

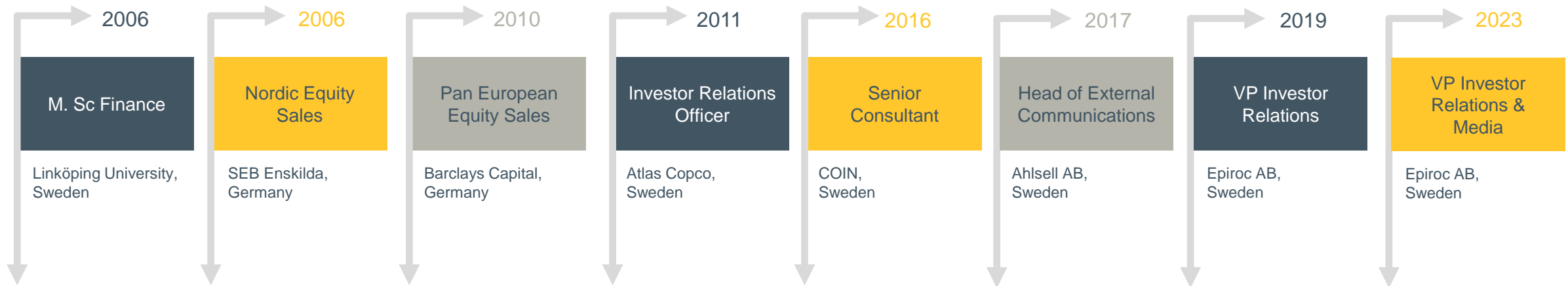
Welcome to the Epiroc Capital Markets Day 2023

Wifi
EpirocWorldExpo2023
Epiroc!2023

Karin Larsson



VP Investor
Relations
& Media





Safety first!

Agenda today: Strategy for profitable growth



Focus on attractive niches

Innovation

Aftermarket

**Operational
excellence**

Outperformance

**Strong corporate culture
Sustainability mindset**

Agenda tonight: Throwback Thursday

After all, we are a 150-year-old startup...

- Famous quotes, ground-breaking innovations, curiosities and more!

On stage

- Ola Kinnander, Media Relations Manager
- Alexander Apell, IR Controller
- Jimmy Kristoffersson, Corporate Finance Manager
- Karin Larsson, Head of IR and Media
- And... Gustav Vasa and Duke Karl



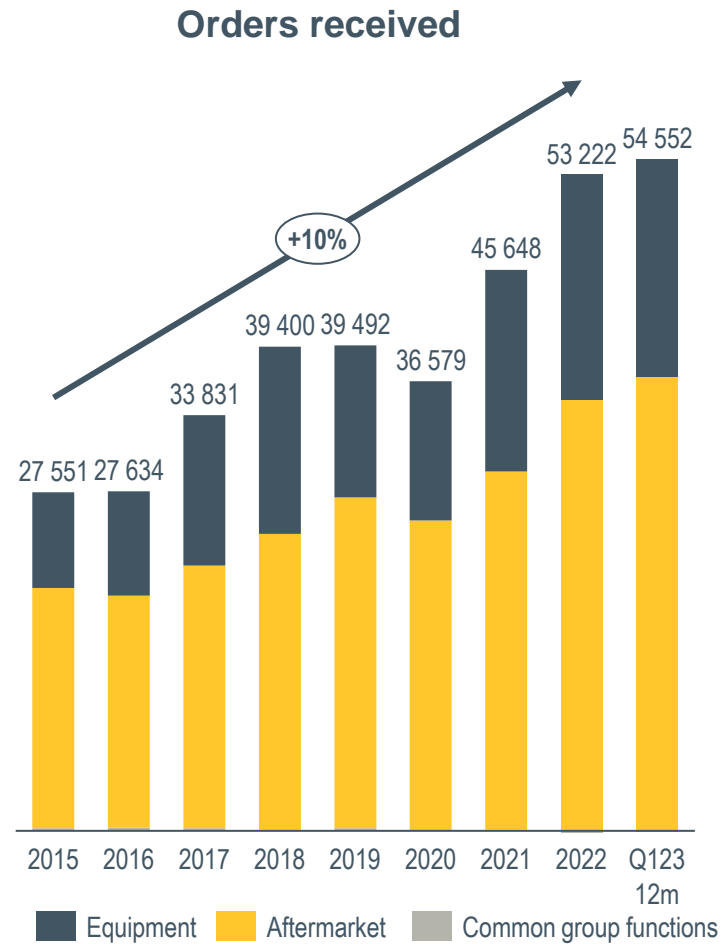
**Buses leave
at 18:15!**

Agenda tomorrow: Epiroc World Expo

- Before 7:30 AM: Eat proper breakfast and check out from hotel
- 7:30 Bus pick up at hotel
- **8:00 World Expo Tour**
 - Four groups
- 11:15 Buses towards Arlanda and Stockholm
- 14:00 Arrival Arlanda and/or Stockholm



A leading productivity and sustainability partner



Revenues in
~150 countries

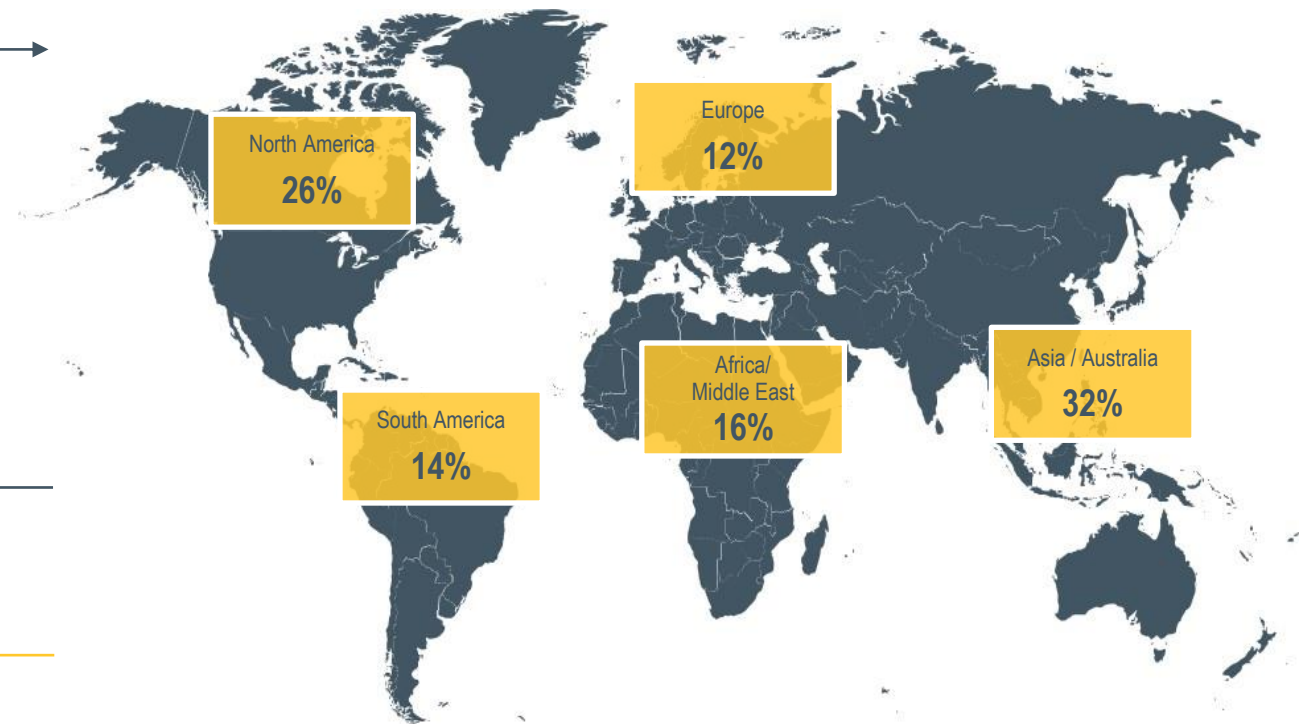
~18 000
employees

EBIT margin
22.3%

Equipment
32%

Aftermarket
68%

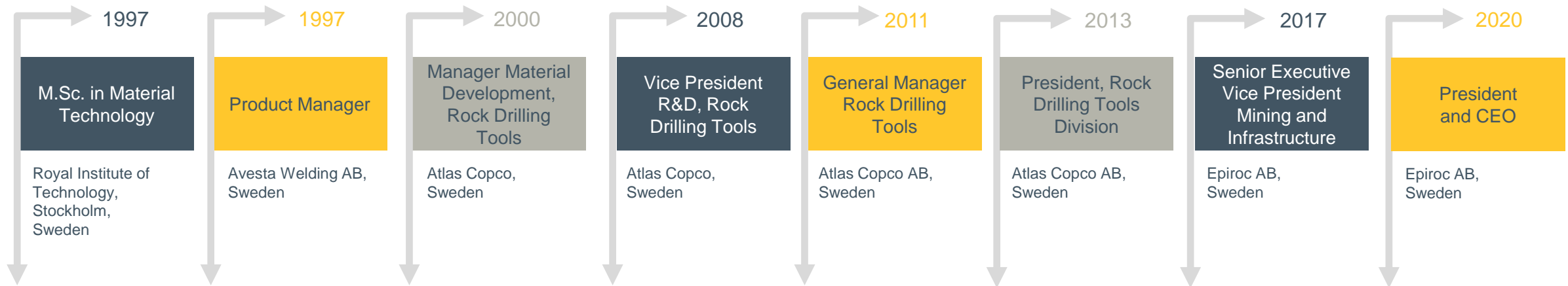
Orders received



Helena Hedblom



President
and CEO



Strategy for profitable growth



Focus on attractive niches

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**Strong corporate culture
Sustainability mindset**

Attractive niches with structural underlying growth

Structural underlying growth...

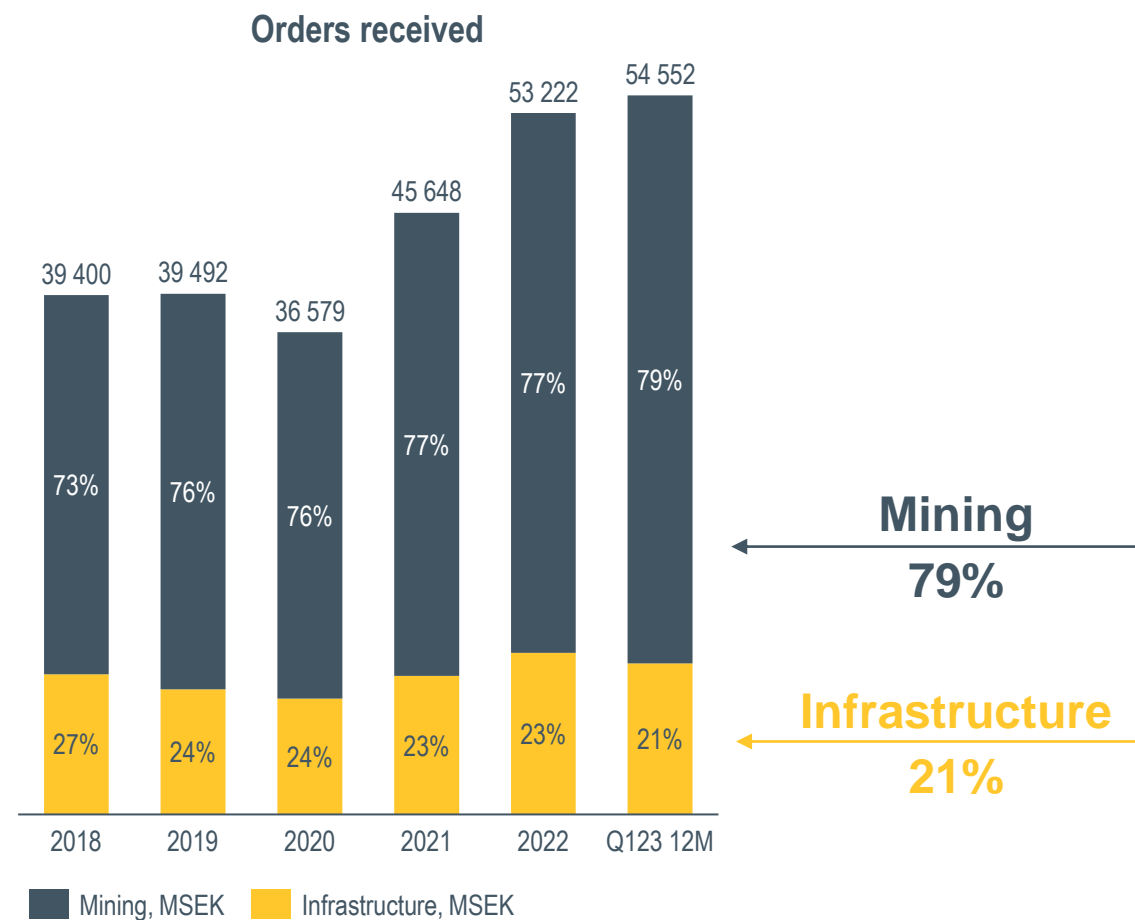
Increased need for mining and construction

... with increasing challenges for customers to meet demand...

Increased demand for productivity solutions

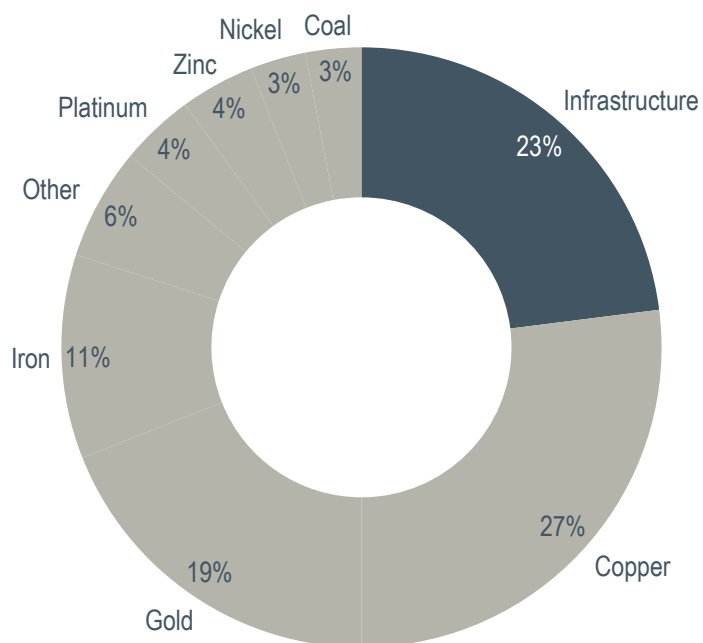
...and strong focus on safety and sustainability

Increased demand for new types of solutions

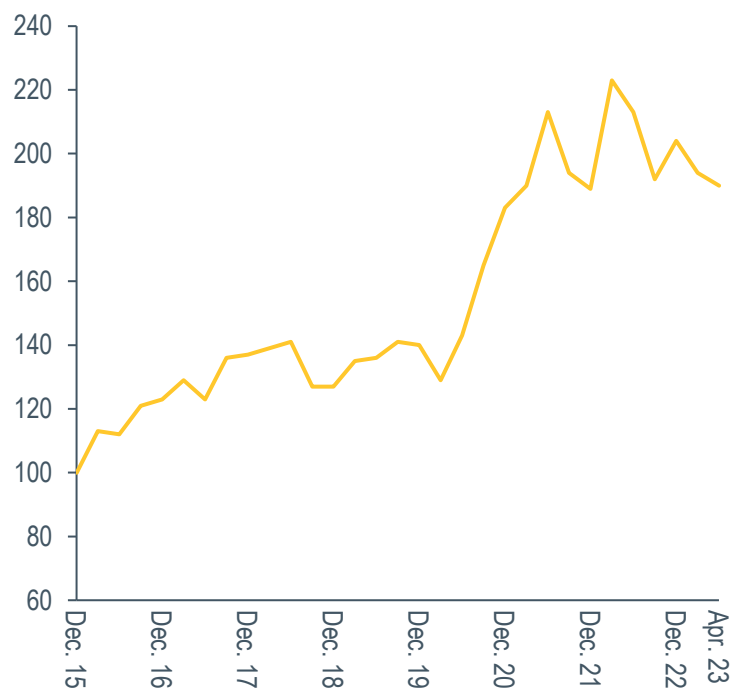


Epiroc has a favorable hard-rock exposure

Hard rock exposure (of orders)



Mineral prices at good levels Epiroc exposure



Q1 2023

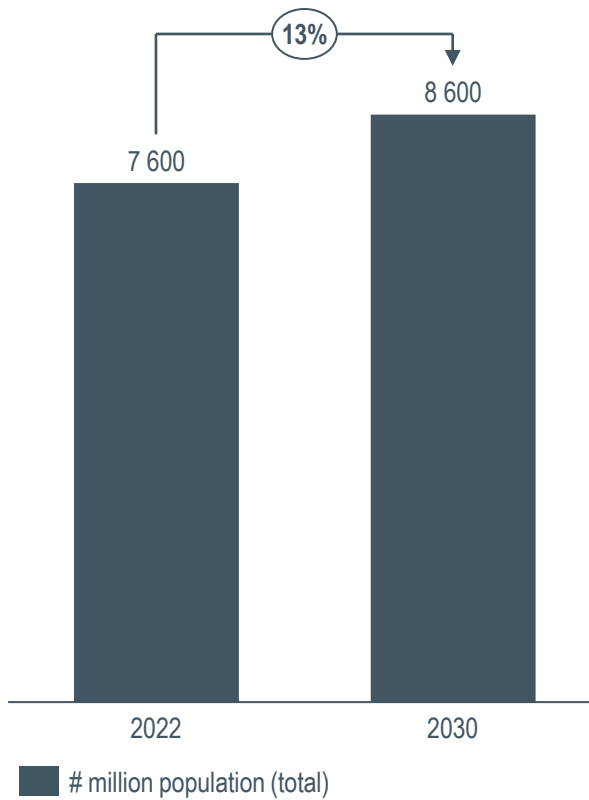
- Record orders received
- High customer activity
- Customer investment willingness
- Acquisitions
- Profitable growth

Near-term outlook

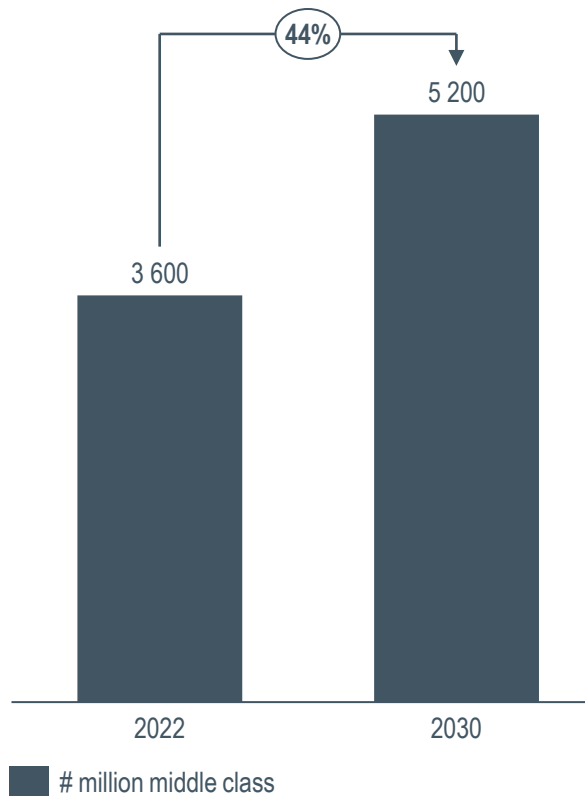
“We expect that demand, both for equipment and aftermarket, will remain at a high level in the near term.”

Global population trends favorable

Growing population...

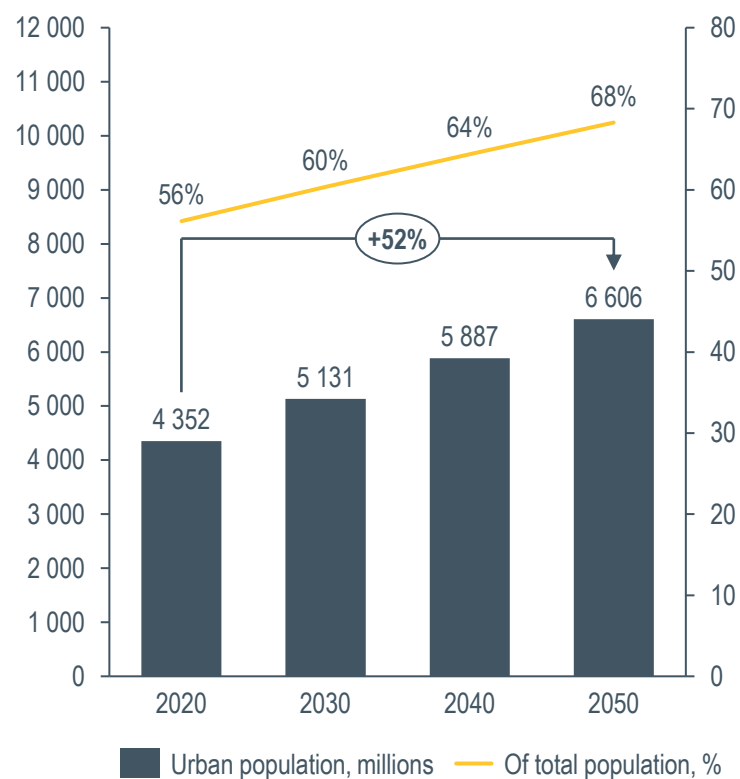


... with an even faster growing middle class



Urbanization drives construction demand

Strong urbanization trend



Epiroc's exposure
towards the
construction
market is
expected to grow

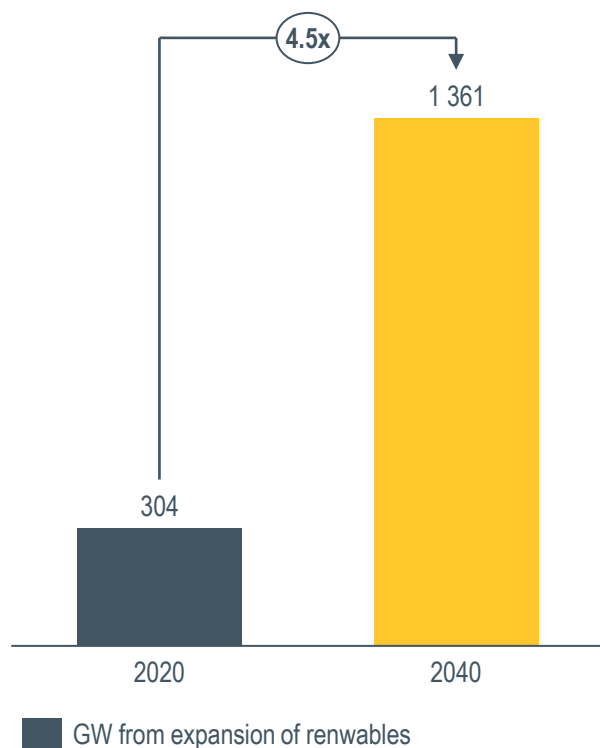
4-5%

p.a. until 2030

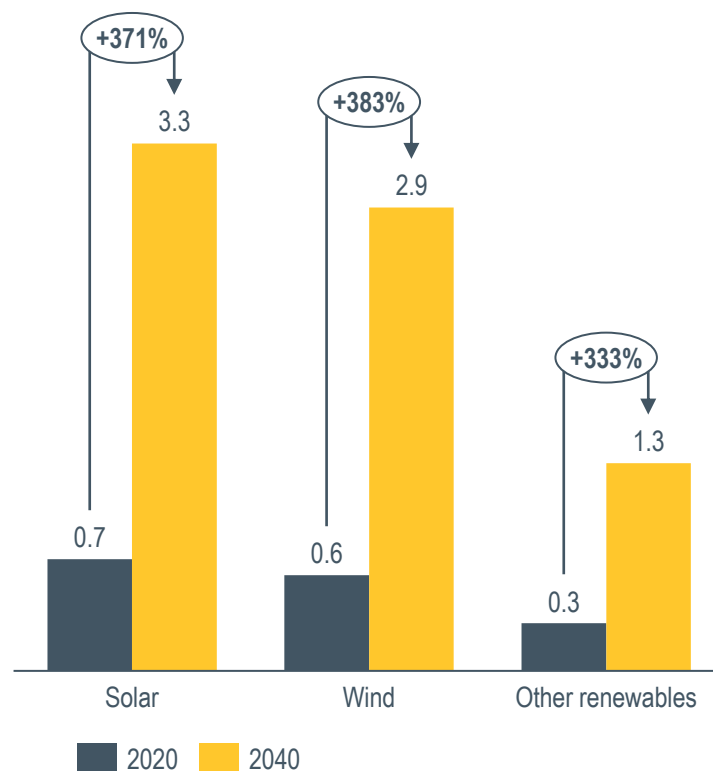


Green energy creation drives mineral demand

New renewable power generation

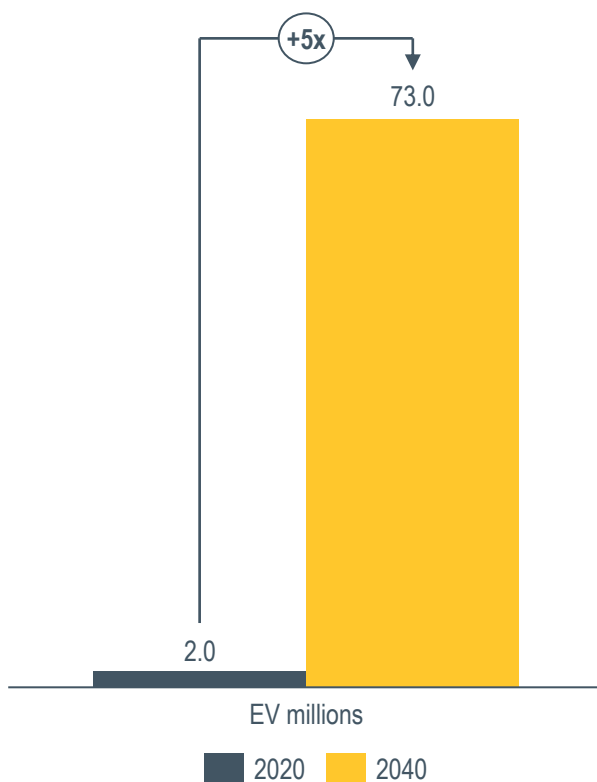


Total mineral demand for clean energy technologies

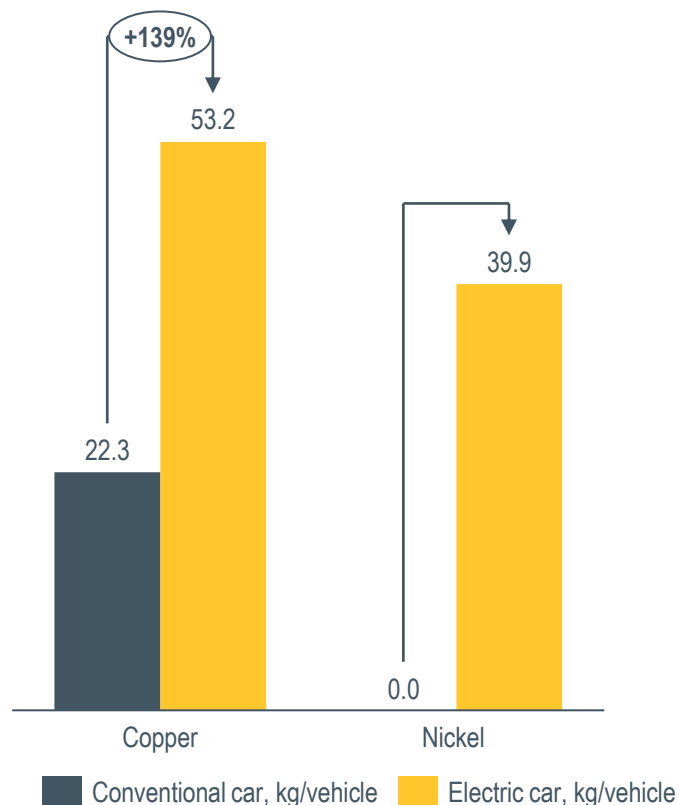


... as does the electric vehicles and battery storage trend

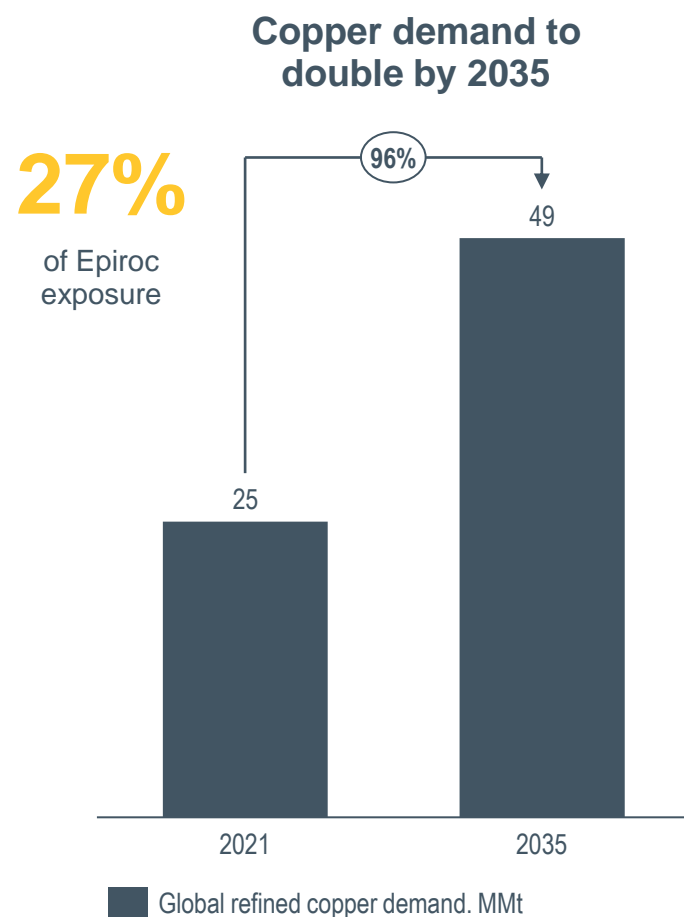
Adoption of electric vehicles (EVs)



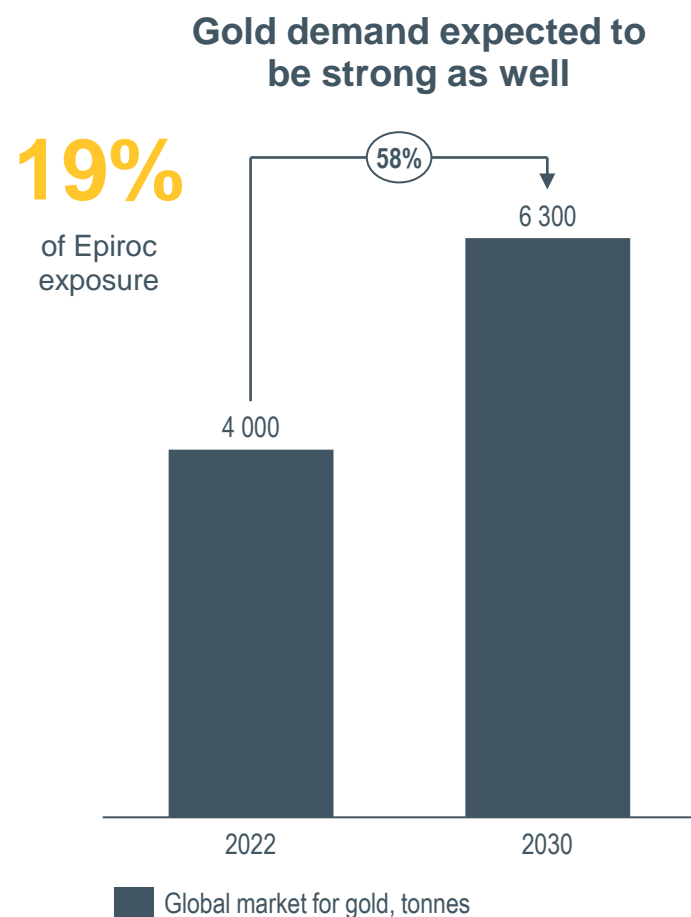
Use of copper and nickel in cars



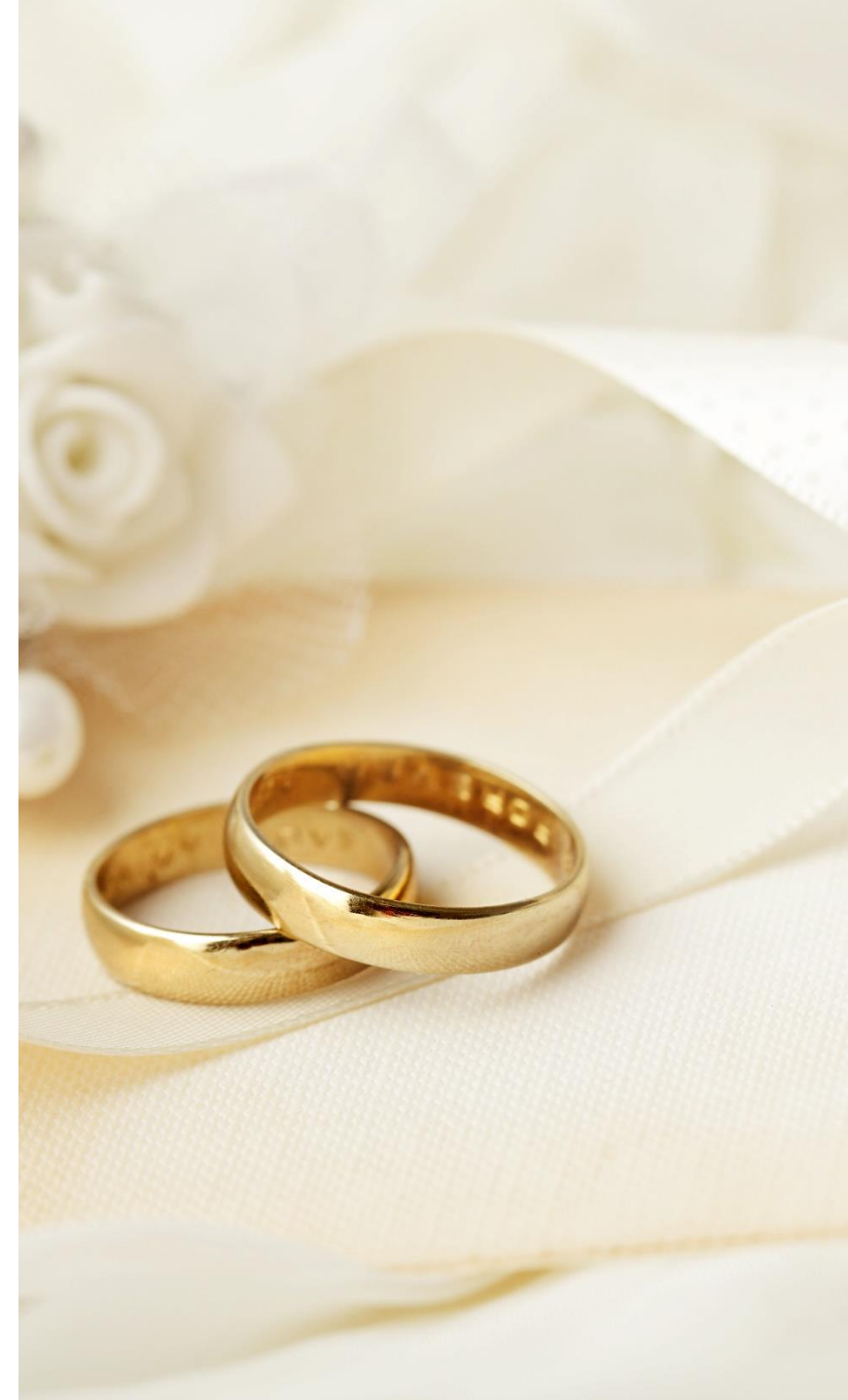
Expected demand for important minerals



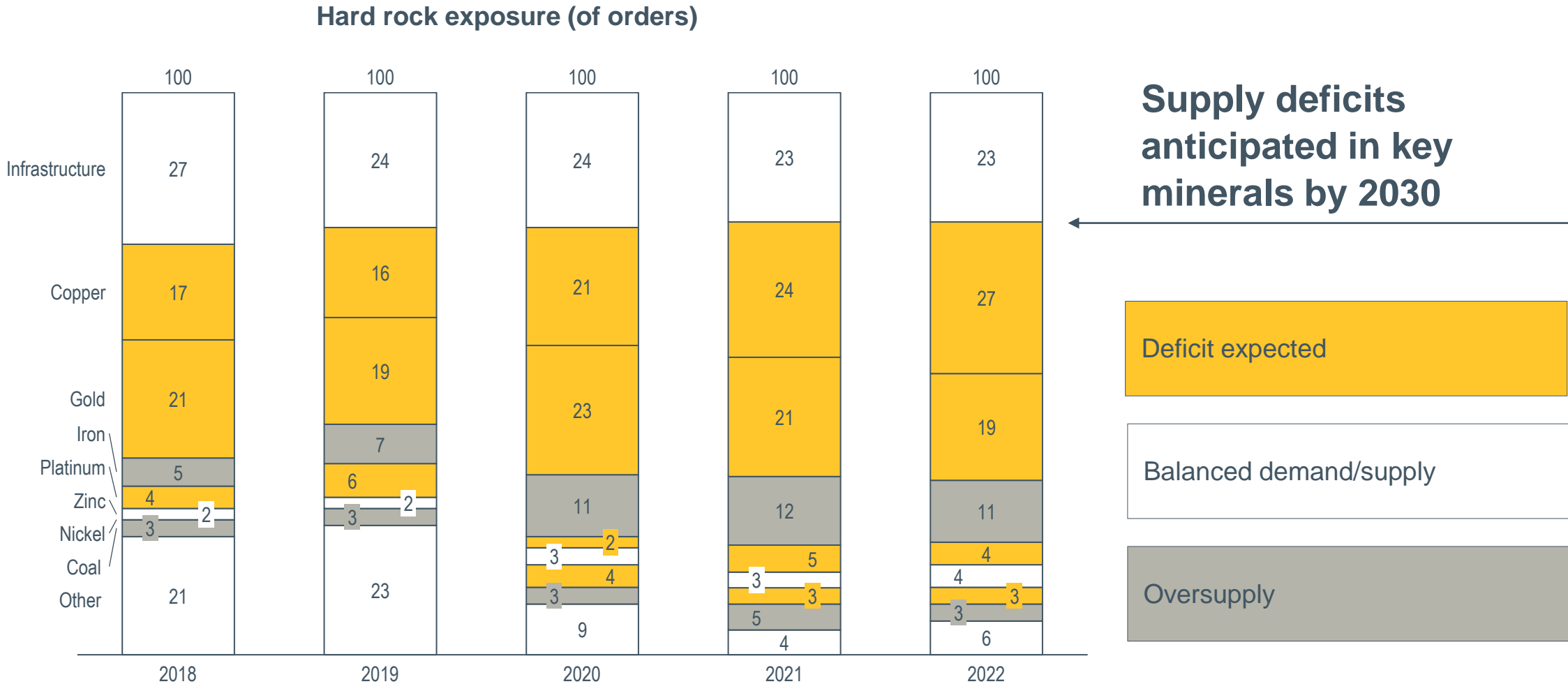
S&P Global - The Future of Copper
https://orocoresourcecorp.com/_resources/blog/Future-of-Copper.pdf



Global industry analysts - Global Gold Industry
https://www.reportlinker.com/p05798685/Global-Gold-Nanoparticles-Industry.html?utm_source=GNW



Epiroc has a favorable hard-rock exposure

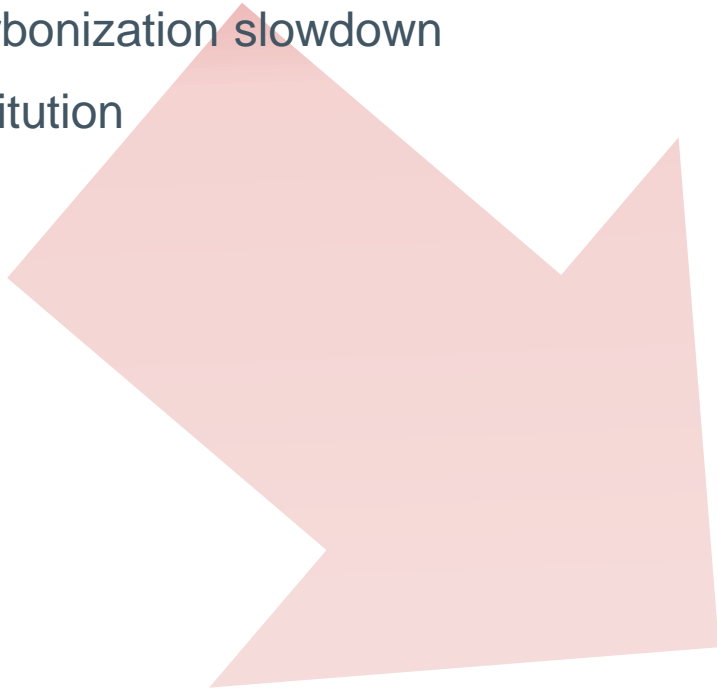


In "other" Epiroc includes silver, tin and diamond etc.

Potential levers to resolve the mineral supply gap

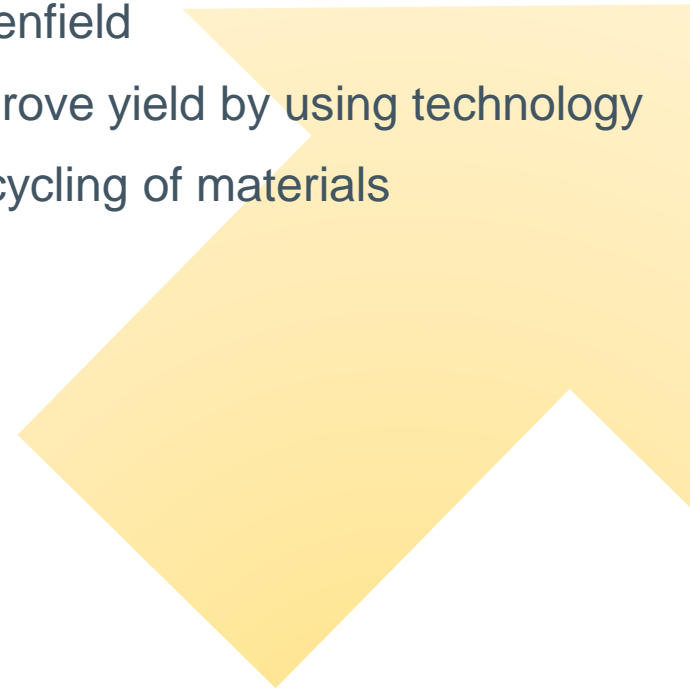
Decrease demand

- Decarbonization slowdown
- Substitution



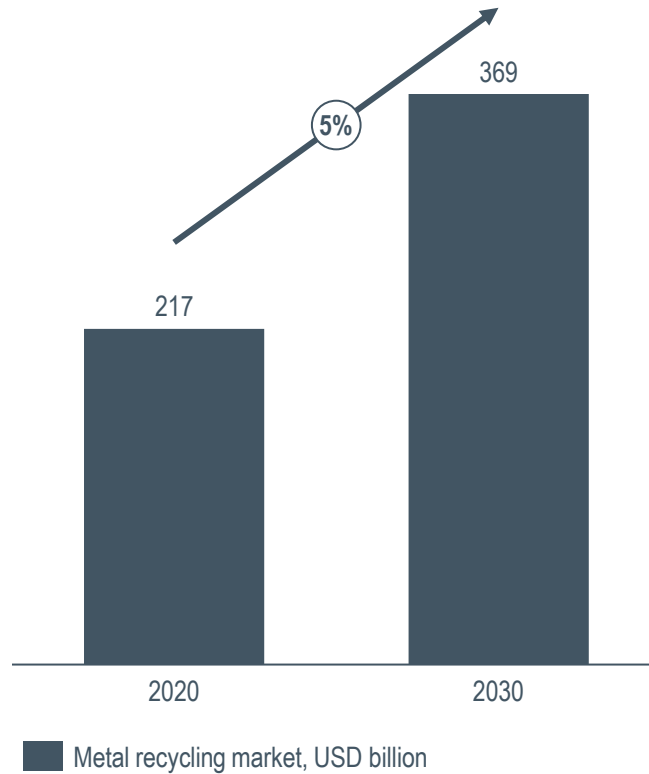
Increase supply

- Expand existing mines in a higher pace
- Increase exploration activities and do more greenfield
- Improve yield by using technology
- Recycling of materials



Global deconstruction is set for growth

Global metal recycling market



Line/circle with figure = CAGR

Allied Market Research <https://www.alliedmarketresearch.com/metal-recycling-market>

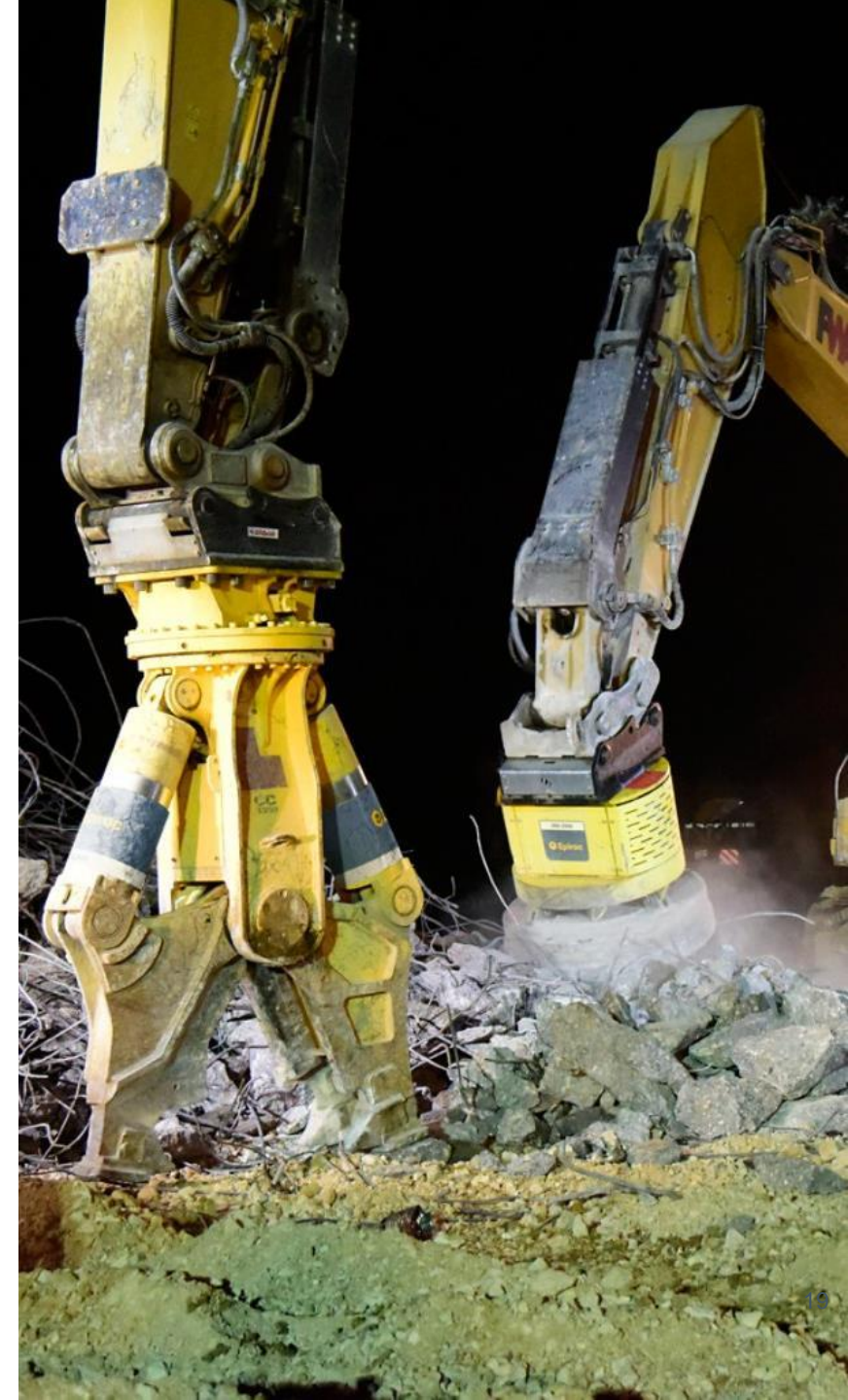
Strong trends that drive demand for deconstruction and recycling

- Environmental concerns
- Resource scarcity
- Regulatory requirements

Most recycled minerals in the world

- Aluminum, Copper, Lead, Zinc, and Nickel

However not enough to compensate demand...



Attractive niches with structural underlying growth

Structural underlying growth...

Increased need for mining and construction

... with increasing challenges for customers to meet demand...

Increased demand for productivity solutions

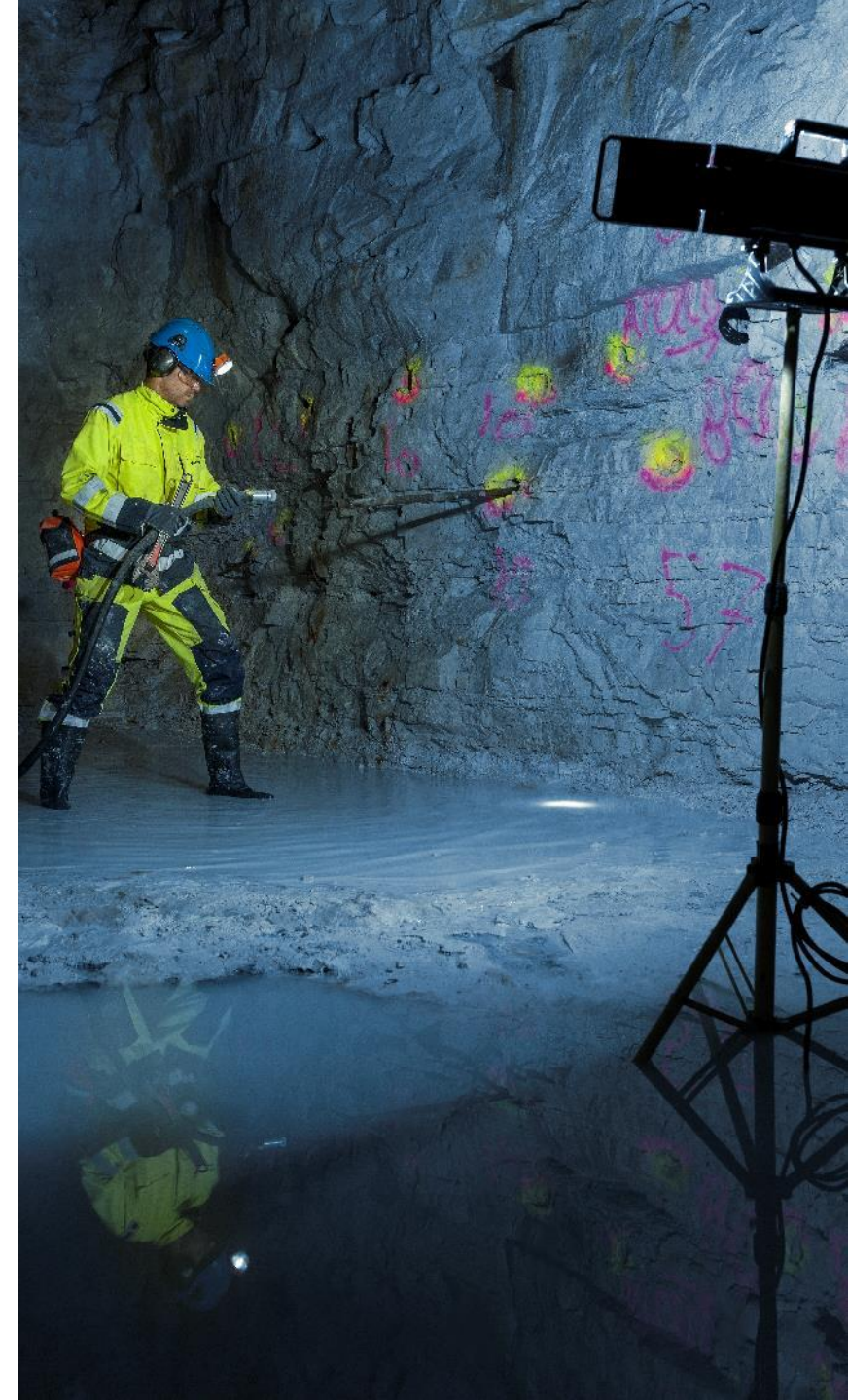
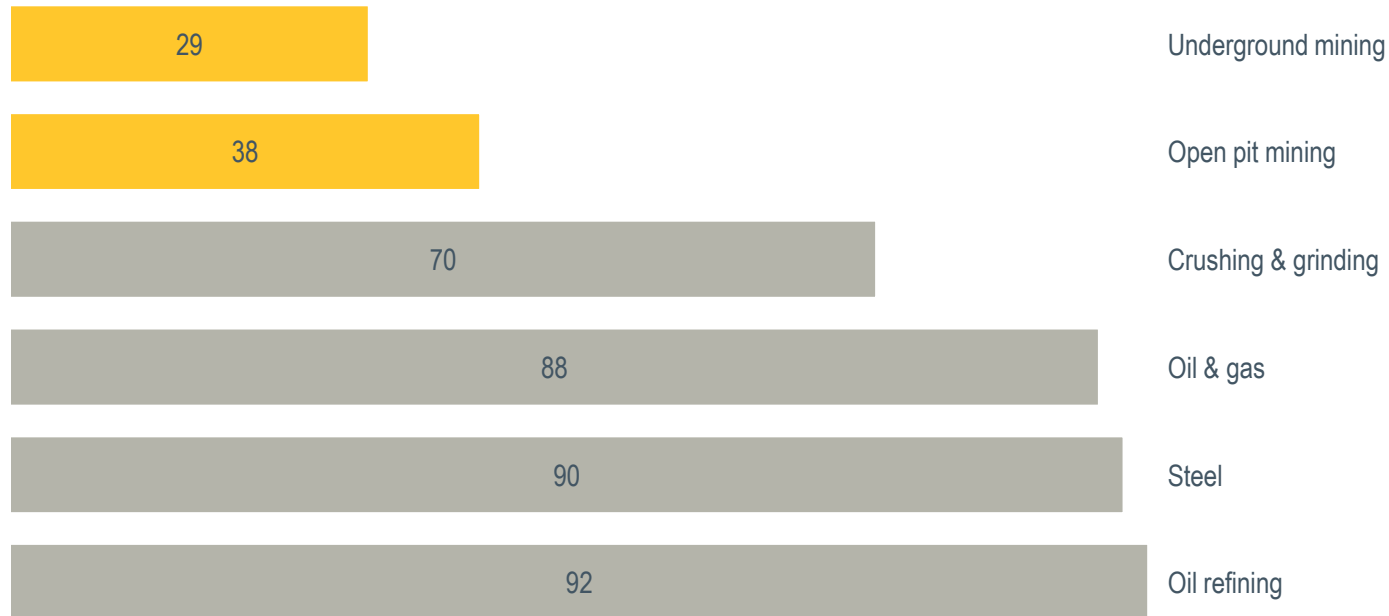
...and strong focus on safety and sustainability

Increased demand for new types of solutions



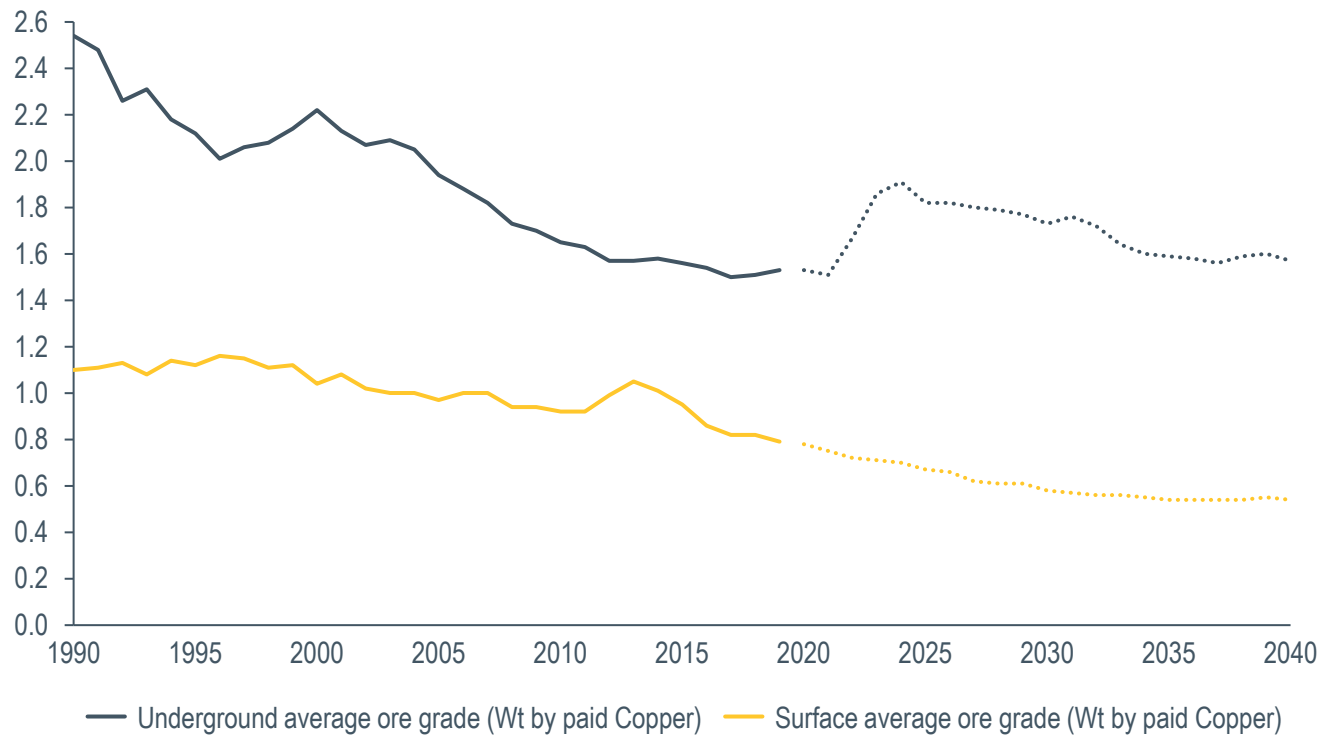
Customers seek to increase productivity

Average equipment utilization is low within mining, %

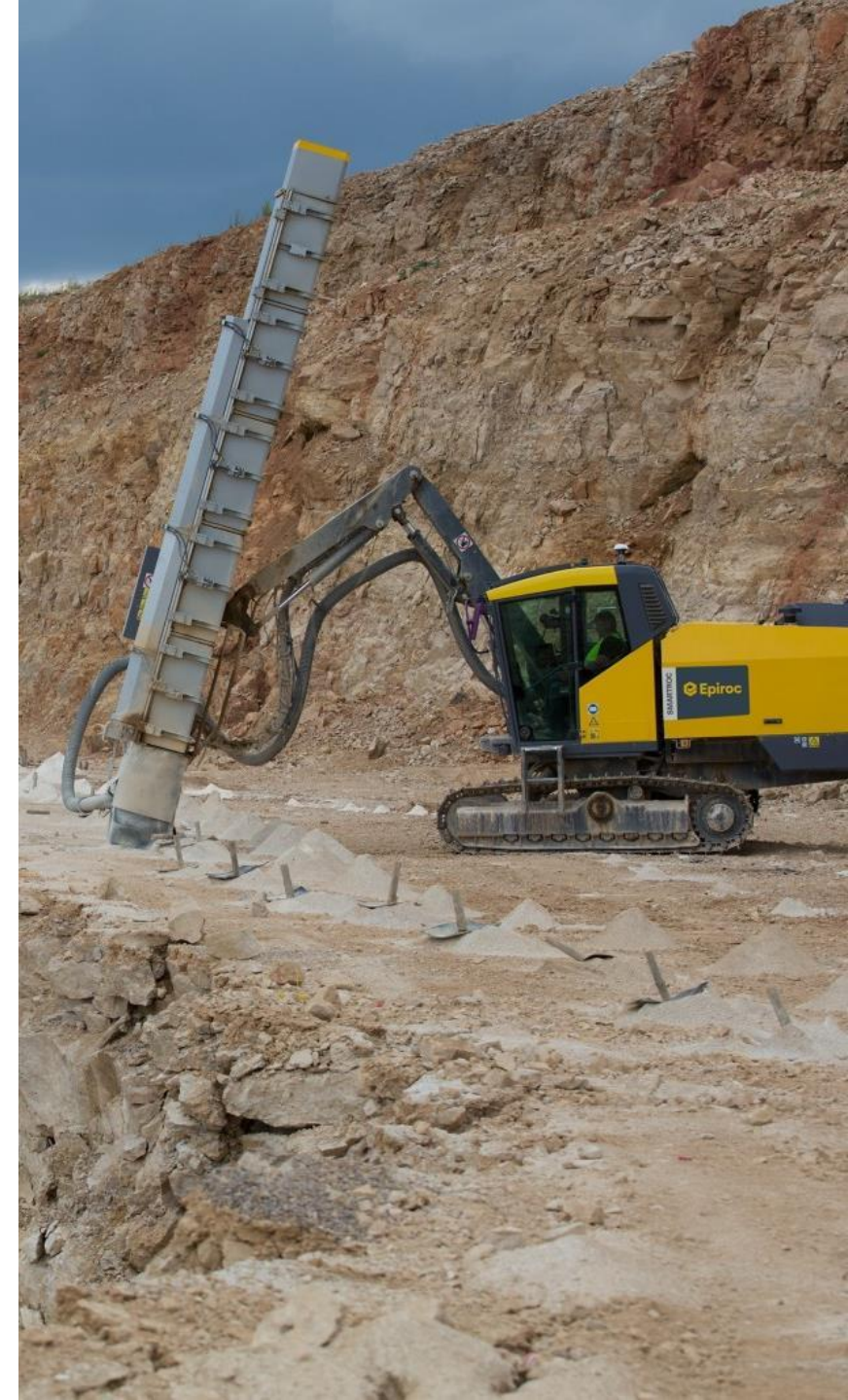


Customers need to excavate more rock

Depletion of ore grades expected to remain between 0.5%-2% in the foreseeable future

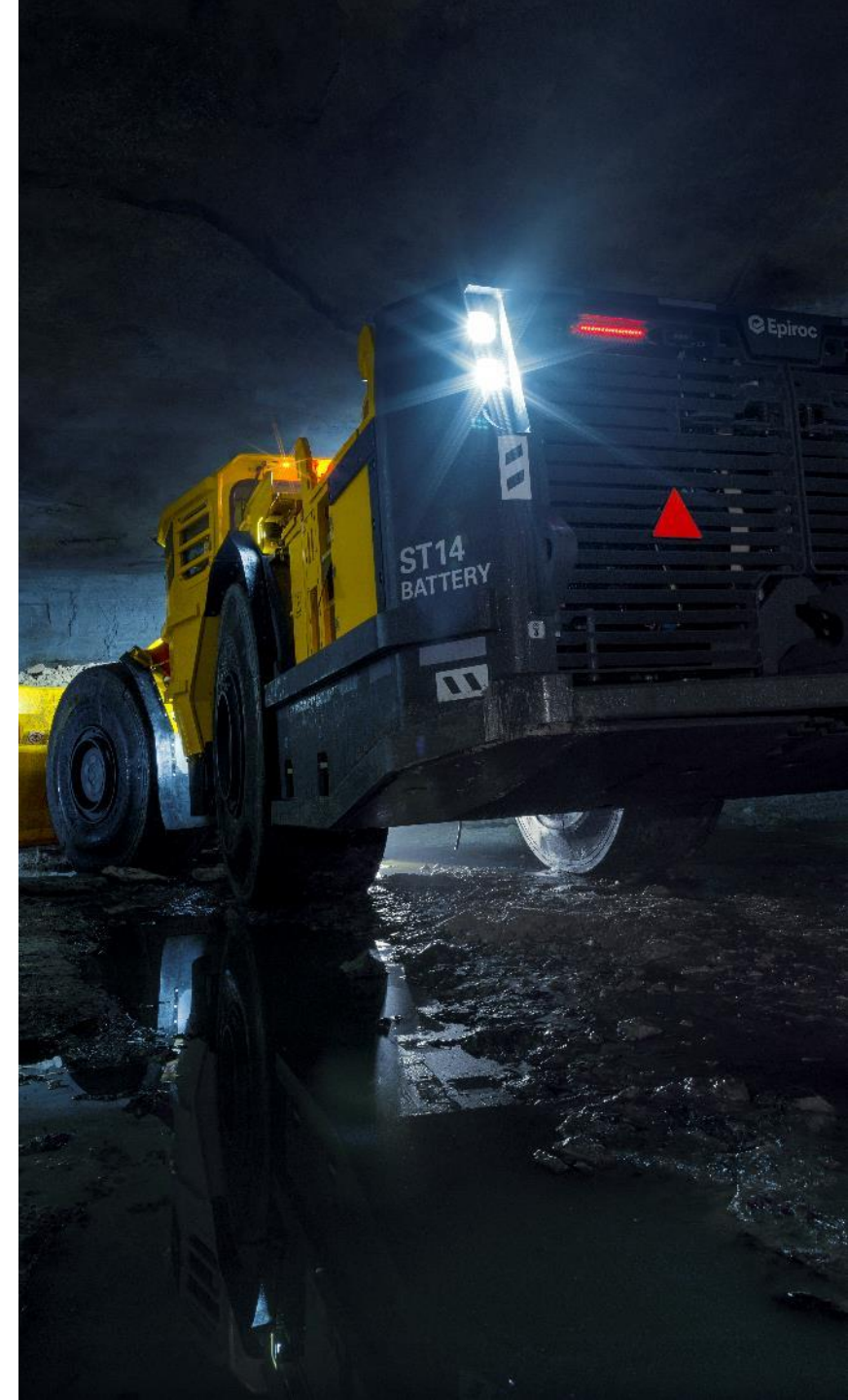
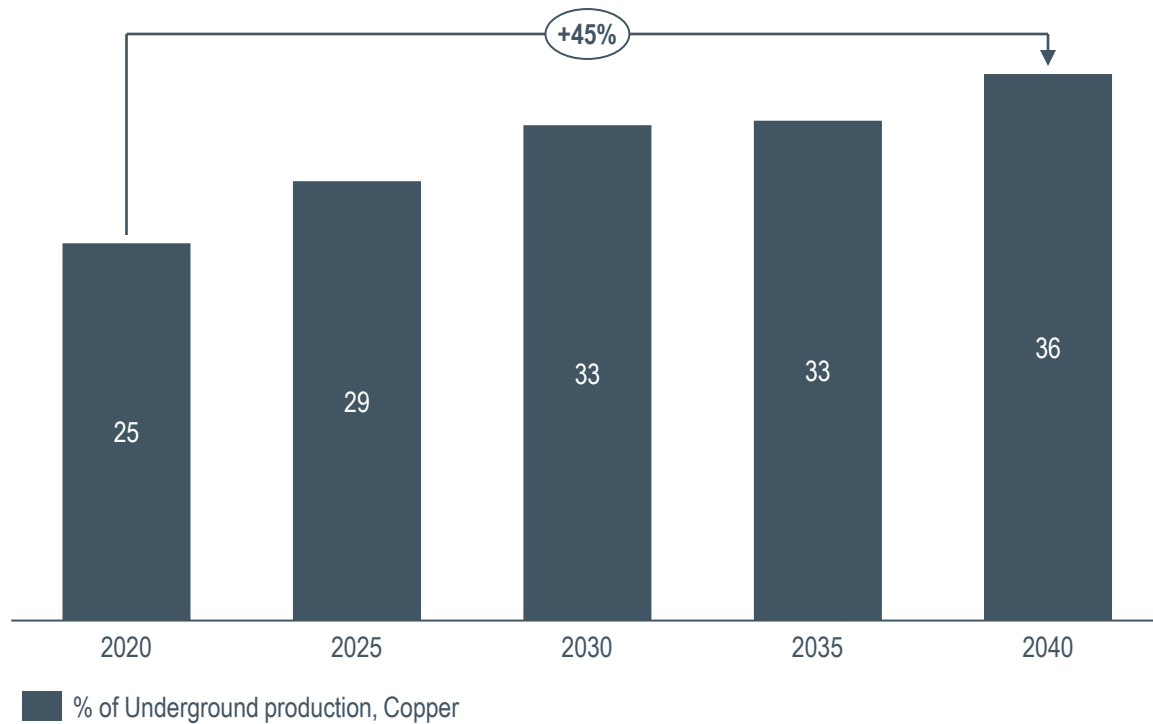


The graph was obtained from Wood Mackenzie's Copper mine cost service, a product of Wood Mackenzie



Customers need to go underground

Underground mining expected to be strong in the coming years



Attractive niches with structural underlying growth

Structural underlying growth...

Increased need for mining and construction

... with increasing challenges for customers to meet demand...

Increased demand for productivity solutions

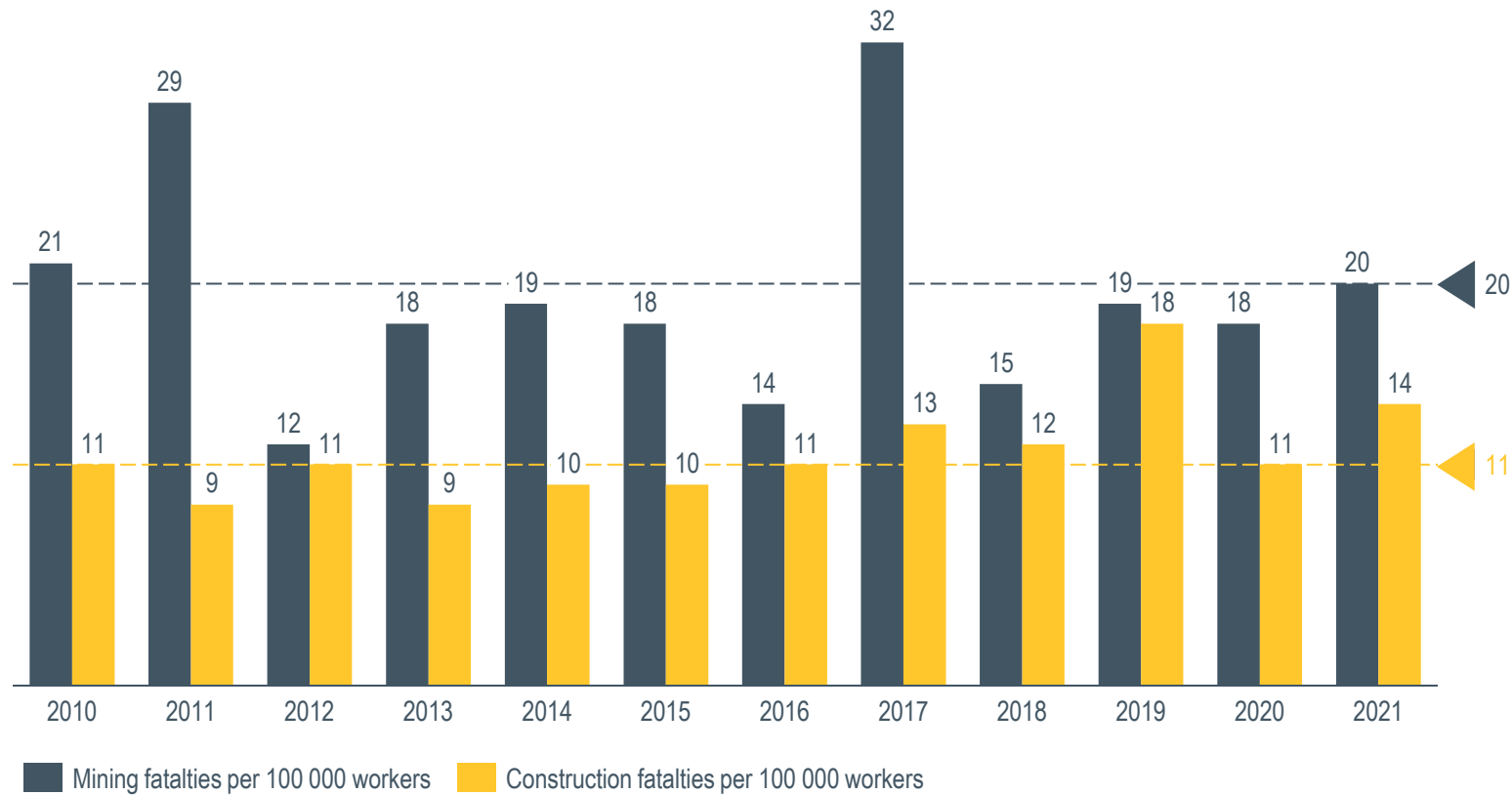
...and strong focus on safety and sustainability

Increased demand for new types of solutions



Safety first. Always.

Mining and construction need to address safety



- Safety is on the top on everyone's agenda
- Yet, fatality rates have remained flat
- More needs to be done!



Decarbonization commitments increasing

Our customers are committed to make a change.
Examples of CO₂e goals:

BHP	Boliden	Glencore	Rio Tinto	Vale
30% reduction in scope 1 & 2 by 2030	40% reduction in scope 1 & 2 by 2030	15% reduction by 2026	15% reduction in scope 1 & 2 by 2025	33% reduction in scope 1 & 2 by 2030
Scope 3 reduction targets		50% reduction by 2035	50% reduction in scope 1 & 2 by 2030	Net-zero by 2050
Net zero scope 1 & 2 by 2050 (pursue scope 3)	30% reduction in scope 3 by 2030	Net zero by 2050	Net zero in scope 1 & 2 by 2050	15% reduction in scope 3 net emissions by 2035
(base 2020)	(base 2021)	(base 2019)	(base 2018)	(base 2017)

<https://www.bhp.com/sustainability/climate-change>

<https://www.boliden.com/sustainability/our-approach-to-sustainability/climate>

<https://www.glencore.com/.rest/api/v1/documents/529e3b5028692472bc9f97e143d73557/GLEN-2022-Climate-Report.pdf>

https://www.riotinto.com/-/media/content/documents/invest/reports/climate-change-reports/rt-climate-report_2022.pdf

<https://www.vale.com/sv/web/esg/climate-change>



Strategy for profitable growth

Focus on attractive niches

Innovation

Aftermarket

Operational
excellence

Outperformance

Strong corporate culture
Sustainability mindset

The future mine and construction site

Safe workplace

- Eliminate safety hazards by innovation and technology
- Remove people from dangerous situations

Green operations

- Use renewable energy and emission-free vehicles

Efficient design

- Meet customer challenges by conducting smart exploration – and smart design of the mine

Fully circular and opex-driven

- Battery-as-a-service, mid-life upgrades, reman solutions, recycling of consumables

Water & resource efficient

- Recycled water in operations



We invest more than ever to stay ahead

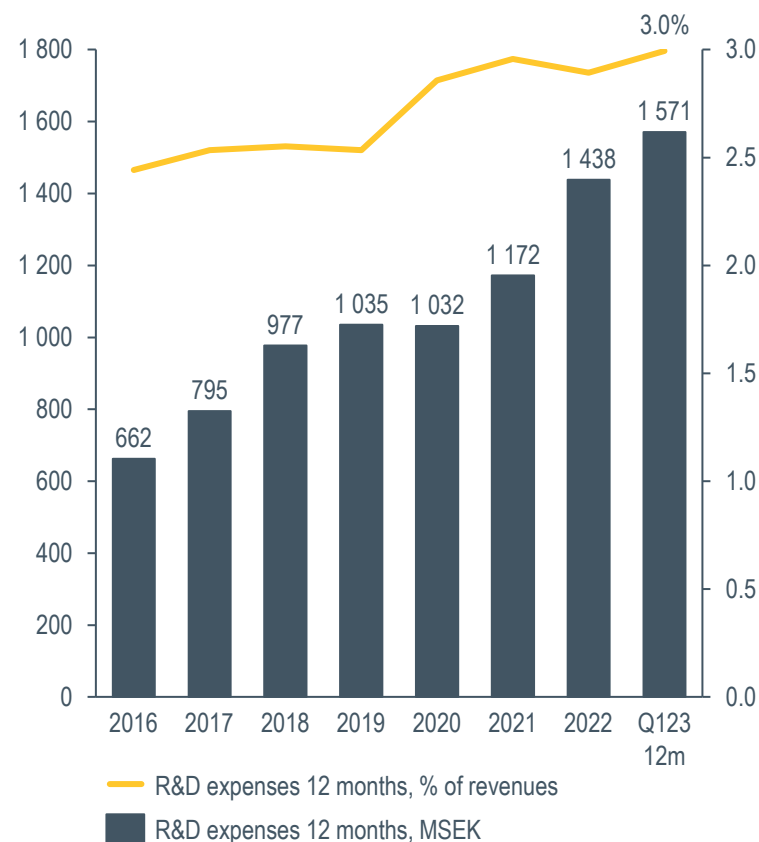
MSEK 1 571 in R&D expenses

- More than 1 730 R&D engineers

Reduce time to revenue

- Partnerships and ecosystem
- State-of-the-art simulation tools and verification methods
- Democratization of innovation and cross-divisional collaboration
- M&A

Research and development expenses



* Q123 12M

** End April 2023, incl. acquisitions



Safety solutions provider

Direct worker safety & wellness

- Collision avoidance
- Personnel monitoring and situational awareness
- Safety information in real time
- Smart rock reinforcement
- Electrical solutions and infrastructure

Autonomous solutions

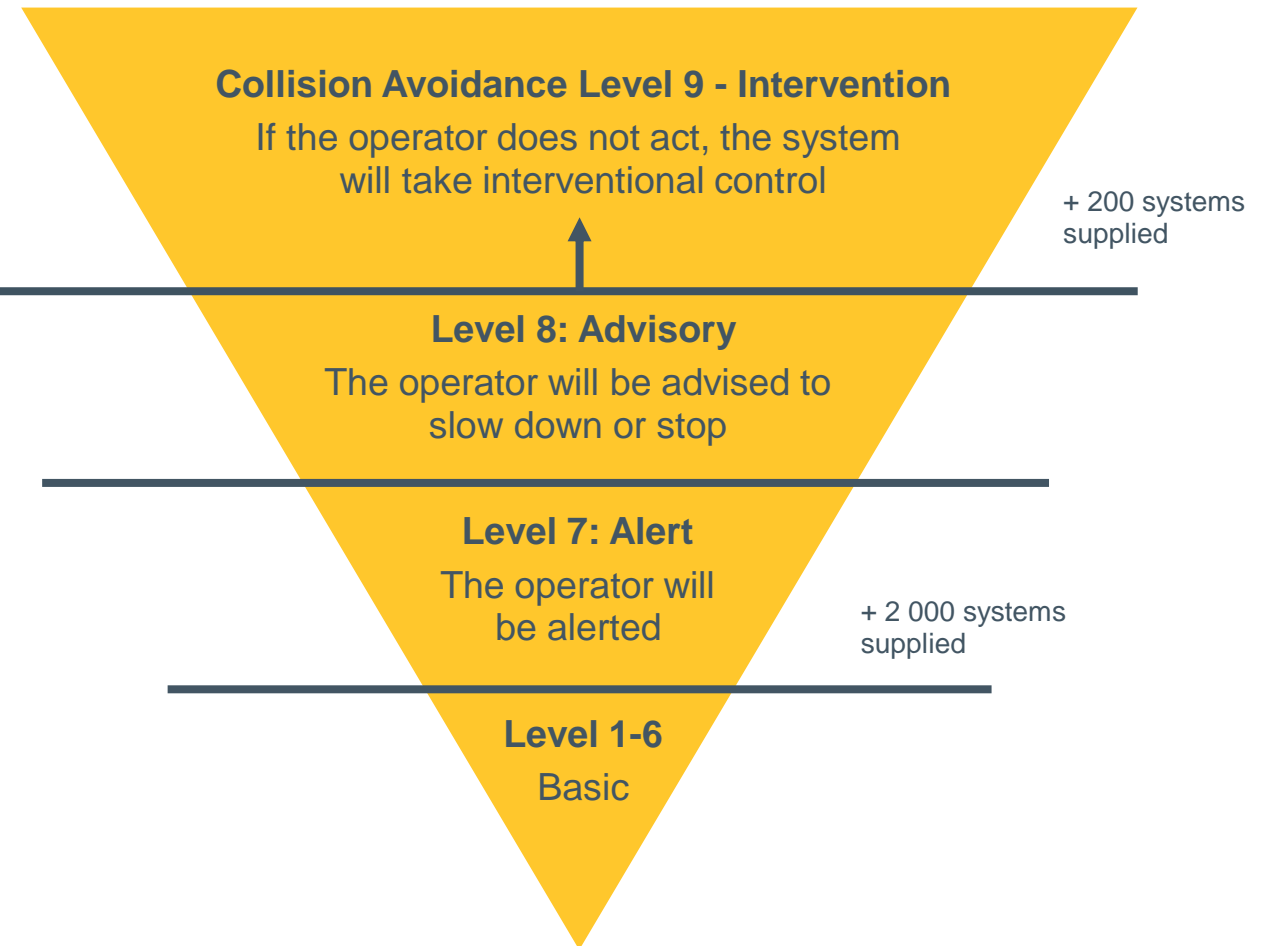
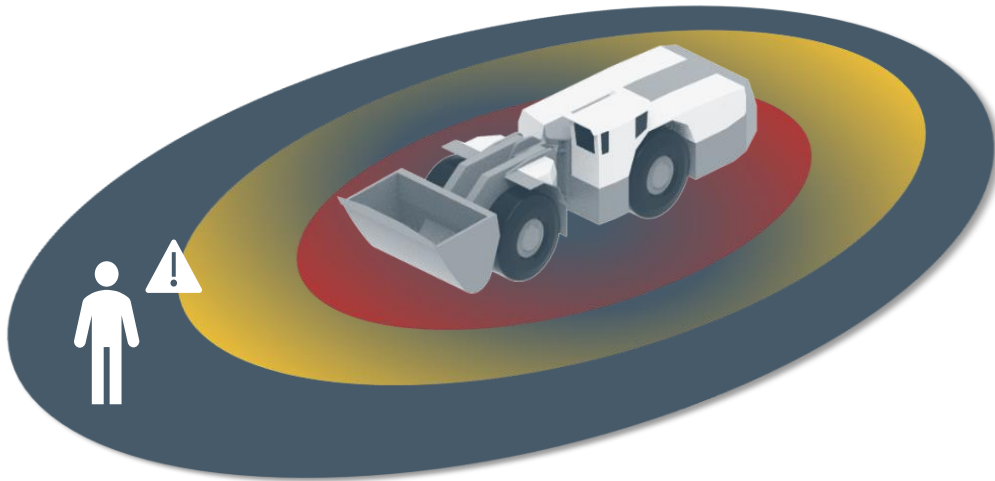
- Autonomous drill, load and haul solutions
- Tele-remote operations and trouble shooting
- Equipment condition monitoring



Leader in Collision Avoidance Systems (CAS)



- 30-40% of industry fatalities are related to failures of vehicle interaction controls
- Epiroc has the highest level for safer mining operations – Level 9



Movie: The world's first semi-automated wireless blast with Avatel

1m 06s



Three strong technology trends

1. Automation

Making (OEM agnostic) automation work at scale – including automation kits for mixed fleets, wireless communication, and control systems to manage it all

2. Digitalization

Situational awareness and fleet management

Ensuring real-time knowledge of where all assets are

Ore body knowledge

Using new technology to understand the ore body and rock conditions better, helping customers optimize their operations

Mine process optimization

Managing data across the value chain and optimizing decision making in the mining operations

3. Electrification

Accelerating the electrification journey – including conversion kits, power network infrastructure, charging infrastructure, etc.

Closing product gaps

Expanding existing product segments – consolidation / new customer segments / new value propositions etc.

How **automation** enables productivity and sustainability transformation

For our customers:

- Protecting people. Keeping them away from equipment and dangerous situations
- Increasing productivity
- Reducing energy consumption
- Lowering the total cost of ownership

Example: Pit Viper 271

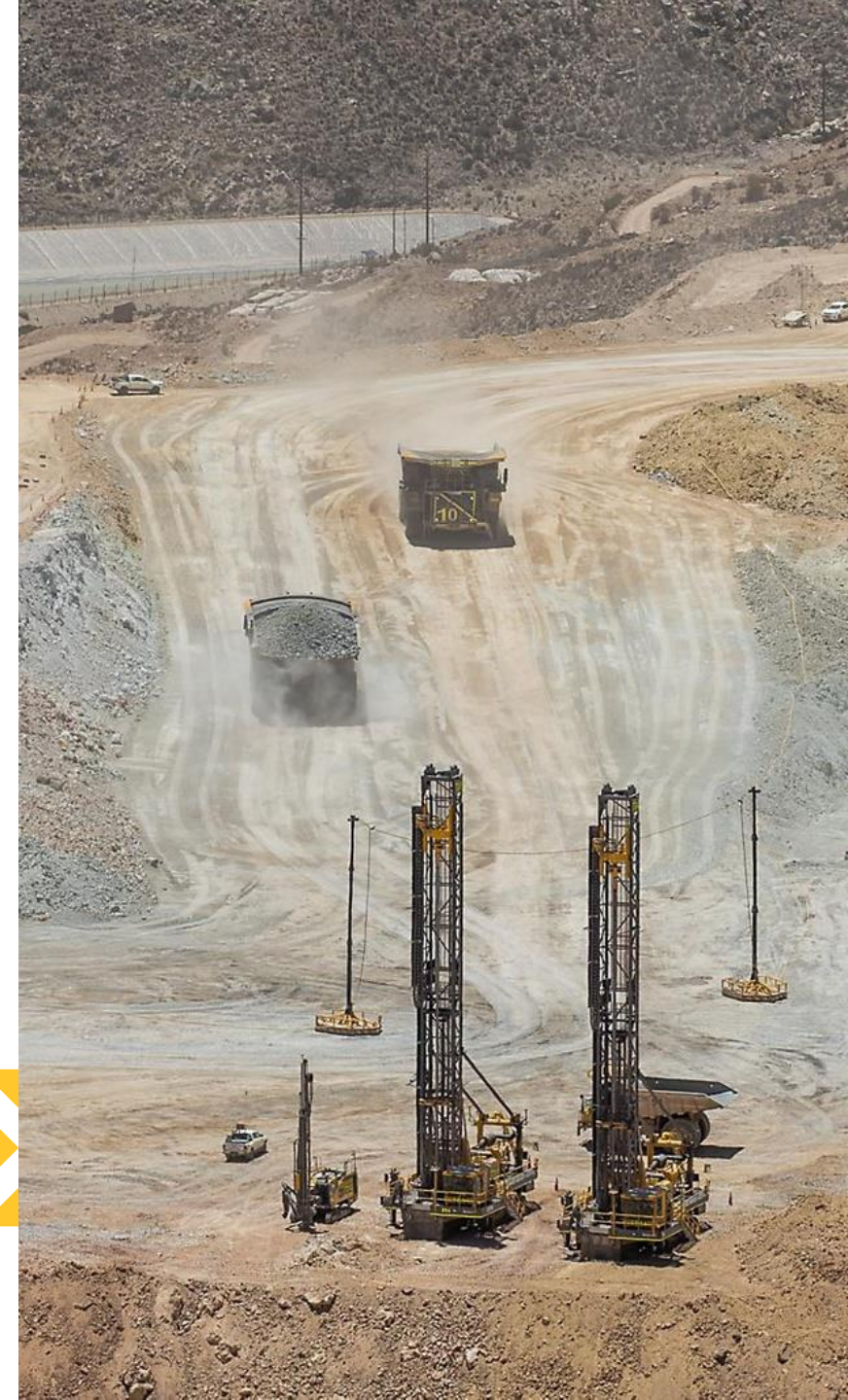
Manual vs. autonomous

-40% cost
per meter drilled

-29% CO₂e



AUTOMATION



Movie: Autonomous drilling in Peru

0m 46s



Adding capability through M&A

Key criteria



Stand-alone
attractiveness

*“Is this target attractive
and well-performing in
itself?”*



Strategic fit and
synergies with
Epiroc

*“Does it support a core
business strategy of
Epiroc?”*



Potential to become
or remain number 1
or 2

*“Does it provide a path to
a market leading
position?”*

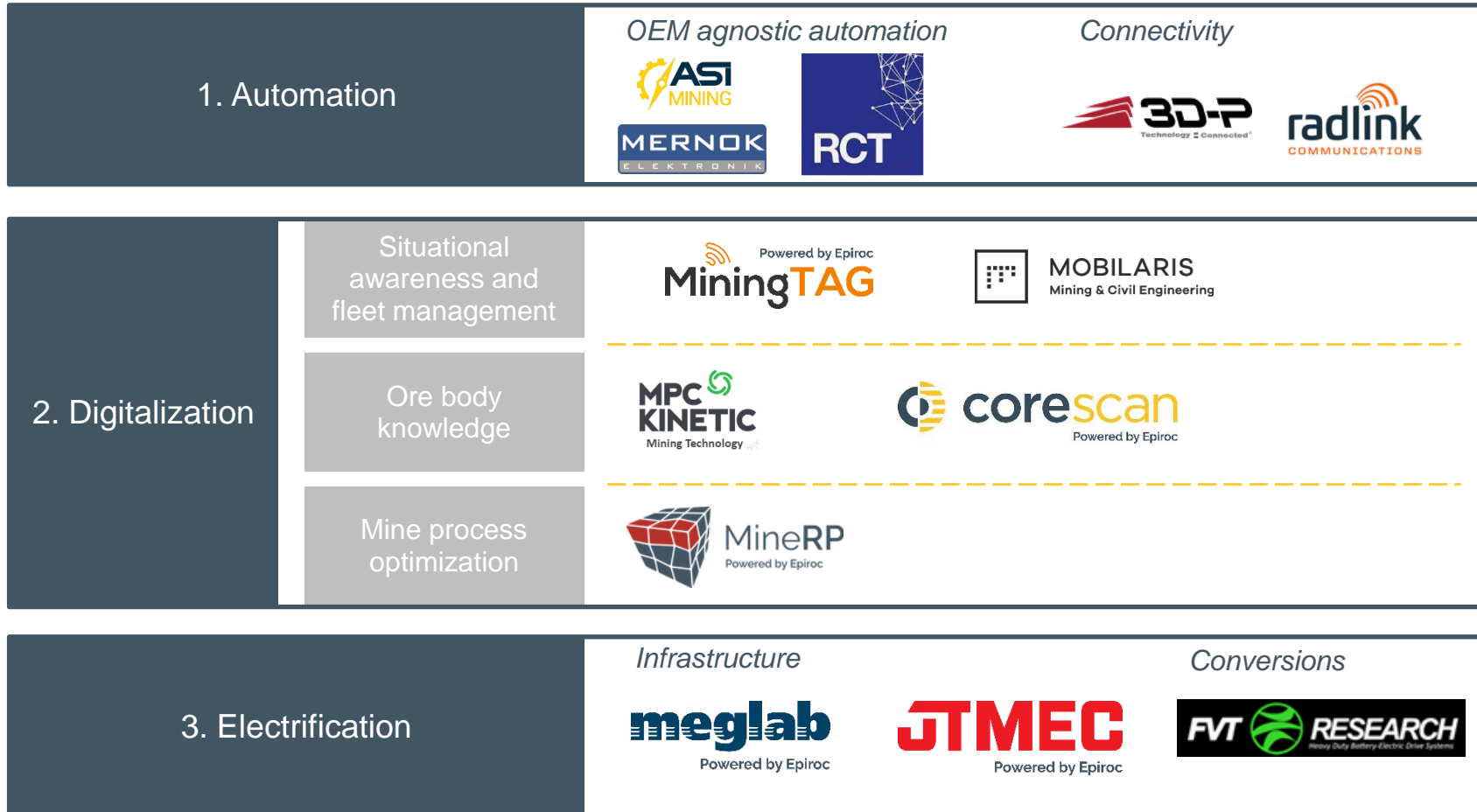
23

acquisitions

since the creation of
Epiroc with total
annual revenues of

+7.2 billion

Our acquisitions contribute to the innovation strategy



Closing product gaps



Acquisitions contribution to strategy



RCT: Proven agnostic machine control technology

Number of countries RCT solutions have been implemented:

70+

Amount of machine types RCT solutions have been applied to:

150+

Quantity of RCT systems implemented over past 20 years:

700+

Total machine agnostic solutions delivered:

1 500+



Epiroc's mixed fleet automation in numbers



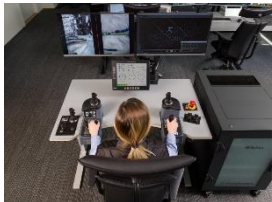
Autonomous load/haul

Epiroc equipment (used mainly underground) that is fully autonomous in operation and other OEM equipment that have ASI Mining and/or RCT's Guidance/Automation technology with fully autonomous tramming capabilities (surface).



Autonomous drill rigs

Epiroc equipment that is autonomous in operation, but in some cases need operator for tramming between areas.



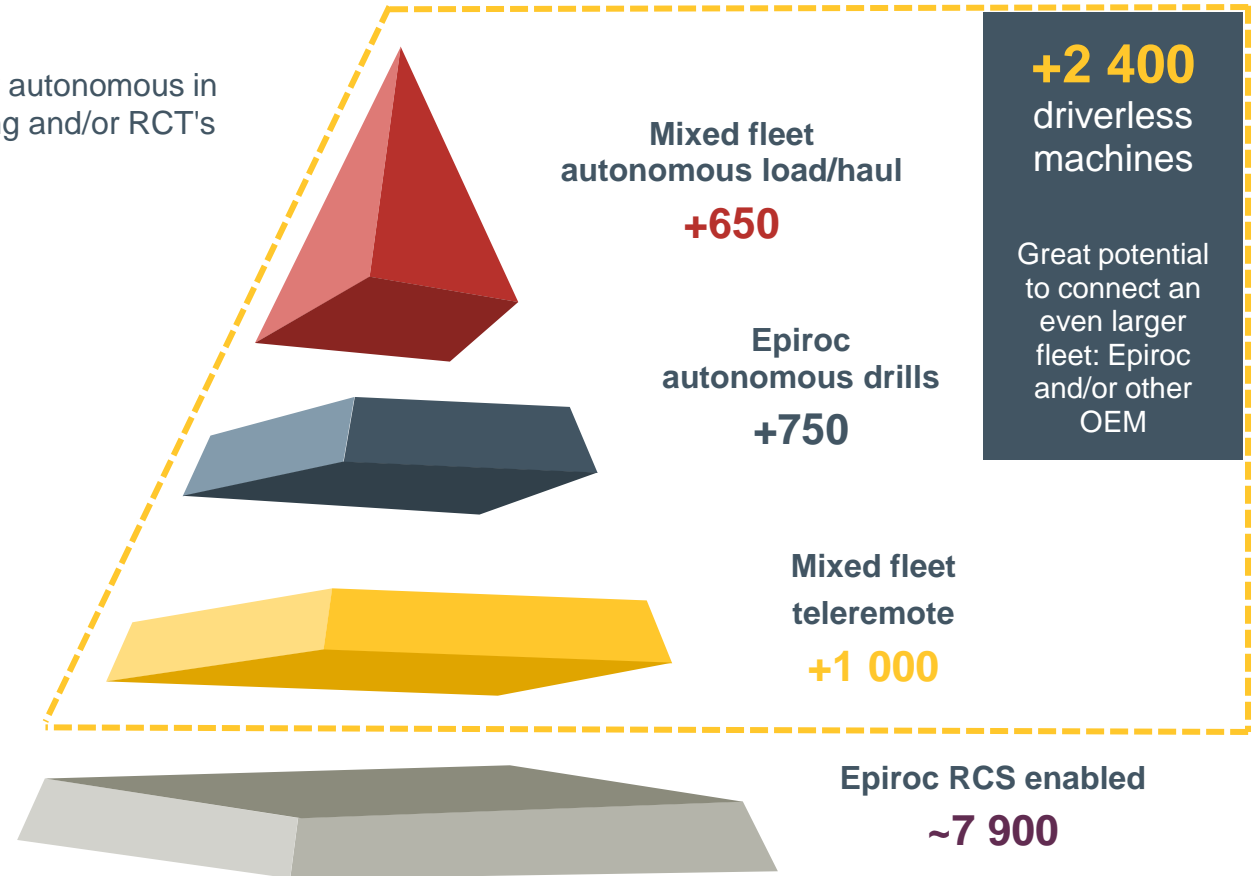
Teleremote

Remotely controlled equipment (Epiroc + other OEM, surface and underground) using cameras and monitors.



Epiroc RCS enabled fleet

Epiroc equipment with Rig Control System, which means it is automation ready.



How **automation and digitalization** contribute to profitable growth for Epiroc

Higher portion of recurring revenue streams

- Hardware, software and licenses fees
- Higher service penetration (higher attachment rate)
- Higher equipment utilization, which drives demand for consumables and parts
- Project and consultancy

Improved efficiency and innovation

- Insights to improve products
- Preventive maintenance

Closer customer relationships



Creating the world's largest single autonomous mine

- Largest-ever automation order, MSEK 500
- Converting Roy Hill's mixed fleet to driverless operation in Australia
- Remote Operations Centre in Perth, 1 100 km from mine
- 96 autonomous haul trucks and 200 utility vehicles to run 24/7



Movie: The world's largest fully autonomous mine with Roy Hill

1m 19s



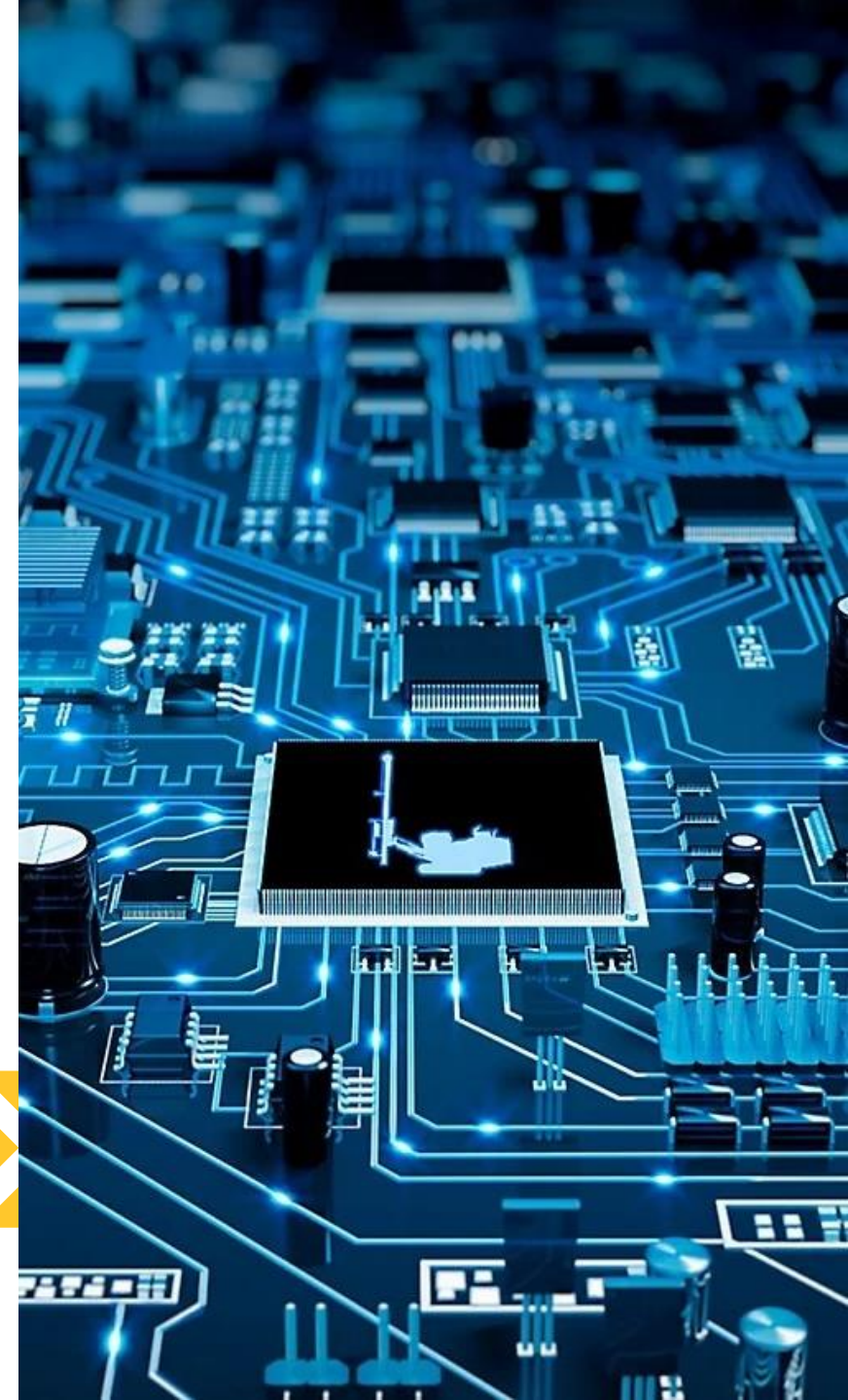
How **digitalization** enables productivity and sustainability transformation

For our customers:

- Increasing safety and productivity
- Providing insights and full control of fleet, equipment and people
- Improving mine planning, reducing traffic congestion
- Optimizing mine production plans / drill-to-mill
- Predictive maintenance
- Measuring environmental impact in real-time (e.g., CO₂e and water)



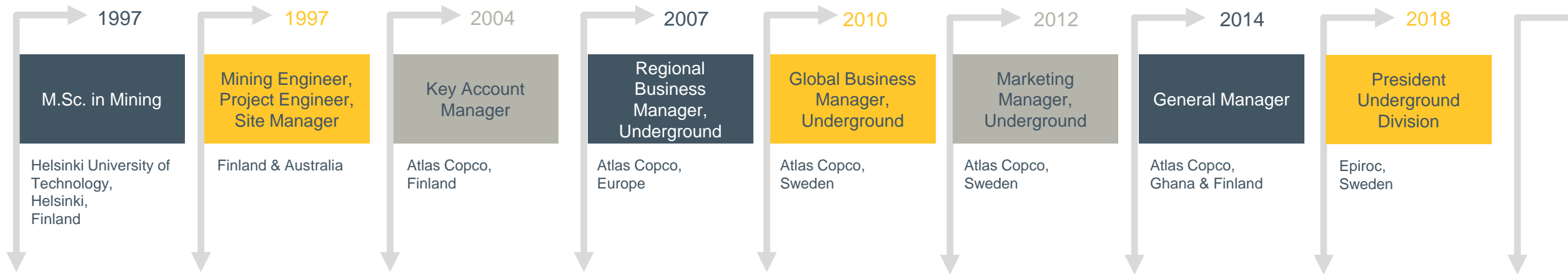
DIGITALIZATION



Sami Niiranen



President
Underground



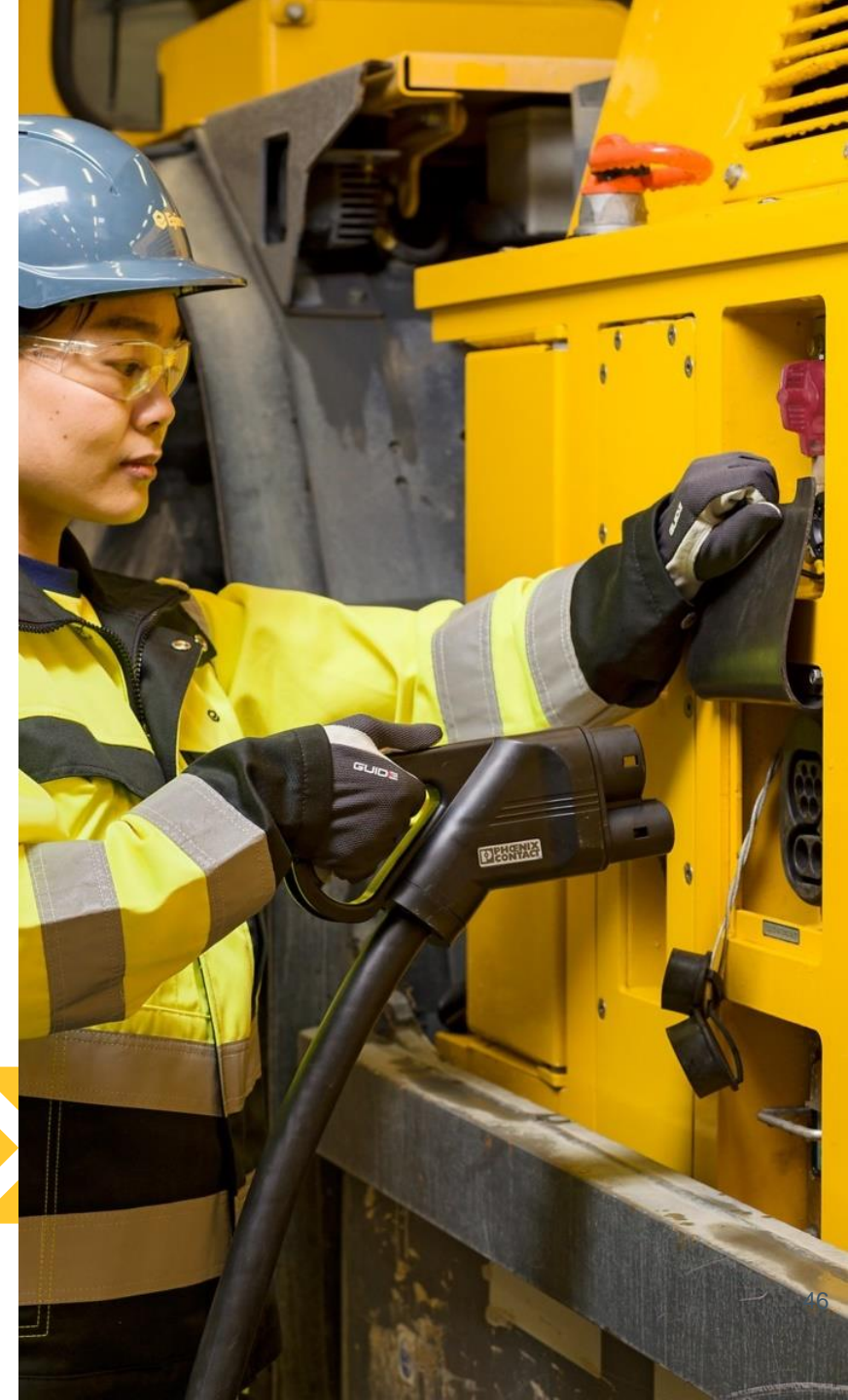
How **electrification** enables productivity and sustainability transformation

For our customers:

- Protecting people from dangerous fumes, noise and heat
- Eliminating or reducing CO₂e emissions
- Adhering to new legislation, rules and standards
- Reducing energy consumption
(ventilation is a large part of operational expenses)
- Avoiding costly capex investments in ventilation
- Higher productivity



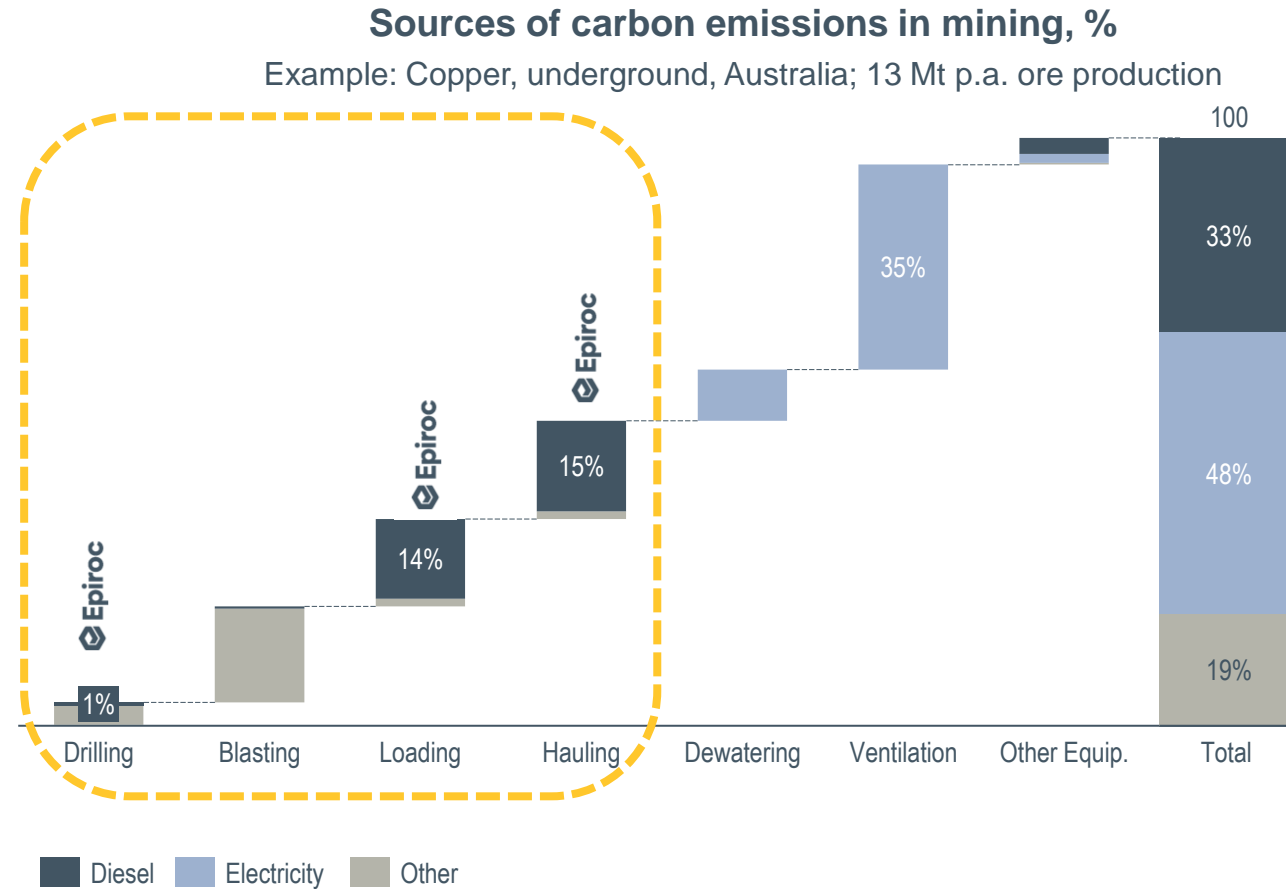
ELECTRIFICATION



We make a positive difference

83%

of Epiroc emissions derive from
“use of products” in Scope 3.

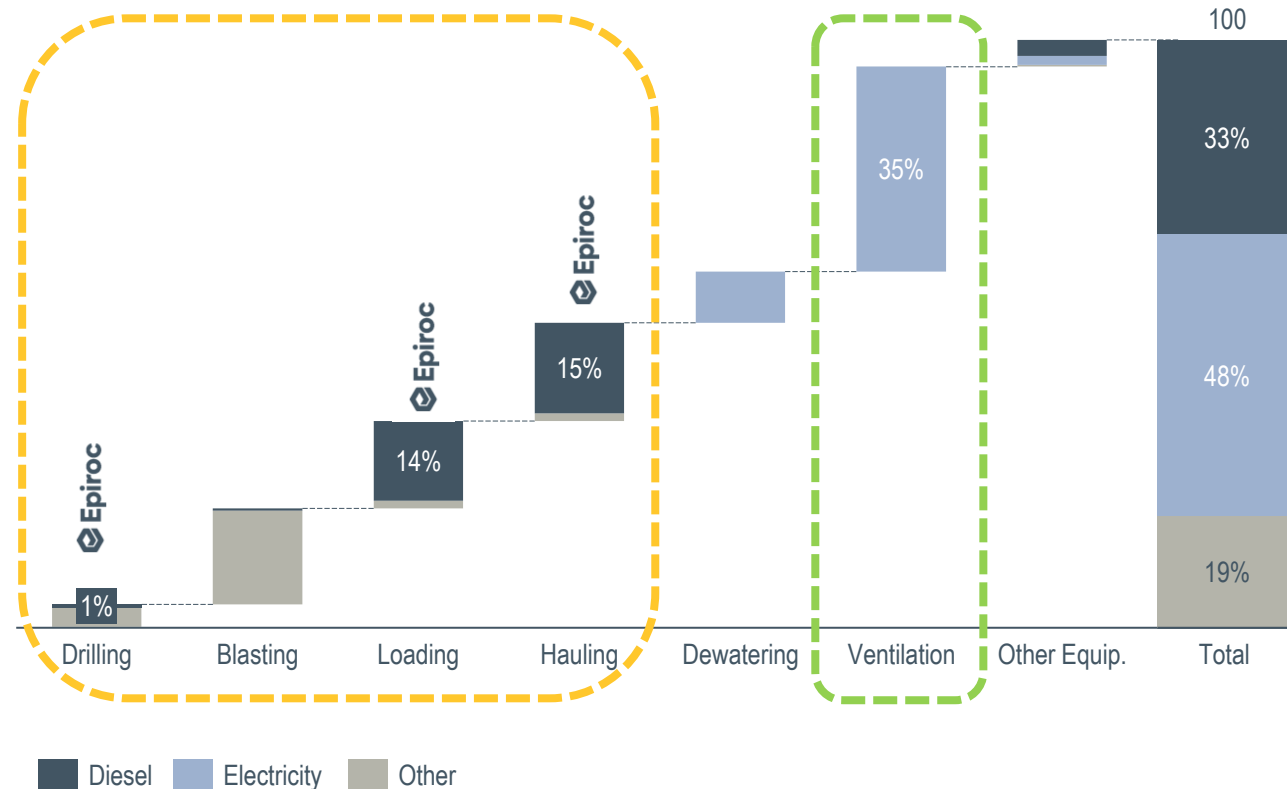


We make a positive difference that goes beyond our scope

- **~40%***
of opex cost of running an underground mine derive from ventilation
- **~35%**
of emissions derive from ventilation



Sources of carbon emissions in mining, %
Example: Copper, underground, Australia; 13 Mt p.a. ore production



Sami runs the fan

Ventilation underground is a must

~110 m³ per second with diesel (est. 6 m/s)

~7 m³ per second with BEV (est. 1 m/s)



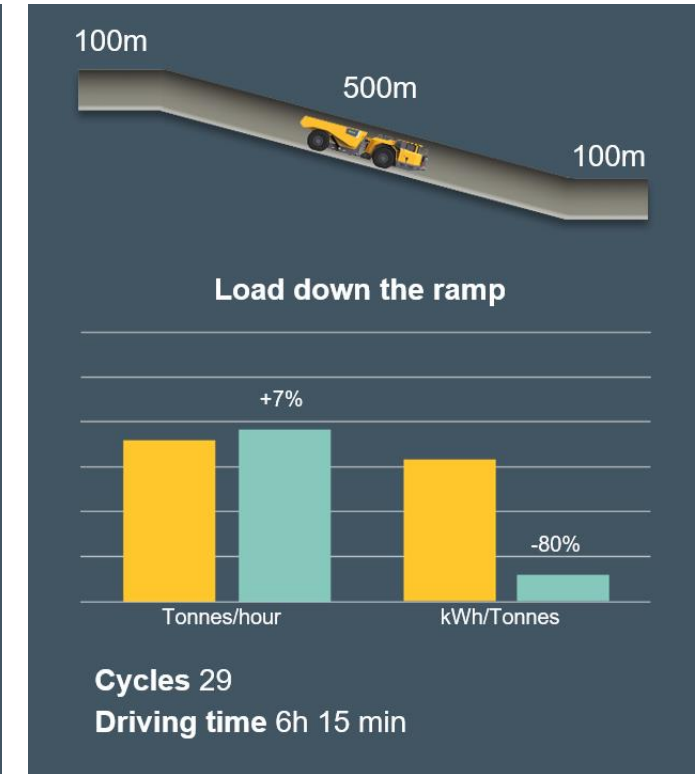
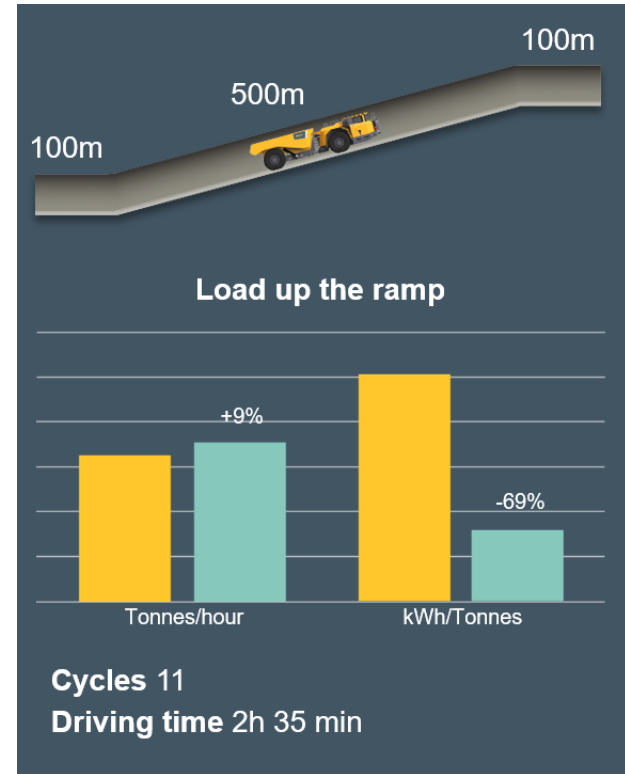
BEV performance better than diesel



Customer benefits

- ~30% lower ventilation need
- 5-10% higher productivity
- Up to 80% lower energy consumption
- Up to 70% less heat generation
- ~30% lower maintenance cost

Example: The Epiroc Minetruck MT42 SG (Smart Green) is more efficient than MT42 diesel



Electrification is nothing new...



1974
Drilling with
electric cable

2012
Development of
first generation
battery-electric
loaders

2016
First generation
battery-electric
rig, loader
and truck

2018
New generation
battery-electric
equipment fleet

2020
Customers on
all continents
+ Battery as a
Service

2021
Battery
infrastructure
+ Battery
conversions

2025
Full offer of
battery-electric
underground
equipment

Movie: A complete electrification offering

3m 08s



A complete electrification offering

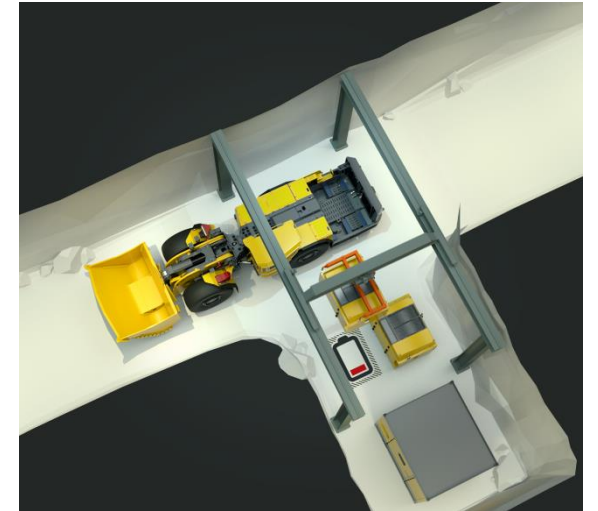
Helping customers to optimize performance



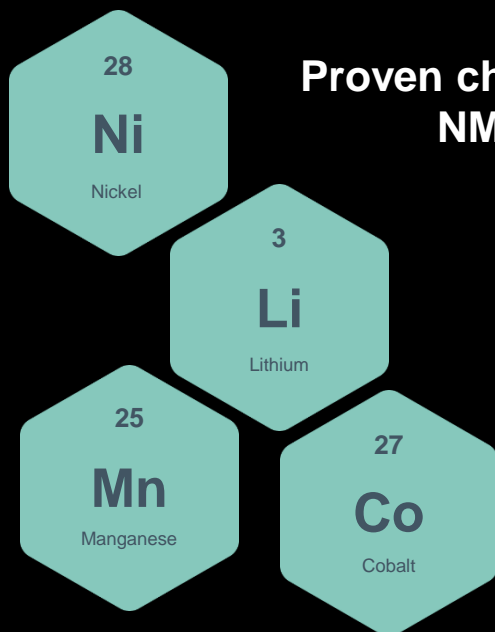
- **Battery-electric equipment**
 - Automatic battery swapping – 5-10 min
- **Battery-technology platform** to other OEMs

railcare **JAMIA**

- **Batteries as a Service (BaaS)**
- **Batteries with a Service (BwS)**
- **Battery retrofit / Conversion**
- **Electric infrastructure**



Epiroc's battery system



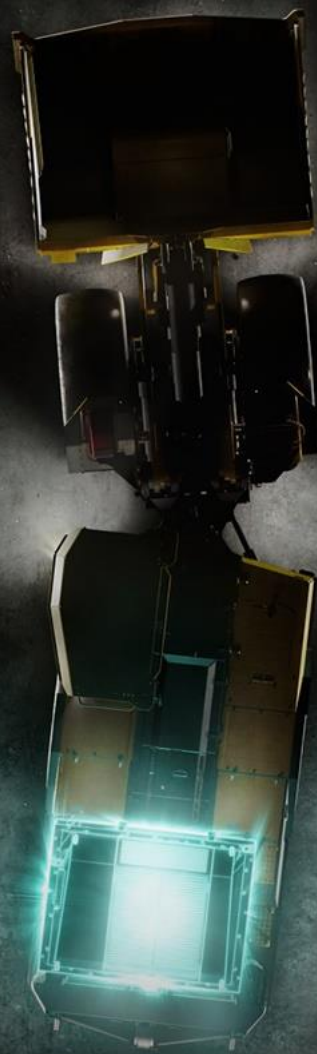
Cell
4.2 V



Module
672 cells



Sub-pack
800 V / 75 usable kWh



Battery pack

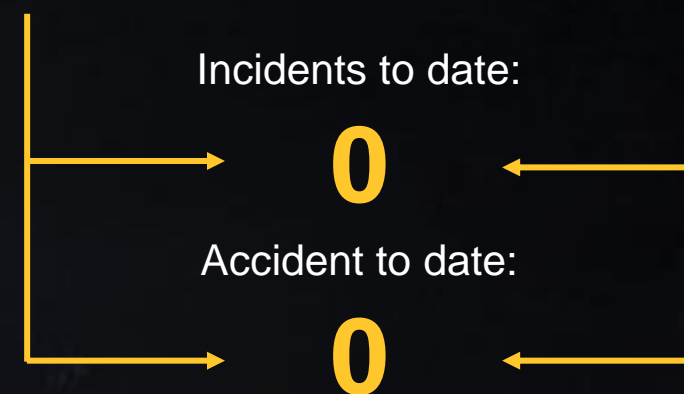
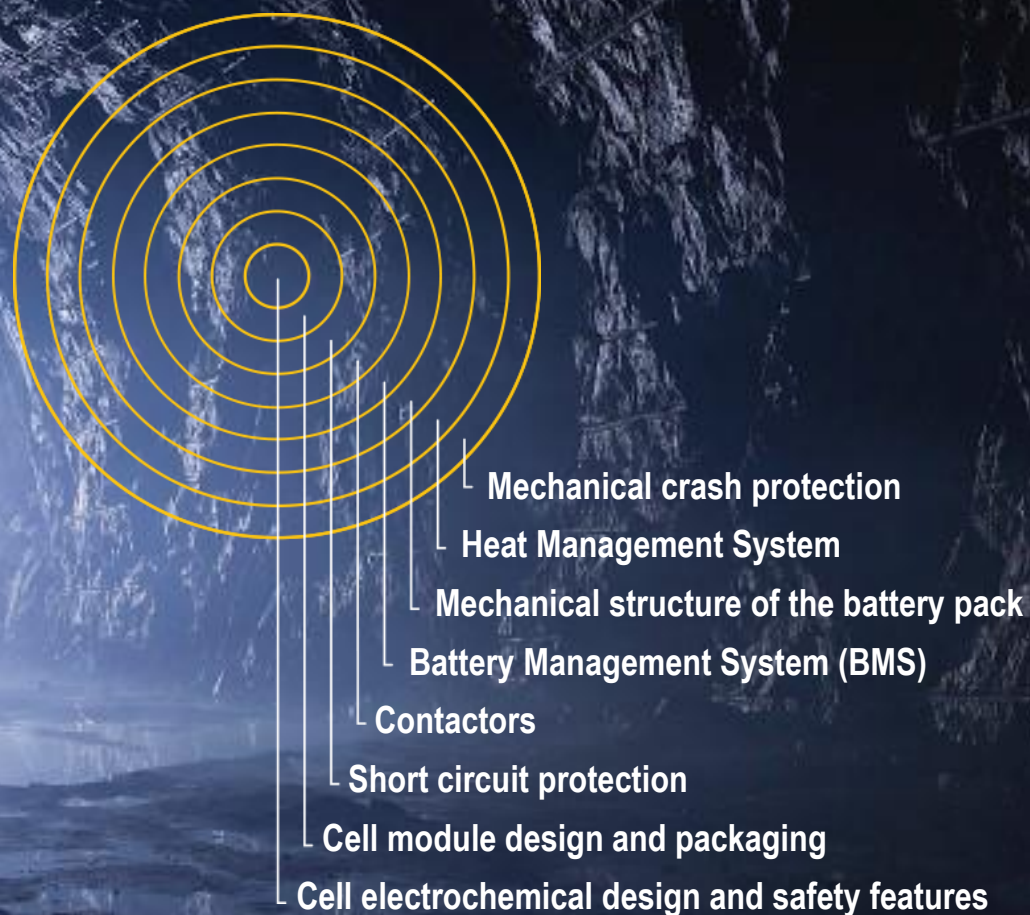
Number of sub-packs depends on equipment.
A ST14 loader has 4 sub-packs = 300 kWh



State of the art battery safety

Safety is a must in an underground environment

Battery system designed to prevent thermal runaway, yet capable of handling one



(Generation 2018-to date)

Movie: Thermal runaway tested in a safe environment

0m 16s



Standardized modular approach with many advantages **for customers**

Design for harsh environments

- Safe
- Robust
- Modular

Smart charging solutions that enable equipment to run 24/7

- Quick battery swaps
- Charge time shorter than discharge time (two batteries per machine)
- Low demand on grid, low need for grid investments
- Universal charging system



Standardized modular approach with many advantages for Epiroc

Modular and scalable

- One technical platform
- Quick roll out
- Monitoring of each cell, module and subpack
- Monitoring of complete fleet
- Conversions of existing fleet

Other OEMs use same standard

- Lower charging infrastructure cost

Maximize the use of each battery

- Batteries as a Service

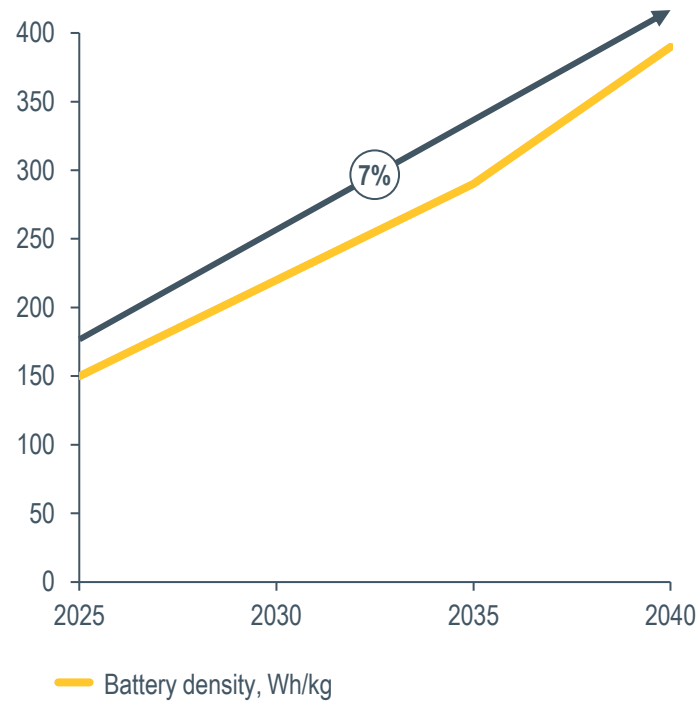
New revenue streams



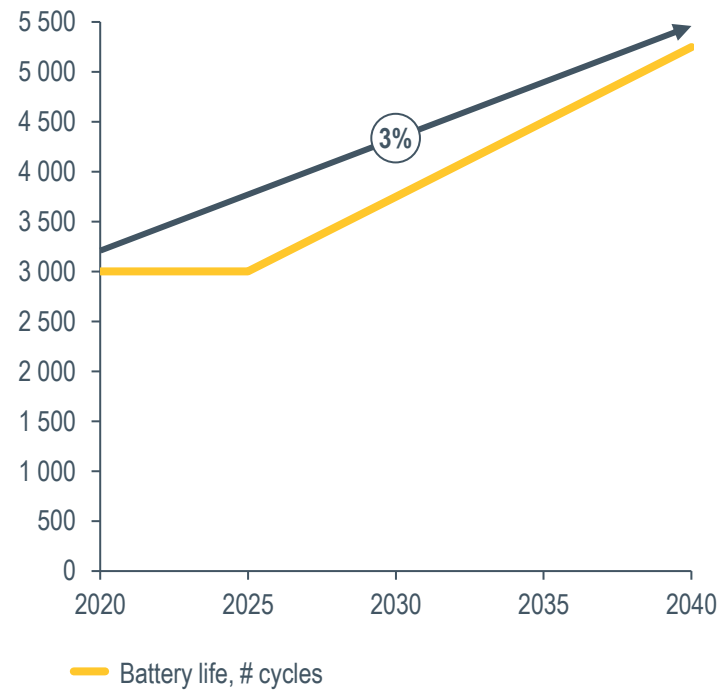
Our standardized approach bodes well for profitability

Scalable production with increasing efficiencies

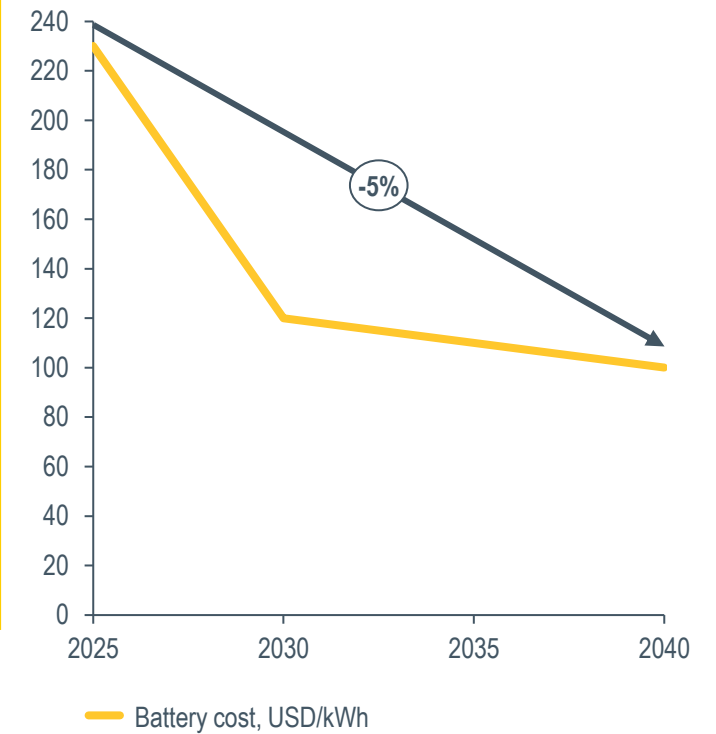
NMC battery cells expected to have higher energy density...



...last longer...

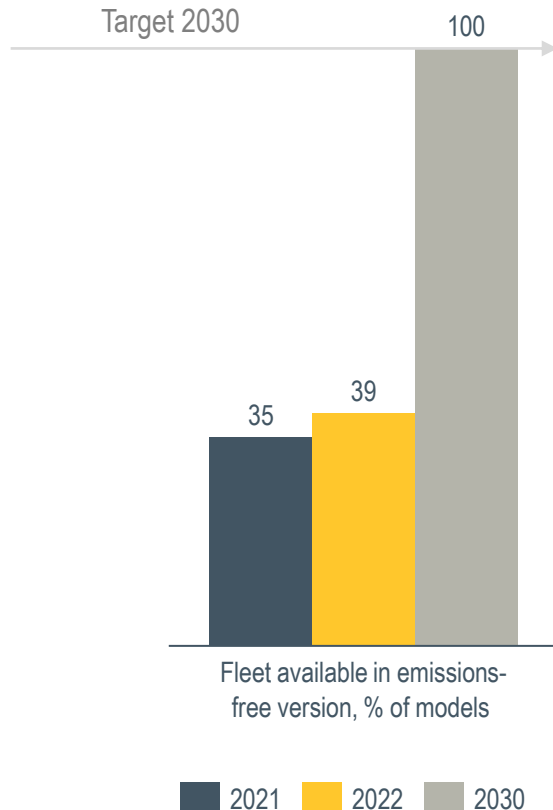


... while scale in production lowers input cost



The widest offering in the market

Emission-free versions in the offering



By **2025**,
all underground products will be available in
emission-free alternative

In **2023**,
roughly half of the potential revenue stream
within loaders are available in
battery-electric versions

By **2030**,
all products (underground and surface) will
be available in emission-free alternative



Strong demand for low emissions alternatives

BEV revenues of equipment revenues

~3%

Not including electrical infrastructure, BaaS, conversions and other BEV-related services

Revenues (of equipment revenues) from drilling equipment with cable and/or with significantly lower fuel consumption than others

32%

The order intake for BEV equipment (units)

three folded

in 2022



Recurring battery electric revenues

Battery electric
equipment at

25

sites globally

Batteries as a Service
contract

80%

of units

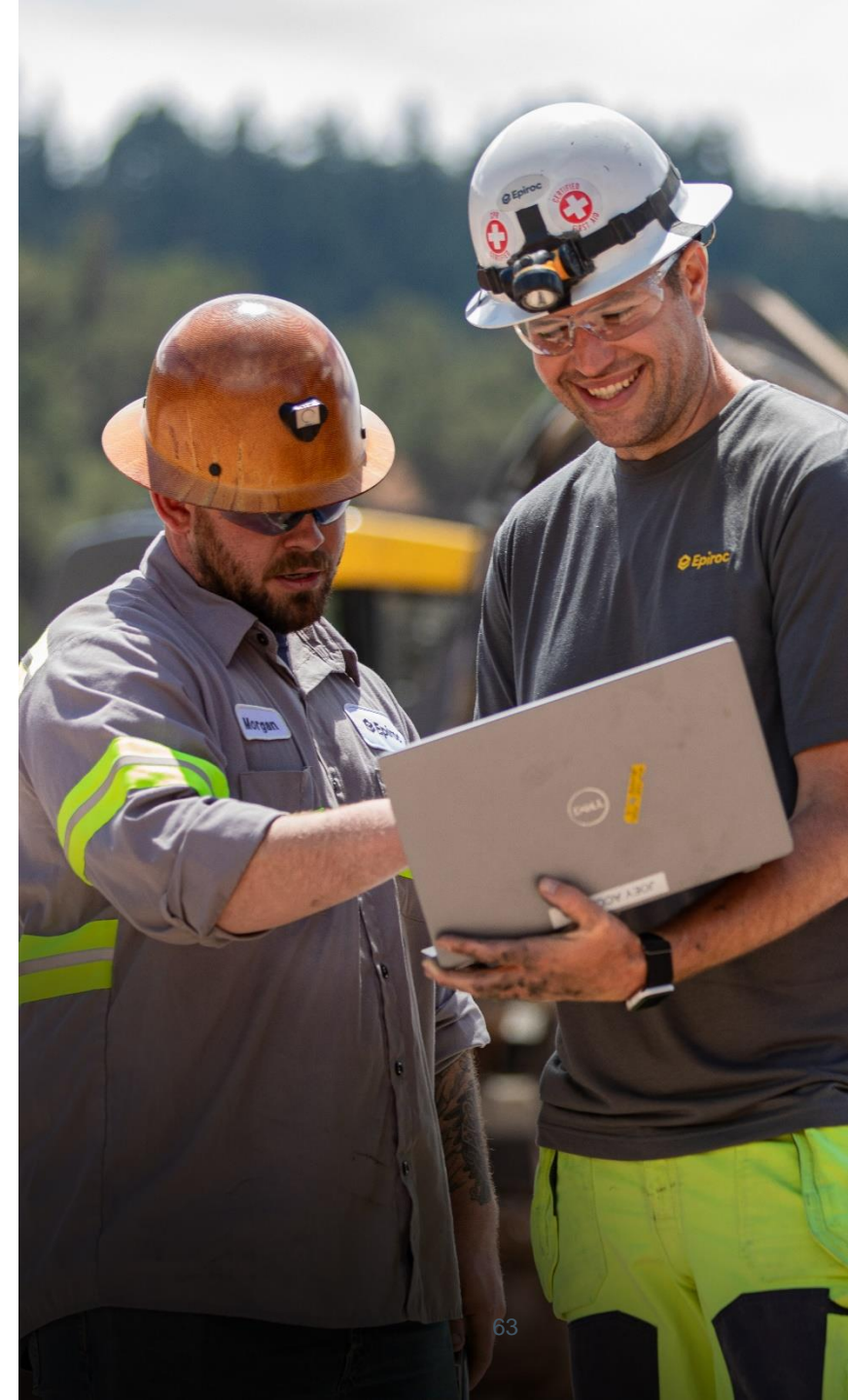
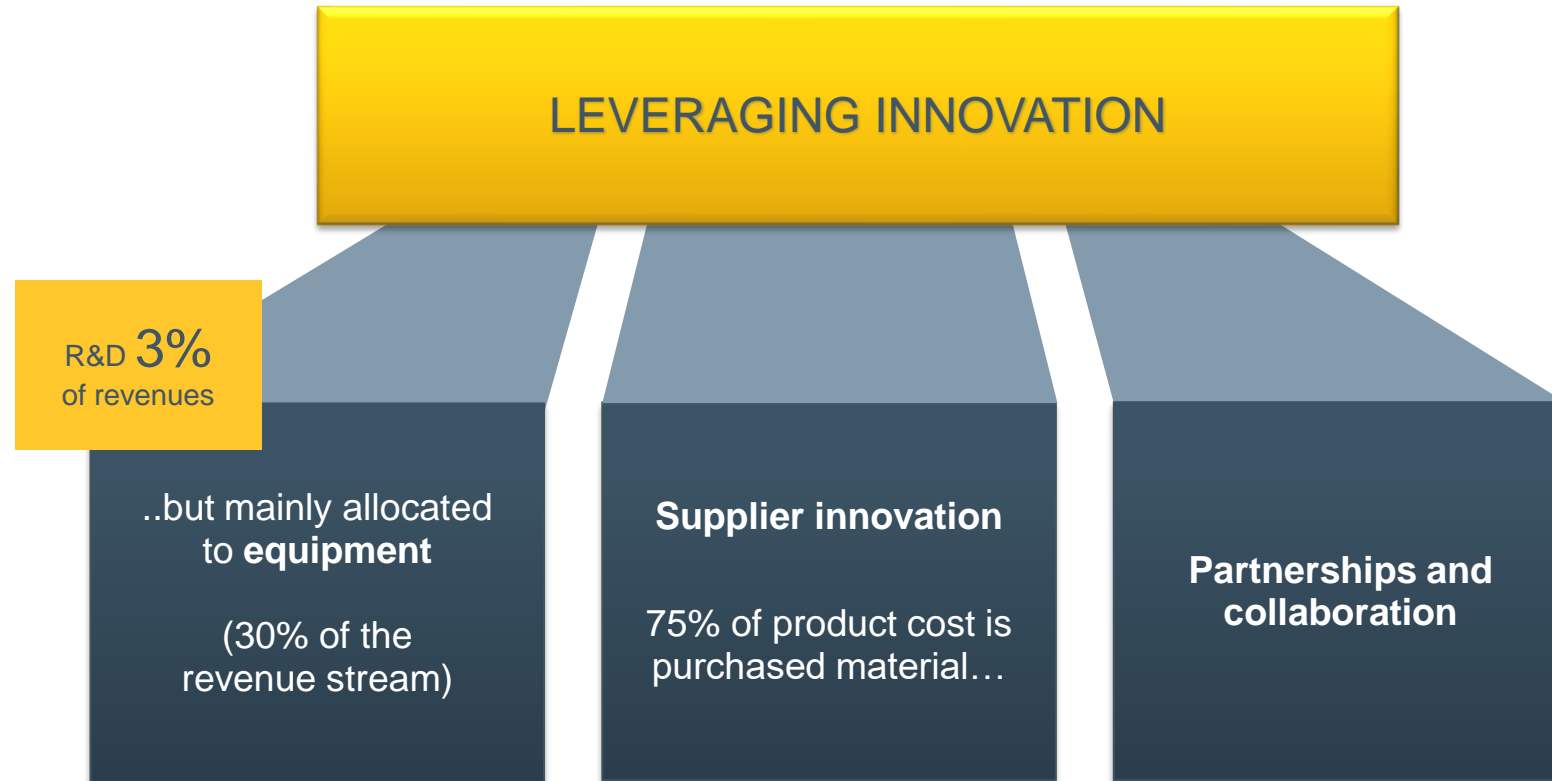
Number of
recurring orders

9

Strong demand for
diesel-to-battery
conversions



Leveraging innovation



Innovation: Continuous improvement

MT42



Minetruck MT42
Fuel use: 52 liters per hour
Direct* CO₂e emissions:
140 kg/hour



Minetruck 42 Battery
Fuel use: 0 liters per hour
Direct* CO₂e emissions:
0 kg/hour



Minetruck MT42 with fossil-free dump box
Fuel use: 0 liters per hour.
Direct* CO₂e emissions**: 0 kg/hour
Less negative climate impact due to lower CO₂e footprint in upstream value chain.

*Tailpipe emissions: No emit of exhaust gas or other pollutants from the onboard source of power. Emissions based on tank-to-wheel conversion factors for fuel consumption.

**Substantial life cycle GHG emissions savings are obtained for electric-powered machines operating on electricity with low climate change impact (e.g. wind power), compared to diesel-powered ones.

Partnership is the new leadership

Collaboration for success

**Sustainable
Underground
Mining**



Collaboration to set a new world standard for sustainable mining at great depth.



With Northvolt and ABB, we are collaborating on battery-powered vehicles, batteries and electric powertrains.



With Orica, we are developing solutions for semi-automatic explosive charging systems.



Leading global association dedicated to promote interoperability based on the Combined Charging System (CCS) as the global standard for charging vehicles of all kinds.

SKANSKA

With Skanska, we are field testing the world's first battery-electric drill rig for surface operations, which is a milestone in the journey towards zero-emission drilling in surface mines and quarries.



With ASI Mining (Epiroc has 34% ownership) and Combitech, we are developing solutions for autonomous mixed fleet operations.

COMBITECH



With Ericsson, we are working with 5G for optimal connectivity in mines.

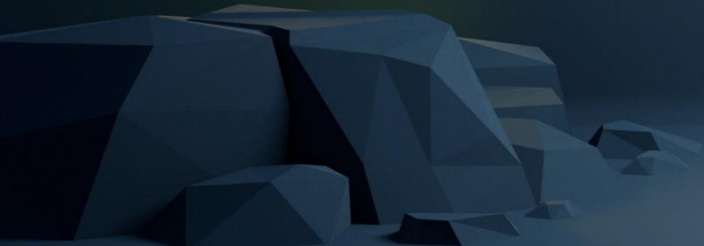
SSAB

With SSAB, we are securing fossil-free steel for use in the production of Epiroc's mining equipment.



Next Generation Carbon Neutral Pilots for Smart Intelligent Mining Systems (NEXGEN SIMS) is a collaboration for carbon-neutral sustainable mining. EU-sponsored project.

Short break – Movie: A magnetic culture



Strategy for profitable growth



Focus on attractive niches

Innovation

Aftermarket

Operational
excellence

Outperformance

Strong corporate culture
Sustainability mindset

Broad aftermarket offering

Aftermarket 68%

Service 47%



Spare parts and components



Service agreements and audits



Midlife services, training, and more

Tools & Attachments 21%



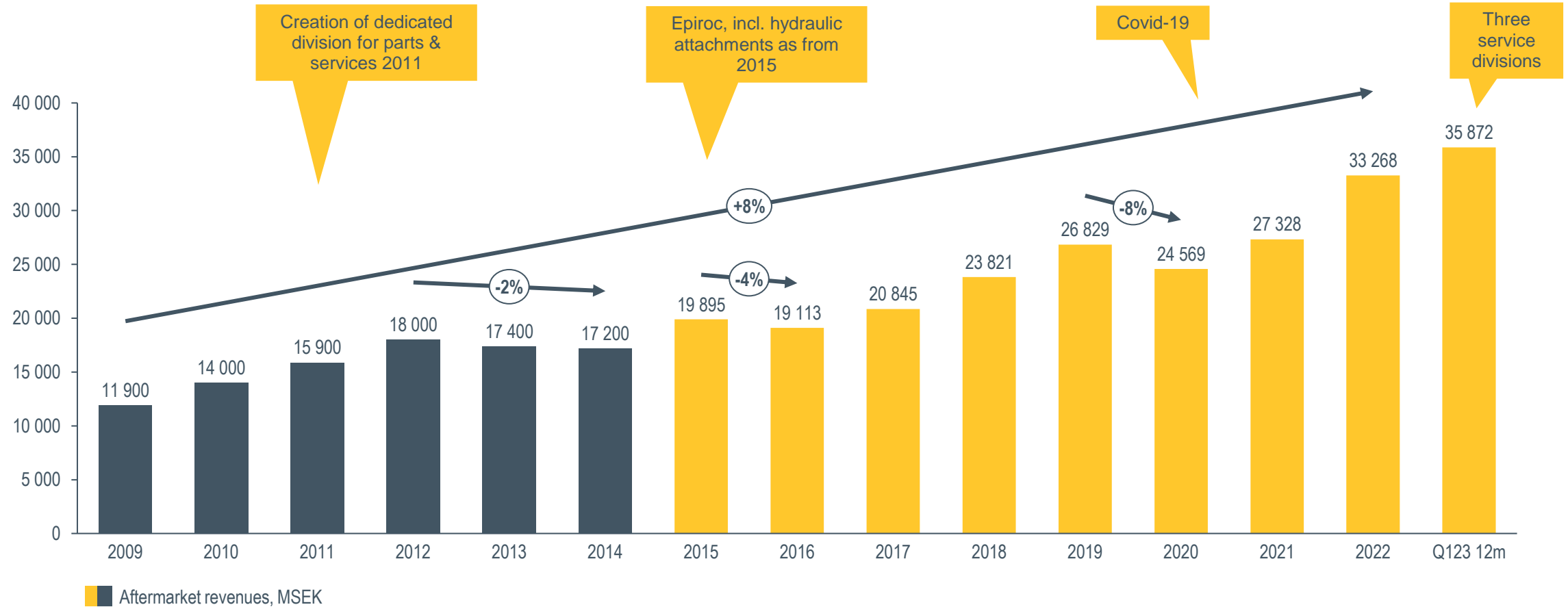
Rock drilling tools



Hydraulic attachments

The aftermarket business provides resilience

Aftermarket revenues



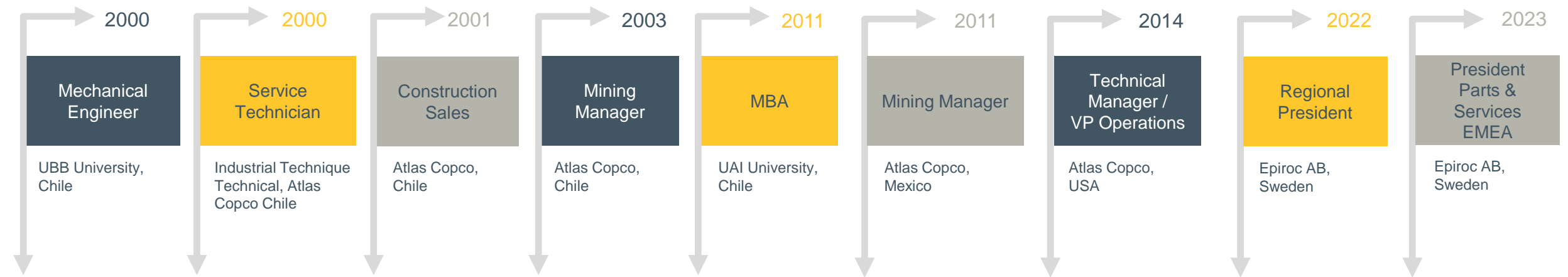
Line/circle with figure = CAGR

2009-2014 Atlas Copco Mining and Rock Excavation Technique.

Exploration moved from T&A to E&S (Equipment) in Q1 2023. Figures for 2022 have been restated.

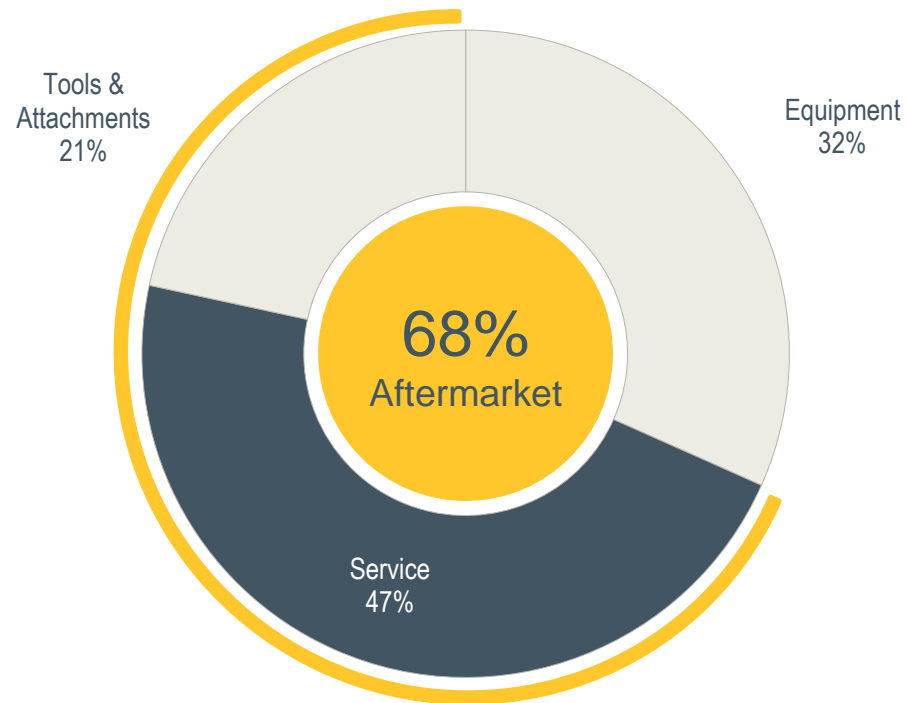
Luis Araneda

President Parts
& Services
EMEA



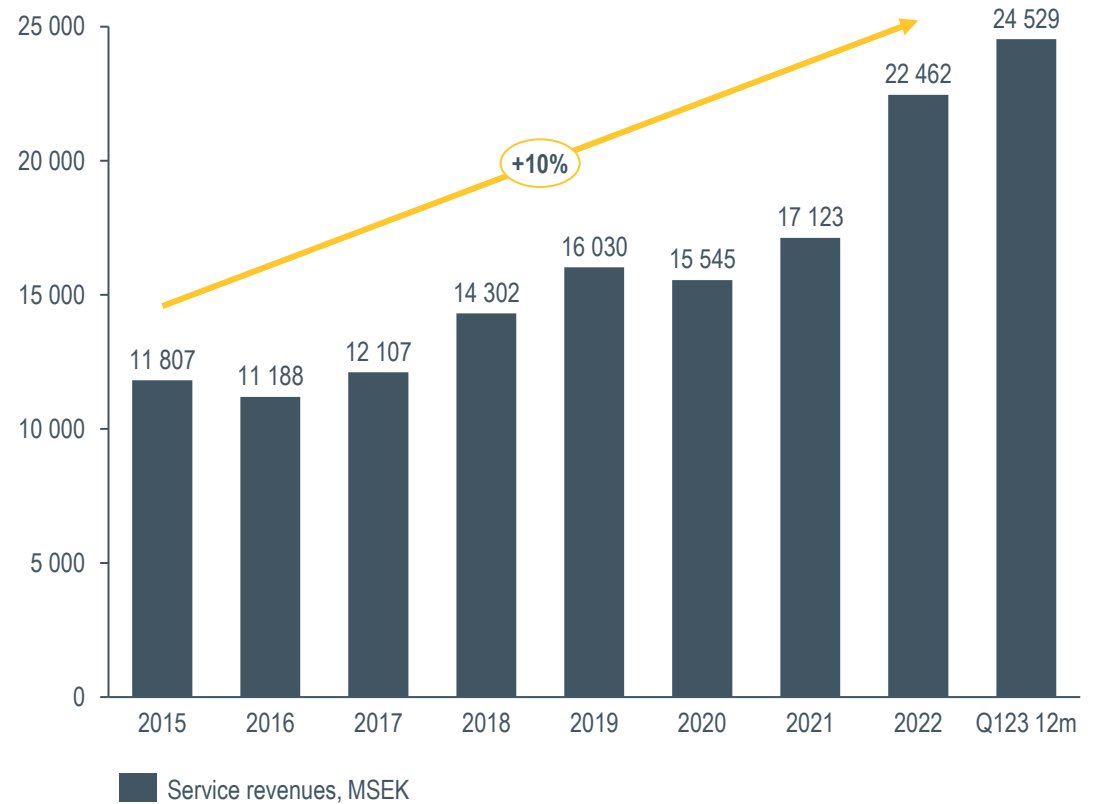
A growing service business

Revenues



Q123 12M

Service revenues



Line/circle with figure = CAGR

Regionalization supporting the strategy



Goal:

Drive profitable growth
by being the
best productivity and
sustainability partner

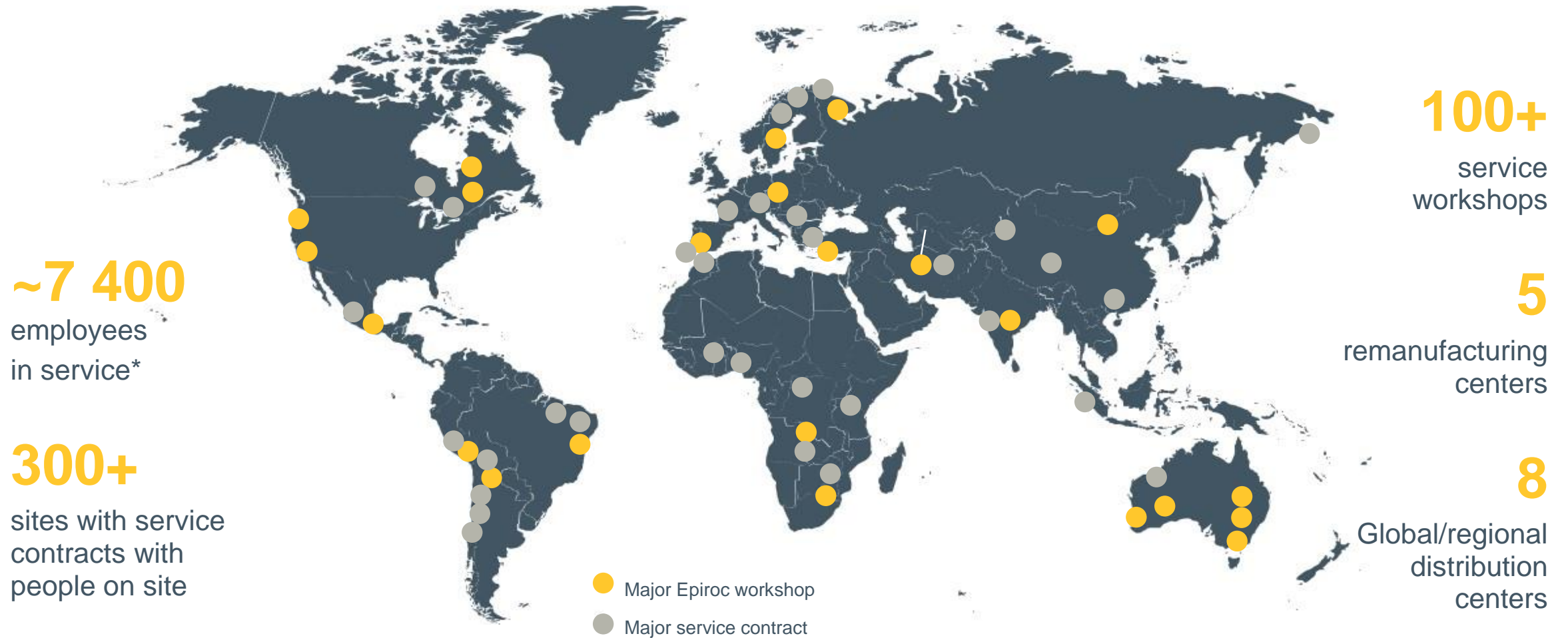


What do customers want?

- Safe operations and higher productivity
- Best-in-class technical support
- Customer centricity
- Availability and responsiveness
- Collaboration partner to improve performance and production
- Stock availability and short lead times
- Added value such as parts planning, training, documentation
- Lower TCO and circularity



Presence is vital and a competitive advantage!



The right feet on the ground

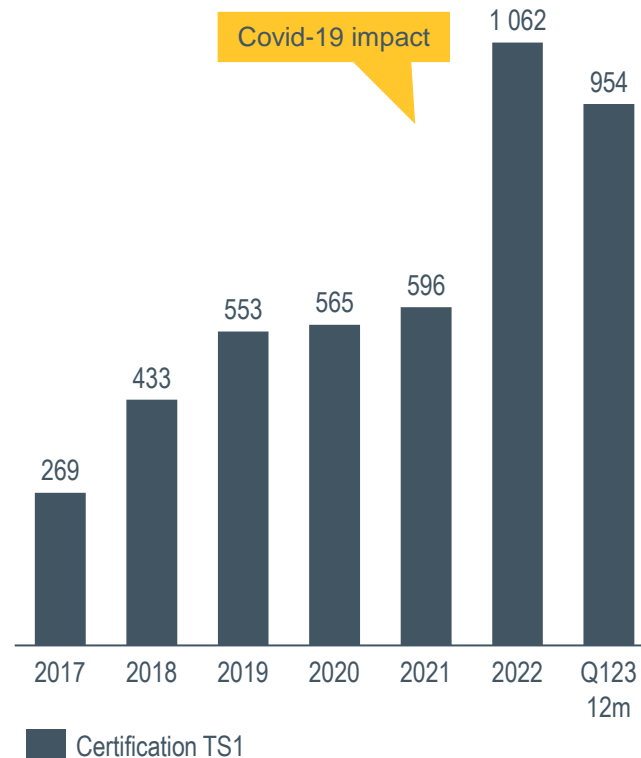
Build competence

- Focus on training and competence
- Efficiency, standardization, sales, quality, customer satisfaction and loyalty
- ~300 apprentices in academies around the globe

86%

of technicians with knowledge in hydraulics, pneumatics and electrification (Level 1)

Certified technicians (Level 1), per year



The right feet on the ground

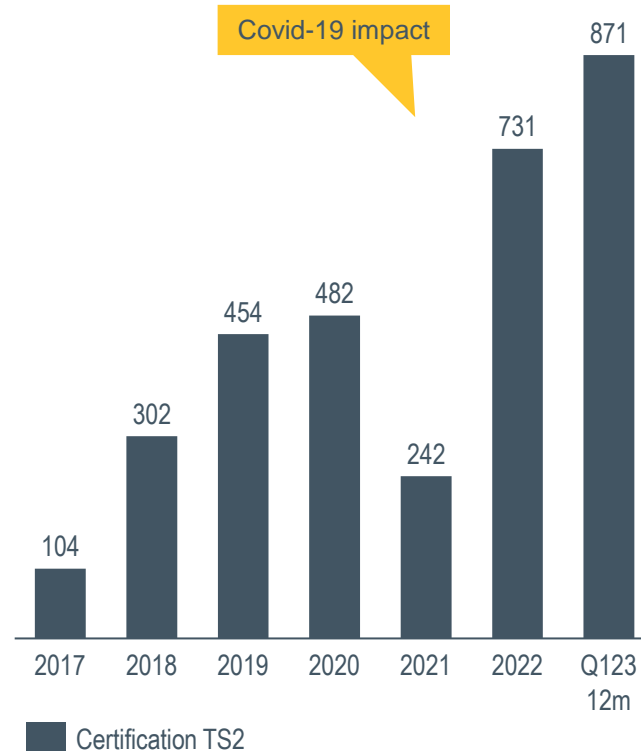
Keep competence

- Keep focusing on training and competence
- Clear career path
- Strong culture and mentoring program
- Brothers and sisters in performance

55%

of technicians have deep technical knowledge in models and systems (Level 2)

Certified technicians (Level 2), per year



What services do we offer?

1. Replacement parts and kits
2. Service agreements and audits
3. Midlife services, including diesel-to-battery conversion
4. Remanufacturing solutions for components
5. Electrification solutions
 - Electrical infrastructure solutions, such as chargers and battery-swapping stations
 - Batteries as a Service
6. Digitalization solutions
 - Software and digital solutions, incl. enablers such as wireless connectivity
7. Other solutions
 - Custom-engineered solutions, Live Work Elimination, training, etc.



1. Replacement parts and kits

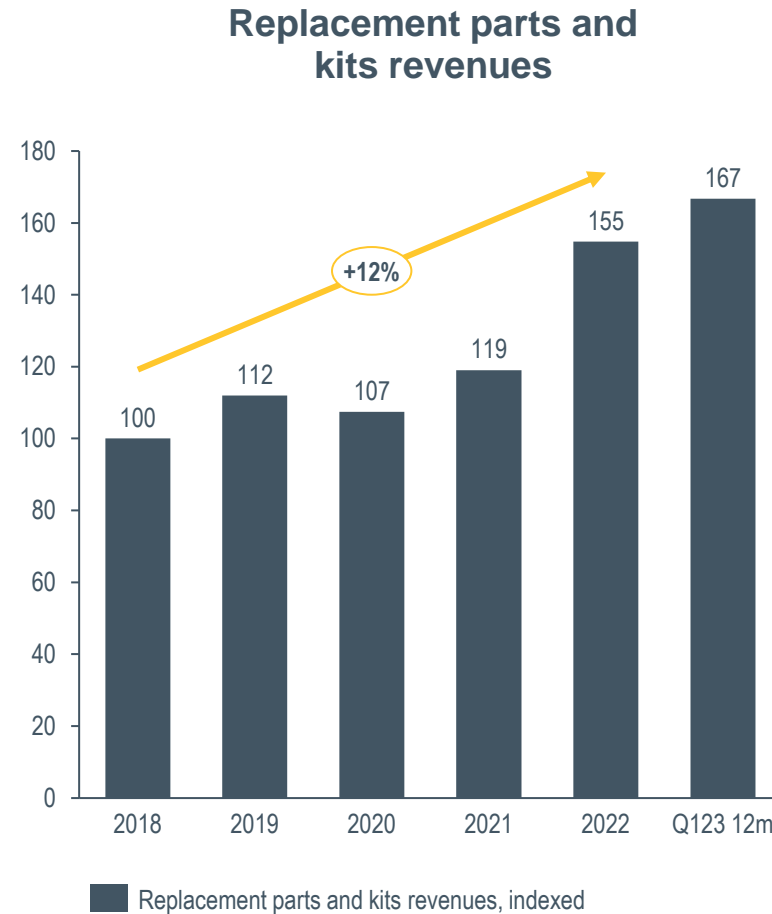
Engineered for peace of mind

What?

- High-quality genuine parts
- Repair kits and preventive maintenance kits
- Blasthole undercarriage systems, feed parts, rock drills, booms, Rig Control Systems (RCS), and more

Epiroc strengths

- Strong local presence with right feet on the ground
- Wide offering
- High availability



Line/circle with figure = CAGR



2. Service agreements and audits

From parts provider to productivity partner

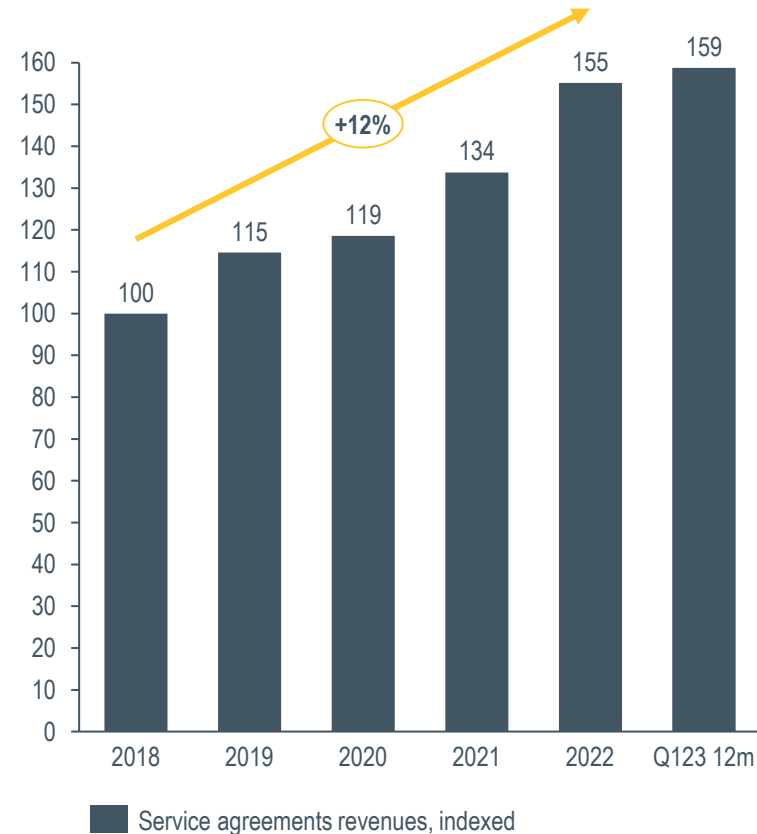
What?

- Care agreements
- RigLife and OnSite agreements
- RigScan

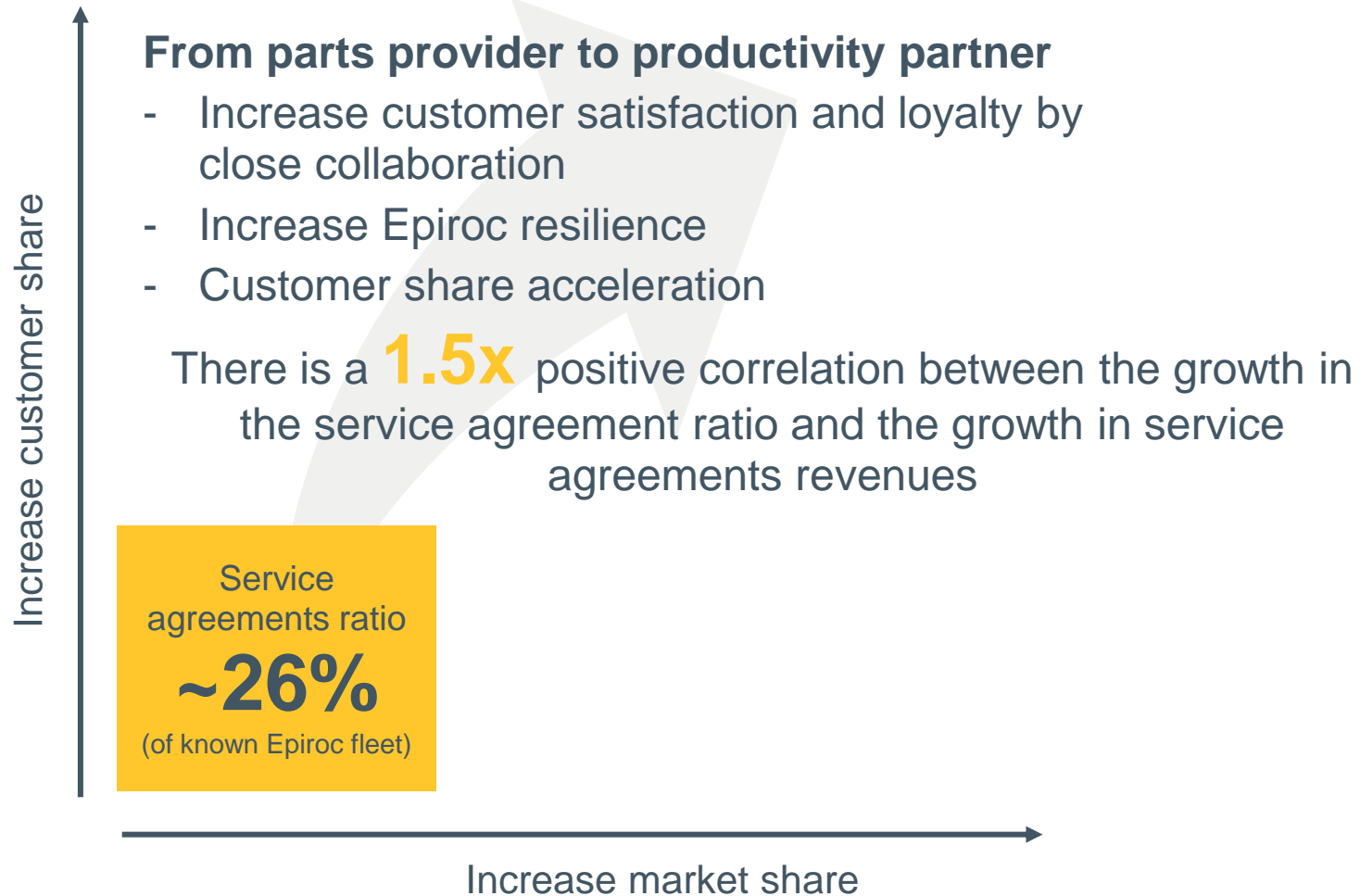
Epiroc strengths

- Strong local presence with right feet on the ground
- Competitive advantage in terms of value propositions
- High ambition (and potential) to grow
- Standardization projects
- Data-driven services and subscriptions

Service agreements revenues



Focus on the service agreement ratio



3. Midlife services

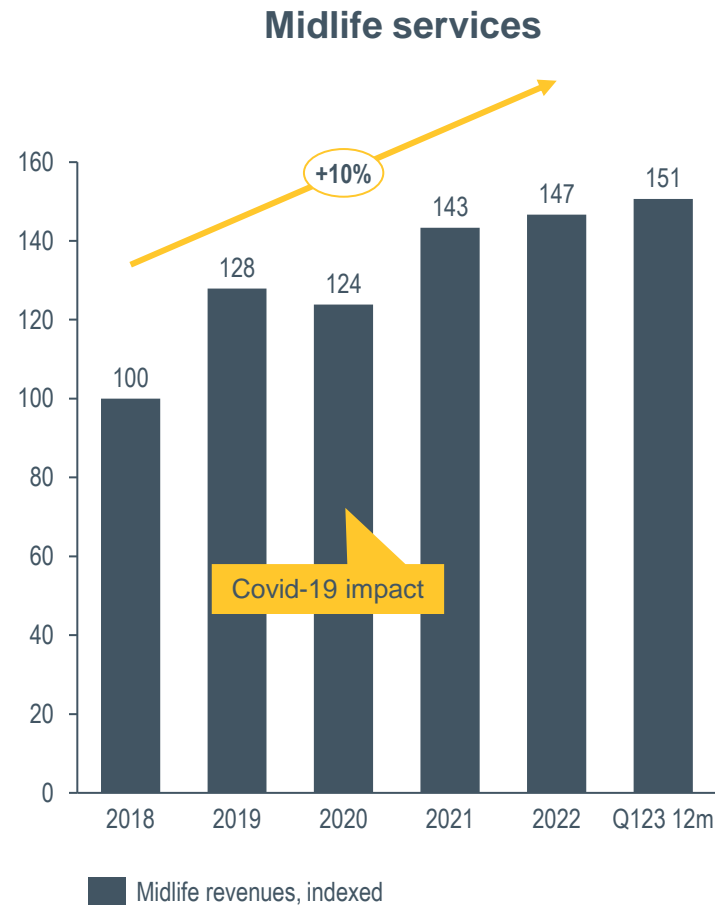
Extend equipment life

What?

- Replacing and upgrading old parts with new or remanufactured components
- Returning equipment to maximum productivity and extended cycle life
- Cost significantly lower than buying a new machine
- Different value propositions
 - BASIC, PLUS and TECH

Epiroc strengths

- Proactive maintenance and a flexible service solution
 - Incl. battery conversions
 - Circular approach



Movie: Midlife Services in Mongolia

40 sec



4. Remanufacturing solutions

Give used original components a new lease on life

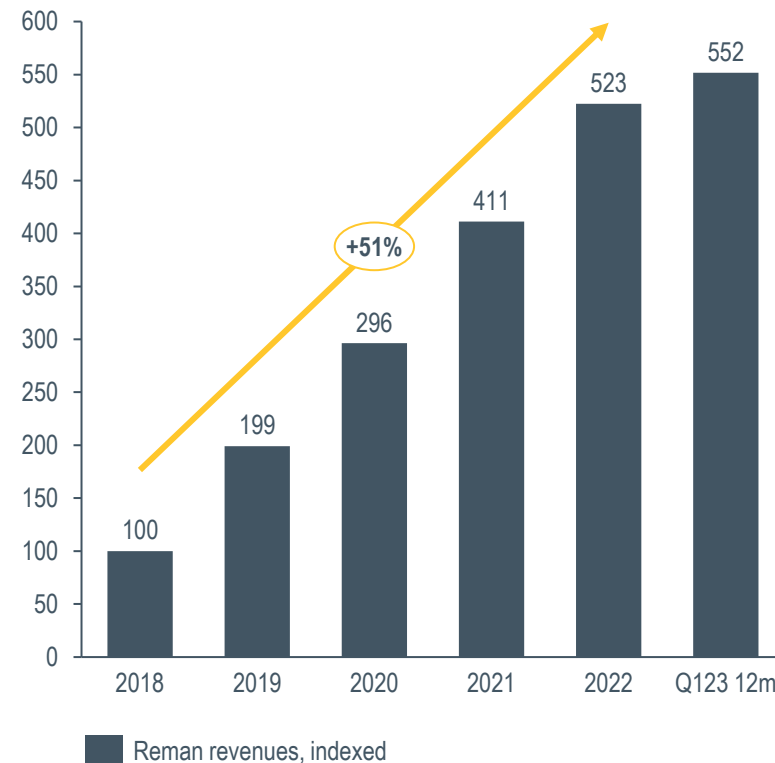
What?

- Old parts become new again
- Reliable parts with minimal downtime (incl. warranty)
- Sustainable option
- Approx. 2 200 components remanufactured in 2022

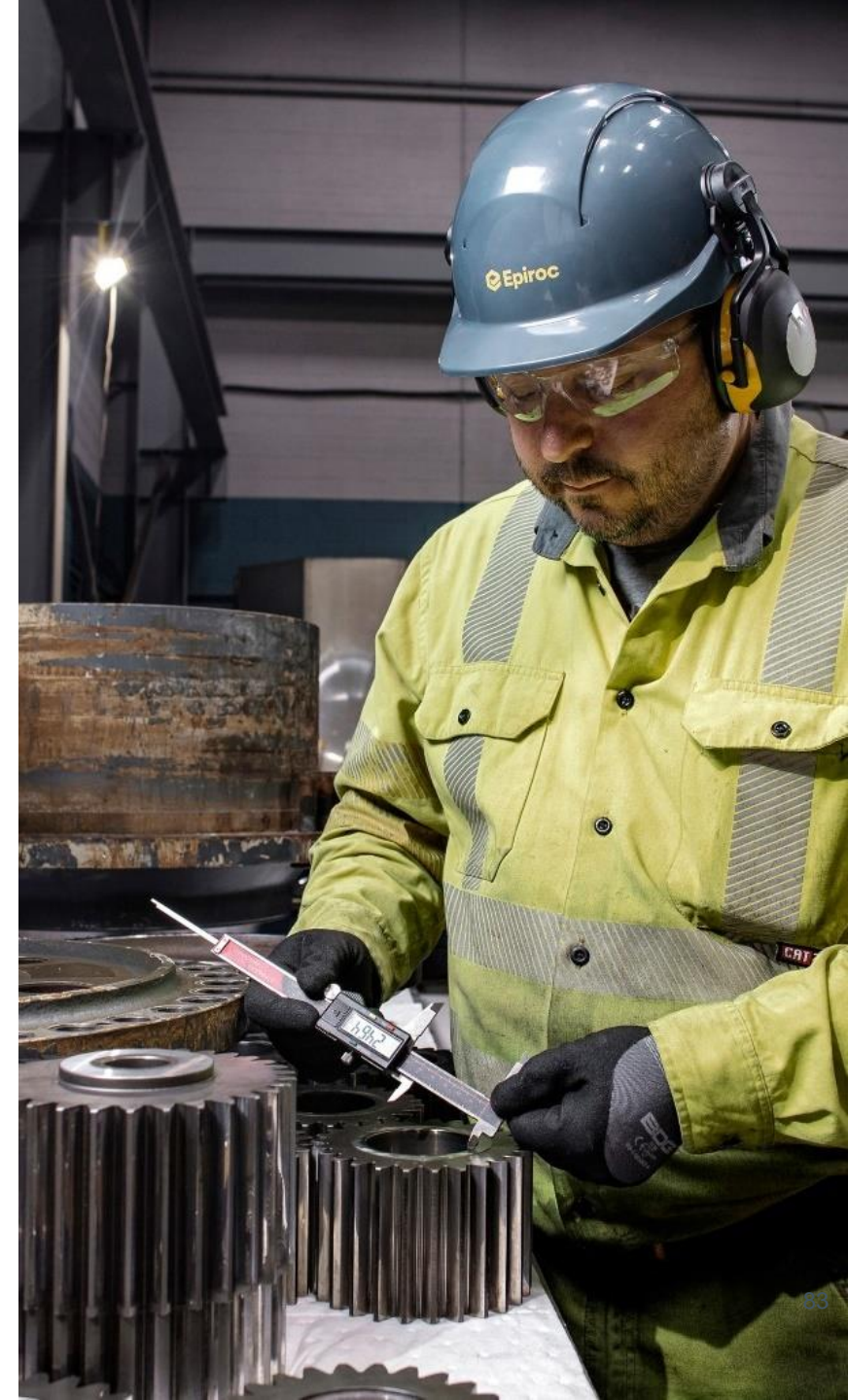
Epiroc strengths

- 20+ years of experience
- High skillset
- Standard operation procedures and training
- Large installed fleet

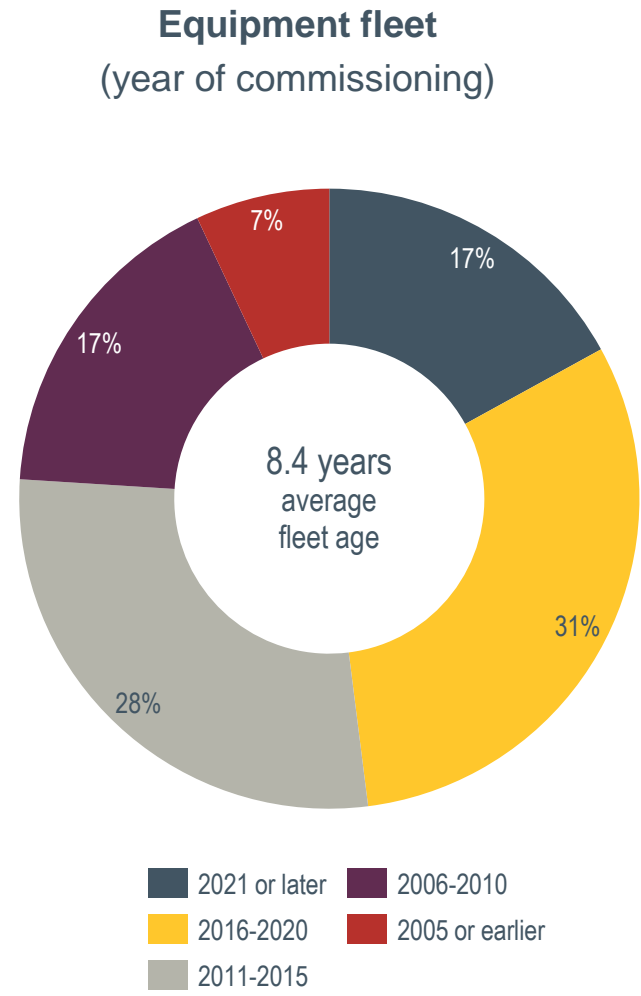
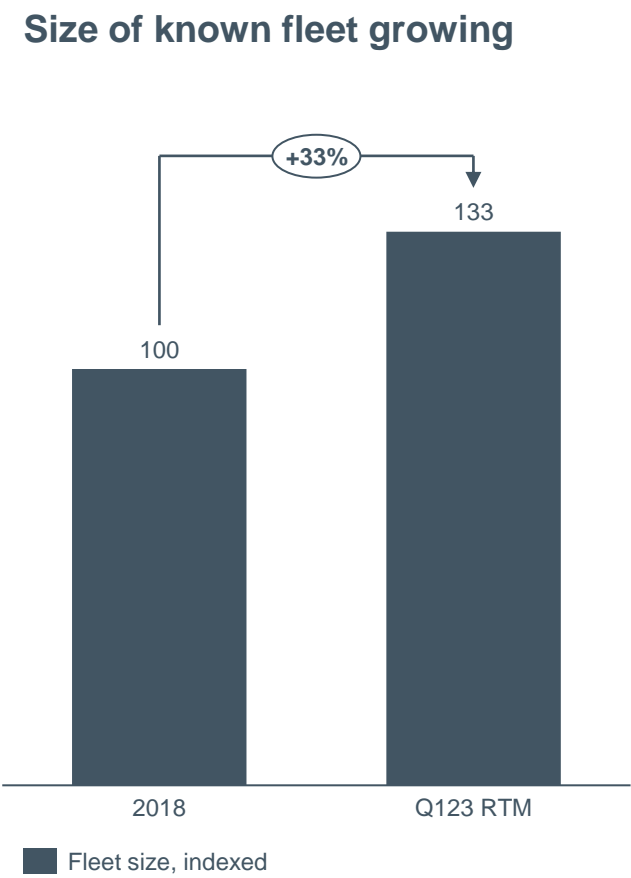
Reman revenues



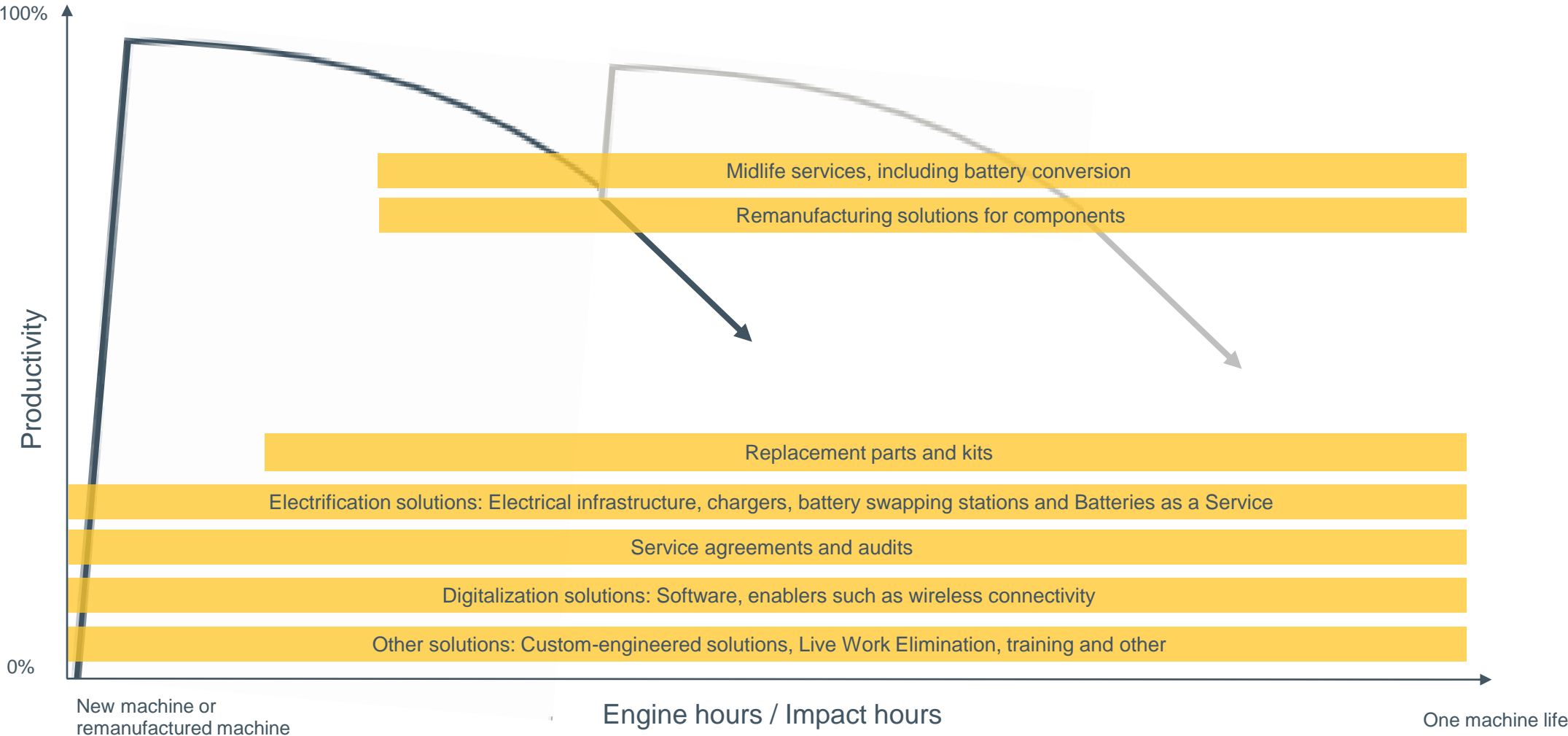
Line/circle with figure = CAGR



Larger and aging fleet requires maintenance





Equipment life cycle and service offerings



Technological height increases parts demand

Automation vs. not automation



-  Automation leads to higher cumulative parts revenues. Higher utilization contributes positively.
-  Reduced parts damage contributes negatively.

Service agreements and hours not included in calculation.

Maintenance needs on BEVs

Battery vs. combustion engine

- Customers save **15-20%** in parts consumption (including engine maintenance). Other savings, such as diesel and ventilation, come on top.
- Epiroc has **>12%** over 5 years cumulative aftermarket revenues
 - Electric infrastructure and Batteries as a Service contribute positively
 - All BEVs to date have been delivered with service agreement
 - Services and consumables on par or somewhat lower



Democratization of innovation to drive growth further

How?

- Cross-divisional collaboration
- Partnerships
- R&D contribution from everyone

Success stories

- Replacement parts and kits
 - Hydraulics and hose solutions for mixed fleet
- Midlife services
 - Undercarriage and drifting system for trucks
- Remanufacturing solutions
- Additional features
 - Automatic Bit Changer
 - Collision Avoidance System

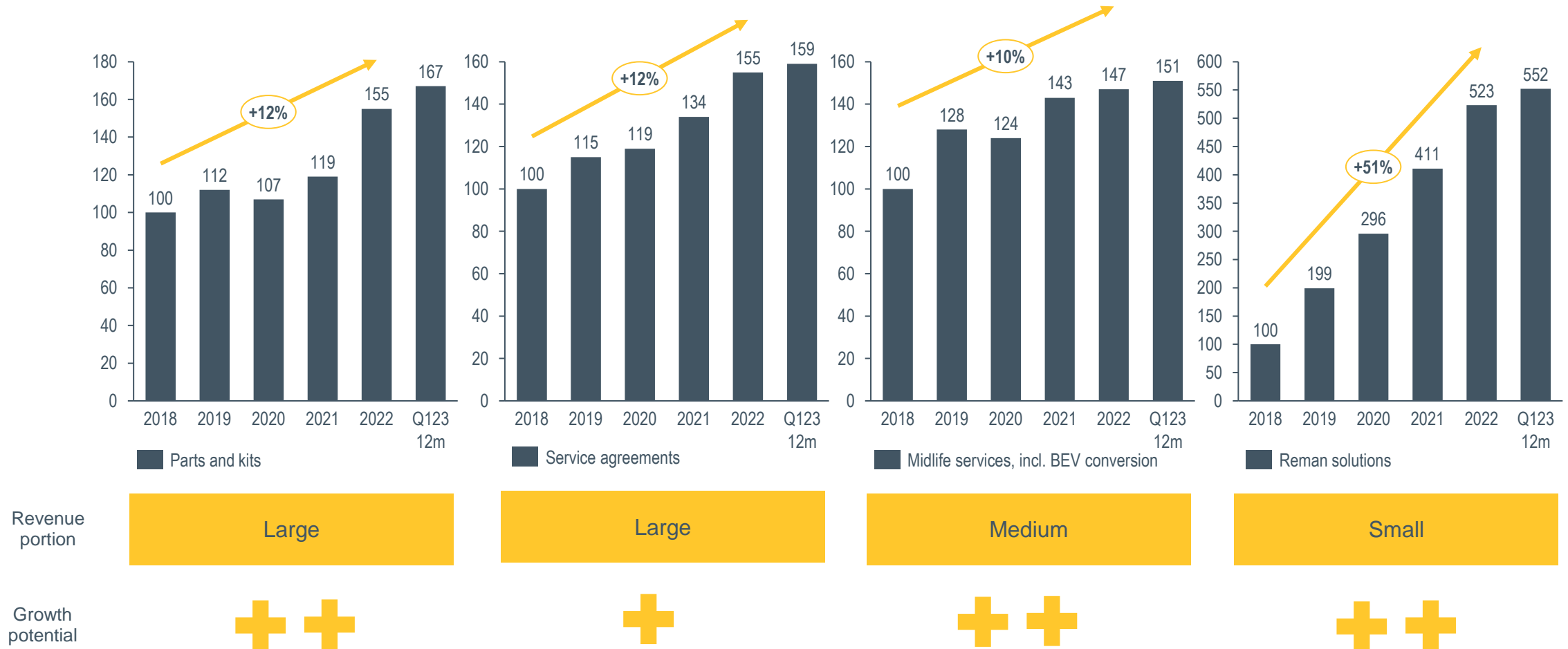
80%

of new innovation ideas
from service technicians



Service growth potential at a glance

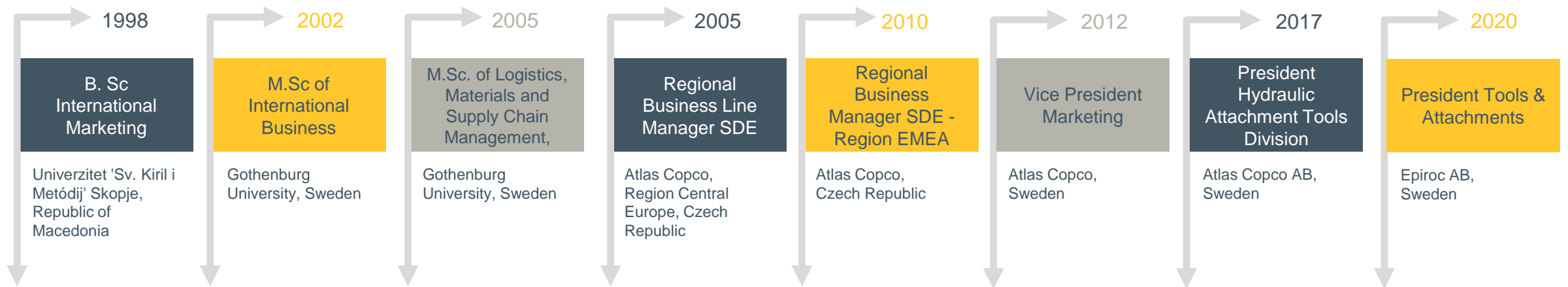
Some important revenue streams indexed



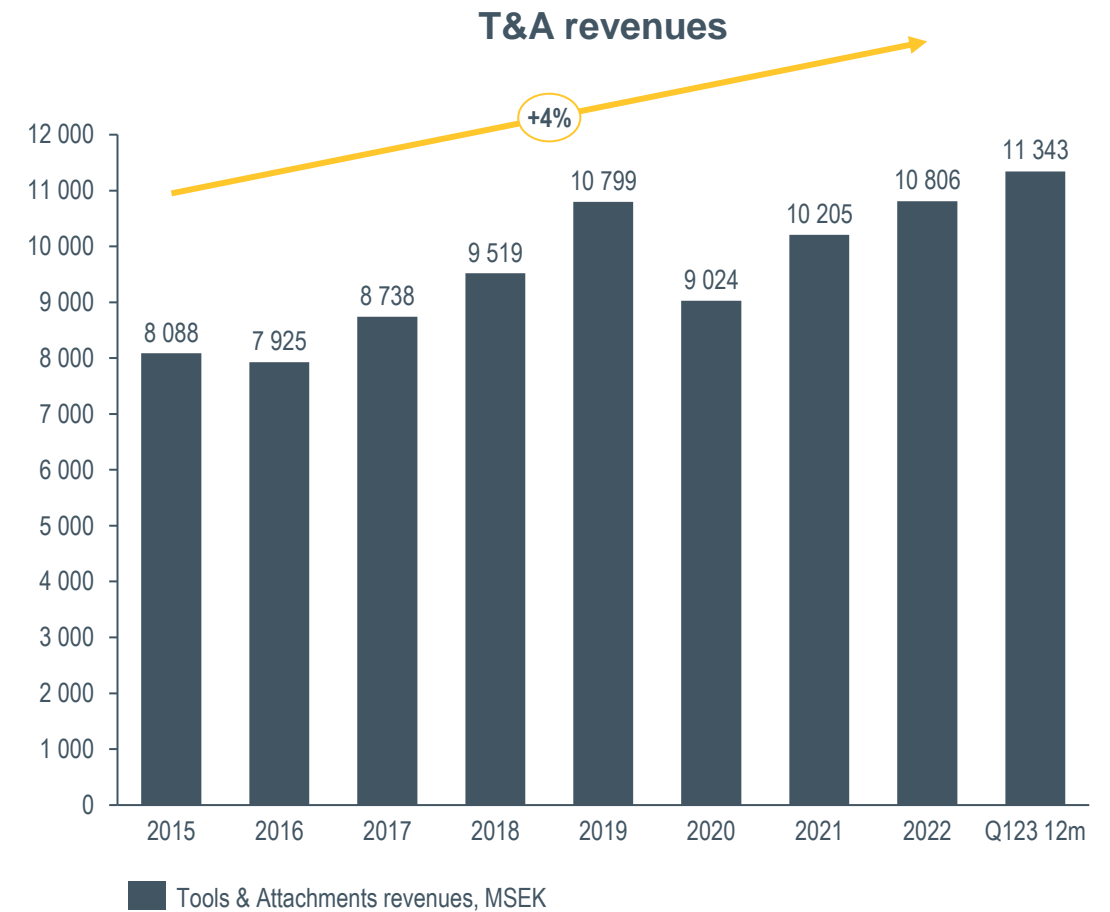
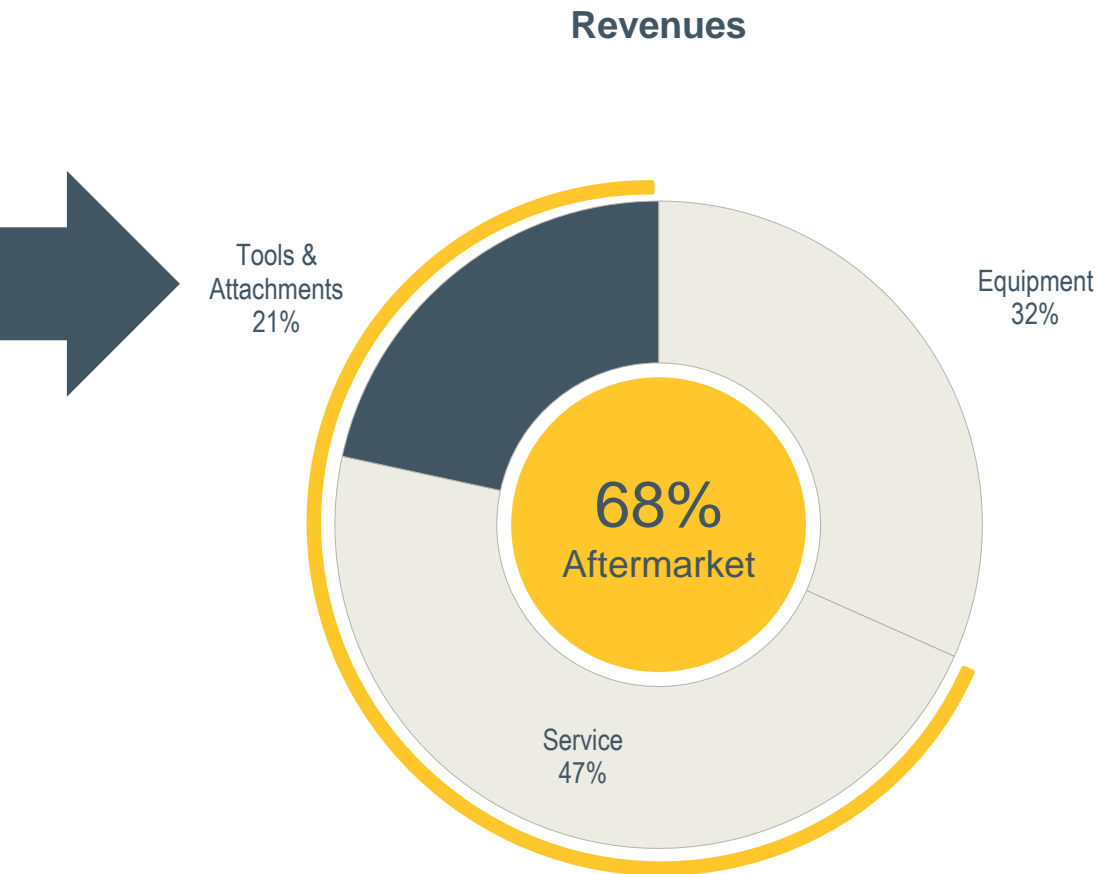
Line/circle with figure = CAGR

Goran Popovski

President Tools & Attachments



Tools and attachments for hard rock excavation, demolition and recycling



The perfect match for performance

The best
equipment



The best
service



The best rock
drilling tools



The best
performance



The best
equipment



The best
service



The best
attachment



The best
performance



Movie: Powerbit X vs. Standard bit

0m 48s



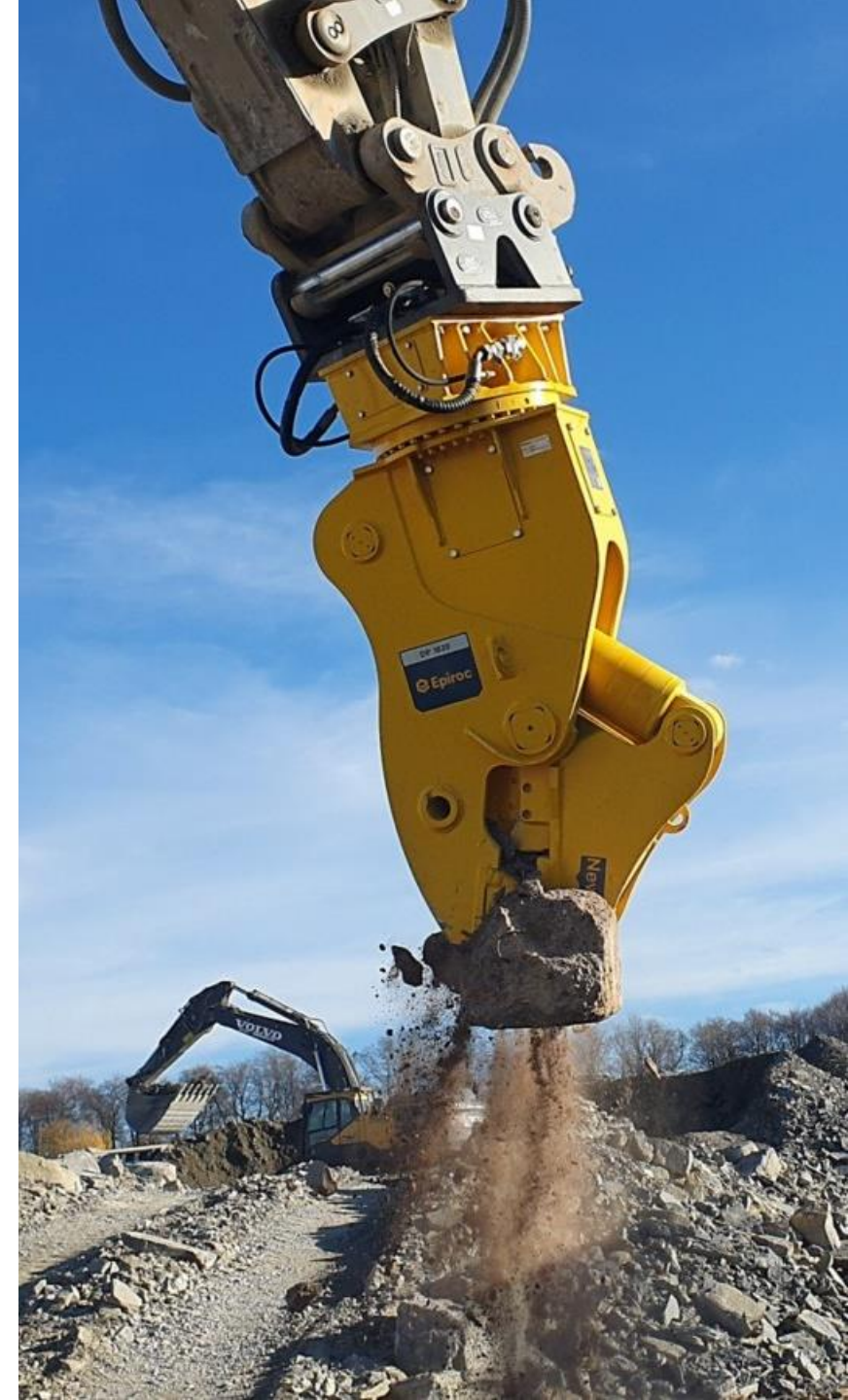
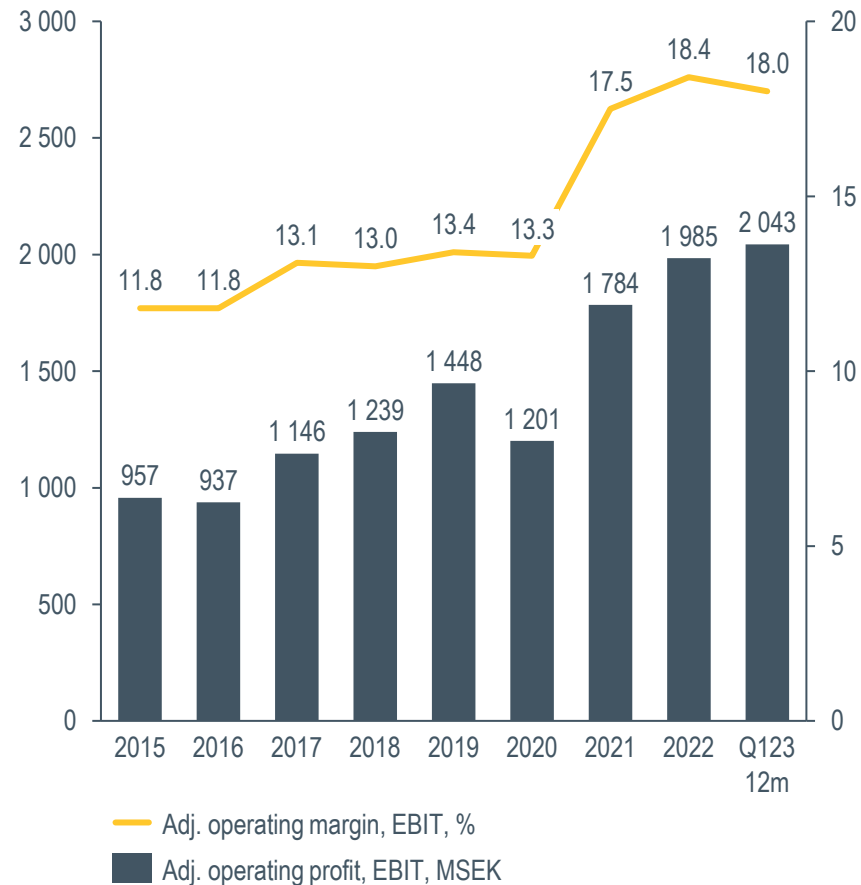
Profitable growth journey

Tools & Attachments

Customer centric mindset

1. Strategic growth
2. Innovation to stay ahead
3. Improve value proposition
4. Expand scope by acquisitions

Adjusted operating profit and margin



Urbanization drives demand

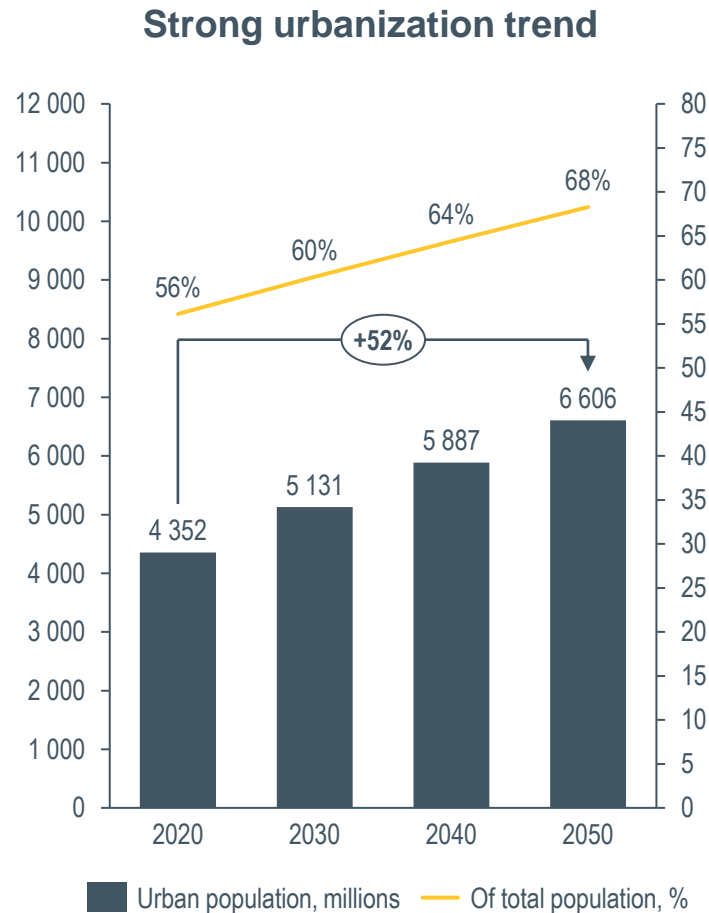
1. Strategic growth

- Urbanization trends strong across the globe
 - 1.2 million km² of new urban built-up area needed by 2030
- Excavation needed to create stable foundations or space

Epiroc's exposure towards the construction market is expected to grow

4-5%

p.a. until 2030



The World Bank – April 2023 and October 2021

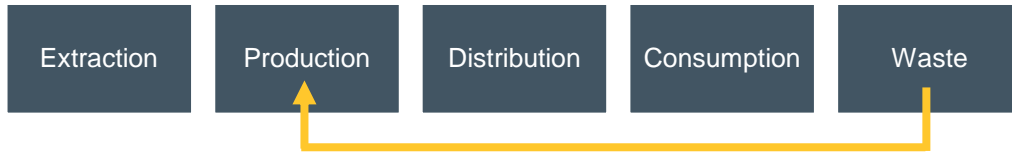
<https://www.worldbank.org/en/topic/urbandevelopment/overview#1>



Urban mining: Strong recycling and deconstruction trend

1. Strategic growth

Moving from linear to circular economy



Steel

- 36% of global crude steel produced from secondary raw materials
- Using steel scrap in the production process reduces CO₂ emissions by 58%

Copper

- 70% of copper in End-of-Life products is recycled
- 16% of global refined copper produced from secondary raw materials*
- Using copper scrap in the production process reduces CO₂ emissions by 65%



2. Innovation to stay ahead

Data harvesting

- Across all products to improve the safety and improve the productivity for customers

Powerbit X

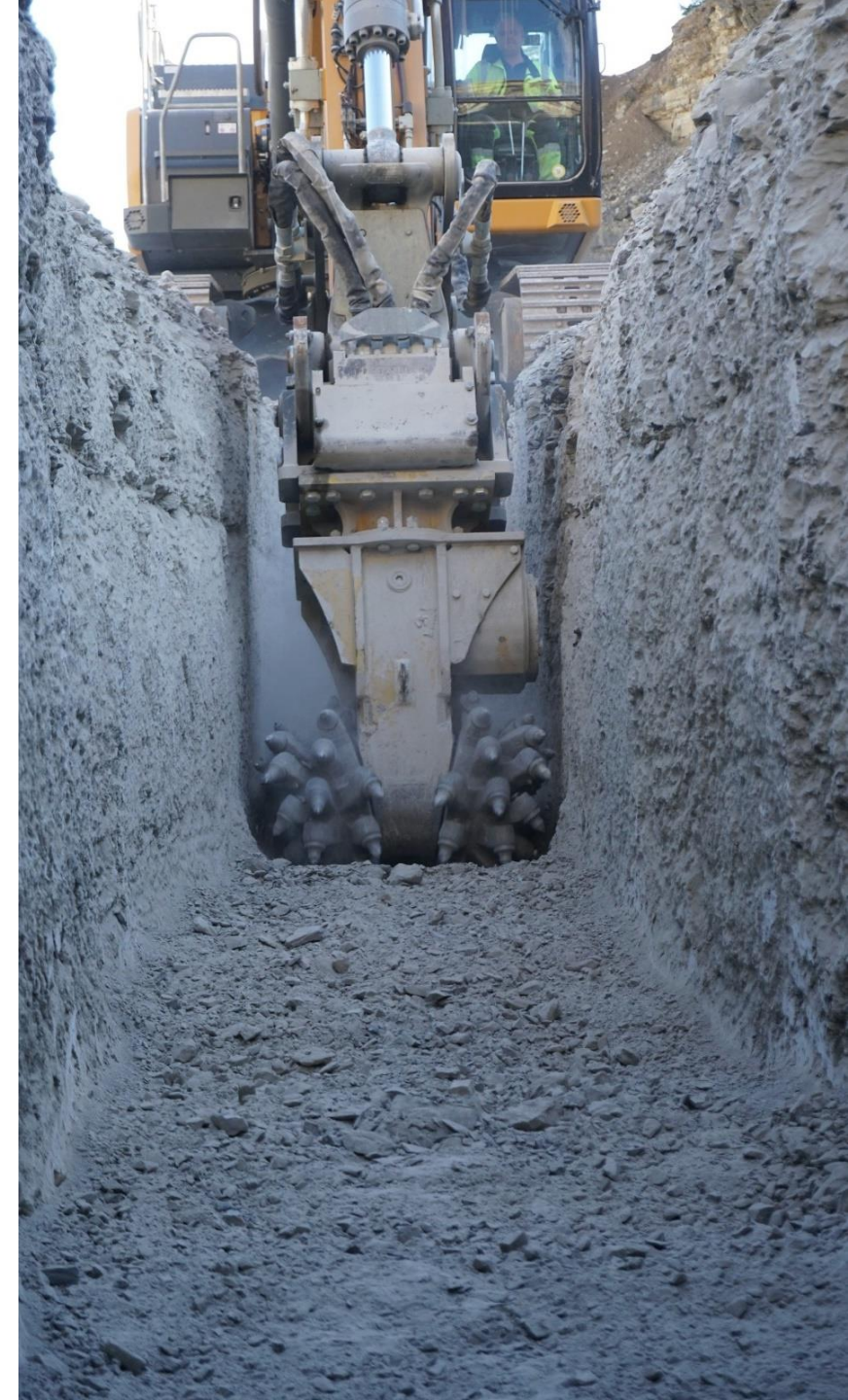
- Improved safety with fewer drill bit changes enabling automation

AutoVC Cutter 2000

- Revolution within trenching with up to 40% energy savings

Digitalization

- HATCON - No tool left behind, service on time and hassle-free logistics
- Drilling Tools Optimization – digitalizing drilling administration
- Get Trakka and Load optimization



3. Improve value proposition

Broadening channel range to take advantage of strategic growth

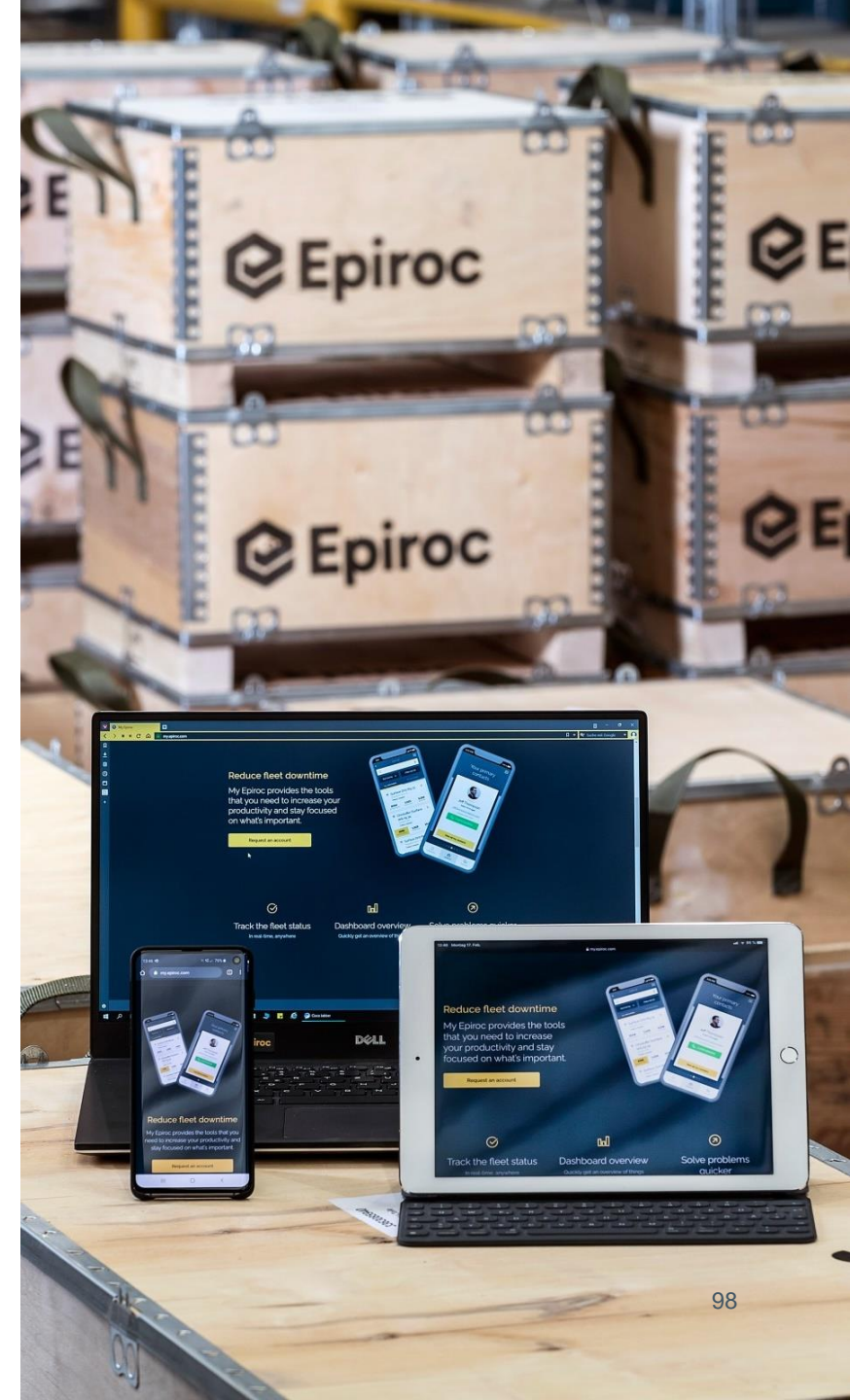
- Mining and quarrying
- Construction
- Recycling and deconstruction

Different value propositions

- Essential Line Working tools
- Extension of breaker range
- Different agreements, e.g. Cost per meter contracts

Smart Inventory Management system

- Availability in focus



4. Expand scope by selective acquisitions

2021: DandA Heavy Industries

DandA Heavy Industries
manufactures hydraulic breakers



Strengthening leading position
in hydraulic attachment tools

MSEK 210 in annual revenues
and 60 employees*

* At the time of announcement of the acquisition



4. Expand scope by selective acquisitions

2022: Wain-Roy

Wain-Roy

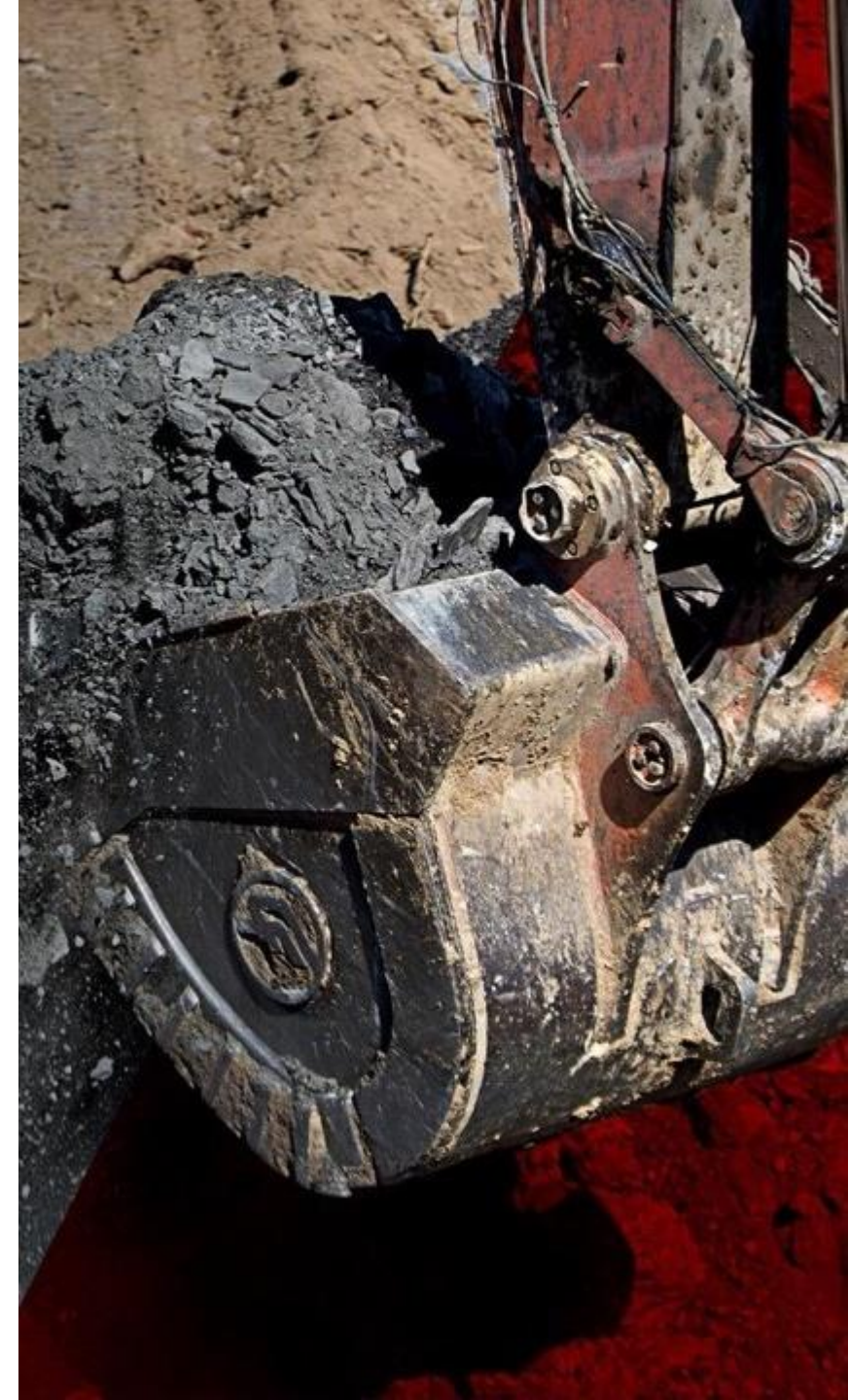
manufactures excavator attachments
for the construction industry



Strengthening presence in the
North American construction market

MSEK 200 in annual revenues
and 100 employees*

* At the time of announcement of the acquisition



4. Expand scope by selective acquisitions

2023: CR

CR

provides advanced ground engaging tools
and related digital solutions mainly for the mining industry



Expanding offering in first-rate
offering of essential consumables
and digital solutions

MSEK 1 700 in annual revenues
and 400 employees*

* At the time of announcement of the acquisition



Acquired innovation: CR GET Trakka™

Keep workers safe and quickly return to production

- Advanced IoT sensors for high reliability and immediate Ground Engaging Tools (GET) recovery with scanner
- Safety: prevent major risks caused by crusher events
- Productivity: quickly locate lost component and return to production
- Data: insights into GET loss and usage

IoT vs Vision Systems

Low false alarm rate
(0.003%)

Performs in any
environment

Also find lost
components with a
handheld scanner

High false alarm rate
(up to 2% of cycles)

Mining environment
affects reliability

Can only detect
GET loss



Customer centric mindset

- Proactive and solution minded culture
- Highly competent, motivated and committed team
- Highly specialized decentralized organization delivering customer solution with speed and agility
- Better availability
 - Turning global production presence into a clear competitive edge
 - Improving transport and logistics routines
- Portfolio and value proposition optimization



Movie: Epiroc DTH drill bits (down the hole)

38 s

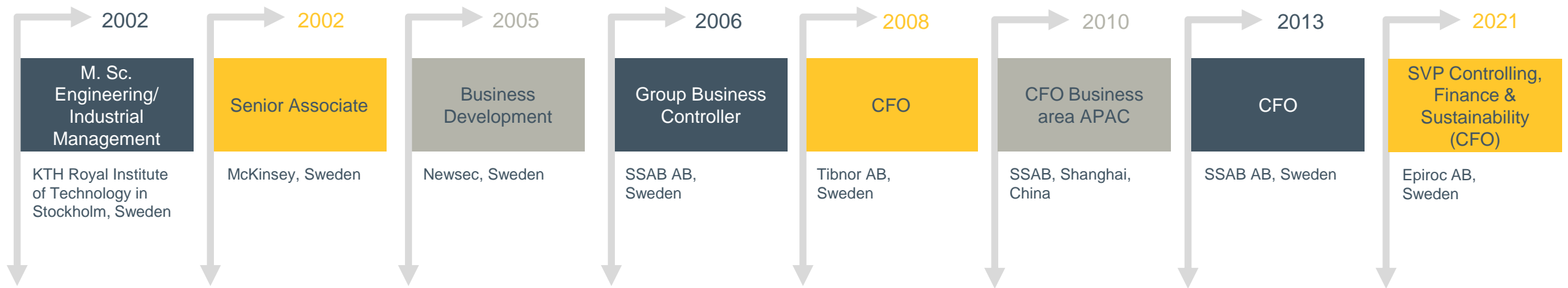


Håkan Folin



CFO

SVP Controlling,
Finance &
Sustainability



Strategy for profitable growth

Focus on attractive niches

Innovation

Aftermarket

**Operational
excellence**

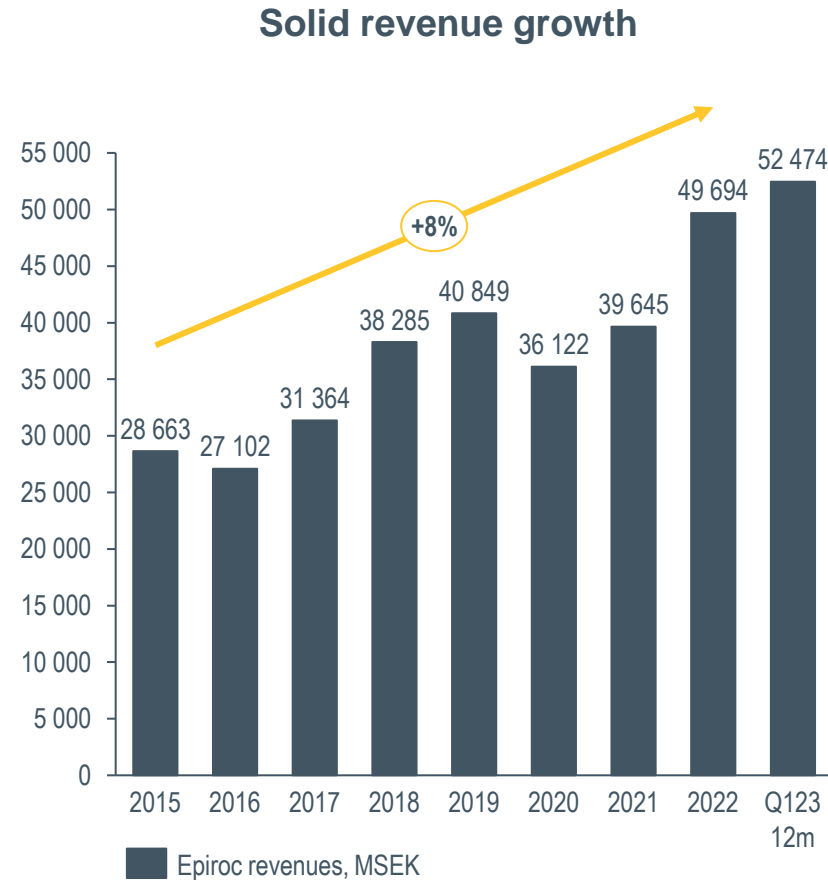
Outperformance

**Strong corporate culture
Sustainability mindset**

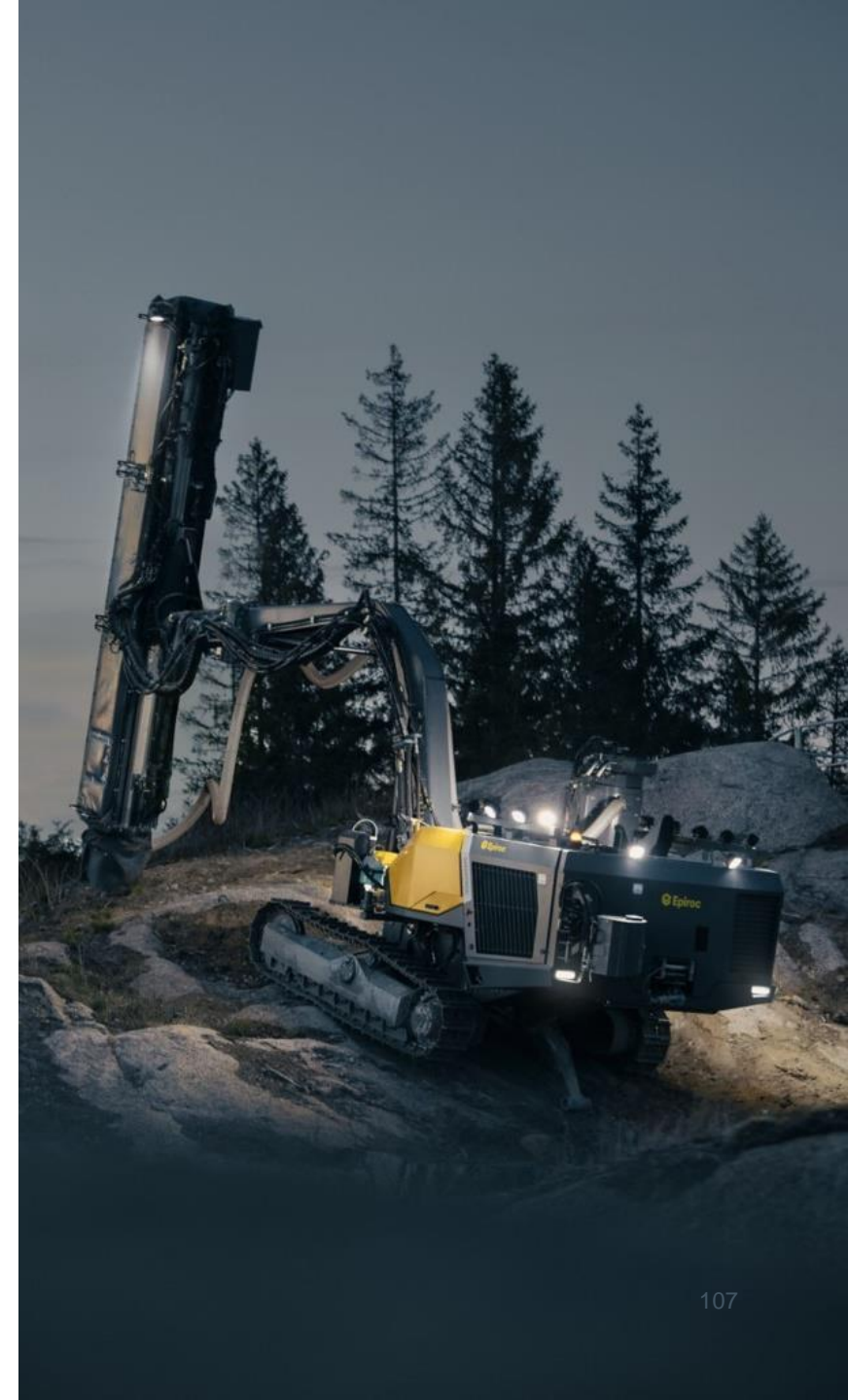
Financial goal: Revenue growth of 8% p.a.

Epiroc's goal is to achieve annual **revenue growth of 8%** over a business cycle and to grow faster than the market

Growth will be organic and supported by selective acquisitions



Line/circle with figure = CAGR

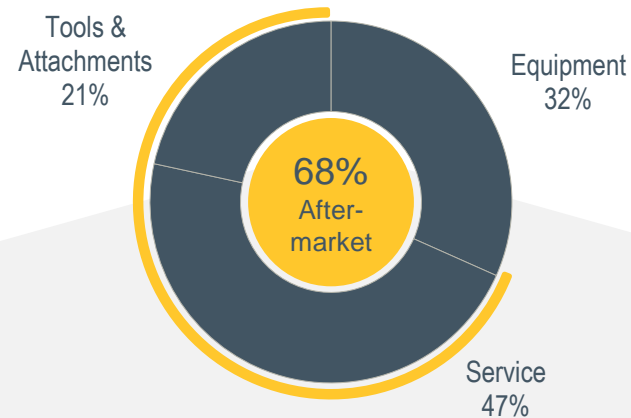


Two reporting segments but three revenue streams

Tools & Attachments

21% of revenues
17.3% EBIT margin

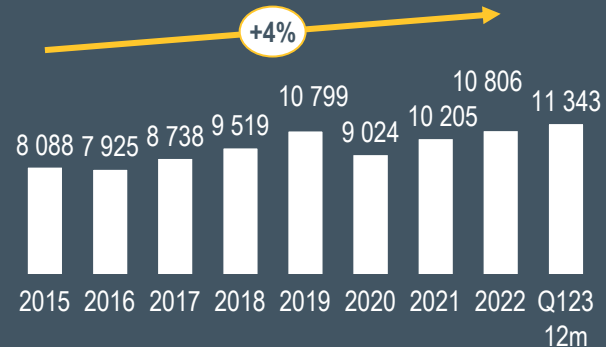
Revenue split



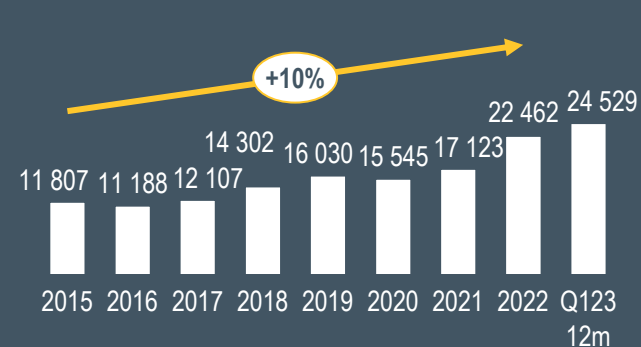
Equipment & Service

79% of revenues
24.4% EBIT margin

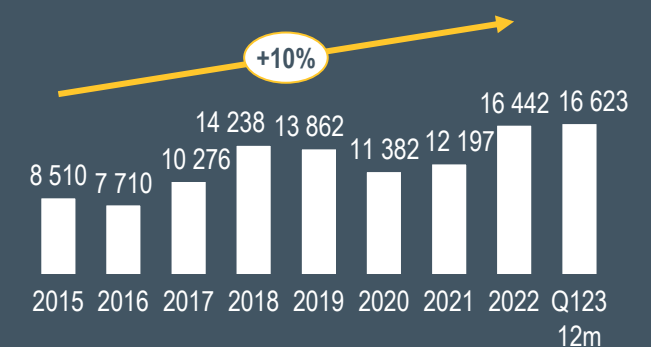
Tools & Attachments revenues, MSEK



Service revenues, MSEK

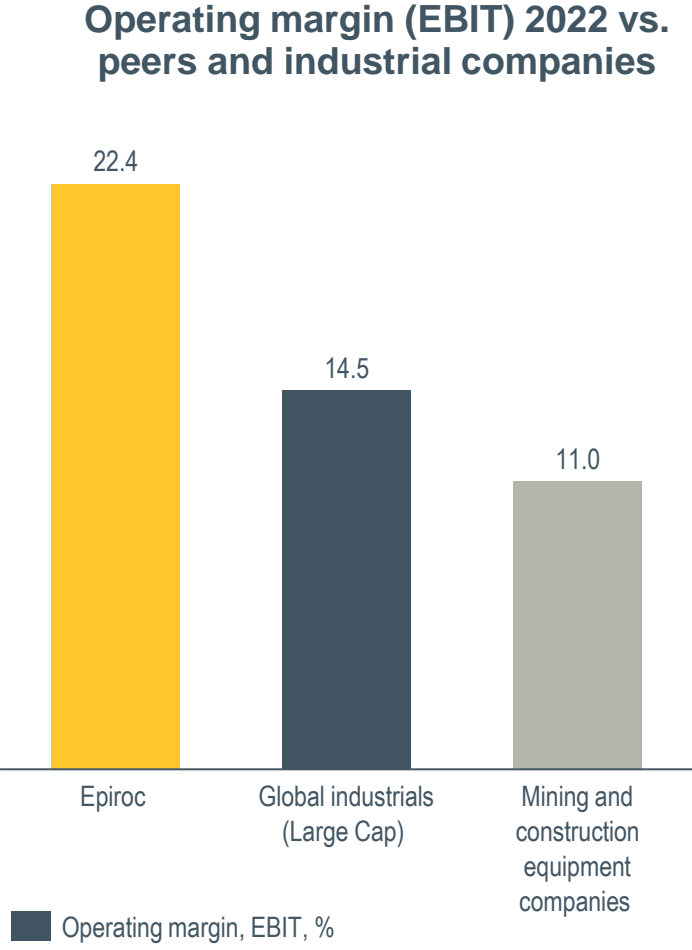
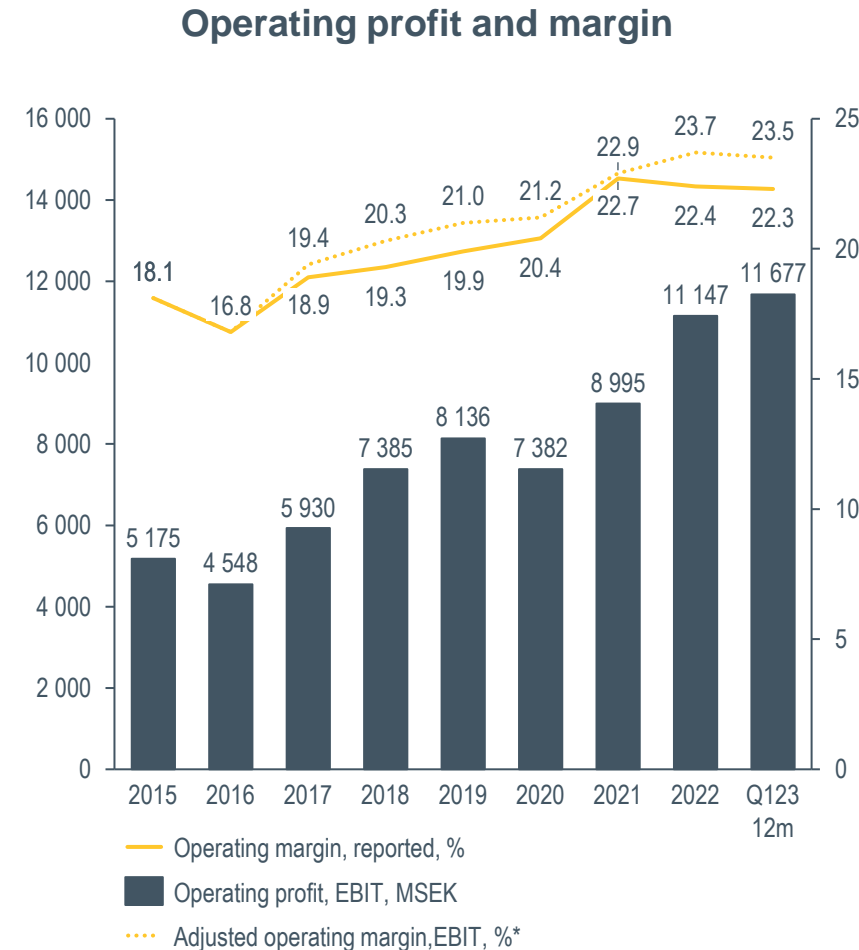


Equipment revenues, MSEK

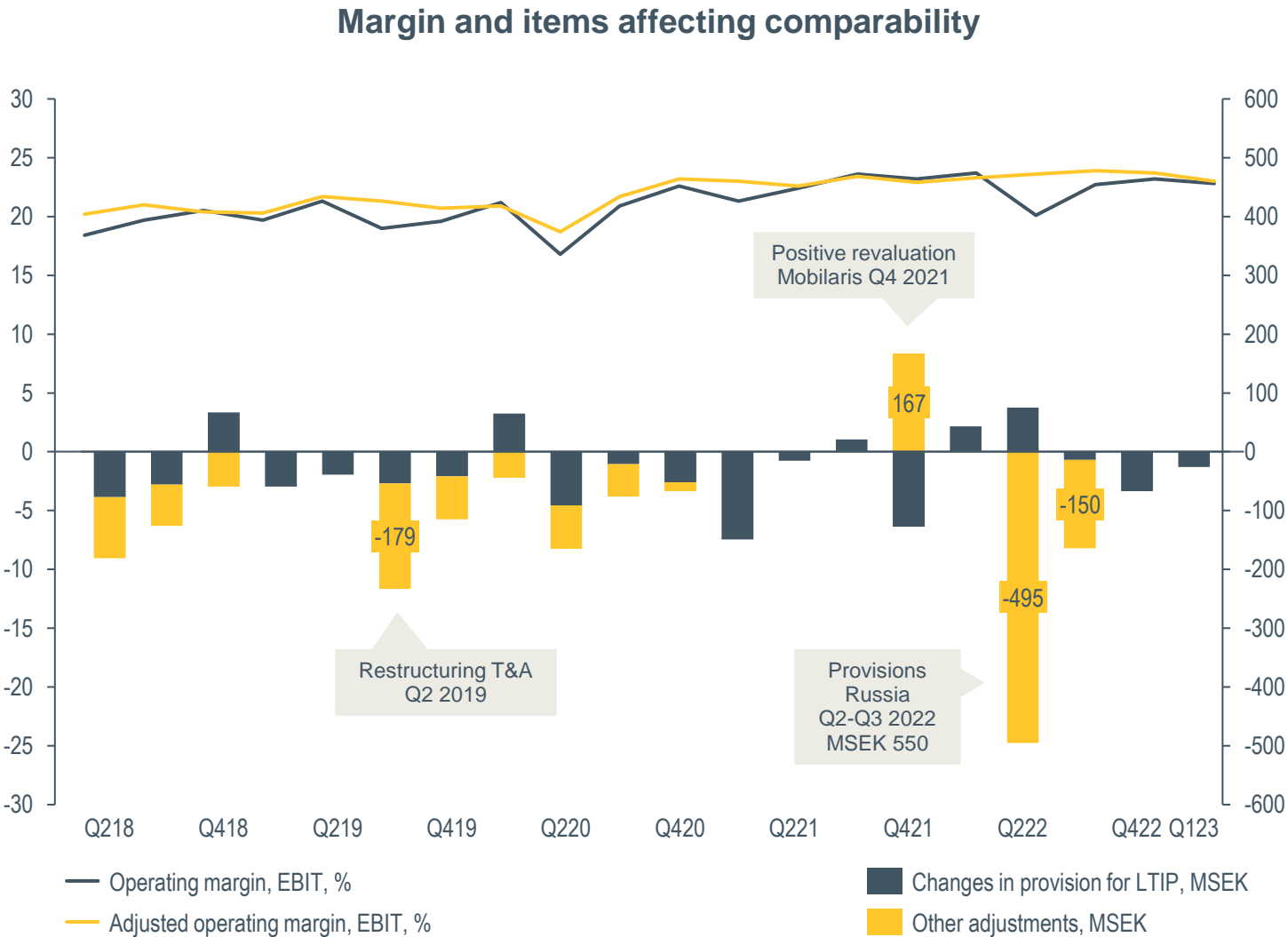


Financial goal: Industry-best operating margin, EBIT

Epiroc’s goal is to have an **industry-best operating margin** with strong resilience over the cycle



Resilient margin and low adjustments



Translating profit into cash

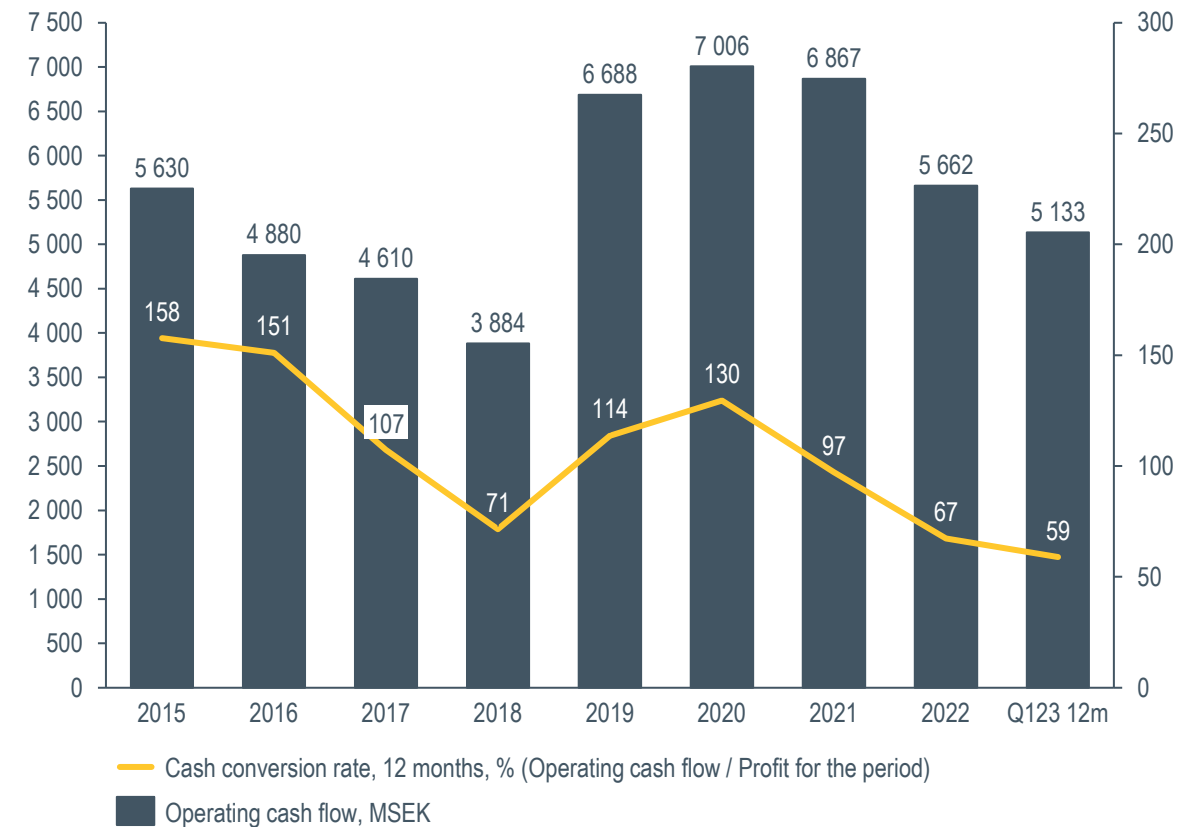
Operating cash flow varies over the cycle

- When the demand is good, we grow and increase working capital
- When the demand is poor, we generate cash and release working capital

Low capex needs

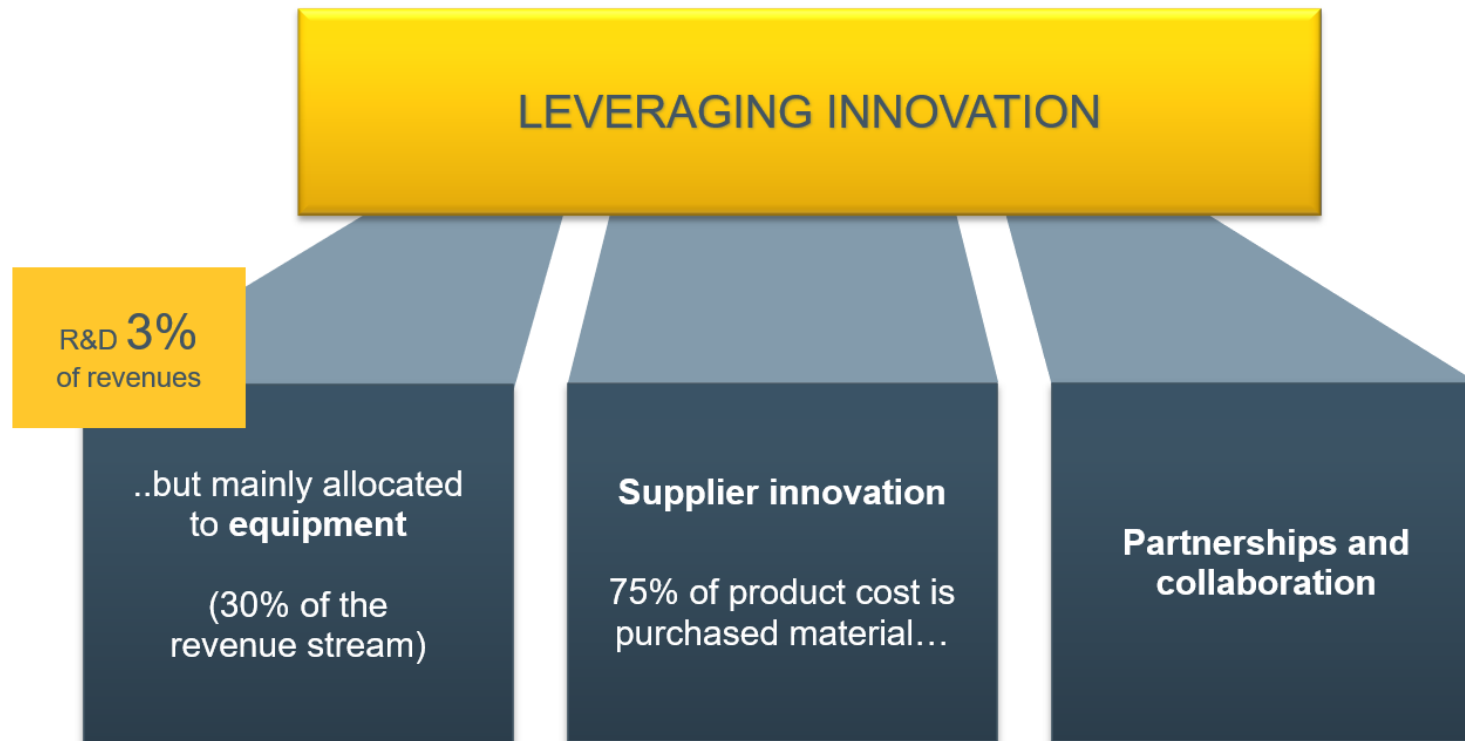
- Limited investments in other property, plant and equipment
- Rental equipment
- Intangible assets mainly R&D and IT

Operating cash flow and cash conversion rate, %



Priorities for use of cash (1/3)

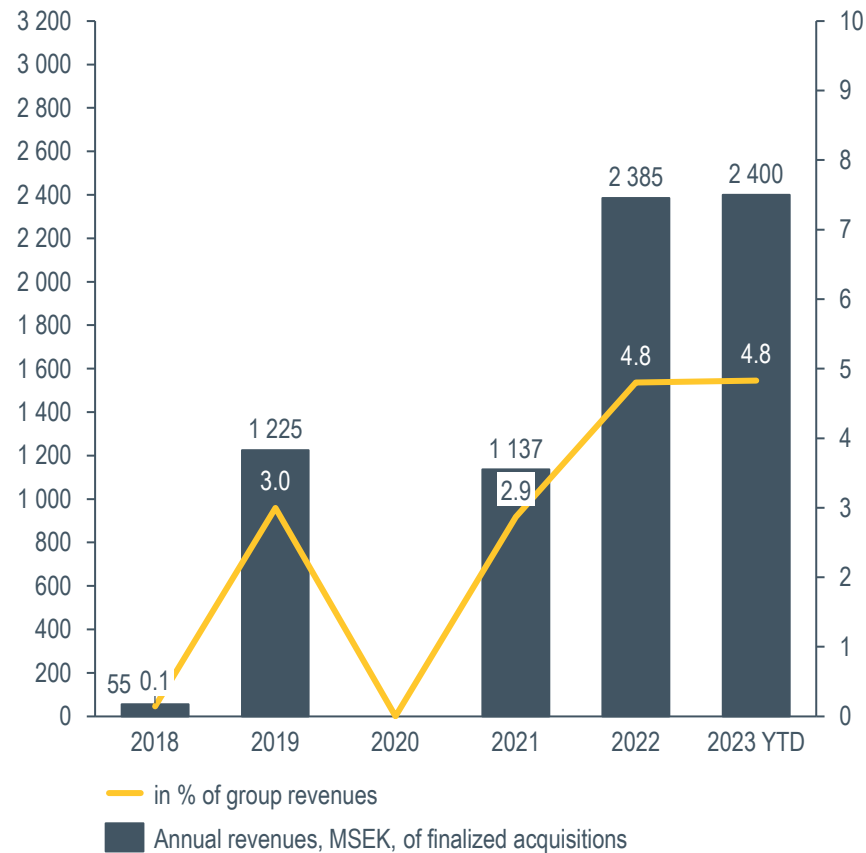
1. Continuously invest in organic profitable growth



Priorities for use of cash (2/3)

2. Invest in acquisitions that support our organic efforts

Acquired revenues



23
acquisitions

+7 200
MSEK revenues

*(Finalized since the
creation of Epiroc)*

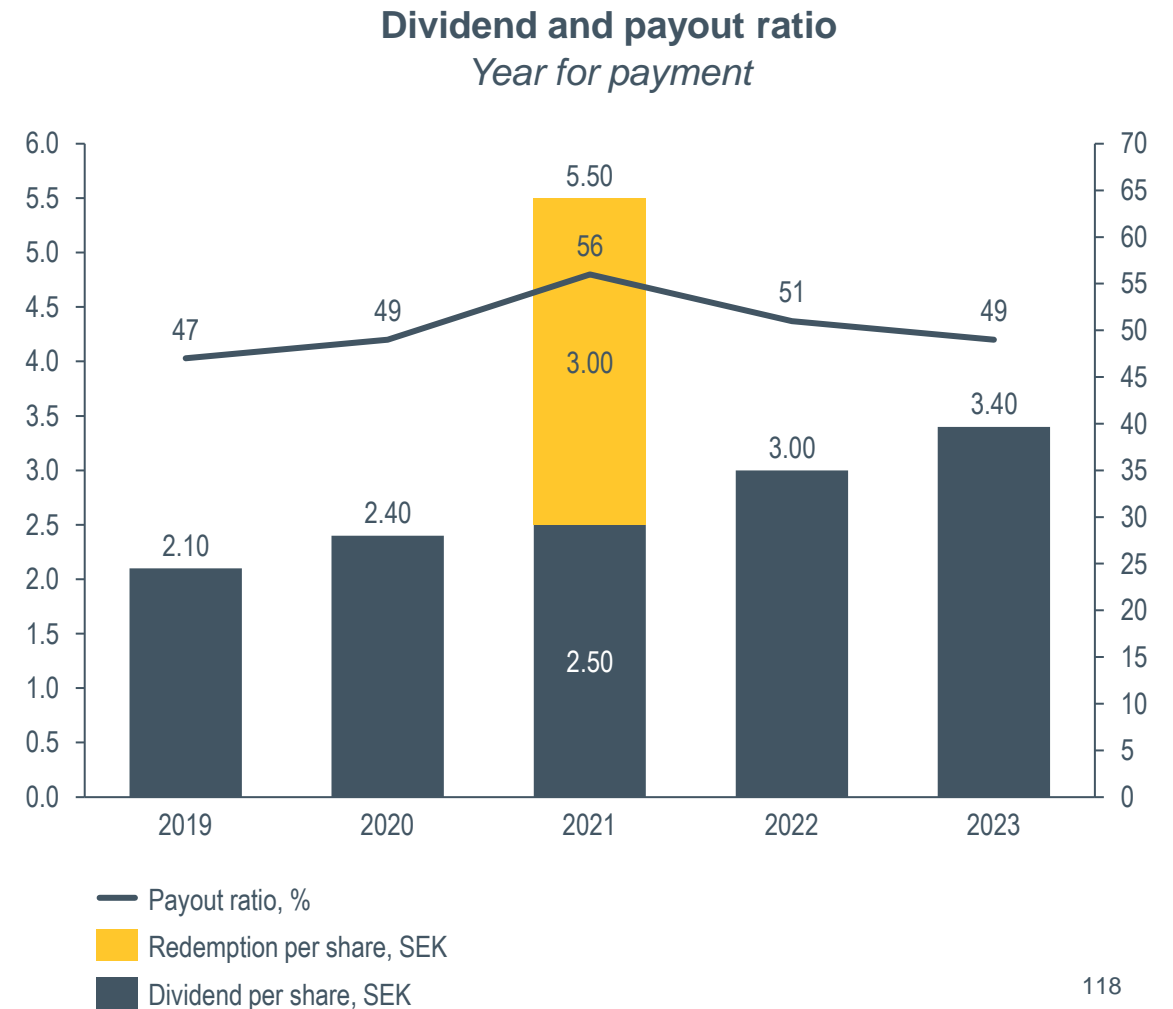


Priorities for use of cash (3/3)

3. Cash distribution

Epiroc's goal is to provide long-term stable and rising dividends to its shareholders

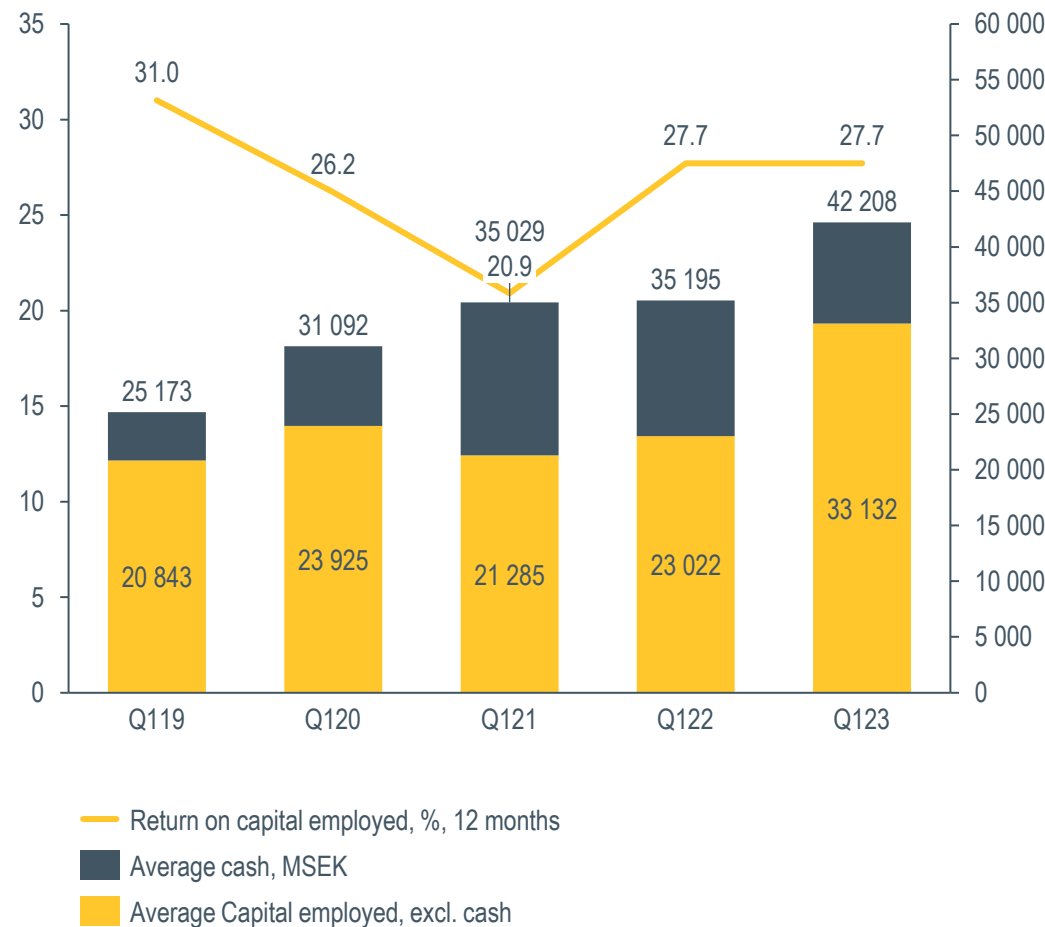
The **dividend** should correspond to **50% of net profit** over the cycle



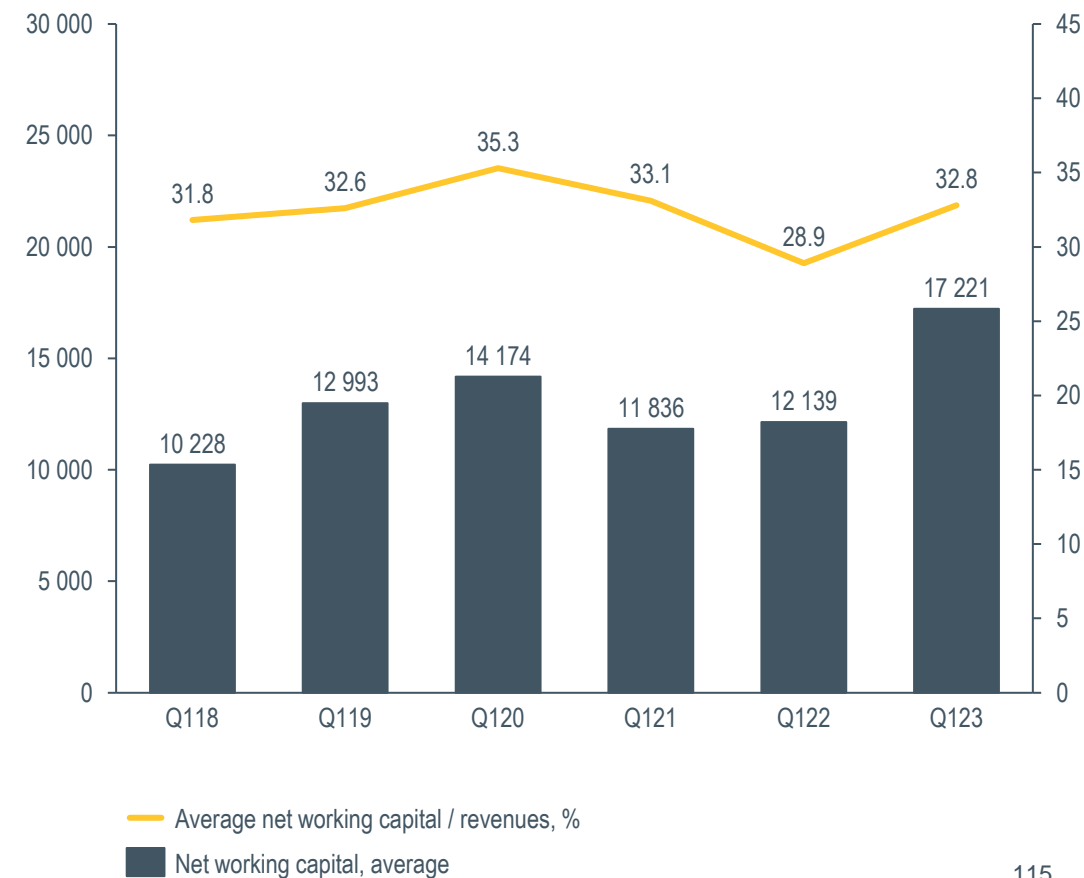
Financial goal: Improve capital efficiency and resilience. Investments and acquisitions shall create value.



Return on capital employed



Net working capital



Working capital impacted by growth and supply-chain issues

Strong growth in Services

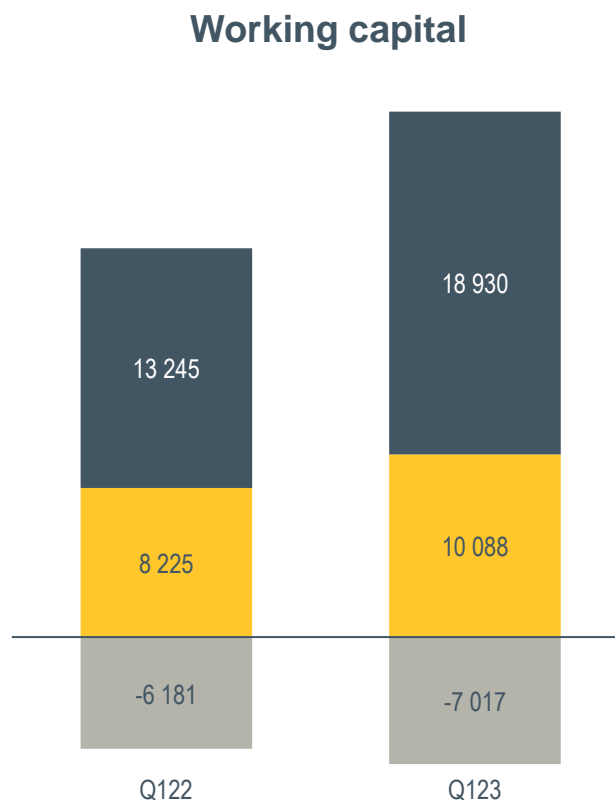
- Good availability

Strong demand for equipment

- Machines in transit

Supply chain

- Mainly outbound transport
- Implementation of regional distribution centers ongoing



Ratios since the creation of Epiroc

Inventory turnover, days

+33 days

Accounts receivable turnover, days

-5 days

Payable turnover, days

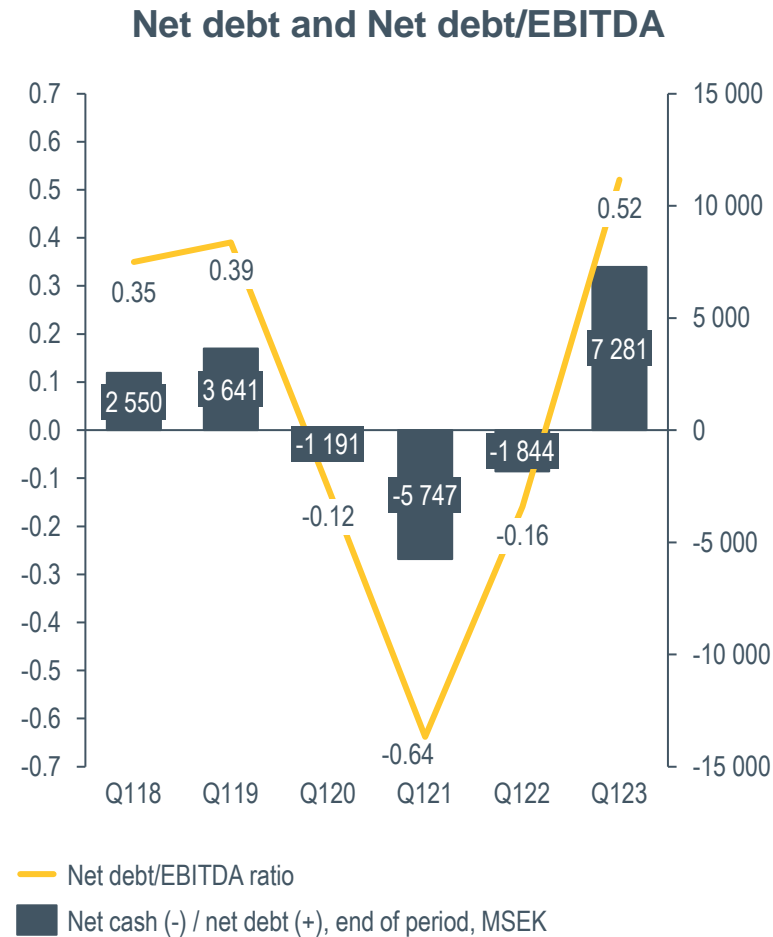
-1 day

Q123 vs 2018

Financial goal: Efficient capital structure and maintain an investment grade rating

Epiroc is to have an efficient capital structure and have the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating

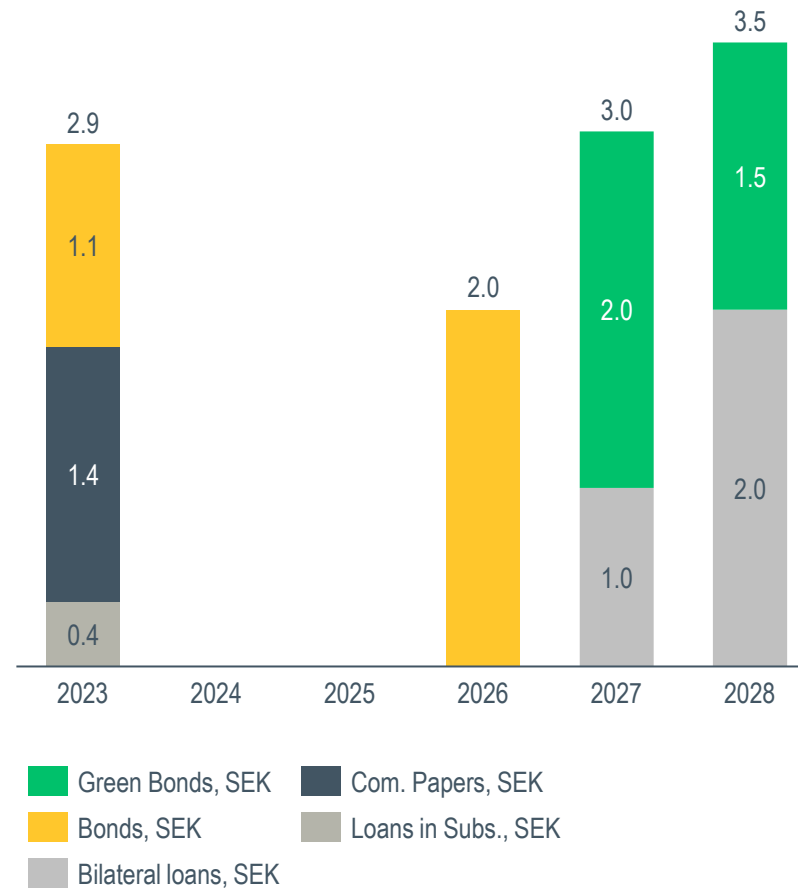
Epiroc is assigned a **BBB+** long-term issuer credit rating with a stable outlook



External funding overview

- Two green bonds
 - BSEK 2 (2027)
 - BSEK 1.5 (2028)
- Avg. tenor: 3.3 years
- Avg. interest duration 17 months
- Avg. interest rate 3.7%
- Unutilized RCF BSEK 4 000 maturing in 2025

Maturity Profile



All financial goals at a glance

Goals	Description		2015 – 2022	Q123 12M
Growth	Annual revenue growth of 8% over a business cycle.	Compound annual growth rate	8%	25%
Profitability	Industry-best operating margin, with strong resilience over the cycle.	Average operating margin	19.8%	22.3%
Capital efficiency	Improve capital efficiency and resilience. Investments and acquisitions shall create value.	Average ROCE	25.8%	27.7%
Capital structure	Have an efficient capital structure and have the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating.	Rating BBB+		
Dividend policy	Provide long-term stable and rising dividends to its shareholders. The dividend should correspond to 50% of net profit over the cycle.	Average dividend 2018-2022	51%	The dividend for 2022: 49%

SEK 3.40

Strategy for profitable growth

Focus on attractive niches

Innovation

Aftermarket

**Operational
excellence**

Outperformance

**Strong corporate culture
Sustainability mindset**

Our success is based on sustainability and a strong corporate culture

Sustainability is a business driver!

Helping customers providing society with minerals and solutions needed for a low-carbon economy

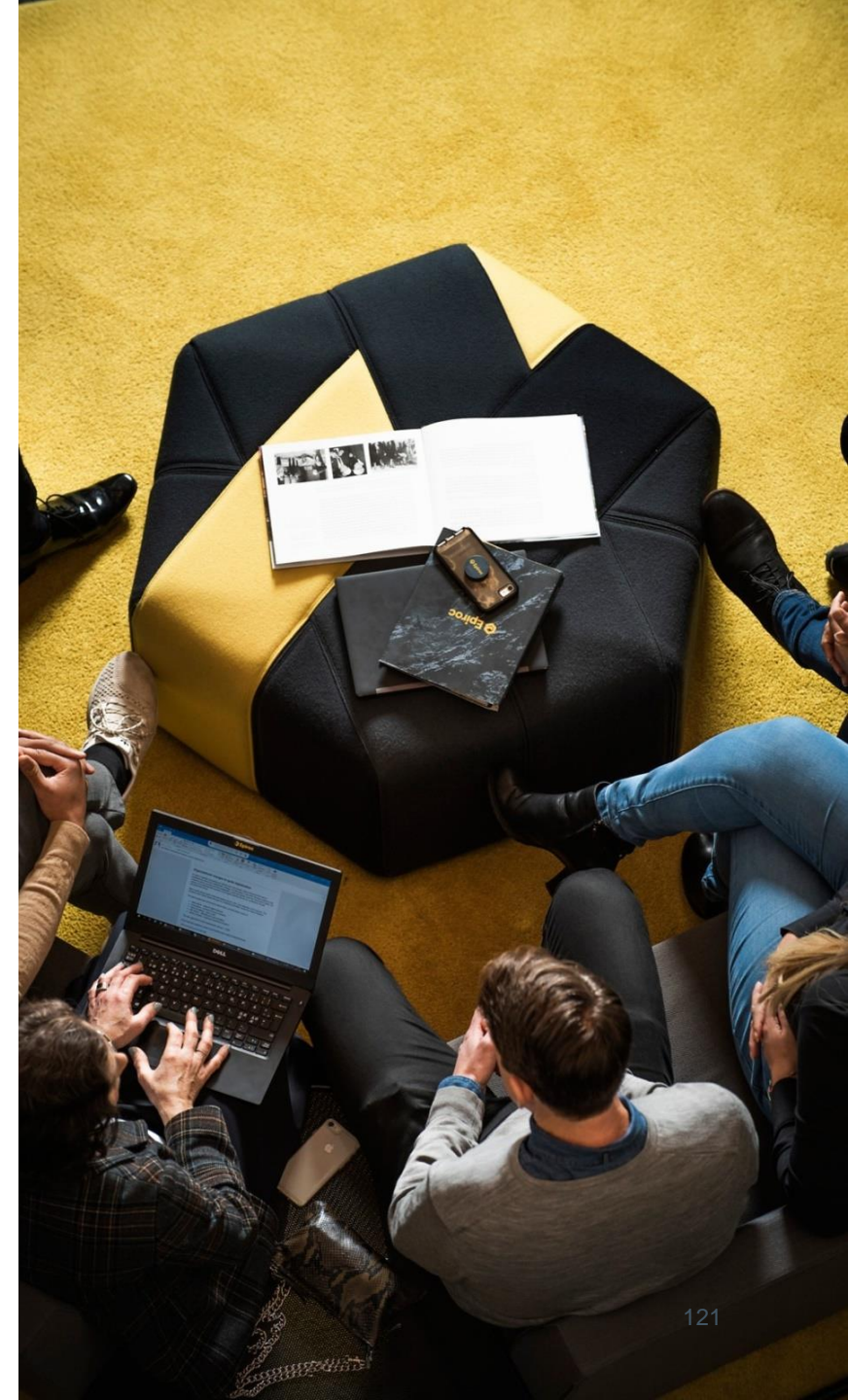
- Copper and nickel
- Recycling

Sustainable operations

- For customers
- For Epiroc

Innovation leads to measurable environmental and safety gains

Group Management remuneration includes ESG metrics



2030 goals for planet

Base 2019



Halve CO₂e emissions in operations*

- 84% completion

90% renewable energy in own operations

- 65% renewable energy

Halve transport CO₂e emissions

- 60% completion

Offer a full range of emission-free products

- 39% of fleet available in emission-free option

Halve CO₂e emissions from machines sold*

- 5% completion

Require 50% reduction of CO₂e emissions from relevant suppliers



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



2030 goals for people

Base 2019



No work-related injuries

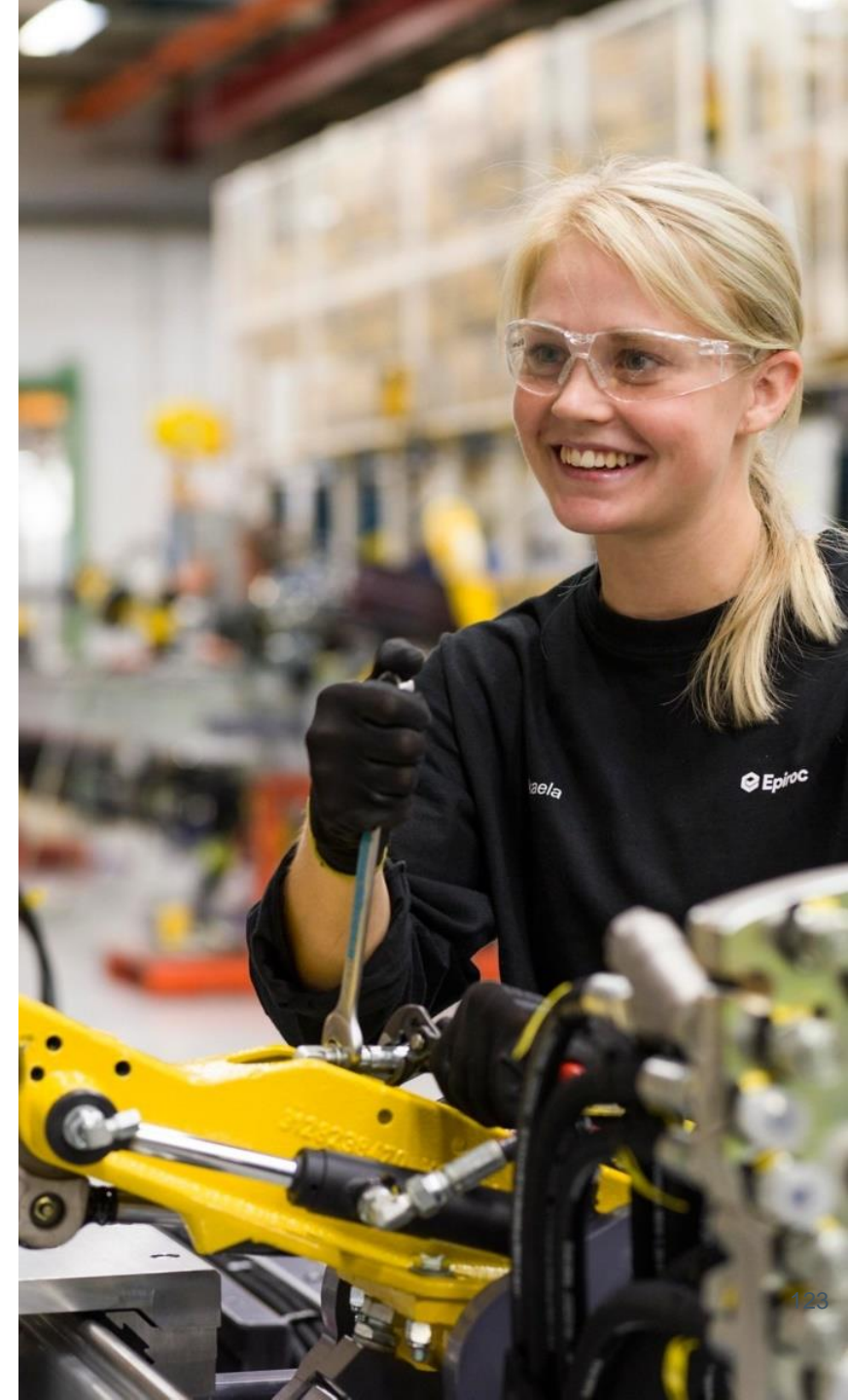
- TRIFR 5.7, improvement from 6.0

Balanced workforce and double the number of women in operational roles

- 23% women managers, up from 19%
- Women in operational roles 13%, up from 11%

Walk the talk

- Have all employees and business partners comply with our Code of Conduct and Responsible Sales Assessment Process implemented
 - 98% managers confirmed compliance, up from 95%
 - 99% significant suppliers confirmed compliance, flat
 - Stopped deliveries into Russia on March 1, 2022
 - Implementation of the Responsible Sales Assessment process, launched in 2019, continues



Strategy for profitable growth

Focus on attractive niches

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Strong corporate culture
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A photograph of two industrial workers in a factory setting. A woman in the foreground, wearing safety glasses and a high-visibility vest, is smiling and looking towards the right. A man in safety glasses is partially visible on the left, also looking right. In the background, there is a large yellow industrial machine, possibly a robotic arm or part of a conveyor system. The scene is lit with warm, industrial lights.

Vision: Dare to think new

Movie: Epiroc 2032 – From the internal strategy summit

2m 33s



2032

Investment case



Q&A



United. Inspired.

Performance unites us, innovation inspires us,
and commitment drives us to keep moving forward.
Count on Epiroc to deliver the solutions you need
to succeed today and the technology to lead tomorrow.

epiroc.com





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