Interim report Q1 2024

April 23, 2024

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On the cover: When it comes to fuel efficiency, the SmartROC T40 consumes less diesel than any other rig in its class. It's a great performer, even under the toughest drilling conditions.

Epiroc interim report Q1

- Orders received decreased -4% to MSEK 14 162 (14 715*). The organic decrease was -3%.
    - Large orders amounted to MSEK 400 (900).
- Revenues increased 2% to MSEK 14 143 (13 868), organic increase of 3%.
- Operating profit decreased -13% to MSEK 2 760 (3 161). Items affecting comparability amounted to MSEK -127 (-26), including transaction and integration costs related to the acquisition of Stanley Infrastructure and change in provision for the share-based long-term incentive programs of MSEK -2 (-26).** The operating margin was 19.5% (22.8).
- The adjusted operating profit was 2 887 (3 187), corresponding to an adjusted operating margin of 20.4% (23.0).
- Basic earnings per share were SEK 1.66 (1.90).
- Operating cash flow increased to MSEK 1 778 (338).
- The acquisition of Stanley Infrastructure was completed on April 1.***

Financial overview

MSEK	2024 Q1	2023 Q1	Δ,%
Orders received	14 162	14 715	-4
Revenues	14 143	13 868	2
EBITA	2 976	3 374	-12
EBITA, margin, %	*21.0*	*24.3*	
Operating profit, EBIT	2 760	3 161	-13
Operating margin, EBIT, %	*19.5*	*22.8*	
Profit before tax	2 644	2 964	-11
Profit margin, %	*18.7*	*21.4*	
Profit for the period	2 010	2 293	-12
Operating cash flow	1 778	338	426
Basic earnings per share, SEK	1.66	1.90	-12
Diluted earnings per share, SEK	1.66	1.90	-12
Return on capital employed, %, 12 months	*24.5*	*27.7*	
Net debt/EBITDA, ratio	0.39	0.52	

* As from January 1, 2024, Epiroc will not include orders on hand (order book) in orders received when acquiring companies. The previously reported orders received in the first quarter 2023 of MSEK 15 148 included orders on hand from acquired companies of MSEK 433. All figures in this report have been restated, unless otherwise stated.

** For further information, see page 6.
*** See page 22.

CEO comments

Mixed demand, with solid mining activity
The underlying mining activity continued to be high in the quarter. However, the level of large orders received was lower than in the comparable period, MSEK 400 vs. MSEK 900. The orders received decreased to MSEK 14 162 (14 715), corresponding to an organic decline of -3%. The organic order growth for service was strong at 9%, supported by mid-life upgrades and strong demand for mixed-fleet automation. On the construction side, the demand for hydraulic attachments remained weak. Demand within tunneling and infrastructure was stable.

Sequentially, compared to the previous quarter, we achieved 2% organic growth, driven by the higher order intake for service and rock drilling tools.

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 remain soft.

Increasing the focus on profitability
Our revenues increased 3% organically to MSEK 14 143 (13 868). Adjusted for items affecting comparability, mainly transaction and integration costs for acquisitions, the adjusted operating profit was MSEK 2 887 (3 187). This corresponds to an adjusted operating margin of 20.4% (23.0). The lower margin is mainly explained by higher costs and negative mix effects, such as a lower proportion of service and attachments revenues.

Several measures have been taken to strengthen efficiency and profitability. Costs were higher than in the first quarter 2023, but sequentially, we have already achieved structural savings. Further measures will be taken throughout the organization. For example, we will increase efficiency within our service operations as well as in our manufacturing entities.

Cash flow and working capital
Operating cash flow increased to MSEK 1 778 (338). The improvement in cash flow is mainly explained by a better working capital development compared to the first quarter in previous year. The working capital is still at levels that we are not satisfied with, mainly due to high inventories of finished goods of equipment (machines ordered by, and on its way to, customers around the world).

We are increasing capacity in customer centers to speed up final modifications to shorten delivery time and improve invoicing.

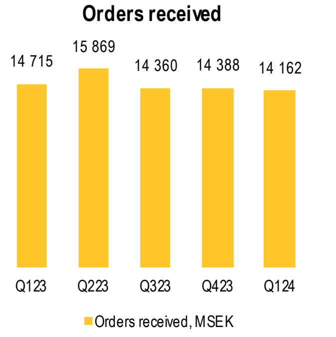
Positioning for growth in hydraulic attachments
On April 1, we finalized the acquisition of Stanley Infrastructure, with revenues in 2023 of MSEK 4 700 and 1 380 employees. This acquisition strengthens our position in hydraulic attachments, especially in the United States, and positions us well to grasp future growth opportunities in construction and urban development.

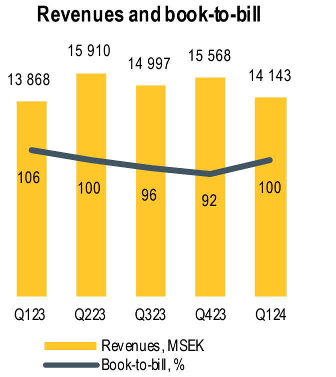
Leaders in safety
With our Collision Avoidance System Level 9 (CAS 9), the market's highest level of collision prevention system, we help customers save lives. It is a proactive intervention system that takes control of a vehicle in dangerous situations and intervenes if the operator fails to act in response to warnings. In the quarter, we won our largest order this far for this solution, at MSEK 36.

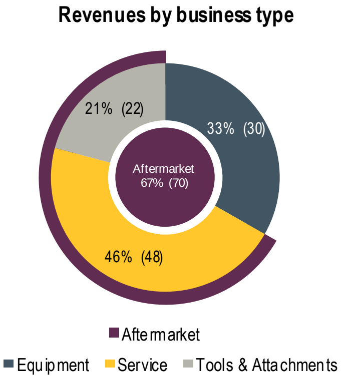
We are committed to improve safety and productivity for our customers and CAS 9 is only one of several examples of how our digitalization solutions enable this. We are proud to be leading the way, and we have an exciting journey ahead of us.

Helena Hedblom
President and CEO

Orders and revenues







Financial overview

MSEK	2024 Q1	2023 Q1	Δ,%
Orders received	14 162	14 715	-4
Revenues	14 143	13 868	2
EBITA	2 976	3 374	-12
EBITA, margin, %	*21.0*	*24.3*	
Adj. operating profit, EBIT	2 887	3 187	-9
Adj. operating profit, EBIT, %	*20.4*	*23.0*	
Operating profit, EBIT	2 760	3 161	-13
Operating margin, EBIT, %	*19.5*	*22.8*	

Orders received

Orders received decreased -4% to MSEK 14 162 (14 715). The organic decrease was -3%. The customer activity remained high in mining. On the construction side, the demand remained weak, especially for hydraulic attachments. Structure and currency impacted the growth with 2% and -3%, respectively. In the quarter, acquisitions contributed with 2%.

Compared to the previous year, orders received in local currency increased in South America and Europe, while it decreased in all other regions. The strongest growth was achieved in South America, which grew by double digits, supported by a large order.

Mining customers represented 79% (81) of orders received in the quarter and construction customers 21% (19).

Sequentially, compared to the previous quarter, orders received increased 2% organically.

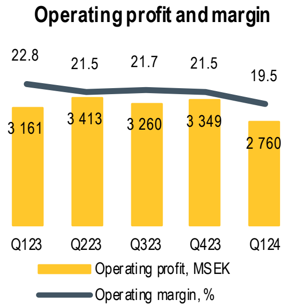
Revenues

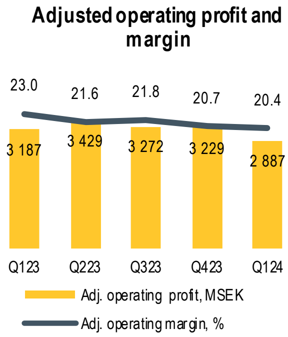
Revenues increased by 2% to MSEK 14 143 (13 868), corresponding to an organic growth of 3%. Acquisitions impacted revenues positively with 2% while currency impacted negatively with -3%. The book-to-bill ratio was 100% (106).

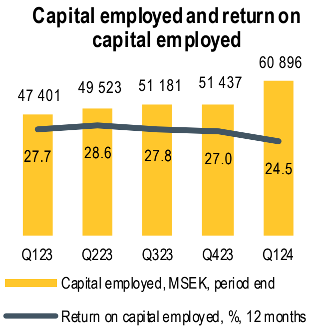
The aftermarket represented 67% (70) of revenues in the quarter.

Sales Bridge	Orders received	Revenues
	MSEK,Δ,%	MSEK,Δ,%
Q1 2023	**14 715**	**13 868**
Organic	-3	3
Currency	-3	-3
Structure/other	2	2
Total	-4	2
Q1 2024	**14 162**	**14 143**

Profits and returns







Profit bridge	Operating profit	
	MSEK,Δ	Margin,Δ,pp
Q1 2023	**3 161**	**22.8**
Organic	-362	-3.3
Currency	49	1.0
Structure/other*	-88	-1.0
Total	-401	-3.3
Q1 2024	**2 760**	**19.5**

** Includes operating profit/loss from acquisitions and divestments and items affecting comparability (incl. change in provision for share-based long-term incentive programs).*

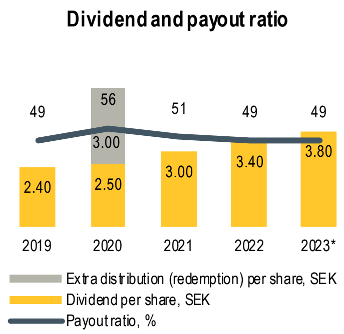
Operating profit, EBIT, decreased by -13% to MSEK 2 760 (3 161). Items affecting comparability amounted to MSEK -127 (-26), including transaction and integration costs of MSEK -125 related to the acquisition of Stanley Infrastructure and change in provision for the share-based long-term incentive programs of MSEK -2 (-26).

The operating margin, EBIT, was 19.5% (22.8). The adjusted operating margin, excluding items affecting comparability, was 20.4% (23.0). The margin was positively impacted by currency, while the organic contribution was negative. The lower margin is mainly explained by higher costs and negative mix effects, such as a lower proportion of service and attachments revenues. The dilution from acquisitions was -0.2 percentage points.

Net financial items amounted to MSEK -116 (-197), where the lower cost is mainly explained by exchange rate differences on financial items. Net interest increased to MSEK -128 (-89), explained by higher interest-bearing debt and an increased average interest rate.

Profit before tax was MSEK 2 644 (2 964). Income tax expense amounted to MSEK -634 (-671). The effective tax rate was 24.0% (22.6). Profit for the period totaled MSEK 2 010 (2 293). Basic earnings per share were SEK 1.66 (1.90). Return on capital employed was 24.5% (27.7), negatively impacted by the high cash position ahead of the Stanley infrastructure acquisition. The return on equity was 24.9% (27.7).

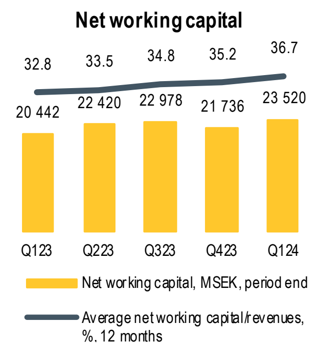
Dividend

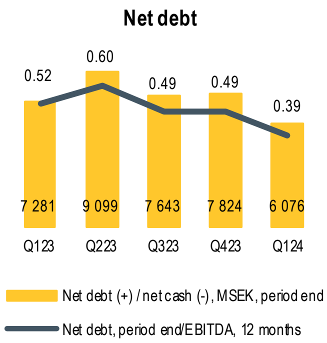


** Proposal by the Board.*

Dividend
The Board of Directors has proposed to the Annual General Meeting an ordinary dividend to shareholders of SEK 3.80 (3.40) per share, equal to MSEK 4 589 (4 103). The dividend is proposed to be paid in two equal installments with record dates May 16 and October 22, 2024.

Balance sheet





Net working capital

Compared to the previous year, net working capital increased 15% to MSEK 23 520 (20 442). The inventory is higher, mainly explained by an increase in finished goods of equipment. The average net working capital in relation to revenues in the last 12 months was 36.7% (32.8).

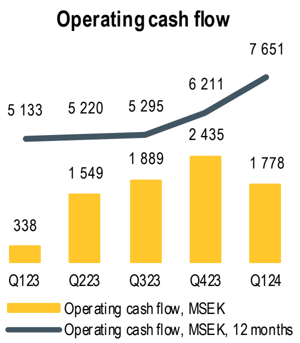
Net debt

Epiroc ended the quarter with a cash and cash equivalents position of MSEK 13 879 (4 587). In February, Epiroc issued a bond with a 7-year tenor amounting to MEUR 500 (BSEK 5.6), which explains the increase in cash. The net debt was MSEK 6 076 (7 281), supported by higher operating cash flow. The net debt/EBITDA ratio was 0.39 (0.52).

The average tenor of Epiroc's long-term debt was 4.8 years. The average interest duration is 25 months (15) and the average interest rate at the end of the quarter was 4.80% (3.55).

On April 1, Epiroc finalized the acquisition of Stanley Infrastructure and paid BSEK 8.2. The net debt/EBITDA ratio post the acquisition remains below 1.0. On April 10, Epiroc signed a MSEK 4 000 revolving credit facility. The facility has a maturity of five years with two one-year extension options and replaces an existing facility with the same value.

Cash flow



Operating cash flow

Operating cash flow increased to MSEK 1 778 (338). Compared to the previous year, it was positively impacted by mainly a lower build-up of working capital. Working capital impacted negatively with MSEK -643 (-1 839).

Acquisitions and divestments

The net cash flow from acquisitions and divestments was MSEK 0 (-3 279).

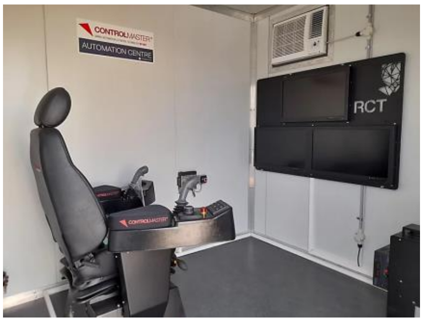
Leading productivity and sustainability partner

Innovations, acquisitions, and partnerships strengthen Epiroc's position as a leading global productivity and sustainability partner. Below are some highlights from the quarter.

Acquisitions – Creating options for the future
No acquisition was announced or completed in the first quarter.
On April 1, Epiroc completed the acquisition of Stanley Infrastructure.
See page 22.

- **Stanley Infrastructure** manufactures attachments and handheld hydraulic and battery-powered tools for applications in infrastructure and strengthens Epiroc's construction business, especially in North America.

Partnership – Strengthened partnership with Dumas
In the quarter, Epiroc won a large order, MSEK 200, for underground equipment and related services and solutions in Mexico from Canadian mining services provider Dumas Contracting Ltd. Dumas, a subsidiary of STRACON Group, is a leading provider and contractor of state-of-the-art underground and surface mining services throughout the Americas.

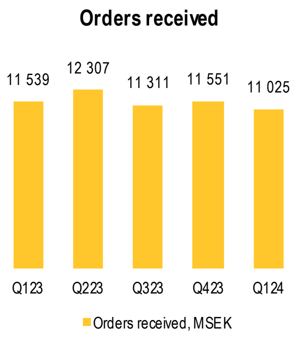


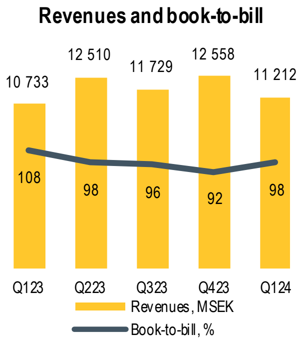
Partnership - Agnostic machine control for Barminco
Epiroc's RCT automation solution has been selected as the preferred automation solution by Barminco, a subsidiary of the global mining services group Perenti. Due to the quick set-up times and ease of use for operators, RCT's agnostic automation solutions can already be found at many of Barminco's operations throughout the Goldfields region in Australia.

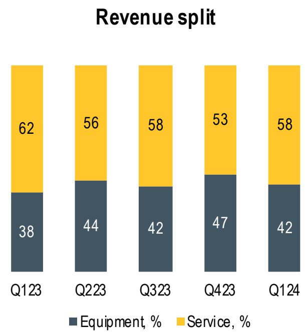
Batteries with Service
The transition to BEVs (battery-electric vehicles) is accelerating as mining companies discover advantages such as higher productivity, less maintenance needs and no emissions. The latest addition to the electrification portfolio is a new type of service agreement, "Batteries with Service", which offers the same benefits as Batteries as a Service (BaaS), such as battery telematics, equipment audits and extended warranties, but with the difference being that the customers, instead of Epiroc, own the batteries.

Equipment & Service

Equipment & Service provides rock drilling equipment, equipment for rock excavation, rock reinforcement, loading and haulage, ventilation systems, drilling equipment for exploration, water and energy, exploration tools and solutions, as well as related spare parts and service for the mining and construction industries. The segment also provides solutions for automation, digitalization and electrification.







Financial overview

MSEK	2024 Q1	2023 Q1	Δ,%
Orders received	11 025	11 539	-4
Revenues	11 212	10 733	4
EBITA	2 685	2 901	-7
EBITA, margin, %	*23.9*	*27.0*	
Adj. operating profit, EBIT	2 503	2 718	-8
Adj. operating profit, EBIT, %	*22.3*	*25.3*	
Operating profit, EBIT	2 503	2 718	-8
Operating margin, EBIT, %	*22.3*	*25.3*	

Orders received

Orders received decreased -4% to MSEK 11 025 (11 539). The organic decrease was -2% and currency impacted negatively with -3%. Acquisitions contributed with 1%.

Compared to the previous year, orders received in local currency increased in South America, North America and Europe, while it decreased in Africa/Middle East and in Asia/Australia. The strongest growth was achieved in South America, which grew high double digit, supported by a large order.

For equipment, orders received amounted to MSEK 4 404 (5 151), corresponding to an organic decrease of -16%. The large orders, i.e. orders above MSEK 100, totaled MSEK 400 (900). The share of orders from equipment was 40% (45).

For service, orders received increased 4% to MSEK 6 621 (6 388). The organic growth was 9% and reflected a continued high activity level, a good demand for mid-life upgrades and digital solutions, including mixed-fleet automation solutions. The share of orders from service was 60% (55).

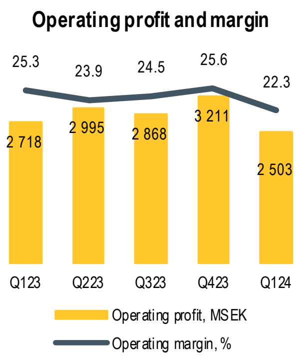
Sequentially, orders received decreased -1% organically for the segment.

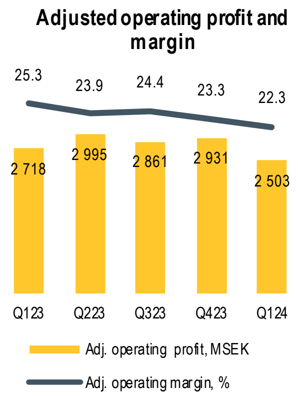
Revenues

Revenues increased 4% to MSEK 11 212 (10 733), corresponding to an organic growth of 6%. Acquisitions contributed with 1% while currency impacted negatively with -3%. Equipment revenues increased 13% organically, while service revenues increased 2% organically. The share of revenues from service was 58% (62). The book-to-bill ratio was 98% (108).

Equipment & Service

Sales Bridge	Equipment & Service Orders received	Equipment & Service Revenues	Equipment Orders received	Equipment Revenues	Service Orders received	Service Revenues
	MSEK,Δ,%	MSEK,Δ,%	MSEK,Δ,%	MSEK,Δ,%	MSEK,Δ,%	MSEK,Δ,%
Q1 2023	**11 539**	**10 733**	**5 151**	**4 120**	**6 388**	**6 613**
Organic	-2	6	-16	13	9	2
Currency	-3	-3	-3	-3	-3	-3
Structure/other	1	1	5	4	-2	-1
Total	-4	4	-14	14	4	-2
Q1 2024	**11 025**	**11 212**	**4 404**	**4 708**	**6 621**	**6 504**





Operating profit and margin

Operating profit, EBIT, decreased -8% to MSEK 2 503 (2 718). The operating margin, EBIT, was 22.3% (25.3), negatively impacted by higher costs, and negative mix effects, while it was supported by currency. The mix effects are explained by a higher share of equipment revenues and a negative mix effect within service. The dilution from acquisitions was -0.1 percentage points.

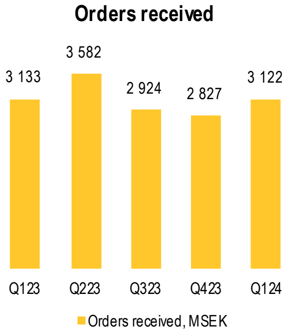
Profit bridge	Operating profit	
	MSEK,Δ	Margin,Δ,pp
Q1 2023	**2 718**	**25.3**
Organic	-273	-4.1
Currency	59	1.3
Structure/other	-1	-0.2
Total	-215	-3.0
Q1 2024	**2 503**	**22.3**

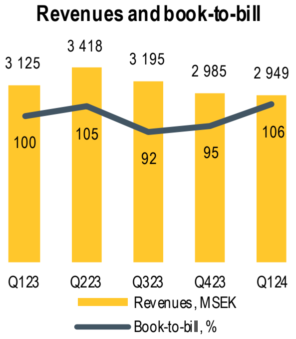
Organizational changes

On April 1, 2024, Wayne Symes assumed the role as President of the Underground division.

Tools & Attachments

Tools & Attachments provides rock drilling tools, ground engaging tools and hydraulic attachments that are attached to machines used mainly for drilling, deconstruction and recycling as well as rock excavation. It also provides related service, spare parts and digital solutions, and serves the mining and construction industries.





Financial overview

MSEK	2024 Q1	2023 Q1	Δ,%
Orders received	3 122	3 133	0
Revenues	2 949	3 125	-6
EBITA	369	561	-34
EBITA, margin, %	*12.5*	*18.0*	
Adj. operating profit, EBIT	460	532	-14
Adj. operating profit, EBIT, %	*15.6*	*17.0*	
Operating profit, EBIT	335	532	-37
Operating margin, EBIT, %	*11.4*	*17.0*	

Orders received

Orders received was flat and amounted to MSEK 3 122 (3 133), corresponding to an organic decrease of -1%. The demand from mining customers was high, which was reflected in the orders received for rock drilling tools. The demand from construction customers, on the other hand, remained weak, impacting mainly the hydraulic attachments business negatively. Structure and currency impacted the growth with 3% and -2%, respectively. In the quarter, acquisitions contributed with 3%.

Compared to the previous year, orders received in local currency, including acquisitions, decreased in all regions except Africa/Middle East.

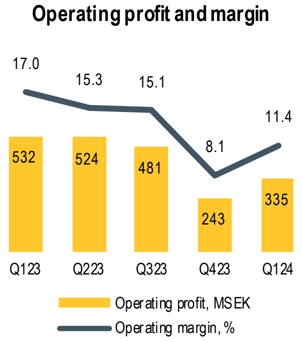
Sequentially, orders received increased 14% organically for the segment, supported by high demand for rock drilling tools.

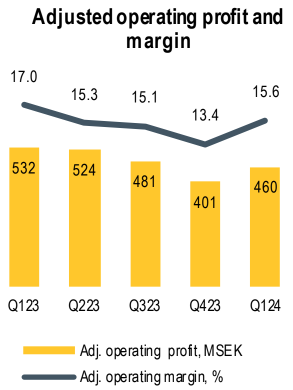
Revenues

Revenues decreased -6% to MSEK 2 949 (3 125), corresponding to an organic decrease of -8%. Acquisitions contributed with 4% while currency impacted revenues negatively with -2%. The book-to-bill ratio was 106% (100).

Sales Bridge	Orders received	Revenues
	MSEK,Δ,%	MSEK,Δ,%
Q1 2023	**3 133**	**3 125**
Organic	-1	-8
Currency	-2	-2
Structure/other	3	4
Total	-	-6
Q1 2024	**3 122**	**2 949**

Tools & Attachments





Operating profit and margin

Operating profit, EBIT, decreased -37% to MSEK 335 (532) It includes items affecting comparability of MSEK -125 relating to transaction and integration costs for acquisitions. The adjusted operating profit was MSEK 460 (532), corresponding to a margin of 15.6% (17.0). The margin was negatively impacted by product mix and underabsorption from lower revenues from the hydraulic attachment business. The dilution from acquisitions was -0.2 percentage points.

Profit bridge	Operating profit	
	MSEK,Δ	Margin,Δ,pp
Q1 2023	**532**	**17.0**
Organic	-73	-0.8
Currency	-14	-0.1
Structure/other	-110	-4.7
Total	-197	-5.6
Q1 2024	**335**	**11.4**

Acquisitions

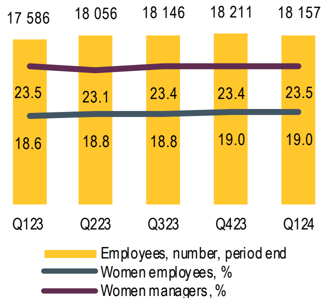
On April 1, 2024, Epiroc completed the acquisition of Stanley Infrastructure. See page 22.

Organizational changes

Epiroc will from May 1, 2024, split the Tools & Attachments division into two divisions: the Tools division and the Attachments division. Martin Hjerpe, currently SVP M&A, Strategy and Supply Chain, will become President of the Tools division. Goran Popovski, currently President of the Tools & Attachments division, will become President of the Attachments division. The external reporting segment “Tools & Attachments” will not change, only comprise two divisions instead of one.

Sustainability: People & Planet

Employees and proportion of women

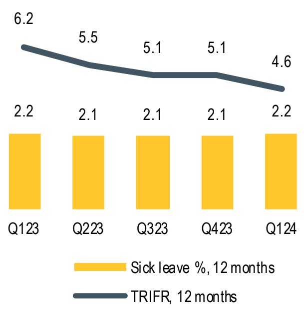


Employees

Compared to the first quarter 2023, the number of employees increased to 18 157 (17 586). External workforce amounted to 1 743 (1 722). For comparable units, the total workforce increased by 377 compared to the previous year. Sequentially, the number of employees decreased with approximately a hundred people, including additional workforce.

The proportion of women employees and women managers at the end of the period was 19.0% (18.6) and 23.5% (23.5), respectively.

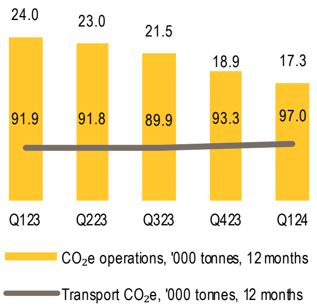
Sick leave and TRIFR



Safety and health

The total recordable injury frequency rate (TRIFR) per one million working hours the last 12 months decreased to 4.6 (6.2). Actions are continuously taken to reduce injuries. The sick leave was stable at 2.2% (2.2).

CO_2e emissions



CO_2e emissions from operations

The CO_2e emissions from operations for comparable units* the last 12 months decreased -28% to 17 266 (23 957) tonnes. The improvement is driven by several initiatives, including the installation of solar panels and a higher share of renewable electricity.

** Comparable units, base line, are production companies, distribution centers and our largest customer centers 2022.*

CO_2e emissions from transport

The CO_2e emissions from transport for comparable units* the last 12 months increased 5% to 96 987 (91 948) tonnes. The increase is mainly explained by higher volumes delivered.

** Comparable units, base line, are production companies and distribution centers in 2022.*

Other information

In the quarter

- 2024-02-22 – Epiroc made its first euro-denominated bond issuance, MEUR 500 (MSEK 5 600).
- 2024-03-07 – Epiroc published its Annual and Sustainability Report for 2023.
- 2024-03-11 – Epiroc announced it won a large order in Mexico, MSEK 200, from Canadian mining services provider Dumas Contracting Ltd. for underground mining equipment and related services and solutions.

After the period end

- 2024-04-01 – Wayne Symes assumed the role as President of the Underground division.
- 2024-04-01 – Epiroc AB completed the acquisition of Stanley Infrastructure. See page 22.
- 2024-05-01 – Epiroc will split the Tools & Attachments division into two: the Tools division and the Attachments division. Martin Hjerpe, currently SVP M&A, Strategy and Supply Chain, will become President of the Tools division. Goran Popovski, currently President of the Tools & Attachments division, will become President of the Attachments division.
- 2024-05-14 – Epiroc will host its Annual General Meeting in Sickla, Sweden; the notice has been published.
- 2024-09-24 – Epiroc will host a Capital Markets Day (CMD) for institutional investors, analysts, and financial media in Las Vegas, United States.

Key risks

Epiroc is exposed to strategic, operational, legal and compliance as well as financial risks. The key risks include climate change and environment, competition, geopolitical and regulatory, market, corruption and fraud, cyber security and information risk, employees, product development, production, reputation, safety and health, and supply chain. Further information on risks, opportunities and risk management can be found in Epiroc's Annual and Sustainability Report 2023.

Signature of the President

The President and CEO of Epiroc AB declares that the interim report gives a fair view of the business development, financial position and result of operation of the Parent Company and the consolidated Group and describes significant risks and uncertainties that the Parent Company and its subsidiaries are facing.

Nacka, Sweden, April 23, 2024

Helena Hedblom

President and CEO, Epiroc AB

The company's auditors have not reviewed this report.

Financial Statements

Condensed consolidated income statement

MSEK	2024 Q1	2023 Q1	2023 FY
Revenues	14 143	13 868	60 343
Cost of sales	-8 961	-8 272	-37 197
Gross profit	**5 182**	**5 596**	**23 146**
Administrative expenses	-1 124	-969	-4 105
Marketing expenses	-953	-926	-3 959
Research and development expenses	-461	-452	-1 930
Other operating income and expenses	116	-88	31
Operating profit	**2 760**	**3 161**	**13 183**
Net financial items	-116	-197	-948
Profit before tax	**2 644**	**2 964**	**12 235**
Income tax expense	-634	-671	-2 777
Profit for the period	**2 010**	**2 293**	**9 458**
Profit attributable to			
- owners of the parent	2 008	2 290	9 431
- non-controlling interests	2	3	27
Basic earnings per share, SEK	1.66	1.90	7.82
Diluted earnings per share, SEK	1.66	1.90	7.81

Condensed consolidated statement of comprehensive income

MSEK	2024 Q1	2023 Q1	2023 FY
Profit for the period	**2 010**	**2 293**	**9 458**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plans	99	-86	-387
Income tax relating to items that will not be reclassified	-23	18	81
Total items that will not be reclassified to profit or loss	**76**	**-68**	**-306**
Items that may be reclassified subsequently to profit or loss			
Translation differences on foreign operations	1 415	-296	-1 372
Cash flow hedges	-41	-78	-81
Income tax relating to items that may be reclassified	8	16	17
Total items that may be reclassified subsequently to profit or loss	**1 382**	**-358**	**-1 436**
Other comprehensive income for the period, net of tax	**1 458**	**-426**	**-1 742**
Total comprehensive income for the period	**3 468**	**1 867**	**7 716**
Total comprehensive income attributable to			
- owners of the parent	3 459	1 876	7 706
- non-controlling interests	9	-9	10

Condensed consolidated balance sheet

Assets, MSEK	2024 Mar 31	2023 Mar 31	2023 Dec 31
Intangible assets	16 184	15 966	15 843
Rental equipment	1 580	1 420	1 582
Other property, plant and equipment	6 334	5 754	6 032
Investments in associated companies and joint ventures	38	64	49
Other financial assets and other receivables	1 804	1 634	1 649
Deferred tax assets	1 597	1 729	1 509
Total non-current assets	**27 537**	**26 567**	**26 664**
Inventories	20 592	18 930	18 747
Trade receivables	10 607	10 088	10 455
Other receivables	3 131	3 331	3 093
Current tax receivables	708	292	721
Financial assets	1 480	1 406	1 703
Cash and cash equivalents	13 879	4 587	6 401
Assets held for sale	-	101	-
Total current assets	**50 397**	**38 735**	**41 120**
Total assets	**77 934**	**65 302**	**67 784**

Equity and liabilities, MSEK	2024 Mar 31	2023 Mar 31	2023 Dec 31
Share capital	500	500	500
Retained earnings	39 867	34 485	36 322
Total equity attributable to owners of the parent	**40 367**	**34 985**	**36 822**
Non-controlling interest	397	479	388
Total equity	**40 764**	**35 464**	**37 210**
Interest-bearing liabilities	17 694	8 813	11 822
Post-employment benefits	153	139	251
Other liabilities and provisions	607	697	576
Deferred tax liabilities	955	1 207	922
Total non-current liabilities	**19 409**	**10 856**	**13 571**
Interest-bearing liabilities	2 285	2 985	2 153
Trade payables	6 213	7 017	5 902
Current tax liabilities	428	530	483
Other liabilities and provisions	8 835	8 450	8 465
Total current liabilities	**17 761**	**18 982**	**17 003**
Total equity and liabilities	**77 934**	**65 302**	**67 784**

Condensed consolidated statement of changes in equity

	Equity attributable to		
MSEK	owners of the parent	non-controlling interests	Total equity
Opening balance, Jan 1, 2024	**36 822**	**388**	**37 210**
Total comprehensive income for the period	3 459	9	3 468
Acquisition and divestment of own shares	120	-	120
Share-based payments, equity settled	-34	-	-34
Closing balance, Mar 31, 2024	**40 367**	**397**	**40 764**
Opening balance, Jan 1, 2023	**33 020**	**488**	**33 508**
Total comprehensive income for the period	1 876	-9	1 867
Acquisition and divestment of own shares	160	-	160
Share-based payments, equity settled	-71	-	-71
Closing balance, Mar 31, 2023	**34 985**	**479**	**35 464**
Opening balance, Jan 1, 2023	**33 020**	**488**	**33 508**
Total comprehensive income for the period	7 706	10	7 716
Dividend/Redemption	-4 103	-3	-4 106
Transactions with non-controlling interests	1	-107	-106
Acquisition and divestment of own shares	279	-	279
Share-based payments, equity settled	-81	-	-81
Closing balance, Dec 31, 2023	**36 822**	**388**	**37 210**

Condensed consolidated statement of cash flows

MSEK	2024 Q1	2023 Q1	2023 FY
Cash flow from operating activities			
Operating profit	2 760	3 161	13 183
Adjustments for depreciation, amortization and impairment	673	635	2 663
Adjustments for capital gain/loss and other non-cash items	-222	-226	-220
Net financial items received/paid	610	42	-599
Taxes paid	-714	-922	-3 531
Pension funding and payment of pension to employees	7	-20	-71
Change in working capital	-643	-1 839	-3 708
Increase in rental equipment	-214	-222	-1 095
Sale of rental equipment	147	130	521
Net cash flow from operating activities	**2 404**	**739**	**7 143**
Cash flow from investing activities			
Investments in other property, plant and equipment	-215	-234	-1 044
Sale of other property, plant and equipment	11	7	53
Investments in intangible assets	-176	-111	-643
Sale of intangible assets	-	-	3
Acquisition of subsidiaries and associated companies	-	-3 279	-3 666
Proceeds to/from other financial assets, net	-131	-122	-467
Sale of assets held for sale	-	-	527
Net cash flow from investing activities	**-511**	**-3 739**	**-5 237**
Cash flow from financing activities			
Dividend	-	-	-4 103
Dividend to non-controlling interest	-	-	-3
Acquisition of non-controlling interest	-	-	-105
Sale/Repurchase of own shares	120	160	279
Change in interest-bearing liabilities	5 331	146	1 291
Net cash flow from financing activities	**5 451**	**306**	**-2 641**
Net cash flow for the period	**7 344**	**-2 694**	**-735**
Cash and cash equivalents, beginning of the period	6 401	7 326	7 326
Exchange differences in cash and cash equivalents	134	-45	-190
Cash and cash equivalents, end of the period	**13 879**	**4 587**	**6 401**

Operating cash flow*	2024 Q1	2023 Q1	2023 FY
Net cash flow from operating activities	2 404	739	7 143
Net cash flow from investing activities	-511	-3 739	-5 237
Acquisitions and divestments, net	-	3 279	3 666
Other adjustments	-115	59	639
Operating cash flow	**1 778**	**338**	**6 211**

** Operating cash flow is not defined according to IFRS. See page 24.*

Condensed parent company income statement

MSEK	2024 Q1	2023 Q1	2023 FY
Administrative expenses	-77	-68	-294
Marketing expenses	-8	-7	-30
Other operating income and expenses	49	0	144
Operating profit/loss	**-36**	**-75**	**-180**
Financial income and expenses	-31	-27	-82
Appropriations	-	-	5 847
Profit/loss before tax	**-67**	**-102**	**5 585**
Income tax	17	22	-1 141
Profit/loss for the period	**-50**	**-80**	**4 444**

Condensed parent company balance sheet

MSEK	2024 Mar 31	2023 Mar 31	2023 Dec 31
Total non-current assets	56 835	53 301	56 334
Total current assets	10 782	5 572	5 013
Total assets	**67 617**	**58 873**	**61 347**
Total restricted equity	503	503	503
Total non-restricted equity	49 461	48 895	49 425
Total equity	**49 964**	**49 398**	**49 928**
Total provisions	178	220	204
Total non-current liabilities	15 689	6 984	9 982
Total current liabilities	1 786	2 271	1 233
Total equity and liabilities	**67 617**	**58 873**	**61 347**

Condensed segments quarterly

Epiroc has two reporting segments; Equipment & Service and Tools & Attachments. In addition, Epiroc reports common Group functions, including Financial Solutions, Group Management, support functions and eliminations.

As from January 1, 2024, Epiroc will not include orders on hand (order book) in orders received when acquiring companies. The previously reported orders received in the first quarter 2023 of MSEK 15 148 included orders on hand from acquired companies of MSEK 433. Figures in this table have not been restated.

	2023				*2023*	2024
Orders received, MSEK	**Q1**	**Q2**	**Q3**	**Q4**	***FY***	**Q1**
Equipment & Service	11 570	12 276	11 311	11 551	*46 708*	11 025
Equipment	5 151	5 404	4 739	4 924	*20 218*	4 404
Service	6 419	6 872	6 572	6 627	*26 490*	6 621
Tools & Attachments	3 535	3 180	2 924	2 827	*12 466*	3 122
Common group functions	43	-20	125	10	*158*	15
Epiroc Group	**15 148**	**15 436**	**14 360**	**14 388**	***59 332***	**14 162**
Revenues, MSEK						
Equipment & Service	10 733	12 510	11 729	12 558	*47 530*	11 212
Equipment	4 120	5 489	4 870	5 931	*20 410*	4 708
Service	6 613	7 021	6 859	6 627	*27 120*	6 504
Tools & Attachments	3 125	3 418	3 195	2 985	*12 723*	2 949
Common group functions	10	-18	73	25	*90*	-18
Epiroc Group	**13 868**	**15 910**	**14 997**	**15 568**	***60 343***	**14 143**
Operating profit, EBIT, and profit before tax, MSEK						
Equipment & Service	2 718	2 995	2 868	3 211	*11 792*	2 503
Tools & Attachments	532	524	481	243	*1 780*	335
Common group functions	-89	-106	-89	-105	*-389*	-78
Epiroc Group	**3 161**	**3 413**	**3 260**	**3 349**	***13 183***	**2 760**
Net financial items	-197	15	-331	-435	*-948*	-116
Profit before tax	**2 964**	**3 428**	**2 929**	**2 914**	***12 235***	**2 644**
Operating margin, EBIT, %						
Equipment & Service	25.3	23.9	24.5	25.6	*24.8*	22.3
Tools & Attachments	17.0	15.3	15.1	8.1	*14.0*	11.4
Epiroc Group	**22.8**	**21.5**	**21.7**	**21.5**	***21.8***	**19.5**
Items affecting comparability, MSEK*						
Change in provision for LTIP**	26	16	19	2	*63*	2
Items in Equipment & Service	-	-	-7	-280	*-287*	-
Items in Tools & Attachments	-	-	-	158	*158*	125
Epiroc Group	**26**	**16**	**12**	**-120**	***-66***	**127**
Adj. margin for items affecting comparability, EBIT, %						
Adjusted operating margin, E&S, %	25.3	23.9	24.4	23.3	*24.2*	22.3
Adjusted operating margin, T&A, %	17.0	15.3	15.1	13.4	*15.2*	15.6
Adjusted operating margin, %	**23.0**	**21.6**	**21.8**	**20.7**	***21.7***	**20.4**

** Items affecting comparability are shown with reverse sign. I.e. a positive number indicates a cost and vice versa. In Q1 2024, Tools & Attachments included items affecting comparability of MSEK -125, which was transaction costs related to acquisitions.*
*** Change in provision for long-term incentive programs is reported as administrative expenses.*

Geographical distribution of orders received

As from January 1, 2024, Epiroc will not include orders on hand (order book) in orders received when acquiring companies. The previously reported orders received in the first quarter 2023 of MSEK 15 148 included orders on hand from acquired companies of MSEK 433. Figures in this table have not been restated.

MSEK	2023				*2023*	2024	Δ,%
% currency adjusted	**Q1**	**Q2**	**Q3**	**Q4**	***FY***	**Q1**	**Y-o-Y**
Epiroc Group	**15 148**	**15 436**	**14 360**	**14 388**	***59 332***	**14 162**	**-3%**
North America	3 608	3 651	3 825	3 676	*14 760*	3 611	-1%
South America	1 803	2 257	1 937	2 436	*8 433*	2 023	18%
Europe	2 304	2 120	1 589	1 761	*7 774*	2 191	1%
Africa/Middle East	2 561	2 885	2 919	2 020	*10 385*	2 094	-13%
Asia/Australia	4 872	4 523	4 090	4 495	*17 980*	4 243	-10%
Equipment & Service	**11 570**	**12 276**	**11 311**	**11 551**	***46 708***	**11 025**	**-1%**
North America	2 511	2 735	2 769	2 767	*10 782*	2 608	2%
South America	1 427	1 862	1 664	2 242	*7 195*	1 747	30%
Europe	1 613	1 599	1 108	1 199	*5 519*	1 525	1%
Africa/Middle East	2 015	2 359	2 342	1 498	*8 214*	1 532	-19%
Asia/Australia	4 004	3 721	3 428	3 845	*14 998*	3 613	-7%
Tools & Attachments	**3 535**	**3 180**	**2 924**	**2 827**	***12 466***	**3 122**	**-9%**
North America	1 065	929	945	899	*3 838*	1 002	-6%
South America	376	396	272	194	*1 238*	276	-24%
Europe	680	535	472	564	*2 251*	650	-0%
Africa/Middle East	548	524	577	523	*2 172*	561	8%
Asia/Australia	866	796	658	647	*2 967*	633	-25%

Geographical distribution of revenues

MSEK	2023				*2023*	2024	Δ,%
% currency adjusted	**Q1**	**Q2**	**Q3**	**Q4**	***FY***	**Q1**	**Y-o-Y**
Epiroc Group	**13 868**	**15 910**	**14 997**	**15 568**	***60 343***	**14 143**	**5%**
North America	3 759	3 954	3 817	3 898	*15 428*	3 927	3%
South America	1 985	2 116	2 194	2 176	*8 471*	1 737	-9%
Europe	2 155	2 426	1 850	2 195	*8 626*	2 022	0%
Africa/Middle East	2 048	2 786	2 611	2 455	*9 900*	2 254	17%
Asia/Australia	3 921	4 628	4 525	4 844	*17 918*	4 203	10%
Equipment & Service	**10 733**	**12 510**	**11 729**	**12 558**	***47 530***	**11 212**	**8%**
North America	2 706	2 960	2 803	2 958	*11 427*	2 995	9%
South America	1 716	1 772	1 798	1 915	*7 201*	1 473	-10%
Europe	1 463	1 713	1 299	1 616	*6 091*	1 489	10%
Africa/Middle East	1 545	2 219	2 013	1 935	*7 712*	1 718	18%
Asia/Australia	3 303	3 846	3 816	4 134	*15 099*	3 537	10%
Tools & Attachments	**3 125**	**3 418**	**3 195**	**2 985**	***12 723***	**2 949**	**-3%**
North America	1 056	1 028	956	928	*3 968*	924	-13%
South America	269	344	396	261	*1 270*	264	1%
Europe	681	701	539	571	*2 492*	557	-14%
Africa/Middle East	504	566	597	521	*2 188*	536	13%
Asia/Australia	615	779	707	704	*2 805*	668	12%

Group notes

Note 1: Accounting principles

The interim report is prepared in accordance with IAS 34 Interim financial reporting. The accounting principles applied in the preparation of this interim report apply to all periods and comply with the accounting principles presented in the Annual and Sustainability Report 2023. No new and revised standards and interpretations effective from January 1, 2024, are considered to have any material impact on the financial statements.

Accounting principles of the Parent Company

The interim financial statements of Epiroc AB have been prepared in accordance with the Swedish Annual Accounts Act and the recommendation RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The accounting principles applied in the preparation of this interim report apply to all periods and comply with the accounting principles presented in the Annual and Sustainability Report 2023, note A1 in the Parent Company accounts. No new and revised standards and interpretations effective from January 1, 2024, are considered to have any material impact on the Parent Company´s financial statements.

Note 2: Acquisitions and divestments

Date	Completed acquisitions	Divestments	Segment	Revenues	Employees
2024 Apr 1	Stanley Infrastructure		T&A	4 700	1 380
2023 Apr 3	AARD Mining Equipment		E&S	650	200
2023 Feb 2	CR		T&A	1 700	400
2023 Feb 2	Mernok Elektronik (Pty) Ltd		E&S	50	45

The table presents annual revenues in MSEK and employees at the time of the acquisition.

Acquisitions completed in 2024

- **Stanley Infrastructure** designs, manufactures, and sells attachments, typically used on excavators, and handheld hydraulic and battery-powered tools for applications in infrastructure, construction, scrap recycling, deconstruction, and railroad infrastructure. Its strong and innovative brands include LaBounty, Paladin, Pengo and Dubuis. The acquisition will strengthen Epiroc's presence especially in the United States.

  Stanley Infrastructure had revenues in 2023 of MUSD 447 (MSEK 4 725), an adjusted EBITA margin of 16% and 1 380 employees. The acquisition was announced on December 15, 2023, and was completed on April 1, 2024. Revenues from the acquisition will be reported in "Tools & Attachments". The purchase price amounted to MUSD 760 (BSEK 8.2) and will mainly be allocated to intangible assets and goodwill. The acquisition was an all-cash transaction. The acquisition will dilute both the Group and the Tools & Attachments full year 2024 adjusted EBITA margins with approximately 0.5-0.7 percentage points. Integration and transaction costs amounted to MSEK 125 in the first quarter 2024 and for the second quarter, additional integration and transaction costs are expected to be around MSEK 135.

Announced, but not yet completed acquisitions

- **Weco Proprietary Limited** manufactures precision-engineered rock drilling parts and provides related repairs and services in the Southern African region. The company has approximately MSEK 90 in annual revenues and 80 employees. The acquisition was announced on December 12, 2023, and is expected to be completed in the second quarter 2024. Revenues from the acquisition will be reported in "Service".

Note 3: Fair value of derivatives, earn-out and borrowings

The carrying value and fair value of the Group's outstanding derivatives, earn-out and borrowings are shown in the tables below. The fair values of bonds are based on level 1, the fair values of derivatives and other loans are based on level 2 and the fair values of earn-out are based on level 3 in the fair value hierarchy. Compared to 2023, no transfers have been made between different levels in the fair value hierarchy and no significant changes have been made to valuation techniques, inputs or assumptions.

Outstanding derivatives recorded to fair value **MSEK**	**2024** **Mar 31**	**2023** **Dec 31**
Non-current assets and liabilities		
Assets	37	4
Liabilities	8	5
Current assets and liabilities		
Assets	109	512
Liabilities	389	63

Carrying value and fair value **MSEK**	**2024** **Mar 31**	**2024** **Mar 31**	**2023** **Dec 31**	**2023** **Dec 31**
	Carrying value	Fair value	Carrying value	Fair value
Earn-out	181	181	176	176
Bonds	11 698	11 962	5 992	6 123
Other loans	8 281	8 423	7 983	8 151
Total	**20 160**	**20 566**	**14 151**	**14 450**

Note 4: Share buybacks and divestments

The Board of Directors has been authorized to purchase, transfer and sell Epiroc shares in relation to Epiroc's share-based long-term incentive programs.

	A share	**B share**	**Total**
Total number of shares	823 765 854	389 972 849	1 213 738 703
Whereof shares held by Epiroc	*6 168 476*		
Change in the quarter			
Purchased (+) / divested (-) shares, number	-599 539		
Value of purchased (+) / divested (-) shares, SEK	-119 989 987		

Note 5: Transactions with related parties

In the quarter, no material changes have taken place, and no significant related-party transactions were made.

Key figures

	2024 Q1	2023 Q1	2023 FY
Growth			
*Orders received, MSEK	14 162	14 715	58 899
Revenues, MSEK	14 143	13 868	60 343
*Total revenue growth, %	2	25	21
*Organic revenue growth, %	3	8	9
Profitability			
*Gross margin, %	36.6	40.4	38.4
*EBITDA margin, %	24.3	27.4	26.3
*EBITA margin, %	21.0	24.3	23.3
*Adjusted operating margin, EBIT, %	20.4	23.0	21.7
*Operating margin, EBIT, %	19.5	22.8	21.8
*Profit margin, %	18.7	21.4	20.3
Capital efficiency			
*Return on capital employed, %	24.5	27.7	27.0
*Net debt / EBITDA, ratio	0.39	0.52	0.49
*Net debt / equity, %, period end	14.9	20.5	21.0
*Average net working capital / revenues, %	36.7	32.8	35.2
Cash generation			
*Operating cash flow, MSEK	1 778	338	6 211
*Cash conversion rate, %, 12 months	83	59	66
Equity information			
Basic number of shares outstanding, millions	1 207	1 206	1 206
Diluted number of shares outstanding, millions	1 208	1 207	1 207
*Equity per share, SEK, period end	33.8	29.4	30.8
Basic earnings per share, SEK	1.66	1.90	7.82
*Return on equity, %	24.9	27.7	26.8
*Operating cash flow per share, SEK	1.47	0.28	5.15
Dividend per share, SEK			3.80**
Payout ratio, %			49**
People & Planet			
Employees, period end	18 157	17 586	18 211
Women employees, %, period end	19.0	18.6	19.0
Women managers, %, period end	23.5	23.5	23.4
Total recordable injury frequency rate, TRIFR, 12 months	4.6	6.2	5.1
Sick leave, %, 12 months	2.2	2.2	2.1
CO2e emissions from operations, tonnes, 12 months	17 266	23 957	18 879
CO2e emissions from transport, tonnes, 12 months	96 987	91 948	93 258

Several key figures in this report are not defined according to IFRS. The alternative performance measures are marked with a *. They provide complementary information aiming to help readers to analyze the company's operations and facilitate an evaluation of the performance. Since not all companies calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies. These financial performance measures should therefore not be regarded as a replacement for measures as defined according to IFRS. For a list of financial definitions, non-IFRS measures and calculations, visit the Epiroc Group website.

*** Proposal by the Board.*

Epiroc in brief

Epiroc is a global productivity partner for mining and construction customers, and accelerates the transformation toward a sustainable society. With ground-breaking technology, Epiroc develops and provides innovative and safe equipment, such as drill rigs, rock excavation and construction equipment and tools for surface and underground applications. The company also offers world-class service and other aftermarket support as well as solutions for automation, digitalization and electrification. Epiroc is based in Stockholm, Sweden, had revenues of more than SEK 60 billion in 2023, and has around 18 200 passionate employees supporting and collaborating with customers in around 150 countries.

Financial goals

- To achieve annual revenue growth of 8% over a business cycle and to grow faster than the market. Growth will be organic and supported by selective acquisitions.
- To have an industry-best operating margin, with strong resilience over the cycle.
- To improve capital efficiency and resilience. Investments and acquisitions shall create value.
- To have an efficient capital structure and the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating.
- To provide long-term stable and rising dividends to its shareholders. The dividend should correspond to 50% of net profit over the cycle.

Sustainability ambition and KPIs

Epiroc has four prioritized areas within sustainability:

- We live by the highest ethical standards.
- We invest in safety and health.
- We grow together with passionate people and courageous leaders.
- We use resources responsibly and efficiently.

For each area there are several targets and key performance indicators, including the long-term goals for 2030 that further advance the Group’s ambitions on e.g. climate change and diversity.

Our vision

Dare to think new.

Our mission

Drive the productivity and sustainability transformation in our industry.

Our core values

Innovation, Commitment and Collaboration.

Strategy

By being in attractive niches and prioritizing innovation, aftermarket and operational excellence, we strive to achieve outperformance. Our success is reinforced by our strong company culture and our integrated approach to sustainability.

Our strengths

- We focus on attractive niches with structural growth.
- We drive the productivity and sustainability transformation in our industry.
- We have a high proportion of recurring business.
- We have a well-proven business model.
- We create value for our stakeholders.
- Our success is based on sustainability and a strong corporate culture.

See Epiroc’s Annual and Sustainability report for more information.

About this report

Forward-looking statements

Some statements in this report are forward looking, and the actual outcomes could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcomes.

Language

In the event of inconsistency or discrepancy between the English and the Swedish version of this publication, the Swedish version shall prevail.

Totals and roundings

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source, and rounding differences may therefore arise.

This information is information that Epiroc AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons on the next page, at 08:00 CEST on April 23, 2024.

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Financial calendar

Webcast & conference call:
At 10:00 CEST on April 23, Epiroc will host a report presentation and Q&A session for investors, analysts and media. The report will be presented by President and CEO Helena Hedblom and CFO Håkan Folin.

Webcast link and presentation material can be found here:
www.epirocgroup.com/en/investors/financial-publications

Upcoming investor events:
- May 14: Annual General Meeting 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 (in conjunction with MINExpo)
- October 22: Record date for dividend*
- October 25: Q3 2024 results
- October 25: Dividend payment*
- January 30, 2025: Prel. Q4 2024 results

** Proposal by the Board.*

Epiroc