



# Interim report Q3 2022

October 26, 2022



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On the cover: Safety first! The Scooptram ST14 loader with Collision Avoidance System (CAS) can detect objects in the collision risk area, evaluate the collision risk level and take interventional collision avoidance action.

## Epiroc interim report Q3

- Orders received, excluding Russia, increased to MSEK 13 324 (11 493), organic increase of 5%.\*
  - Reported orders received was MSEK 12 322 (12 245), organic decrease of -10%.
- Revenues increased 28% to MSEK 12 802 (9 966), organic increase of 12%.
- Adjusted operating profit increased 31% to MSEK 3 064 (2 331), corresponding to an operating margin of 23.9% (23.4).
  - Items affecting comparability were MSEK -164 (21), including a provision of MSEK -150 related to Russia.\*
  - Reported operating profit increased 23% to MSEK 2 900 (2 352), corresponding to a margin of 22.7% (23.6).
- Basic earnings per share were SEK 1.86 (1.60).
- Operating cash flow was MSEK 1 814 (1 613).
- Acquisitions of Radlink (wireless connectivity solutions), AARD Mining Equipment (low-profile underground machines), Geoscan (geological imaging solutions), and Wain-Roy (excavator attachments).\*\*
- Green bonds issue of MSEK 2 000.

## Financial overview

MSEK	2022 Q3	2021 Q3	Δ. %	2022 Jan-Sep	2021 Jan-Sep	Δ. %
Orders received, excl. Russia	13 324	11 493	16	40 127	31 610	27
Orders received	12 322	12 245	1	39 517	34 005	16
Revenues	12 802	9 966	28	35 758	28 472	26
Operating profit	2 900	2 352	23	7 912	6 401	24
<i>Operating margin, %</i>	22.7	23.6		22.1	22.5	
Profit before tax	2 876	2 425	19	7 732	6 397	21
<i>Profit margin, %</i>	22.5	24.3		21.6	22.5	
Profit for the period	2 243	1 929	16	6 016	5 012	20
Operating cash flow	1 814	1 613	12	4 143	4 452	-7
Basic earnings per share, SEK	1.86	1.60	16	4.98	4.15	20
Diluted earnings per share, SEK	1.85	1.59	16	4.97	4.14	20
<i>Return on capital employed, %, 12 months</i>	27.9	25.0				
Net debt/EBITDA, ratio	-0.12	-0.12				

\* For further information, see page 6.

\*\* For further information, see page 24.

## CEO comments

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### Strong quarter

The third quarter was a strong quarter in many ways. The order intake remained high and we successfully managed to increase output, despite supply-chain challenges. This translated into record revenues and profit.

### High demand

Demand remained high. Excluding Russia, the order intake increased 5% organically to MSEK 13 324 (11 493). We won several large equipment orders and the aftermarket developed well, with a particularly strong growth in service.

Many orders included automation, digitalization and electrification solutions, which help our customers to increase safety and productivity, and lower emissions. One example is an order we received for collision avoidance system for more than 60 underground machines in Africa. Another example is an order won by our recently acquired company JTMEC that will provide the electrical infrastructure to a major tunnelling project in Australia. These solutions are critical for customers regardless of business climate.

In the near term, we expect that the underlying demand, both for equipment and aftermarket, will remain at a high level.

### Profitable growth

Revenues increased 12% organically to a record MSEK 12 802. A large portion of our revenues comes from the aftermarket. To further enhance our focus and build even stronger customer relations, we will establish regional Parts & Services divisions in 2023.

The adjusted operating profit increased 31% to MSEK 3 064 (2 331). The adjusted operating margin improved to 23.9% (23.4), supported by the organic growth. The reported operating profit was MSEK 2 900 (2 352), including a provision related to Russia of MSEK -150.

The operating cash flow increased to MSEK 1 814 (1 613), supported by higher operating profit, but negatively impacted by working capital.

### Sustainability and productivity transformation

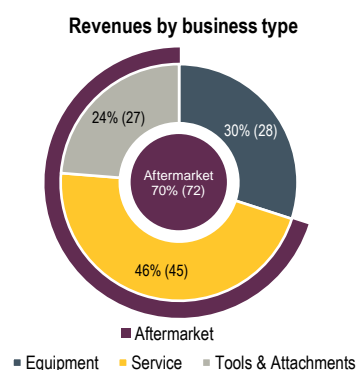
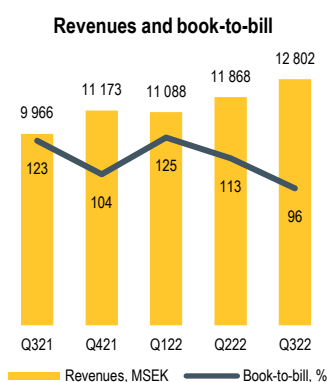
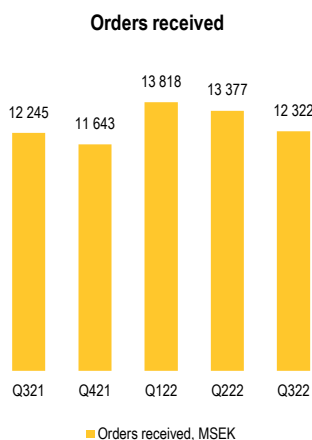
Innovation is one of our strategic focus areas. We continuously expand our offerings and complement our growth with acquisitions that accelerate realization of our strategy. For example, AARD Mining Equipment widens our range of underground machines for mines with low mining heights, and Radlink and Geoscan strengthen our digital offerings. Radlink offers robust wireless networks that are vital for both automation and digitalization. Geoscan enhances the knowledge of the ore body, which in turn increases productivity throughout the mining process.

By collaborating closely with customers, partners and innovation leaders also in other industries, we drive the transformation of the mining and construction industries. Together, we make it happen.



**Helena Hedblom**  
President and CEO

## Orders and revenues



### Financial overview

MSEK	2022	2021	Δ,%
	Q3	Q3	
Orders received	12 322	12 245	1
Revenues	12 802	9 966	28
Operating profit	2 900	2 352	23
Operating margin, %	22.7	23.6	

### Orders received

Excluding Russia, the orders received was MSEK 13 324 (11 493), corresponding to an organic growth of 5%. Reported orders received was MSEK 12 322 (12 245), corresponding to an organic decline of -10%. All orders in Russia have been removed from the order book, which impacted the orders received with MSEK -1 002. Currency contributed with 12% and acquisitions with -1%. The previous year's orders received included orders on hand from acquired companies. These have a negative impact of approximately -3% in the sales bridge.

Compared to the previous year, orders received in local currency increased in Africa/Middle East, South America and Asia/Australia. They decreased slightly in North America while Europe was negatively impacted by Russia, resulting in a significant decline.

Mining customers represented 81% (78) of orders received in the quarter and infrastructure customers 19% (22).

Sequentially (compared to the previous quarter) orders received decreased -12% organically, mainly explained by Russia.

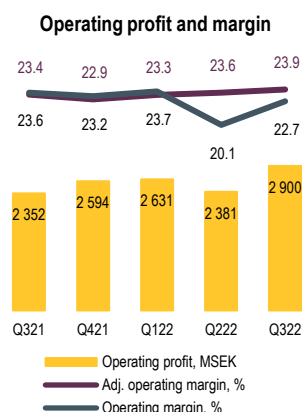
### Revenues

Revenues increased 28% to MSEK 12 802 (9 966), corresponding to an organic growth of 12%. Currency and acquisitions impacted revenues positively with 14% and 2%, respectively. The book-to-bill ratio was 96% (123).

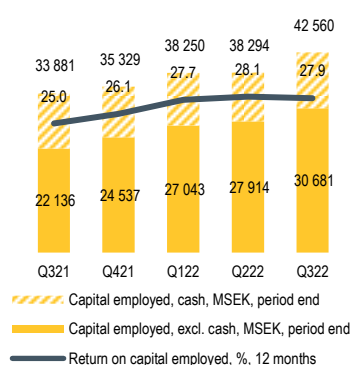
The aftermarket represented 70% (72) of revenues in the quarter.

Sales Bridge	Orders received	Revenues
	MSEK, Δ,%	MSEK, Δ,%
<b>Q3 2021</b>	<b>12 245</b>	<b>9 966</b>
Organic	-10	12
Currency	12	14
Structure/other	-1	2
Total	1	28
<b>Q3 2022</b>	<b>12 322</b>	<b>12 802</b>

## Profits and returns



**Capital employed and return on capital employed**



Profit bridge	Operating profit	
	MSEK, Δ	Margin, Δ, pp
<b>Q3 2021</b>	<b>2 352</b>	<b>23.6</b>
Organic	501	1.6
Currency	216	-0.8
Structure/other*	-169	-1.7
<b>Total</b>	<b>548</b>	<b>-0.9</b>
<b>Q3 2022</b>	<b>2 900</b>	<b>22.7</b>

\* Includes operating profit/loss from acquisitions and divestments and items affecting comparability (incl. change in provision for share-based long-term incentive programs).

Operating profit increased 23% to MSEK 2 900 (2 352), including items affecting comparability of MSEK -164 (21). These items are provisions related to Russia of MSEK -150 and a change in provision for the share-based long-term incentive programs of MSEK -14 (21). The operating margin was 22.7% (23.6). The adjusted operating margin, i.e. excluding items affecting comparability, was 23.9% (23.4). It was supported by organic growth but diluted by acquisitions and currency.

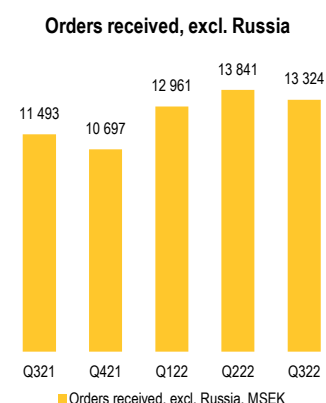
Net financial items amounted to MSEK -24 (73). Previous year included a positive impact from exchange rate differences. The net interest was MSEK -23 (-24).

Profit before tax was MSEK 2 876 (2 425). Income tax expense amounted to MSEK -633 (-496), corresponding to an effective tax rate of 22.0% (20.5).

Profit for the period totaled MSEK 2 243 (1 929). Basic earnings per share were SEK 1.86 (1.60).

Return on capital employed was 27.9% (25.0) and the return on equity was 29.2% (28.0).

## Russia

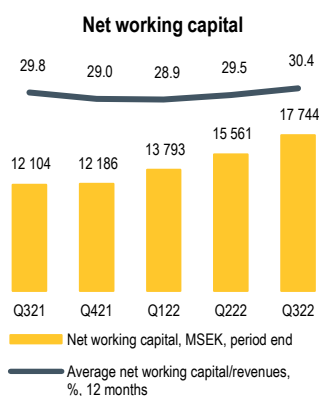


As from March 1, Epiroc has stopped deliveries to Russia and it is currently not possible to conduct business in the country. The Russian operations are therefore adjusted accordingly. All orders in Russia have been removed from the order book, which impacted the reported orders received with MSEK -1 002.

In addition to the provision taken in the second quarter of MSEK -400, a provision of MSEK -150 was taken in the third quarter. The provision is related to receivables, inventories, and restructuring costs.

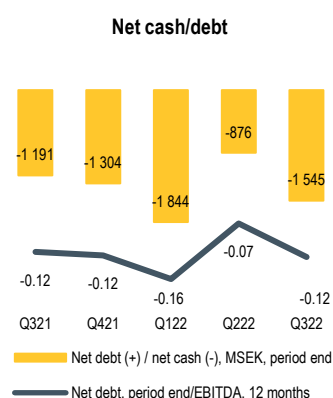
At the end of September, Epiroc had net assets in Russia amounting to approximately MSEK 625, mainly cash.

## Balance sheet



### Net working capital

Compared to the previous year, net working capital increased 47% to MSEK 17 744 (12 104). Excluding the effect of acquisitions and currency, the net working capital increased 23%. The increase is mainly explained by growth in combination with challenges in the supply-chain. The average net working capital in relation to revenues in the last 12 months was 30.4% (29.8).



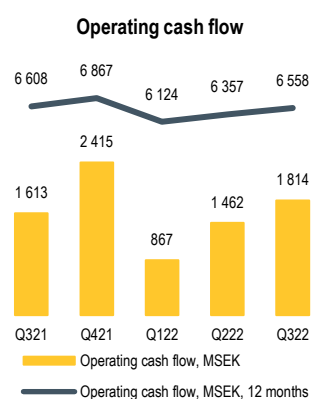
### Net cash / net debt

The Group's net cash position amounted to MSEK 1 545 (1 191). The net debt/EBITDA ratio was -0.12 (-0.12). In September Epiroc issued green bonds amounting to MSEK 2 000. In connection to the new issue, Epiroc repurchased MSEK 866 of the outstanding December 2023 bonds. See page 15.

### Dividend

The second part of the annual dividend will be paid on October 27. In total, approximately MSEK 1 809 will be paid out, corresponding to SEK 1.50 (1.25) per share. The record date was October 24, 2022.

## Cash flow



### Operating cash flow

Operating cash flow was MSEK 1 814 (1 613). It was supported by higher operating profit, but negatively impacted from change in working capital of MSEK -1 131 (-487), mainly inventory.

### Acquisitions and divestments

Net cash flow from acquisitions and divestments was MSEK -210 (-492).

## Leading productivity and sustainability partner

Innovations, acquisitions, and partnerships strengthen Epiroc's position as a leading global productivity and sustainability partner. Below are some highlights from the quarter.



### Acquisitions – Creating options for the future

Since the end of June, Epiroc has announced five acquisitions.

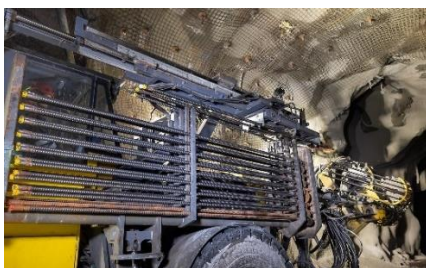
- **RNP México\*** manufactures rock drills and related spare parts and strengthens Epiroc's presence in Latin America.
- **AARD Mining Equipment** manufactures a wide range of mining equipment, specializing in low-profile underground machines for mines with low mining heights. The products complement Epiroc's underground offerings.
- **Radlink** provides mines with wireless connectivity solutions and strengthens Epiroc's offering within automation and digital solutions.
- **Geoscan\*** provides digital geological imaging solutions to mining companies and complements Epiroc's offerings within orebody knowledge. The solutions strengthen productivity in customers operations.
- **Wain-Roy** manufactures excavator attachments for the construction industry and strengthens Epiroc's North American presence.

\* Completed. See more details on page 24.



### Innovation – Compact automated face drilling rigs

The new Boomer E10 and E20 face drilling rigs are compact enough for mining, with the power needed for heavy construction. With the teleremote feature, the operator can monitor the machine safely from a control room and still be as much as 25% more productive. Both rigs are available with optional battery-electric driveline for zero-emission tramming.



### Innovation – First-class operator safety thanks to Auto Bolt Reload (ABR)

The main design feature of the Boltec ABR is the fully mechanized bolt reloading system. The system automatically feeds bolts from a large carrier magazine to the feed magazine, all while the operator remains safe inside the ergonomic cabin. This innovation removes the need for manual interference.



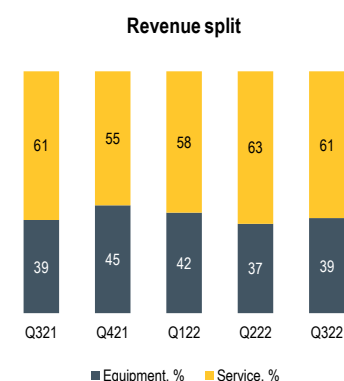
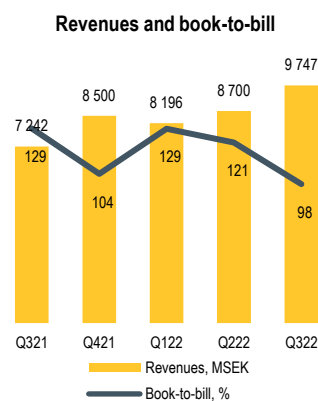
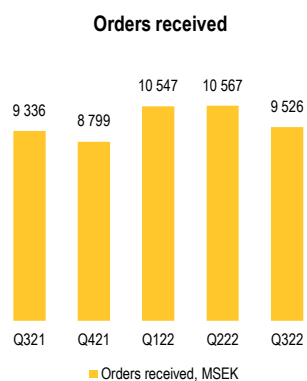
### Sustainability - Green bonds

In September Epiroc issued green bonds amounting to MSEK 2 000 to finance sustainable investments, expenditures, and R&D. The proceeds will support Epiroc in achieving its ambitious sustainability goals for 2030, including halving its CO<sub>2e</sub> emissions.



## Equipment & Service

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



### Financial overview

MSEK	2022	2021	Δ, %
	Q3	Q3	
Orders received	9 526	9 336	2
Revenues	9 747	7 242	35
Operating profit	2 417	1 909	27
Operating margin, %	24.8	26.4	

### Orders received

Excluding Russia, the orders received was MSEK 10 457 (8 693), corresponding to an organic order growth of 8%. Reported orders received was MSEK 9 526 (9 336), corresponding to an organic decline of -10%. Currency contributed with 12%, while there was no contribution from acquisitions. The previous year's orders received included orders on hand from acquired companies. These have a negative impact of approximately -3% in the sales bridge.

Compared to the previous year, orders received in local currency increased in Africa/Middle East, South America and Asia/Australia. They decreased slightly in North America while Europe was negatively impacted by Russia, resulting in a significant decline.

For equipment, reported orders received decreased -24% to MSEK 3 437 (4 532), corresponding to an organic decline of -33%. Excluding Russia, the orders declined -7% organically. All orders in Russia have been removed from the order book, which impacted the reported organic growth negatively. The share of orders from equipment was 36% (49).

For service, orders received increased 27% to MSEK 6 089 (4 804), corresponding to an organic growth of 12%. Excluding Russia, the orders increased 22% organically. The growth reflected a high activity level, including an order of MSEK 70 within electrical infrastructure. The share of orders from service was 64% (51).

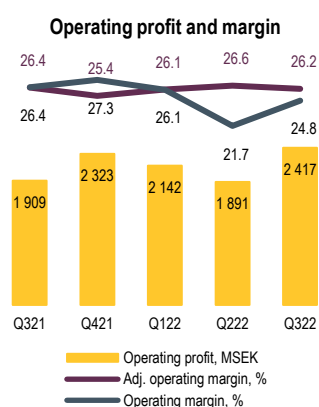
Sequentially, orders received decreased -14% organically for the segment, mainly explained by Russia.

### Revenues

Revenues increased 35% to MSEK 9 747 (7 242), corresponding to an organic growth of 18%. Currency contributed with 15% and acquisitions with 2%. The revenues for service increased 16% organically, while equipment revenues increased 22% organically. The share of revenues from service was 61% (61). The book-to-bill ratio was 98% (129).

## Equipment & Service

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,%
<b>Q3 2021</b>	<b>9 336</b>	<b>7 242</b>	<b>4 532</b>	<b>2 792</b>	<b>4 804</b>	<b>4 450</b>
Organic	-10	18	-33	22	12	16
Currency	12	15	9	15	15	14
Structure/other	0	2	0	0	0	3
Total	2	35	-24	37	27	33
<b>Q3 2022</b>	<b>9 526</b>	<b>9 747</b>	<b>3 437</b>	<b>3 832</b>	<b>6 089</b>	<b>5 915</b>



### Operating profit and margin

Operating profit increased 27% to MSEK 2 417 (1 909). It was supported by organic growth and currency, but negatively impacted by provisions related to Russia of MSEK -138. The operating margin was 24.8%. Adjusted operating margin was 26.2% (26.4) supported by organic growth, but diluted by currency and acquisitions.

Profit bridge	Operating profit	
	MSEK,Δ	Margin,Δ,pp
<b>Q3 2021</b>	<b>1 909</b>	<b>26.4</b>
Organic	480	1.4
Currency	159	-1.3
Structure/other	-131	-1.7
Total	508	-1.6
<b>Q3 2022</b>	<b>2 417</b>	<b>24.8</b>

### Regional Parts & Services divisions

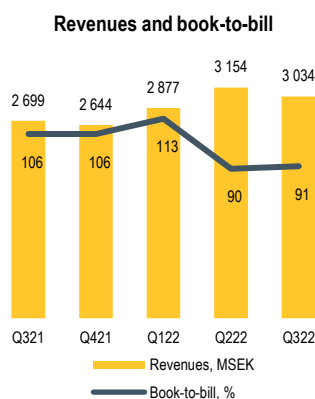
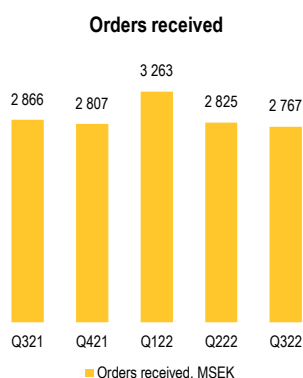
To enhance focus and build stronger customer relations, Epiroc will establish three regional Parts & Services divisions as of January 1, 2023. See page 15.

### Acquisitions

Since June 30, Equipment & Service has announced and/or finalized several acquisitions. See page 24.

## Tools & Attachments

Tools & Attachments 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.



### Financial overview

MSEK	2022	2021	Δ,%
	Q3	Q3	
Orders received	2 767	2 866	-3
Revenues	3 034	2 699	12
Operating profit	571	502	14
Operating margin, %	18.8	18.6	

### Orders received

Excluding Russia, the orders received was MSEK 2 867 (2 759), corresponding to an organic order decline of -2%. Reported orders received was MSEK 2 767 (2 866), corresponding to a decrease of -10% organically. Currency contributed with 12% and acquisitions with -5%. The previous year's orders received included orders on hand from acquired companies. These have a negative impact of approximately -7% in the sales bridge.

Compared to the previous year, orders received in local currency increased in North America, were flat in South America and Africa/Middle East while Europe and Asia/Australia decreased. Europe was negatively impacted by Russia, resulting in a significant decline.

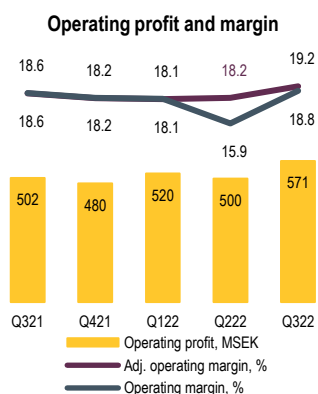
Sequentially, orders received decreased -5% organically, partly explained by Russia.

### Revenues

Revenues increased 12% to MSEK 3 034 (2 699), corresponding to an organic decline of -1%. Currency contributed with 12% and acquisitions with 1%. The book-to-bill ratio was 91% (106).

Sales Bridge	Orders received	Revenues
	MSEK, Δ,%	MSEK, Δ,%
<b>Q3 2021</b>	<b>2 866</b>	<b>2 699</b>
Organic	-10	-1
Currency	12	12
Structure/other	-5	1
Total	-3	12
<b>Q3 2022</b>	<b>2 767</b>	<b>3 034</b>

## Tools & Attachments

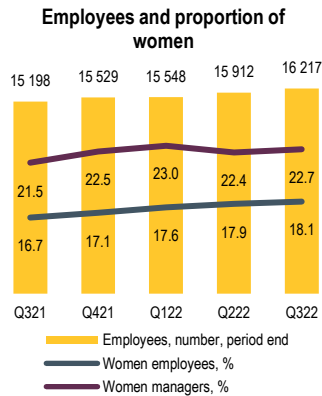


### Operating profit and margin

Operating profit increased 14% to MSEK 571 (502). It was supported by currency, but negatively impacted by provisions related to Russia of MSEK -12. The operating margin was 18.8% (18.6). Adjusted operating margin was 19.2% (18.6), supported by currency.

Profit bridge	Operating profit	
	MSEK, Δ	Margin, Δ, pp
<b>Q3 2021</b>	<b>502</b>	<b>18.6</b>
Organic	2	0.2
Currency	74	0.5
Structure/other	-7	-0.5
<b>Total</b>	<b>69</b>	<b>0.2</b>
<b>Q3 2022</b>	<b>571</b>	<b>18.8</b>

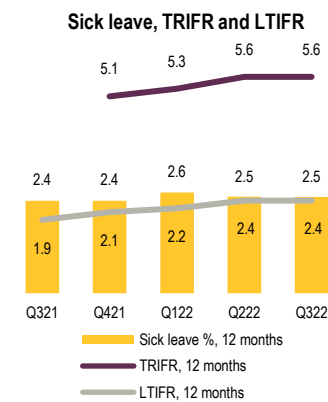
Sustainability: People & Planet



Employees

The number of employees increased to 16 217 (15 198), partly due to acquisitions. External workforce amounted to 1 615 (1 404). For comparable units, the total workforce increased with 598 compared to the previous year.

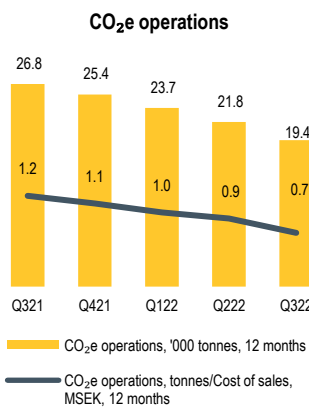
The proportion of women employees and women managers at the end of the period increased to 18.1% and 22.7%, respectively.



Safety and health

The total recordable injury frequency rate (TRIFR)\* the last 12 months was 5.6 compared to 5.1 for the full year 2021. Lost time injury frequency rate (LTIFR) increased to 2.4 compared to 2.1 for the full year 2021. Several actions have been taken to reduce injuries. The sick leave was 2.5%.

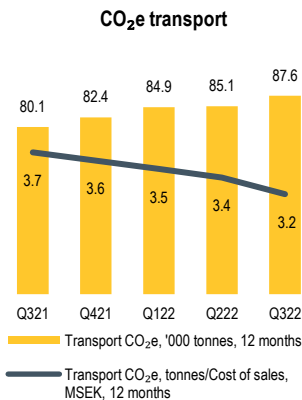
\* New types of injuries were included in reporting in 2021. Data for periods before Q4 2021 are not comparable.



CO<sub>2</sub>e emissions from operations

The CO<sub>2</sub>e emissions from operations and for comparable units\*\* (Scope 1 & Scope 2) the last 12 months was 19 396 tonnes, a decrease of -24% compared to 25 372 tonnes for the full year 2021. This improvement is driven by several initiatives, including the installation of solar panels and a higher share of renewable electricity.

\*\* In order to comply with Science Based Targets initiative's (SBTi) requirements to have a minimum 95% coverage of Scope 1 and Scope 2 emissions, 22 additional customer centers have reported CO<sub>2</sub>e emissions for full-year 2021. For comparability, Epiroc will report CO<sub>2</sub>e emissions for comparable units, i.e. excluding the additional customer centers, in the quarterly reports until year-end 2022.



CO<sub>2</sub>e emissions from transport

The CO<sub>2</sub>e emissions from transport the last 12 months increased 6% to 87 590 tonnes, compared to 82 383 tonnes for the full year 2021. The increase is mainly explained by higher volumes delivered. The emissions from transport were 19 906 tonnes lower compared to the base year emissions in 2019, which corresponds to 37% fulfilment of the 2030 goal to halve CO<sub>2</sub>e emissions from transport.

## January – September in summary

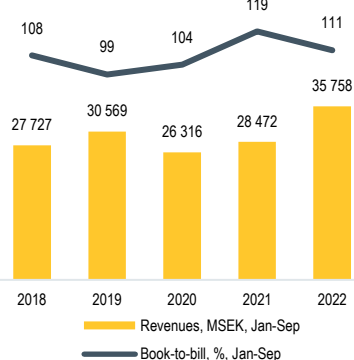
### Orders received, Jan-Sep



Orders received the first nine months, excluding Russia, increased 27% to MSEK 40 127 (31 610). The reported orders received was MSEK 39 517 (34 005), corresponding to an organic growth of 4%. All orders in Russia have been removed from the order book, which impacted the reported organic growth negatively. Revenues increased 12% organically to MSEK 35 758 (28 472).

Sales Bridge	Orders received	Revenues
	MSEK,Δ,%	MSEK,Δ,%
<b>Jan-Sep 2021</b>	<b>34 005</b>	<b>28 472</b>
Organic	4	12
Currency	10	11
Structure/other	2	3
<b>Total</b>	<b>16</b>	<b>26</b>
<b>Jan-Sep 2022</b>	<b>39 517</b>	<b>35 758</b>

### Revenues and book-to-bill, Jan-Sep

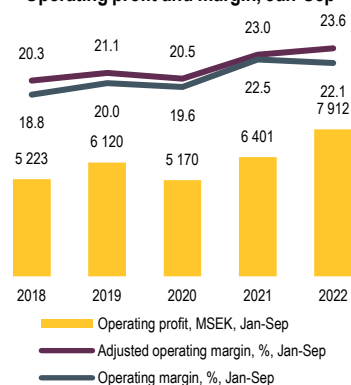


Operating profit increased 24% to MSEK 7 912 (6 401), including items affecting comparability of MSEK -541 (-143). Provisions related to Russia were MSEK -550 and restructuring costs related to the relocation of manufacturing from Japan were MSEK -95. Change in provision for the share-based long-term incentive programs was MSEK 104 (-143).

The operating margin was 22.1% (22.5). The adjusted operating margin increased to 23.6% (23.0%). The operating margin was supported by organic revenue growth, but diluted by acquisitions and currency.

Profit bridge	Operating profit	
	MSEK,Δ	Margin,Δ,pp
<b>Jan-Sep 2021</b>	<b>6 401</b>	<b>22.5</b>
Organic	1 388	1.8
Currency	527	-0.5
Structure/other	-404	-1.7
<b>Total</b>	<b>1 511</b>	<b>-0.4</b>
<b>Jan-Sep 2022</b>	<b>7 912</b>	<b>22.1</b>

### Operating profit and margin, Jan-Sep



Profit before tax was MSEK 7 732 (6 397). Profit for the period totaled MSEK 6 016 (5 012).

Basic earnings per share were SEK 4.98 (4.15).

Operating cash flow was MSEK 4 143 (4 452).

## Other information

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### Changes in Group Management

- Jess Kindler, President of Epiroc's Parts & Services division and member of Group Management, has decided to leave the Group for a position at a private company based in the United States. He will leave the Group no later than January 2023.
- To enhance focus and build stronger customer relations, Epiroc will establish three regional Parts & Services divisions as of January 1, 2023. The current regional presidents, Nelson Trejo, Luis Araneda and Arman Bagdasarian are appointed division presidents and members of Epiroc Group Management.

### Green bonds issued

- In September Epiroc issued green bonds amounting to MSEK 2 000 to finance sustainable investments, expenditures, and R&D. The proceeds will support Epiroc in achieving its ambitious sustainability goals for 2030, including halving its CO<sub>2</sub>e emissions. The bonds have a tenor of five years and two tranches. The fixed tranche of MSEK 1 500 has a coupon of 4.155% and the floating tranche of MSEK 500 has a coupon of 3M STIBOR plus 1.20%. In connection to the new issue, Epiroc repurchased MSEK 866 of the outstanding December 2023 bonds.

## Key risks

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Epiroc is exposed to strategic, operational, legal and compliance as well as financial risks. The key risks include market, competition, product development, supply chain, employees, environment and climate, reputation, corruption and fraud, safety and health. Further information on risks, opportunities and risk management can be found in Epiroc's Annual and Sustainability Report 2021.

As stated in the Annual and Sustainability Report 2021, operating in complex markets with various political, economic and social conditions can affect Epiroc. The situation in Russia and Ukraine is highly complex and fluid, and there are continuous changes in sanctions, logistical flows and the financial system. Epiroc is closely monitoring the situation and continuously evaluating the implications for employees, business and operations in the short and long term. See also page 6.

## Signature of the President

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The President and CEO of Epiroc AB declares that the interim report gives a fair view of the business development, financial position and result of operation of the Parent Company and the consolidated Group, and describes significant risks and uncertainties that the Parent Company and its subsidiaries are facing.

Nacka, Sweden, October 26, 2022

**Helena Hedblom**

President and CEO, Epiroc AB

*This report has not been audited.*

**Financial Statements**
**Condensed consolidated income statement**

MSEK	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep
Revenues	12 802	9 966	35 758	28 472
Cost of sales	-7 889	-5 999	-22 533	-17 330
<b>Gross profit</b>	<b>4 913</b>	<b>3 967</b>	<b>13 225</b>	<b>11 142</b>
Administrative expenses	-903	-692	-2 442	-2 243
Marketing expenses	-782	-582	-2 190	-1 680
Research and development expenses	-360	-300	-1 042	-812
Other operating income and expenses	32	-41	361	-6
<b>Operating profit</b>	<b>2 900</b>	<b>2 352</b>	<b>7 912</b>	<b>6 401</b>
Net financial items	-24	73	-180	-4
<b>Profit before tax</b>	<b>2 876</b>	<b>2 425</b>	<b>7 732</b>	<b>6 397</b>
Income tax expense	-633	-496	-1 716	-1 385
<b>Profit for the period</b>	<b>2 243</b>	<b>1 929</b>	<b>6 016</b>	<b>5 012</b>
Profit attributable to				
- owners of the parent	2 239	1 926	6 006	5 004
- non-controlling interests	4	3	10	8
Basic earnings per share, SEK	1.86	1.60	4.98	4.15
Diluted earnings per share, SEK	1.85	1.59	4.97	4.14

**Condensed consolidated statement of comprehensive income**

MSEK	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep
<b>Profit for the period</b>	<b>2 243</b>	<b>1 929</b>	<b>6 016</b>	<b>5 012</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit pension plans	-17	244	763	479
Income tax relating to items that will not be reclassified	2	-52	-161	-100
<b>Total items that will not be reclassified to profit or loss</b>	<b>-15</b>	<b>192</b>	<b>602</b>	<b>379</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences on foreign operations	1 035	237	3 067	790
- realized and reclassified to profit and loss	-	-	-	-
Cash flow hedges	106	-	106	-
Income tax relating to items that may be reclassified	-22	-	-22	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>1 119</b>	<b>237</b>	<b>3 151</b>	<b>790</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>1 104</b>	<b>429</b>	<b>3 753</b>	<b>1 169</b>
<b>Total comprehensive income for the period</b>	<b>3 347</b>	<b>2 358</b>	<b>9 769</b>	<b>6 181</b>
Total comprehensive income attributable to				
- owners of the parent	3 345	2 354	9 757	6 171
- non-controlling interests	2	4	12	10



**Condensed consolidated balance sheet**

	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>Assets, MSEK</b>	<b>Sep 30</b>	<b>Sep 30</b>	<b>Dec 31</b>
Intangible assets	8 419	6 355	7 233
Rental equipment	1 527	1 118	1 279
Other property, plant and equipment	5 140	4 665	4 587
Investments in associated companies and joint ventures	74	181	106
Other financial assets and other receivables	1 898	854	1 007
Deferred tax assets	1 820	1 469	1 469
<b>Total non-current assets</b>	<b>18 878</b>	<b>14 642</b>	<b>15 681</b>
Inventories	16 634	11 199	11 861
Trade receivables	9 174	6 765	7 174
Other receivables	3 189	1 925	2 057
Current tax receivables	304	213	190
Financial assets	1 527	770	828
Cash and cash equivalents	11 879	11 745	10 792
Assets held for sale	100	-	-
<b>Total current assets</b>	<b>42 807</b>	<b>32 617</b>	<b>32 902</b>
<b>Total assets</b>	<b>61 685</b>	<b>47 259</b>	<b>48 583</b>
<b>Equity and liabilities, MSEK</b>			
Share capital	500	500	500
Retained earnings	31 260	22 745	25 229
<b>Total equity attributable to owners of the parent</b>	<b>31 760</b>	<b>23 245</b>	<b>25 729</b>
Non-controlling interest	6	56	56
<b>Total equity</b>	<b>31 766</b>	<b>23 301</b>	<b>25 785</b>
Interest-bearing liabilities	9 880	8 592	8 562
Post-employment benefits	127	405	356
Other liabilities and provisions	469	621	657
Deferred tax liabilities	973	730	785
<b>Total non-current liabilities</b>	<b>11 449</b>	<b>10 348</b>	<b>10 360</b>
Interest-bearing liabilities	785	1 583	628
Trade payables	6 249	4 905	5 512
Current tax liabilities	963	525	562
Other liabilities and provisions	10 473	6 597	5 736
<b>Total current liabilities</b>	<b>18 470</b>	<b>13 610</b>	<b>12 438</b>
<b>Total equity and liabilities</b>	<b>61 685</b>	<b>47 259</b>	<b>48 583</b>

**Condensed consolidated statement of changes in equity**

MSEK	Equity attributable to		
	owners of the parent	non-controlling interests	Total equity
<b>Opening balance, Jan 1, 2022</b>	<b>25 729</b>	<b>56</b>	<b>25 785</b>
Total comprehensive income for the period	9 757	12	9 769
Dividend	-3 619	-2	-3 621
Transactions with non-controlling interests	-111	-60	-171
Acquisition and divestment of own shares	2	-	2
Share-based payments, equity settled	2	-	2
<b>Closing balance, Sep 30, 2022</b>	<b>31 760</b>	<b>6</b>	<b>31 766</b>
<b>Opening balance, Jan 1, 2021</b>	<b>23 693</b>	<b>46</b>	<b>23 739</b>
Total comprehensive income for the period	6 171	10	6 181
Dividend/Redemption	-6 635	-1	-6 636
Acquisition and divestment of own shares	61	1	62
Share-based payments, equity settled	-45	-	-45
<b>Closing balance, Sep 30, 2021</b>	<b>23 245</b>	<b>56</b>	<b>23 301</b>
<b>Opening balance, Jan 1, 2021</b>	<b>23 693</b>	<b>46</b>	<b>23 739</b>
Total comprehensive income for the period	8 707	17	8 724
Dividend/Redemption	-6 635	-7	-6 642
Acquisition and divestment of own shares	64	-	64
Share-based payments, equity settled	-100	-	-100
<b>Closing balance, Dec 31, 2021</b>	<b>25 729</b>	<b>56</b>	<b>25 785</b>

**Condensed consolidated statement of cash flows**

MSEK	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep
<b>Cash flow from operating activities</b>				
Operating profit	2 900	2 352	7 912	6 401
Depreciation, amortization and impairment	526	462	1 479	1 255
Capital gain/loss and other non-cash items	18	-51	-307	-44
Net financial items received/paid	-23	93	-298	156
Taxes paid	-466	-456	-1 766	-1 508
Pension funding and payment of pension to employees	-12	-20	-37	-41
Change in working capital	-1 131	-487	-2 736	-866
Increase in rental equipment	-238	-164	-706	-532
Sale of rental equipment	90	89	274	242
<b>Net cash flow from operating activities</b>	<b>1 664</b>	<b>1 818</b>	<b>3 815</b>	<b>5 063</b>
<b>Cash flow from investing activities</b>				
Investments in other property, plant and equipment	-112	-154	-382	-395
Sale of other property, plant and equipment	14	-	26	-3
Investments in intangible assets	-76	-96	-312	-307
Acquisition of subsidiaries and associated companies	-210	-496	-495	-1 780
Sale of subsidiaries and associated companies	-	4	10	6
Proceeds to/from other financial assets, net	-203	-60	-411	-142
<b>Net cash flow from investing activities</b>	<b>-587</b>	<b>-802</b>	<b>-1 564</b>	<b>-2 621</b>
<b>Cash flow from financing activities</b>				
Dividend	-	-	-1 810	-1 508
Dividend to non-controlling interest	-	-	-1	-1
Acquisition of non-controlling interest*	-175	-	-175	-
Redemption of shares	-	-	-	-3 619
Sale/Repurchase of own shares	-74	-61	2	62
Change in interest-bearing liabilities	672	-116	456	-709
<b>Net cash flow from financing activities</b>	<b>423</b>	<b>-177</b>	<b>-1 528</b>	<b>-5 775</b>
<b>Net cash flow for the period</b>	<b>1 500</b>	<b>839</b>	<b>723</b>	<b>-3 333</b>
Cash and cash equivalents, beginning of the period	10 380	10 931	10 792	15 053
Exchange differences in cash and cash equivalents	-1	-25	364	25
<b>Cash and cash equivalents, end of the period</b>	<b>11 879</b>	<b>11 745</b>	<b>11 879</b>	<b>11 745</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Q3</b>	<b>Q3</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>
<b>Operating cash flow**</b>				
Net cash flow from operating activities	1 664	1 818	3 815	5 063
Net cash flow from investing activities	-587	-802	-1 564	-2 621
Acquisitions and divestments, net	210	492	485	1 774
Other adjustments	527	105	1 407	236
<b>Operating cash flow</b>	<b>1 814</b>	<b>1 613</b>	<b>4 143</b>	<b>4 452</b>

\* In the quarter, Epiroc acquired the full remaining non-controlling interest of Epiroc Mining India Ltd for MSEK -173.

\*\* Operating cash flow is not defined according to IFRS. See page 26.

**Condensed parent company income statement**

<b>MSEK</b>	<b>2022 Q3</b>	<b>2021 Q3</b>	<b>2022 Jan-Sep</b>	<b>2021 Jan-Sep</b>
Administrative expenses	-54	-54	-159	-183
Marketing expenses	-12	-4	-25	-18
Other operating income and expenses	27	7	61	27
<b>Operating profit/loss</b>	<b>-39</b>	<b>-51</b>	<b>-123</b>	<b>-174</b>
Financial income and expenses	6	-6	-7	-14
<b>Profit/loss before tax</b>	<b>-33</b>	<b>-57</b>	<b>-130</b>	<b>-188</b>
Income tax	9	16	31	73
<b>Profit/loss for the period</b>	<b>-24</b>	<b>-41</b>	<b>-99</b>	<b>-115</b>

**Condensed parent company balance sheet**

<b>MSEK</b>	<b>2022 Sep 30</b>	<b>2021 Sep 30</b>	<b>2021 Dec 31</b>
Total non-current assets	54 352	53 194	53 318
Total current assets	694	1 718	2 272
<b>Total assets</b>	<b>55 046</b>	<b>54 912</b>	<b>55 590</b>
Total restricted equity	503	503	503
Total non-restricted equity	43 776	43 664	47 489
<b>Total equity</b>	<b>44 279</b>	<b>44 167</b>	<b>47 992</b>
Total provisions	177	266	321
Total non-current liabilities	8 123	6 987	6 989
Total current liabilities	2 467	3 492	288
<b>Total equity and liabilities</b>	<b>55 046</b>	<b>54 912</b>	<b>55 590</b>

## Condensed segments quarterly

Epiroc has two reporting segments; Equipment & Service and Tools & Attachments. In addition, Epiroc reports common group functions, including Financial Solutions, Group management, support functions and eliminations.

	2021				2021	2022		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
<b>Orders received, MSEK</b>								
Equipment & Service	7 991	8 387	9 336	8 799	34 513	10 547	10 567	9 526
Equipment	4 028	4 031	4 532	3 812	16 403	5 244	4 682	3 437
Service	3 963	4 356	4 804	4 987	18 110	5 303	5 885	6 089
Tools & Attachments	2 674	2 678	2 866	2 807	11 025	3 263	2 825	2 767
Common group functions	25	5	43	37	110	8	-15	29
<b>Epiroc Group</b>	<b>10 690</b>	<b>11 070</b>	<b>12 245</b>	<b>11 643</b>	<b>45 648</b>	<b>13 818</b>	<b>13 377</b>	<b>12 322</b>
<b>Revenues, MSEK</b>								
Equipment & Service	6 391	7 187	7 242	8 500	29 320	8 196	8 700	9 747
Equipment	2 562	3 052	2 792	3 791	12 197	3 410	3 190	3 832
Service	3 829	4 135	4 450	4 709	17 123	4 786	5 510	5 915
Tools & Attachments	2 345	2 517	2 699	2 644	10 205	2 877	3 154	3 034
Common group functions	37	29	25	29	120	15	14	21
<b>Epiroc Group</b>	<b>8 773</b>	<b>9 733</b>	<b>9 966</b>	<b>11 173</b>	<b>39 645</b>	<b>11 088</b>	<b>11 868</b>	<b>12 802</b>
<b>Operating profit and profit before tax, MSEK</b>								
Equipment & Service	1 696	1 880	1 909	2 323	7 808	2 142	1 891	2 417
Tools & Attachments	386	416	502	480	1 784	520	500	571
Common group functions	-215	-114	-59	-209	-597	-31	-10	-88
<b>Epiroc Group</b>	<b>1 867</b>	<b>2 182</b>	<b>2 352</b>	<b>2 594</b>	<b>8 995</b>	<b>2 631</b>	<b>2 381</b>	<b>2 900</b>
Net financial items	-33	-44	73	-27	-31	-67	-89	-24
<b>Profit before tax</b>	<b>1 834</b>	<b>2 138</b>	<b>2 425</b>	<b>2 567</b>	<b>8 964</b>	<b>2 564</b>	<b>2 292</b>	<b>2 876</b>
<b>Operating margin, %</b>								
Equipment & Service	26.5	26.2	26.4	27.3	26.6	26.1	21.7	24.8
Tools & Attachments	16.5	16.5	18.6	18.2	17.5	18.1	15.9	18.8
<b>Epiroc Group</b>	<b>21.3</b>	<b>22.4</b>	<b>23.6</b>	<b>23.2</b>	<b>22.7</b>	<b>23.7</b>	<b>20.1</b>	<b>22.7</b>
<b>Items affecting comparability, MSEK*</b>								
Change in provision for LTIP**	149	15	-21	127	270	-43	-75	14
Items in Equipment & Service	-	-	-	-167	-167	-	422	138
Items in Tools & Attachments	-	-	-	-	-	-	73	12
<b>Epiroc Group</b>	<b>149</b>	<b>15</b>	<b>-21</b>	<b>-40</b>	<b>103</b>	<b>-43</b>	<b>420</b>	<b>164</b>
<b>Adj. margin for items affecting comparability, %</b>								
Adjusted operating margin, E&S, %	26.5	26.2	26.4	25.4	26.1	26.1	26.6	26.2
Adjusted operating margin, T&A, %	16.5	16.5	18.6	18.2	17.5	18.1	18.2	19.2
<b>Adjusted operating margin, %</b>	<b>23.0</b>	<b>22.6</b>	<b>23.4</b>	<b>22.9</b>	<b>22.9</b>	<b>23.3</b>	<b>23.6</b>	<b>23.9</b>

\* Items affecting comparability are shown with reverse sign. I.e. a positive number indicates a cost and vice versa.

\*\* Change in provision for long-term incentive programs is reported as administrative expenses.

**Geographical distribution of orders received**

MSEK % currency adjusted	2021				2021 FY	2022			Δ, % Y-o-Y
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	
<b>Epiroc Group</b>	<b>10 690</b>	<b>11 070</b>	<b>12 245</b>	<b>11 643</b>	<b>45 648</b>	<b>13 818</b>	<b>13 377</b>	<b>12 322</b>	<b>-11%</b>
North America	2 226	2 542	2 974	2 843	10 585	3 358	3 753	3 438	-3%
South America	1 177	1 420	1 480	1 498	5 575	1 687	1 892	1 851	12%
Europe	2 623	2 612	2 577	2 761	10 573	3 100	1 742	601	-72%
Africa/Middle East	1 629	1 495	1 793	1 553	6 470	2 125	1 962	2 312	13%
Asia/Australia	3 035	3 001	3 421	2 988	12 445	3 548	4 028	4 120	7%
<b>Equipment &amp; Service</b>	<b>7 991</b>	<b>8 387</b>	<b>9 336</b>	<b>8 799</b>	<b>34 513</b>	<b>10 547</b>	<b>10 567</b>	<b>9 526</b>	<b>-9%</b>
North America	1 489	1 805	2 199	2 101	7 594	2 431	2 878	2 407	-9%
South America	911	1 165	1 220	1 243	4 539	1 375	1 629	1 553	15%
Europe	1 824	1 819	1 882	1 930	7 455	2 149	1 178	182	-84%
Africa/Middle East	1 190	1 050	1 294	1 068	4 602	1 665	1 423	1 779	19%
Asia/Australia	2 577	2 548	2 741	2 457	10 323	2 927	3 459	3 605	17%
<b>Tools &amp; Attachments</b>	<b>2 674</b>	<b>2 678</b>	<b>2 866</b>	<b>2 807</b>	<b>11 025</b>	<b>3 263</b>	<b>2 825</b>	<b>2 767</b>	<b>-14%</b>
North America	726	716	748	718	2 908	930	902	1 002	12%
South America	267	256	258	255	1 036	312	263	299	1%
Europe	787	813	683	819	3 102	943	553	424	-37%
Africa/Middle East	440	445	500	485	1 870	460	540	532	-2%
Asia/Australia	454	448	677	530	2 109	618	567	510	-32%

**Geographical distribution of revenues**

MSEK % currency adjusted	2021				2021 FY	2022			Δ, % Y-o-Y
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	
<b>Epiroc Group</b>	<b>8 773</b>	<b>9 733</b>	<b>9 966</b>	<b>11 173</b>	<b>39 645</b>	<b>11 088</b>	<b>11 868</b>	<b>12 802</b>	<b>14%</b>
North America	1 915	2 158	2 326	2 457	8 856	2 767	3 139	3 433	24%
South America	1 156	1 378	1 368	1 395	5 297	1 565	1 597	1 810	19%
Europe	1 992	2 172	2 172	2 481	8 817	2 172	2 177	1 832	-19%
Africa/Middle East	1 208	1 405	1 406	1 470	5 489	1 683	1 902	2 046	30%
Asia/Australia	2 502	2 620	2 694	3 370	11 186	2 901	3 053	3 681	22%
<b>Equipment &amp; Service</b>	<b>6 391</b>	<b>7 187</b>	<b>7 242</b>	<b>8 500</b>	<b>29 320</b>	<b>8 196</b>	<b>8 700</b>	<b>9 747</b>	<b>19%</b>
North America	1 233	1 453	1 587	1 772	6 045	1 934	2 154	2 484	32%
South America	930	1 130	1 111	1 150	4 321	1 290	1 306	1 513	23%
Europe	1 308	1 456	1 435	1 750	5 949	1 452	1 464	1 143	-24%
Africa/Middle East	825	941	896	1 008	3 670	1 174	1 355	1 491	47%
Asia/Australia	2 095	2 207	2 213	2 820	9 335	2 346	2 421	3 116	26%
<b>Tools &amp; Attachments</b>	<b>2 345</b>	<b>2 517</b>	<b>2 699</b>	<b>2 644</b>	<b>10 205</b>	<b>2 877</b>	<b>3 154</b>	<b>3 034</b>	<b>1%</b>
North America	659	693	731	669	2 752	813	976	944	8%
South America	227	248	256	246	977	274	291	297	2%
Europe	672	705	723	719	2 819	728	711	676	-9%
Africa/Middle East	384	465	510	463	1 822	509	547	556	-0%
Asia/Australia	403	406	479	547	1 835	553	629	561	5%

## Group notes

### **Note 1: Accounting principles**

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The consolidated financial statements of the Epiroc Group are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The interim report is prepared in accordance with IAS 34 Interim financial reporting. The accounting principles applied in the preparation of this interim report apply to all periods and comply with the accounting principles presented in the Annual and Sustainability Report 2021, in note 1 Significant accounting principles. No new and revised standards and interpretations effective from January 1, 2022, are considered to have any material impact on the financial statements.

#### **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 applied in the preparation of this interim report apply to all periods and comply with the accounting principles presented in the Annual and Sustainability Report 2021, note A1 in the Parent Company accounts. No new and revised standards and interpretations effective from January 1, 2022, are considered to have any material impact on the Parent Company's financial statements.

**Note 2: Acquisitions and divestments**

Date	Completed acquisitions	Divestments	Segment	Revenues	Employees
2022 Oct 14	Geoscan		E&S	65	50
2022 Aug 2	RNP México		E&S	245	370
2022 Jun 1	JTMEC		E&S	235	190
2022 May 31		Zhejiang GIA Machinery			
2021 Nov 3	FVT Research		E&S	27	25
2021 Nov 2	Mobilaris MCE AB		E&S	60	50
2021 Aug 10	DandA Heavy Industries		T&A	210	60
2021 Jul 7	Mining Tag S.A.		E&S	65	120
2021 Jul 2	Meglab		E&S	335	240
2021 Jun 7	3D-P		E&S	110	50
2021 Jun 1	Kinetic Logging Services		E&S	195	180
2021 May 4	MineRP		E&S	135	200
2021 Apr 6		Epiroc Armenia LLC			-20

The table presents annual revenues in MSEK and employees at the time of the acquisition. Line indicates new quarter.

**Acquisitions completed in 2022**

- **JTMEC** provides electrical infrastructure solutions. The acquisition supports the transition to battery electrification. The company has approximately MSEK 235 in revenues and 190 employees. The acquisition was announced on April 29 and completed on June 1. The acquisition is reported in "Service".
- **RNP México** manufactures rock drills and related spare parts. The acquisition strengthens Epiroc's presence in Latin America. The company has approximately MSEK 245 in revenues and 370 employees. The acquisition was announced on June 10 and completed on August 2. The acquisition is reported in "Service".
- **Geoscan** provides digital geological imaging solutions to mining companies. The acquisition complements Epiroc's offering within orebody knowledge, which in turn strengthens productivity in customers operations. The company has approximately MSEK 65 in revenues and 50 employees. The acquisition was announced on October 7 and completed on October 14. The acquisition reports in "Equipment".

**Financial effect of acquisitions as per September 30, 2022**

The completed acquisitions have had a total cash flow effect of MSEK 472. According to the preliminary purchase price allocation, intangible assets amount to MSEK 316 and goodwill amounts to MSEK 590. The acquired entities during 2022 have contributed to revenues with MSEK 148 and operating profit with MSEK 23 since the respective date of acquisition.

**Fair value of acquired assets and liabilities 2022, MSEK**

Net assets identified	413
Intangible assets	316
Goodwill	590
Total consideration	1 319
Net cash outflow	472

**Announced, but not yet completed acquisition**

- **AARD Mining Equipment** manufactures a wide range of mining equipment, specializing in low-profile underground machines for mines with low mining heights. The acquisition complements Epiroc's underground offering as well as strengthens Epiroc's footprint in Africa. The company has approximately MSEK 650 in revenues and 200 employees. The acquisition was announced on August 25 and is expected to be completed in the fourth quarter. The acquisition will report in "Equipment".
- **Radlink** provides mines with wireless connectivity solutions. The acquisition of a majority stake of 53% strengthens Epiroc's offering in automation and digital solutions. The company has approximately MSEK 1 040 in revenues and 330 employees. The acquisition was announced on September 19 and is expected to be completed in the fourth quarter. The acquisition will be consolidated and the minority share will be reported as "non-controlling interests". The acquisition will report in "Service".
- **Wain-Roy** manufactures excavator attachments for the construction industry. The acquisition strengthens Epiroc's presence in the North American construction market and increases our capacity for manufacturing advanced attachments in that region. The company has approximately MSEK 200 in revenues and 100 employees. The acquisition was announced on October 21 and is expected to be completed in the fourth quarter. The acquisition will report in "Tools & Attachments".



### Note 3: 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 2021, 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 MSEK		2022 Sep 30	2021 Dec 31
<b>Non-current assets and liabilities</b>			
Assets		39	-
Liabilities		-	-
<b>Current assets and liabilities</b>			
Assets		181	46
Liabilities		327	94

Carrying value and fair value MSEK	2022	2022	2021	2021
	Sep 30	Sep 30	Dec 31	Dec 31
	Carrying value	Fair value	Carrying value	Fair value
Bonds	5 124	5 161	3 992	4 137
Other loans	5 541	5 283	5 198	5 222
<b>Total interest-bearing loans</b>	<b>10 665</b>	<b>10 444</b>	<b>9 190</b>	<b>9 359</b>

### Note 4: Share buybacks and divestments

The Board of Directors has been authorized to purchase, transfer and sell Epiroc shares in relation to Epiroc's share-based long-term incentive programs.

	A share	B share	Total
Total number of shares	823 765 854	389 972 849	1 213 738 703
<i>Whereof shares held by Epiroc</i>	<i>7 556 088</i>		
<b>Change in the quarter</b>			
Purchased (+) / divested (-) shares, number	457 546		
Value of purchased (+) / divested (-) shares, SEK	73 343 224		

### Note 5: Transactions with related parties

In the quarter, no material changes have taken place and no significant related-party transactions were made.

**Key figures**

	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep
<b>Growth</b>				
*Orders received, MSEK	12 322	12 245	39 517	34 005
Revenues, MSEK	12 802	9 966	35 758	28 472
*Total revenue growth, %	28	14	26	8
*Organic revenue growth, %	12	11	12	13
<b>Profitability</b>				
*Gross margin, %	38.4	39.8	37.0	39.1
*EBITDA margin, %	26.8	28.2	26.3	26.9
*Adjusted operating margin, %	23.9	23.4	23.6	23.0
*Operating margin, %	22.7	23.6	22.1	22.5
*Profit margin, %	22.5	24.3	21.6	22.5
<b>Capital efficiency</b>				
*Return on capital employed, %	27.9	25.0		
*Net debt / EBITDA, ratio	-0.12	-0.12		
*Net debt / equity ratio, period end	-4.9	-5.1		
*Average net working capital / revenues, %	30.4	29.8		
<b>Cash generation</b>				
*Operating cash flow, MSEK	1 814	1 613	4 143	4 452
*Cash conversion rate, %, 12 months	81	99		
<b>Equity information</b>				
Basic number of shares outstanding, millions	1 207	1 207	1 206	1 206
Diluted number of shares outstanding, millions	1 208	1 208	1 208	1 208
*Equity per share, SEK, period end	26.3	19.3		
Basic earnings per share, SEK	1.86	1.60	4.98	4.15
*Return on equity, %	29.2	28.0		
*Operating cash flow per share, SEK	1.50	1.34	3.43	3.69
<b>People &amp; Planet</b>				
Employees, period end	16 217	15 198		
Women employees, %, period end	18.1	16.7		
Women managers, %, period end	22.7	21.5		
Total recordable injury frequency rate, TRIFR, 12 months	5.6	5.3		
Sick leave, %, 12 months	2.5	2.4		
CO2e emissions from operations, tonnes, 12 months	19 396	26 791		
CO2e emissions from transport, tonnes, 12 months	87 590	80 099		

Several key figures in this report are not defined according to IFRS. The alternative performance measures are marked with a \*. They provide complementary information aiming to help readers to analyze the company's operations and facilitate an evaluation of the performance. Since not all companies calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies. These financial performance measures should therefore not be regarded as a replacement for measures as defined according to IFRS. For a list of financial definitions, non-IFRS measures and calculations, visit the Epiroc Group website.

## Epiroc in brief

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Epiroc is a vital part of a sustainable society and a global productivity partner for mining and infrastructure customers. With ground-breaking technology, Epiroc develops and provides innovative and safe equipment, such as drill rigs, rock excavation and construction equipment and tools for surface and underground applications. The company also offers world-class service and other aftermarket support as well as solutions for automation, digitalization and electrification. Epiroc is based in Stockholm, Sweden, had revenues of SEK 40 billion in 2021, and has more than 15 500 passionate employees supporting and collaborating with customers in more than 150 countries.

### Financial goals

- 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.
- To have an industry-best operating margin, with strong resilience over the cycle.
- To improve capital efficiency and resilience. Investments and acquisitions shall create value.
- To have an efficient capital structure and the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating.
- To provide long-term stable and rising dividends to its shareholders. The dividend should correspond to 50% of net profit over the cycle.

### Sustainability ambition and KPIs

Epiroc has four prioritized areas within sustainability:

- We live by the highest ethical standards.
- We invest in safety and health.
- 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, including the long-term goals for 2030 that further advance the Group's ambitions on e.g. climate change and diversity.

### Our vision

Dare to think new.

### Our mission

Drive the productivity and sustainability transformation in our industry.

### Our core values

Innovation, Commitment and Collaboration.

### Strategy

By being in attractive niches and prioritizing innovation, aftermarket and operational excellence, we strive to achieve outperformance. Our success is reinforced by our strong company culture and our integrated approach to sustainability.

### Our strengths

- We focus on attractive niches with structural growth.
- We drive the productivity and sustainability transformation in our industry.
- We have a high proportion of recurring business.
- We have a well-proven business model.
- We create value for our stakeholders.
- Our success is based on sustainability and a strong corporate culture.

See Epiroc's Annual and Sustainability report for more information.

## About this report

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### Forward-looking statements

Some statements in this report are forward looking, and the actual outcomes could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcomes.

### Language

In the event of inconsistency or discrepancy between the English and the Swedish version of this publication, the Swedish version shall prevail.

### Totals and roundings

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source, and rounding differences may therefore arise.

*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 on the next page, at 11:30 CEST on October 26, 2022.*

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## Financial calendar

### Webcast & conference call:

At 13.00 CEST on October 26, Epiroc will host a report presentation and conference call for investors, analysts and media. The report will be presented by President and CEO Helena Hedblom and CFO Håkan Folin.

Webcast link and presentation material can be found here:

[www.epirocgroup.com/en/investors/financial-publications](http://www.epirocgroup.com/en/investors/financial-publications)

Dial-in numbers for the conference call:

- Sweden: +46 8 505 583 52
- United Kingdom: +44 333 300 9031
- United States: +1 646 722 4957

### Upcoming investor events:

- January 31, 2023: Q4 2022 report
- April 28, 2023: Q1 2023 report
- May 23, 2023: Annual General Meeting in Nacka, Sweden at 5 PM CEST
- June 1-2, 2023: Capital Markets Day in Örebro, Sweden

# United in performance. Inspired by innovation.

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](http://epiroc.com)**

