

Q4 2023

January 24, 2024

Helena Hedblom, President and CEO
Håkan Folin, CFO



2023

Orders received +11%

BSEK 59.3

Revenues +21%

BSEK 60.3

Operating profit +18%

BSEK 13.2

2017-2023

Orders received +75%

CAGR: +10%

Revenues +92%

CAGR: +12%

Operating profit +122%

CAGR: +14%

Highlights 2023



- Major achievements and partnerships
- Orders received +11%
 - Strong mining business and several large orders
 - Weak construction
- Record revenues, +21% to BSEK 60.3
- Cash-generating business
- R&D investments at all-time-high
- Several acquisitions
 - Three completed
 - Two announced, incl. STANLEY Infrastructure
- Epiroc five years!

Epiroc was listed on June 18, 2018 at an opening price of SEK 88.0 (A-share) and SEK 84.0 (B-share). 2017 was the last full year reporting as a business area with Atlas Copco.



Highlights Q4 2023

- Mixed demand
 - Strong mining and several large orders
 - Multi-year order for digital solutions
 - Construction weak
- Strong revenues
- Improved cash flow
- Investing for long-term growth



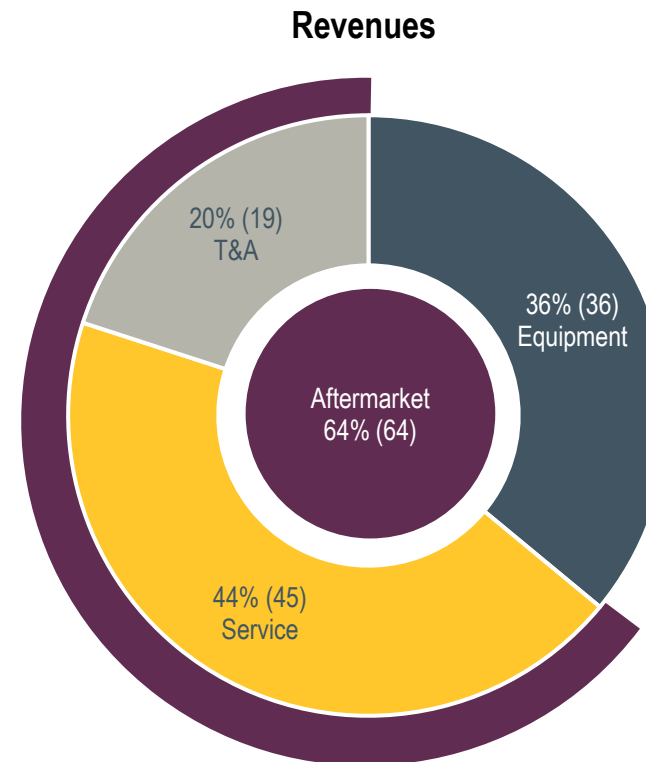
Leading productivity and sustainability partner

- Acquisitions – Creating options for the future
 - STANLEY Infrastructure strengthens Epiroc's construction business, especially in North America
 - Weco Proprietary Limited expands Epiroc's portfolio of spare parts in the growing and important African region
- Partnerships
 - Largest digitalization order ever, from Codelco, Chile
 - Large equipment order from Shandong Gold Group, China
 - Strengthened partnership with Eti Bakir, Türkiye
- Innovation
 - Epiroc Grey Line - drill bits and rods



Aftermarket

- High customer activity in mining
- Strong demand for large rebuilds and service
- Construction weak





Operational excellence



- High parts availability drives growth
- Adjusting operations to demand and volumes
 - Closing manufacturing in Essen, Germany in 2025
 - Restructuring costs MSEK -158
 - Investing in R&D, sales and marketing
- Increased production capacity in Örebro, Sweden



Sustainability – People & Planet

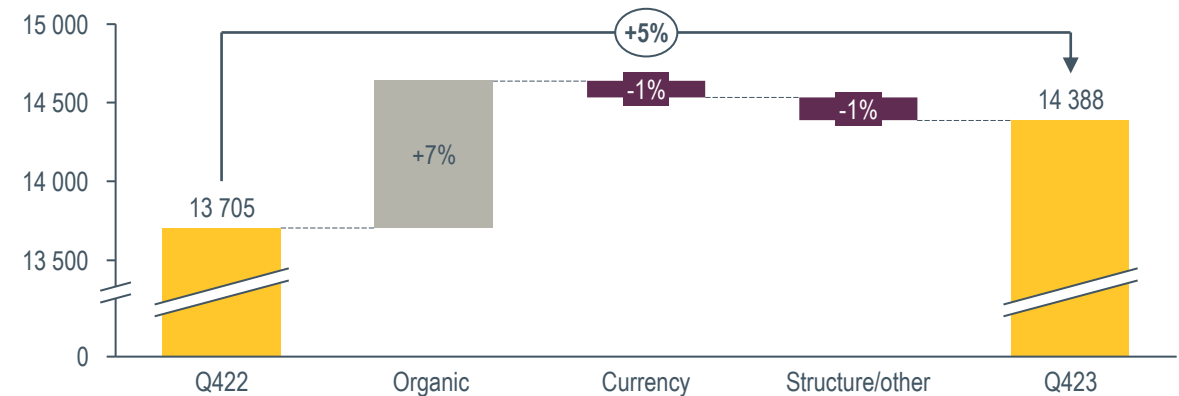


- Safety first!
 - Safety improved; TRIFR at 5.1 (5.7)
 - Sick leave decreased to 2.1% (2.4)
 - Fatal road traffic accident in January 2024
- 18 211 employees (16 996)
 - Acquisitions
- Increased share of women employees and managers
 - Employees 19.0% (18.2) and managers 23.4% (22.7)
- CO₂e from comparable operations 25% lower
- CO₂e from transport 2% higher
 - Higher volumes

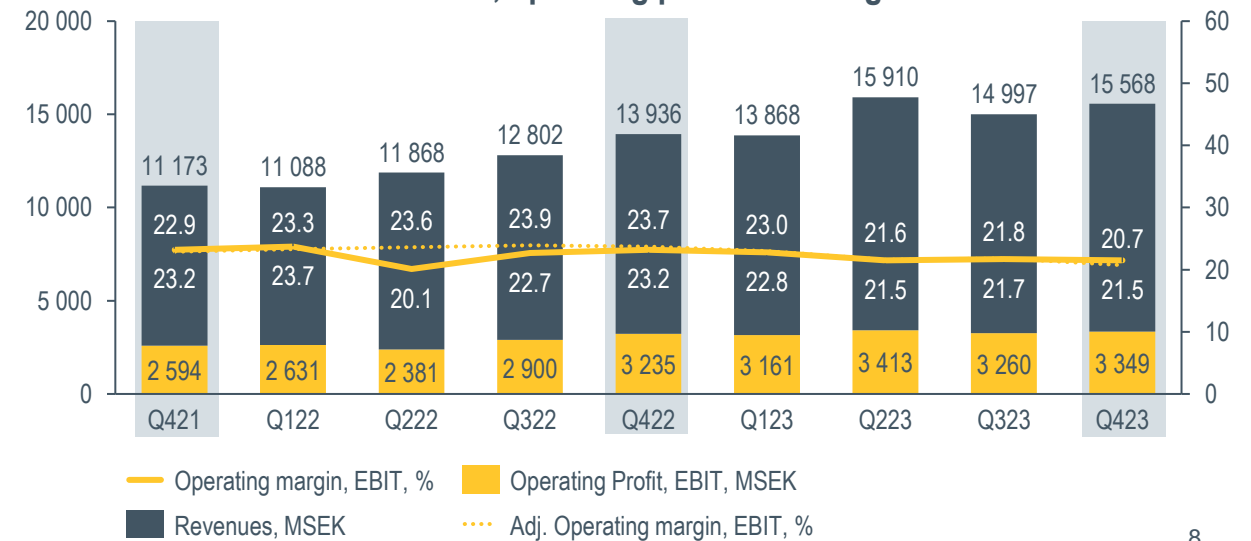
Key financials

- Orders MSEK 14 388, +7% organic
 - Several large mining orders
- Revenues MSEK 15 568, +8% organic
- Operating profit, EBIT, MSEK 3 349 (3 235)
 - Reported EBIT margin 21.5% (23.2)
 - Items affecting comparability MSEK 120 (-67)
 - Sale of a property, restructuring costs and earn-outs
- Adjusted EBIT margin 20.7% (23.7)
 - Supported by currency and structure
 - Weak T&A and dilution from acquisitions -0.7 ppt
- Operating cash flow MSEK 2 435 (1 519)

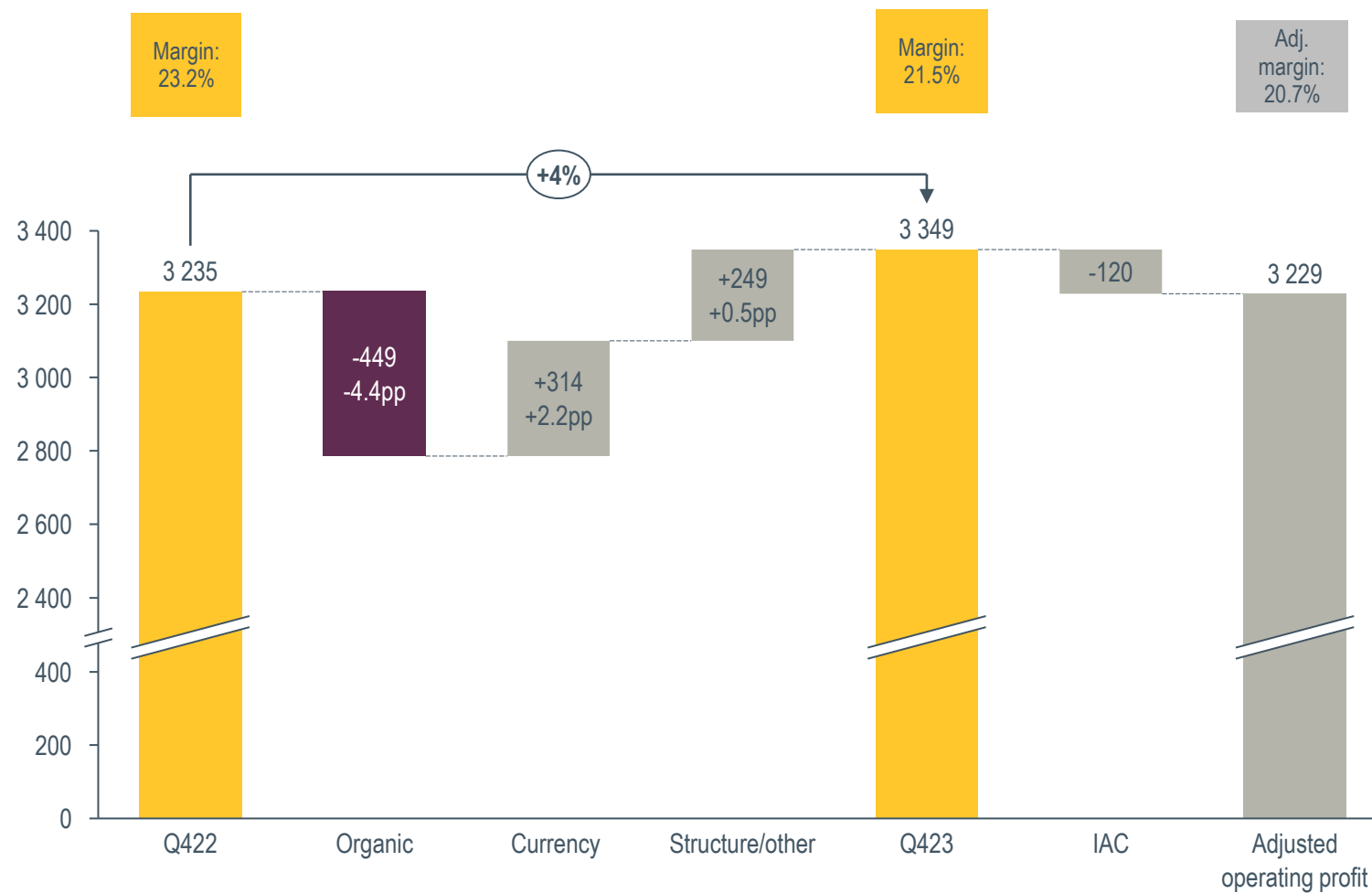
Orders received, MSEK and change, %



Revenues, operating profit and margin



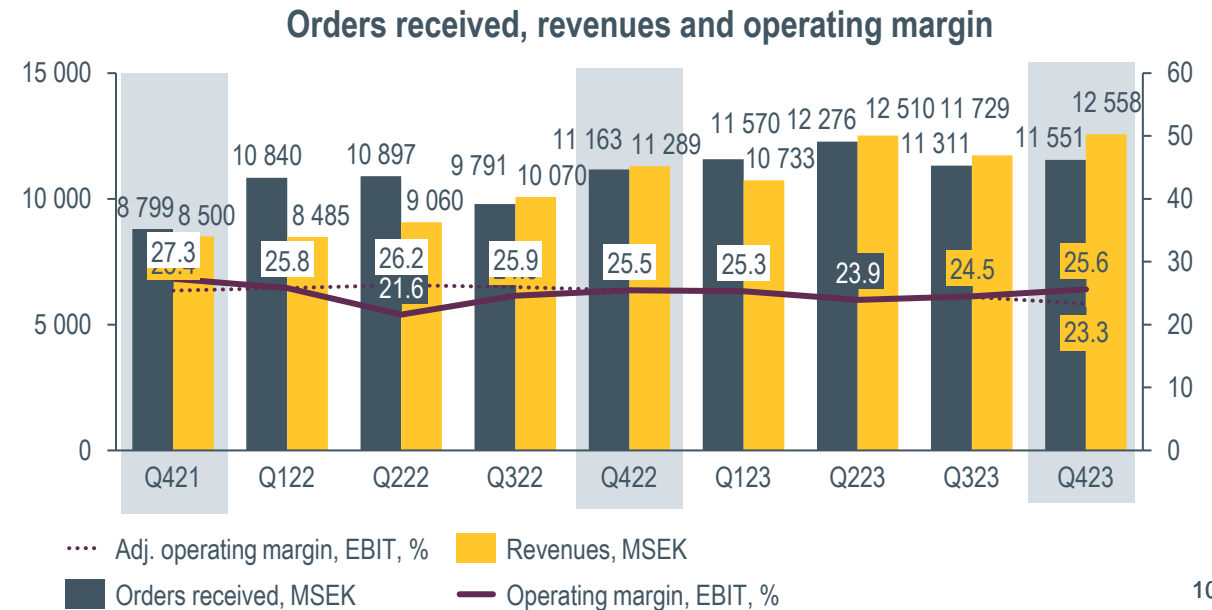
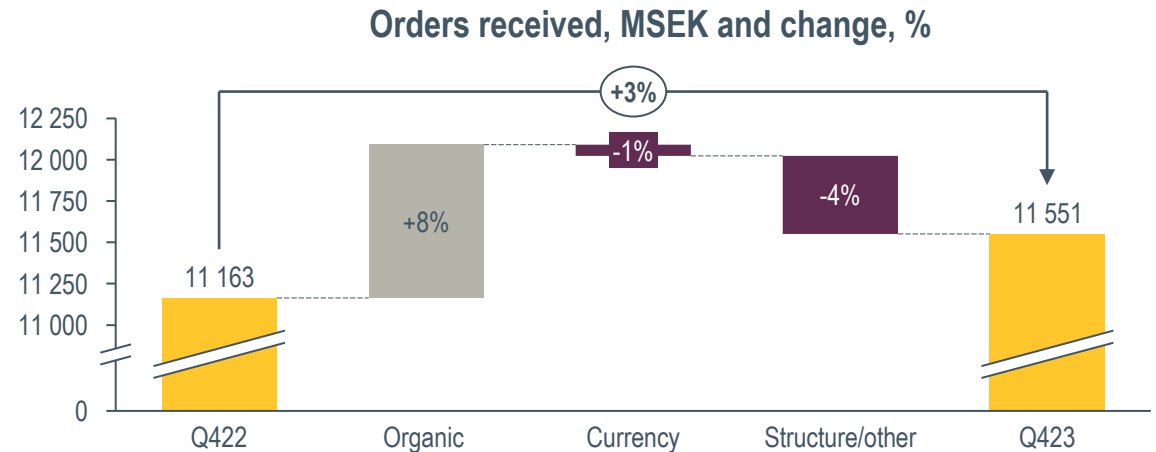
Epiroc Group: Profit bridge



Segment: Equipment & Service

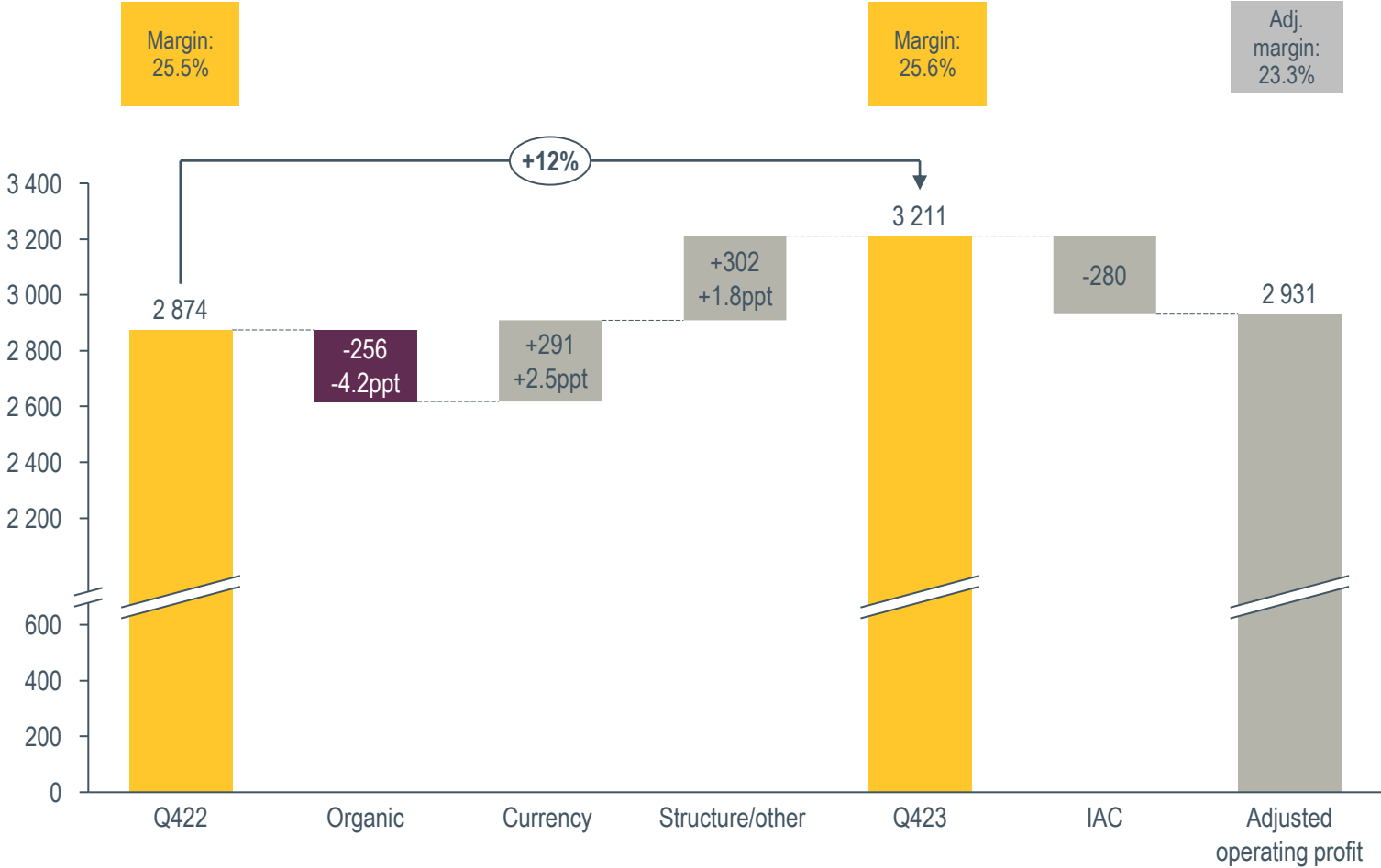


- Orders received MSEK 11 551, +8% organic
 - Equipment, +13% organic and Service, +6% organic
- Several large orders
 - Total large orders BSEK 1.2 (0.4)
- Revenues +8% organic
- Operating profit, EBIT, MSEK 3 211 (2 874)
 - EBIT margin 25.6% (25.5)
 - Items affecting comparability MSEK 280
- Adjusted EBIT margin 23.3% (25.5)
 - Dilution from acquisitions -0.5 ppt
 - Investments in R&D, sales and service to cater to a high mining demand
- Sequential organic order growth +5%





Equipment & Service: Profit bridge

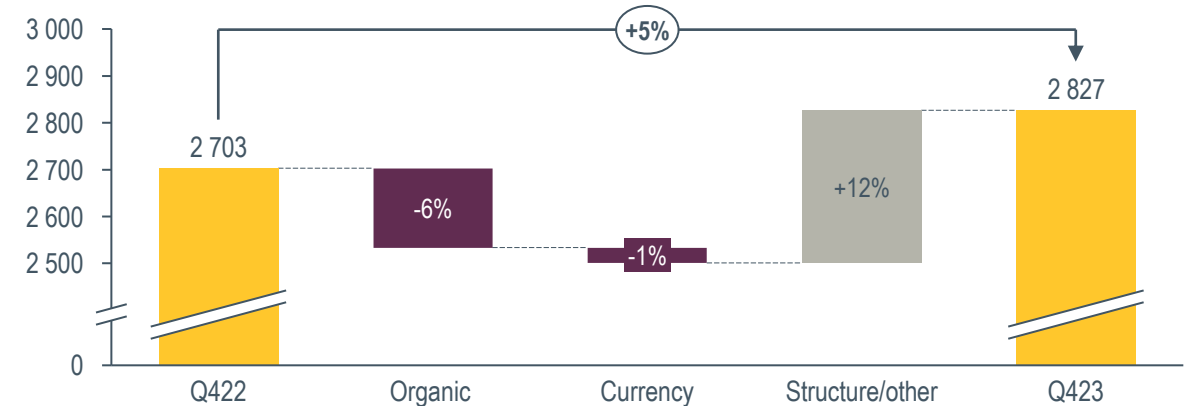


In Q4 2023, Equipment & Service included items affecting comparability of MSEK -280. This is mainly explained by a capital gain from the sale of the property in Japan of MSEK 436, earn-out payments for acquisitions of MSEK -58 and other costs of MSEK -98.

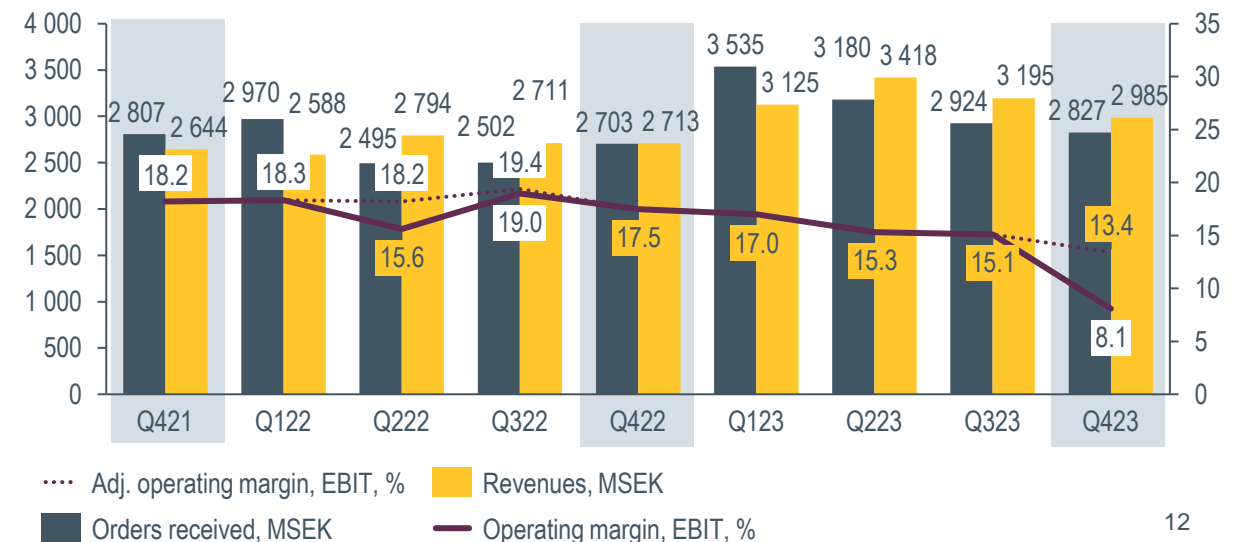
Segment: Tools & Attachments

- Orders received MSEK 2 827, -6% organic
 - Weak construction demand, mainly within hydraulic attachments
- Revenues MSEK 2 985, -4% organic
- Operating profit, EBIT, MSEK 243 (476)
 - EBIT margin 8.1% (17.5)
 - Restructuring costs of MSEK -158 for the planned closure in Essen, Germany
- Adjusted EBIT margin 13.4% (17.5)
 - Lower revenues and underabsorption, negative product mix and dilution from acquisitions of -0.7 ppt
 - FX contribution positive
- Sequential organic order growth flat

Orders received, MSEK and change, %



Orders received, revenues and operating margin





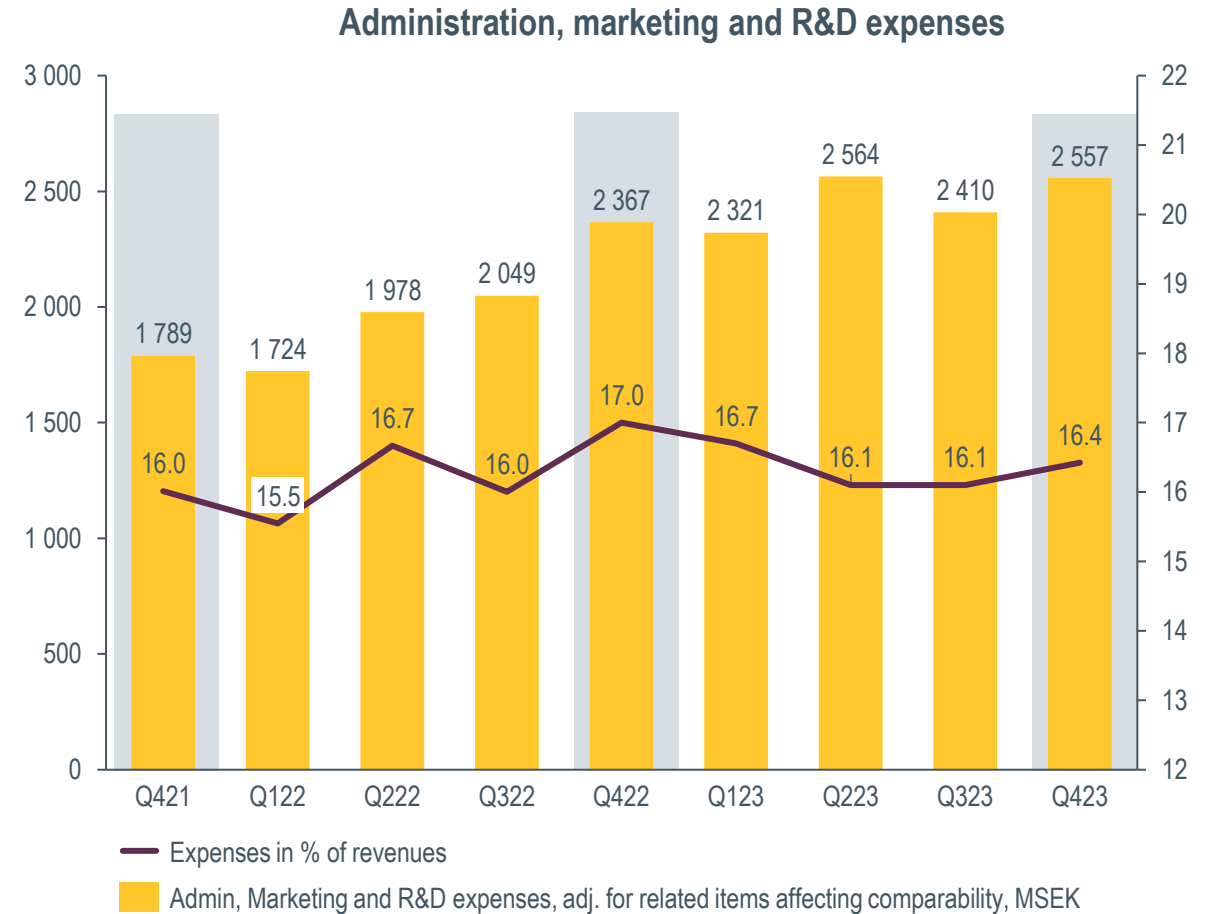
Tools & Attachments: Profit bridge



In Q4 2023, Tools & Attachments included items affecting comparability of MSEK -158, which is related to the planned closure of the manufacturing plant in Essen, Germany.

Costs, net financials and tax

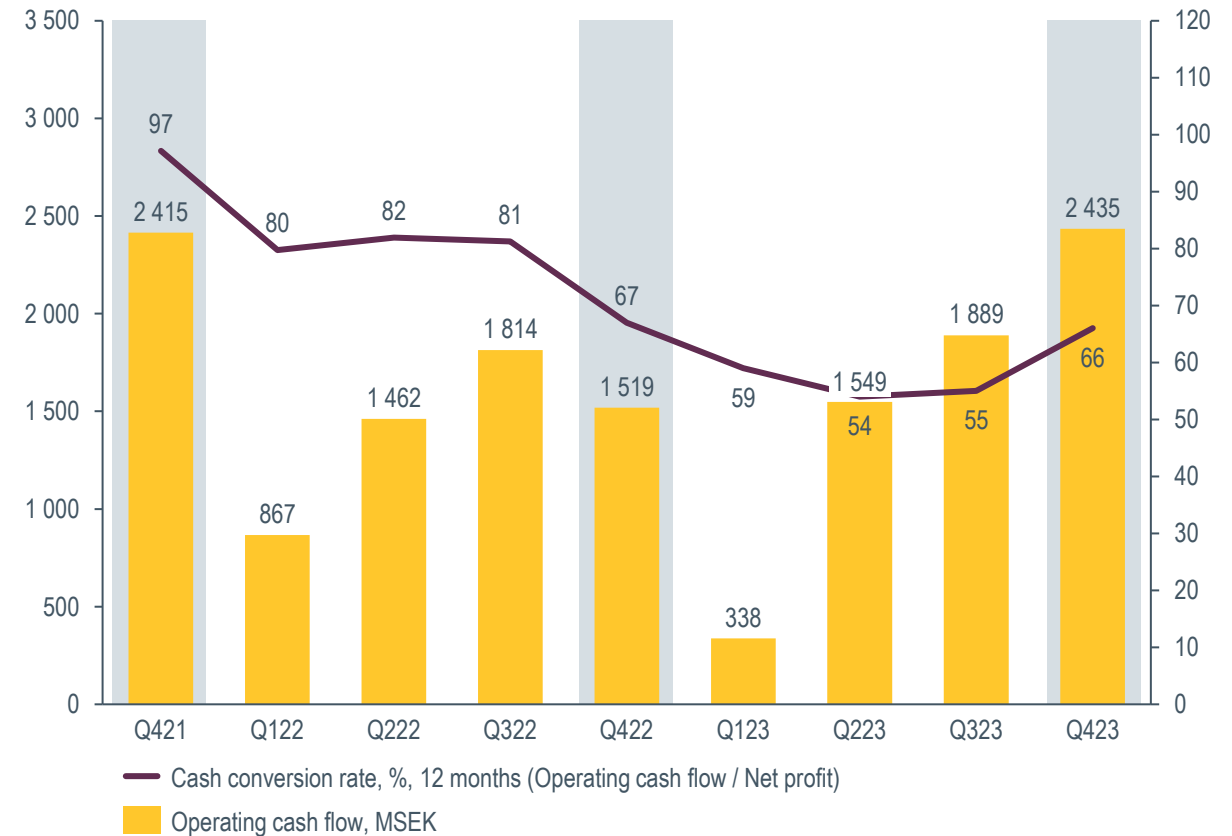
- Investments in R&D and sales to cater to a high activity level
- Net financial items MSEK -435 (-189)
 - Interest net MSEK -110 (-67)
- Tax expense MSEK -646 (-651)
 - Effective tax rate 22.2% (21.4)



Operating cash flow

MSEK	Q4 23	Q4 22
Operating profit	3 349	3 235
Depreciation, amortization and impairment	683	651
Capital gain/loss and other non-cash items	-19	124
Net financial items received/paid	20	-263
Taxes paid	-682	-910
Change in working capital	-389	-1 001
Investments, incl. rental equipment*	-713	-369
Pension funding and other**	186	52
Operating cash flow	2 435	1 519
Acquisitions and divestments	-342	-4 201

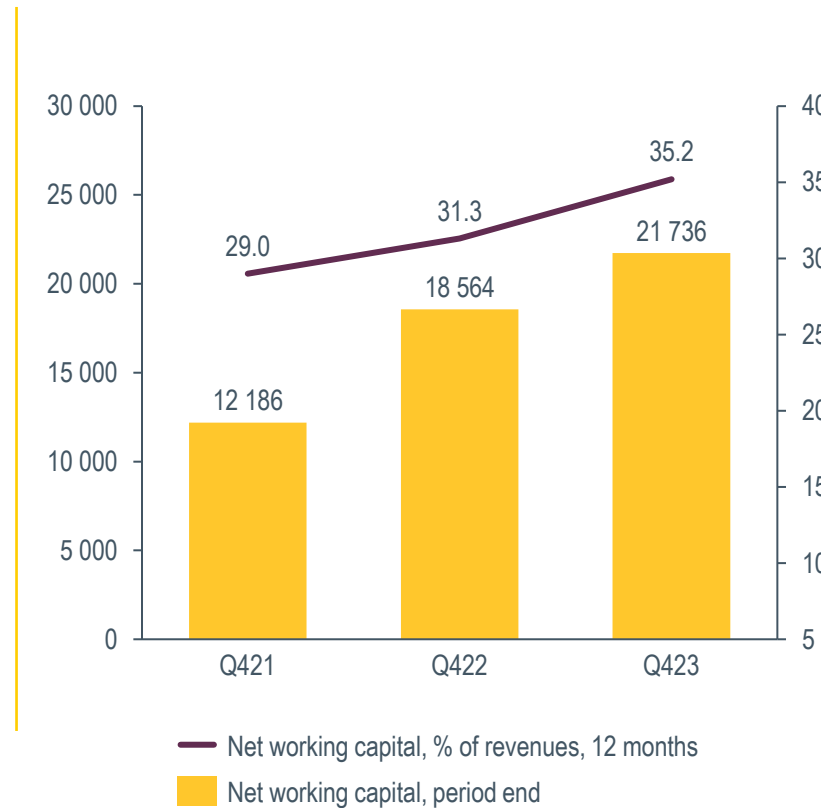
Operating cash flow and cash conversion rate, %



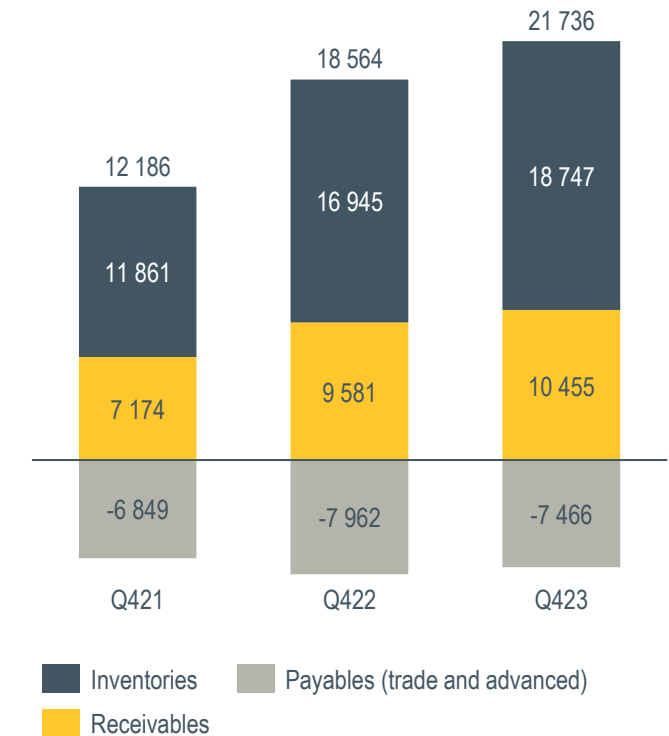
Working capital

- Net working capital MSEK 21 736
 - Excl. acquisitions and fx +20%
 - 35.2% (31.3) of revenues
- Strong growth and higher equipment volumes
- Implementation of regional distribution centers

Net working capital



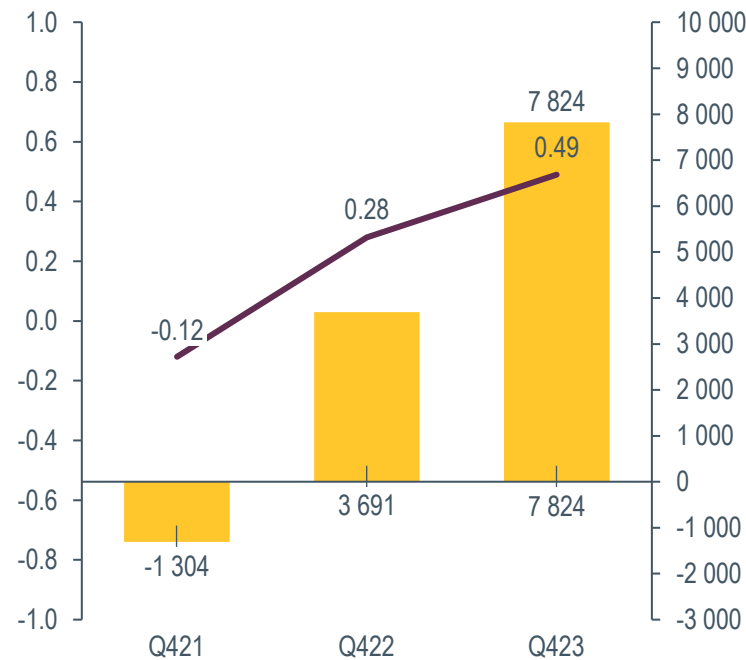
Working capital



Capital efficiency

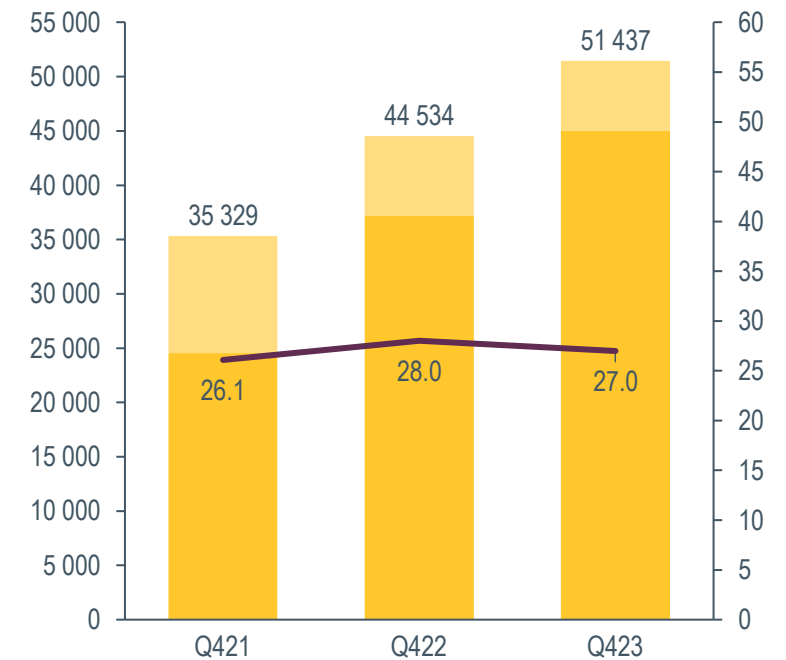
- Net debt at MSEK 7 824 (3 691)
 - Acquisitions MSEK -3 666
 - Working capital MSEK -3 708
 - Dividend MSEK -4 103
- Net debt/EBITDA 0.49 (0.28)
- 70% green or sustainability-linked long-term financing
- ROCE 27.0% (28.0)

Net debt and Net debt/EBITDA



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

Capital employed and ROCE



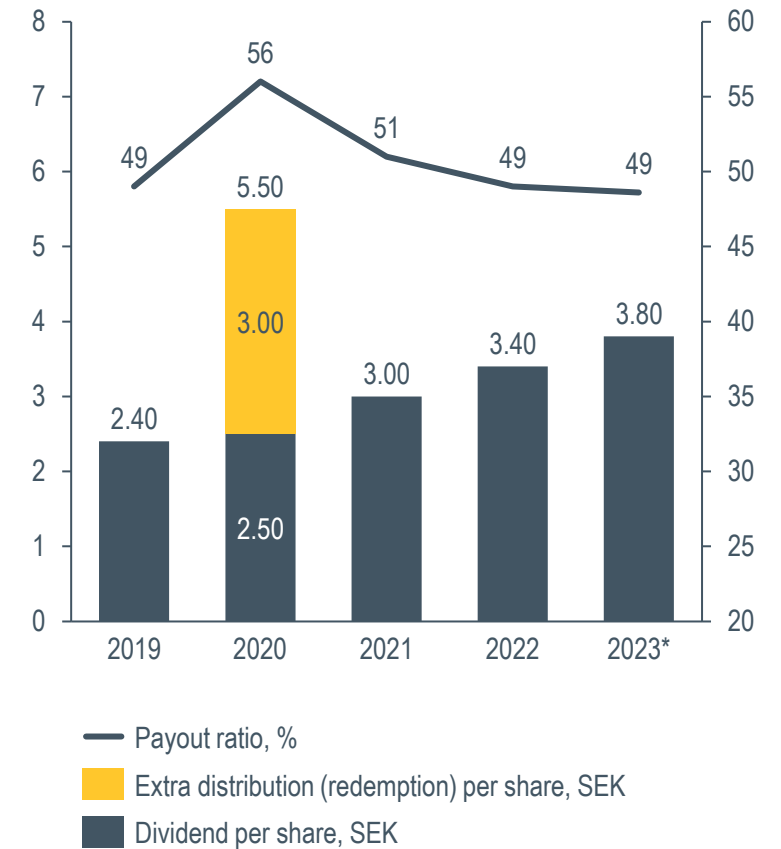
— Return on capital employed, %, 12 months
■ Capital employed, cash, MSEK, period end
■ Capital employed, ex cash, MSEK, period end



Dividend*

- Dividend of SEK 3.80 (3.40) per share
- Two equal installments with record dates May 16 and October 22, 2024
- MSEK 4 586 (4 103)

Dividend and payout ratio



* Proposed by the Board to the AGM. The dividend for the fiscal year 2023 is to be paid out in 2024.

Summary



Major achievements and partnerships

Strong mining and several large orders

Weak construction

Improved cash flow

Solid financial position

Investing for the future

Five successful years

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

- 2024
 - April 23: Q1 2024 results
 - May 14: AGM in Nacka at 4 PM
 - May 16: Record date for dividend*
 - May 21: Dividend payment*
 - July 19: Q2 2024 results
 - **September 24: Capital Markets Day in Las Vegas (incl. MINExpo International)**
 - October 22: Record date for dividend*
 - October 25: Q3 2024 results
 - October 25: Dividend payment*
- 2025
 - January 30: Prel. Q4 2024 results



Join us in Las Vegas on September 24.
Registration open:
www.epirocgroup.com/en/cmd-2024

Q&A



Movie: MINExpo Recap 2021



**Capital Markets Day
in Las Vegas**
incl. MINExpo International

September 24

Registration open:
www.epirocgroup.com/en/cmd-2024

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