



Q4 2021

January 26, 2022

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Highlights 2021 – A successful year

- High customer activity and investment willingness
 - Record orders received of MSEK 45 648, +26% organic
- Increased revenues and record profit and margin
 - Adjusted operating margin of 22.9% (21.2)
- Solid cash flow
- Proposed dividend SEK 3.00 (2.50) per share
- Eight acquisitions completed
- Good progress in the sustainability area
- Achieved while prioritizing health and safety during Covid-19 pandemic



Highlights Q4 2021

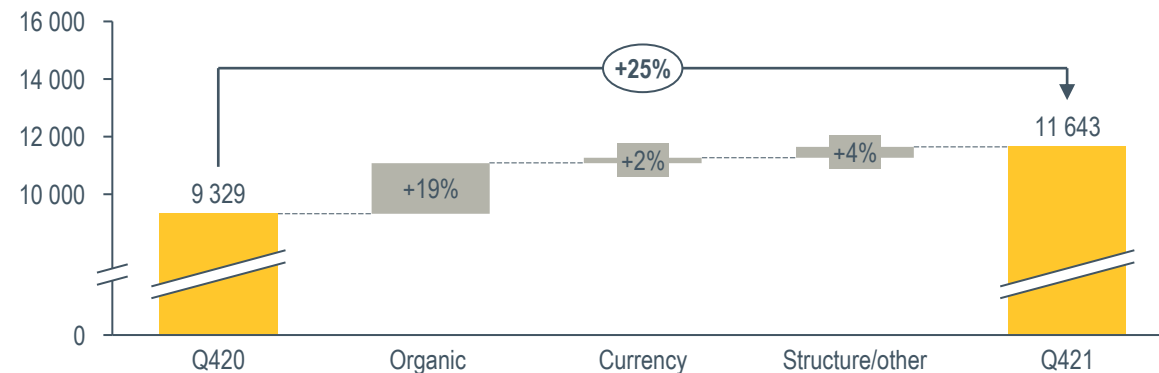
- Strong demand
 - High customer activity
 - Strong aftermarket
 - Investment willingness remains
- Record-high revenues and profit
 - Supply-chain challenges increased
- Acquisitions
- Ambitious 2030 sustainability goals validated by SBTi



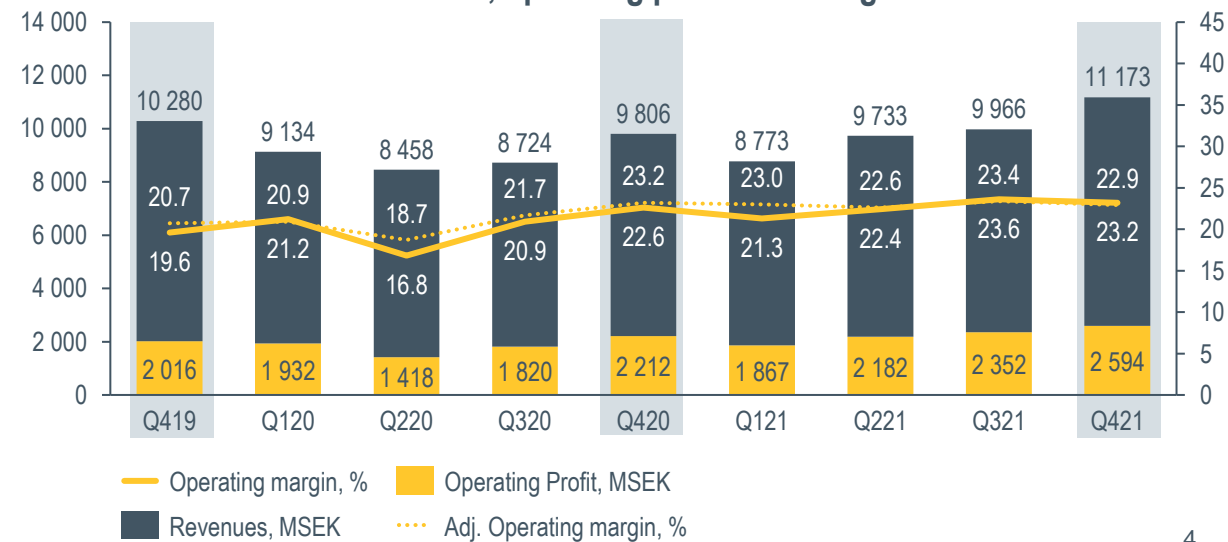
Key financials

- Orders received up 25% to 11 643, +19% organic
 - Equipment +20% organic
 - Service +19% organic
 - Tools & Attachments +16% organic
- Record revenues of MSEK 11 173, +9% organic
- Operating profit increased 17% to MSEK 2 594
 - MSEK +40 (-67) affecting comparability
- Adjusted margin of 22.9% (23.2)
 - Reported margin 23.2% (22.6)
- Operating cash flow of MSEK 2 415 (2 156)

Orders received, MSEK and change, %



Revenues, operating profit and margin



Leading productivity and sustainability partner



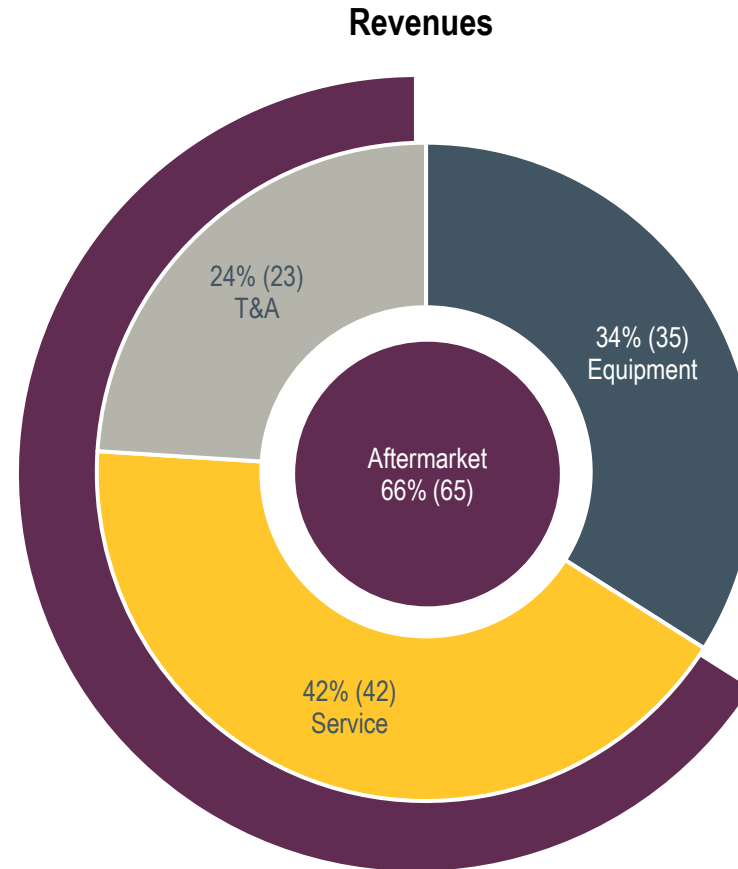
Innovations, acquisitions and partnerships strengthen Epiroc's position

- Innovations
 - Reman Program
 - Charging products
- Acquisitions
 - FVT Research
 - Mobilaris MCE
- Partnership – Newcrest
 - Mixed-fleet automation underground



Aftermarket

- High customer activity
- Local presence
- Rebuild orders
- Connected fleet growing
- Improved availability, despite supply-chain challenges



Operational excellence

- Supply-chain excellence
 - Improvement program continues with higher availability and lower emissions
 - Positive financial effect offset by increased transport costs
- Administration excellence
 - Simplify and increase process effectiveness
 - Established Regional Centers of Excellence to simplify and align administration processes
- Service excellence
 - Certifications
 - Workshop efficiency



- People

- Increased share of women and women managers up to 17.1% (15.7) and 22.5% (21.0), respectively
- Numerous activities to reduce injuries

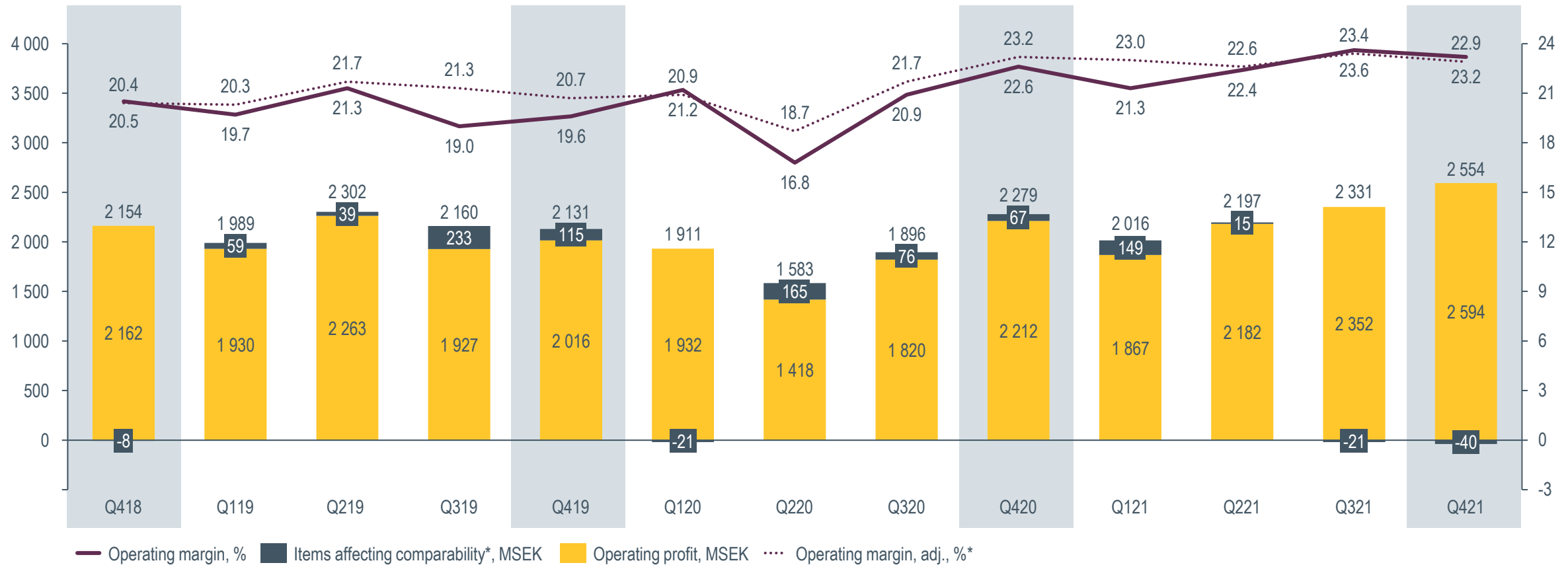


- Planet

- Ambitious climate targets validated by SBTi
- Increased energy consumption in operations
 - Higher activity level
- Lower CO2 from transport



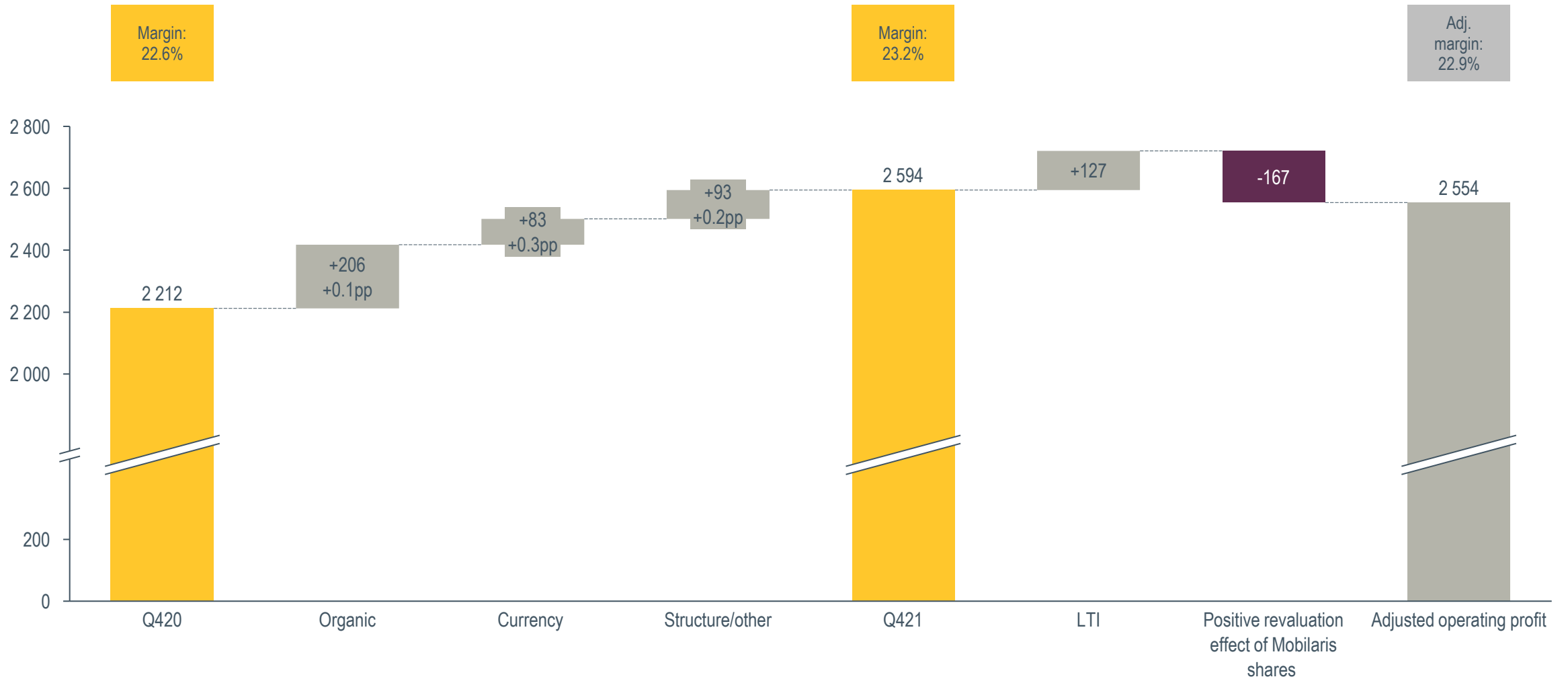
Operating profit and margin



* Q4 2018 includes costs related to the split from Atlas Copco.

* Q4 2021 includes items affecting comparability of MSEK +40 (-67). These include a positive revaluation effect of the shares held prior to the acquisition of the remaining shares of Mobilaris of MSEK 167 and a change in provision for the share-based long-term incentive programs of MSEK -127 (-52). The previous year included restructuring costs of MSEK -15.

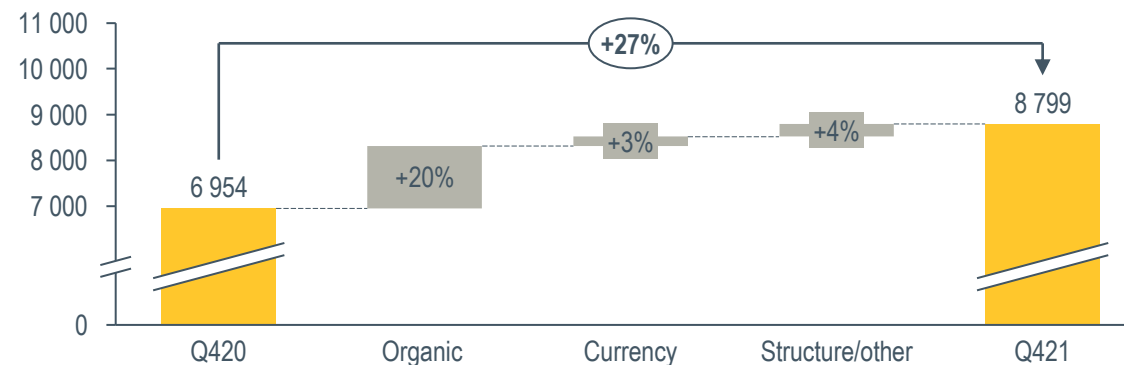
Epiroc Group: Profit bridge



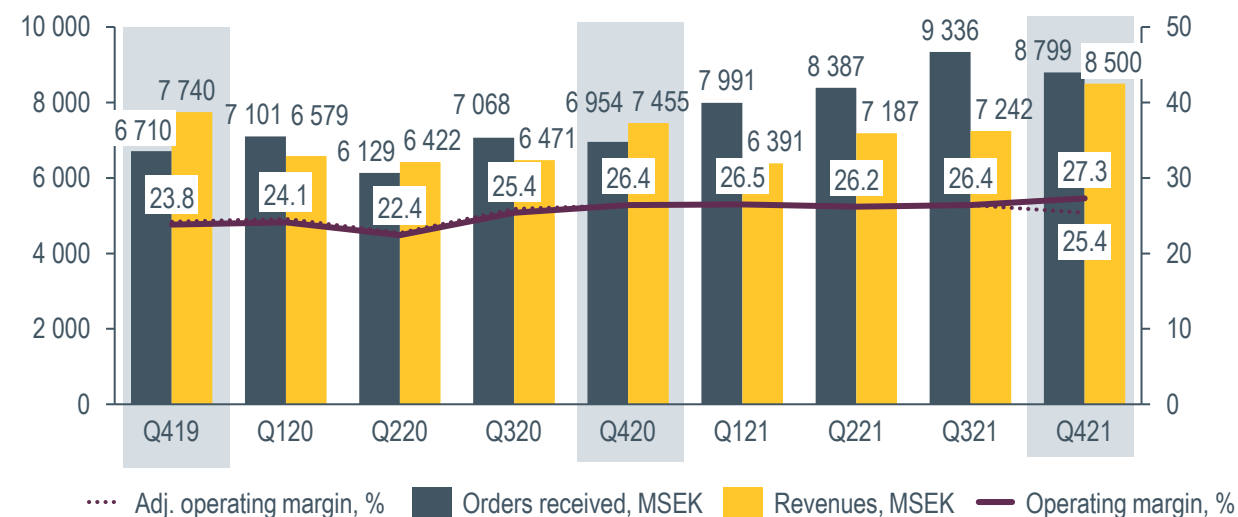
Segment: Equipment & Service

- Orders received up 20% organic
 - Equipment +20%, strong underlying growth
 - Service +19%, high customer activity, strong service offering and presence
- Revenues up 9% organic
- Operating profit up 18% to MSEK 2 323 (1 966)
 - Positive one-time effect from the acquisition of remaining shares of Mobilaris of MSEK 167
 - Adjusted operating margin 25.4% (26.4), diluted by acquisitions
- Acquisitions of FVT Research and Mobilaris MCE completed

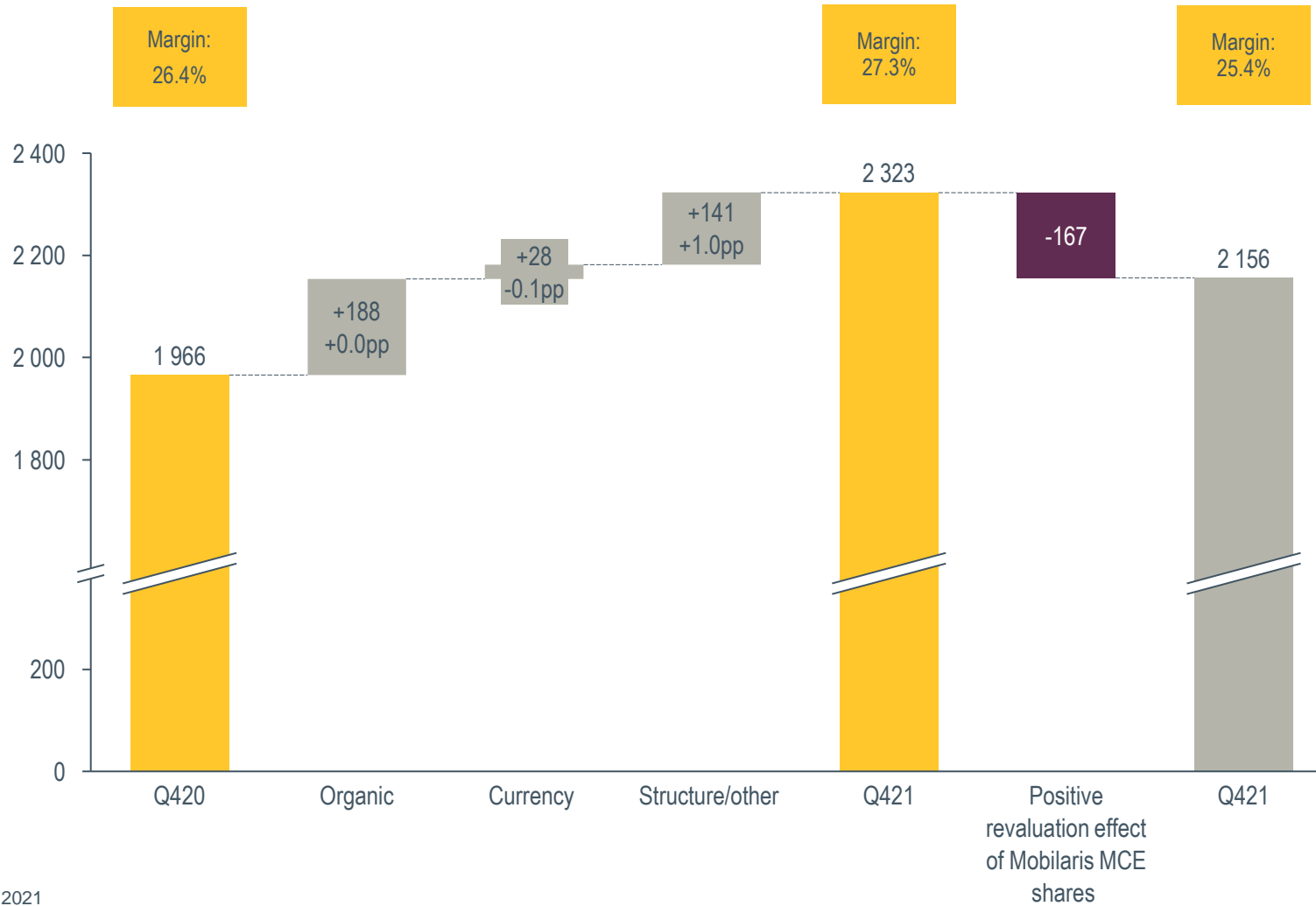
Orders received, MSEK and change, %



Orders received, revenues and operating margin



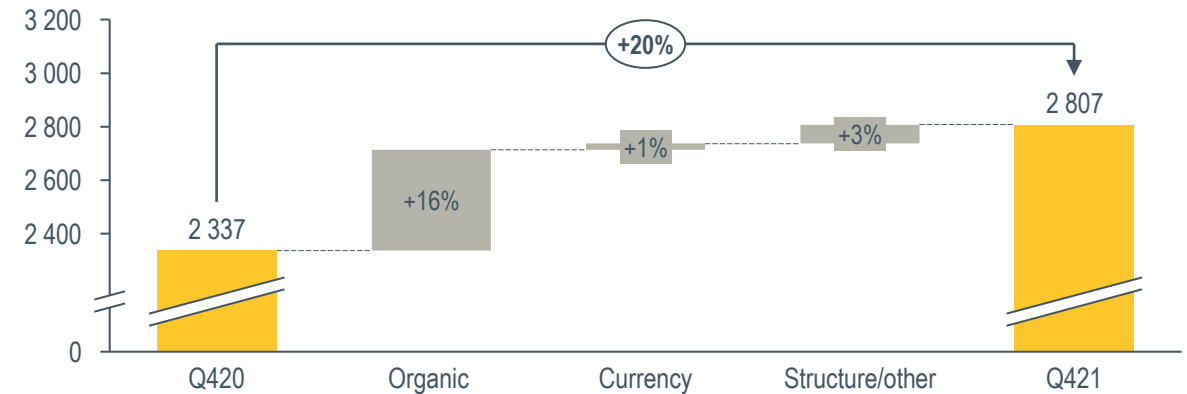
Equipment & Service: Profit bridge



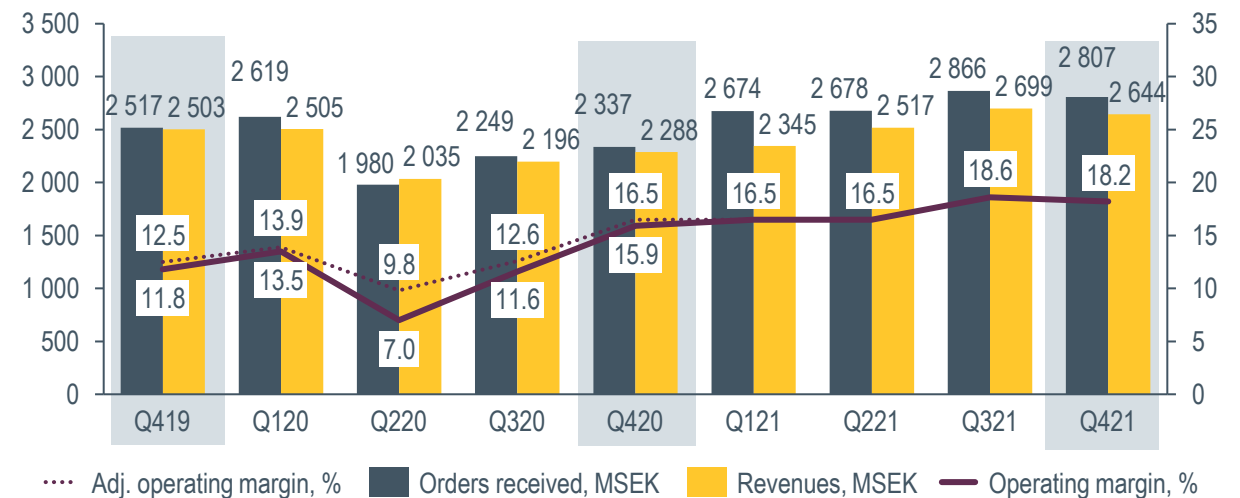
Segment: Tools & Attachments

- Orders received up 20%
 - 16% organic growth
 - Orders for both hydraulic attachments and rock drilling tools increased, with higher growth rate for hydraulic attachments
- Revenues up 8% organically
- Operating profit up 32% to MSEK 480 (363)
 - Tailwind from volumes, currency and acquisitions
 - Operating margin of 18.2%
- Full year 2021 improvement
 - Adjusted operating margin up 4.2 percentage points to 17.5% (13.3)

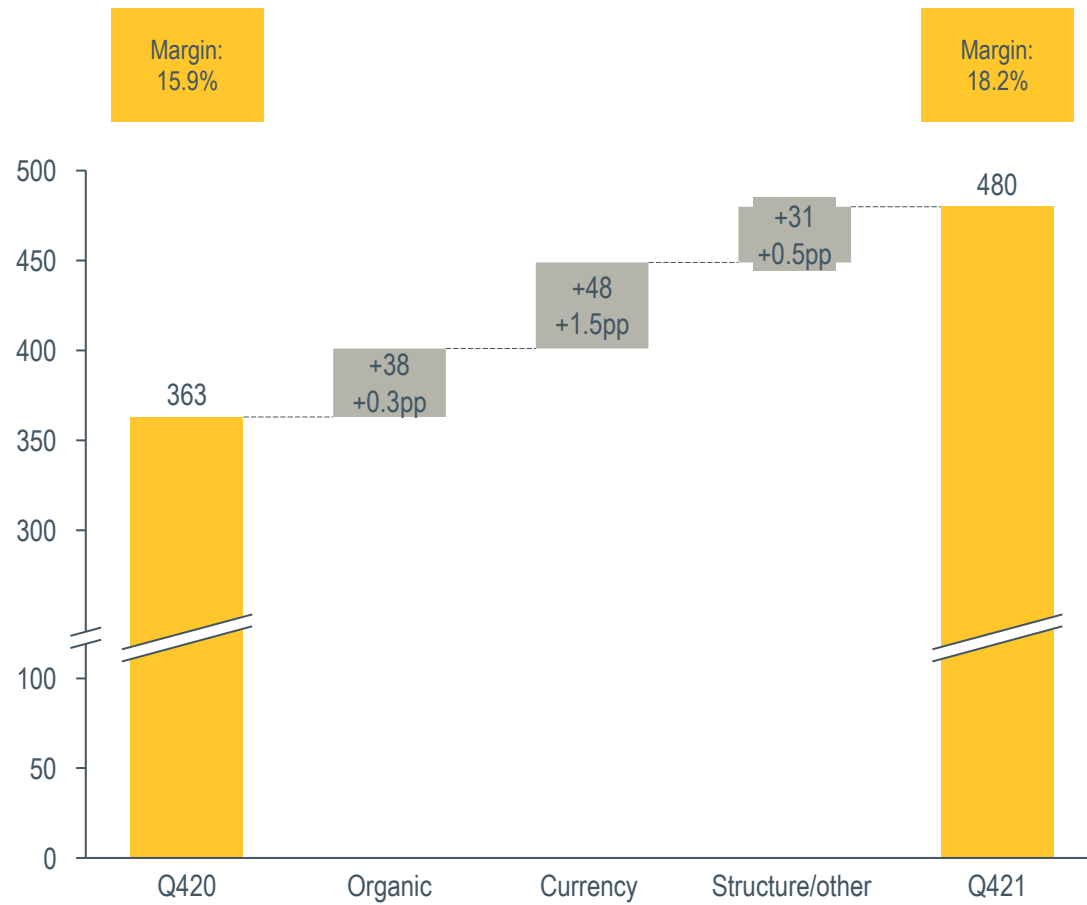
Orders received, MSEK and change, %



Orders received, revenues and operating margin

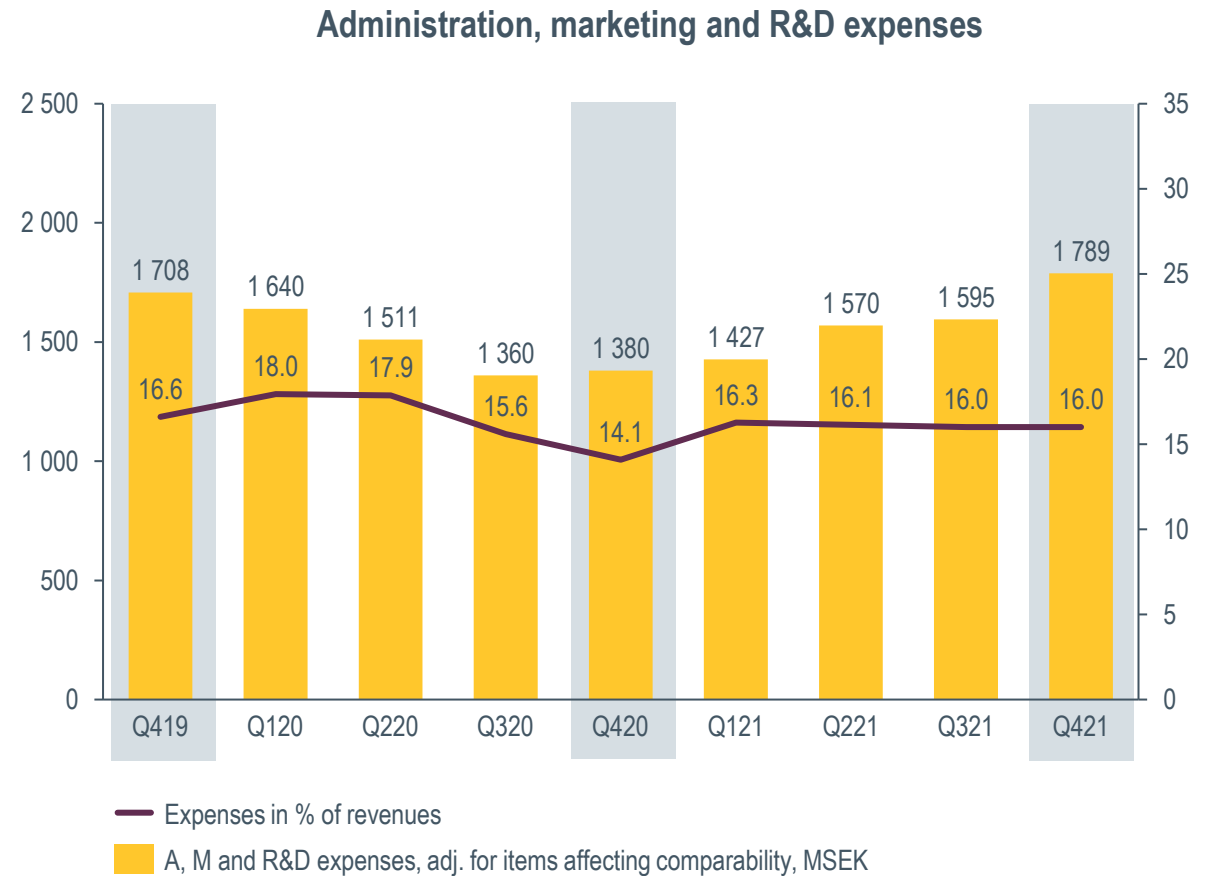


Tools & Attachments: Profit bridge



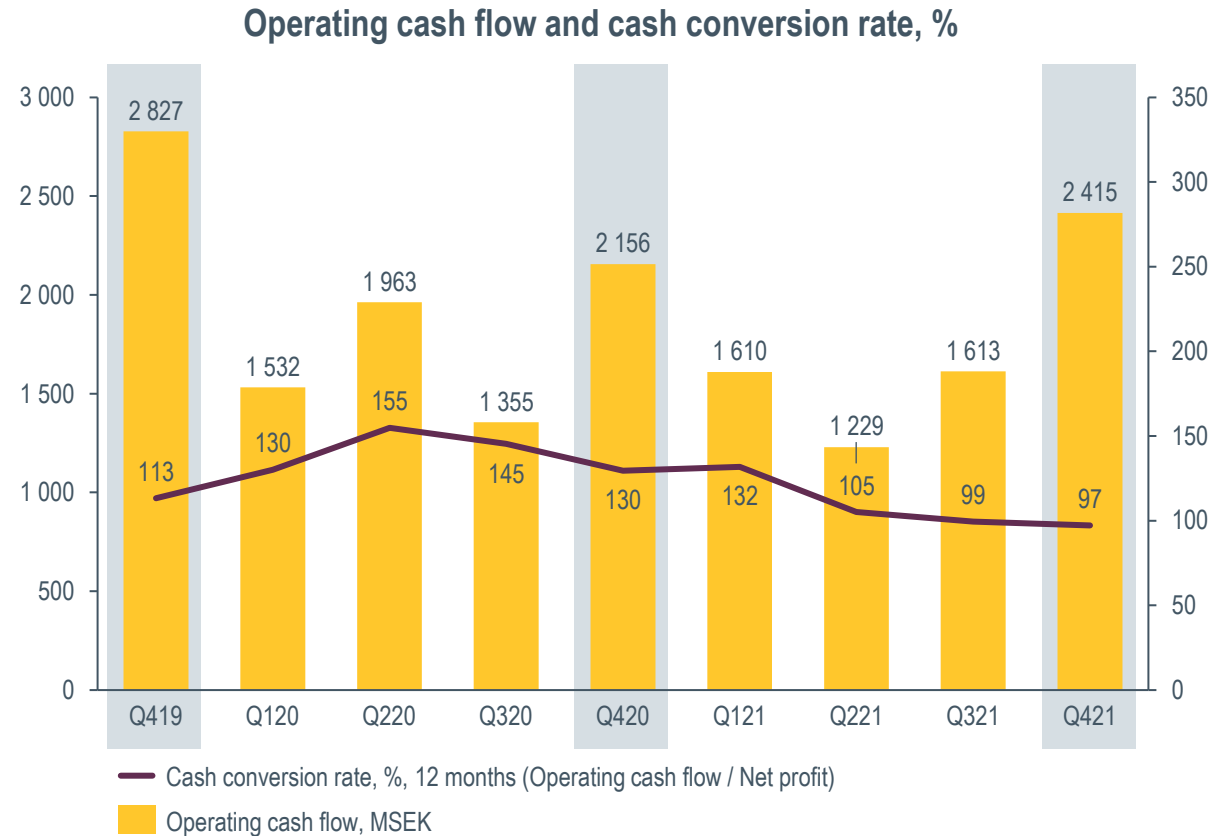
Costs, net financials and tax

- Costs are increasing
 - Growth, increased activity and acquisitions
 - Investments for the future with R&D at all-time high
- Net financial items MSEK -27 (-122)
 - Interest net MSEK -25 (-29)
- Tax expense MSEK -510 (-453)
 - Effective tax rate 19.9% (21.7)



Operating cash flow

| MSEK | Q4 2021 | Q4 2020 |
|--|--------------|--------------|
| Operating profit | 2 594 | 2 212 |
| Depreciation, amortization and impairment | 491 | 439 |
| Capital gain/loss and other non-cash items | -148 | 13 |
| Net financial items received/paid | -17 | -439 |
| Taxes paid | -470 | -527 |
| Change in working capital | 247 | 687 |
| Investments, incl. rental equipment* | -357 | -229 |
| Pension funding and other** | 75 | 0 |
| Operating cash flow | 2 415 | 2 156 |
| Acquisitions and divestments | -578 | -1 |

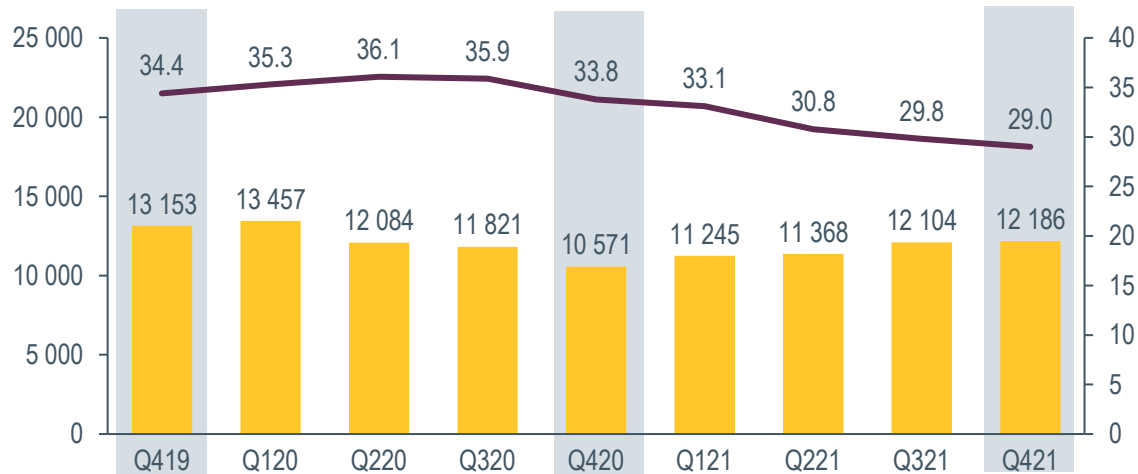


Capital efficiency

- Net working capital up 15% to MSEK 12 186
 - Up 6% when excluding acquisitions and currency
 - Improved to 29.0% (33.8) of revenues

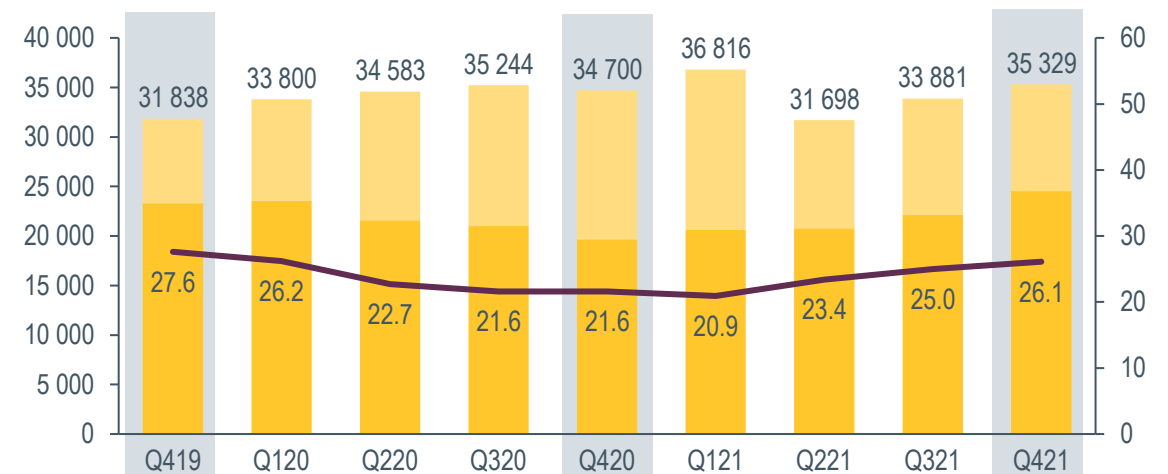
- ROCE improved to 26.1% (21.7)
 - Distribution to shareholders of MSEK 1 508
 - Repayment of a loan of MEUR 100

Net working capital



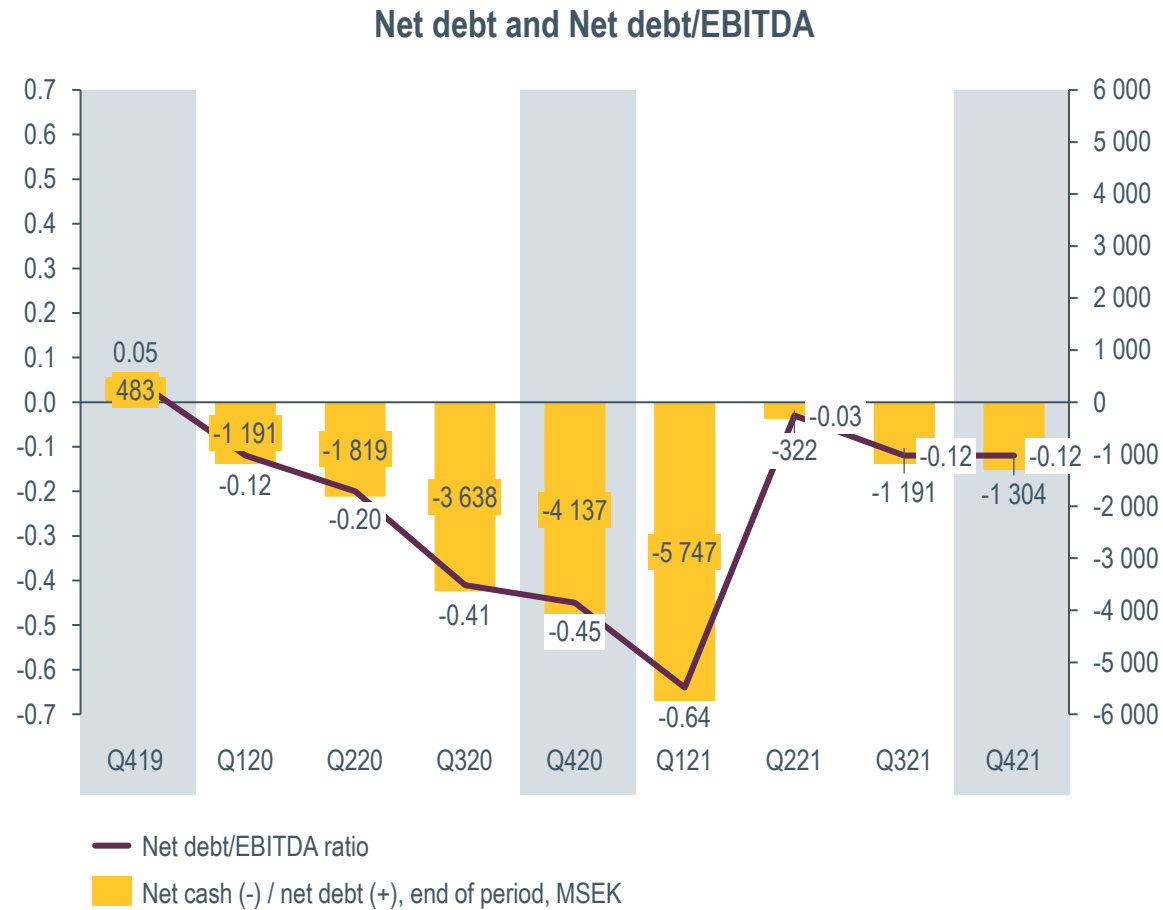
— Net working capital, % of revenues, 12 months
■ Net working capital, period end

Capital employed and ROCE



— Return on capital employed, %, 12 months
■ Capital employed, cash, MSEK, period end
■ Capital employed, ex cash, MSEK, period end

Capital structure



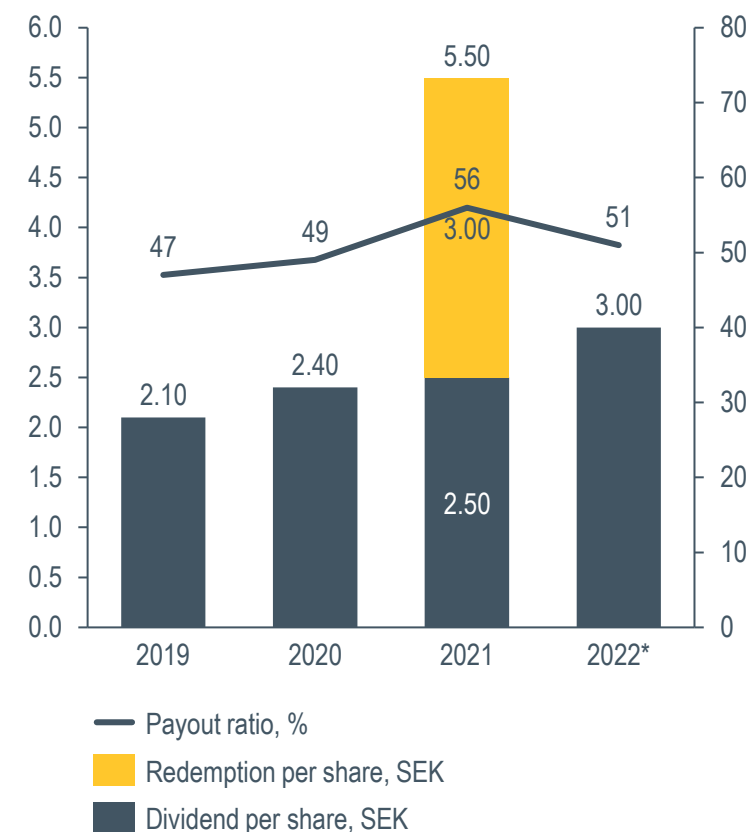
- Strong financial position
 - Net cash MSEK 1 304 (4 137)
- Net debt/EBITDA ratio at -0.12 (-0.45)

Proposed distribution to shareholders

- 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

- Proposed distribution to shareholders
 - Dividend of SEK 3.00 (2.50) per share
 - Two equal installments with record dates April 27 and October 24, 2022

Dividend and payout ratio



* Proposed by the Board of Directors

Summary



Strong demand

Record-high revenues and profit

Supply-chain challenges

Acquisitions

Good progress on sustainability -
Ambitious targets validated

We achieve great things together

Looking ahead



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

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.

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