



Q3 2023

October 27, 2023

Helena Hedblom, President and CEO
Håkan Folin, CFO



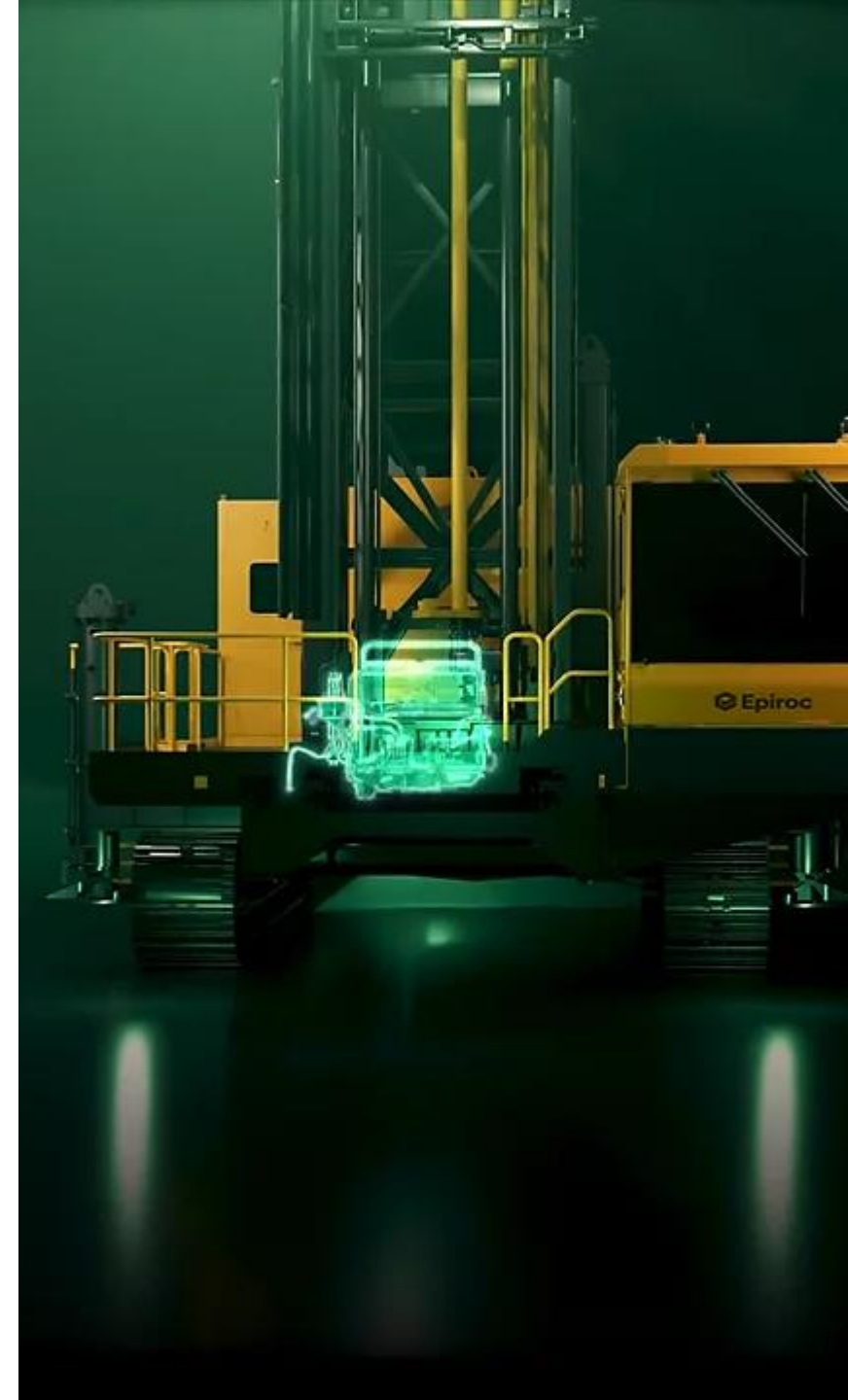
Highlights Q3 2023

- High demand in mining
 - Several large equipment orders, incl. largest order ever of MSEK 700
 - Construction customers tentative
- Strong revenues but lower EBIT margin
- Safety is the top priority
 - Improved safety indicators
 - Fatality

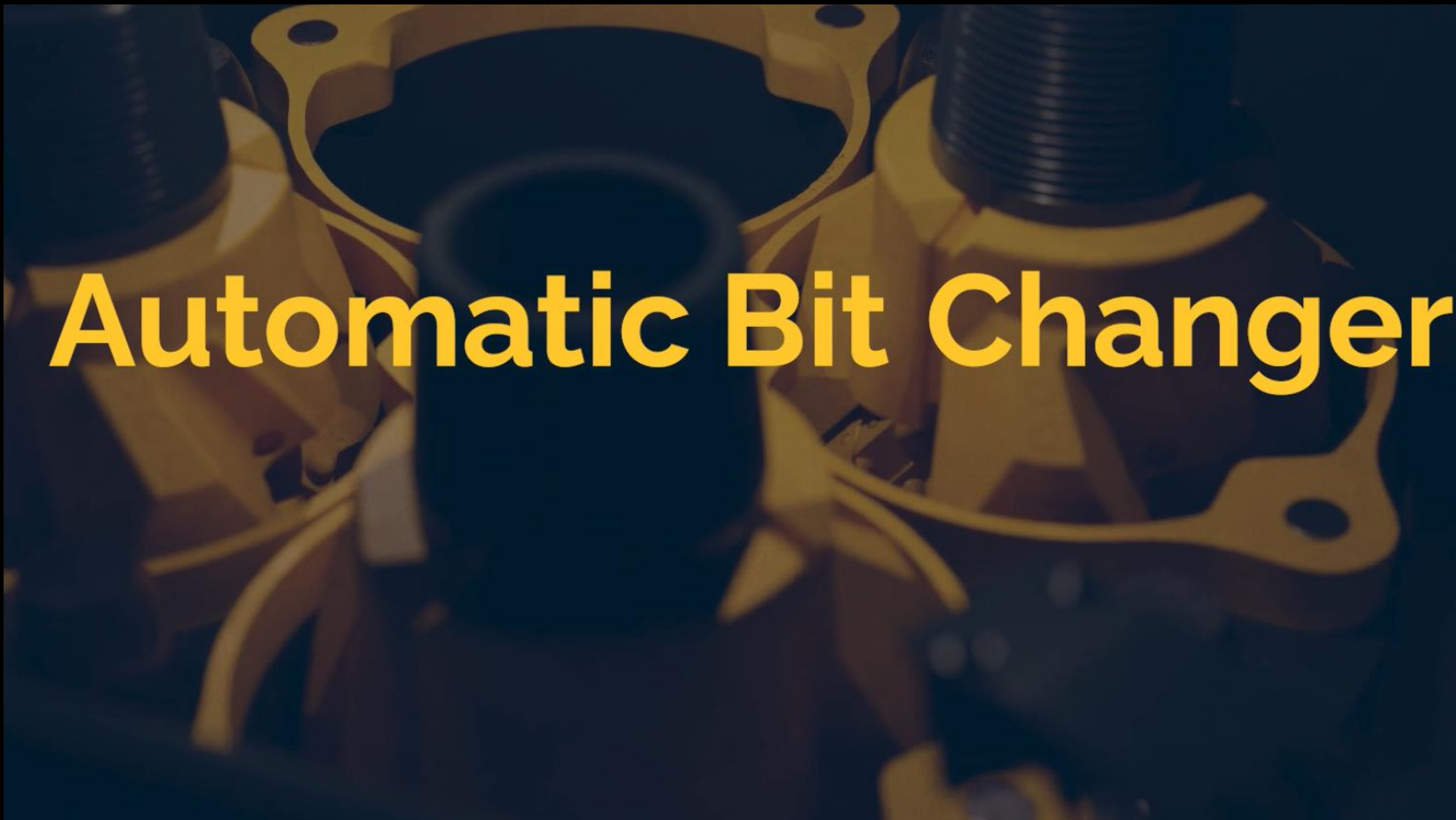


Leading productivity and sustainability partner

- Strengthened partnership with Kamoā Copper
 - Largest order ever of MSEK 700
- Deepened collaboration with Newcrest
 - Holistic approach towards the entire mining process
- Collaboration for fully autonomous mining
 - Boliden, Algoryx and Örebro University
 - Creating a digital twin of a mine
- Automatic Bit Changer
 - Hands-free bit changes



Video: Epiroc's Automatic Bit Changer available for a larger fleet of Pit Vipers



Strategy for profitable growth



Focus on attractive niches

Innovation

Aftermarket

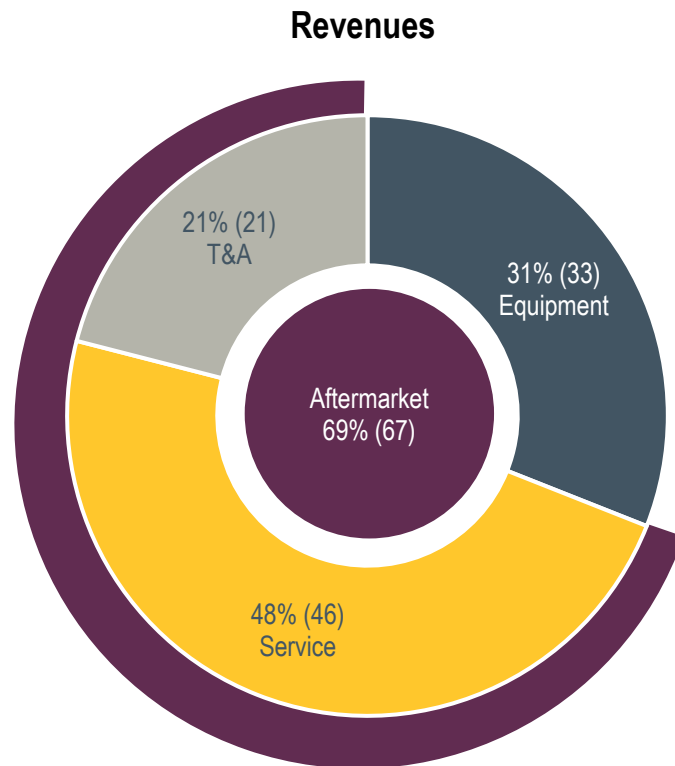
**Operational
excellence**

Outperformance

**Strong corporate culture
Sustainability mindset**

Aftermarket

- High customer activity, especially in mining
- Strong demand for large rebuilds and service
- Construction weaker, impacting hydraulic attachments



Operational excellence

- Adjusting operations
- Moving production of low-profile machines from Örebro, Sweden, to Johannesburg, South Africa
- RCoE - Regional Centers of Excellence



Sustainability

People & Planet

- Safety first!
 - Service employee fatality
 - Safety improved; TRIFR at 5.1 (5.6)
- 18 146 employees (16 217)
 - Acquisitions
- Increased share of women employees and managers
 - Employees 18.8% (18.1) and managers 23.4% (22.7)
- CO₂e from comparable operations lower
- CO₂e from transport somewhat higher
 - Higher volumes



Sustainability Share

CR Powered by Epiroc

Large Excavator Cast Lip + GET Systems

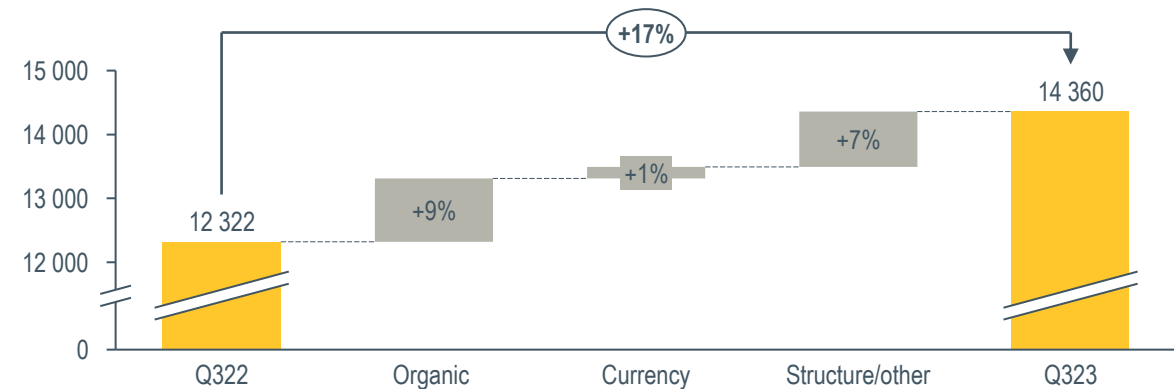
- 10% increase in productivity
- 13% dig energy reduction
- Over 350 tonnes CO₂e savings p.a. per machine
 - Corresponding to 130 000 liters of diesel
 - Taking 194 cars off the road for one year



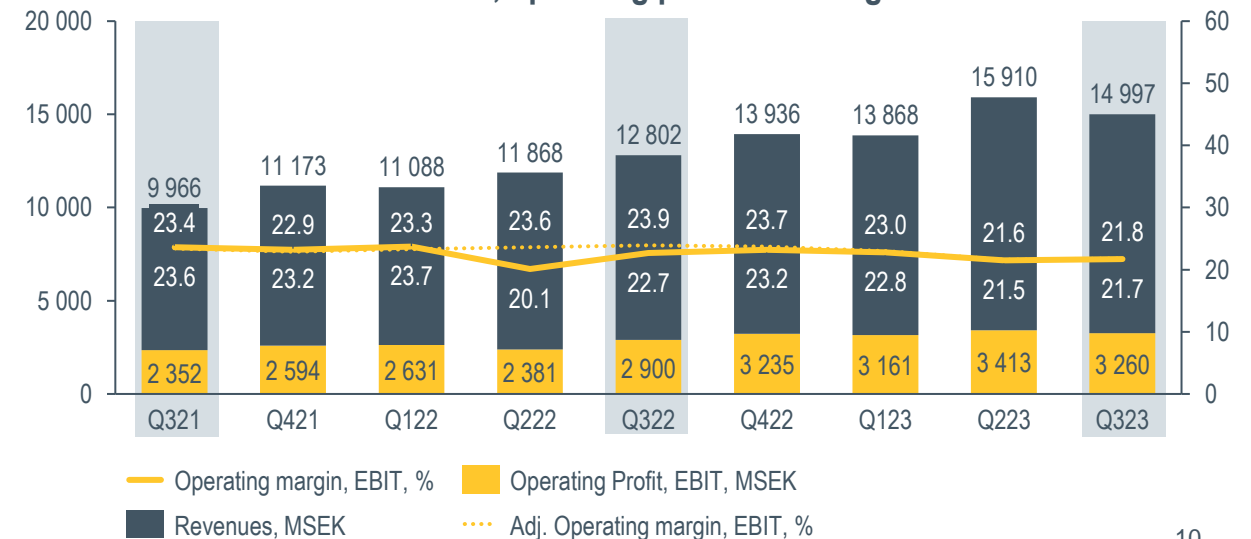
Key financials

- Orders MSEK 14 360, +9% organic
 - Adj. for Russian removal of orders in Q3 2022, organic 0%
 - Several large orders
- Revenues MSEK 14 997, +7% organic
- Operating profit, EBIT, MSEK 3 260 (2 900)
 - Items affecting comparability MSEK -12 (-164)
- Adjusted EBIT margin 21.8% (23.9)
 - Reported EBIT margin 21.7% (22.7)
 - Acquisitions impacted negatively, as well as product mix and underabsorption in Tools & Attachments
- Operating cash flow MSEK 1 889 (1 814)

Orders received, MSEK and change, %



Revenues, operating profit and margin



Epiroc Group: Profit bridge



Q3 2023

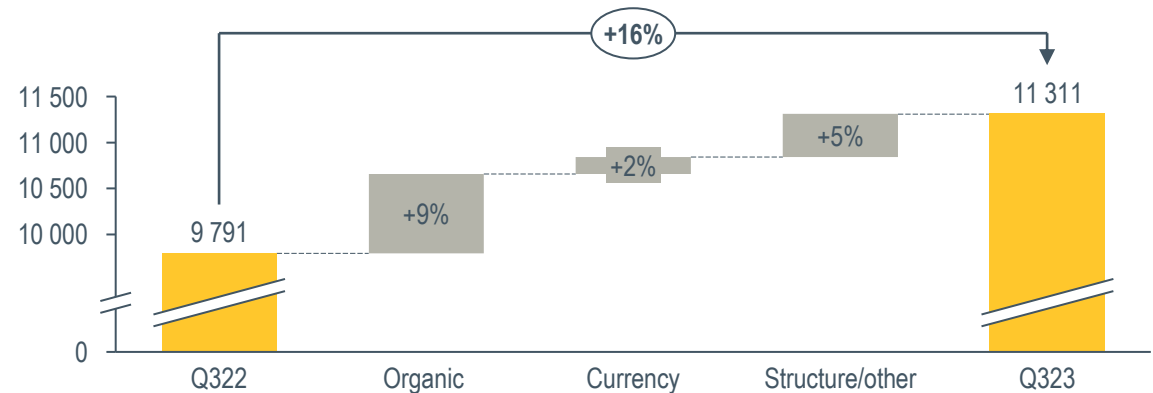


Segment: Equipment & Service

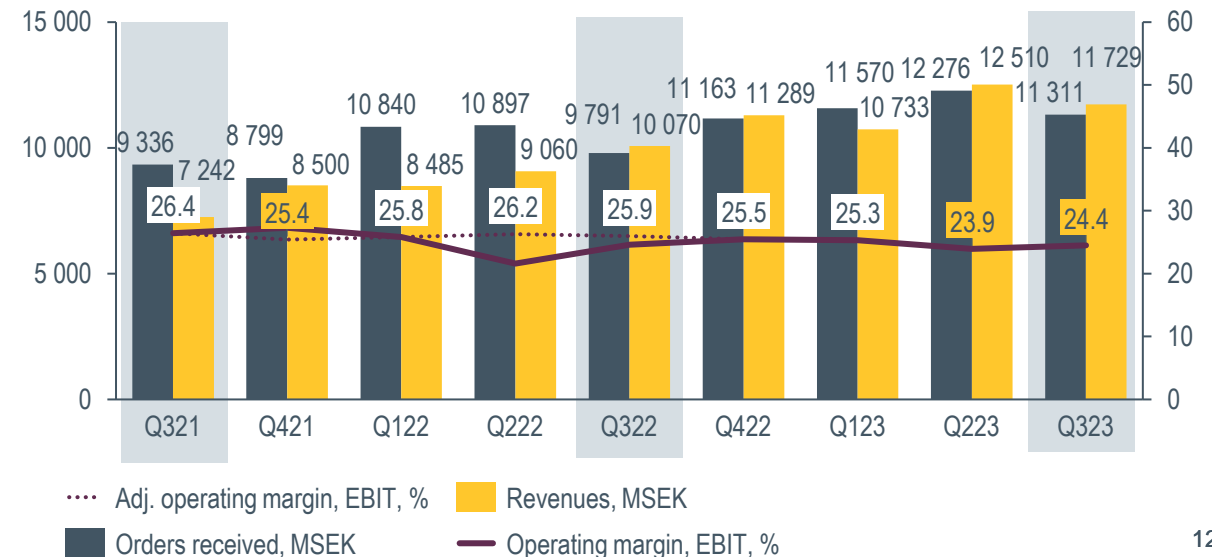


- Orders received MSEK 11 311, +9% organic
 - Equipment, +14% organic and Service, +5% organic
 - Adj. for Russian removal of orders in Q3 2022
 - Equipment & Service: -1% organic
 - Equipment: -5% organic
 - Service: 3% organic
- Several large orders
 - Kamoa Copper, DRC, MSEK 700
 - Totalling MSEK 1 100 (1 000)
- Revenues +7% organic
- Operating profit, EBIT, MSEK 2 868 (2 474)
 - EBIT margin 24.5% (24.6)

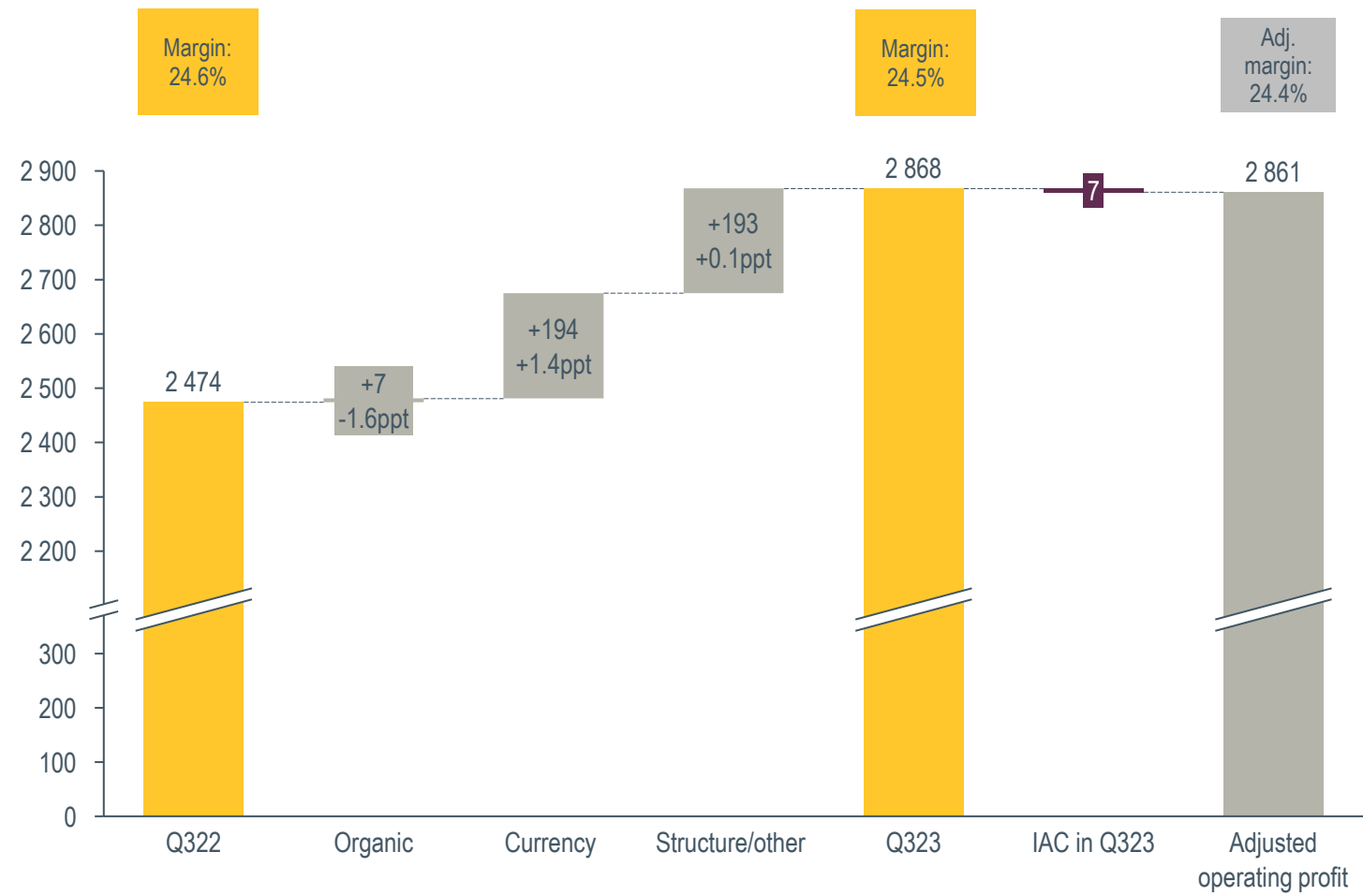
Orders received, MSEK and change, %



Orders received, revenues and operating margin



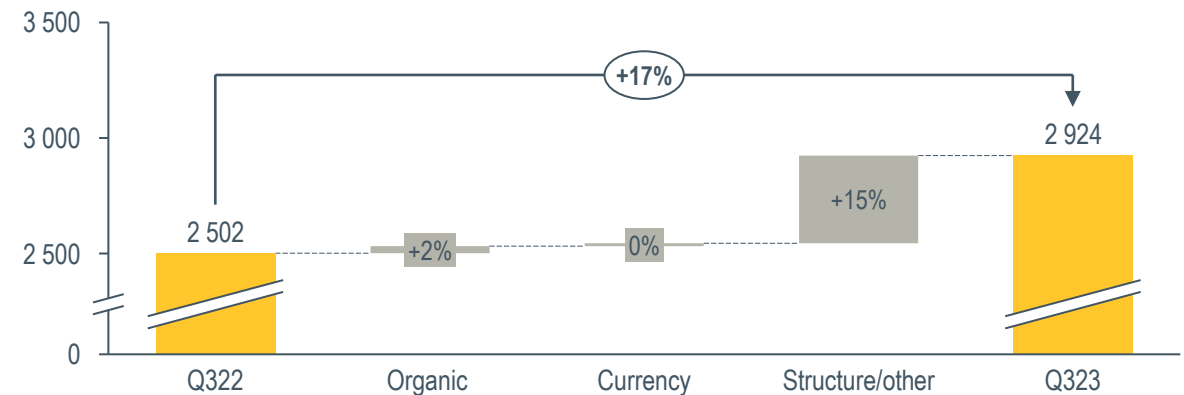
Equipment & Service: Profit bridge



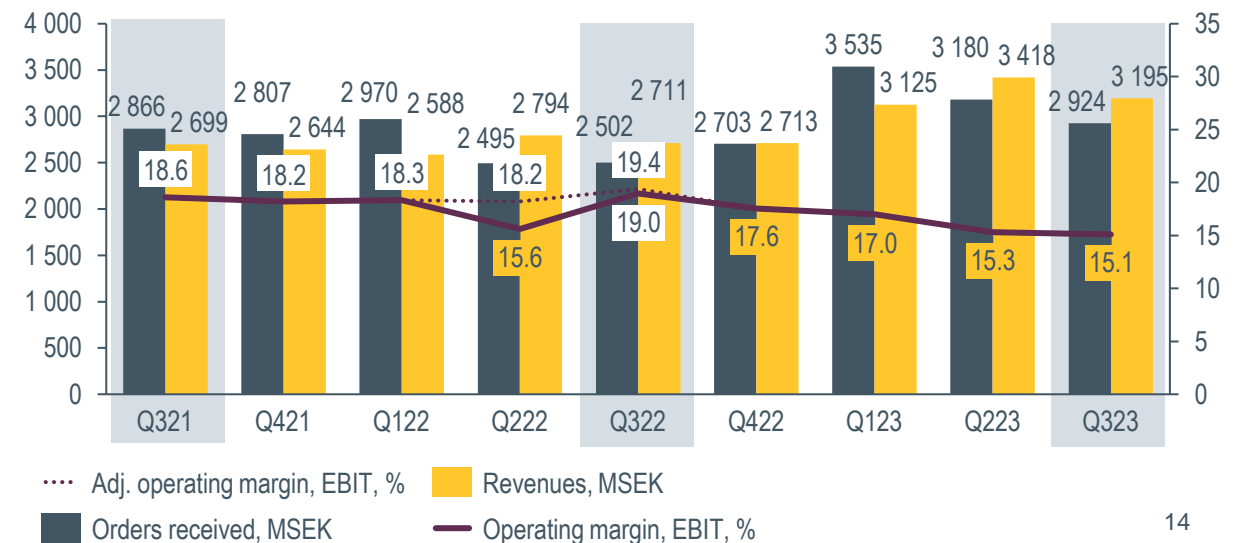
Segment: Tools & Attachments

- Orders received MSEK 2 924, +2% organic
 - Adj. for Russian removal of orders in Q3 2022, -1% organic
 - Acquisitions (CR) +15%
 - Mining and infrastructure demand good
 - Construction demand weak
- Revenues MSEK 3 195, -2% organic
- Operating profit, EBIT, MSEK 481 (514)
 - EBIT margin 15.1% (19.0)

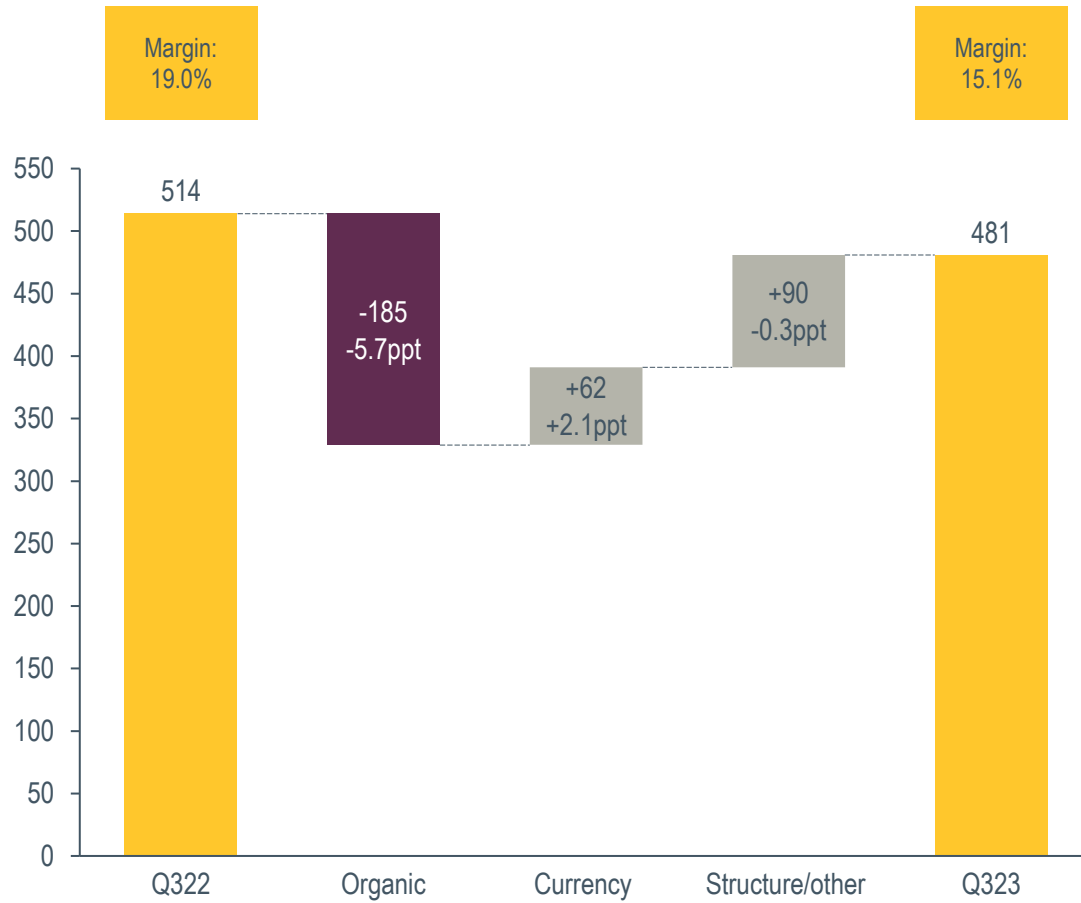
Orders received, MSEK and change, %



Orders received, revenues and operating margin



Tools & Attachments: Profit bridge

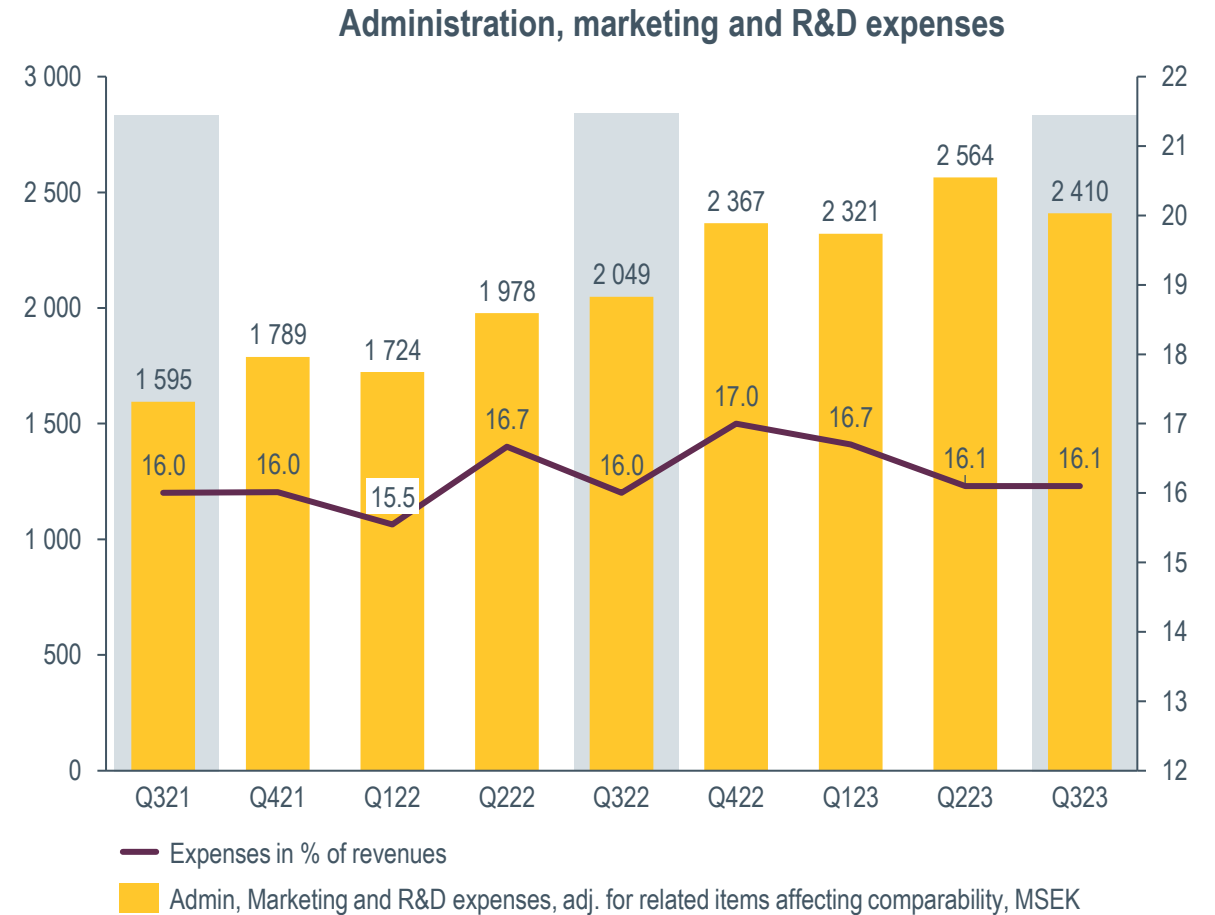


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Costs, net financials and tax

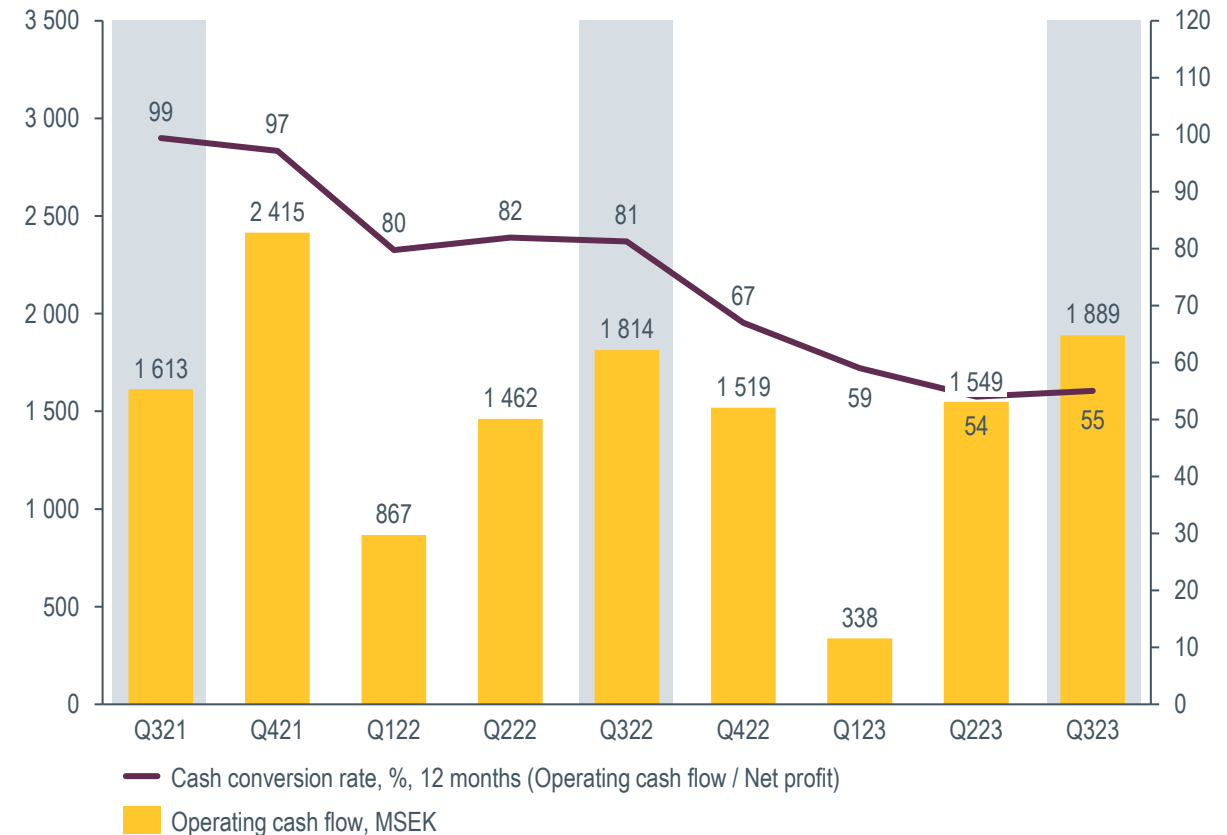
- R&D investments at high level
- High activity level
- Net financial items MSEK -331 (-24)
 - Interest net MSEK -146 (-23)
- Tax expense MSEK -685 (-633)
 - Effective tax rate 23.4% (22.0)



Operating cash flow

MSEK	Q3 23	Q3 22
Operating profit	3 260	2 900
Depreciation, amortization and impairment	701	526
Capital gain/loss and other non-cash items	279	18
Net financial items received/paid	-472	-23
Taxes paid	-849	-466
Change in working capital	-840	-1 131
Investments, incl. rental equipment*	-465	-322
Pension funding and other**	275	312
Operating cash flow	1 889	1 814
Acquisitions and divestments	-7	-210

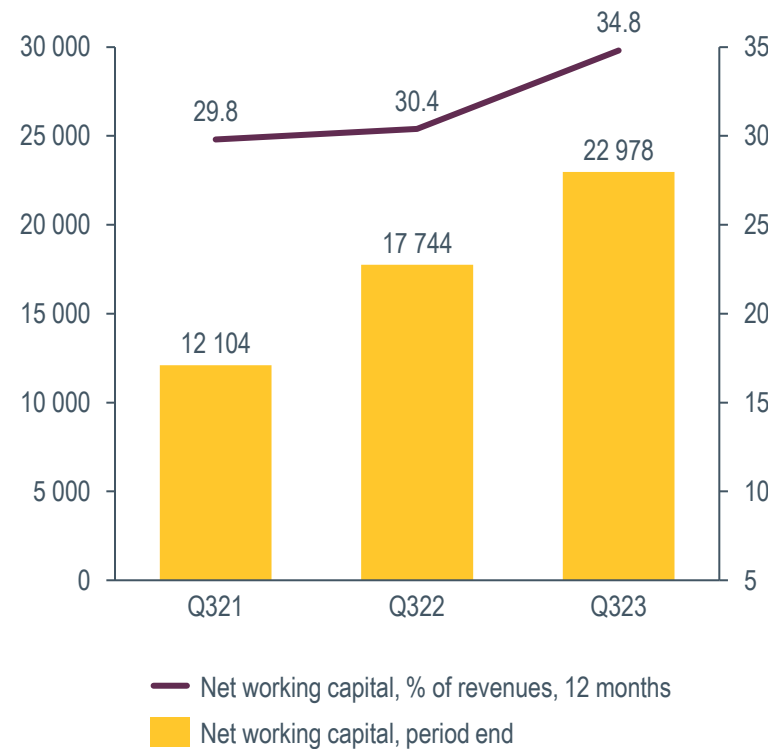
Operating cash flow and cash conversion rate, %



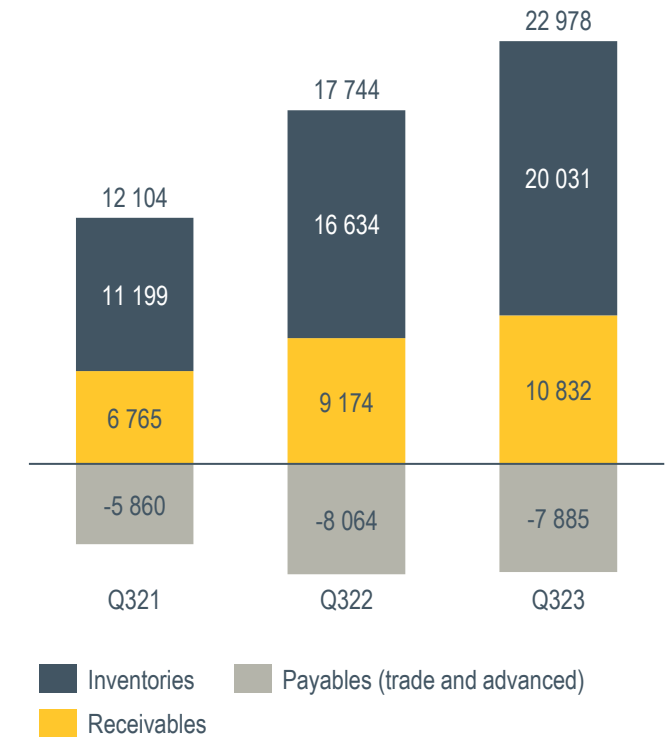
Working capital

- Net working capital MSEK 22 978
 - Excl. acquisitions and fx +25%
 - 34.8% (30.4) of revenues
- Strong growth and higher equipment volumes
- Implementation of regional distribution centers ongoing

Net working capital



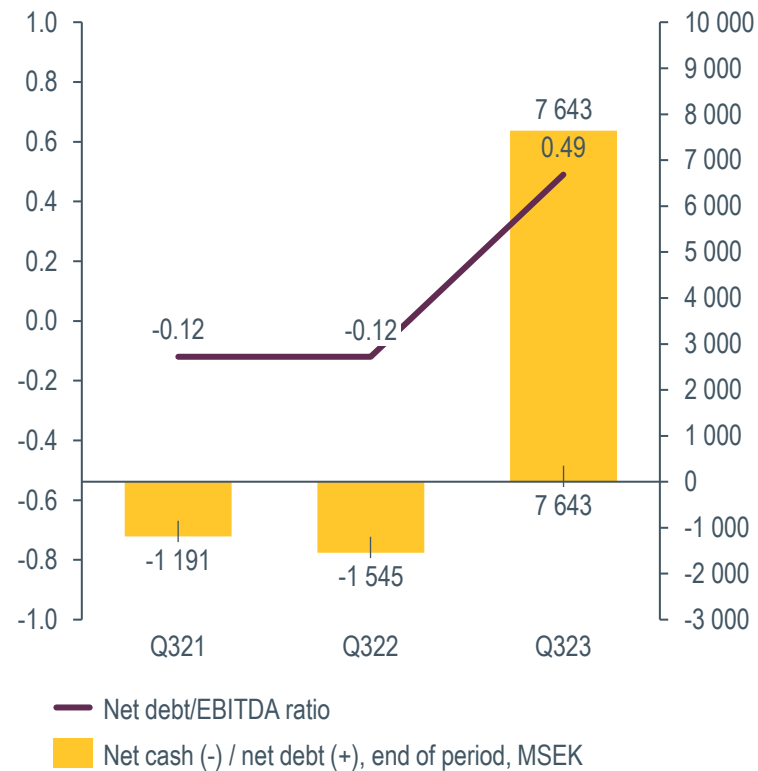
Working capital



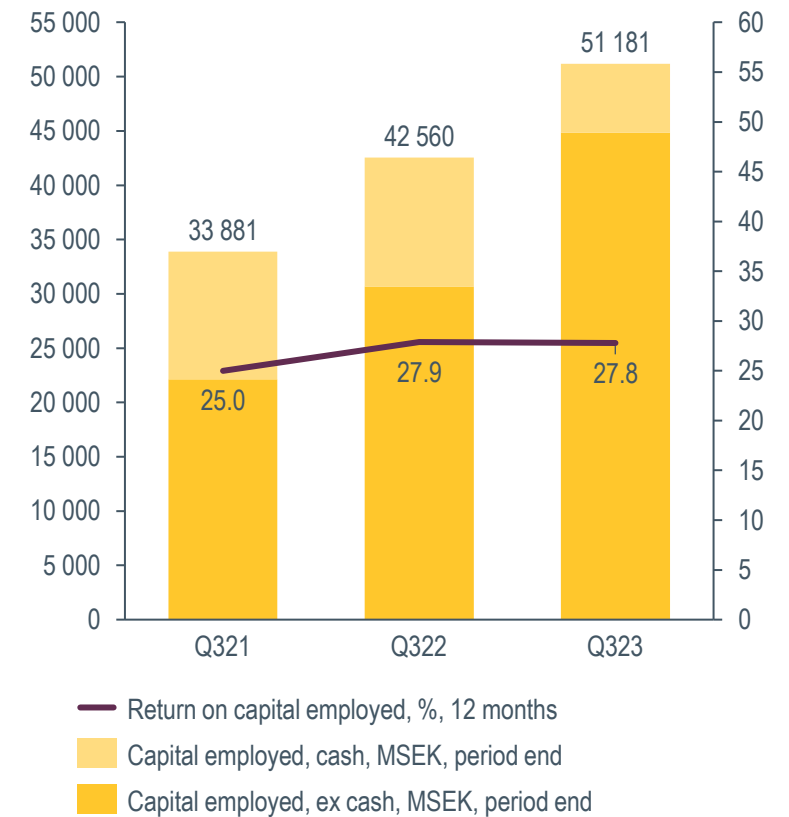
Capital efficiency

- Net debt at MSEK 7 643 (-1 545)
 - Acquisitions MSEK -7 525
 - Working capital MSEK -4 320
 - Dividend MSEK -3 860
- Net debt/EBITDA 0.49 (-0.12)

Net debt and Net debt/EBITDA



Capital employed and ROCE



Summary



- Safety on the top of the agenda
- High demand in mining
- Partnership is the new leadership
- Weak construction
- Strong revenues
- Operational excellence
- Operating cash flow improved

Looking ahead



“In the near term, we expect that the underlying mining demand, both for equipment and aftermarket, will remain at a high level. Demand from construction customers is expected to be soft.”

Save the dates

- 2023
 - October 27: Dividend payment SEK 1.70 per share
- 2024
 - January 24: Q4 2023 results
 - April 23: Q1 2024 results
 - May 14: AGM in Nacka at 4 PM
 - July 19: Q2 2024 results
 - **September 24: Capital Markets Day in Las Vegas (in conjunction with MINExpo)**
 - October 25: Q3 2024 results



Q&A



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and commitment drives us to keep moving forward.
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to succeed today and the technology to lead tomorrow.

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