2026-03-18 – 10:52 CET

Dear Epiroc analyst,

Hope all is well.

Don't forget to sign up to our CMD in Örebro, Sweden, on June 8-9, 2026. Volvo AB hosts their CMD on June 10, hence it is a great opportunity to see both companies. Please register here to secure your spot.

Please find some already communicated information to consider (checklist) when preparing your pre-results analysis. Black text = new. *Grey text = from previous pre-results e-mail.* You can find all financial publications here.

Report details:

- We plan to publish the results at **11:30 CEST** on Wednesday, April 29, 2026.
- The webcast is planned for **14:00 CEST.**
- Presentation: https://epiroc.events.inderes.com/q1-report-2026
- Telco: https://events.inderes.com/epiroc/q1-report-2026/dial-in

We enter the silent period on March 30; however, if you have questions, please reach **out before March 25**, since we will be out of the office at the end of March.

Company-compiled consensus:

As always, we gather company-compiled consensus and share it with those analysts contributing. Please add your estimates and send them back **no later than Friday, April 10**. Please note, we also gather post-results consensus. We will allocate time for roadshows and conferences based on how well you contribute, pre- and post, to consensus.

No pre-results call:

By sending this e-mail, we hope that you get all your questions answered. We do not organize a pre-results call. However, if anything is unclear, please reach out, and we will try to clarify.

Demand comment in CEO comment:

- In the near term, we expect mining demand to remain high, while demand from construction customers is expected to increase somewhat from a low level.
    - *From the Q4 report.*

Details on mining demand? *81% of Group orders in Q425.*

- The customer activity was strongest in gold, copper, and zinc, while nickel was softer. Of our mining exposure, gold and copper now (2025) together represent 65% of orders.

- The nickel exposure, which impacted us quite negatively in 2025, still remains a drag, despite the recent increased mineral prices for nickel. We still have many customers with mines under care and maintenance due to these depressed nickel prices. However, in 2026, we will meet easier comps throughout the year.

- Our customers continue to prioritize brownfield expansions and productivity upgrades, as well as exploration, especially in gold and copper.
- The growth in exploration demand was high, driven by a combination of a stronger exploration market and the leading offering of advanced exploration drill rigs and drilling tools.
    - *From the Q4 report presentation.*
- In 2025, Nickel represented 1% of Group orders. We have lost roughly half of this business during the year, which was tilted towards service.
    - *IR comment.*
- We have a very strong position in the surface segment, and I don't see any changes there.
    - *Comments from the Q3 results call.*

Service demand? What are deciding factors when Epiroc captures more customer share?

- In total, the organic service order growth was 6% in the quarter. Within service, which represents 41% of our revenues, we achieved the highest growth within our traditional parts and service business.
- Historically, since 2018, we have managed to grow our service business revenue by 8% per year, and we aim to return to these levels.
- We have a large and aging fleet. It now sits at 8.6 years on average, and an increased technological height on the fleet, which supports a good foundation for growth. In addition, we have initiatives in place to capture more of the customer share already in 2026 by working more precisely with pricing, leveraging our alternative offering, as well as finding other ways of sourcing so that we can increase this share.
- Customer share is the proportion of Epiroc machines that we serve in some form or another. The last few years, we have had a customer share north of 50%, whereas roughly a third of the fleet has an actual service contract with us. There is, in short, good potential to grow.
    - *From the Q4 report and the Q4 results call.*

Large (mining) orders?

- Large mining equipment orders, which are lumpy in nature, amounted to MSEK 670 (820) in Q4 2025.
    - *From the Q4 report*
- Looking back 2–3 years, we can see projects are becoming larger. For example, we secured the Fortescue order we mentioned earlier, and going forward, there are bigger projects than we saw at least three years ago.
    - *Comments from the Q3 results call.*

- In Q2 2025, Epiroc won its largest order contract ever; SEK 2.2 billion over five years to deliver a fleet of roughly 50 drill rigs – automated and electric – to Fortescue in Australia. With a conservative booking approach, only MSEK 100 of these have been booked in 2025.
    - *Press release 2025-04-16*

See also our key figures file, sheet "large orders".

Quarter	Sum of externally announced large orders (press release)	Comment in results presentation
Q126 (New definition: large = 150)	0	*NA*
Q425 (large = 100)	0	*670*
Q325 (large = 100)	115	*600*
Q225 (large = 100)	100	*500*
Q125 (large = 100)	380	600
Q424 (large = 100)	245	820

Demand comment for infrastructure? *19% of Group orders in Q425.*

- Demand in infrastructure and construction remained stable, with a healthy activity level for larger civil engineering projects, whereas the demand for attachment was seasonally low.
- On a positive note, the destocking among distributors for attachments came to an end towards the end of the year, and now we are positioning us for growth.
- The demand for attachment used in construction was seasonally weak. As we are mainly exposed to the northern hemisphere in our attachment business, the first half of the year is normally stronger, with Q2 being the best, while Q4 is normally one of the weaker quarters.
    - *Comments from the Q4 results presentation and call*

How is Epiroc affected by US tariffs?

- Tariffs had a negative impact on margins in 2025. The net estimated impact was roughly 0.5 percentage points on Group operating margin in Q3 and slightly below that level in Q4.
- Mitigation actions include logistics optimization, leveraging the global manufacturing footprint, supplier adjustments (including steel) and price increases.

- We pay close attention to tariffs, news, and regulations, and we are ready to act if or when things change.
  - *Comments from the Q4 report and the Q4 results call.*
- **Group revenues from the US?** 14% in 2025 = 2nd largest market after Australia 17%. See main markets in the key figures file.
- **COGS from within the US vs. COGS imported?** We do not share this data, but Epiroc produces more in value in the US, than Epiroc invoices in the US.
- **Main production sites / countries?** Our main production countries (numbers of headcounts) are Sweden, South Africa, US, China and Australia. Largest production sites are: Örebro, Sweden (underground and surface equipment), Johannesburg, South Africa (rock reinforcement and ground support), Garland, US (surface drill rigs), Fagersta, Sweden (rock drilling tools).
  - *IR comment. The Epiroc Annual & Sustainability Report 2024, page 150, lists all facilities and entities. In addition, Epiroc has another 10+ facilities in the US that came into Epiroc with the acquisition of Stanley Infrastructure in 2024.*

How is Epiroc impacted by the conflict in Iran/Middle East? And the increased oil price?

- We have no revenues or employees in Iran. Revenues in the Middle East region represent less than 1% of Group total and we have 20 employees in the region. The business in the region is well diversified across countries and customers.
- Regarding the oil price, we see no direct impact. Any potential effect would likely be indirect and more long term in nature, depending on customers' investment appetite and activity levels.
  - *IR comments in meetings*

Demand for automation solutions? Position within automation?

- At the Roy Hill mine in Australia, all 78 haul trucks were converted to fully autonomous operations using Epiroc's mixed-fleet automation solution.
- At year-end 2025, more than 3 900 driverless machines – Eprioc and non-Epiroc - were operating using Epiroc automation solutions.
  - *From the Q4 results call*

Size of electric business? BaaS? Impact on Balance sheet?

- Electrification revenues represented 3.8% (4.2) of Group revenues in 2025.
- 40 mines globally have ordered our BEVs, battery electric vehicles, and the majority of our BEV orders in 2025 came from these pre-existing customers.
  - *From the Q4 results call*

What about EBIT margins?

- We do not provide guidance on margins. Our goal is to have the industry-best operating margin.

- **Group:** The operating margin, EBIT, was unchanged at 19.9% (19.9). The adjusted operating margin, excluding items affecting comparability, decreased somewhat to 19.6% (19.7). The margin was negatively impacted by currency (-0.7) and tariffs (just under -0.5), but had positive organic contribution of +0.6.
- **E&S:** The EBIT margin was 21.9% (23.4) and the adjusted EBIT margin was 22.1% (23.6). It was negative FX (-0.7), organic (-0.6) and structure (-0.2). Tariffs impacted negatively.
- **T&A:** EBIT margin increased to 14.9% (8.4), and the adjusted EBIT margin increased to 12.3% (8.4). driven by efficiency measures taken (+5.2), however negatively impacted by currency (-1.1) and tariffs. The price for tungsten have more than doubled in 2025. Even if the financial impact in Q4 for us is still low, we are anticipating a margin headwind in 2026 of a few tenths of a percentage point for this business area. Mitigating actions are already in place. For example, we have accelerated our drill bit recycling program.
    - *All margin comments above from the Q4 results call and from the Q4 report.*
- Since January 26, 2026 when we reported Q4, the tungsten price have accelerated further. It is fair to assume that the negative effect can be higher than previously said. Partly as the input price is higher, but also, as it is unlikely that we in the short term can compensate. Please note: We are treating the increase in tungsten prices by adding a specific surcharge to the normal price for the drill bit. The surcharge offset increased COGS. In other words, we will not compensate with price, but with lower COGS.
- The tungsten is used predominantly in the “drill bits” within the Tools business. In this division (which is one of two in the business area T&A), we also provide drill strings, hammers and ground support. We mainly purchase the tungsten from China. More details to follow in April when we present Q1.
    - *IR comment in meetings*

Working capital? Supply-chain issues? Lead times? Time to translate equipment orders to equipment revenues?

- If we compare to the previous year, net working capital decreased by 9% to SEK 22 billion, down from SEK 24.3 billion. If we exclude the effect of currency, the net working capital increased somewhat due to increased inventories, partly offset by increased payables. What is most relevant to look at is our working capital in relation to revenues. In the last 12 months, it has decreased to 36.9% versus 37.4%, which means we are using the working capital in a more efficient way now than we were a year ago.
    - *Comments from the Q4 results call.*
- Lead times for equipment are at normal levels: 6–9 months from order to invoicing.
    - *IR comment.*

Interest cost?

- The average tenor of Epiroc's long-term debt was 3.7 years (4.5). The average interest duration was 15 months (20) and the average interest rate at the end of the quarter was 3.8% (4.2).
    - *From the Q4 report.*

Cash generation?

- Operating cash flow was MSEK 2 577 (3 956). Compared to a strong quarter in the previous year, when cash released from working capital was higher, the operating cash flow decreased, also impacted by lower profit and higher taxes paid. The cash conversion rate, rolling 12 months, was 90% (104).
    - *From the Q4 report.*

Financial position?

- Net debt decreased to SEK 11 billion (14.8), supported by our robust cash generation. Our financial position is strong. Net debt-to-EBITDA ratio was 0.73 (0.93). Return on capital employed was 18.9%. It's down from 20.6%, and this is explained by higher intangible assets, including goodwill and also somewhat lower profit. These are rolling 12-month figures. At year-end, we had a cash position of SEK 9.6 billion.
    - *Comments from the Q4 report and results call.*

FX?

- FX had a significant negative impact on orders and revenues in Q4. Currency reduced orders received by -12% and revenues by -11%. The EBIT impact from currency was negative in absolute terms, MSEK -477, it was negative -0.7 percentage points on the margin.
    - *From Q4 report presentation.*
- Over time, a strong USD vs SEK and EUR are beneficial for Epiroc, and vice versa. We make a large portion of our business in USD. However, due to accounting rules, we need to consolidate in local currency, which makes the FX impact hard to model. More color regarding FX was provided at the 2024 Capital Markets Day, see slides 165 – 167. You can also see more information in our Key figures file on sheet "Adjusted bridges".
    - *IR comment*

Items affecting comparability, including change in provision for share-based long-term incentive (LTI) programs?

- In Q4 2025, items affecting comparability amounted to MSEK +58 (+22), mainly relating to an insurance settlement gain and costs for efficiency measures, as well as a change in provision for the share-based long-term incentive programs of MSEK -4 (+37).
- Equipment & Service included items affecting comparability of MSEK -30 (-15) relating to costs for efficiency measures.

- Tools & Attachments included items affecting comparability of MSEK +92 (0), mainly relating to an insurance settlement gain for the Stanley acquisition.
    - *From the Q4 report*
- No IAC announced for Q1 2026.

Other M&A comments?

- Epiroc to acquire the business of mining aftermarket solutions provider in South Africa. Annual revenues of approximately MSEK 160 and expected closing in Q3.
- You can always find an updated M&A list here.

Other relevant announcements for the quarter?

- 2026-03-19. Annual report to be published. Stay tuned.
- 2026-01-26 LinkOA delivers at scale - 300 million tonnes moved autonomously

Seasonality?

- Historically, Q1 has somewhat lower revenues than Q4. Attachments are generally strong in H1.
    - *IR comments to financial markets in key figure file, sheet OIB.*

Capital allocation priorities?

- We will keep on investing in organic growth. That is a key priority for us. Then we will do bolt-on acquisitions close to our core. We have not been so active in 2025 on the acquisition front, so it's fair to assume that there will be higher activity in 2026, but we will remain close to our core in the businesses we know best.
    - *From Q4 results presentation*

Capex needs?

- Roughly 75% of the product cost for equipment is purchased, and we produce equipment to order, and that means that we can go quite quickly up and down in our demand depending on how the demand changes. And we only produce the core components, and those we want to produce ourselves to safeguard, that we actually keep the innovations internally. All in all, this results in quite low CapEx needs, roughly 2% to 3% of revenues over a business cycle.
    - From CMD 2024-09-24

Tax rate guidance?

- Between 22% and 24%.

Please let us know if anything is unclear – or if there is something we can improve. We are happy to help.

BR Karin, Alexander & Gustaf