tools & Attachments

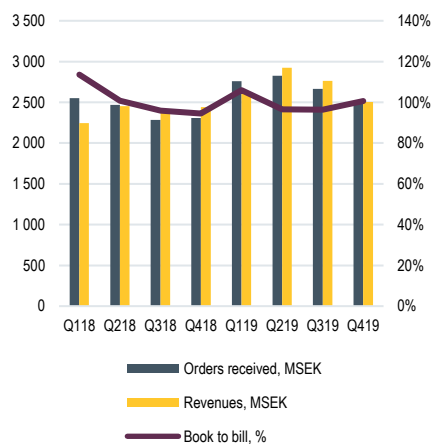
The Tools & Attachments segment provides rock drilling tools and hydraulic attachments that are attached to machines used mainly for drilling, deconstruction and recycling as well as rock excavation. It also provides related service and spare parts and serves the mining and infrastructure industries.

MSEK	2019 Q4	2018 Q4	Δ	2019 Full year	2018 Full year	Δ
Orders received	2 517	2 306	9%	10 768	9 611	12%
Revenues	2 503	2 440	3%	10 799	9 519	13%
Operating profit	295	324	-9%	1 252	1 239	1%
Operating margin, %	11.8%	13.3%		11.6%	13.0%	

Q4 in brief

- Orders received increased 9% supported by acquisitions, but decreased 4% organically
- Revenues declined 10% organically
- Operating margin was 11.8% (13.3)

Orders and revenues



Orders received

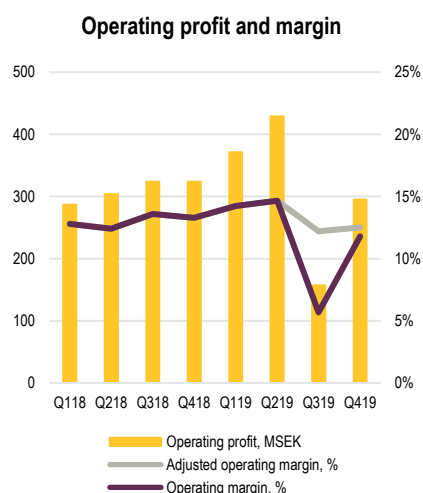
The orders received for Tools & Attachments increased 9% to MSEK 2 517 (2 306), corresponding to an organic decline of 4%. Acquisitions and divestments, net, contributed to the increase with 10% and currency with 3%. The order intake of rock drilling tools was negatively impacted by the exit from handheld rock drilling tools and optimization of the product offering and decreased somewhat organically. The orders received for hydraulic attachment tools decreased organically compared to the previous year. Compared to the previous quarter, orders received for Tools & Attachments decreased 6%.

Compared to the previous year, orders received in local currency increased in Africa/Middle East and South America, while they decreased in Europe. Asia/Australia and North America had a flat development. Acquisitions contributed positively to the order intake.

Revenues

Revenues increased 3% to MSEK 2 503 (2 440), corresponding to an organic decline of 10%. Acquisitions contributed to the increase with 10% and currency with 3%. The book to bill ratio was 101% (95).

Sales Bridge	Orders Received	Revenues
	MSEK, Δ%	MSEK, Δ%
Q4 2018	2 306	2 440
Organic	-4	-10
Currency	+3	+3
Structure and other	+10	+10
Total	+9	+3
Q4 2019	2 517	2 503



Operating profit and margin

Operating profit was MSEK 295 (324), including costs of MSEK -17 related to efficiency improvements. The operating profit was negatively impacted by the organic revenue decline and acquisitions, but was supported by currency. The operating margin was 11.8% (13.3), supported by currency, but diluted by acquisitions.

Profit bridge	Operating profit	
	MSEK, Δ	Margin, %, Δ pp
Q4 2018	324	13.3
Organic	-34	+0.2
Currency	+35	+1.2
Structure and other	-30	-2.9
Total	-29	-1.5
Q4 2019	295	11.8



The new M-series down-the-hole hammers that are shorter, lighter and faster compared to its predecessors.

Business development

Epiroc has ongoing actions to optimize its product portfolio and exit non-core areas to increase focus and efficiency. In the quarter, the factory of handheld rock drilling equipment and tools in Shandong, China, was closed, and a manufacturing facility for handheld drilling consumables in Sweden was divested.

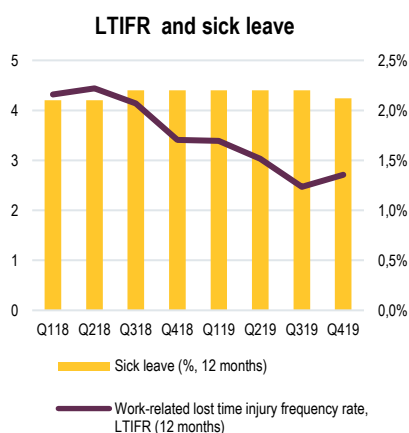
Innovations

A new range of down-the-hole hammers has been launched. It features a new patented design and the hammers are shorter, lighter and faster compared to its predecessors. Lighter hammers mean easier handling and increased safety. A unique piston design allows much higher impact frequency and faster drilling, which also means lower fuel consumption and running costs.

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; We use resources responsibly and efficiently. For each area there are several targets and key performance indicators.

Sustainability measurements	2019	2018
	Full year	Full year
Work-related lost time injury frequency rate, LTIFR (12 months)	2.7	3.4
Sick leave (% , 12 months)	2.1	2.2
MWh energy from operations/Cost of sales (MSEK, 12 months)	6.8	7.6
Transport CO ₂ (tonnes)/Cost of sales (MSEK, 12 months)	4.5	5.6



Lost time injury frequency rate and sick leave

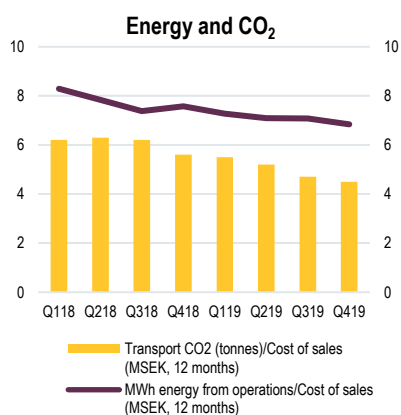
The number of work related lost time injuries per million working hours (LTIFR) decreased in 2019. Preventive measures and a continued focus on safety awareness, training and activities contributed to the reduction.

Sick leave continued to stay on a low level.

Energy and CO₂ emissions

MWh energy from operations/Cost of sales has continued to decrease, supported by the changes in the rock drilling tools business and several initiatives to increase energy efficiency.

CO₂ emissions from transport improved compared to the 12 months period ending in December 2018, mainly due to a higher share of shipments by sea instead of air freight.



Full year 2019 in summary

Orders received in 2019 were MSEK 39 492 (39 400), corresponding to an organic decline of 5%. Revenues increased 7% to MSEK 40 849 (38 285), corresponding to 1% organic increase. Currency and structural changes contributed positively to revenues with 4% and 2%, respectively.

Sales Bridge	Orders Received	Revenues
	MSEK, Δ%	MSEK, Δ%
2018	39 400	38 285
Organic	-5	+1
Currency	+3	+4
Structure and other	+2	+2
Total	+0	+7
2019	39 492	40 849

Operating profit was MSEK 8 136 (7 385). The operating profit was supported by currency, organic revenue growth, acquisitions and efficiency, while it was negatively affected by change in provision for share based long-term incentive programs of MSEK -194 (-66) and other items affecting comparability of MSEK -252. The operating margin was 19.9% (19.3). Excluding change in provision for long-term incentive programs and other items affecting comparability, the margin was 21.0% (20.3).

Profit bridge	Operating profit	
	MSEK, Δ	Margin, %, Δ pp
2018	7 385	19.3
Organic	+180	+0.3
Currency	+657	+0.9
Structure and other	-86	-0.6
Total	+751	+0.6
2019	8 136	19.9

Profit before tax was MSEK 7 843 (7 201), corresponding to a margin of 19.2% (18.8). Profit for the period totaled MSEK 5 884 (5 437). Basic earnings per share were SEK 4.89 (4.50). Operating cash flow was MSEK 6 688 (3 884).

Key events after the end of the period

In January 2020, it was announced that Epiroc will consolidate the dimension stone industry manufacturing to its existing production facility in Nashik, India. The operation at Epiroc Stonetec in Bagnolo, Italy, will be closed by mid-2020, affecting about 40 employees. See also page 7.

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, January 31, 2020
 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 “Rental equipment”. 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
<i>Adjusted for</i>	
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 2019, the new accounting standard IFRS 16 impacted EBITDA positive with approximately MSEK 484 (MSEK 150 in Q4), net debt increased with approximately MSEK 1 956 (MSEK -56 in Q4) and capital employed with approximately MSEK 1 926 (MSEK -61 in Q4) compared to accounting under IAS 17. Operating cash flow during 2019 increased with approximately MSEK 447 (MSEK 142 in Q4) 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

	2019	2018	2019	2018
MSEK	Q4	Q4	Full year	Full year
Revenues	10 280	10 558	40 849	38 285
Cost of sales	-6 377	-6 721	-25 547	-24 317
Gross profit	3 903	3 837	15 302	13 968
Marketing expenses	-690	-668	-2 797	-2 574
Administrative expenses	-848	-621	-3 261	-2 589
Research and development expenses	-262	-281	-1 035	-977
Other operating income and expenses	-87	-105	-73	-443
Operating profit	2 016	2 162	8 136	7 385
Net financial items	-94	-46	-293	-184
Profit before tax	1 922	2 116	7 843	7 201
Income tax expense	-433	-493	-1 959	-1 764
Profit for the period	1 489	1 623	5 884	5 437
Profit attributable to				
- owners of the parent	1 485	1 622	5 874	5 430
- non-controlling interests	4	1	10	7
Basic earnings per share, SEK	1.23	1.35	4.89	4.50
Diluted earnings per share, SEK	1.22	1.35	4.89	4.49

Key ratios

	2019	2018	2019	2018
	Q4	Q4	Full year	Full year
Basic number of shares outstanding, millions	1 203	1 201	1 201	1 206
Diluted number of shares outstanding, millions	1 204	1 201	1 202	1 206
Operating margin, %	19.6%	20.5%	19.9%	19.3%
Equity per share, period end, SEK	19.00	15.63	19.00	15.63
Return on capital employed, %	27.6	32.0	27.6	32.0
Return on equity, %	28.3	33.2	28.3	33.2
Net debt/EBITDA, ratio	0.05	0.14	0.05	0.14
Net debt/equity, ratio, period end, %	2.1	6.4	2.1	6.4
Equity/assets, ratio, period end, %	55.6	52.1	55.6	52.1
Number of employees, period end	14 268	13 847	14 268	13 847

Condensed consolidated statement of comprehensive income

MSEK	2019 Q4	2018 Q4	2019 Full year	2018 Full year
Profit for the period	1 489	1 623	5 884	5 437
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	55	-93	-274	-122
Income tax relating to items that will not be reclassified	-20	20	52	25
Total items that will not be reclassified to profit or loss	35	-73	-222	-97
Items that may be reclassified subsequently to profit or loss				
Translation differences on foreign operations	-602	79	547	8
- realized and reclassified to profit and loss	-	-	-7	-
Cash flow hedges	23	22	-22	22
Income tax relating to items that may be reclassified	-5	-5	5	-5
Total items that may be reclassified subsequently to profit or loss	-584	96	523	25
Other comprehensive income for the period, net of tax	-549	23	301	-72
Total comprehensive income for the period	940	1 646	6 185	5 365
Total comprehensive income attributable to				
- owners of the parent	940	1 643	6 175	5 358
- non-controlling interests	0	3	10	7

Condensed consolidated balance sheet

	2019	2018
Assets, MSEK	Dec 31	Dec 31
Intangible assets	4 226	3 620
Rental equipment	1 213	1 233
Other property, plant and equipment	4 613	2 473
Investments in associated companies and joint ventures	201	208
Other financial assets and receivables	1 007	1 119
Deferred tax assets	630	543
Total non-current assets	11 890	9 196
Inventories	10 508	10 516
Trade receivables	7 287	8 005
Other receivables	1 597	1 289
Income tax receivables	353	333
Financial assets	862	944
Cash and cash equivalents	8 540	5 872
Total current assets	29 147	26 959
Total assets	41 037	36 155
<hr/>		
Equity and liabilities, MSEK		
Share capital	500	500
Retained earnings	22 261	18 297
Total equity attributable to owners of the parent	22 761	18 797
Non-controlling interest	52	50
Total equity	22 813	18 847
Interest bearing liabilities	7 724	5 095
Post-employment benefits	596	283
Other liabilities and provisions	423	412
Total non-current liabilities	8 743	5 790
Interest bearing liabilities	705	1 702
Trade payables	4 050	4 711
Income tax liabilities	507	605
Other liabilities and provisions	4 219	4 500
Total current liabilities	9 481	11 518
Total equity and liabilities	41 037	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	Dec 31	Dec 31		
Non-current assets and liabilities				
Assets	2	0		
Liabilities	-	-		
Current assets and liabilities				
Assets	99	108		
Liabilities	74	7		
Carrying value and fair value				
MSEK	2019	2019	2018	2018
	Dec 31	Dec 31	Dec 31	Dec 31
	Carrying value	Fair value	Carrying value	Fair value
Bonds	1 995	2 082	1 996	2 010
Other loans	6 434	6 504	4 801	4 852
	8 429	8 586	6 797	6 862

Condensed consolidated statement of changes in equity

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
Opening balance, January 1, 2019	18 797	50	18 847
Total comprehensive income for the period	6 175	10	6 185
Dividend	-2 523	-8	-2 531
Acquisition and divestment of own shares	340		340
Share-based payments, equity settled	-28		-28
Closing balance, December 31, 2019	22 761	52	22 813
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

Condensed consolidated statement of cash flows

MSEK	2019 Q4	2018 Q4	2019 Full year	2018 Full year
Cash flow from operating activities				
Operating profit	2 016	2 162	8 136	7 385
Depreciation, amortization and impairment	482	350	1 978	1 369
Capital gain/loss and other non-cash items	-28	-81	-252	101
Net financial items received/paid	-25	-24	-410	-483
Taxes paid	-257	-326	-2 157	-1 747
Pension funding and payment of pension to employees	-18	4	-61	-52
Change in working capital	1 062	415	337	-1 875
Increase in rental equipment	-189	-238	-915	-896
Sale of rental equipment	134	225	572	522
Net cash from operating activities	3 177	2 487	7 228	4 324
Cash flow from investing activities				
Investments in other property, plant and equipment	-100	-151	-486	-577
Sale of other property, plant and equipment	17	2	60	26
Investments in intangible assets	-179	-146	-537	-459
Sale of intangible assets	15	-	16	-
Acquisition of subsidiaries and associated companies	-3	-64	-1 137	-546
Sale of subsidiaries	13	-	153	-
Proceeds to/from other financial assets, net	244	118	276	219
Net cash from investing activities	7	-241	-1 655	-1 337
Cash flow from financing activities				
Dividend	-1 263	-	-2 523	-
Dividend to non-controlling interest	-	-	-8	-
Sale/ Repurchase of own shares	45	-207	340	-1 307
Change in interest-bearing liabilities	-181	-110	-820	2 367
Net cash from financing activities	-1 399	-317	-3 011	1 060
Net cash flow for the period	1 785	1 929	2 562	4 047
Cash and cash equivalents, beginning of the period	6 814	3 949	5 872	1 808
Exchange rate differences in cash and cash equivalents	-59	-6	106	17
Cash and cash equivalents, end of the period	8 540	5 872	8 540	5 872
Operating cash flow				
Net cash flow from operating activities	3 177	2 487	7 228	4 324
Net cash from investing activities	7	-241	-1 655	-1 337
Acquisition and divestments of subsidiaries	-10	64	984	546
Other adjustments	-347	-68	131	351
Operating cash flow	2 827	2 242	6 688	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 Full year	2019				2019 Full year
Orders received, MSEK	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Equipment & Service	7 442	7 947	7 190	7 116	29 695	7 248	7 677	6 874	6 710	28 509
Equipment	4 054	4 234	3 601	3 355	15 244	3 442	3 580	2 727	2 606	12 355
Service	3 388	3 713	3 589	3 761	14 451	3 806	4 097	4 147	4 105	16 154
Tools & Attachments	2 550	2 470	2 285	2 306	9 611	2 760	2 826	2 665	2 517	10 768
Common group functions	44	66	-62	46	94	55	50	61	49	215
Epiroc Group	10 036	10 483	9 413	9 468	39 400	10 063	10 553	9 600	9 276	39 492
Revenues, MSEK										
Equipment & Service	5 943	7 325	7 178	8 094	28 540	7 115	7 702	7 334	7 740	29 891
Equipment	2 678	3 640	3 570	4 350	14 238	3 313	3 638	3 198	3 712	13 861
Service	3 265	3 685	3 608	3 744	14 302	3 802	4 064	4 136	4 028	16 030
Tools & Attachments	2 245	2 452	2 382	2 440	9 519	2 605	2 926	2 765	2 503	10 799
Common group functions	45	66	91	24	226	65	-2	59	37	159
Epiroc Group	8 233	9 843	9 651	10 558	38 285	9 785	10 626	10 158	10 280	40 849
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	1 853	7 474
Tools & Attachments	287	304	324	324	1 239	371	429	157	295	1 252
Common group functions	-136	-241	-190	-38	-605	-160	-136	-162	-132	-590
Epiroc Group	1 515	1 810	1 898	2 162	7 385	1 930	2 263	1 927	2 016	8 136
Net financial items	-57	-44	-37	-46	-184	-100	-38	-61	-94	-293
Profit before tax	1 458	1 766	1 861	2 116	7 201	1 830	2 225	1 866	1 922	7 843
Operating margin, %										
Equipment & Service	22.9%	23.9%	24.6%	23.2%	23.7%	24.2%	25.6%	26.3%	23.9%	25.0%
Tools & Attachments	12.8%	12.4%	13.6%	13.3%	13.0%	14.2%	14.6%	5.7%	11.8%	11.6%
Epiroc Group	18.4%	18.4%	19.7%	20.5%	19.3%	19.7%	21.3%	19.0%	19.9%	19.9%
Items affecting comparability, MSEK										
Change in provision for LTI-program	0	77	56	-67	66	59	39	54	42	194
Agreement with CEO	-	-	-	-	-	-	-	-	28	28
Costs for split from Atlas Copco	95	104	70	59	328	-	-	-	-	-
Costs in Equipment & Service	-	-	-	-	-	-	-	-	28	28
Costs in Tools & Attachments	-	-	-	-	-	-	-	179	17	196
Epiroc Group	95	181	126	-8	394	59	39	233	115	446
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%	20.7%	21.0%
Adjusted operating margin, E&S, %	22.9%	23.9%	24.6%	23.2%	23.7%	24.2%	25.6%	26.3%	24.3%	25.1%
Adjusted operating margin, T&A, %	12.8%	12.4%	13.6%	13.3%	13.0%	14.2%	14.6%	12.2%	12.5%	13.4%
Split and incentive program costs, MSEK*										
Change in provision for LTI-program	-	77	56	-67	66	59	39	54	42	194
Costs for split from Atlas Copco	95	104	70	59	328	17	23	11	11	62
Epiroc Group	95	181	126	-8	394	76	62	65	53	256

* 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				2018 Full year	2019				Δ,% Y-o-Y	2019 Full year	Δ,% Y-o-Y
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4			
Epiroc group	10 036	10 483	9 413	9 468	39 400	10 063	10 553	9 600	9 276	-5	39 492	-3
North America	2 176	2 076	2 180	2 379	8 812	2 160	2 262	2 360	1 962	-22	8 744	-7
South America	1 488	1 844	1 236	1 657	6 225	1 344	1 481	1 451	1 120	-31	5 396	-15
Europe	2 488	2 503	2 388	1 969	9 349	2 430	2 399	2 063	2 165	6	9 057	-6
Africa/Middle East	1 478	1 518	1 191	1 260	5 446	1 311	1 409	1 274	1 474	16	5 468	0
Asia/Australia	2 406	2 542	2 418	2 203	9 568	2 818	3 002	2 452	2 555	14	10 827	10
Equipment & Service	7 442	7 947	7 190	7 116	29 695	7 248	7 677	6 874	6 710	-8	28 509	-7
North America	1 426	1 385	1 572	1 709	6 093	1 265	1 444	1 529	1 278	-30	5 516	-16
South America	1 255	1 633	1 023	1 449	5 360	1 041	1 207	1 189	884	-37	4 321	-21
Europe	1 662	1 765	1 790	1 275	6 491	1 690	1 655	1 436	1 474	11	6 255	-6
Africa/Middle East	1 127	1 056	811	906	3 899	893	863	716	959	5	3 431	-13
Asia/Australia	1 972	2 108	1 994	1 777	7 852	2 359	2 508	2 004	2 115	17	8 986	11
Tools & Attachments	2 550	2 470	2 285	2 306	9 611	2 760	2 826	2 665	2 517	6	10 768	8
North America	737	662	689	634	2 721	867	783	797	665	0	3 112	7
South America	232	211	213	209	865	303	274	262	236	13	1 075	21
Europe	804	715	598	691	2 807	724	738	613	675	-6	2 750	-4
Africa/Middle East	350	462	380	354	1 547	418	547	557	515	43	2 037	31
Asia/Australia	427	420	405	418	1 671	448	484	436	426	-1	1 794	4

Geographical distribution of revenues

MSEK % currency adjusted	2018				2018 Full year	2019				Δ,% Y-o-Y	2019 Full year	Δ,% Y-o-Y
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4			
Epiroc group	8 233	9 843	9 651	10 558	38 285	9 785	10 626	10 158	10 280	-5	40 849	3
North America	1 888	2 118	2 141	2 300	8 447	2 227	2 403	2 191	2 119	-13	8 940	-1
South America	1 024	1 199	1 230	1 573	5 026	1 571	1 616	1 646	1 547	-1	6 380	24
Europe	1 864	2 471	2 224	2 545	9 104	2 432	2 473	2 154	2 372	-10	9 431	1
Africa/Middle East	1 103	1 350	1 444	1 456	5 353	1 182	1 396	1 351	1 504	2	5 433	1
Asia/Australia	2 354	2 705	2 612	2 684	10 355	2 373	2 738	2 816	2 738	0	10 665	0
Equipment & Service	5 943	7 325	7 178	8 094	28 540	7 115	7 702	7 334	7 740	-7	29 891	1
North America	1 173	1 410	1 412	1 644	5 639	1 425	1 580	1 362	1 477	-15	5 844	-3
South America	813	981	1 020	1 361	4 175	1 327	1 341	1 356	1 271	-6	5 295	24
Europe	1 235	1 696	1 488	1 807	6 225	1 674	1 682	1 469	1 697	-9	6 522	2
Africa/Middle East	766	972	1 054	1 031	3 823	787	847	792	1 003	-4	3 429	-11
Asia/Australia	1 956	2 266	2 204	2 251	8 678	1 902	2 252	2 355	2 292	0	8 801	-1
Tools & Attachments	2 245	2 452	2 382	2 440	9 519	2 605	2 926	2 765	2 503	0	10 799	10
North America	700	681	703	641	2 725	773	848	802	637	-6	3 060	5
South America	211	218	210	212	851	244	276	290	274	28	1 084	24
Europe	607	750	688	738	2 783	733	777	669	658	-13	2 837	0
Africa/Middle East	337	378	390	425	1 530	395	549	559	501	16	2 004	31
Asia/Australia	390	425	391	424	1 630	460	476	445	433	-1	1 814	7

Condensed parent company income statement

MSEK	2019 Q4	2018 Q4	2019 Full year	2018 Full year
Administrative expenses	-85	-26	-258	-143
Marketing expenses	-5	-4	-18	-13
Other operating income and expenses	73	-9	109	-43
Operating profit/loss	-17	-39	-167	-199
Financial income and expenses	-4	-8	-13	-17
Appropriations	3 887	4 424	3 887	4 424
Profit/loss before tax	3 866	4 377	3 707	4 208
Income tax	-820	-963	-772	-927
Profit/loss for the period	3 046	3 414	2 935	3 281

Condensed parent company balance sheet

MSEK	2019 Dec 31	2018 Dec 31
Total non-current assets	52 016	50 823
Total current assets	5 106	5 553
Total assets	57 122	56 376
Total restricted equity	503	503
Total non-restricted equity	50 277	49 553
Total equity	50 780	50 056
Total provisions	216	167
Total non-current liabilities	6 029	5 023
Total current liabilities	97	1 130
Total equity and liabilities	57 122	56 376

Acquisitions and divestments

Date	Acquisitions	Divestments	Segment	Revenues*	Employees
2019 Oct 23		Consumables manufacturing facility	T&A		-40
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 December 31, the acquisitions made during the year 2019 have a total cash flow effect of MSEK 1 117. According to the preliminary purchase price allocation, total consideration amount to MSEK 1 196. The acquired businesses have contributed to revenues with MSEK 1 140 and to operating profit with MSEK 87 since their respective dates of acquisition. In addition, a one-time cost of MSEK -18 related to acquisitions were recorded in the quarter.

MSEK	2019
Net assets identified	713
Intangible assets	234
Goodwill	249
Total consideration	1 196
Net cash outflow	1 117

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. Except for the agreement with the President and CEO, described on page 4, 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 400 194 A shares for SEK 45 098 952 in accordance with mandates granted. As of December 31, 2019, Epiroc AB held 10 786 679 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 CET 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. Please see www.epirocgroup.com under Investor Relations for the webcast link and presentation material.

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: 80868744#

Upcoming investor events

- March 12, 2020: Annual and Sustainability Report 2019 published on www.epirocgroup.com
- 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

Analysts and investors:

Mattias Olsson, Senior Vice President Corporate Communications

E-mail: ir@epiroc.com

Tel: +46 72 729 8295

Media:

Ola Kinnander, Media Relations Manager

E-mail: media@epiroc.com

Tel: +46 70 347 2455

Epiroc AB (publ)

Reg. No. 556041-2149

Box 4015

SE-131 04 Nacka, Sweden

Tel: +46 10 755 0000

www.epirocgroup.com

Epiroc in brief

Epiroc is a leading productivity partner for the mining and infrastructure industries. With ground-breaking 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 41 in 2019 and has more than 14 000 passionate employees supporting and collaborating with customers in more than 150 countries.

This information is information that Epiroc AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07:30 CET on January 31, 2020.