



Q1 2023

April 28, 2023

**Helena Hedblom, President and CEO
Håkan Folin, CFO and Sustainability**



A photograph of a modern, multi-story office building with a glass and metal facade. The building is illuminated by warm, golden light, suggesting late afternoon or early evening. The Epiroc logo is prominently displayed on the roof. The foreground shows a paved plaza with some landscaping and a tree on the left.

Epiroc

Capital Markets Day

June 1-2, 2023

Örebro, Sweden

*Last day to
register April 30*

www.epirocgroup.com/en/cmd2023

Highlights Q1 2023

- Strong start to 2023
 - High customer activity
 - Strong demand for Services
 - Record-high order intake with several large equipment orders
- Profitable growth
- Acquisitions expanding our offering
- Leading the way in autonomous mining
 - Autonomous surface drills have drilled more than the length around the world
 - Market-leading solutions within automation
 - Creating the world's largest autonomous mine – Roy Hill



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



Leading productivity and sustainability partner



- To the Moon with ispace
- Acquisitions – Creating options for the future
 - CR expands Epiroc’s offering of essential consumables and digital solutions
 - Mernok Elektronik strengthens Epiroc’s position as a world-leading provider of automation and safety solutions
 - AARD Mining Equipment complements Epiroc’s underground offering within low-profile underground machines
- Scooptram ST18 SG (Smart and Green)
- Taking construction to the next level
 - Improved down-the-hole (DTH) drilling tools



Epiroc has signed a long-term collaboration agreement with the global lunar resource development company ispace that will involve Epiroc contributing technology and solutions for commercial Moon missions.

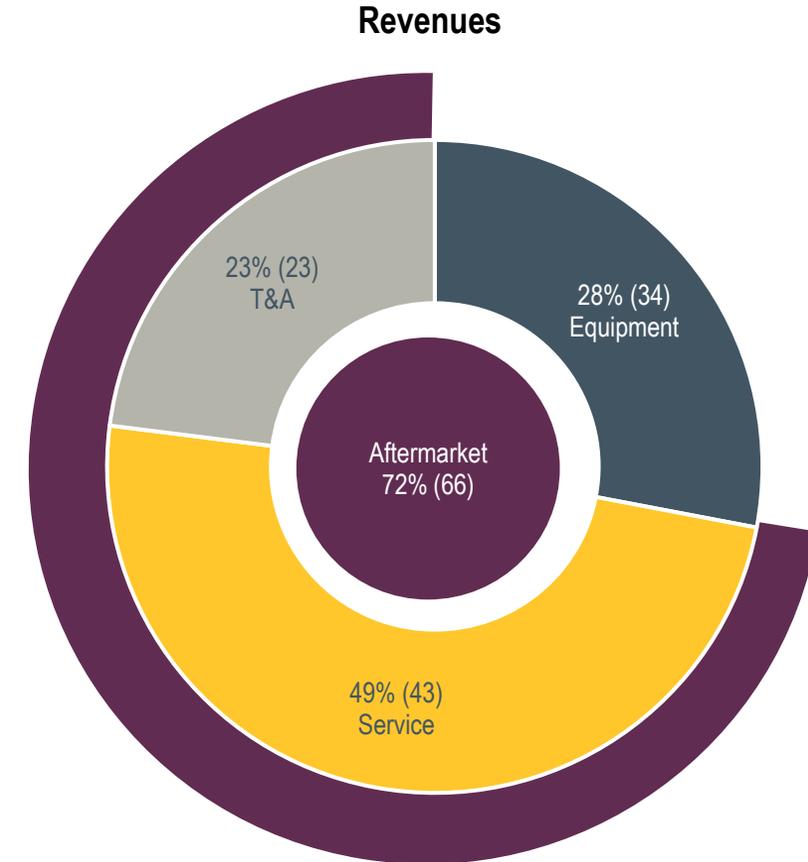
A dynamic, blurred image of a large black wheel with a multi-hole hubcap, likely from a heavy-duty vehicle, in motion. The background shows a yellow mechanical arm or blade, possibly from a bulldozer or excavator, moving through a field of tall, dry grass. The overall scene conveys a sense of power and industrial activity.

Movie: Innovates in construction

Aftermarket



- High customer activity
- Good growth in Services
- Strong demand for mid-life upgrades
- 7 300 committed service technicians
- Somewhat weaker T&A



Operational excellence

- New top-modern heat treatment plant for rock drills in Örebro, Sweden
- Regional distribution centers



Heat treatment is essential in rock drill manufacturing. The new plant (1 400 m²), will be able to run 24/7 thanks to automation. Energy efficiency is key; for example, residual heat will be recycled internally to heat buildings as well as externally to Örebro's local heating system. The building also has solar panels.

Sustainability

- People

- 17 586 employees
 - Acquisitions
- New parental leave policy
 - Min. 12 weeks of paid leave
- Increased share of women
 - Employees up to 18.6% (17.6)
 - Managers up to 23.5% (23.0)
- Increased number of injuries
 - TRIFR at 6.2 (5.3)
 - Actions to reduce injuries



All Epiroc employees who become parents are entitled to a minimum of 12 weeks of paid parental leave

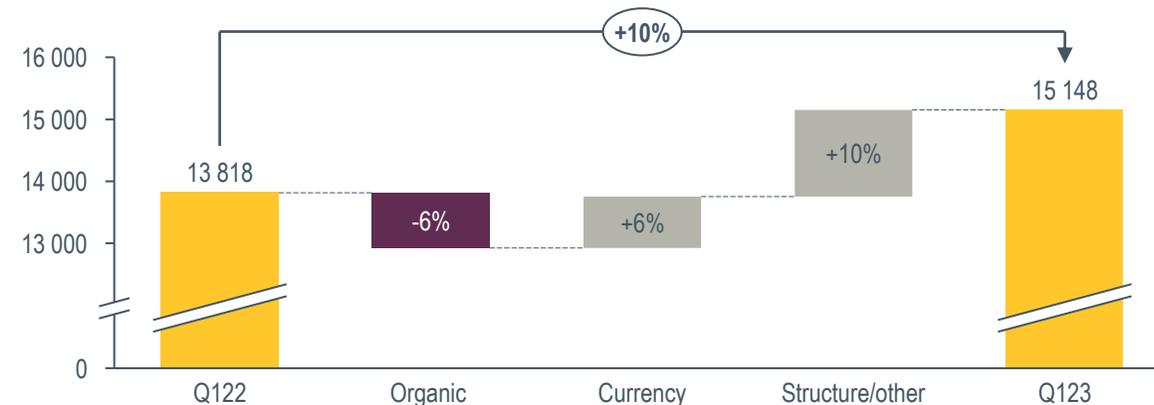
- Planet

- CO₂e from operations lower
- CO₂e from transport higher
 - Higher volumes

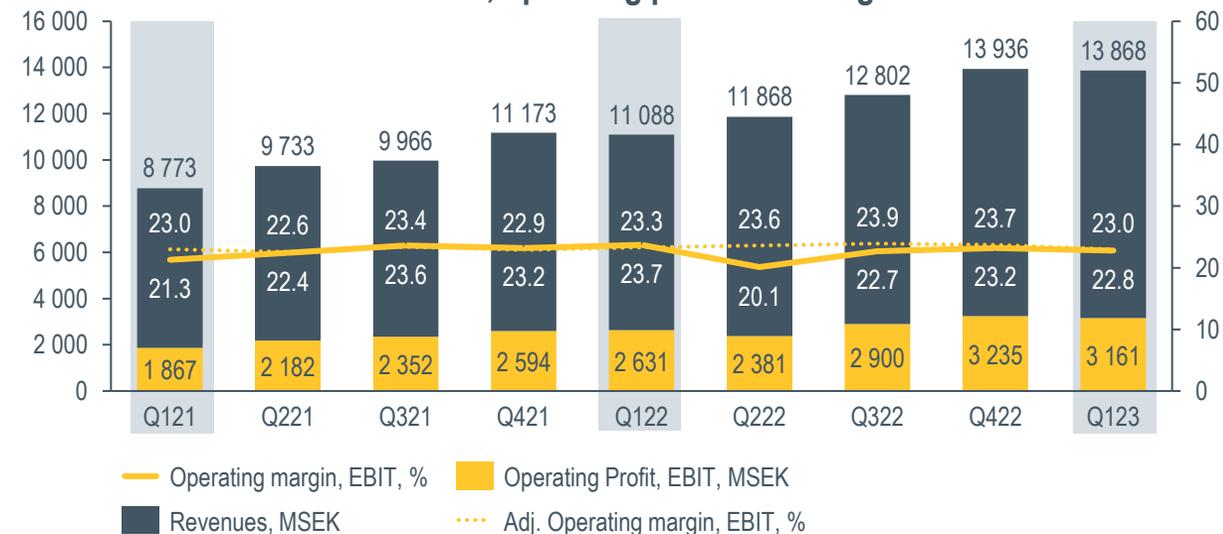
Key financials

- Orders MSEK 15 148, -6% organic
 - Excl. Russia: organic +1%
 - Several large orders
- Revenues MSEK 13 868, +8% organic
- Operating profit, EBIT, MSEK 3 161 (2 631)
 - LTIP MSEK -26 (43)
- Adjusted EBIT margin 23.0% (23.3)
 - Reported EBIT margin 22.8% (23.7)
- Operating cash flow of MSEK 338 (867)

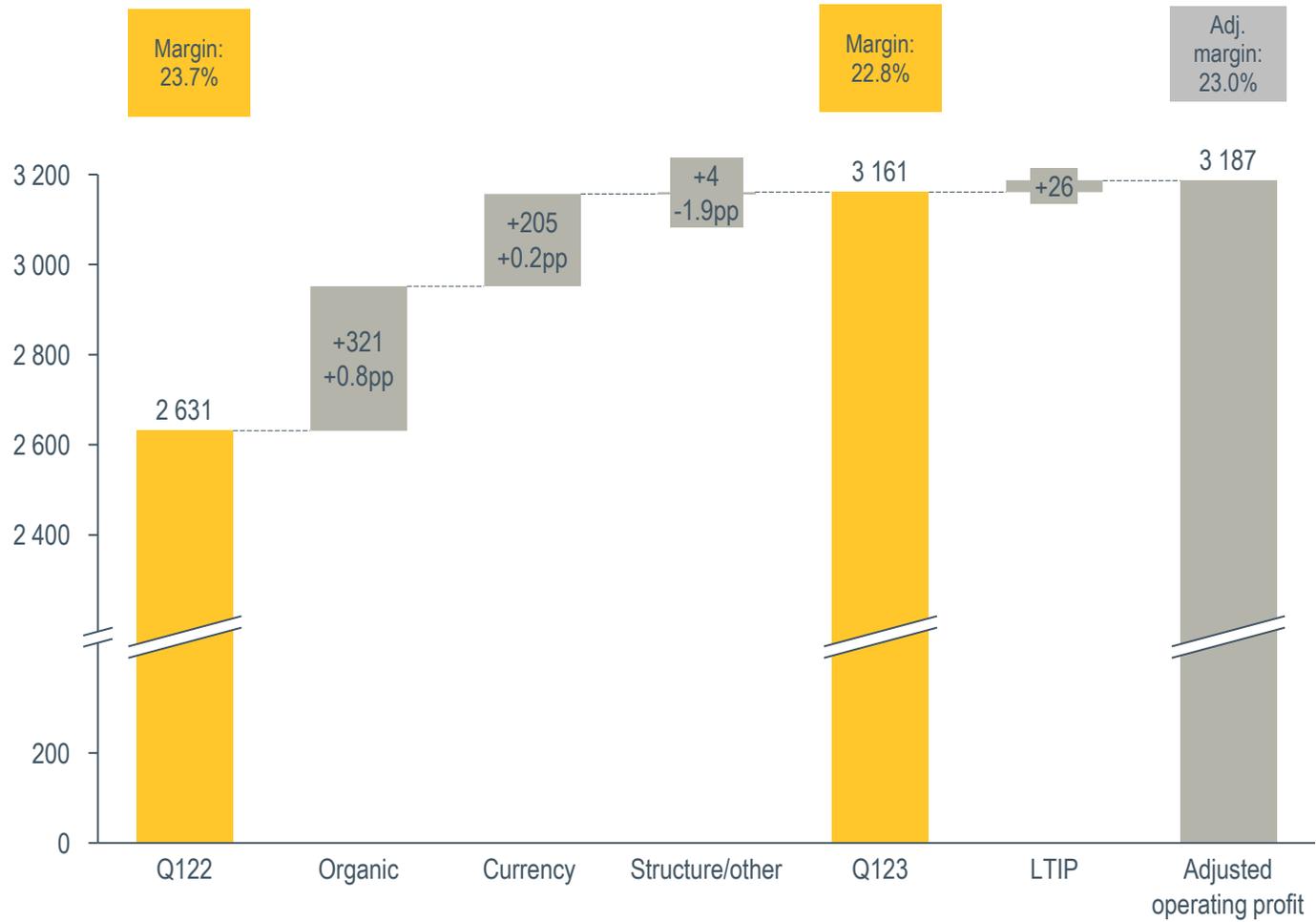
Orders received, MSEK and change, %



Revenues, operating profit and margin



Epiroc Group: Profit bridge



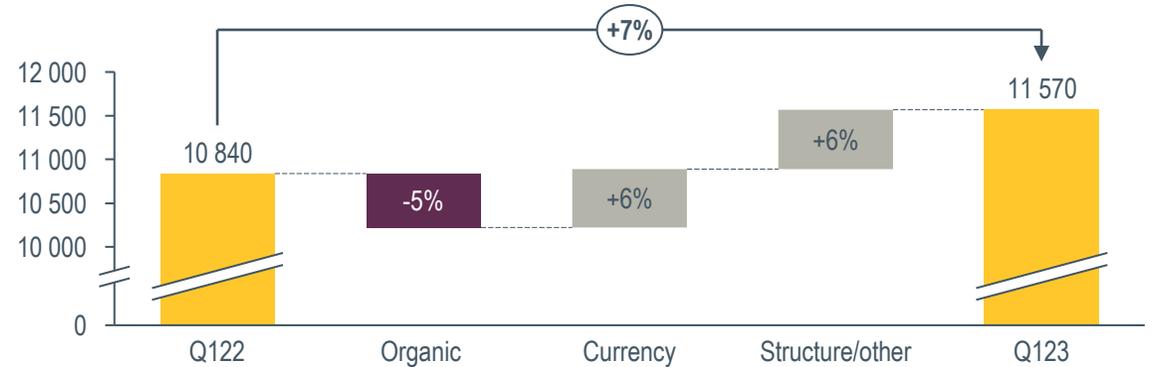
Q1 2023



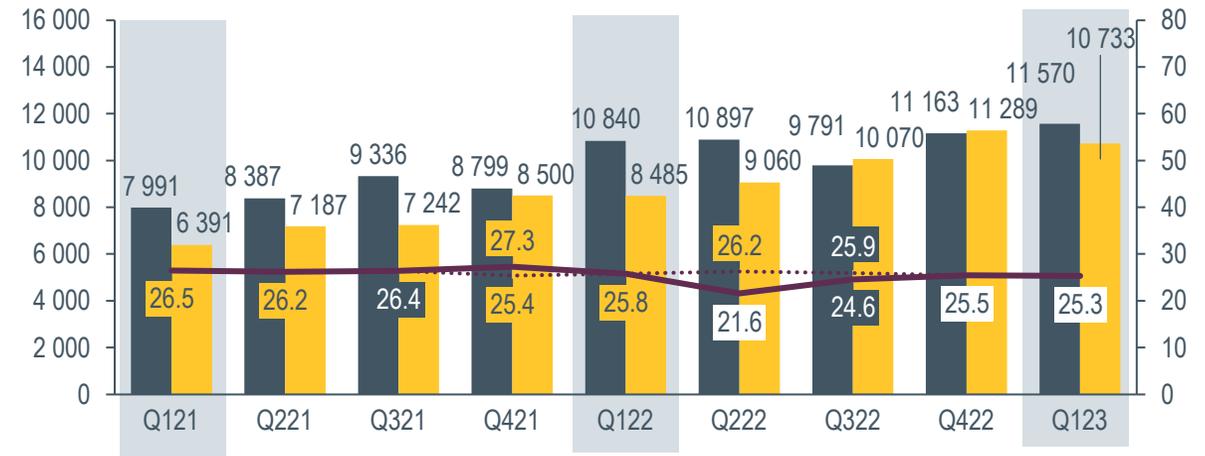
Segment: Equipment & Service

- Orders received MSEK 11 570, -5% organic
 - E&S, excl. Russia +2% organic
 - Equipment, excl. Russia -7% organic
 - Service, excl. Russia +11% organic
- Revenues +10% organic
- Operating profit, EBIT, MSEK 2 718 (2 188)
 - EBIT margin at 25.3% (25.8)
- Acquisitions
 - Mernok Elektronik (February 2)
 - AARD Mining Equipment (April 3)

Orders received, MSEK and change, %

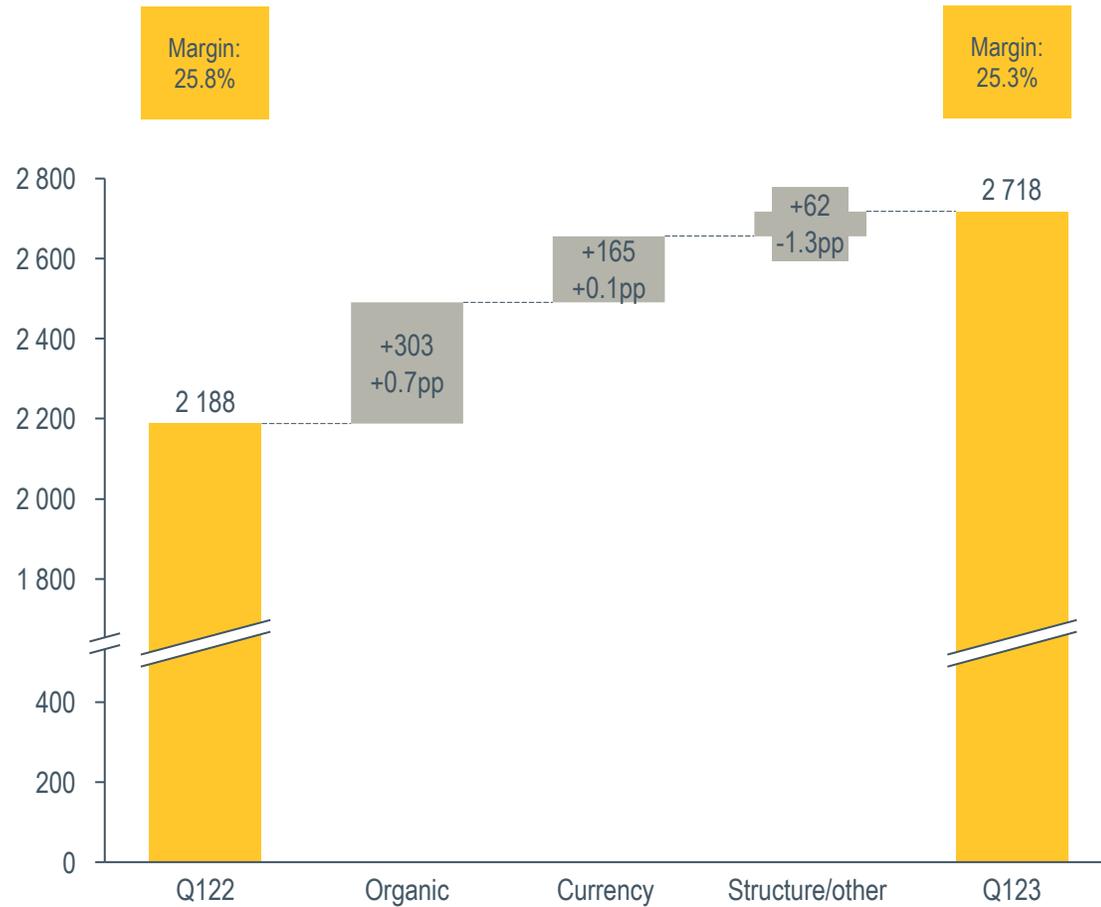


Orders received, revenues and operating margin



..... Adj. operating margin, EBIT, % ■ Revenues, MSEK
■ Orders received, MSEK — Operating margin, EBIT, %

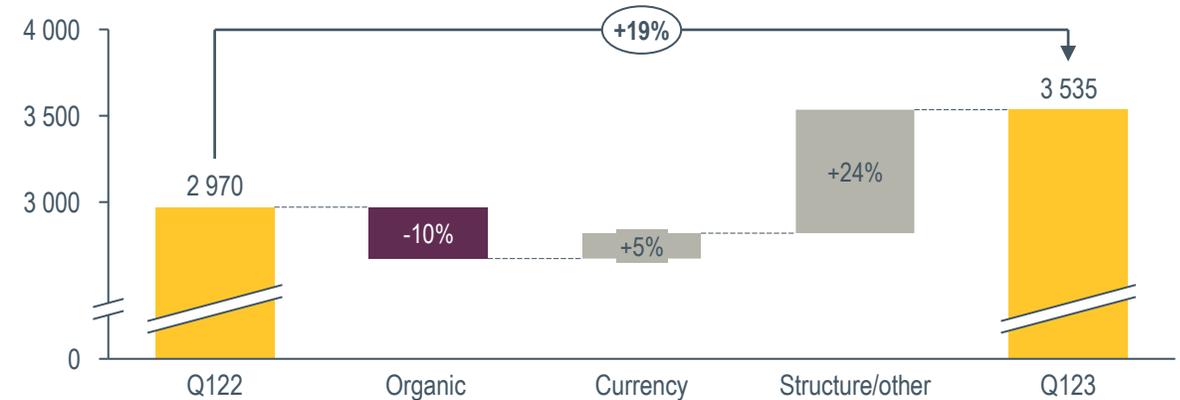
Equipment & Service: Profit bridge



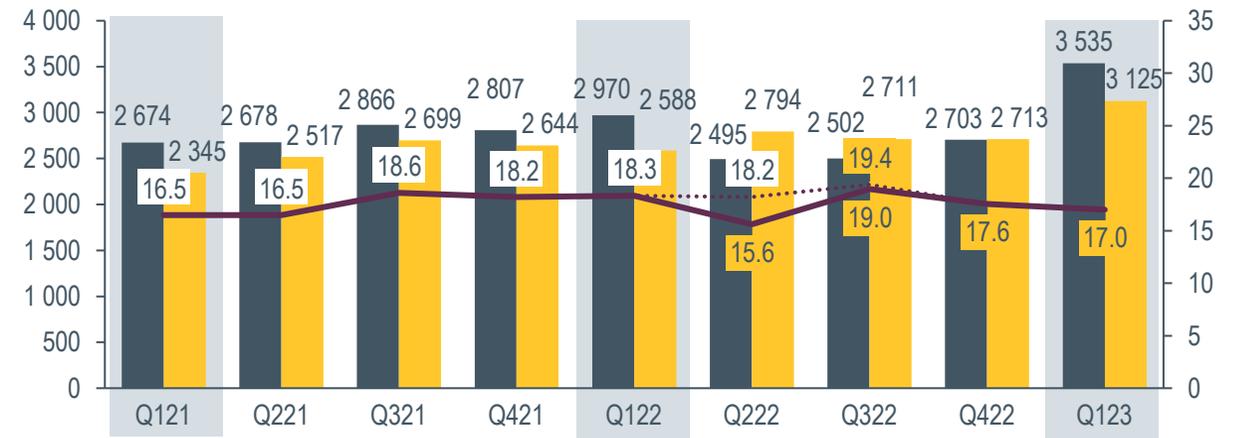
Segment: Tools & Attachments

- Orders received MSEK 3 535, -10% organic
 - T&A excl. Russia, -7% organic
- Acquisitions +24%
 - of which 13ppt was orders-on hand from CR
- Revenues MSEK 3 125, +3% organic
- Operating profit, EBIT, MSEK 532 (474)
 - EBIT margin of 17.0% (18.3)

Orders received, MSEK and change, %

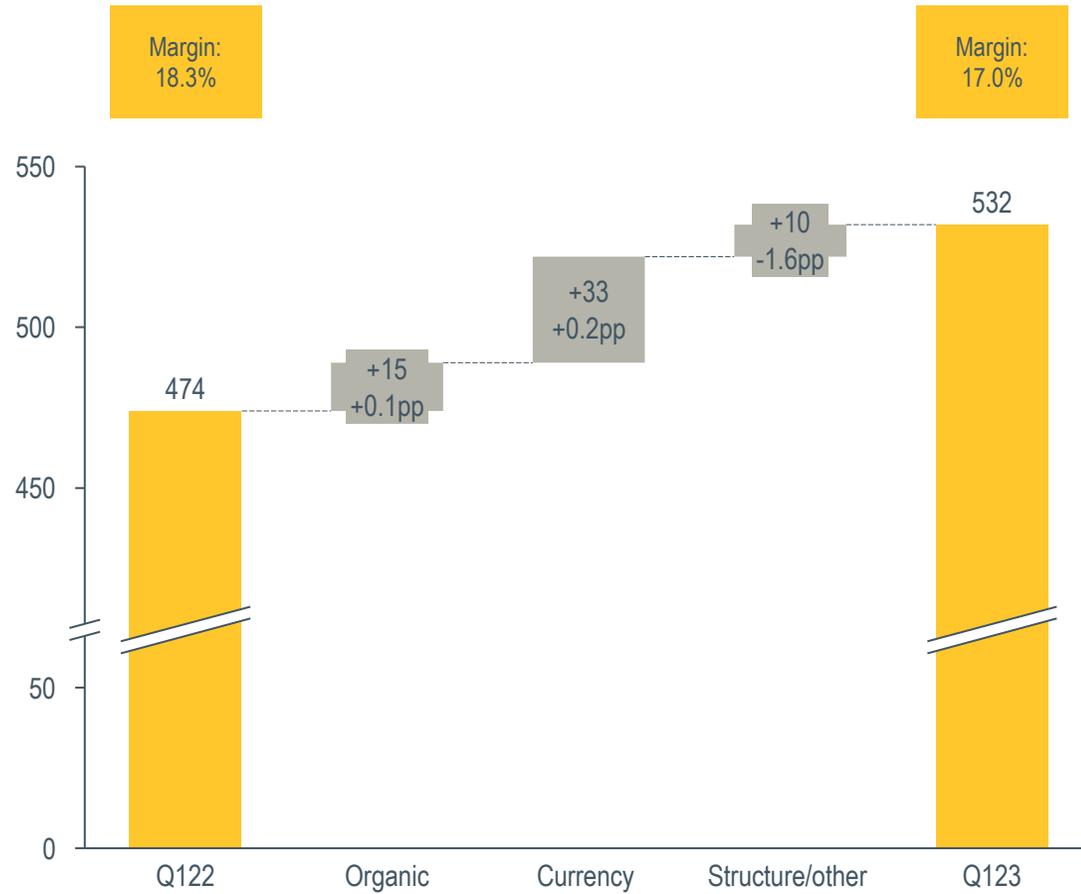


Orders received, revenues and operating margin



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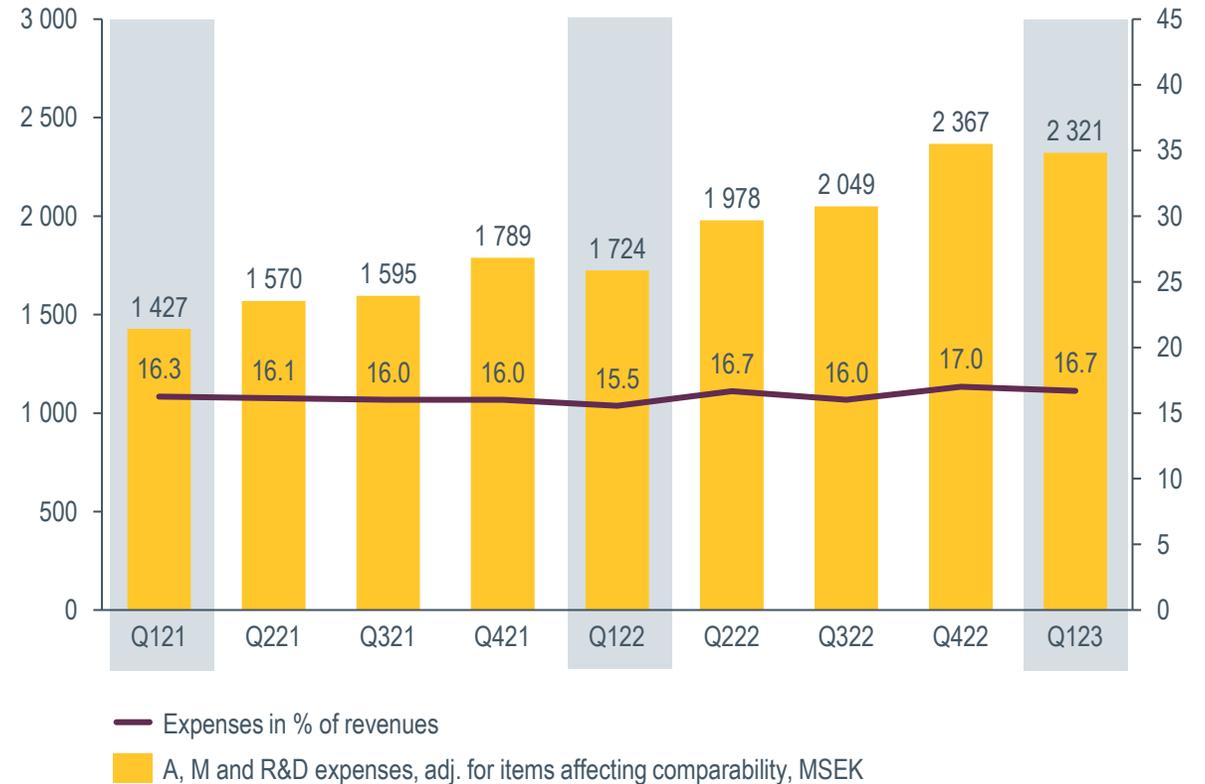
Tools & Attachments: Profit bridge



Costs, net financials and tax

- Cost control
 - R&D investments at all-time high
 - Growth and high activity levels
- Net financial items MSEK -197 (-67)
 - Interest net MSEK -89 (-16)
- Tax expense MSEK -671 (-564)
 - Effective tax rate 22.6% (22.0)

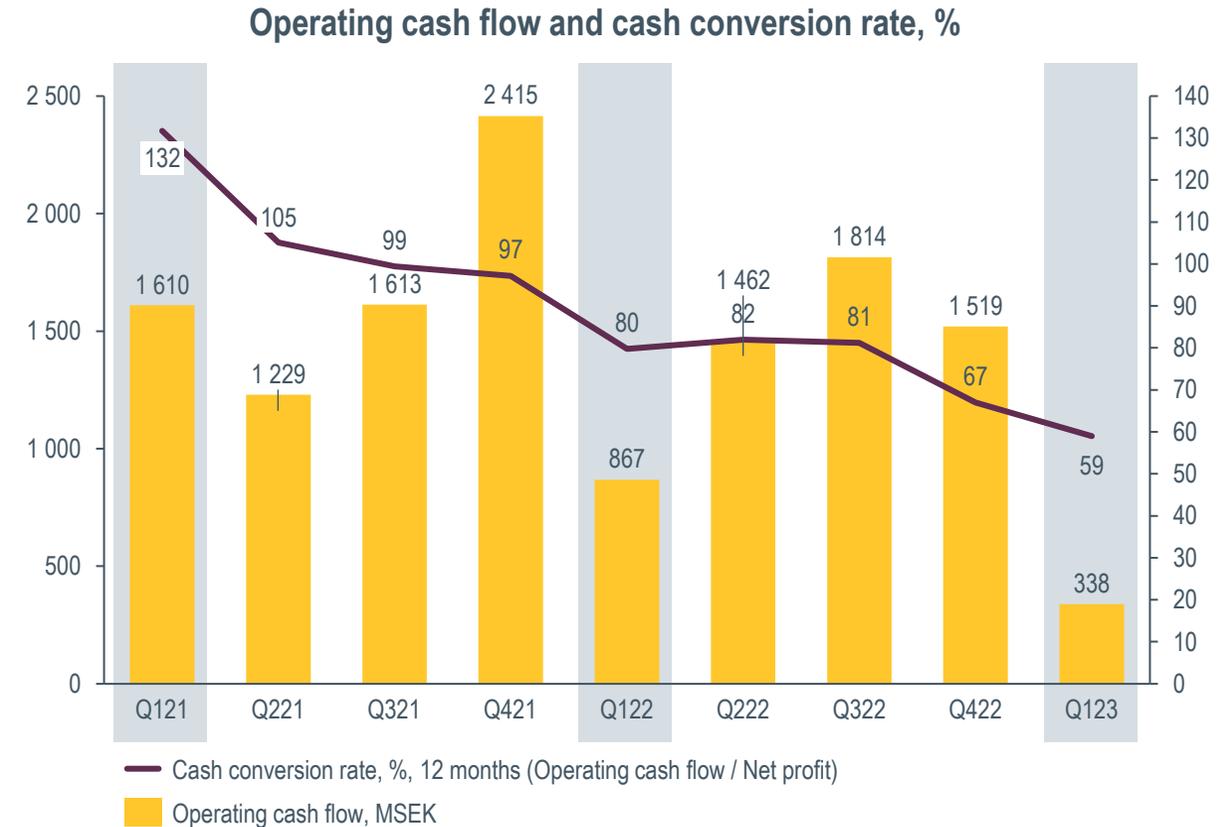
Administration, marketing and R&D expenses



Operating cash flow



MSEK	Q1 23	Q1 22
Operating profit	3 161	2 631
Depreciation, amortization and impairment	635	466
Capital gain/loss and other non-cash items	-226	-196
Net financial items received/paid	42	-269
Taxes paid	-922	-639
Change in working capital	-1 839	-1 169
Investments, incl. rental equipment*	-430	-311
Pension funding and other**	-83	354
Operating cash flow	338	867
Acquisitions and divestments	-3 279	-18



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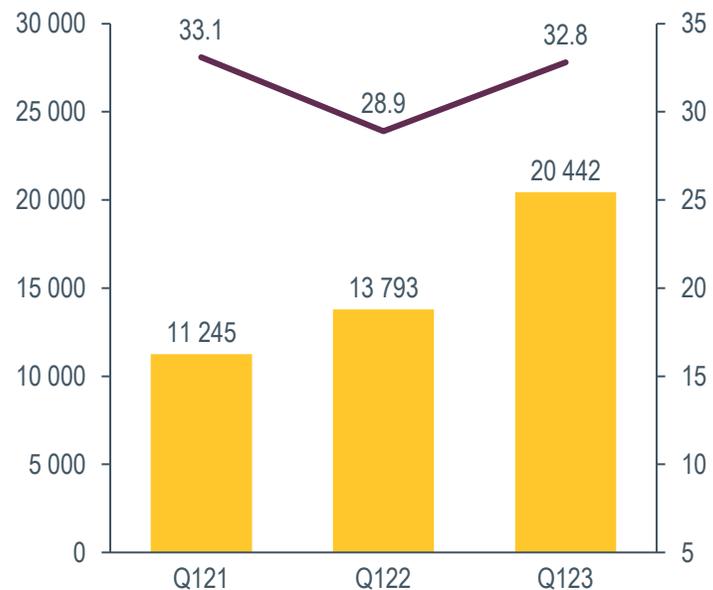
* Investments include rental investments, net, other PPE, net, and intangible assets, net.

** Other includes adjustments for currency hedges of loans and proceeds to/from other financial assets, adjusted for divestment of Financial Solutions credit portfolios.

Working capital

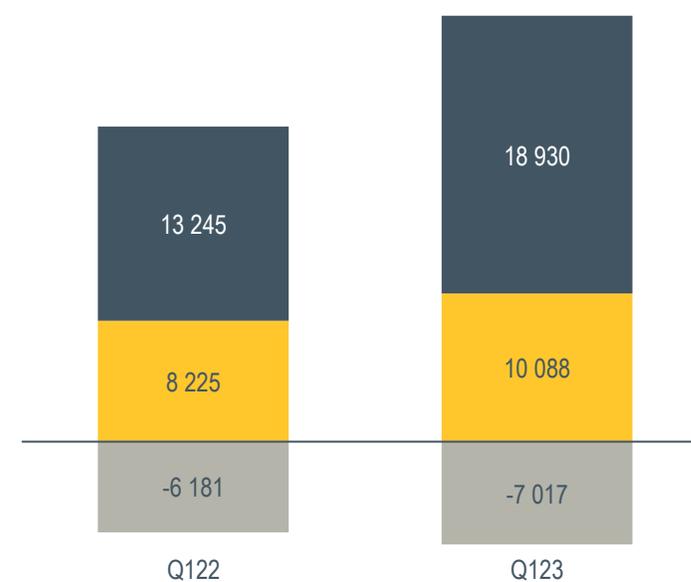
- Net working capital MSEK 20 442
 - Excl. acquisitions and fx +32%
 - 32.8% (28.9) of revenues
- Strong growth in Services supported by good availability
- Inventory reflecting strong demand and supply chain issues
 - Mainly outbound transport
- Implementation of regional distribution centers ongoing

Net working capital



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

Working capital

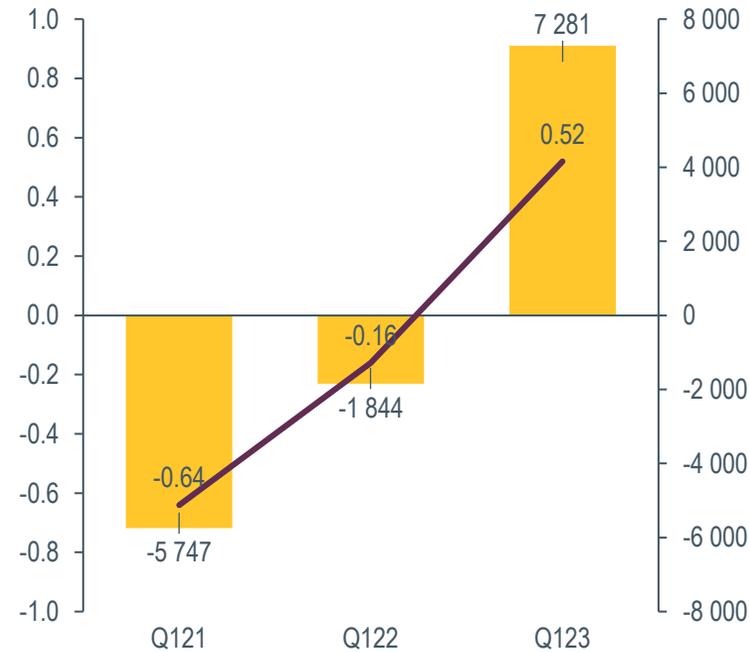


■ Inventories ■ Receivables ■ Payables

Capital efficiency

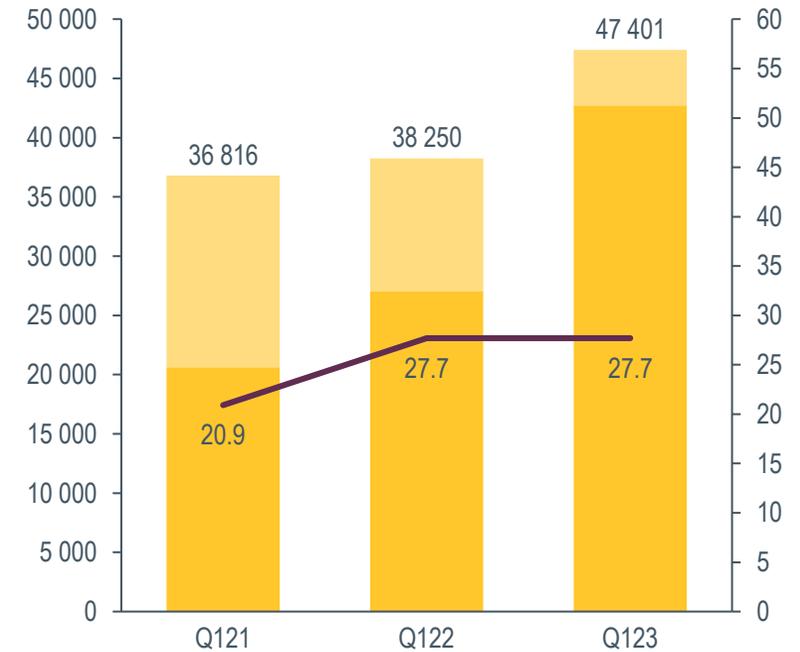
- Net debt at MSEK 7 281 (-1 844)
 - Acquisitions MSEK -7 947
 - Dividend MSEK -3 619
 - Working capital MSEK -4 407
- Net debt/EBITDA 0.52 (-0.16)

Net debt and Net debt/EBITDA



— Net debt/EBITDA ratio
■ Net cash (-) / net debt (+), end of period, MSEK

Capital employed and ROCE



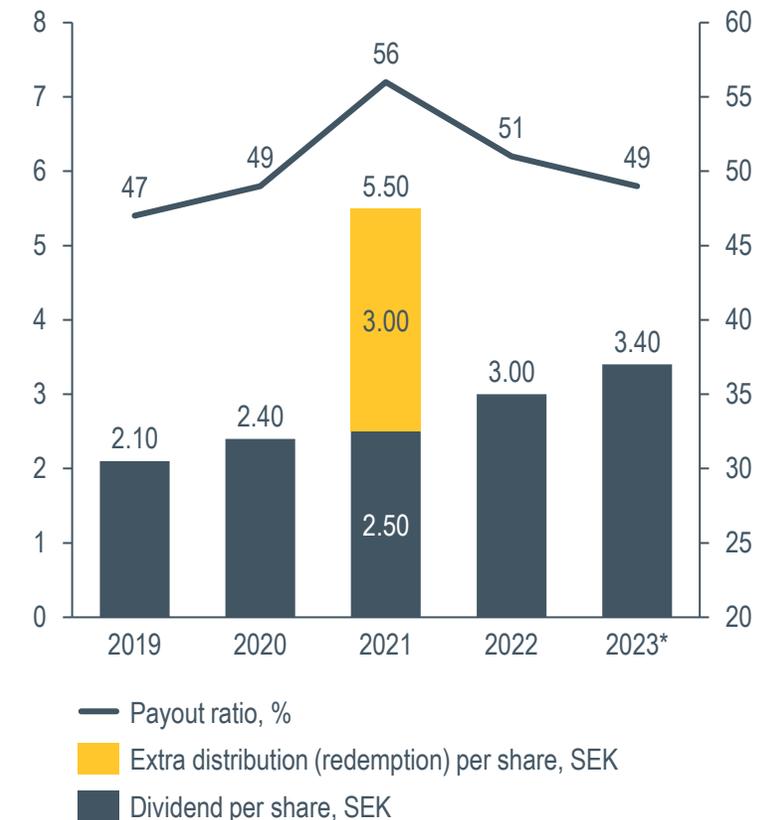
— Return on capital employed, %, 12 months
■ Capital employed, cash, MSEK, period end
■ Capital employed, ex cash, MSEK, period end

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 3.40 (3.00) per share
 - Two equal installments with record dates May 25 and October 24, 2023
 - MSEK 4 102 (3 619)

Dividend and payout ratio
(Year for payment)



Summary



- Strong start to 2023
- High customer activity
- Profitable growth
- Improvement potential
 - working capital
 - cash flow
- Acquisitions expanding our offering
- Market-leading solutions within automation
- Dare to think new

Looking ahead



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

Q&A



Appendix: Russia

- Q1 2023
 - 1% organic order growth excl. Russia
 - Net assets in Russia of MSEK 240, majority cash

- Previous information
 - Q322: All Russian orders (BSEK 1) removed from order book
 - Q322: Provision of MSEK -150
 - Q222: Cancellation of orders (MSEK 400)
 - Q222: Provision of MSEK -400
 - Q122: Deliveries into Russia stopped on March 1



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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