



## Q1 2021

April 28, 2021

Helena Hedblom, President and CEO  
Anders Lindén, CFO



# Record orders received

## Key highlights Q1 2021

- High customer activity and record orders received
  - Strong demand for all types of aftermarket solutions
  - Investment willingness remains
  - Several medium/large equipment orders
- Strong demand for autonomous solutions
- Improved profitability and stable cash flow
- Dare to think new
- Creating options for the future
  - Acquisition of Meglab
  - Acquisition of DandA Heavy Industries

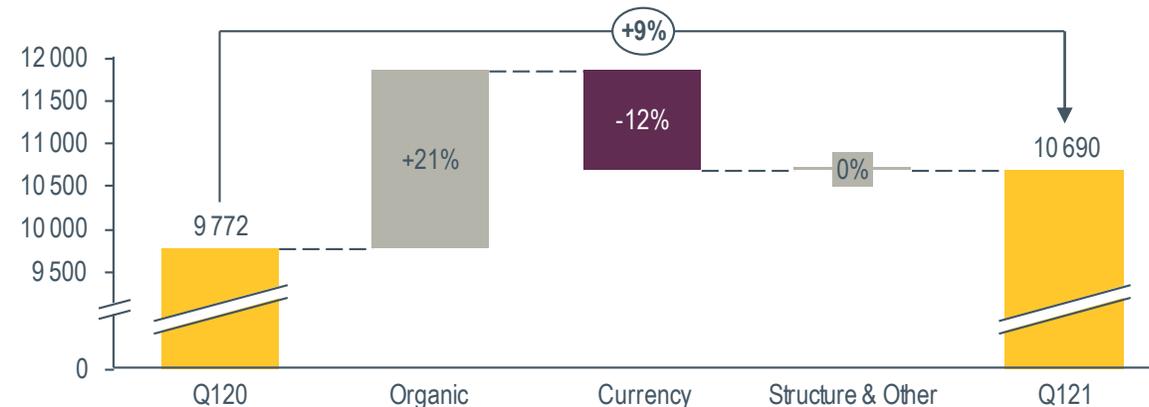


# Key financials

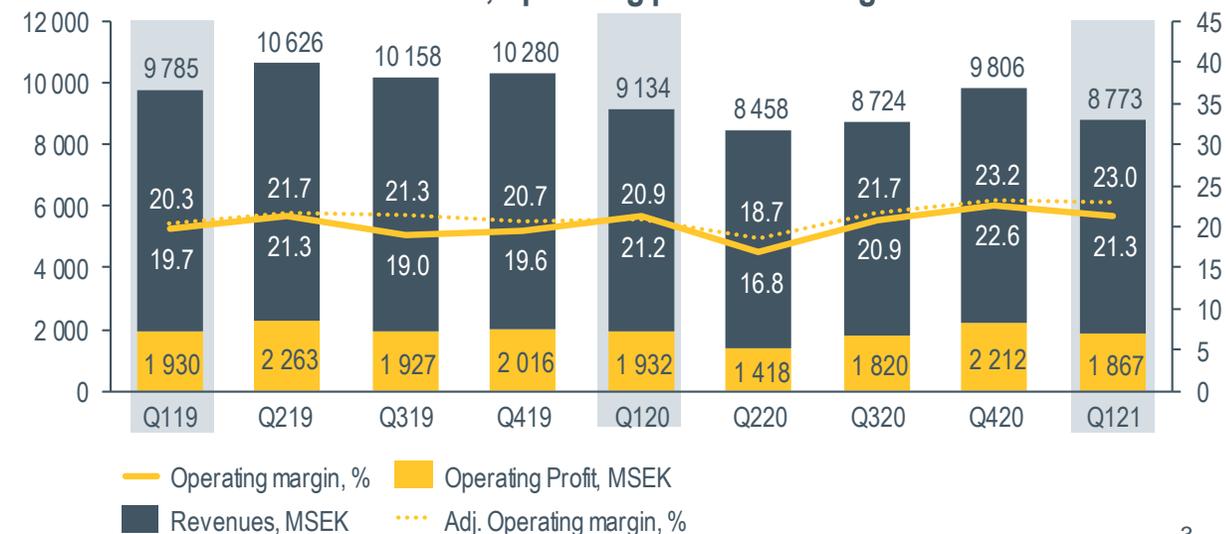
## Q1 2021

- Order intake up 9% to 10 690, +21% organic
  - Equipment +55% organic
  - Service +4% organic
  - Tools & Attachments +14% organic
- Organic revenue growth of 6%
- Operating profit decreased 3% to MSEK 1 867
  - MSEK -149 (21) affecting comparability
- Adjusted margin improved to 23.0% (20.9)
  - Reported margin 21.3% (21.2)
- Operating cash flow of MSEK 1 610 (1 532)

Orders received, MSEK and change, %

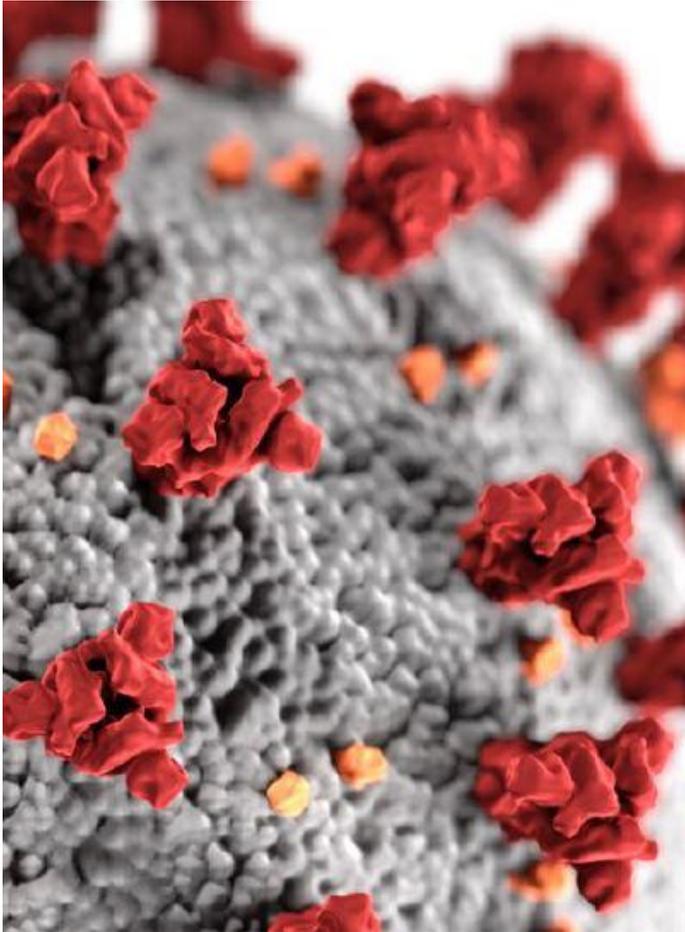


Revenues, operating profit and margin



# Covid-19

## Current status



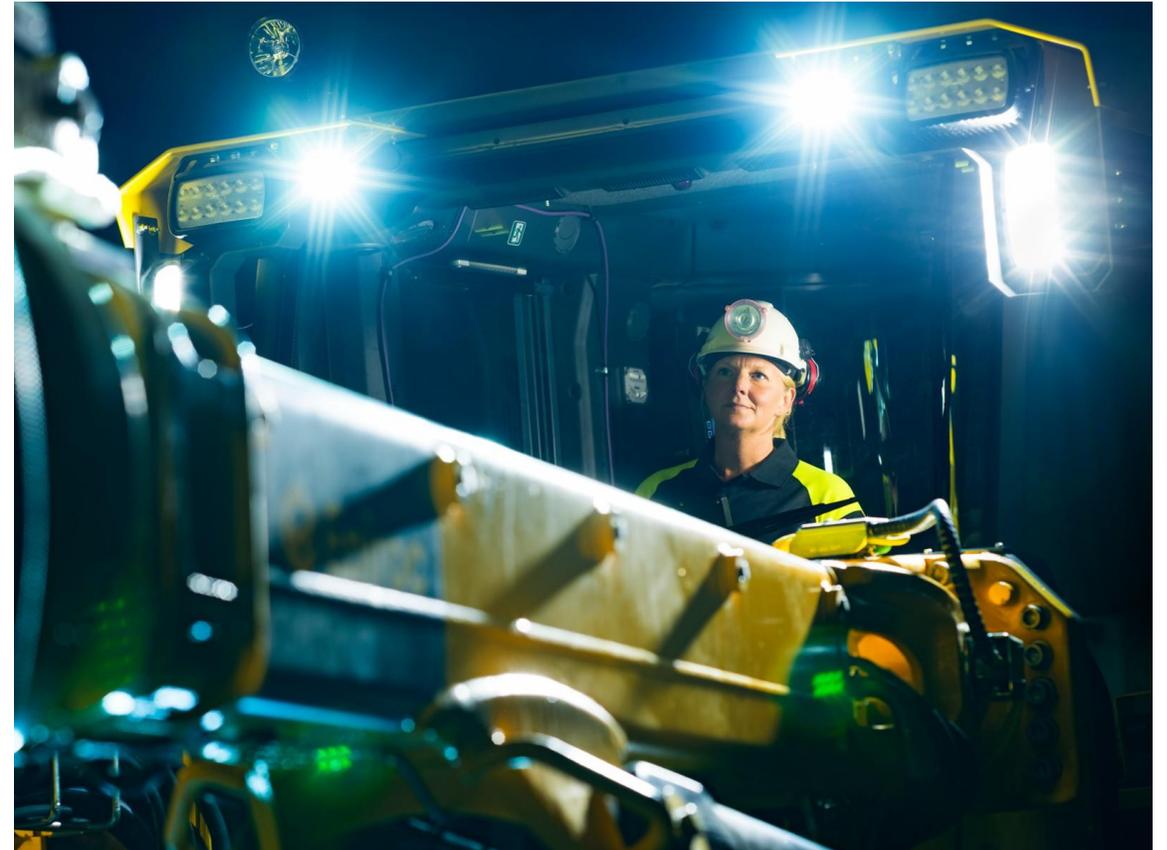
- Aftermarket
  - Focus on safeguarding the availability in aftermarket
  - Distribution centers and manufacturing facilities operational
  - Transports challenging but manageable
  - A few customers working with reduced capacity
- Equipment
  - Manufacturing facilities operational
  - Some disturbances in the incoming supply chain

# Driving the future in intelligent mining and infrastructure



## Q1 2021

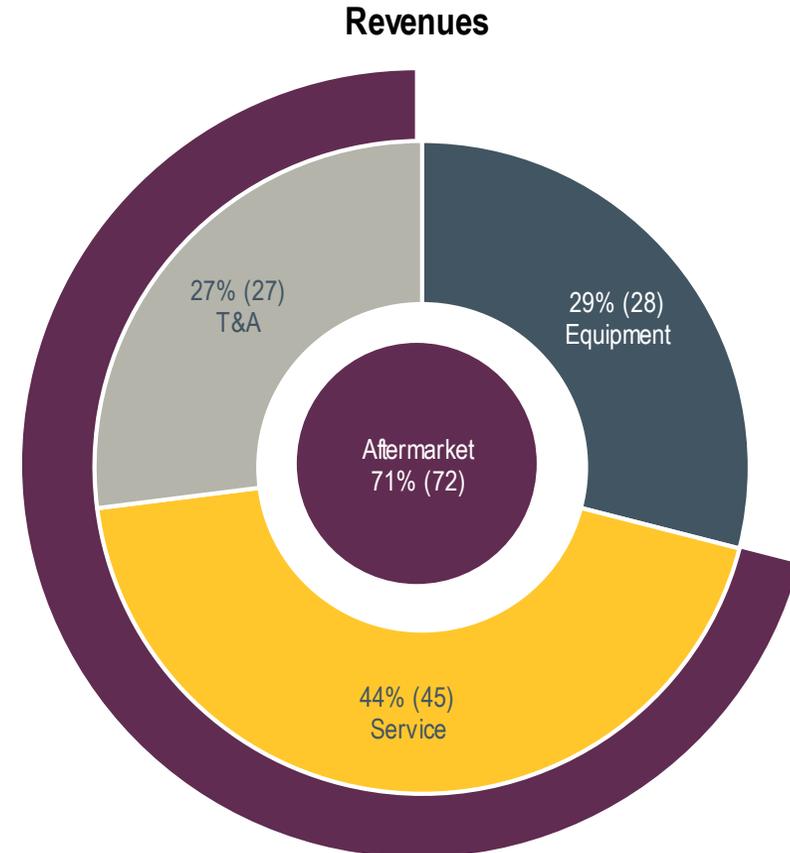
- Strong demand for autonomous solutions
- Boomer M20
  - New generation of our most sold face-drilling rig
  - Unique features: protected hydraulics and sensors
- Battery retrofit for existing equipment
  - Diesel engine replaced with electric equivalent
- Creating options for the future
  - Acquisition of Meglab
  - Acquisition of DandA Heavy Industries



# Strong demand for all types of aftermarket solutions

## Q1 2021

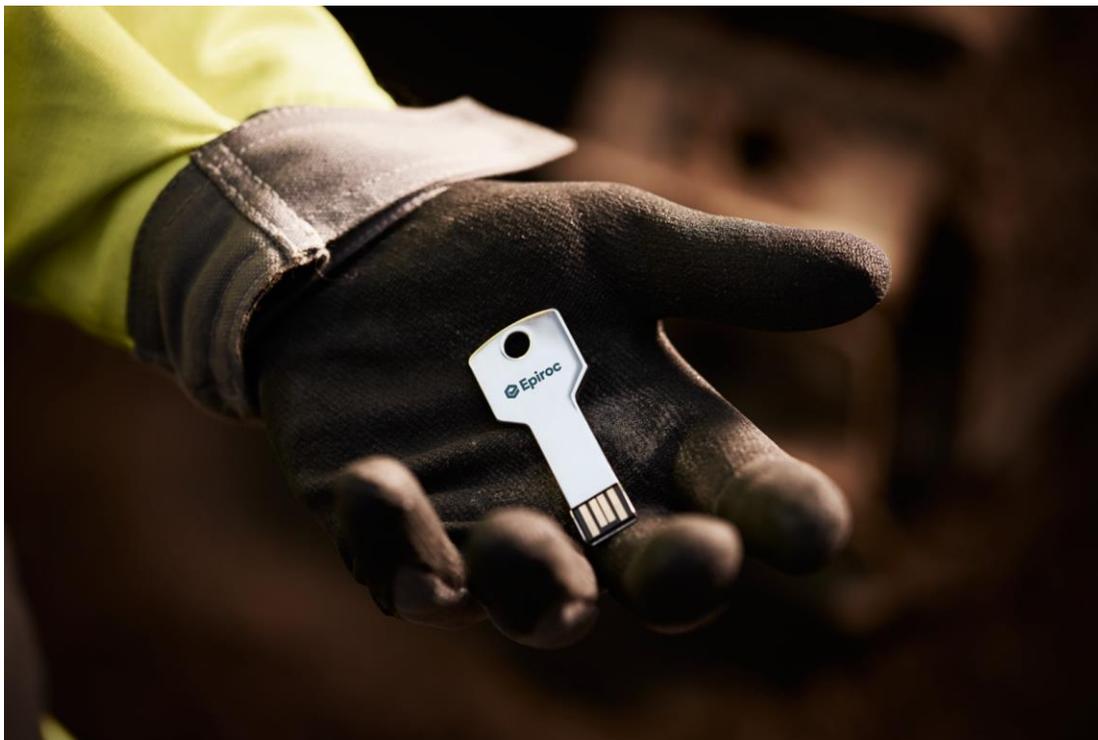
- Strong focus on safeguarding customers' continuous operations
- Strong demand over the line
  - Consumables
  - Hydraulic attachments
  - Services – e.g. midlife upgrades
- Increased customer share
- Connected fleet growing



# Actions for operational excellence

## Q1 2021

- Actions for operational excellence
  - Supply-chain improvement program continues
    - Increased availability in aftermarket
  - Service excellence
    - Improved efficiency in the service organization
  - And more
- Actions for cost savings
  - MSEK +500 savings program annually completed already in 2020. Full impact from Q3 2020
  - Discretionary savings remained at a good level



# Sustainability: People & planet

## Q1 2021

- New Code of Conduct
- Improved sustainability results
- People:
  - Increased proportion of women managers
  - Fewer work-related lost-time injuries
- Planet:
  - MWh energy from operations decreased
  - The CO<sub>2</sub> emissions, tonnes, from transport the last 12 months decreased



# Financials



# Operating profit and margin

Q1 2021

Operating profit and margin



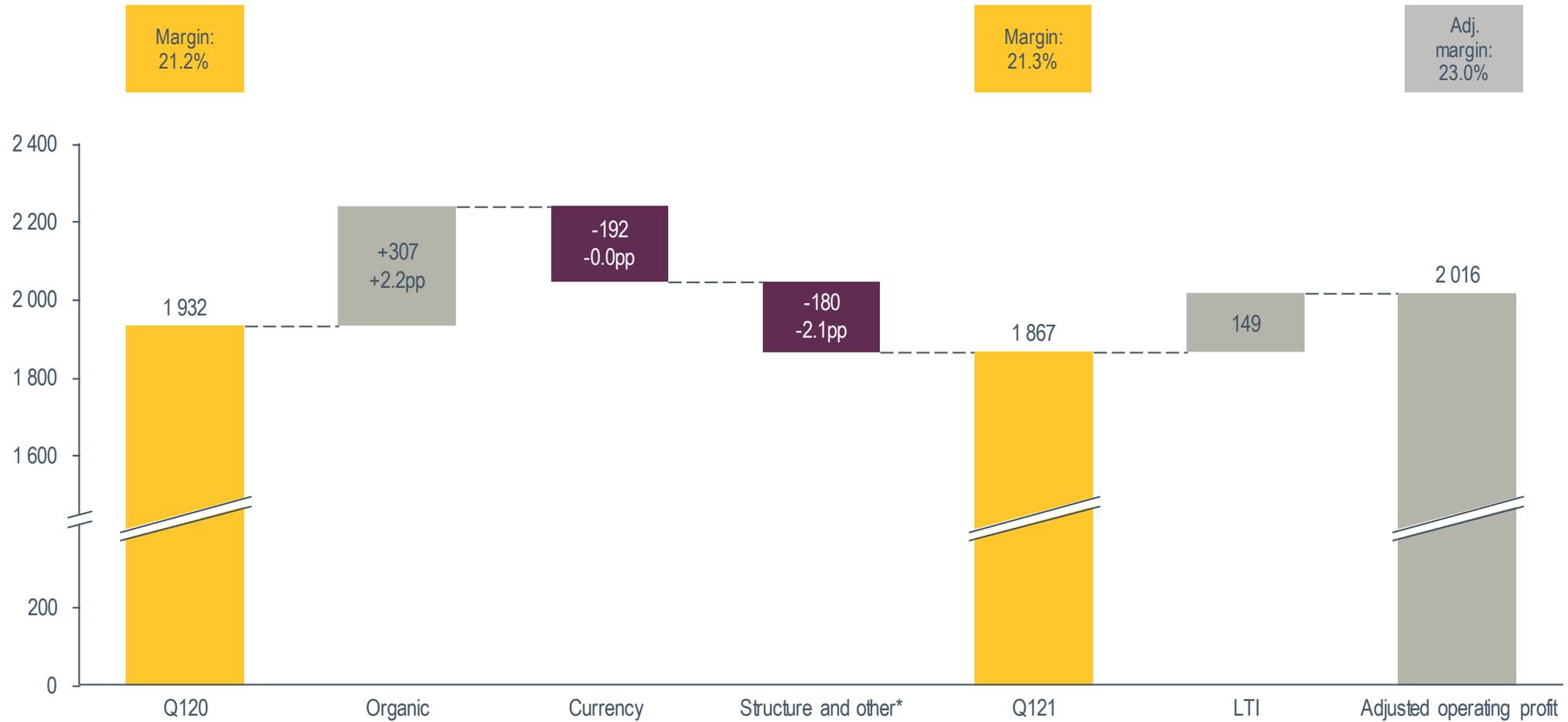
\* Q1 2018-Q4 2018 includes costs related to the split from Atlas Copco.

\* Q1 2021 includes items affecting comparability of MSEK -149 related to change in provision for long-term incentive programs.

All details can be found in the quarterly report.

# Epiroc Group – Profit bridge

Q1 2021

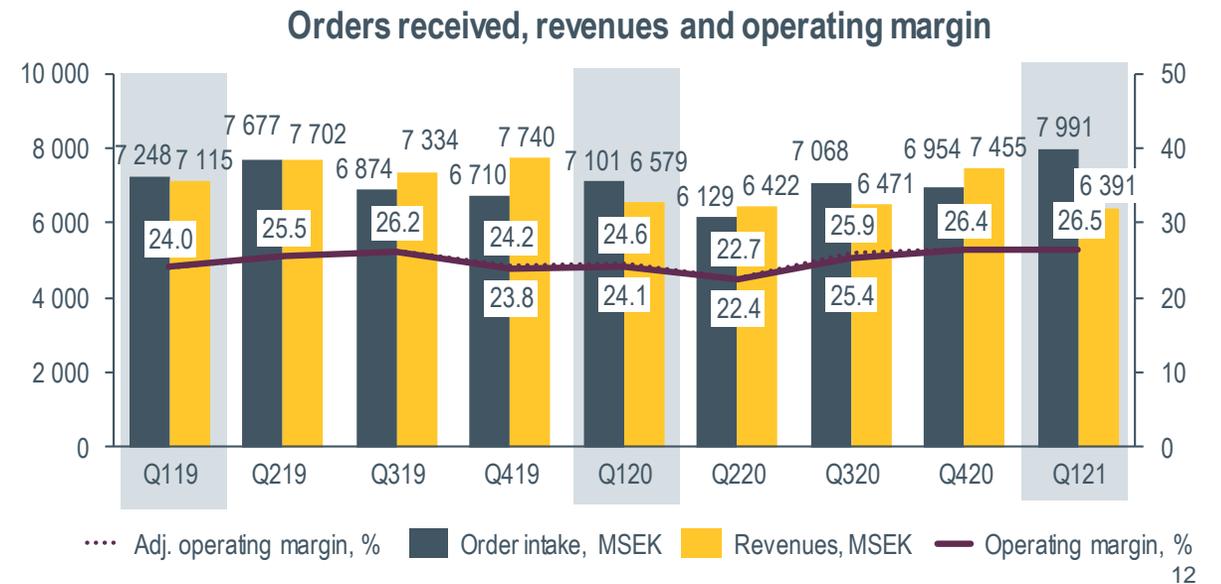
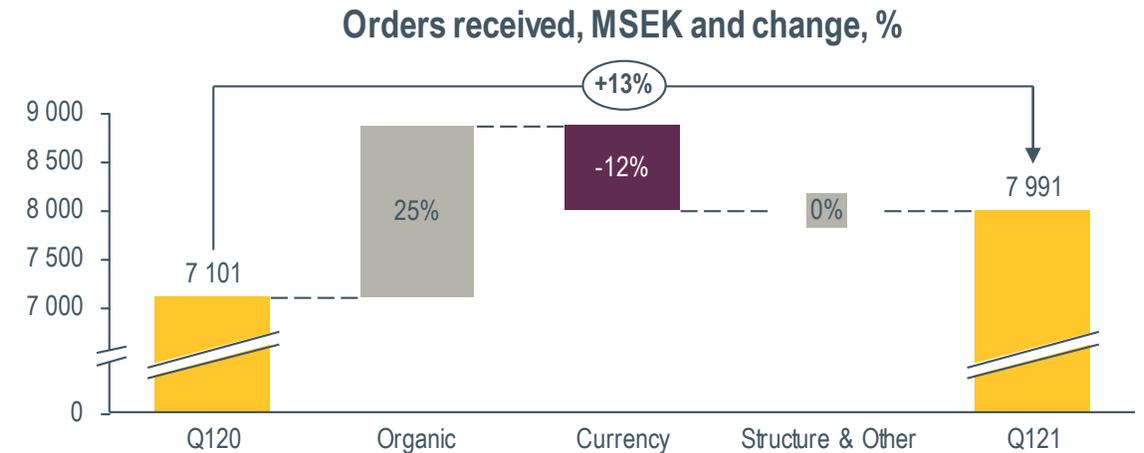


\*Structure and other" includes operating profit/loss from acquisitions and divestments, items affecting comparability, one-time items, and change in provision for share-based long-term incentive programs. LTI is change in provision for share-based long-term incentive programs of MSEK 149.

# Segment: Equipment & Service

## Q1 2021

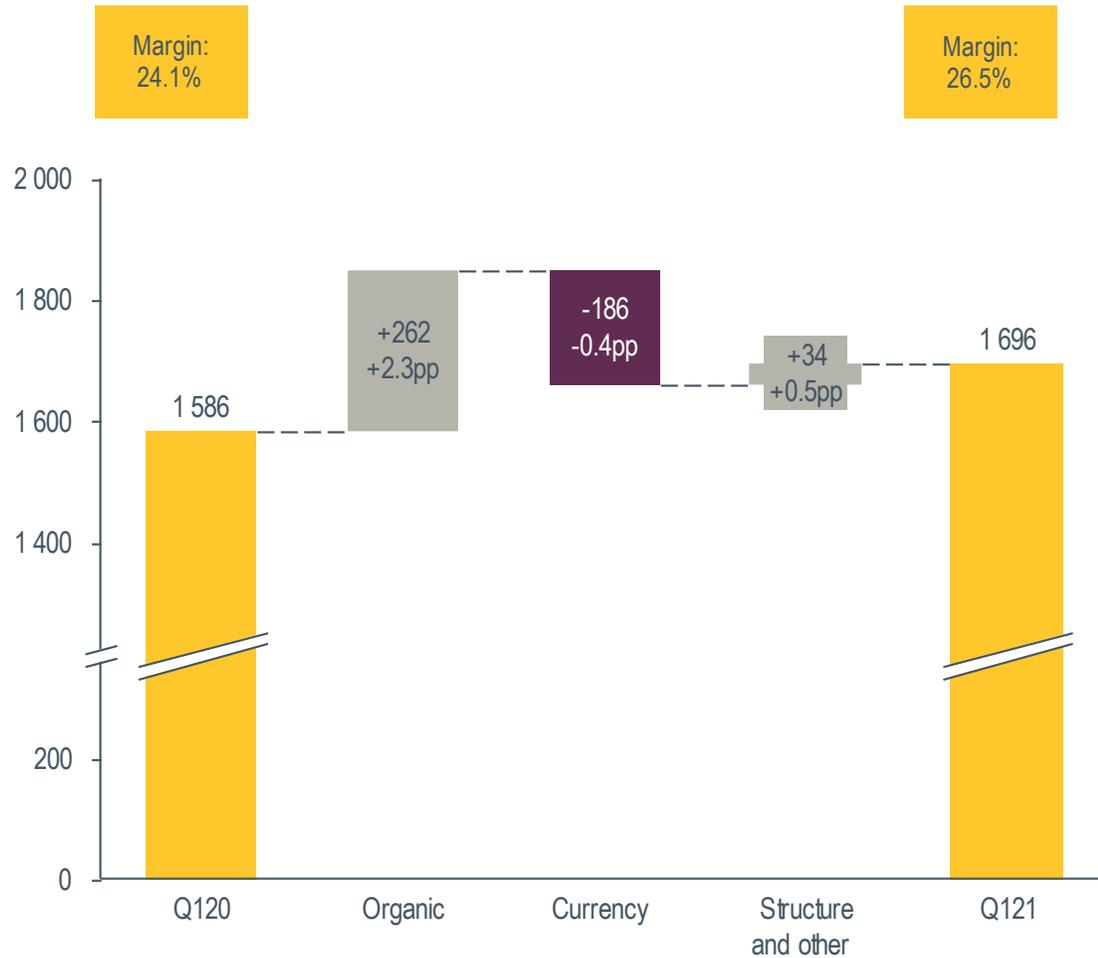
- Orders received up 25% organic
  - Equipment +55%: Several medium/large orders
  - Service +4%: High customer activity and strong service offering
- Revenues up 7% organic
- Operating profit up 7% to MSEK 1 696 (1 586)
  - Record margin 26.5% (24.1)
  - Positive impact from higher volumes and cost savings



As from Q2 2020, the Epiroc IT-function is included in the segment E&S instead of in common group functions. Figures for 2019 have been restated and are not material.

# Equipment & Service – Profit bridge

Q1 2021

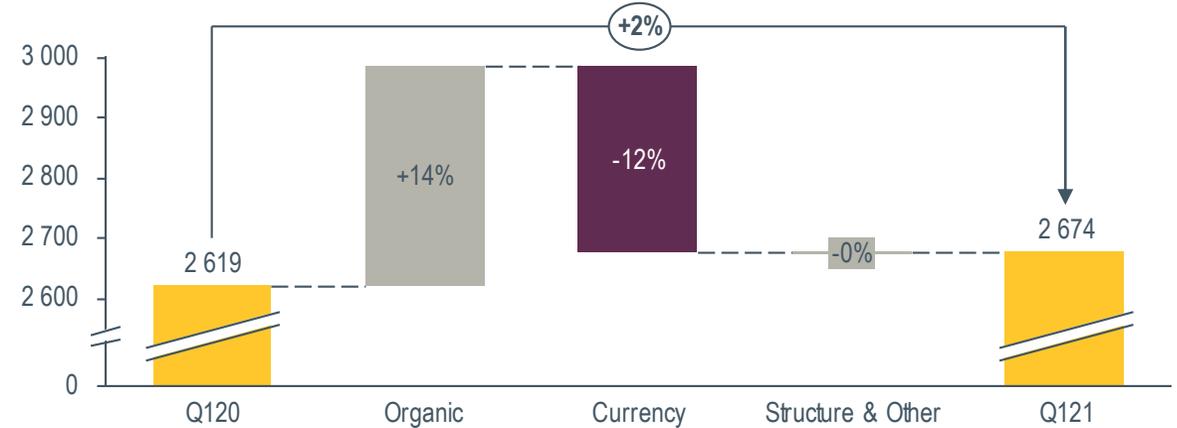


# Segment: Tools & Attachments

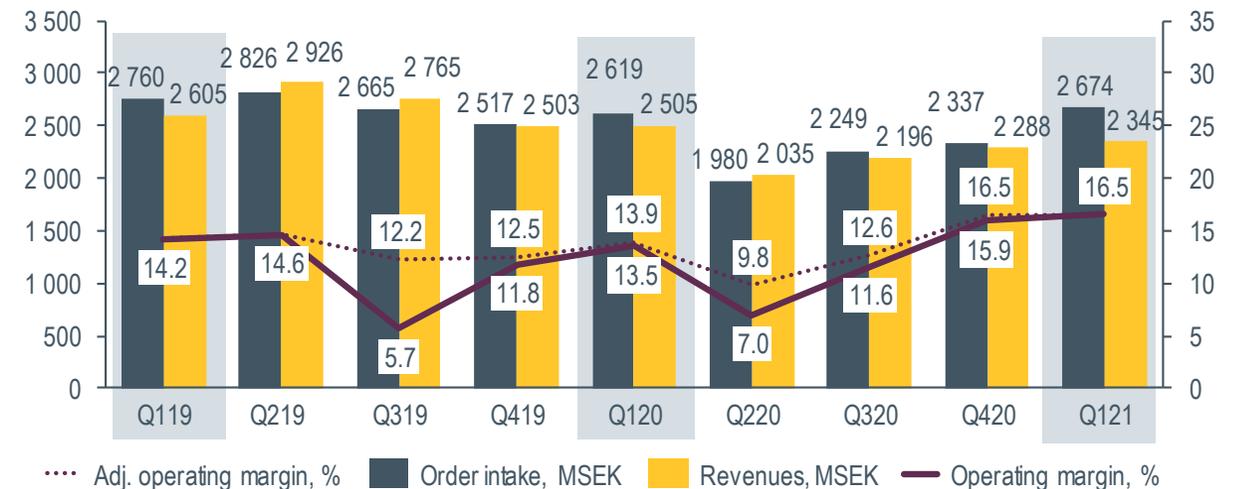
## Q1 2021

- Orders received up 14% organic
  - Orders for both hydraulic attachments and consumables increased
  - Strong growth in exploration consumables
- Revenues up 4% organic
- Operating profit up 15% to MSEK 386 (337)
  - Successful actions, negative currency
  - Record margin of 16.5% (13.5)

Orders received, MSEK and change, %

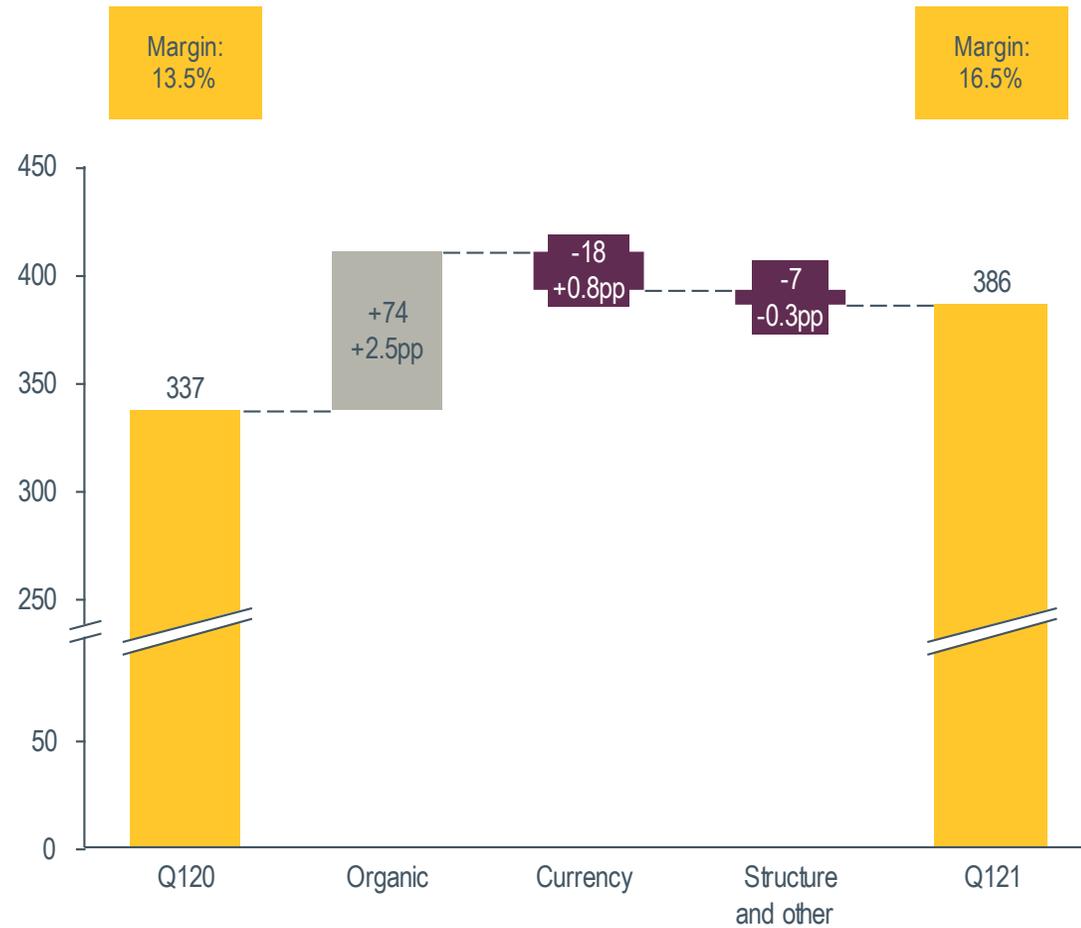


Orders received, revenues and operating margin



# Tools & Attachments – Profit bridge

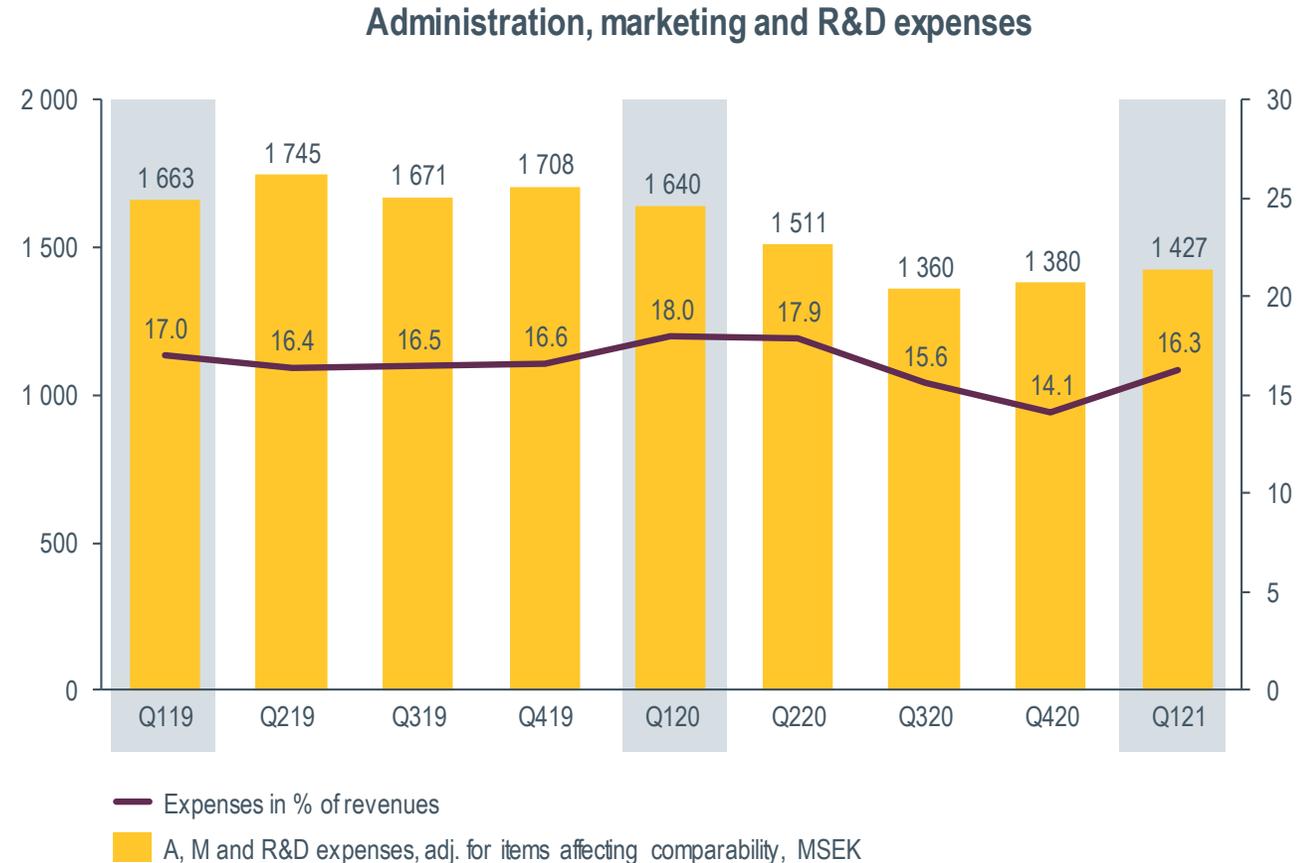
Q1 2021



# Costs, net financials and tax

## Q1 2021

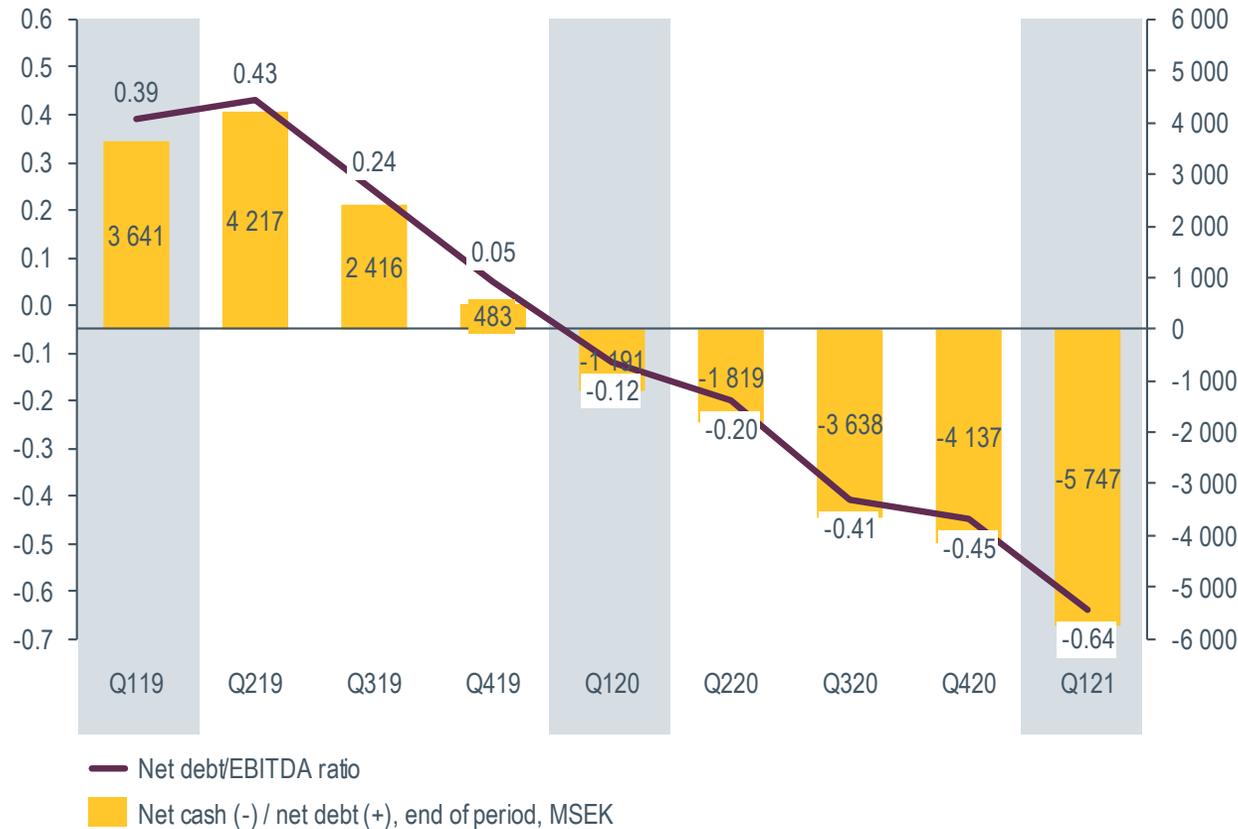
- Lower costs (excl. LTI)
  - Full effect from savings program (MSEK +500 p.a.)
- Net financial items MSEK -33 (-46)
  - Interest net MSEK -20 (-33)
- Tax expense MSEK -444 (-464)
  - Effective tax rate 24.2% (24.6)
  - Guidance: below 25%



# Capital structure

Q1 2021

Net debt and Net debt/EBITDA



- Strong financial position
  - Net cash MSEK 5 747 (1 191)
- Net debt/EBITDA ratio at -0.64 (-0.12)
- Proposed distribution to shareholders of SEK 5.50 per share, in total BSEK 6.6:
  - A dividend of SEK 2.50 (2.40) per share
  - A distribution of SEK 3.00 per share through mandatory redemption

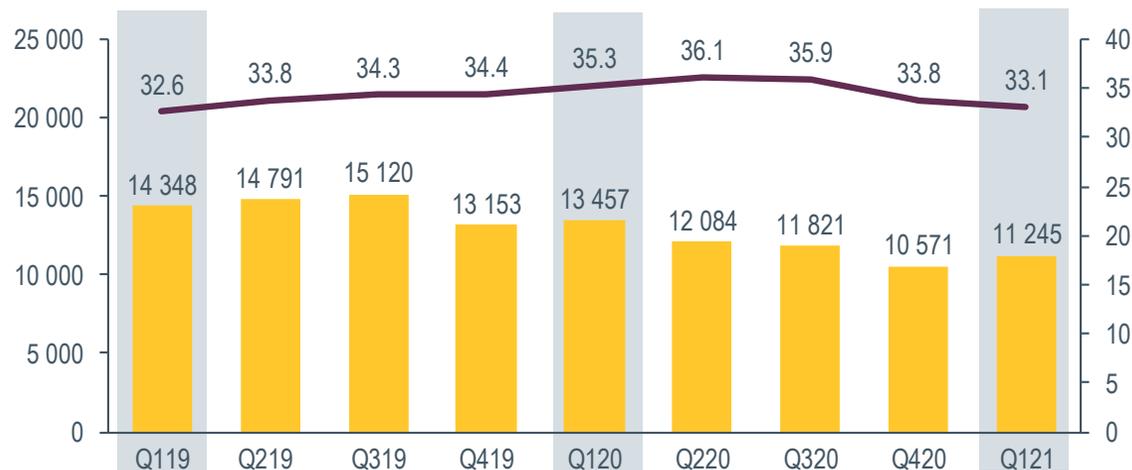
# Capital efficiency

Q1 2021

Net working capital was MSEK 11 245 (13 457)

- Down 16%, of which 6% currency

Net working capital

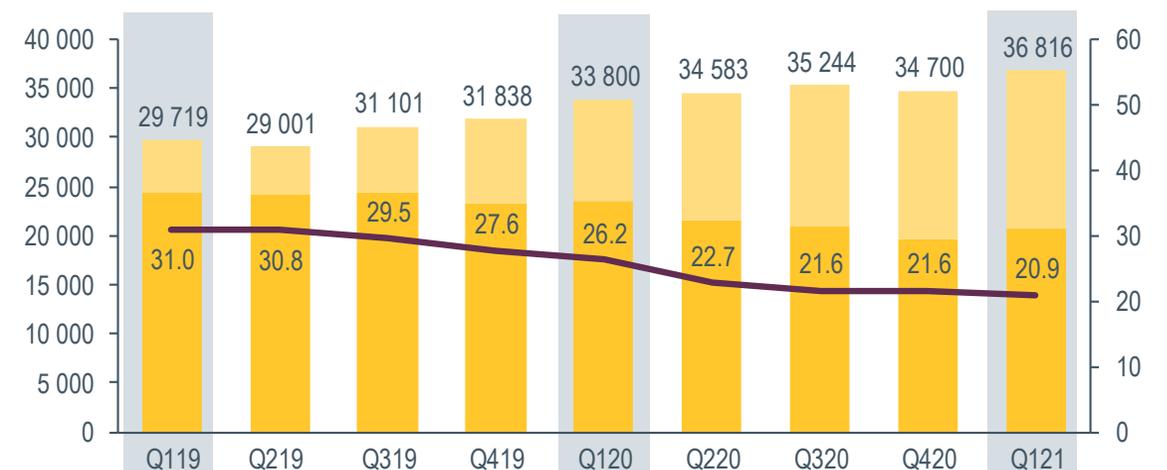


- Net working capital, % of revenues, 12 months
- Net working capital, period end

ROCE at 20.9% (26.2)

- Increased capital employed mainly due to accumulation of cash

Capital employed and ROCE

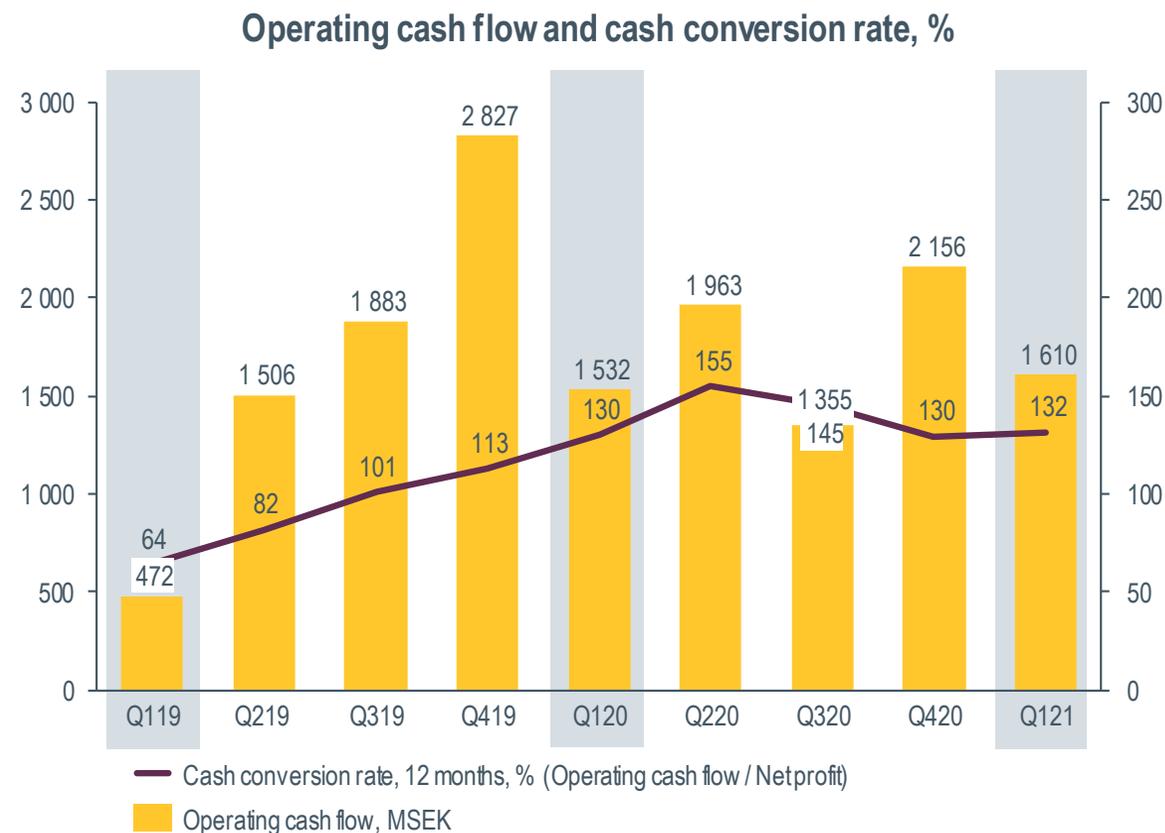


- Return on capital employed, %, 12 months
- Capital employed, cash, MSEK, period end
- Capital employed, ex cash, MSEK, period end

# Operating cash flow

## Q1 2021

MSEK	Q1 2021	Q1 2020
Operating profit	1 867	1 932
Depreciation, amortization and impairment	382	440
Capital gain/loss and other non-cash items	6	110
	<b>2 255</b>	<b>2 482</b>
Net financial items received/paid	235	263
Taxes paid	-471	-385
Change in working capital	-156	-519
Investments, incl. rental equipment*	-284	-279
Pension funding and other**	31	-30
<b>Operating cash flow</b>	<b>1 610</b>	<b>1 532</b>
Acquisitions and divestments	0	-15



\* 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.

# Record orders received

## Q1 summary



- High customer activity and investment willingness
- Several medium/large equipment orders and strong demand for automation and aftermarket
- Improved profitability and stable cash flow
- Improved sustainability KPIs
- We dare to think new
- Creating options for the future

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



**Save the date**

# **Capital Markets Day**

**December 1, 15:00 CET**

***See you online!***



Q&A



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to succeed today and the technology to lead tomorrow.

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