



Q1 2023

April 28, 2023

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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



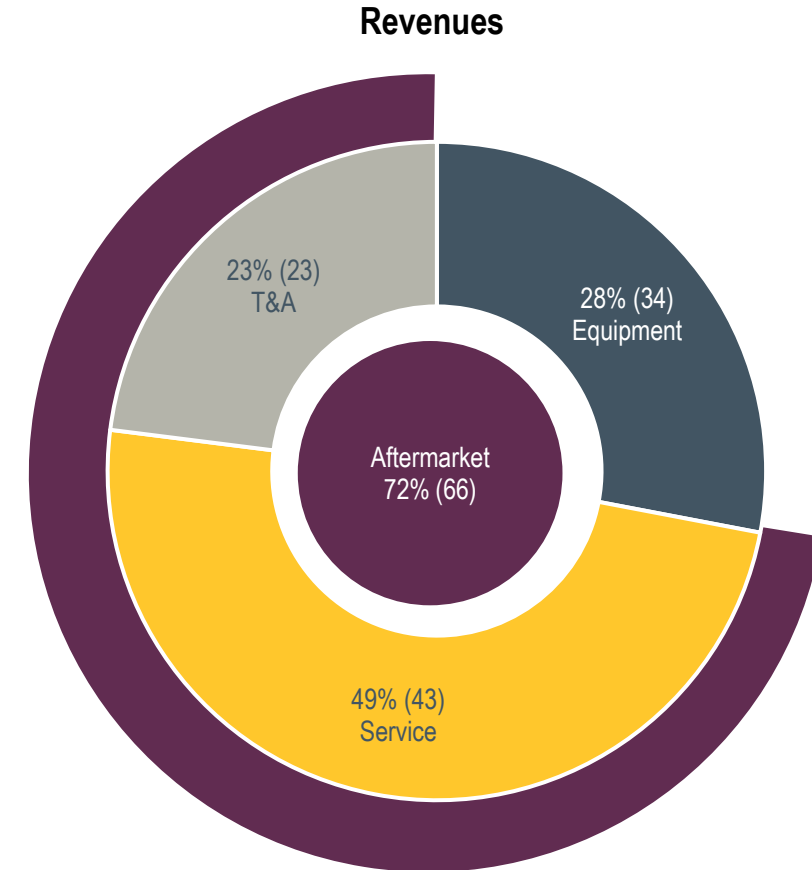
Epiroc has signed a long-term collaboration agreement with the global lunar resource development company ispace that will involve Epiroc contributing technology and solutions for commercial Moon missions.

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.

- 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

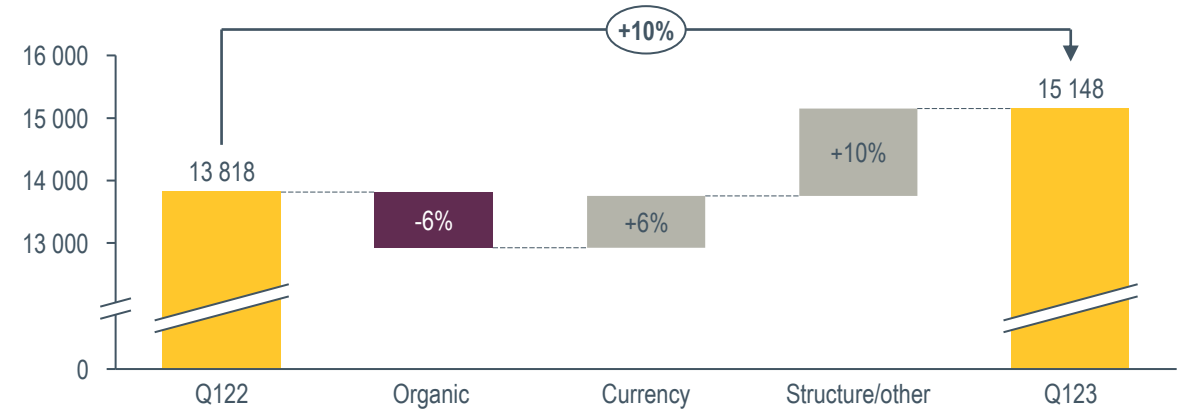
- CO₂e from operations lower
- CO₂e from transport higher
 - Higher volumes

Key financials

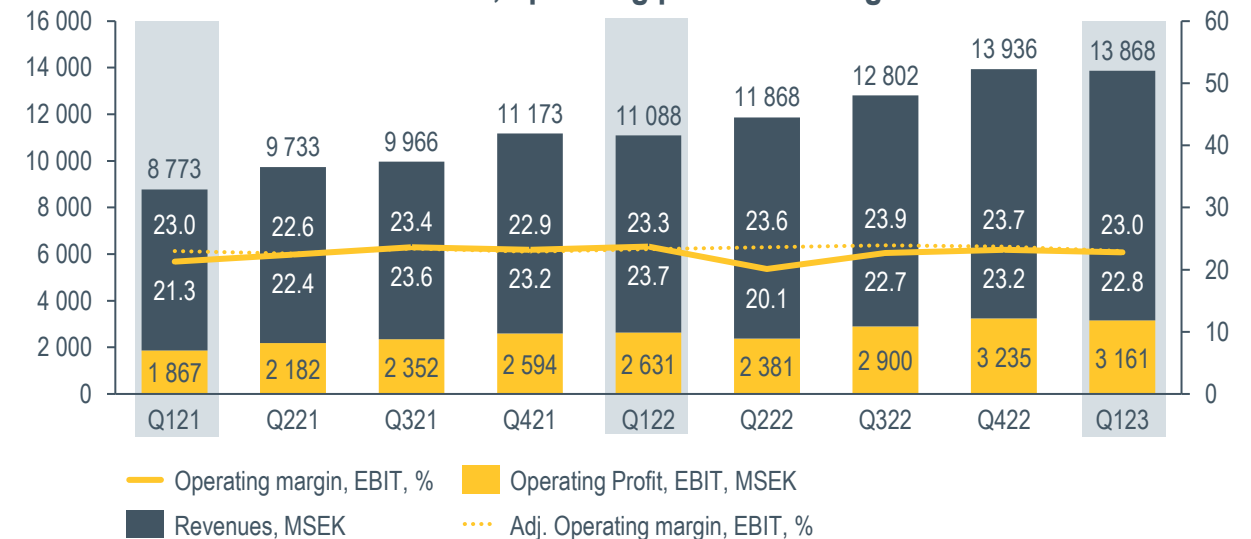


- Orders MSEK 15 148, -6% organic
 - Excl. Russia: organic +1%
 - Several large orders
- Revenues MSEK 13 868, +8% organic
- Operating profit, EBIT, MSEK 3 161 (2 631)
 - LTIP MSEK -26 (43)
- Adjusted EBIT margin 23.0% (23.3)
 - Reported EBIT margin 22.8% (23.7)
- Operating cash flow of MSEK 338 (867)

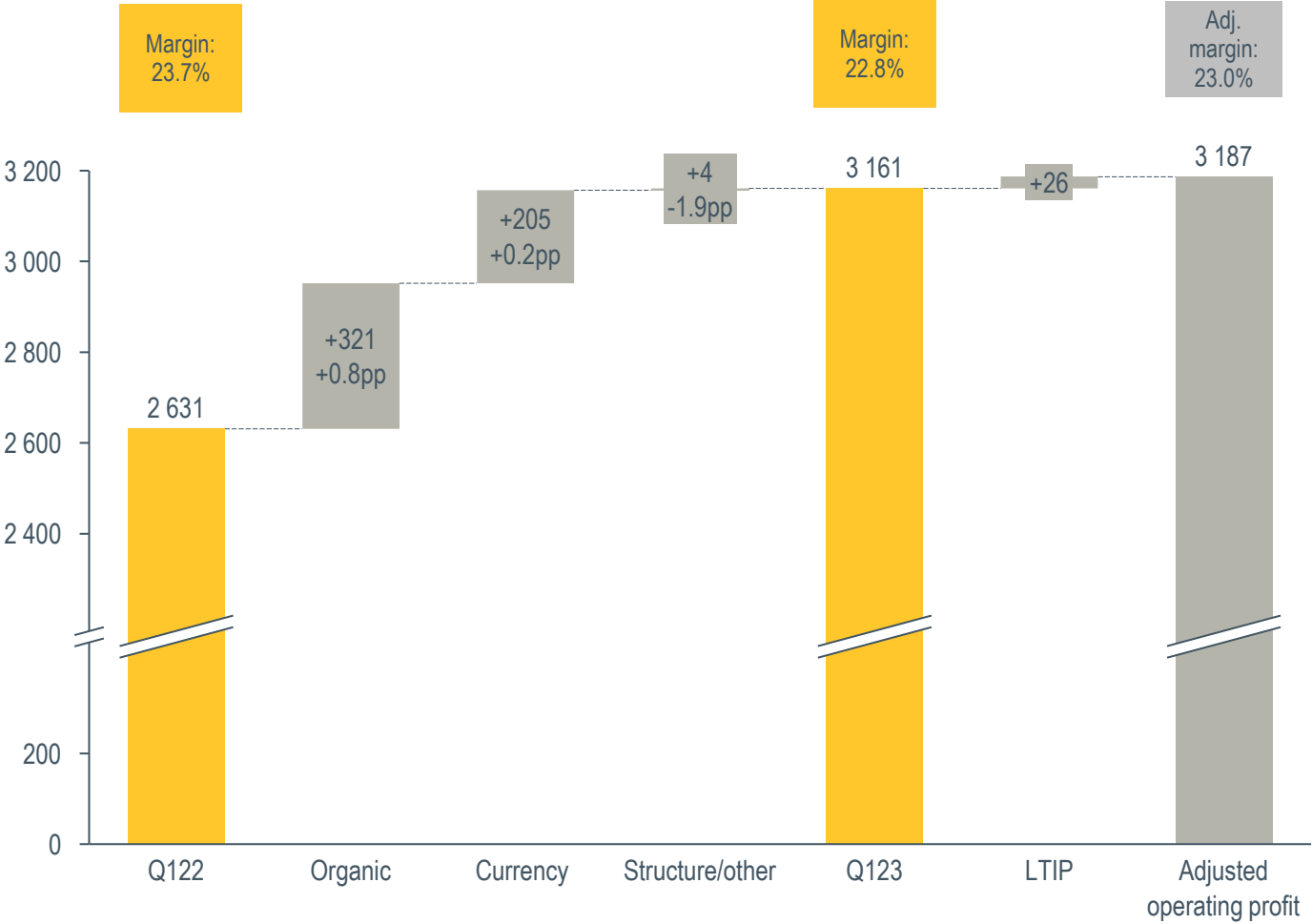
Orders received, MSEK and change, %



Revenues, operating profit and margin



Epiroc Group: Profit bridge



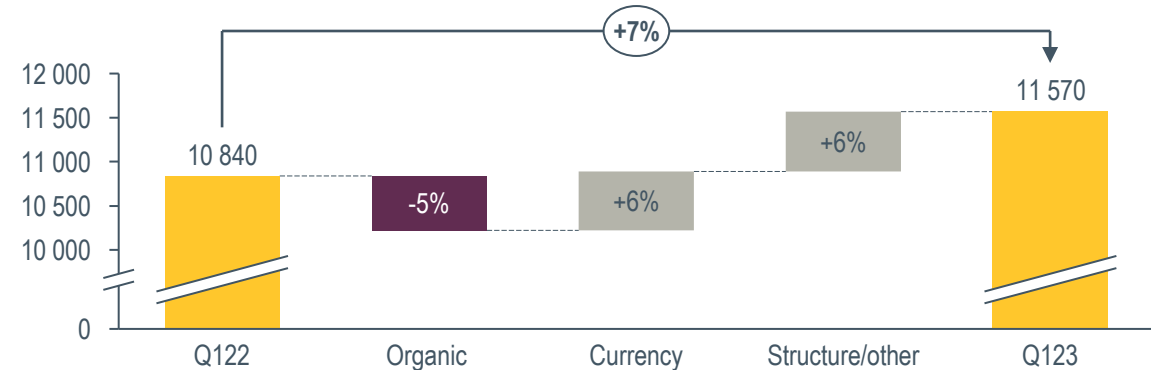
Q1 2023



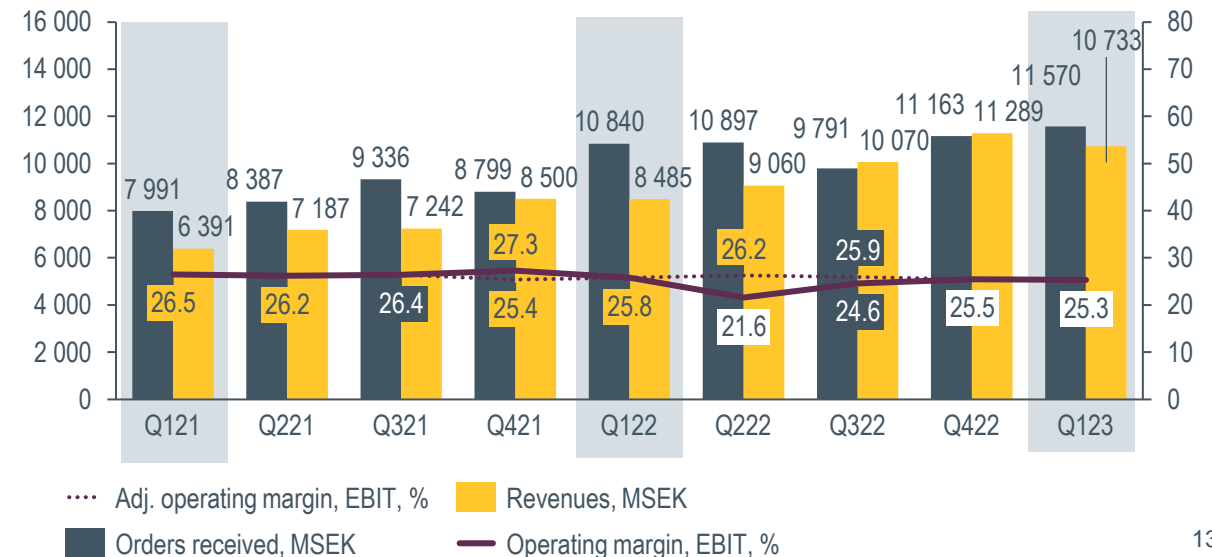
Segment: Equipment & Service

- 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)

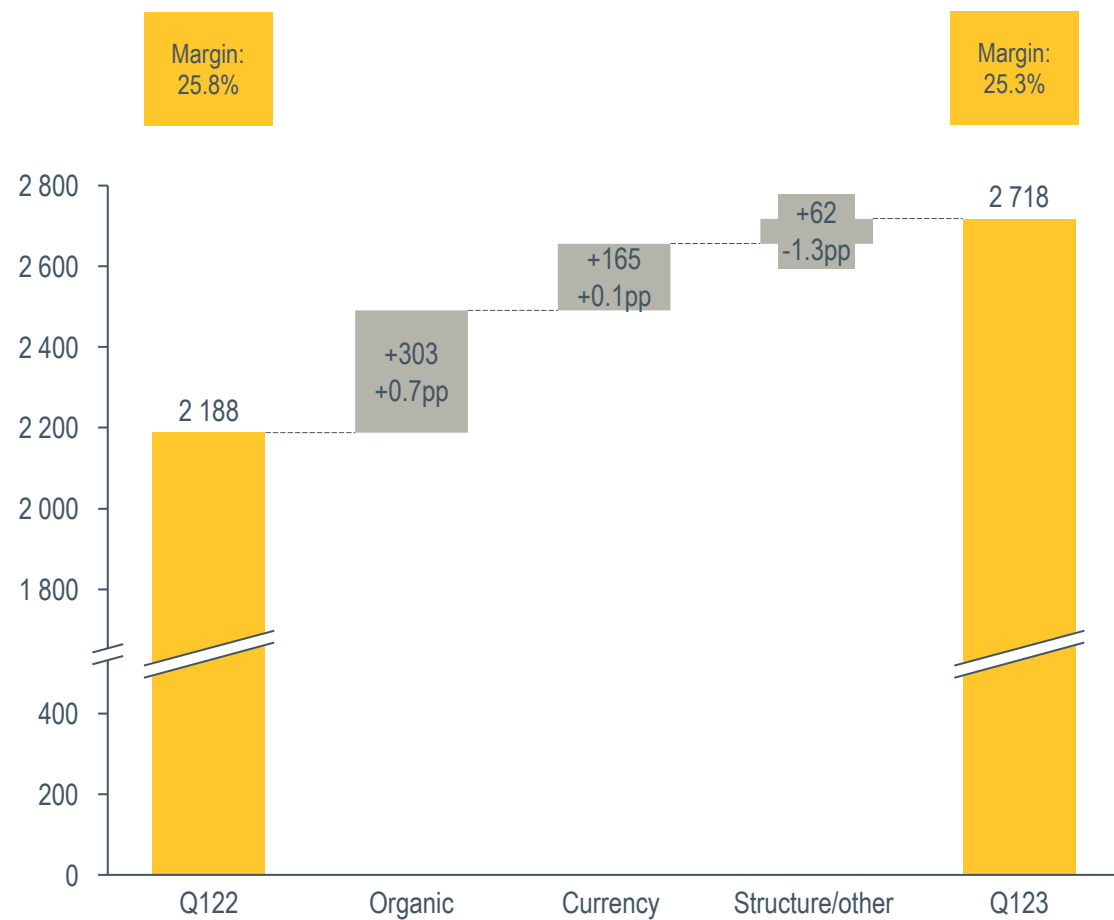
Orders received, MSEK and change, %



Orders received, revenues and operating margin



Equipment & Service: Profit bridge

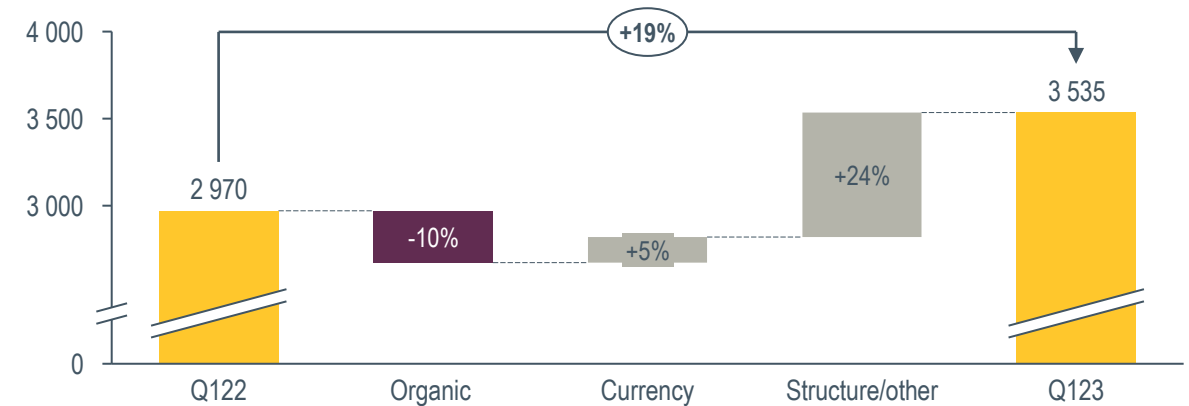


Segment: Tools & Attachments

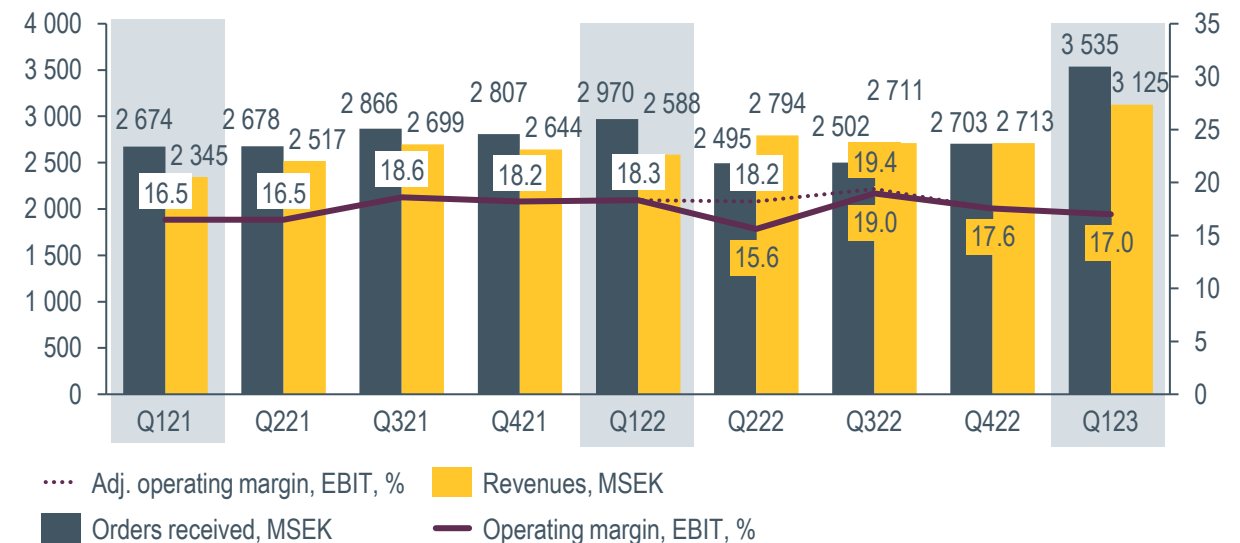


- Orders received MSEK 3 535, -10% organic
 - T&A excl. Russia, -7% organic
- Acquisitions +24%
 - of which 13ppt was orders-on hand from CR
- Revenues MSEK 3 125, +3% organic
- Operating profit, EBIT, MSEK 532 (474)
 - EBIT margin of 17.0% (18.3)

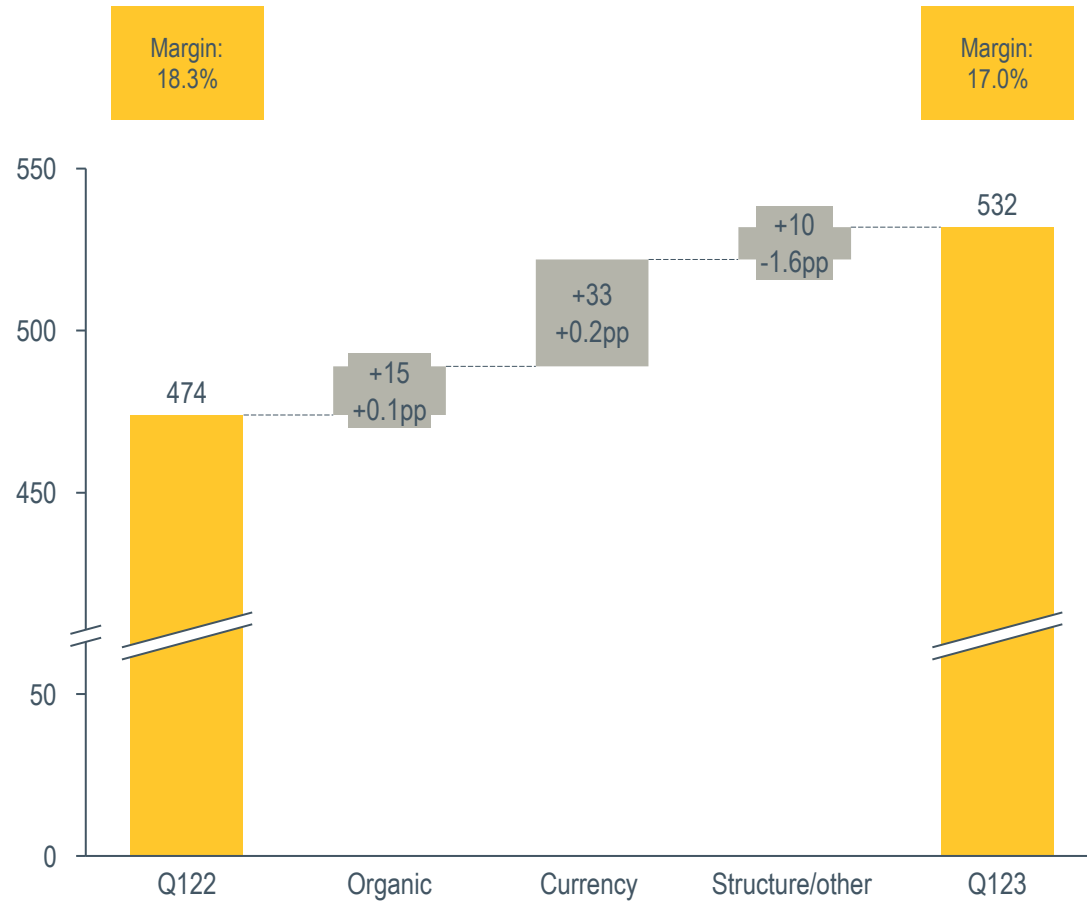
Orders received, MSEK and change, %



Orders received, revenues and operating margin

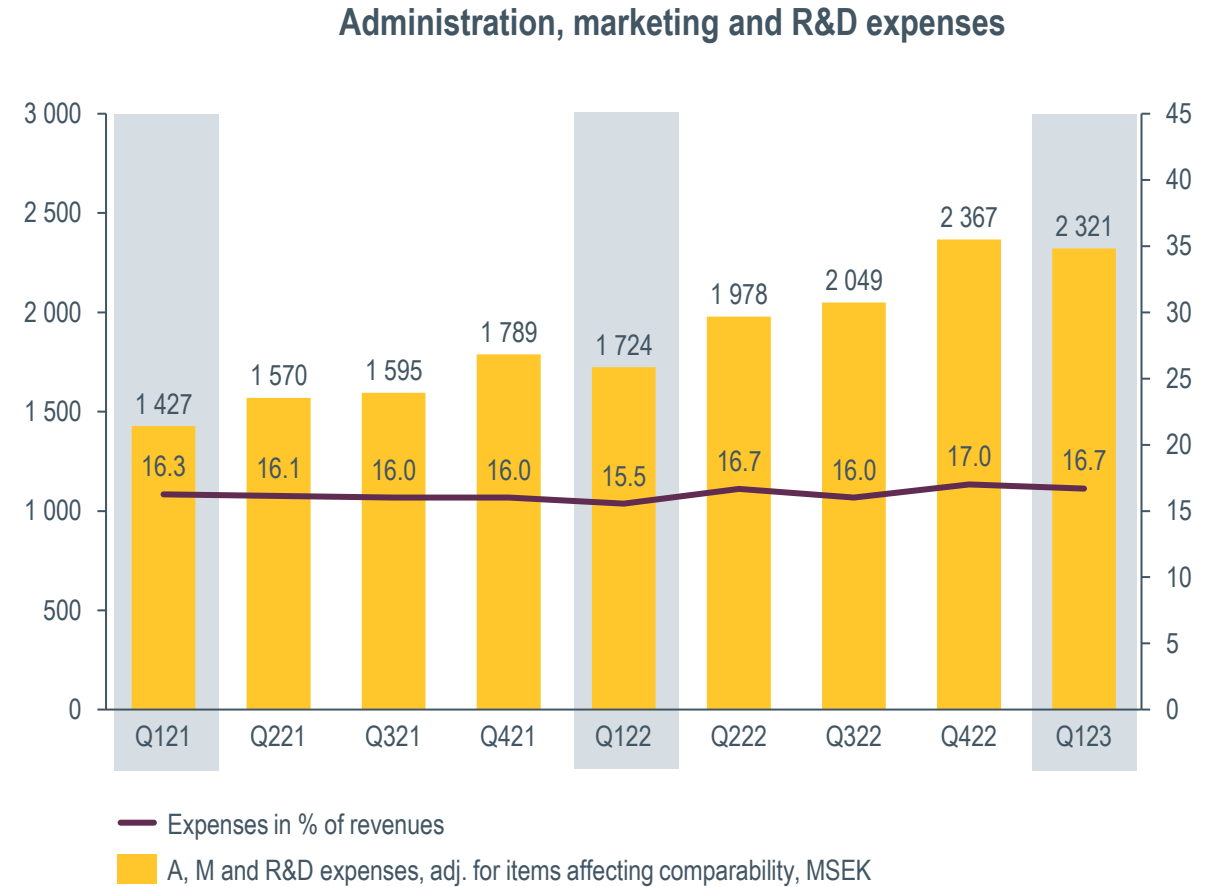


Tools & Attachments: Profit bridge



Costs, net financials and tax

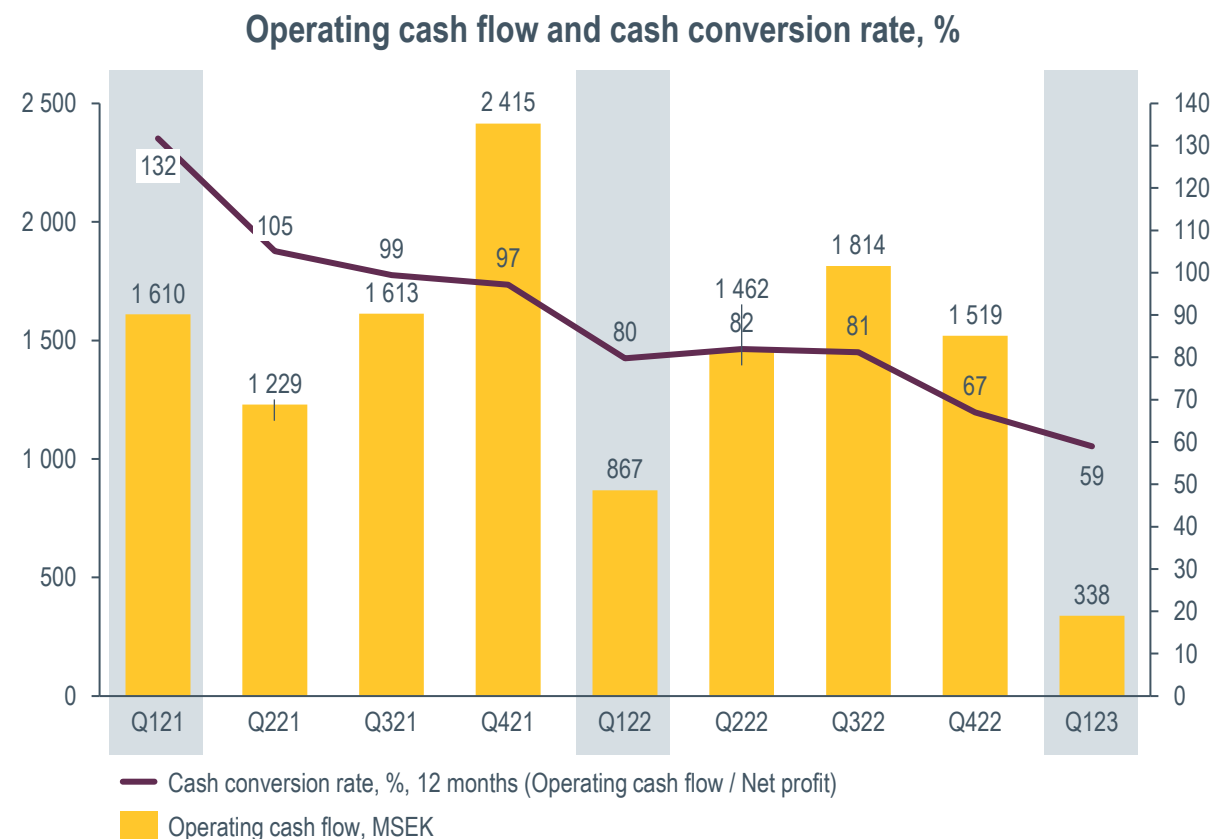
- Cost control
 - R&D investments at all-time high
 - Growth and high activity levels
- Net financial items MSEK -197 (-67)
 - Interest net MSEK -89 (-16)
- Tax expense MSEK -671 (-564)
 - Effective tax rate 22.6% (22.0)



Operating cash flow



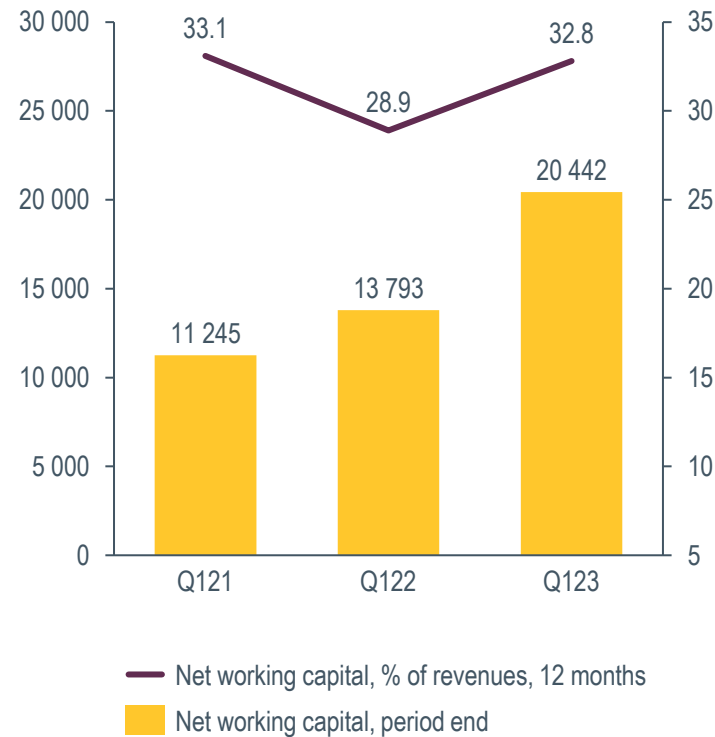
MSEK	Q1 23	Q1 22
Operating profit	3 161	2 631
Depreciation, amortization and impairment	635	466
Capital gain/loss and other non-cash items	-226	-196
Net financial items received/paid	42	-269
Taxes paid	-922	-639
Change in working capital	-1 839	-1 169
Investments, incl. rental equipment*	-430	-311
Pension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



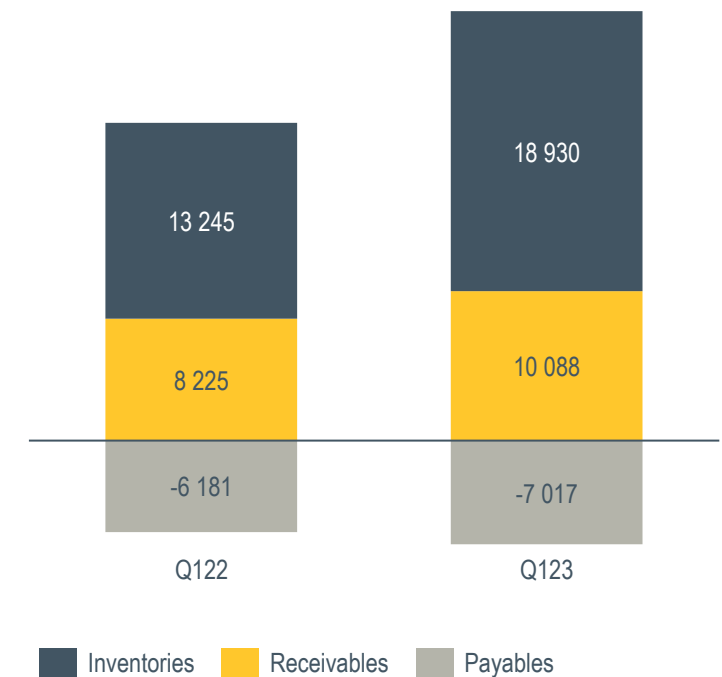
Working capital

- 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



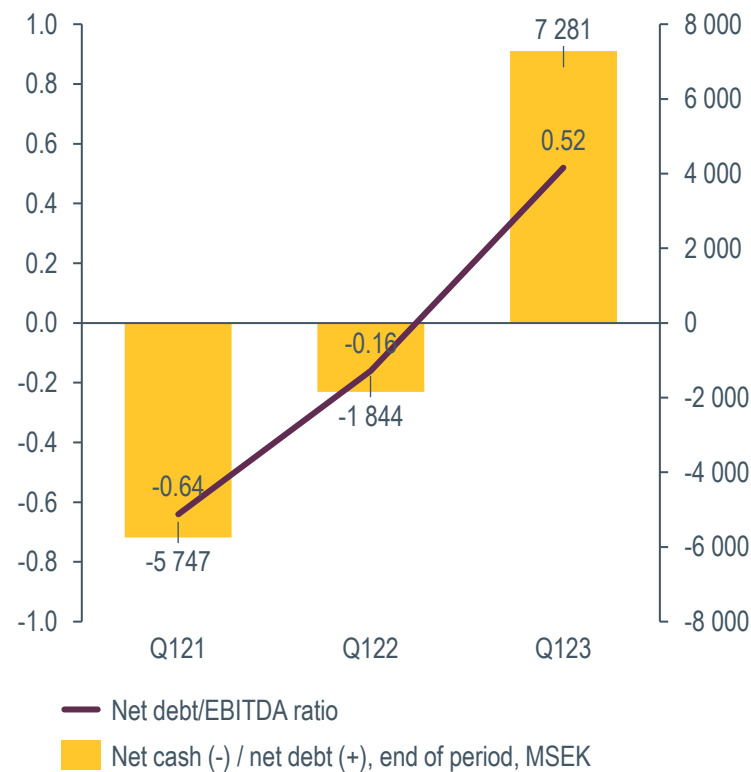
Working capital



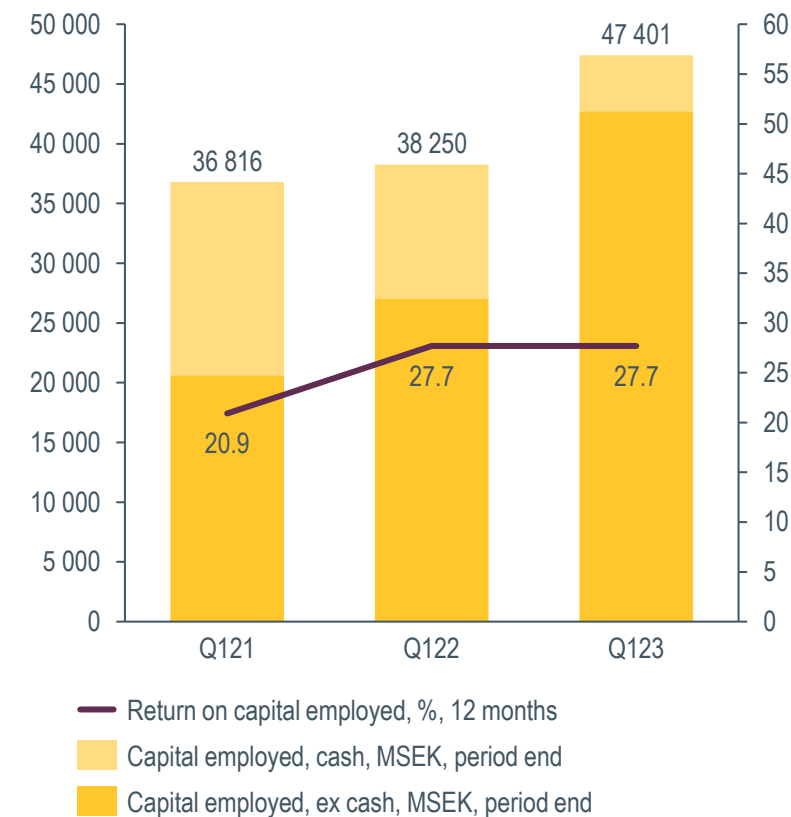
Capital efficiency

- 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

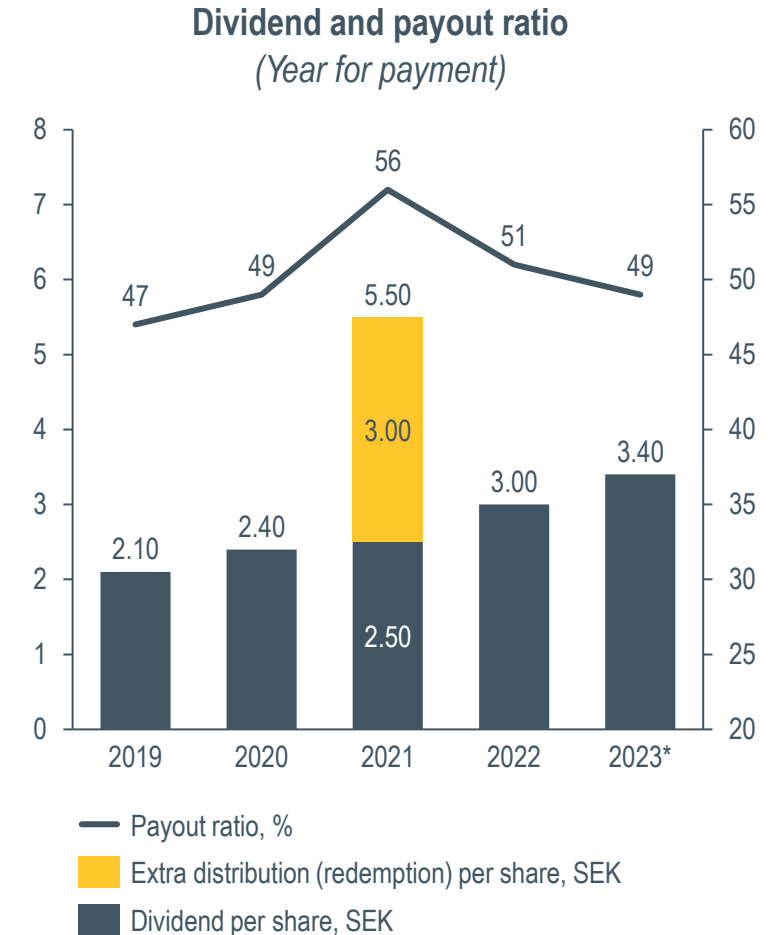


Capital employed and ROCE



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)



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



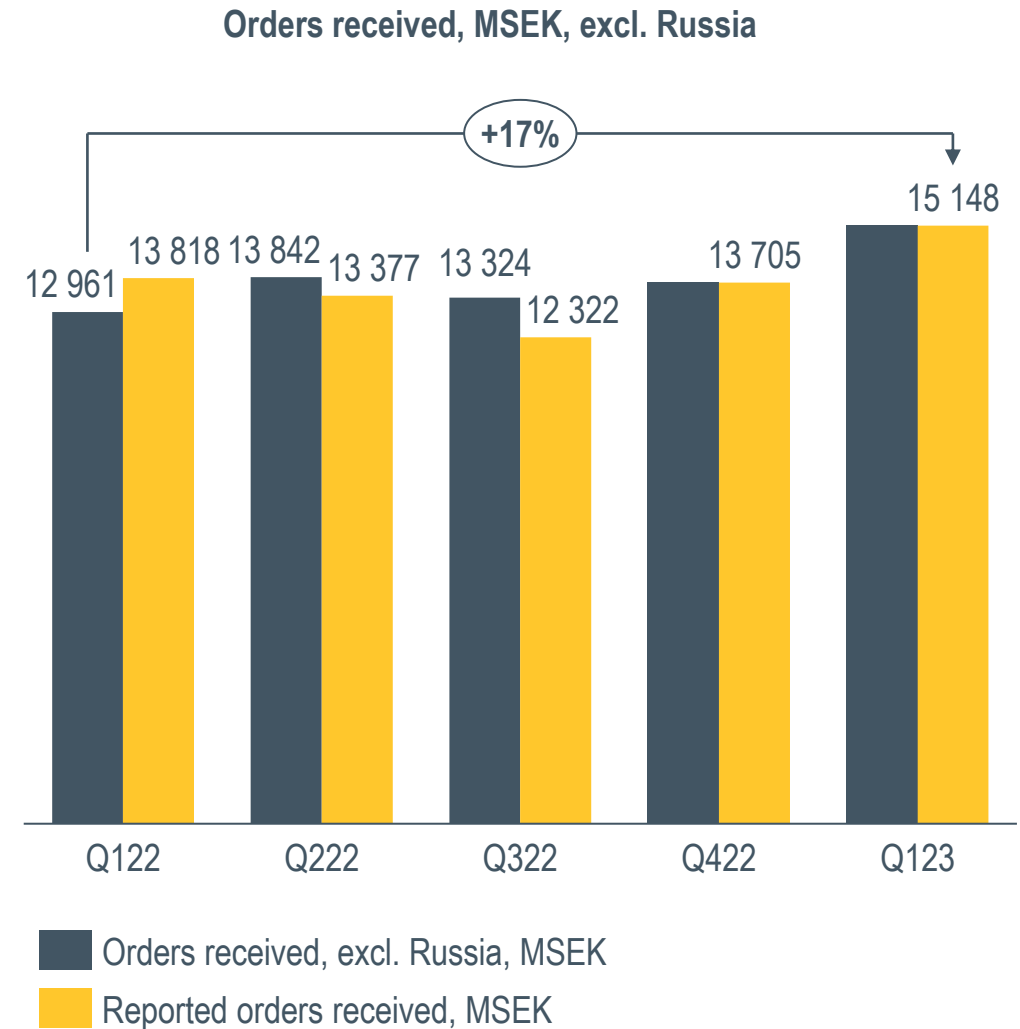
“We expect that underlying demand, both for equipment and aftermarket, will remain at a high level in the near term.”

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



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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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