Q3 results 2021

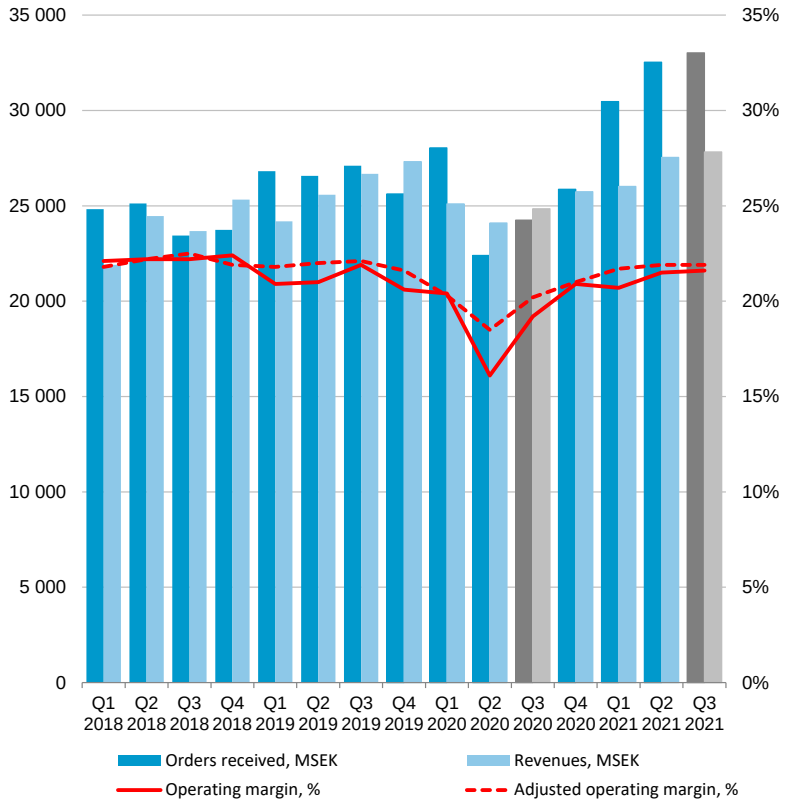
October 21, 2021

Q3 in brief

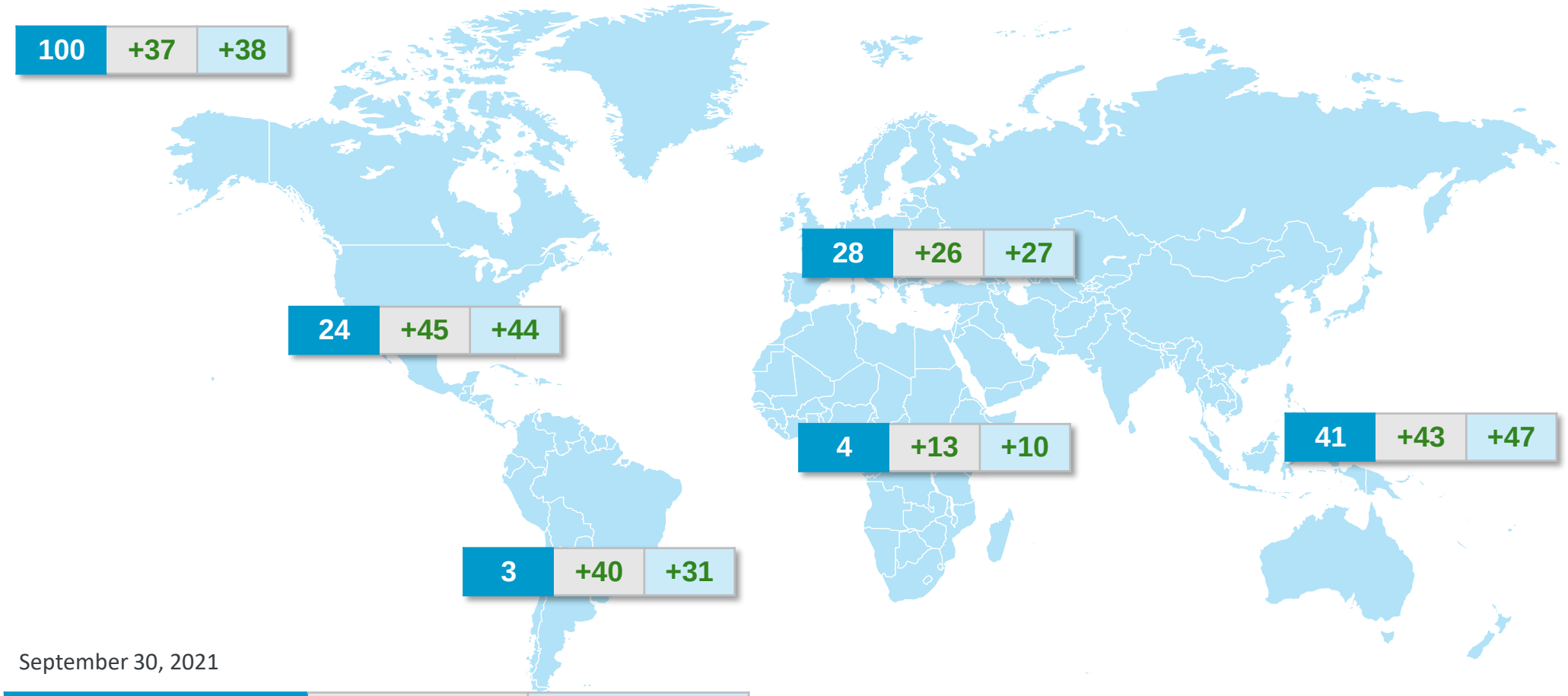
- High demand in all business areas
  - Continued strong order growth from the semiconductor industry
  - Solid year-on-year order growth in all business areas and in all regions, previous year still heavily affected by COVID-19
- Sequentially flat order development
  - Strong order growth for semi equipment offset by most other equipment types
  - Service volumes unchanged
- Revenues on a high level, negatively affected by supply chain constraints
- Solid profitability and operating cash flow

Q3 financials

- Orders received were MSEK 33 023 (24 246), organic growth of 36%
- Revenues were MSEK 27 824 (24 849), organic growth of 12%
- Operating profit was MSEK 6 000 (4 760), margin at 21.6% (19.2)
  - Adjusted operating profit at MSEK 6 109 (5 021), margin of 22.0% (20.2)
- Profit for the period was MSEK 4 557 (3 618)
- Basic earnings per share were SEK 3.74 (2.98)
- Operating cash flow at MSEK 4 664 (5 143)
- Return on capital employed was 27% (24)



Orders received – local currency

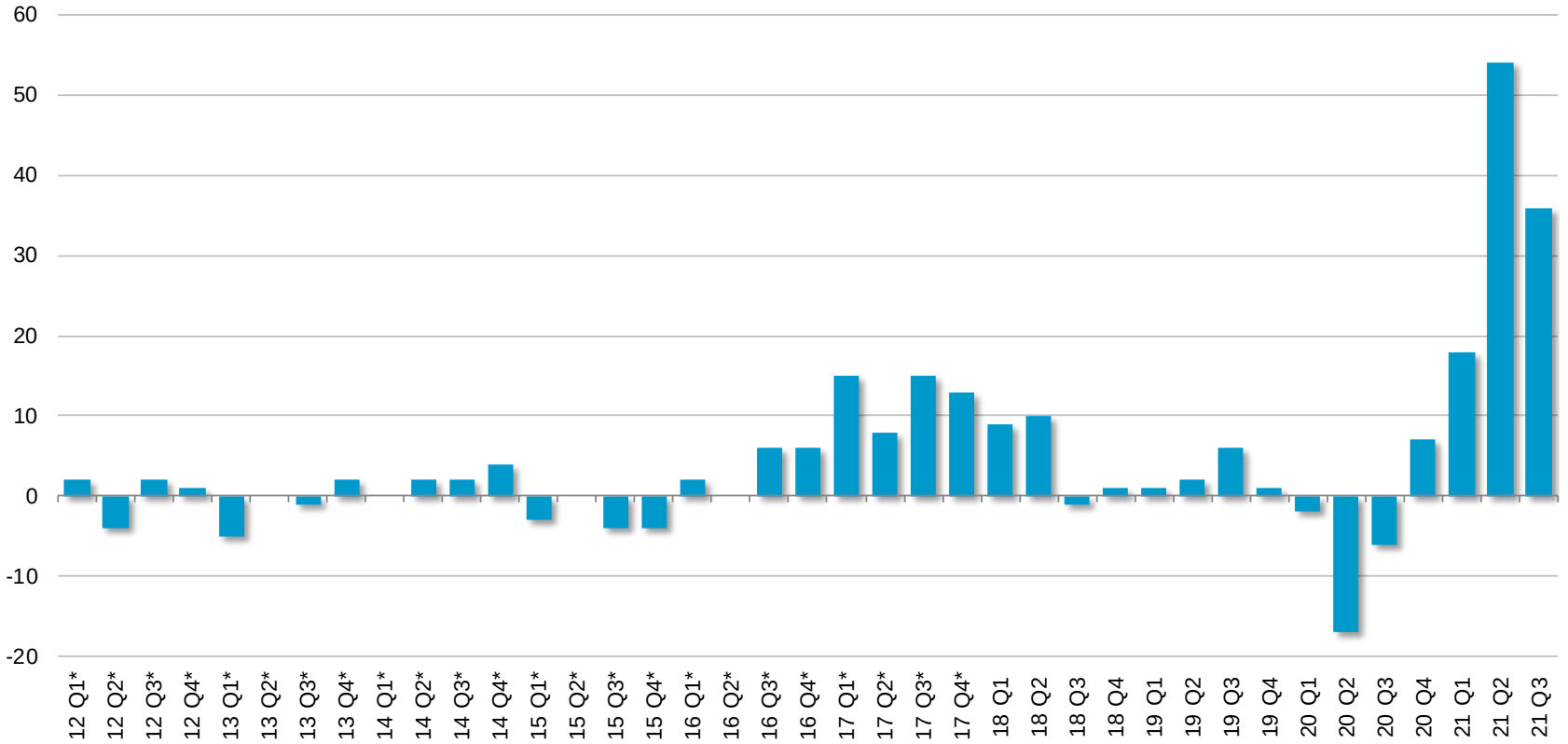


September 30, 2021

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

Order growth per quarter

Organic growth, %



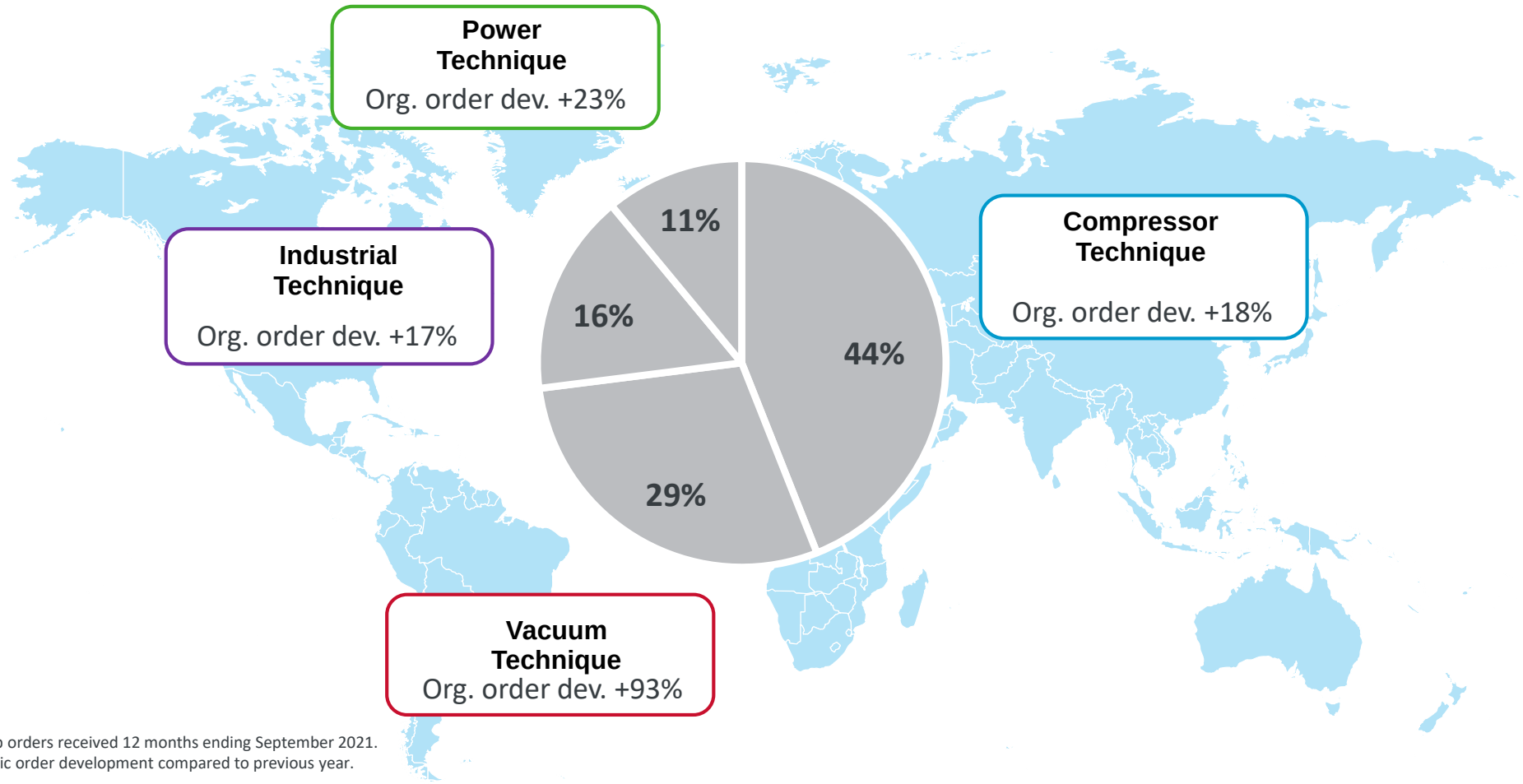
*2012-2017 excluding Mining and Rock Excavation Technique business area (now part of Epiroc AB).

Sales bridge

	July - September		January - September	
MSEK	Orders received	Revenues	Orders received	Revenues
2020	24 246	24 849	74 686	74 049
Structural change, %	+2	+2	+3	+2
Currency, %	-2	-2	-9	-7
Organic*, %	+36	+12	+35	+15
Total, %	+36	+12	+29	+10
2021	33 023	27 824	96 020	81 379

*Volume, price and mix.

Orders by business area and organic order development*



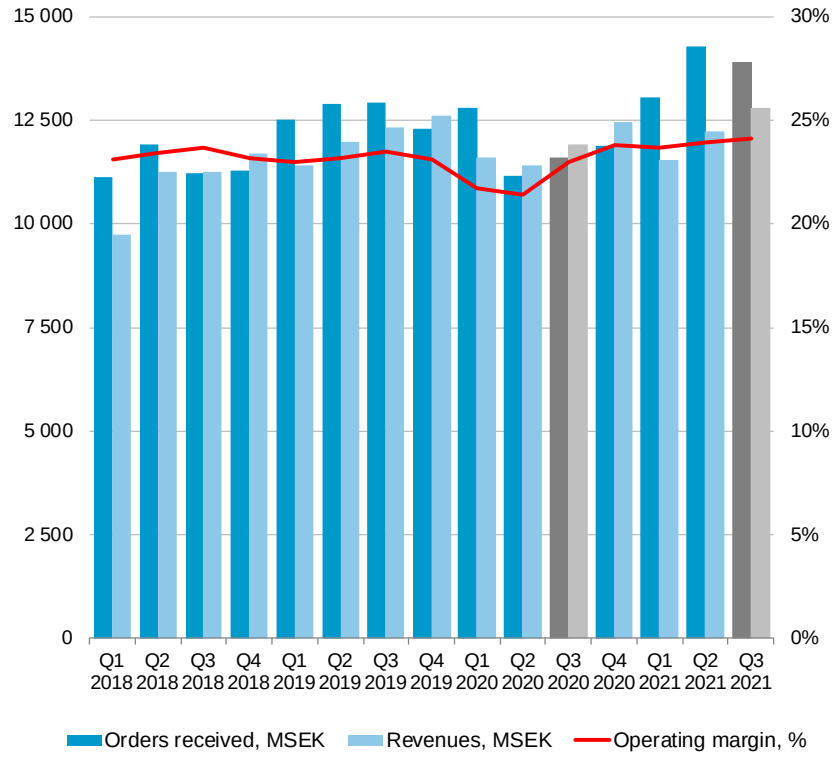
* Share of Group orders received 12 months ending September 2021.
3 month organic order development compared to previous year.

Compressor Technique

- Solid demand, organic order growth of 18%
  - Strong year-on-year growth for all equipment types
  - Continued growth for service year-on-year
  - Sequential order decline for equipment, service flat
- Record revenues, 7% organic increase
- Operating profit margin at 24.1% (23.0)
  - Driven by increased organic revenues
- ROCE at 94% (75)

Innovation:

A new range of oil-injected screw compressors, Alup Evoluto 30-45kW. Customers will benefit from higher energy efficiency, lower noise levels, and a reduced surface footprint.

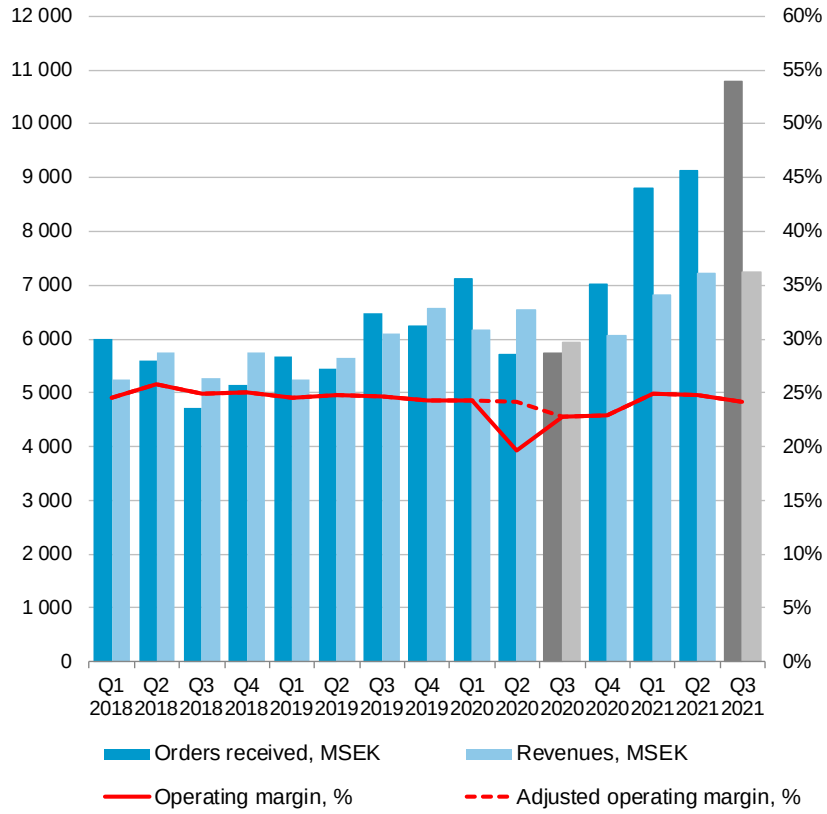


Vacuum Technique

- Record orders and 93% organic growth
  - Strong year-on-year growth for semiconductor and industrial equipment
  - Continued growth for service
  - Sequential growth for semiconductor equipment
  - Industrial vacuum equipment orders below the strong previous quarter
- Revenues up 24% organically
- Operating profit margin at 24.1% (22.8)
  - Supported by volume and currency
  - Negatively affected by increased supply-chain related costs
- ROCE at 24% (19)

Innovation:

New variants of the Edwards iXM dry pumps with an extended applications coverage, offering reduced surface footprint, lower weight, and 30% more energy efficient vs. competing products.

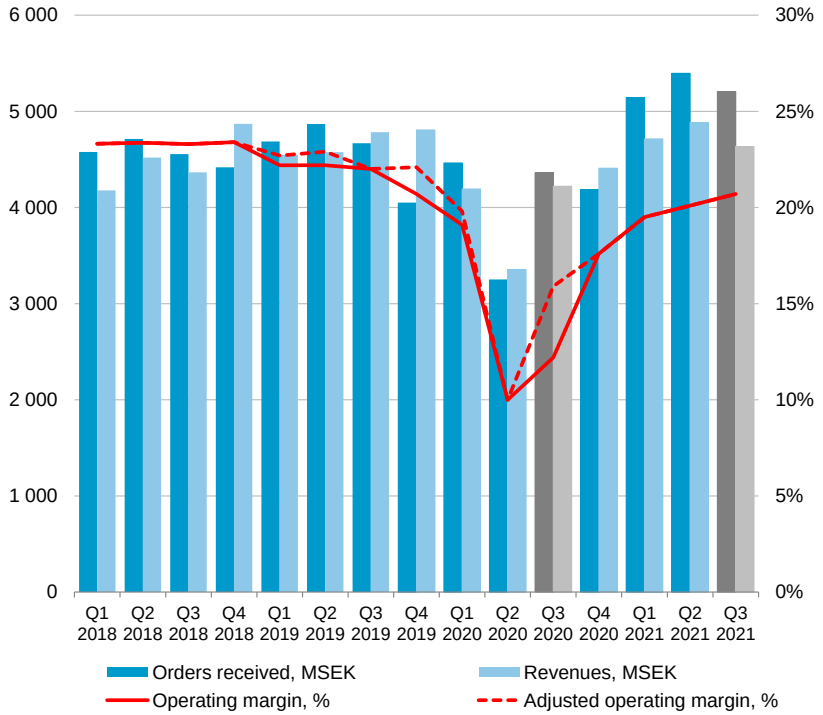


Industrial Technique

- Organic order growth of 17%
  - Strong year-on-year growth for equipment to automotive and general industry
  - Continued growth for service
  - Sequential growth for equipment to general industry and service
  - Auto equipment below previous quarter
- Revenues increased 7% organically
- Operating margin at 20.7% (12.2, adjusted 15.9)
  - Driven by volume and mix
- ROCE at 15% (16)

Innovation:

A new dispensing system, Scheugenpflug DosPL DPL2001/DosP DP2001, offering high productivity, process reliability and accuracy in production of battery systems, electrical connectors components, and displays.

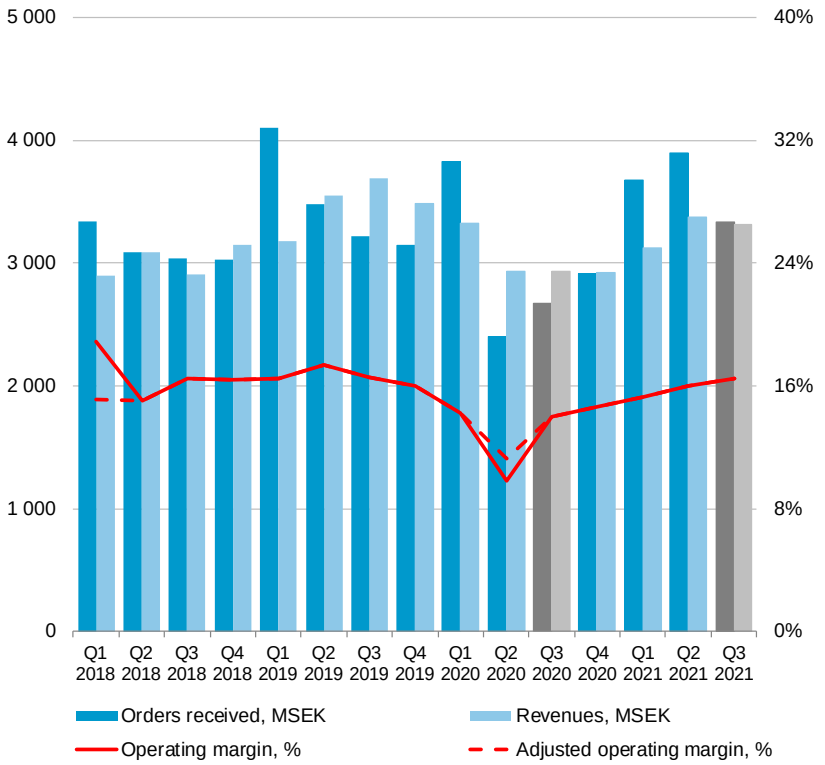


Power Technique

- Organic order growth of 23%
  - Strong year-on-year growth for equipment, specialty rental and service
  - Sequential growth for specialty rental, service orders unchanged
  - Equipment orders below previous quarter
- Revenues increased 13% organically
- Operating profit margin at 16.5% (14.0)
  - Supported by increased organic revenues, including mix, and currency
- ROCE at 25% (19)

Innovation:

A new range of portable compressors, the XAS 500 and LUY15, suitable for harsh working conditions and offers reduced fuel consumption compared to previous models.

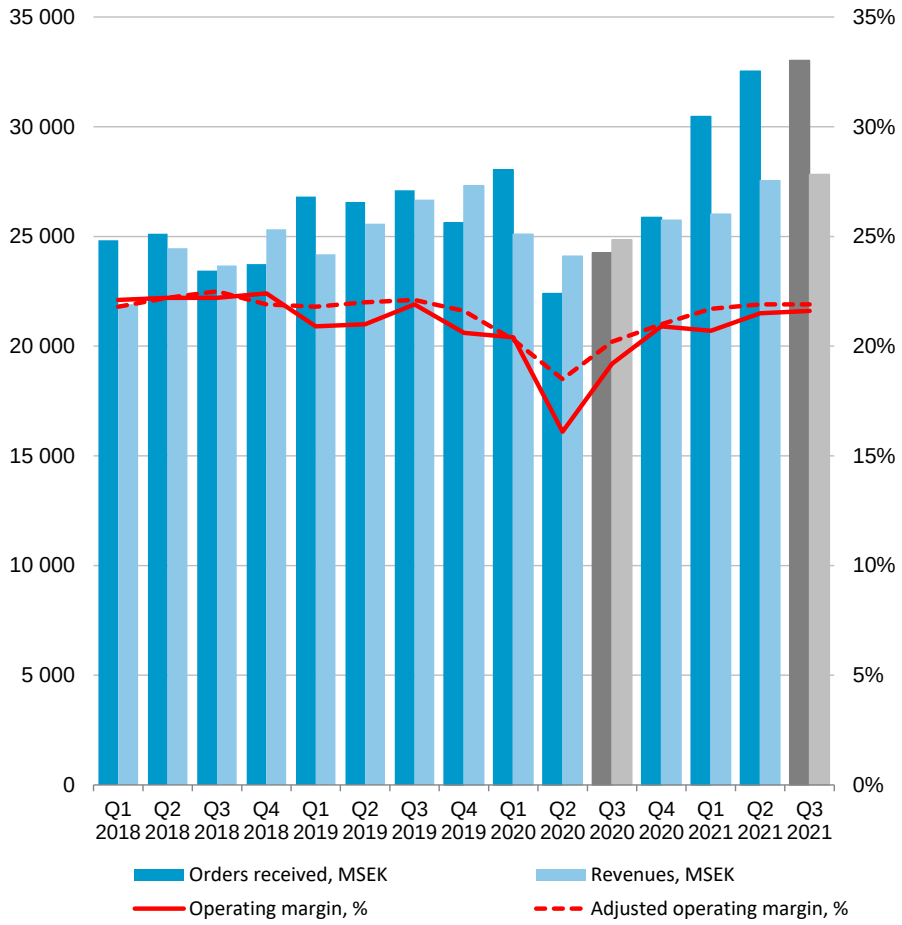


Group total

July – September 2021 vs. 2020

MSEK	July - September 2021	2020	
Orders received	**33 023**	**24 246**	**36%**
Revenues	**27 824**	**24 849**	**12%**
EBITA*	**6 373**	**5 119**	**24%**
– as a percentage of revenues	*22.9*	*20.6*	
Operating profit	**6 000**	**4 760**	**26%**
– as a percentage of revenues	*21.6*	*19.2*	
Net financial items	-55	-64	
Profit before tax	**5 945**	**4 696**	**27%**
– as a percentage of revenues	*21.4*	*18.9*	
Income tax expense	**-1 388**	**-1 078**	**29%**
– as a percentage of profit before tax	*23.3*	*23.0*	
Profit for the period	**4 557**	**3 618**	**26%**
Basic earnings per share, SEK	**3.74**	**2.98**	
Return on capital employed, %	**27**	**24**	
Return on equity, %	**30**	**27**	

* Operating profit excluding amortization of intangibles related to acquisitions.



Profit bridge

July – September 2021 vs. 2020

MSEK	Q3 2021	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q3 2020
Atlas Copco Group							
Revenues	27 824	2 945	-380	410			24 849
Operating profit	6 000	1 038	50	0	160	-8	4 760
	21.6%						*19.2%*

*LTI= Long term incentive

Profit bridge – by business area

July – September 2021 vs. 2020

MSEK	Q3 2021	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Q3 2020
Compressor Technique						
Revenues	12 792	882	-160	180		11 890
Operating profit	3 087	408	-40	-10	0	2 729
	24.1%					*23.0%*
Vacuum Technique						
Revenues	7 249	1 421	-130	30		5 928
Operating profit	1 748	364	30	0	0	1 354
	24.1%					*22.8%*
Industrial Technique						
Revenues	4 630	314	-55	150		4 221
Operating profit	958	250	35	0	160	513
	20.7%					*12.2%*
Power Technique						
Revenues	3 312	365	-35	50		2 932
Operating profit	548	123	5	10	0	410
	16.5%					*14.0%*

Balance sheet

MSEK	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Intangible assets	49 754	48 795	45 840
Rental equipment	2 409	2 487	2 255
Other property, plant and equipment	11 688	11 642	11 136
Other non-current assets	3 309	3 447	3 190
Inventories	16 622	14 704	13 450
Receivables	30 715	27 464	25 777
Current financial assets	625	138	58
Cash and cash equivalents	17 106	10 251	11 655
Assets classified as held for sale	5	5	5
TOTAL ASSETS	**132 233**	**118 933**	**113 366**
Total equity	61 857	57 073	53 534
Interest-bearing liabilities	27 380	29 051	28 134
Non-interest-bearing liabilities	42 996	32 809	31 698
TOTAL EQUITY AND LIABILITIES	**132 233**	**118 933**	**113 366**

Cash flow

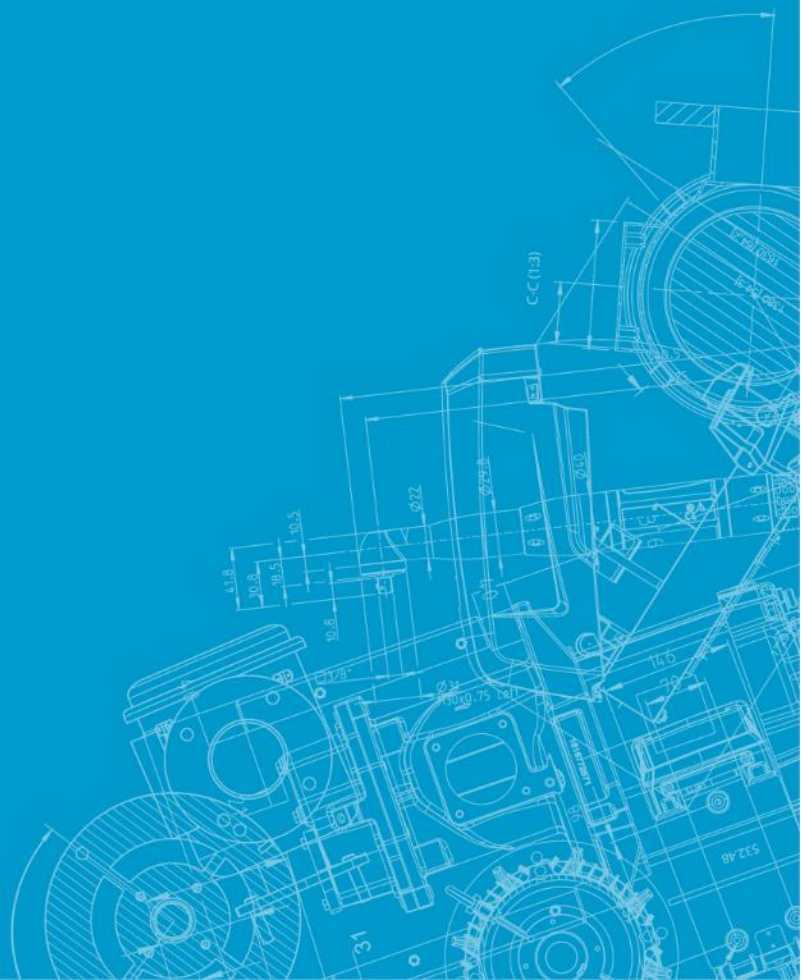
MSEK	July - September 2021	July - September 2020	January - September 2021	January - September 2020
Operating cash surplus	7 285	6 023	21 326	18 223
of which depreciation added back	*1 400*	*1 300*	*4 016*	*3 877*
Net financial items	-69	310	64	68
Taxes paid	-1 607	-1 729	-4 939	-3 905
Pension funding	-68	-78	-214	-236
Change in working capital	77	1 707	-768	984
Increase in rental equipment, net	-147	-59	-355	-327
Cash flows from operating activities	**5 471**	**6 174**	**15 114**	**14 807**
Investments of property, plant & eq., net	-513	-333	-1 249	-1 047
Other investments, net	-312	-362	-1 002	-938
Cash flow from investments	**-825**	**-695**	**-2 251**	**-1 985**
Adjustment, currency hedges of loans	18	-336	-135	-371
Operating cash flow	**4 664**	**5 143**	**12 728**	**12 451**
Company acquisitions/ divestments	-1 591	-123	-2 309	-12 921

Near-term outlook

Atlas Copco expects that the customers' business activity level will remain high, but weaken compared to the very high level in the third quarter.

Atlas Copco

atlascopcogroup.com



Forward-looking statements

“Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented uponother 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.”