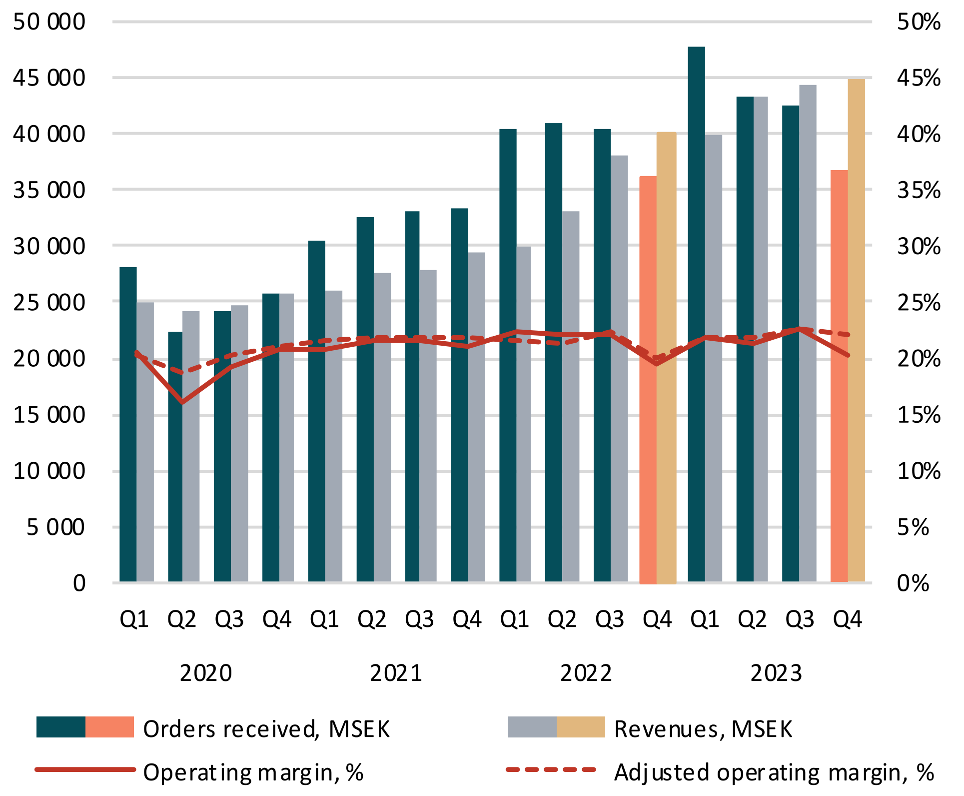
Q4 results 2023

Atlas Copco Group

January 25, 2024

Q4 in brief

- Mixed demand
  - Order growth for industrial compressors
  - Vacuum equipment orders down
  - Slight order growth for industrial assembly and vision solutions
  - Power and flow equipment order down
  - Continued growth for service in all business areas
  - Order growth in the Americas, decline in Europe, flat in Asia
- Sequential order decline
- Record revenues and operating cash flow



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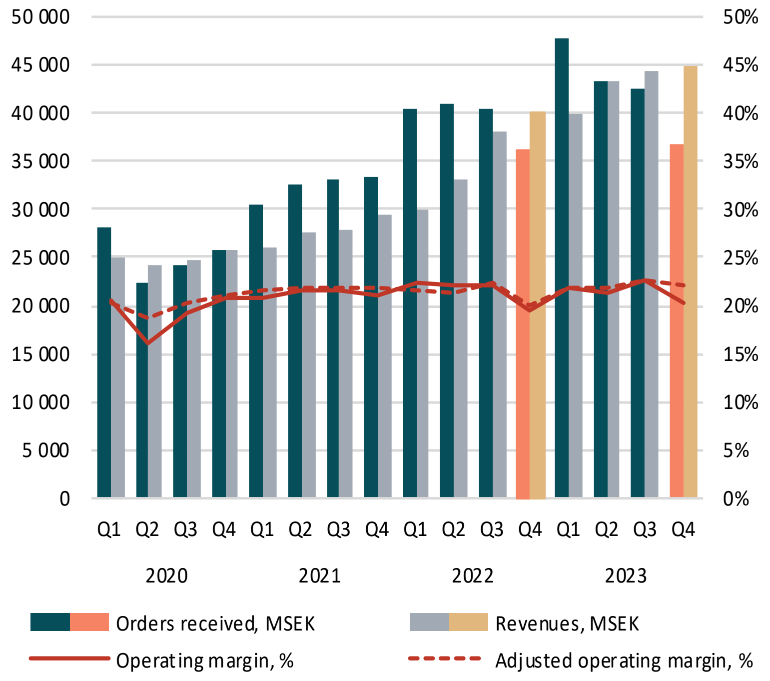
Q4 in brief

- Orders received were MSEK 36 843 (36 148), organic growth of 1%
- Revenues were MSEK 44 954 (40 054), organic increase of 10%
- Operating profit was MSEK 9 086 (7 810), margin at 20.2% (19.5)
  - Adjusted operating profit at MSEK 9 956 (8 029), margin at 22.1% (20.0)
- Profit for the period was 6 780 (6 055)
- Basic earnings per share were SEK 1.39 (1.24)
- Operating cash flow at MSEK 8 799 (5 930)
- Return on capital employed was 30% (29)



Full year 2023 in brief

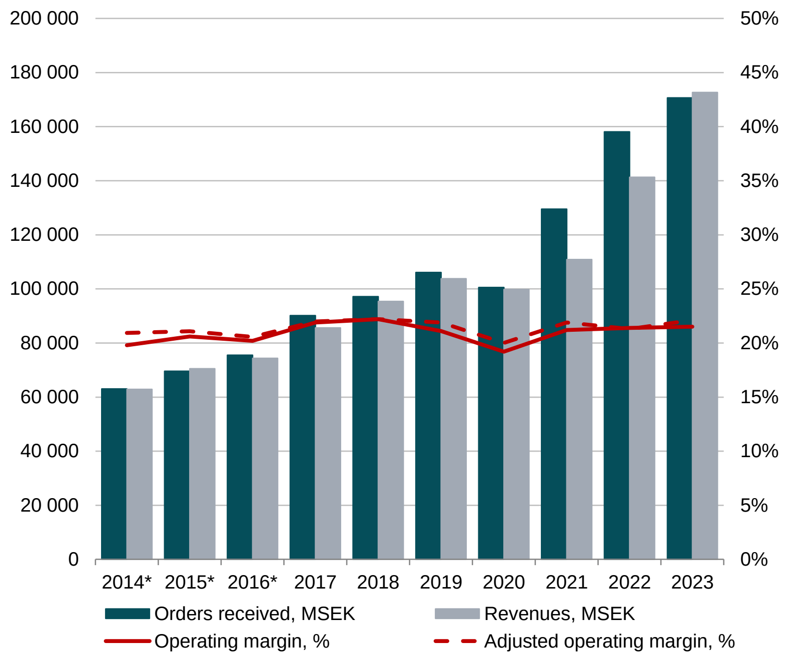
- Record orders, revenues and operating profit
- Solid order growth for Compressor Technique and Industrial Technique
- Vacuum Technique orders down, especially to semiconductor industry
- Power Technique orders about flat
- Service growth in all business areas

- 17 acquisitions completed

- The Board of Directors proposes:
  - Ordinary dividend for 2023 of SEK 2.80 (2.30) per share, to be paid in two equal installments

Full year 2023 financials

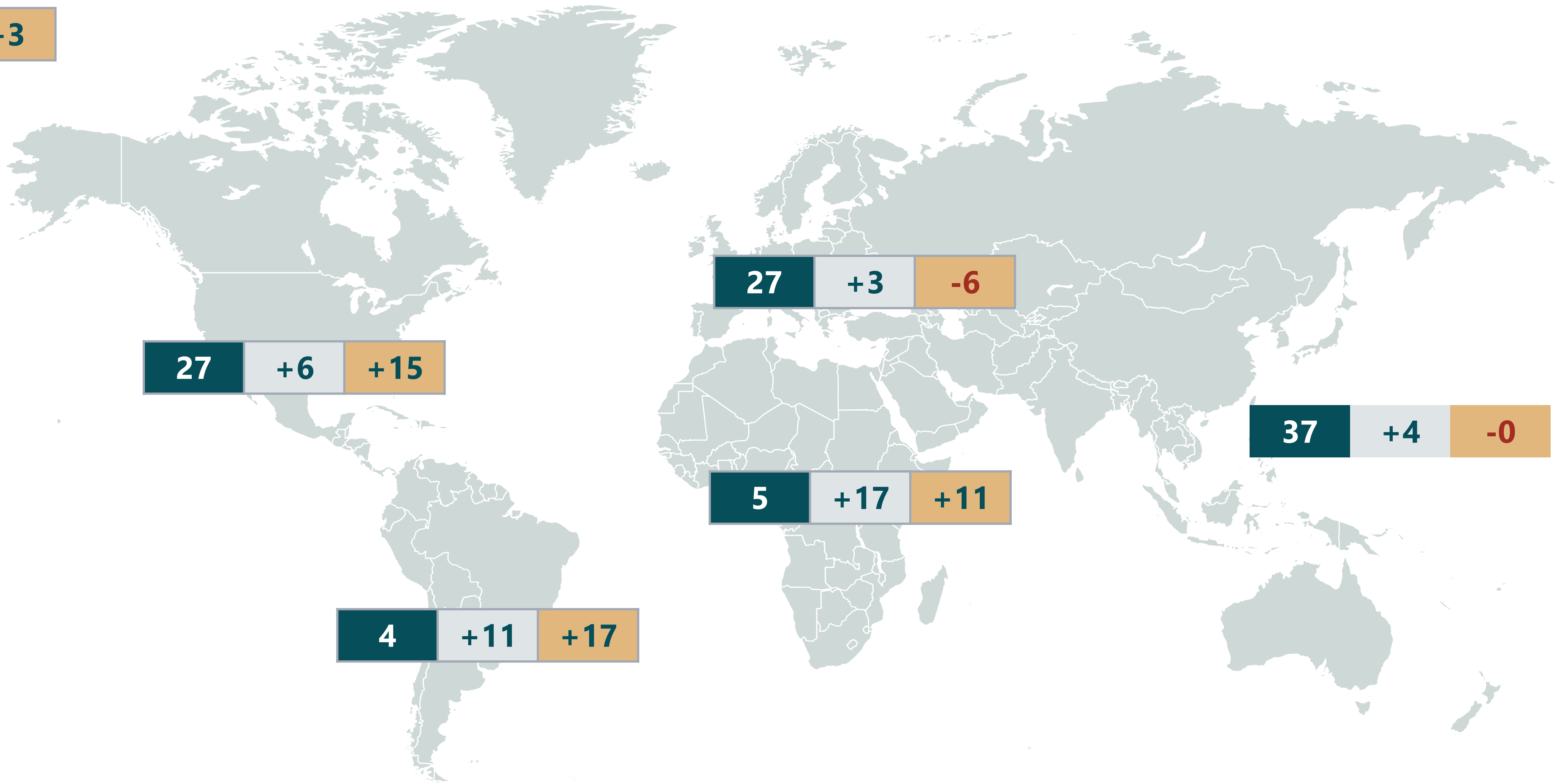
- Orders received increased 8% to MSEK 170 627 (158 092), organic growth of 0%
- Revenues increased 22% to MSEK 172 664 (141 325), organic increase of 14%
- Operating profit increased 23% to MSEK 37 091 (30 216), margin at 21.5% (21.4)
  - Adjusted operating margin of 22.1% (21.3)
- Operating cash flow to MSEK 23 192 (17 099)
- Basic earnings per share, SEK 5.76 (4.82)
- Return on capital employed was 30% (29)



* 2014–2016 figures best estimated numbers, as the effects of the Split of the Group and restatements for IFRS 15 are not fully reconciled.

Orders received – local currency

100	+5	+3



December 31, 2023

Share of orders received, year-to-date, %	Year-to-date vs. previous year, %	Last 3 months vs. previous year, %

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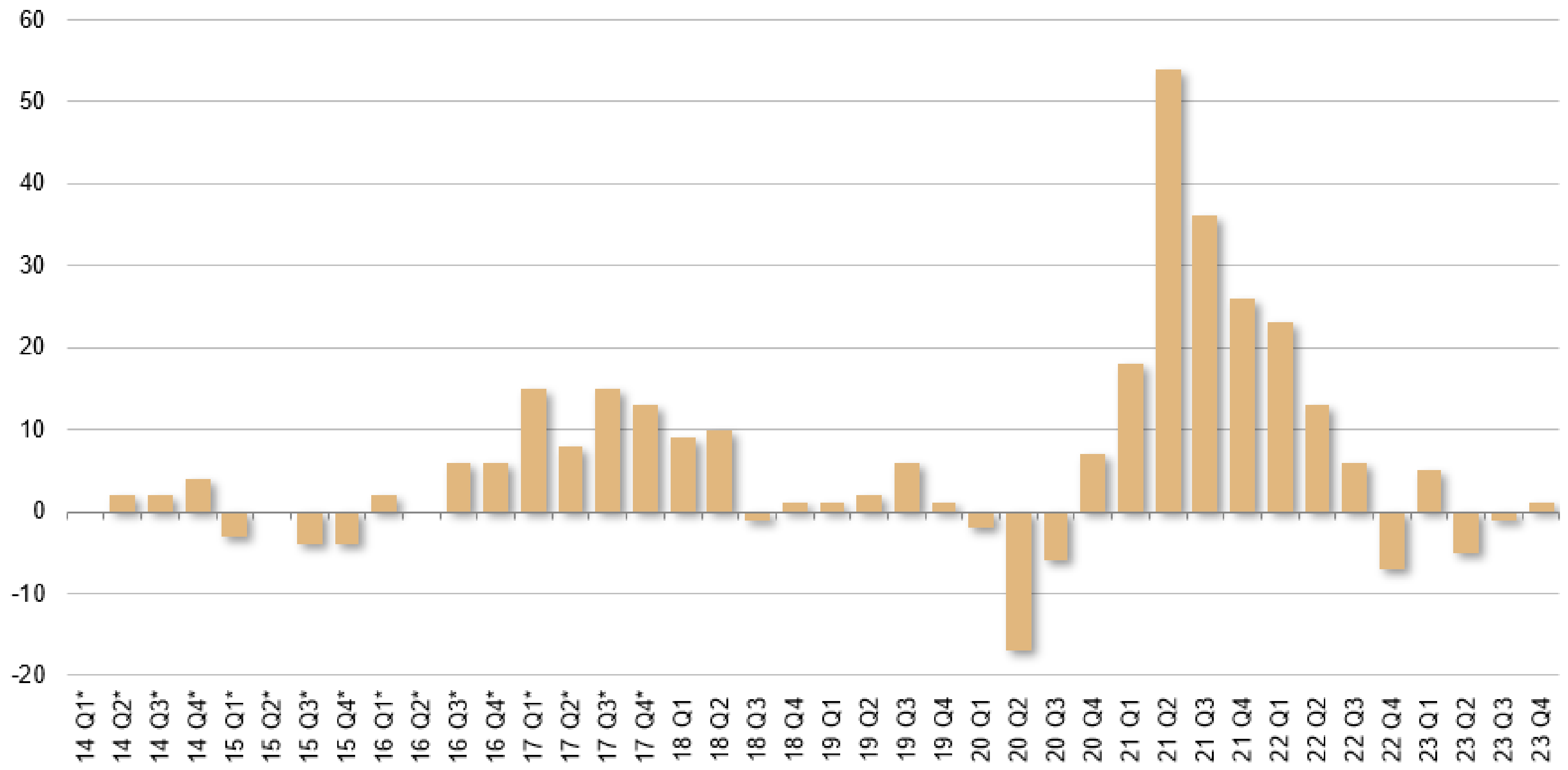
Order growth per quarter

Organic growth, %



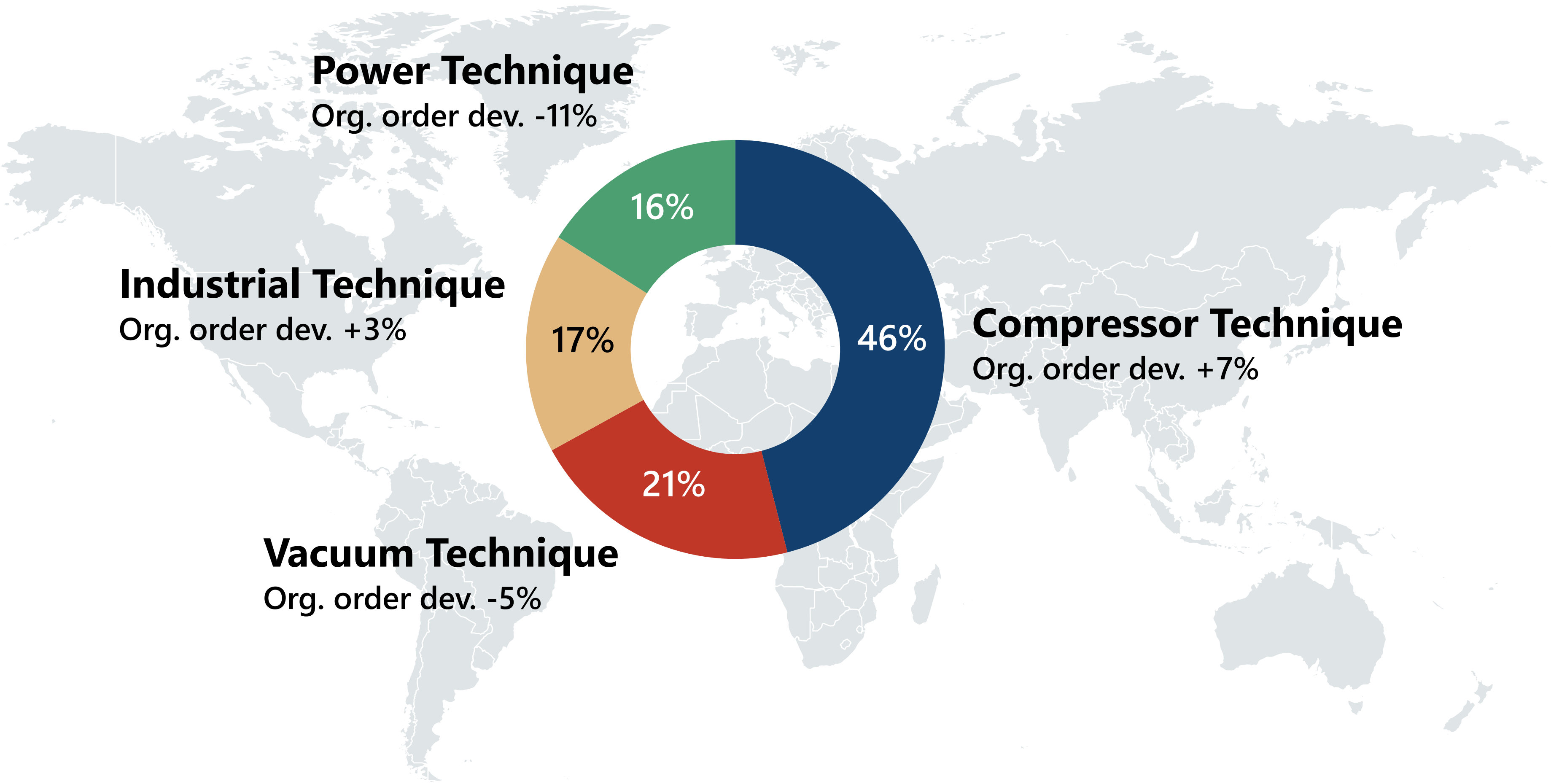
*2014-2017 excluding Mining and Rock Excavation Technique business area (now part of Epiroc AB).

Sales bridge

	October-December		January-December	
MSEK	Orders received	Revenues	Orders received	Revenues
2022	36 148	40 054	158 092	141 325
Structural change, %	+2	+2	+5	+4
Currency, %	-1	+0	+3	+4
Organic*, %	+1	+10	+0	+14
Total, %	+2	+12	+8	+22
2023	36 843	44 954	170 627	172 664

*Volume, price and mix.

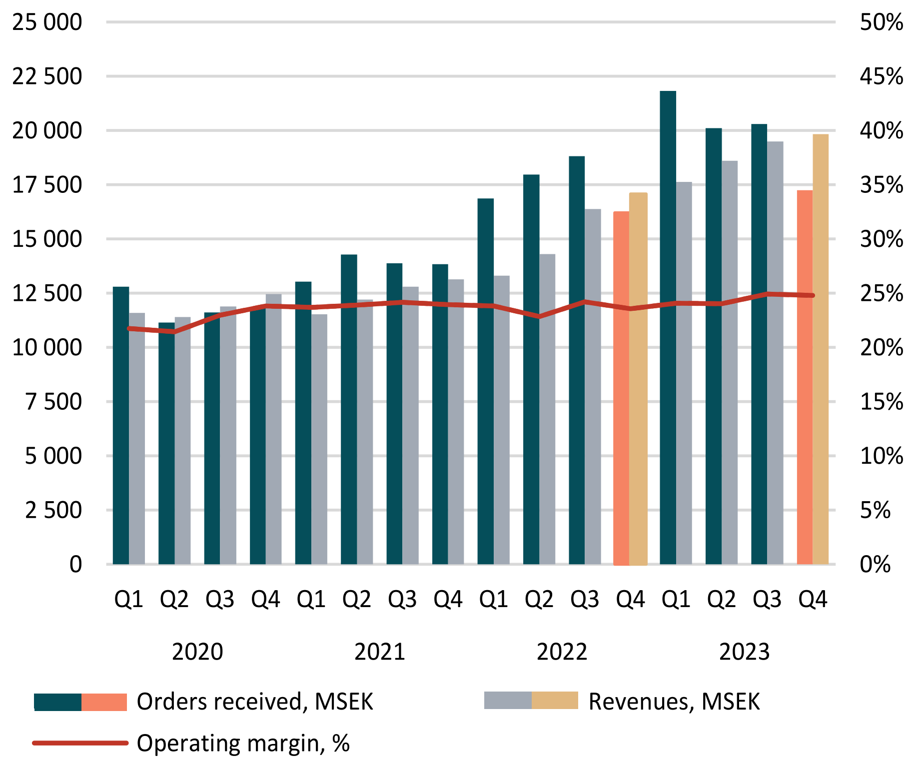
Orders received per business area and organic order growth



* Share of Group orders received 12 months ending December 2023.
3-month organic order development compared to previous year.

Compressor Technique

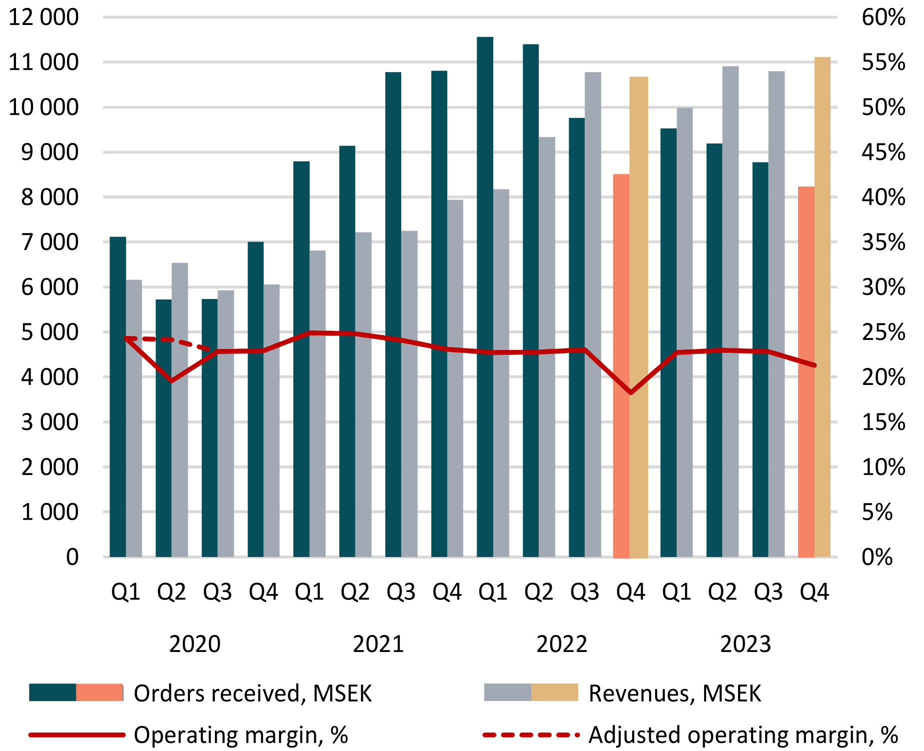
- Continued order growth, up 7% organically
  - Growth for industrial compressors, especially larger sized
  - Lower demand for gas & process compressors
  - Solid growth for service
- Record revenues, 15% organic increase
- Record operating profit, margin at 24.8% (23.6)
  - Driven by increased organic revenues
  - Small negative effect from currency and acquisitions
- ROCE at 85% (82)



Innovation:
ZR CO_2 + ND CO_2, a new compressor and a dryer forming an essential building block for carbon capture systems that supports with compression and drying of CO_2 in several industries.

Vacuum Technique

- Order decline, down 5% organically
  - Driven by weaker demand for industrial and scientific vacuum equipment
  - Semi equipment largely unchanged
  - Growth for service
- Record revenues, 3% organic increase
- Operating profit margin at 21.3% (18.2)
  - Increased organic revenues
  - Positive impact from currency partly offset acquisitions
  - High costs related to supply chain constraints last year
- ROCE at 22% (24)



Innovation:
A new generation dry claw pump, DZS A & DZS VSD+, for the general industry offering low noise levels, high performance and reliability thanks to internal temperature control and a patented smart algorithm.

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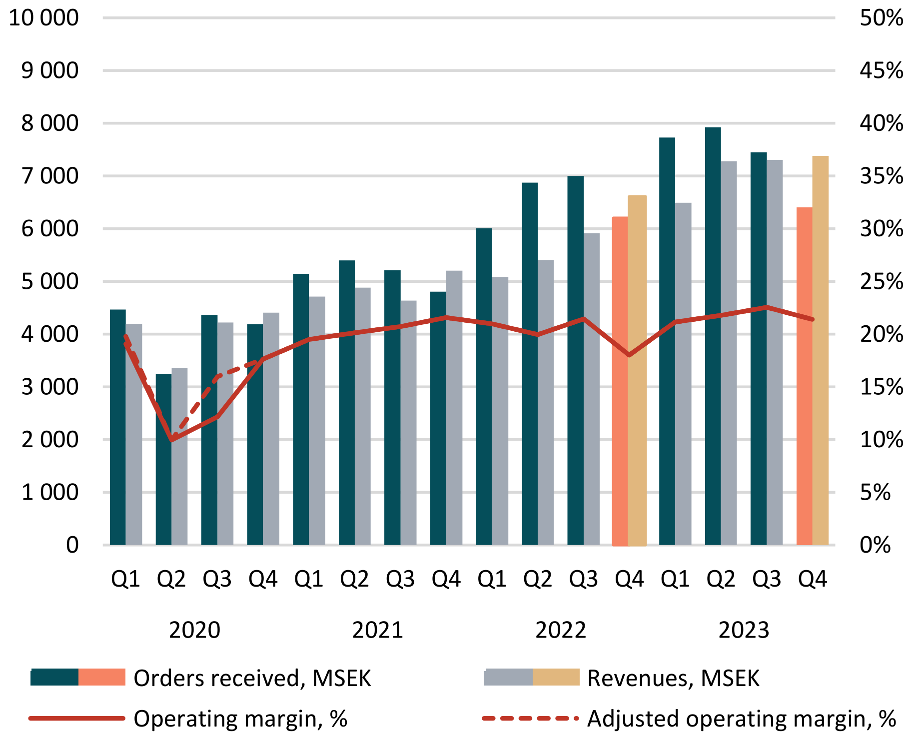
Industrial Technique

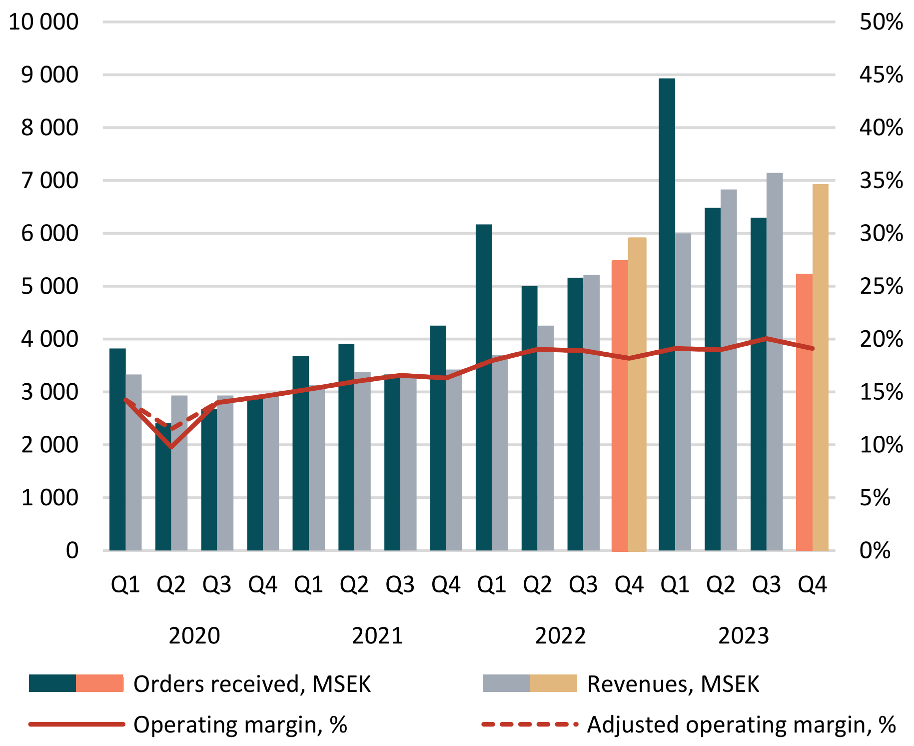
- Orders growth, up 3% organically
  - Automotive equipment orders down
  - Increased equipment demand from general industry
  - Continued solid growth for service
- Record revenues, 11% organic increase
- Record operating profit, margin at 21.4% (18.0)
  - Increased organic revenues
  - High costs related to supply chain constraints last year
- ROCE at 21% (17)



Innovation:
A robot-based and fully automated machine vision system for paint inspection in the automotive industry that ensures detection of quality defects, while process analytics provides feedback to ensure continuous process improvement.

Power Technique

- Order decline, down 11% organically
  - Lower equipment demand
  - Solid positive contribution from acquisitions
  - Continued solid growth for specialty rental and service
- Revenue increase of 10% organically
  - Solid positive contribution from acquisitions
- Operating profit margin at 19.1% (18.2)
  - Supported by increased organic revenues
  - Negative currency effect
- ROCE at 22% (25)



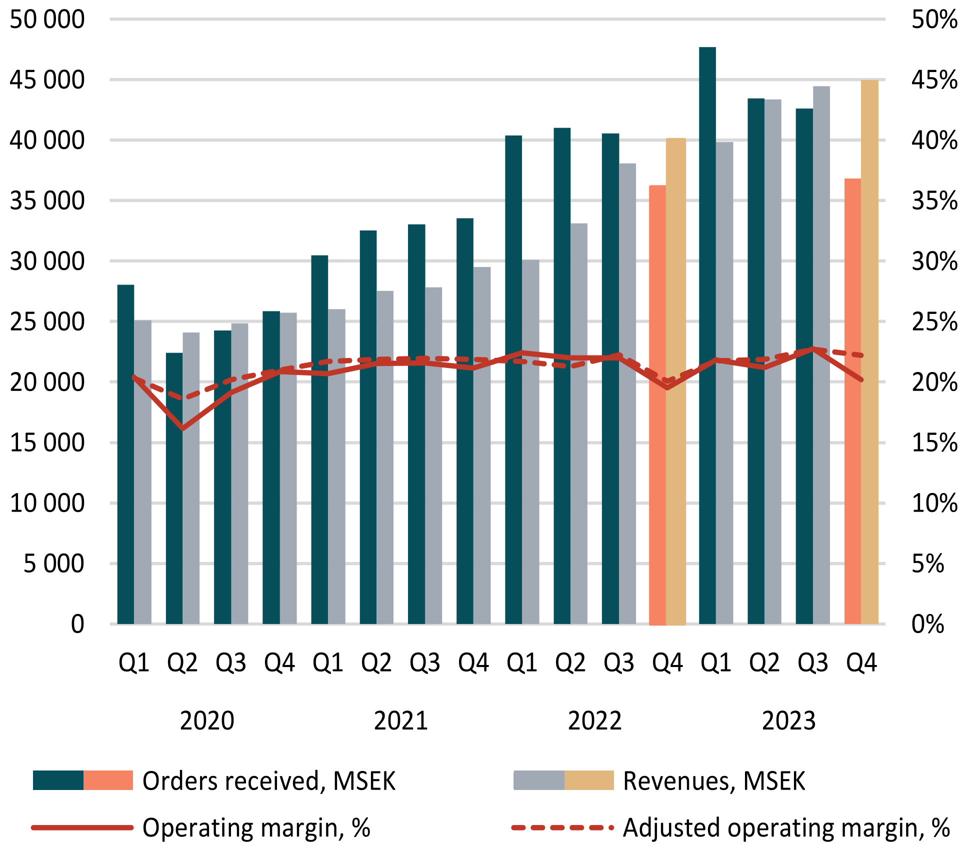
Innovation:
A new energy storage system, the ZBC1000-1200m, combines different power sources, enables micro-grid creation at infrastructure construction sites, and can support hybrid power plants, and stabilizes grid maintenance work.

Group total

October – December 2023 vs. 2022

	October-December	
MSEK	**2023**	**2022**
Orders received	**36 843**	**36 148**
Revenues	**44 954**	**40 054**
EBITA*	**9 638**	**8 306**
– as a percentage of revenues	*21.4*	*20.7*
Operating profit	**9 086**	**7 810**
– as a percentage of revenues	*20.2*	*19.5*
Net financial items	-253	-190
Profit before tax	**8 833**	**7 620**
– as a percentage of revenues	*19.6*	*19.0*
Income tax expense	**-2 053**	**-1 565**
– as a percentage of profit before tax	*23.2*	*20.5*
Profit for the period	**6 780**	**6 055**
Basic earnings per share, SEK	**1.39**	**1.24**
Return on capital employed, %	**30**	**29**
Return on capital equity, %	**32**	**32**

*Operating profit excluding amortization of intangibles related to acquisitions.



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Profit bridge

October – December 2023 vs. 2022

MSEK	Q4 2023	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q4 2022
Atlas Copco Group							
Revenues	44 954	4 105	-25	820	-	-	40 054
Operating profit	9 086	1 997	-130	60	-606	-45	7 810
	20.2%						*19.5%*

*LTI= Long term incentive

Profit bridge – by business area

October – December 2023 vs. 2022

MSEK	Q4 2023	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Q4 2022
Compressor Technique						
Revenues	19 827	2 627	-15	130		17 085
Operating profit	4 915	979	-75	-15	0	4 026
	24.8%					*23.6%*
Vacuum Technique						
Revenues	11 110	319	-100	245		10 646
Operating profit	2 370	374	55	0	0	1 941
	21.3%					*18.2%*
Industrial Technique						
Revenues	7 375	717	35	15		6 608
Operating profit	1 580	392	-5	5	0	1 188
	21.4%					*18.0%*
Power Technique						
Revenues	6 933	551	55	430		5 897
Operating profit	1 323	237	-55	70	0	1 071
	19.1%					*18.2%*

Balance sheet

MSEK	Dec. 31, 2023	Sep. 30, 2023	Dec. 31, 2022
Intangible assets	67 501	71 265	67 067
Rental equipment	4 345	4 228	2 689
Other property, plant and equipment	14 358	14 548	12 720
Right-of-use assets	5 763	5 814	4 752
Other non-current assets	4 510	5 095	4 861
Inventories	29 283	31 979	27 219
Receivables	45 072	47 354	40 849
Current financial assets	965	690	889
Cash and cash equivalents	10 887	12 906	11 254
Assets classified as held for sale	-	1	1
TOTAL ASSETS	**182 684**	**193 880**	**172 301**
Total equity	91 500	92 498	80 026
Interest-bearing liabilities	35 293	38 889	38 713
Non-interest-bearing liabilities	55 891	62 493	53 562
TOTAL EQUITY AND LIABILITIES	**182 684**	**193 880**	**172 301**

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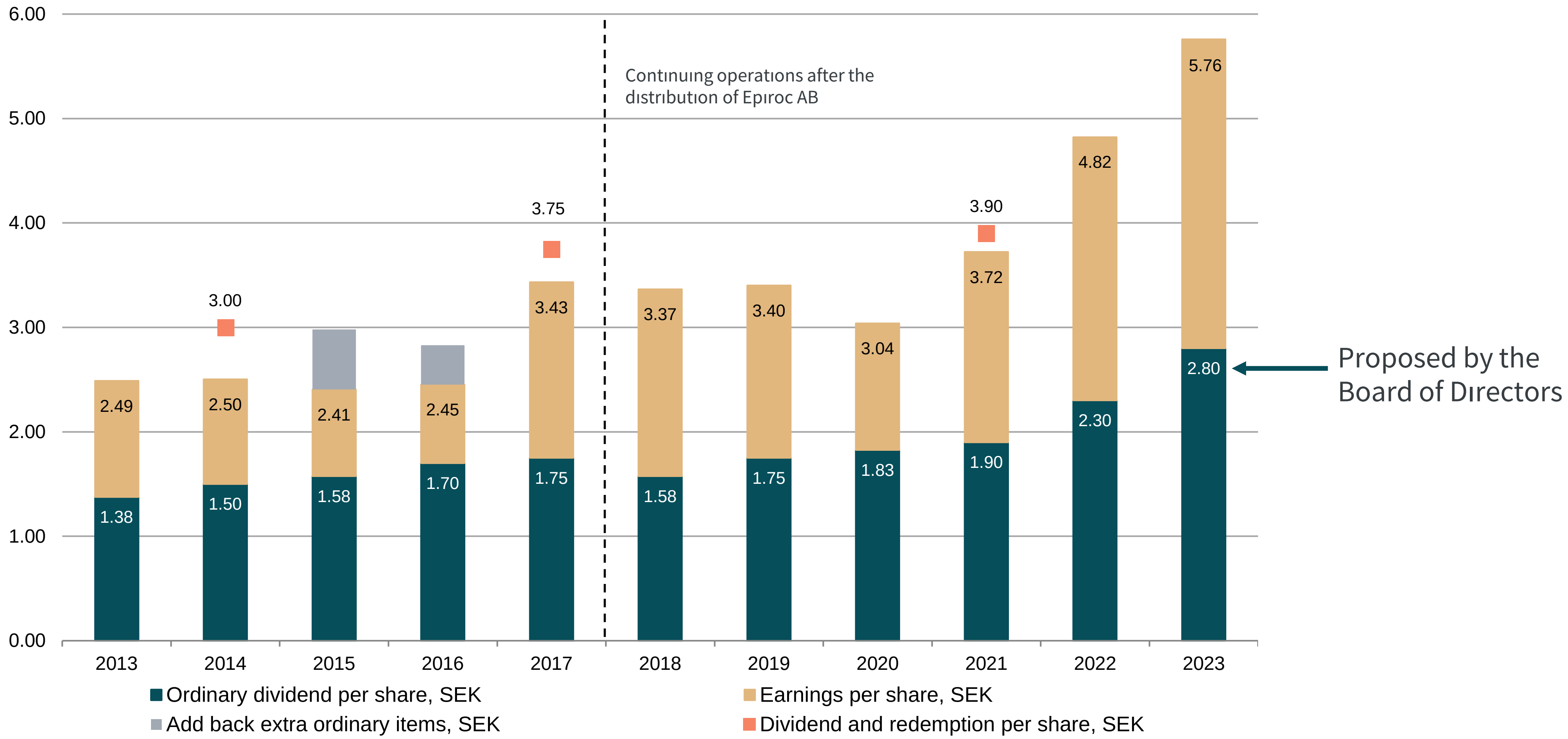
Cash flow

	October-December		January-December	
MSEK	**2023**	**2022**	**2023**	**2022**
Operating cash surplus	12 065	10 251	45 781	36 978
of which depreciation added back	*2 112*	*1 768*	*7 761*	*6 333*
Net financial items	129	-633	-883	-714
Taxes paid	-1 668	-1 078	-8 758	-6 245
Pension funding	-180	-167	-512	-419
Change in working capital	558	-1 370	-5 775	-7 415
Increase in rental equipment, net	-592	-247	-1 769	-808
Cash flow from operating activities	**10 312**	**6 756**	**28 084**	**21 377**
Investments of property, plant & eq., net	-1 002	-988	-3 886	-3 561
Other investments, net	-364	-348	-1 482	-1 351
Cash flow from investments	**-1 366**	**-1 336**	**-5 368**	**-4 912**
Adjustment, currency hedges of loans	-147	510	476	634
Operating cash flow	**8 799**	**5 930**	**23 192**	**17 099**
Company acquisitions/divestments	-791	-895	-4 314	-10 591

Earnings, dividend and redemption



Near-term outlook

Atlas Copco Group expects that the customer activity level will remain at the current level.

Welcome to Atlas Copco Group’s Capital Markets Day 2024

May 16, 2024

Antwerp, Belgium

Registration:

Atlas Copco Group Capital Markets Day 2024 (lyyti.fi)

Atlas Copco Group

Technology that transforms the future

Forward-looking statements

“Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer credit losses.”