



Epiroc Debt Investor Presentation

November 2020



Epiroc's key strengths



Leading
productivity
partner in
attractive niches

Strong and
proven operating
model

High and resilient
aftermarket
exposure

Driving the future
in intelligent
mining and
infrastructure

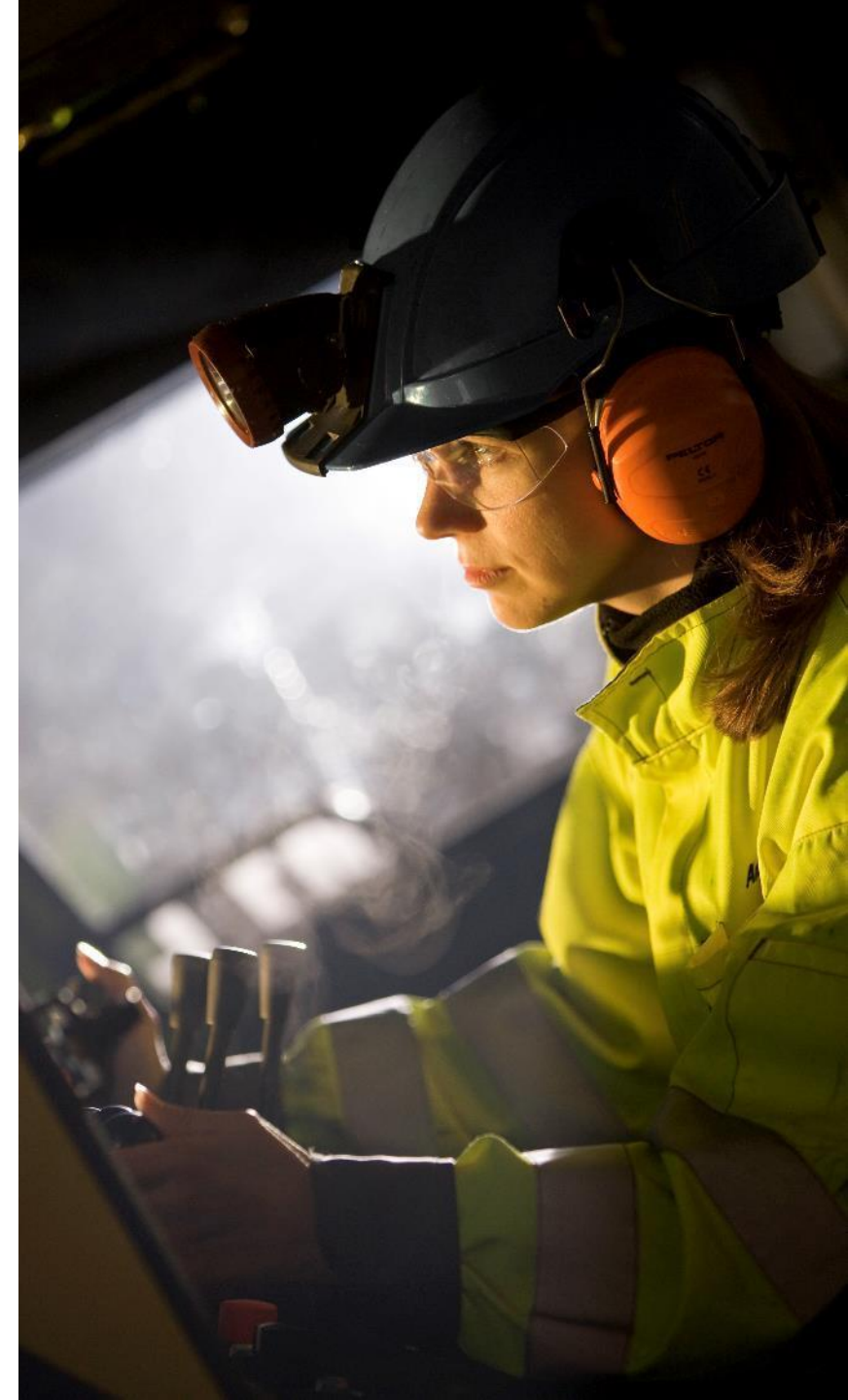
History of value
creation for all
stakeholders

Leading global productivity partner

Epiroc in brief

- We provide customers in selected niches of the global mining and infrastructure with
 - innovative, safe and sustainable drill rigs, rock excavation and construction equipment, and tools
 - world class service to enhance productivity
 - solutions for automation and interoperability
- We are a 147-year old start-up with ~14 000 employees collaborating with customers in +150 countries
- We have a strong, proven and value-creating business model
 - Annual* revenues of BSEK 37
 - Operating margin* of 19.6%
 - ROCE* of 21.6%




*12 months until September 30, reported



...in attractive niches

Exposure to hard rock applications

Mining 77% of order intake*		
Underground mining	Surface mining	Exploration
		
Customer characteristics <ul style="list-style-type: none"> • Large customers • High expenditure per customer, while limited share of customer's total capex and opex • Equipment remain in the mine, only moving within the site • Continuous operations 		

Infrastructure 23% of order intake*		
Underground civil engineering	Surface civil engineering and urban development	Deconstruction and recycling
		
Customer characteristics <ul style="list-style-type: none"> • Large number of customers • Lower expenditure per customer • Equipment moving from worksite to worksite • More project-based business 		

Strong and proven operating model

Focused and decentralized business



Quick and efficient decision-making

High degree of direct sales and services



Close and collaborative productivity partnerships with customers

Strong services business



Revenues largely driven by resilient aftermarket

Flexible manufacturing philosophy



Ability to quickly adapt to changes in demand

Sharp focus on innovation



Leadership in automation, digitalization and battery

Focused and decentralized businesses

Two reporting segments and five divisions

Equipment & Service

Surface Division



Underground Division



Technology & Digital Division



Parts & Service Division



Tools & Attachments

Tools & Attachments Division

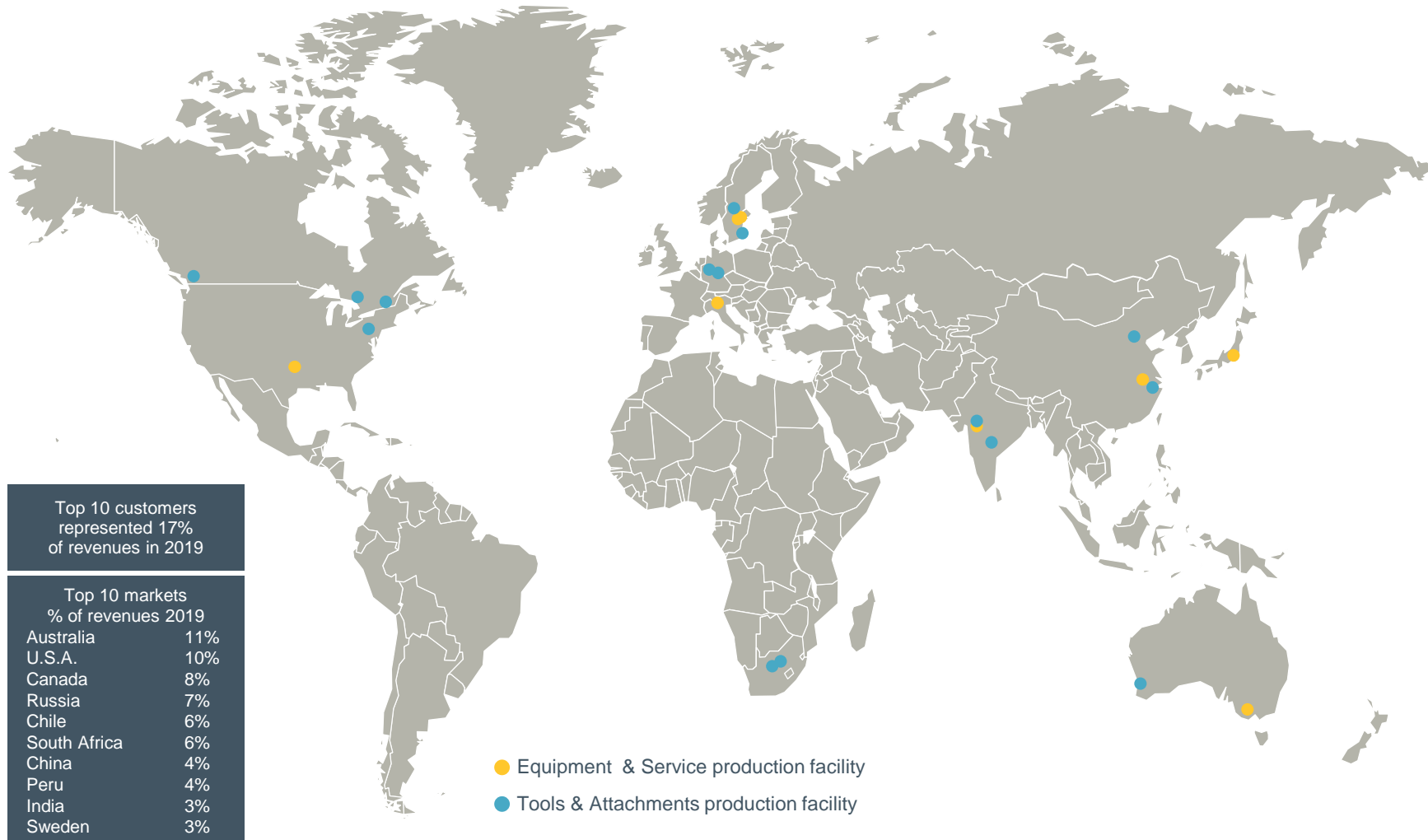


Product companies, customer centers and distribution centers

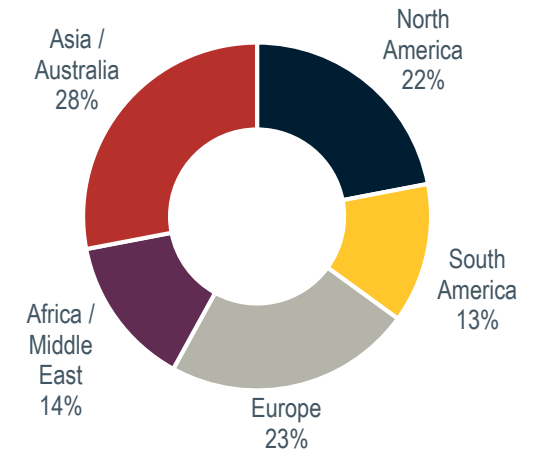
Always close to our customers

Global presence with high degree of direct sales and service

Sales in
+150
countries

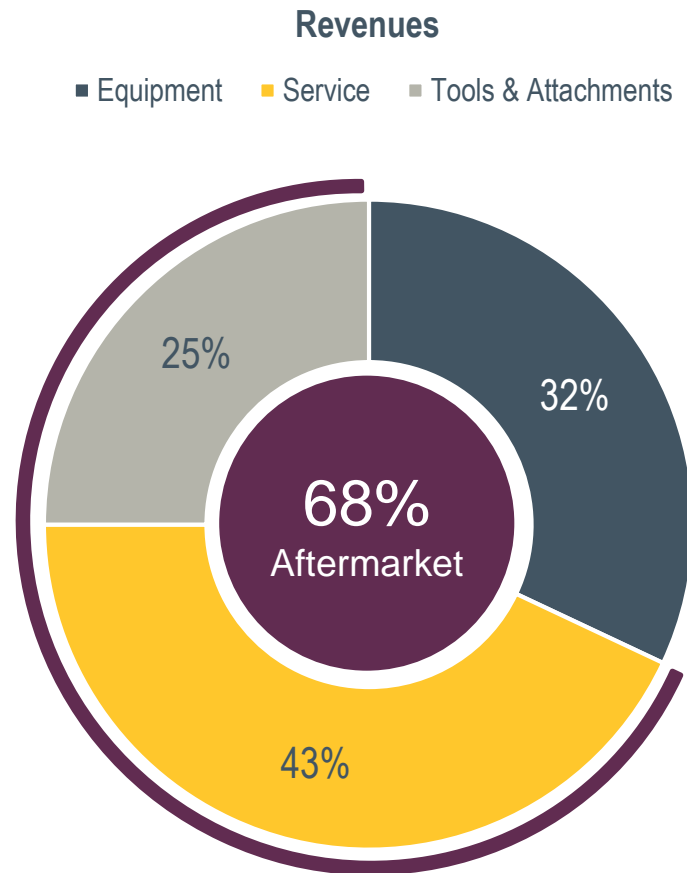


Revenues by region*

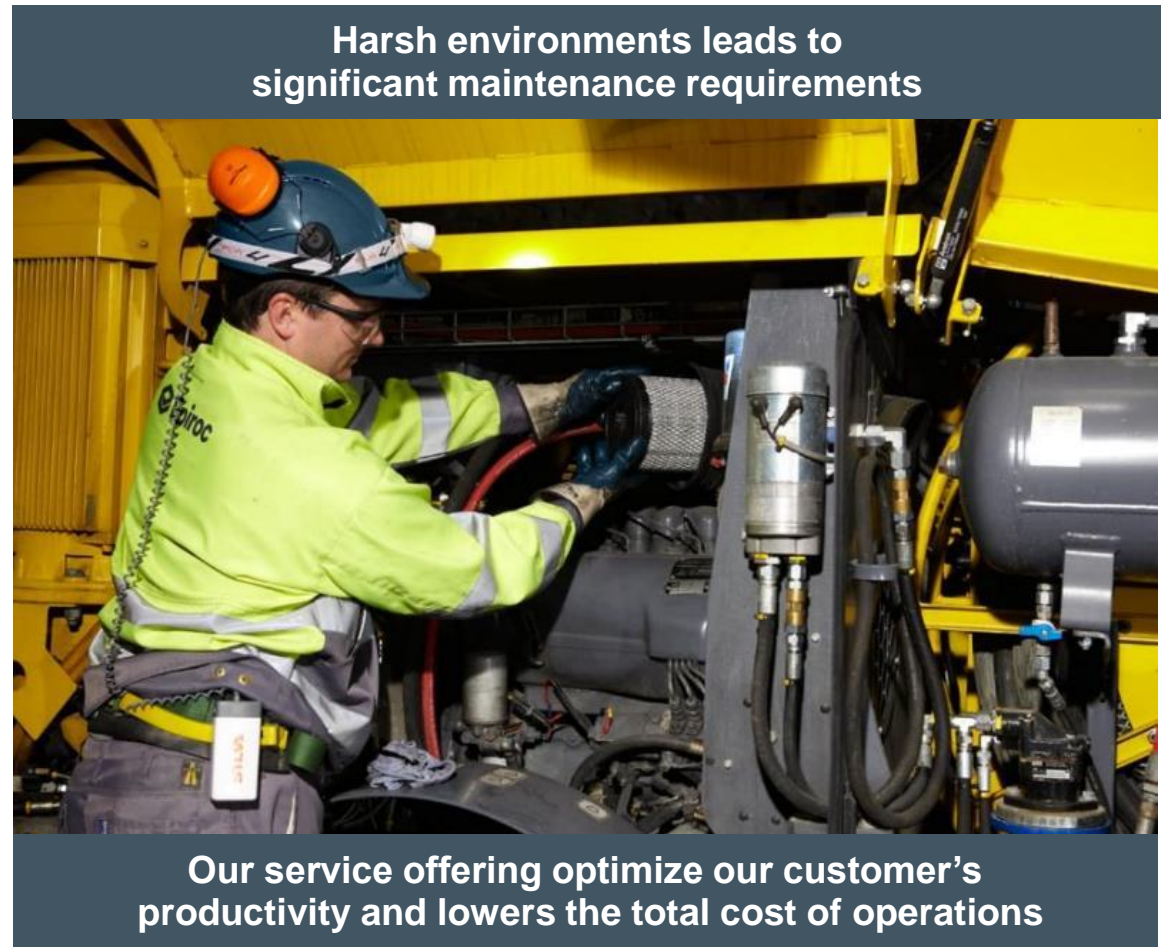


*12 months until September 2020

High proportion of recurring business



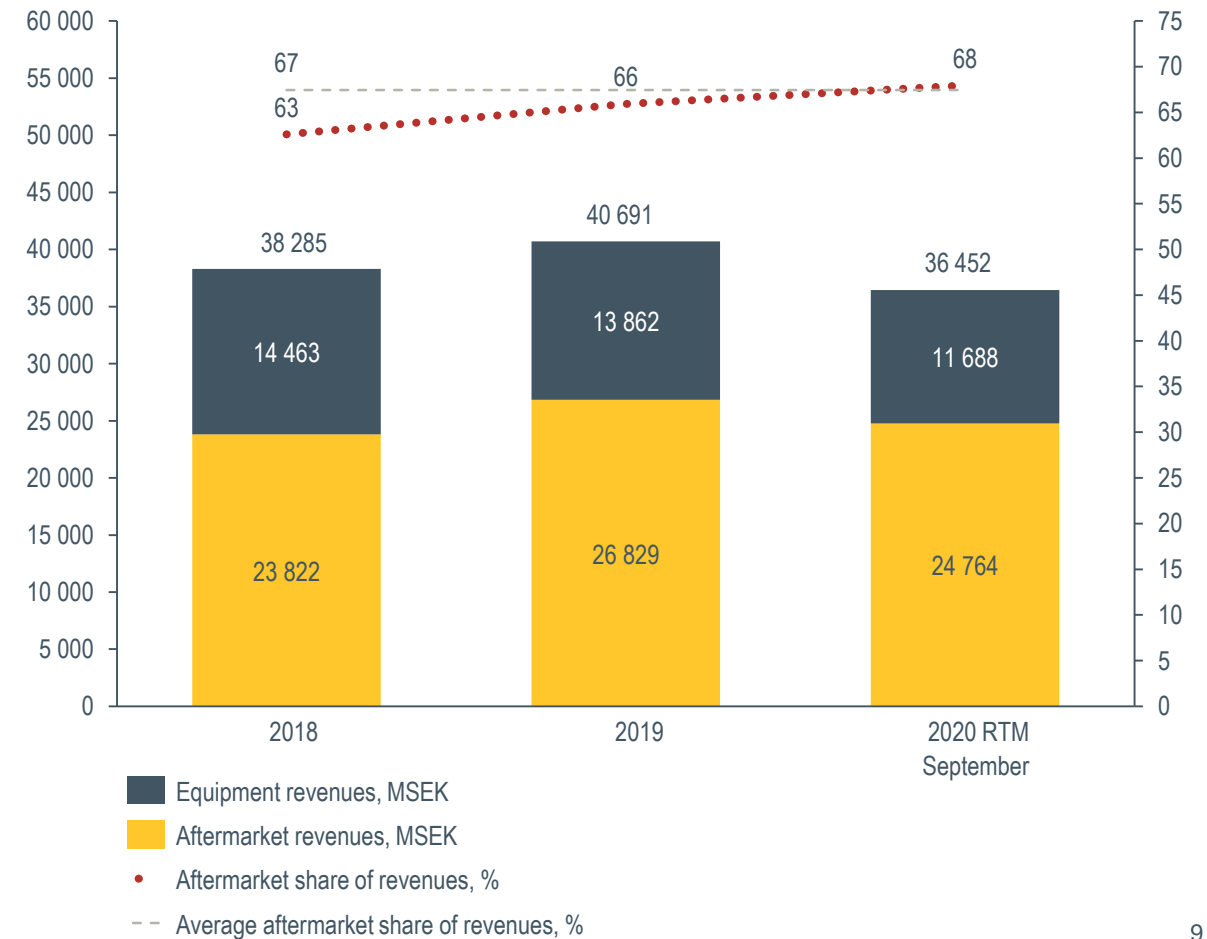
12 months until September 2020



Attractive mix of revenues



Growing aftermarket making us more resilient



Sustainability is integrated

Four focus areas



For each focus area there are a number of targets and key performance indicators to ensure that our business stays competitive, innovative and ethically sound. The priorities are set to ensure that we can capture opportunities while at the same time reducing the risks.



Long-term sustainability goals

2030 goals

- **Health and safety**
 - No work-related injuries.
- **Balanced workforce**
 - Double the number of women in operational roles.
- **Walk the talk**
 - Have all employees and business partners comply with our Code of Conduct.
 - Responsible Sales Assessment Process implemented.

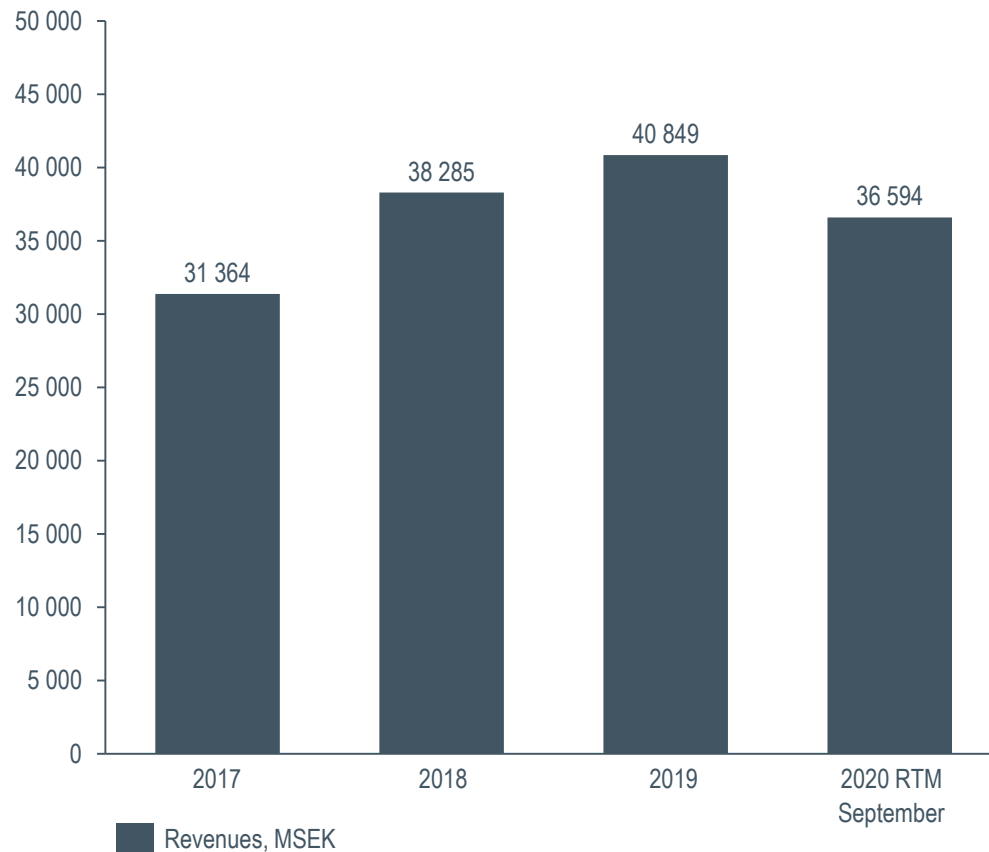


- **Operations**
 - Halve Co2 emissions in operations.
 - 90% renewable energy in own operations.
- **Transport**
 - Halve Co2 emissions from transport.
- **Products**
 - Offer a full range of fossil-free products.
 - Halve Co2 emissions from machines sold in 2030 (compared to machines sold in 2019).
- **Suppliers**
 - Require 50% reduction of CO2 emissions from relevant suppliers.

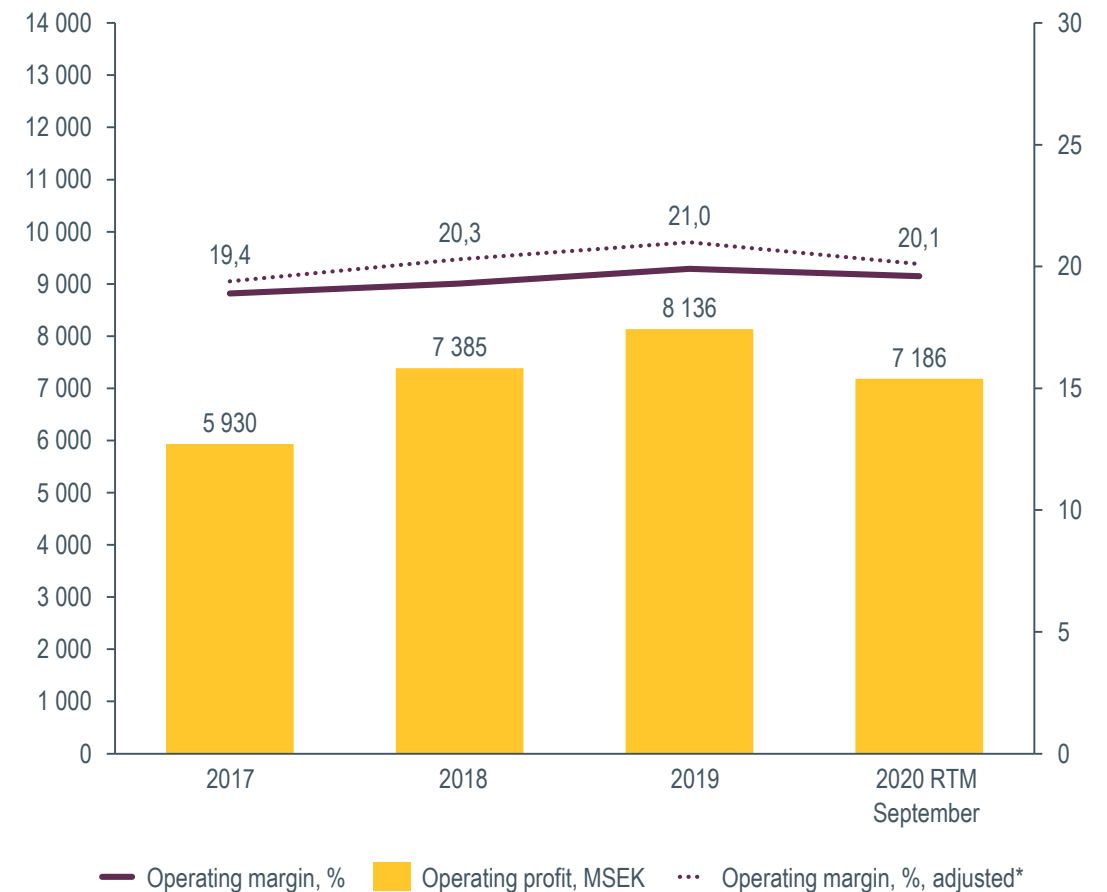
History of value creation

H1 2020 impacted by Covid-19

Solid revenue growth



Resilient profitability



*Adjusted for the split costs from Atlas Copco (until 2018), change in provision for long-term incentive programs, and restructuring costs

Strong operating cash flow

Q3 2020

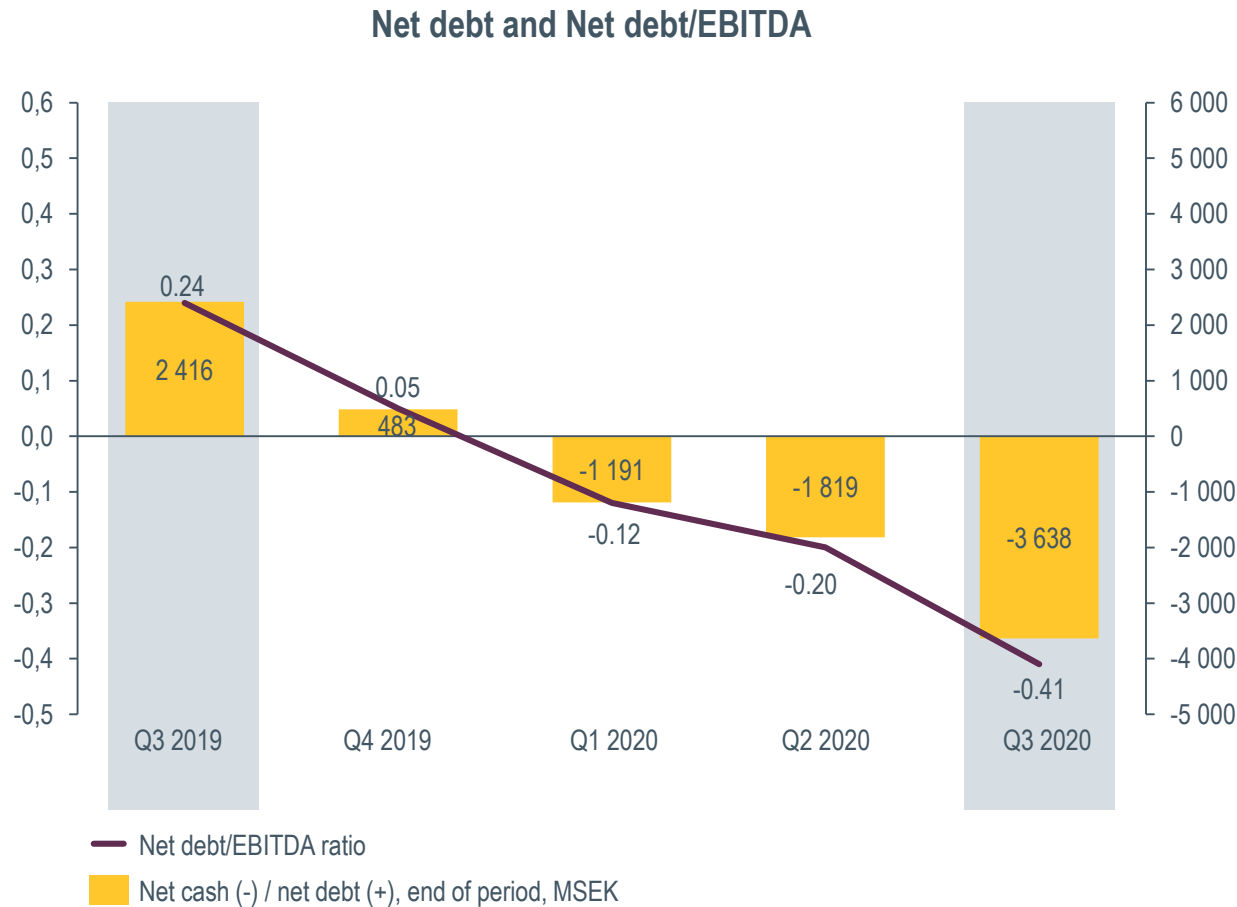
MSEK	Q3 2020	Q3 2019
Operating profit	1 820	1 927
Depreciation, amortization and impairment	426	556
Capital gain/loss and other non-cash items	80	-104
	2 326	2 379
Net financial items received/paid	114	-113
Taxes paid	-544	-559
Change in working capital	-32	126
Investments, incl. rental equipment*	-284	-150
Pension funding and other**	225	-200
Operating cash flow	1 355	1 883
Acquisitions and divestments	-31	33

* 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 Payment Solutions credit portfolios.

Capital structure

Q3 2020



- Strong financial position
 - Net cash MSEK 3 638 (net debt MSEK 2 416)
- Net debt/EBITDA ratio at -0.41 (0.24)
- Second dividend of SEK 1.20 per share for the fiscal year 2019 proposed by Board
 - Proposed record date; December 1
 - Total dividend, incl. May payment: SEK 2.40
 - 49% payout ratio (FY 2019)

Long term market dynamics

A growing world...

Increases the underlying need for infrastructure and minerals



... with increasing challenges to meet the demand...

Driving cost of hard rock excavation



...and strong focus on safety and sustainability



**We have
a strong position and
the right solutions to
meet customers' challenges**

Safe and sustainable solutions,
increased productivity and
lower total cost of ownership

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Service and maintenance



Productivity enhancing
solutions



Automation, electrification
and digitalization



Mission, strategy and foundations for success



Epiroc's mission is to be the leading global productivity partner and to deliver profitable growth.
To achieve our mission, our strategy is focused on five areas:

**Focus on
attractive niches**

**Innovation and
expertise**

**Safety and
sustainability**

**Presence and
penetration**

**Operational
and service
excellence**

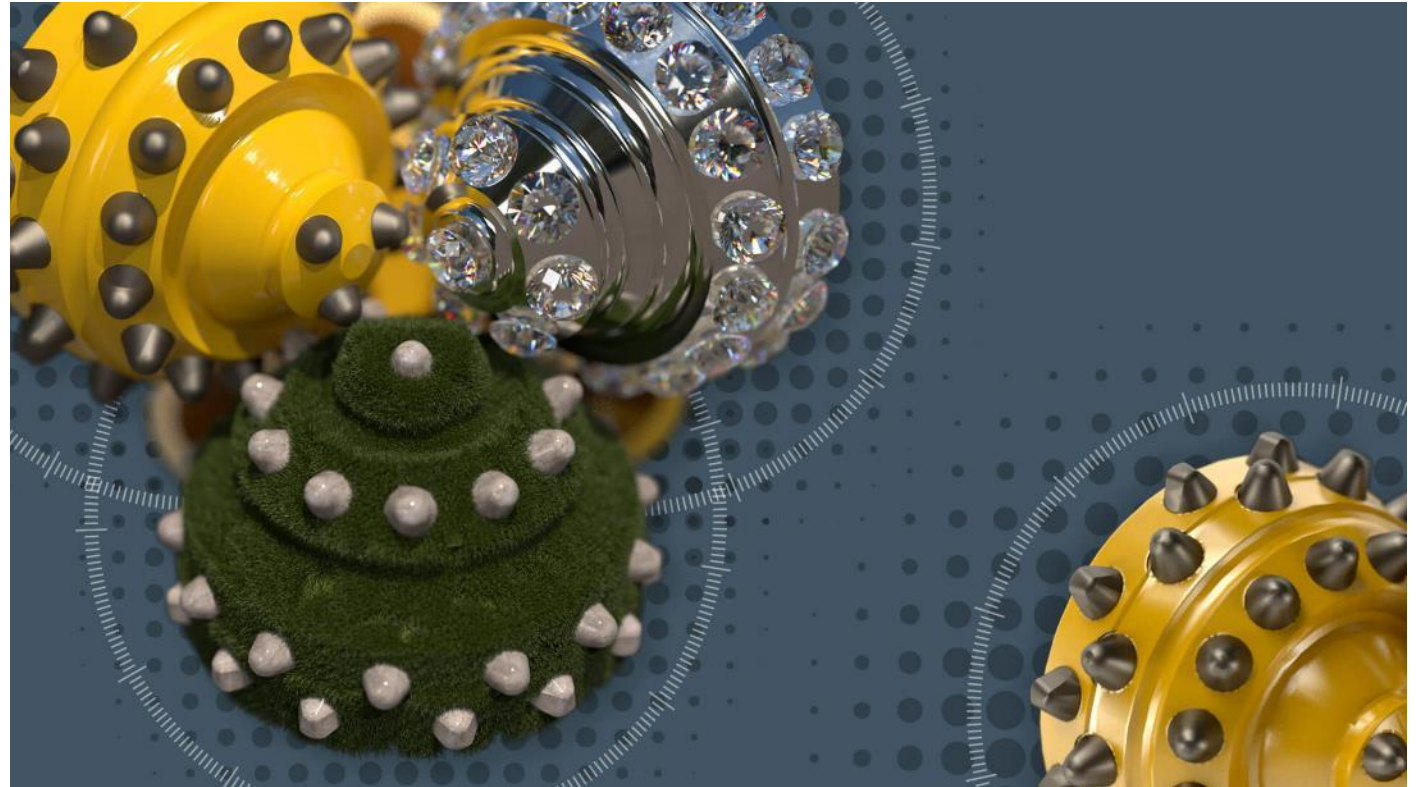
**People and
leadership**

Outperformance

Solid results

Q3 summary

- Demand recovered, but Covid-19 restrictions still impacting
- Service proving resilient
- Customers investing for the future – with strong interest for automation
- Efficiency actions executed according to plan
- Solid results and strong cash flow
- Second dividend proposed



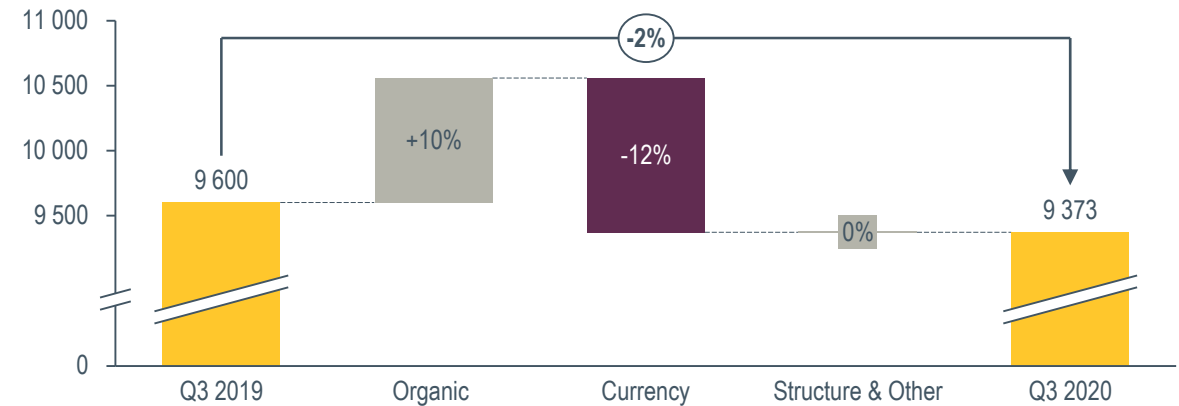
Key financials

Q3 2020

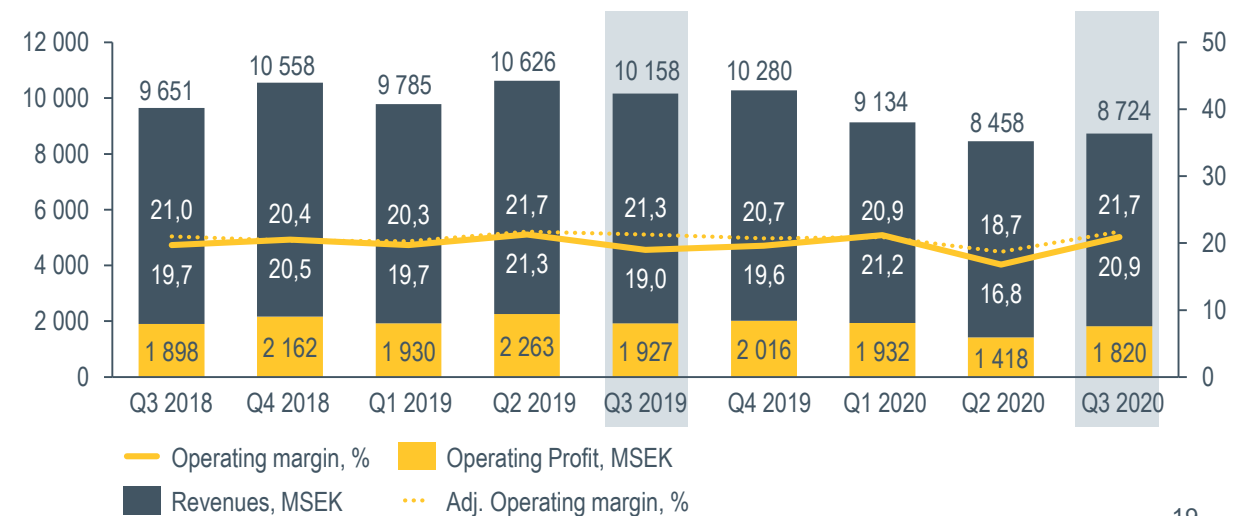
- Order intake decreased 2%, +10% organic
 - Equipment recovering, +25% organic
 - Service proving resilient, +9% organic
- Revenues decreased 14%, -3% organic
- Operating profit was MSEK 1 820
 - Items affecting comparability of MSEK -76 (-233); restructuring costs -55 (-179) and LTI -21 (-54)
- Margin improved to 20.9% (19.0)
 - Adjusted margin 21.7% (21.3)
- Operating cash flow at MSEK 1 355 (1 883)



Orders received, MSEK and change, %

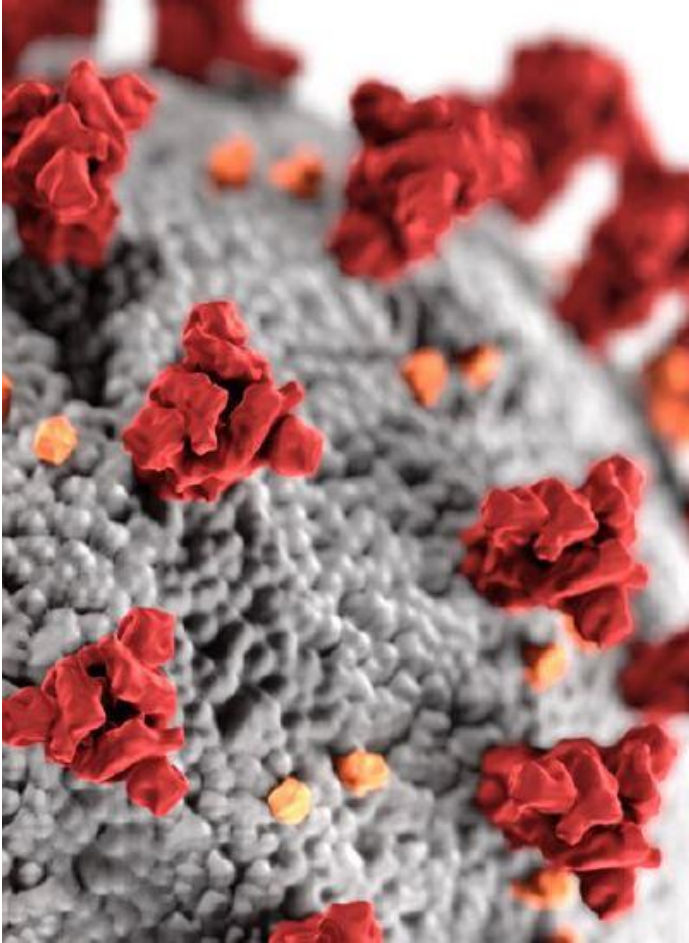


Revenues, operating profit and margin



Covid-19

Current status



- Fewer customers are temporarily closed or work with reduced capacity today compared to Q2
- Covid-19-related restrictions vary among countries, which results in large differences in activities
- All distribution centers and manufacturing facilities are operational and capacity is being adapted to the demand
- There are still uncertainties regarding the Covid-19 development and related restrictions



Q&A



Investor contacts

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Helena Hedblom
(Swedish / born 1973)

CEO since 2020. +20 years with the company.

Education: M.Sc. in Material Technology from Royal Institute of Technology, Stockholm, Sweden.

Experience: SEVP Mining and Infrastructure at Epiroc, President of Atlas Copco Mining and Rock Excavation Technique business area and more.



Anders Lindén
(Swedish / born 1962)

CFO since 2017. +20 years with the company.

Education: B.Sc. in Economics and Business Administration from Stockholm School of Economics, Sweden.

Experience: VP Business Control of Atlas Copco Mining and Rock Excavation Technique business area and more.



Mattias Olsson
(Swedish / Born 1968)

SVP Corporate Communications since 2018. +20 years with the company.

Education: M.Sc. in Business Administration from University of Linköping, Sweden.

Experience: Head of IR at Assa Abloy and Atlas Copco.



Karin Larsson
(Swedish / Born 1983)

Head of IR since 2019. +6 years with the company.

Education: M.Sc. in Finance from University of Linköping, Sweden.

Experience: Head of IR at Ahlsell AB and IRO at Atlas Copco. Equity Sales at SEB and Barclays Capital.



Jimmy Kristoffersson
(Swedish / Born 1985)

Corporate Finance Manager since 2020. +8 years with the company.

Education: M.Sc. Business Administration from Stockholm University, Sweden.

Experience: Various treasury positions at Atlas Copco.

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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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