



## Q1 2022

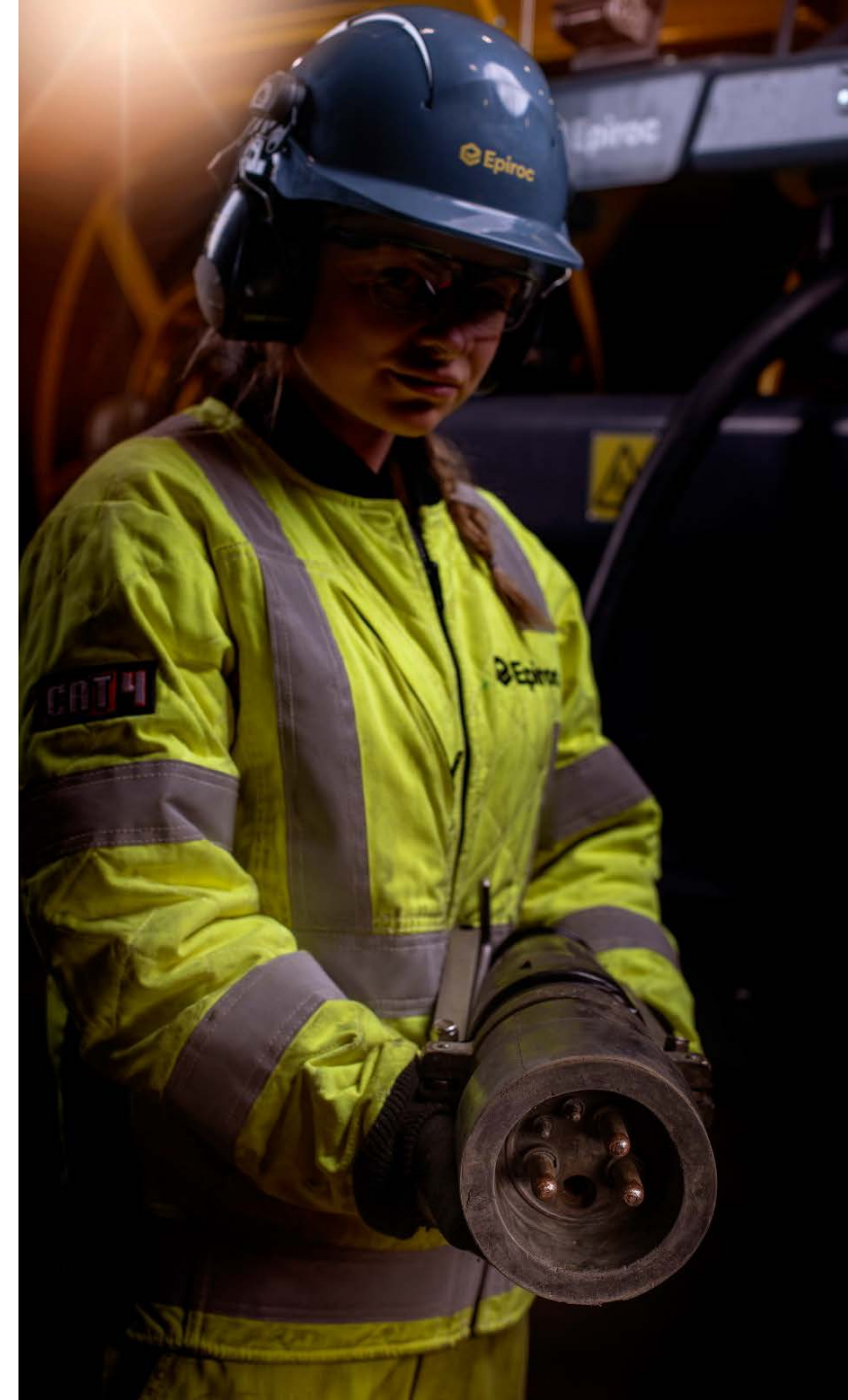
April 25, 2022

Helena Hedblom, President and CEO  
Håkan Folin, CFO



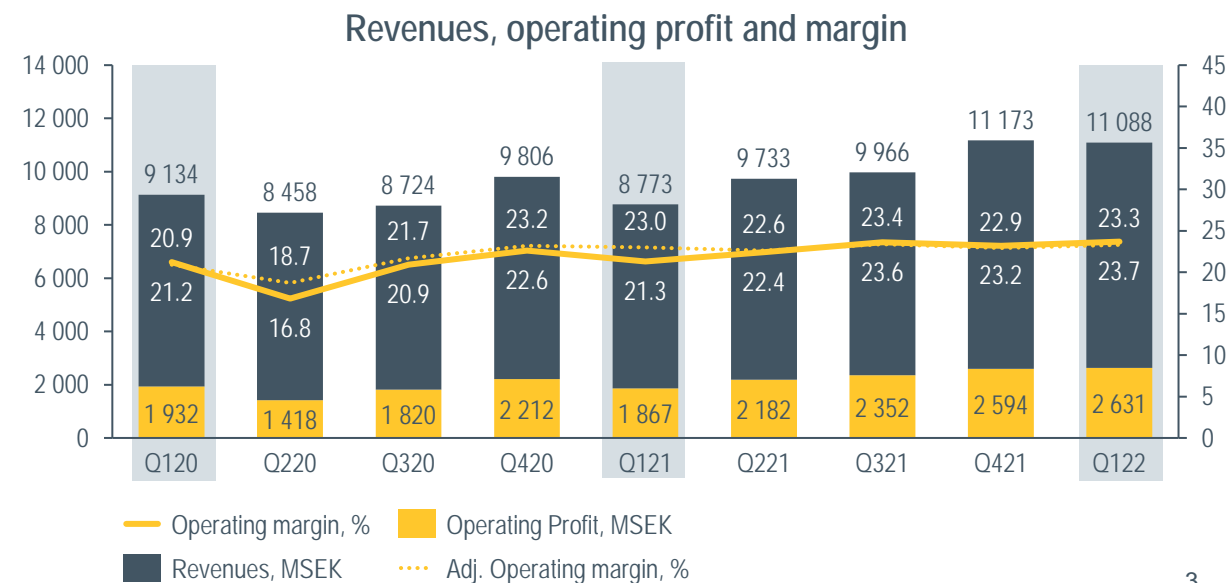
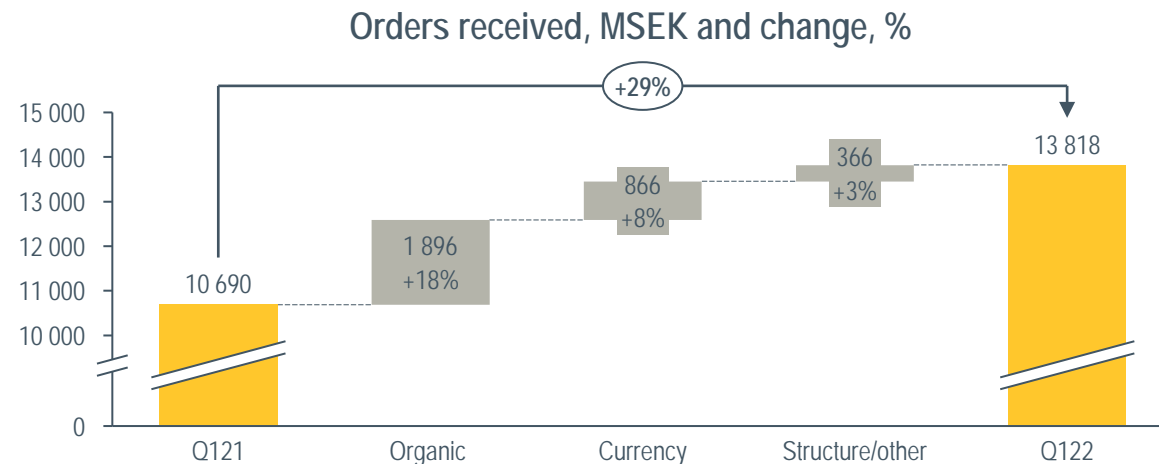
# Highlights Q1 2022

- Strong start to 2022
  - Record order intake at SEK 13.8 billion
  - Strong demand for both equipment and aftermarket
    - Automation, digitalization and electrification
- Solid revenues and record profit
  - Supply-chain challenges
- Impact from the war in Ukraine



# Key financials

- Orders received up 29% to 13 818, +18% organic
  - Equipment +18% organic
  - Service +22% organic
  - Tools & Attachments +11% organic
- Revenues of MSEK 11 088, +14% organic
- Operating profit increased 41% to MSEK 2 631
  - MSEK +43 (-149) change in provision for LTI program affecting comparability
- Adjusted margin 23.3% (23.0)
  - Reported margin 23.7% (21.3)
- Operating cash flow of MSEK 867 (1 610)



# Leading productivity and sustainability partner

## Innovations, acquisitions and partnerships strengthen Epiroc's position

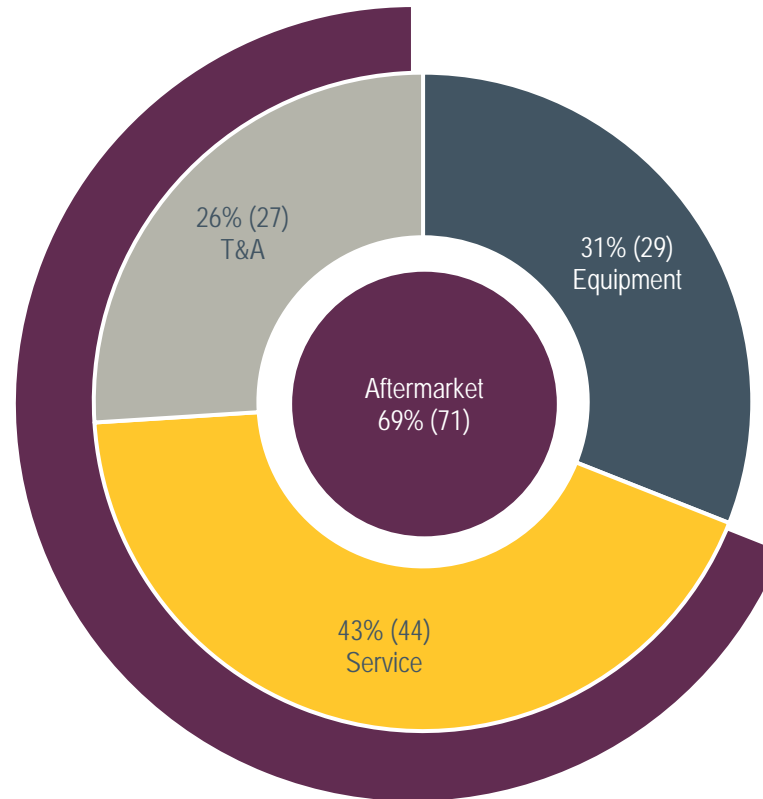
- Innovations
  - DM30 XC surface blasthole drill
  - Mobius for Drills
- Partnerships with customers
  - Example: Canadian Malartic Partnership
  - *“Over the years, Epiroc has clearly demonstrated its willingness to be a leader in the technical evolution of mining equipment, whether in electrification or automation... ..We are privileged that Epiroc has proposed us a collaborative approach in order to effectively integrate their equipment into the Odyssey Mine and actively participate in this evolution. The benefits from this collaboration will contribute to making mines even safer and jobs more accessible in the field,”*



# Aftermarket

- High customer activity
- Record orders received
- Successful structured work towards our customers
- Connected fleet growing

Revenues



# Operational excellence

- Supply-chain excellence
  - Improvement program continues
  - Regional distribution center set up in Belgium
- 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
  - Women managers 23.0%
  - Women employees 17.6%
- Several activities to reduce injuries



- Planet

- Partnership with SSAB for fossil-free steel
- Lower CO<sub>2</sub>e from operations
  - More renewable energy and installation of solar panels
- Higher CO<sub>2</sub>e from transport
  - Higher volumes

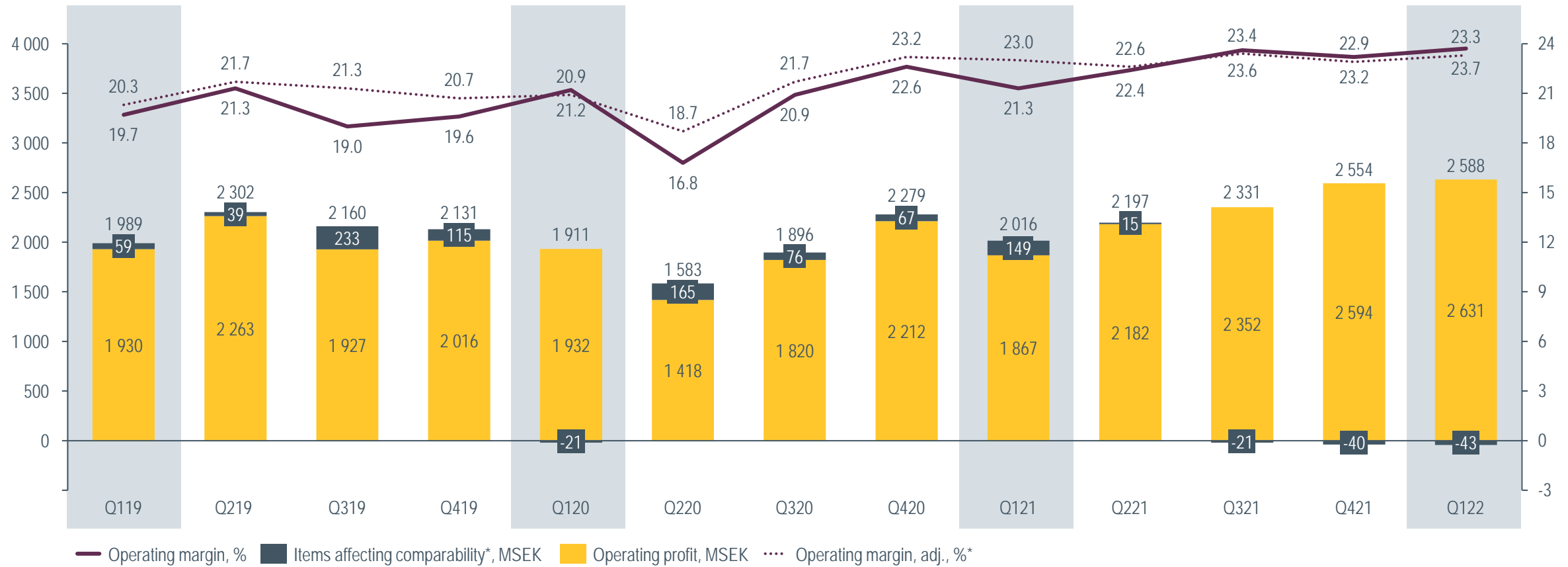
# Ukraine and Russia

## General Information

- Focus on the safety and well-being of our employees
- Exposure
  - Revenues 2021: MSEK 2 715, 6.8% of Group
  - No manufacturing, no major direct suppliers
  - Orders on hand
    - approx. MSEK 1 800 - March 31, 2022
  - Working capital, cash and fixed assets
    - approx. MSEK 1 000 - March 31, 2022
- Ukraine
  - Revenues 2021: MSEK 294, 0.7% of Group
  - Employees: 111
  - Limited service operations and parts deliveries
- Russia
  - Revenues 2021: MSEK 2 421, 6.1% of Group
  - Employees: 533
  - Paused deliveries to Russia on March 1

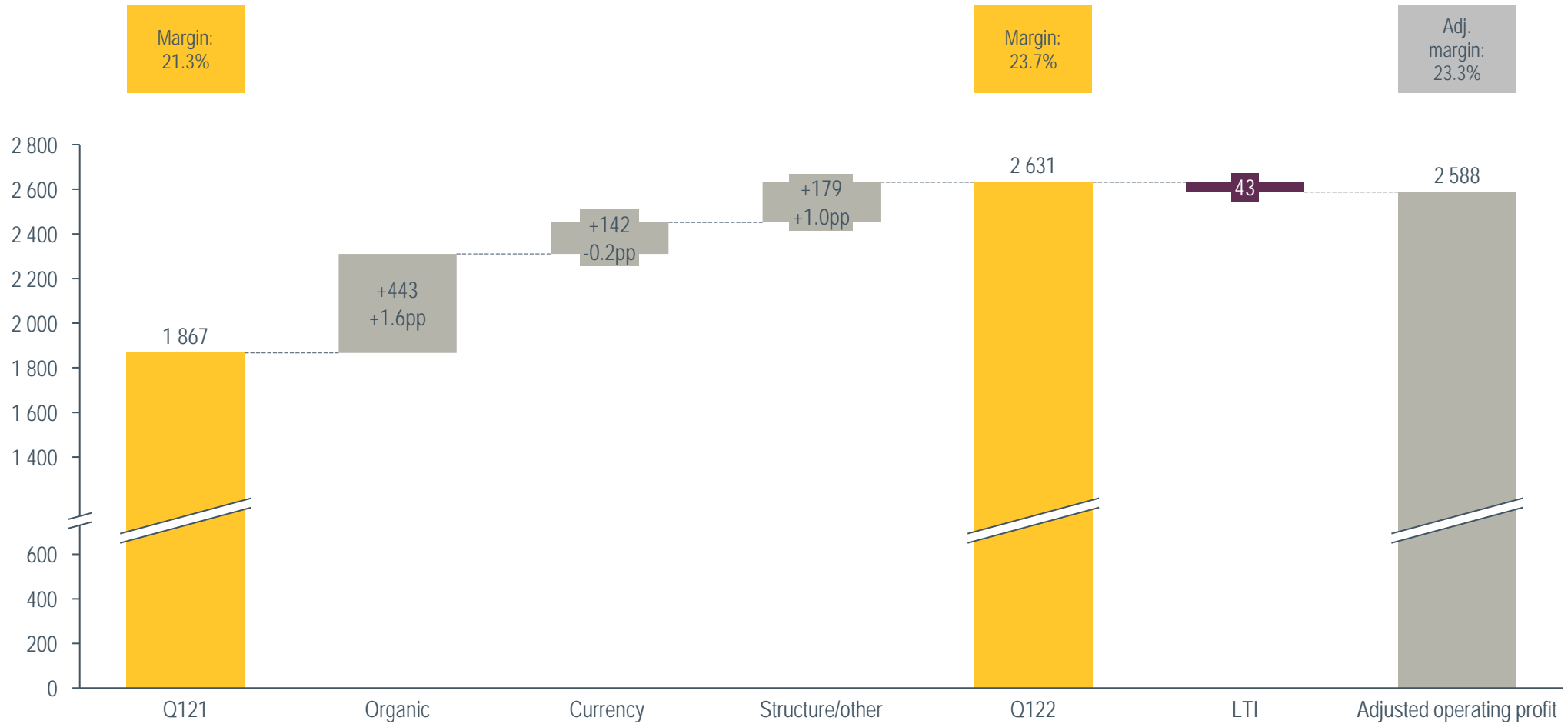


# Operating profit and margin



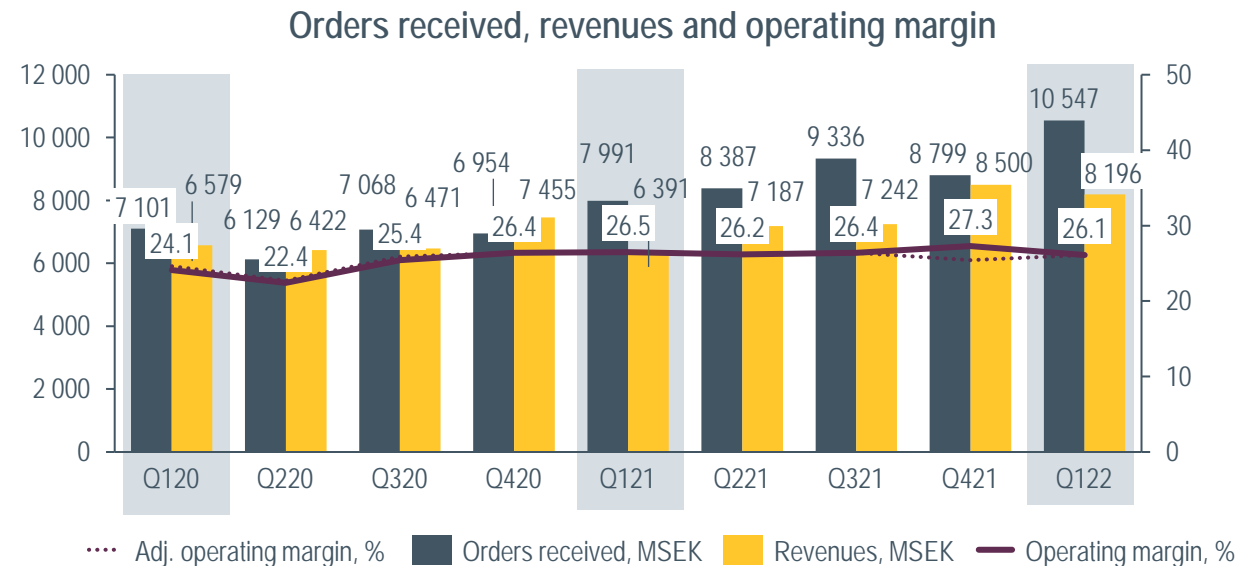
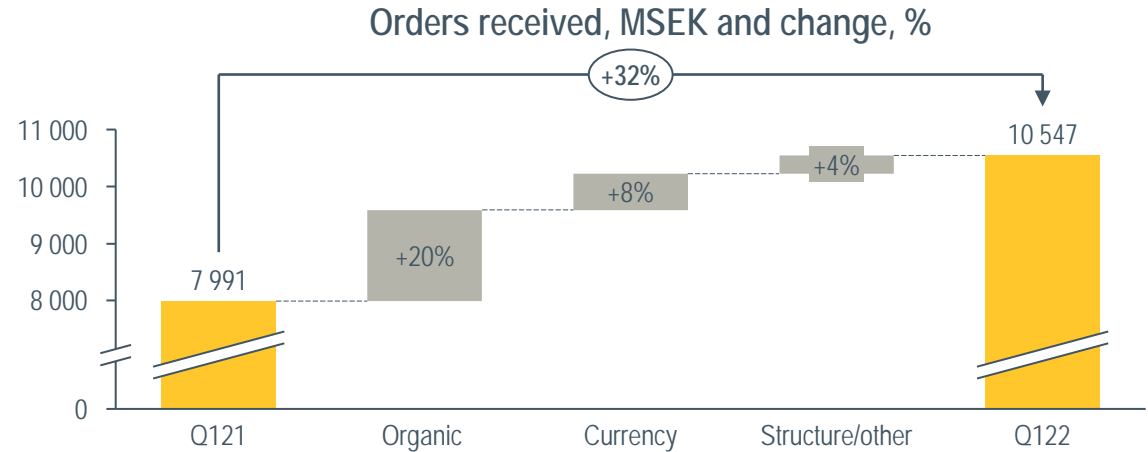
\*Q1 2022 includes items affecting comparability related to change in provision for the share-based long-term incentive programs of MSEK +43 (-149)

# Epiroc Group: Profit bridge

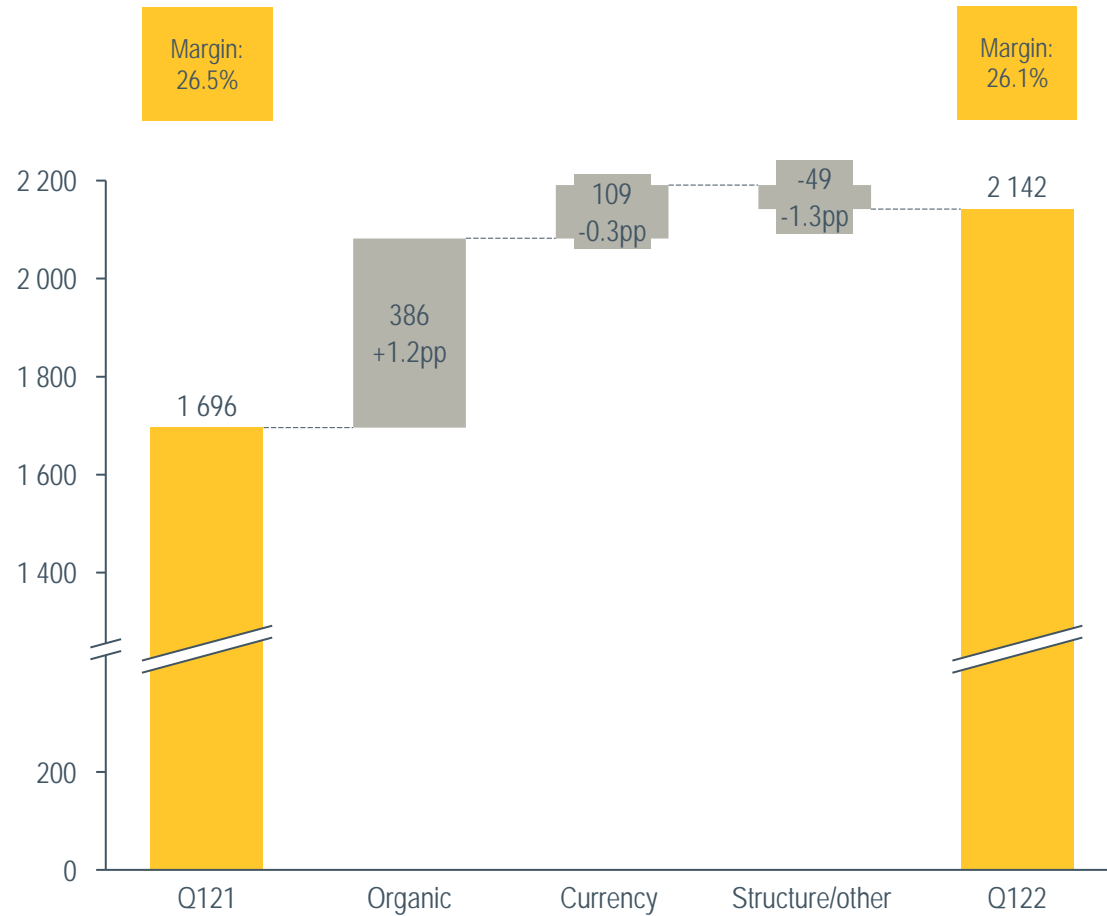


# Segment: Equipment & Service

- Orders received up 20% organic
  - Equipment +18%, strong underlying growth
  - Service +22%, high customer activity, strong service offering and presence
- Revenues up 17% organic
- Operating profit up 26% to MSEK 2 142 (1 696)
  - Operating margin 26.1% (26.5), diluted by acquisitions

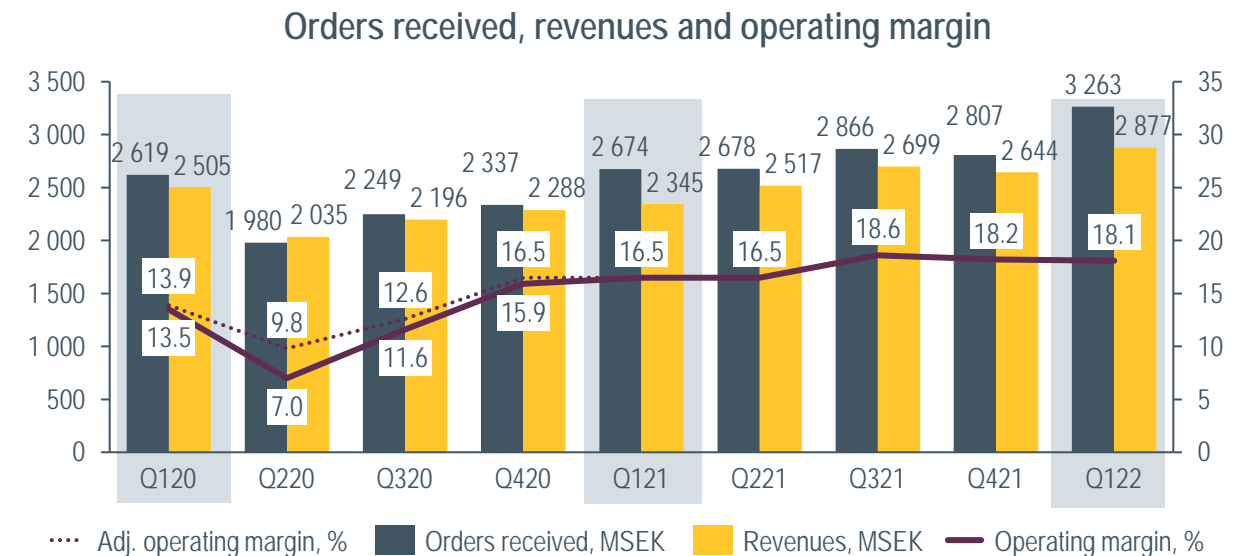
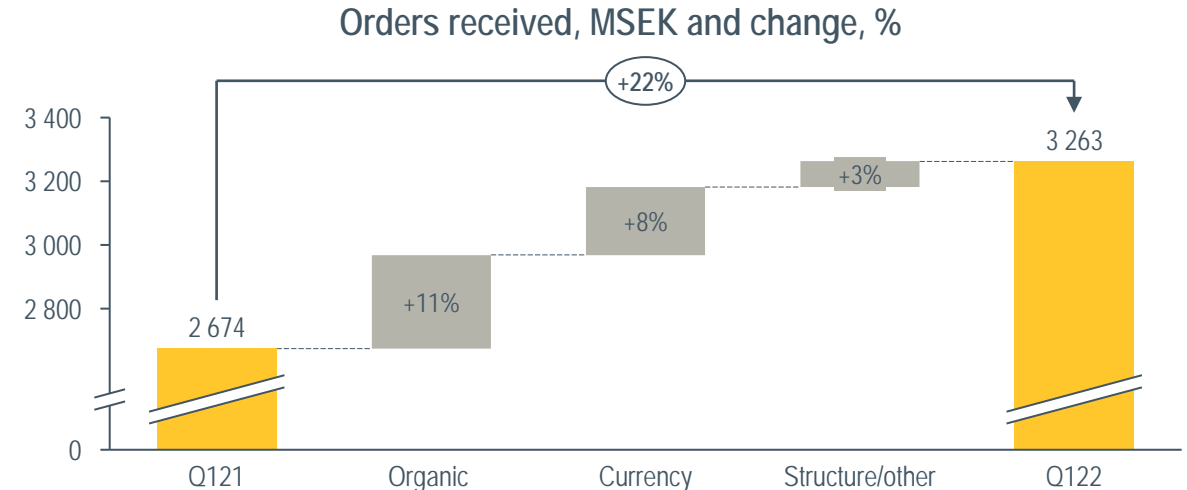


# Equipment & Service: Profit bridge

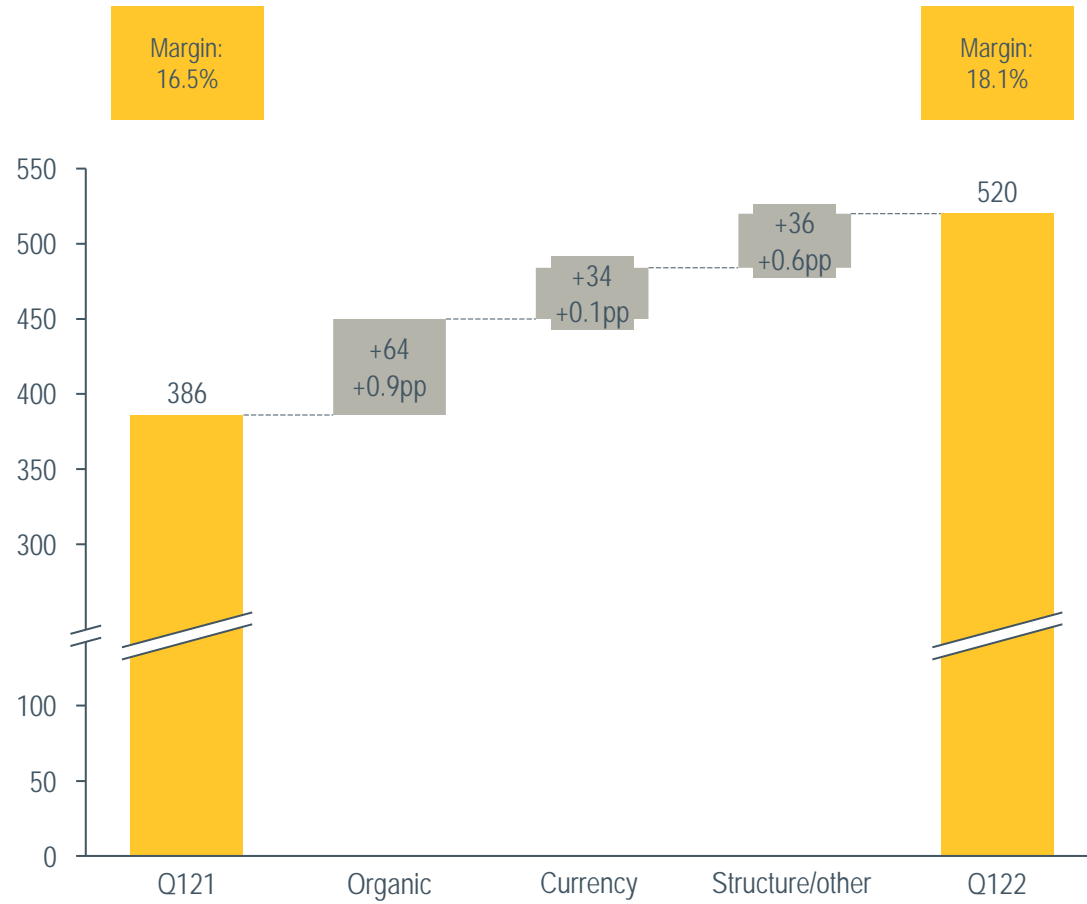


# Segment: Tools & Attachments

- Orders received up 22%
  - 11% organic growth
  - Orders for both hydraulic attachments and rock drilling tools increased, with higher growth rate for hydraulic attachments
- Revenues up 10% organically
- Operating profit up 35% to MSEK 520 (386)
  - Support from volumes, currency and acquisitions
  - Operating margin of 18.1% (16.5)



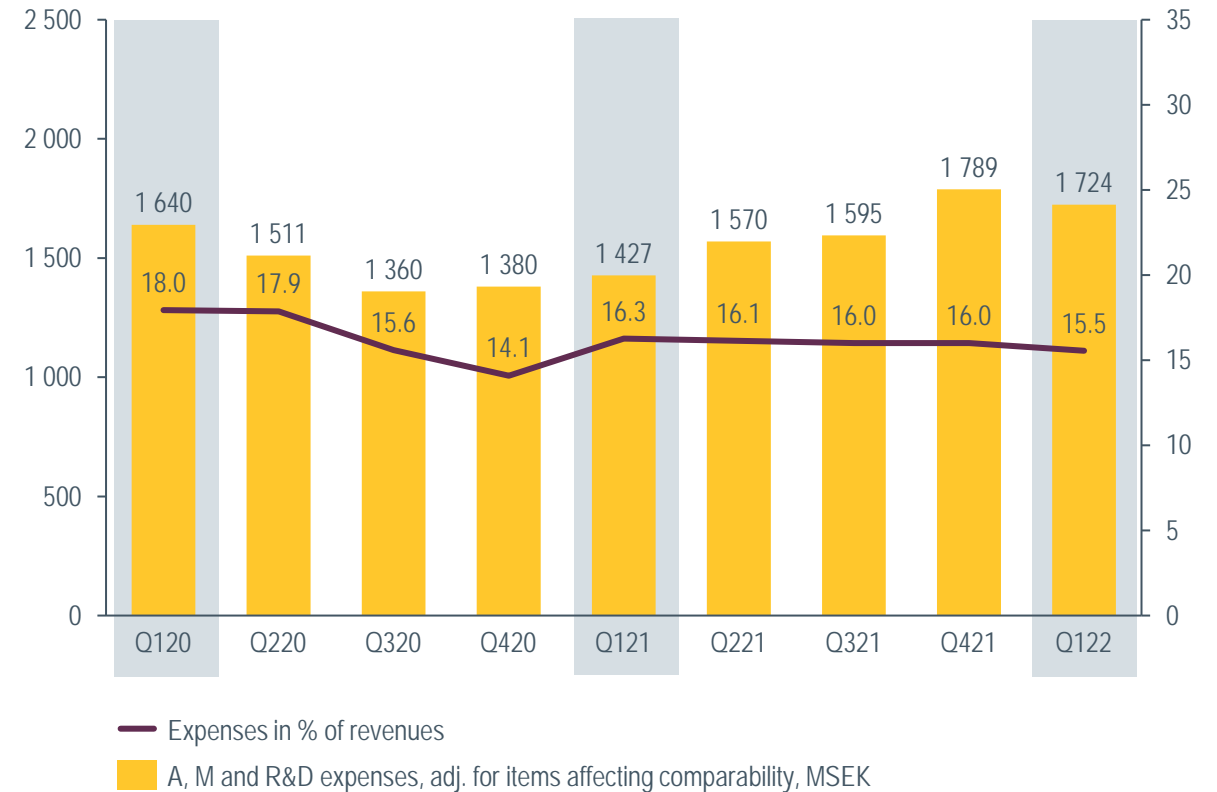
# Tools & Attachments: Profit bridge



# Costs, net financials and tax

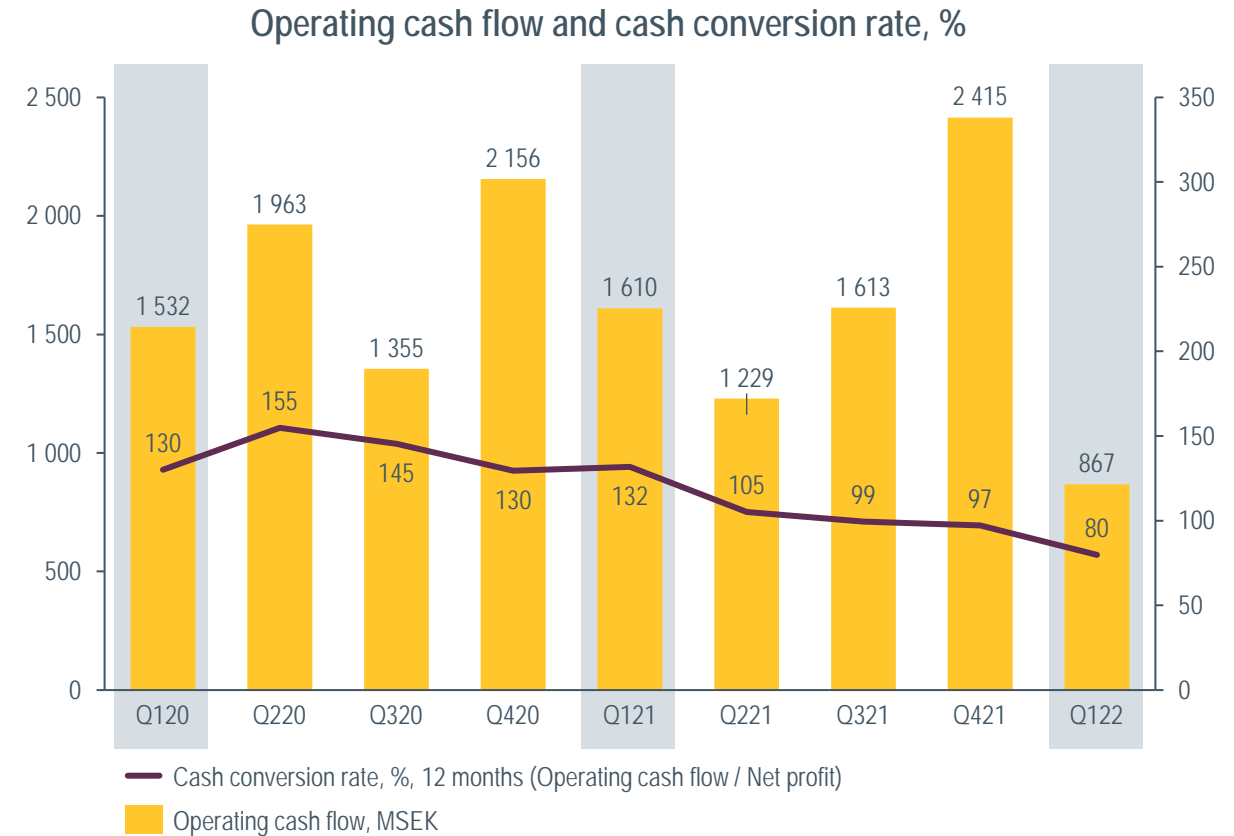
- Higher costs
  - Growth, increased activity, R&D, and acquisitions
- Net financial items MSEK -67 (-33)
  - Interest net MSEK -16 (-20)
- Tax expense MSEK -564 (-444)
  - Effective tax rate 22.0% (24.2)

Administration, marketing and R&D expenses



# Operating cash flow

MSEK	Q1 2022	Q1 2021
Operating profit	2 631	1 867
Depreciation, amortization and impairment	466	382
Capital gain/loss and other non-cash items	-196	6
Net financial items received/paid	-269	235
Taxes paid	-639	-471
Change in working capital	-1 169	-156
Investments, incl. rental equipment*	-311	-284
Pension funding and other**	354	31
<b>Operating cash flow</b>	<b>867</b>	<b>1 610</b>
Acquisitions and divestments	-18	-



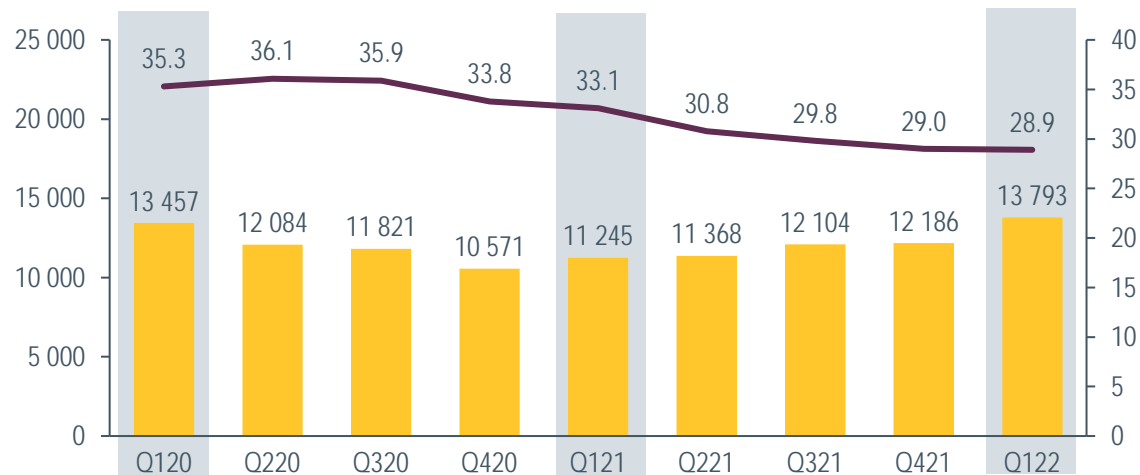


# Capital efficiency

- Net working capital up 23% to MSEK 13 793
  - Up 14% when excluding acquisitions and currency
  - Improved to 28.9% (33.1) of revenues

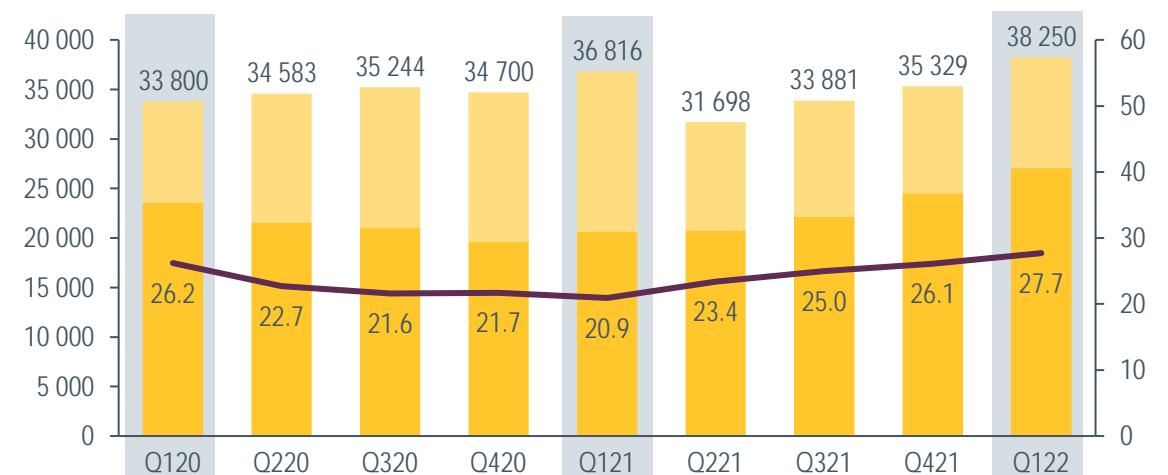
- ROCE improved to 27.7% (20.9)

Net working capital



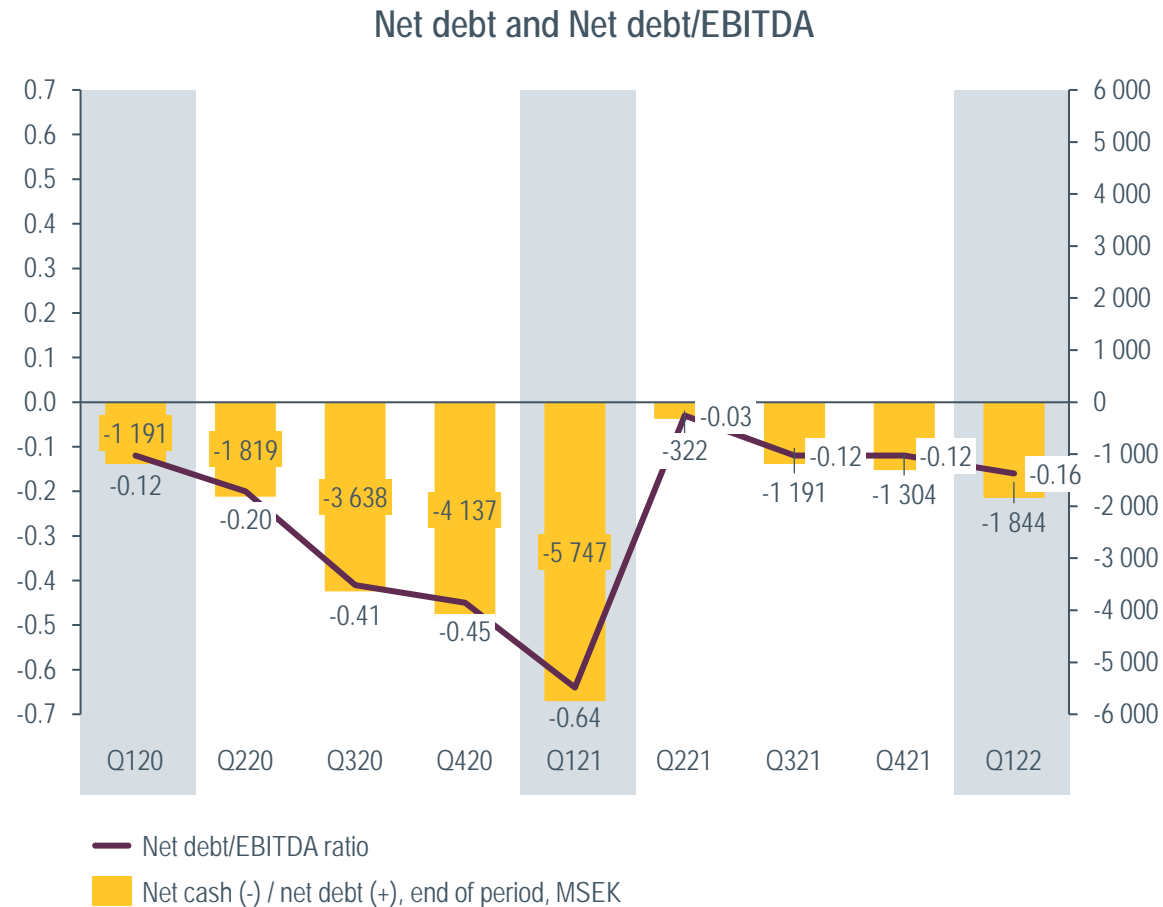
— Net working capital, % of revenues, 12 months  
 ■ Net working capital, period end

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 1 844 (5 747)
- Net debt/EBITDA ratio at -0.16 (-0.64)
- 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

# Summary



Strong start

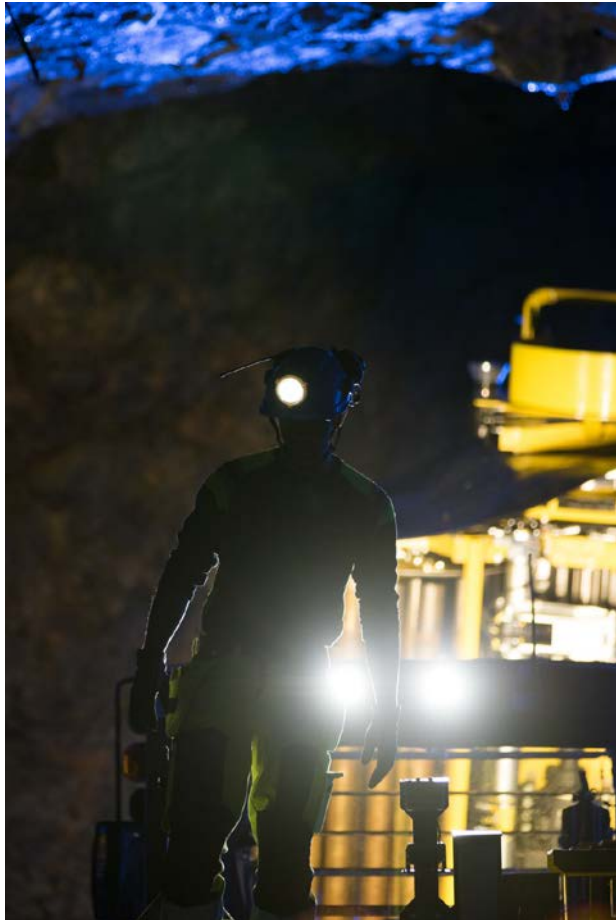
Record orders received

Revenue growth

Record operating profit

Challenges – war in Ukraine and  
disruptions in the supply-chain

# 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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