Q1 results 2022

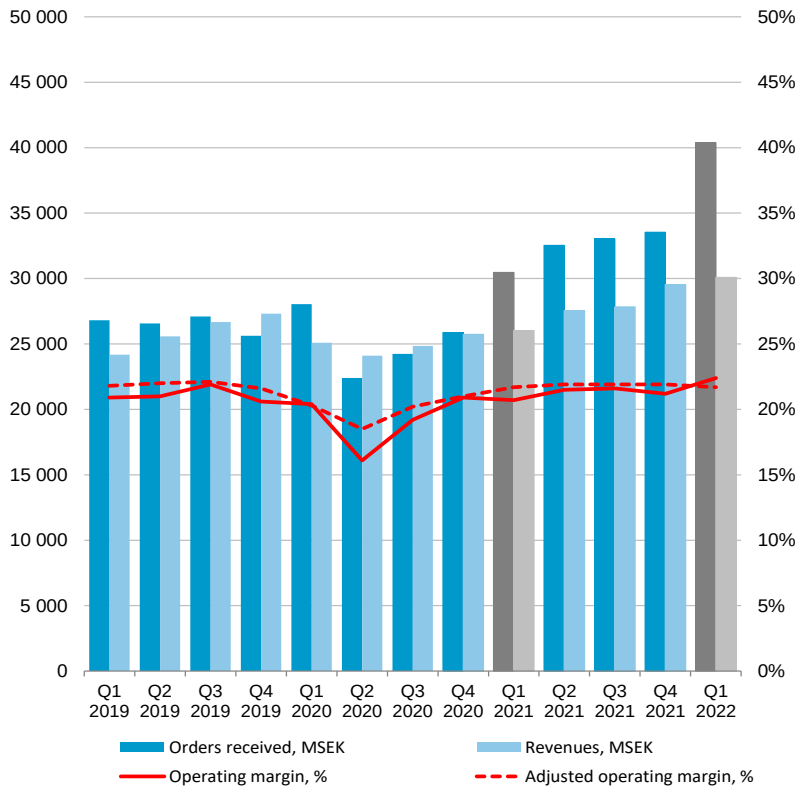
April 26, 2022

Q1 in brief

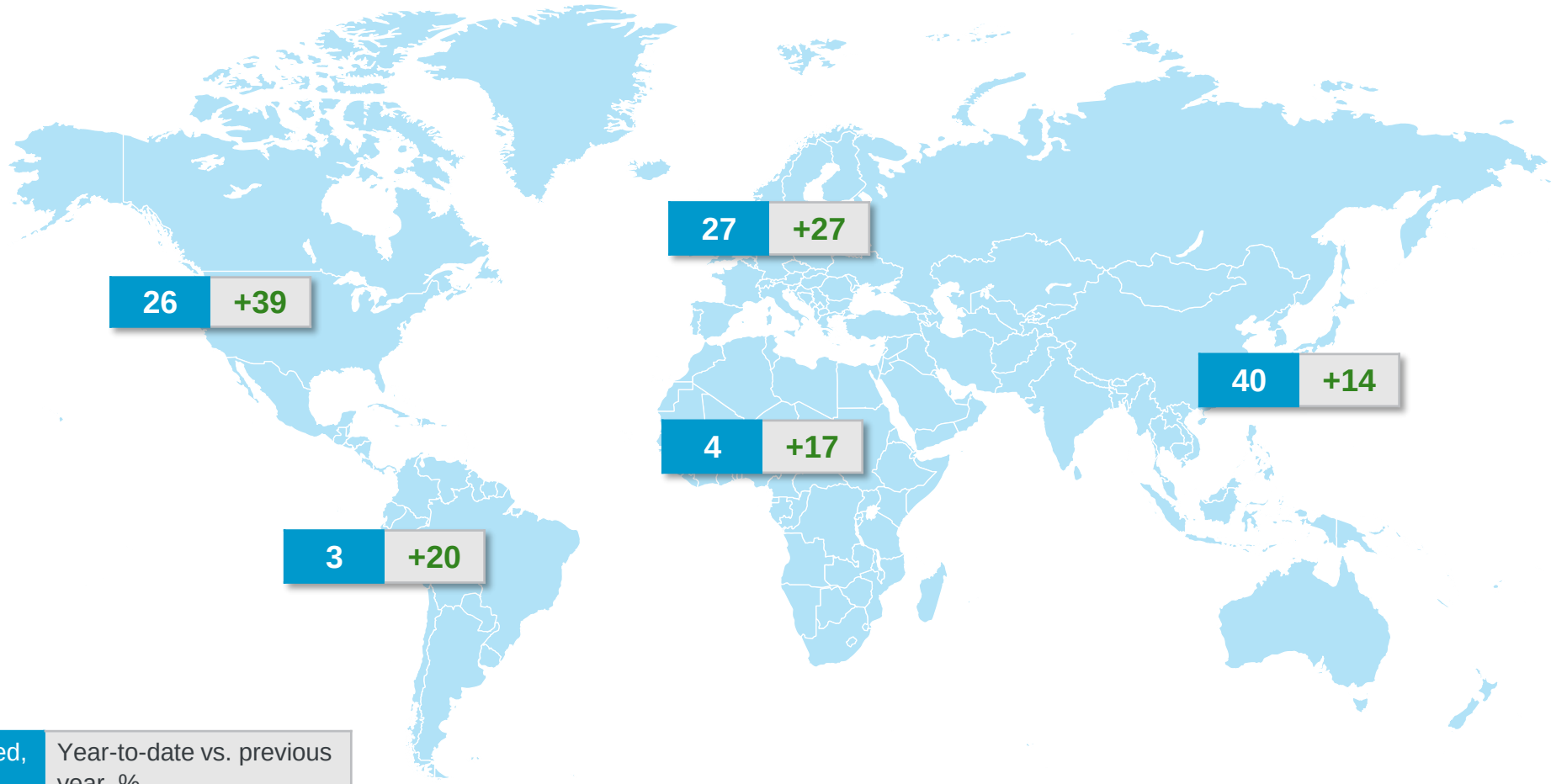
- Record order intake
  - Growth in all regions
  - Significant growth for most equipment types
  - Solid growth for service
- Continued revenue growth
  - Negatively affected by supply chain constraints and COVID-19
- Healthy profitability
  - Despite supply chain constraints and negative effects from COVID-19

Q1 financials

- Orders received were MSEK 40 379 (30 468), organic growth of 23%
- Revenues were MSEK 30 086 (26 021), organic growth of 7%
- Operating profit was MSEK 6 749 (5 387), margin at 22.4% (20.7)
  - Adjusted operating profit at MSEK 6 525 (5 649), margin of 21.7% (21.7)
- Profit for the period was MSEK 5 213 (4 117)
- Basic earnings per share were SEK 4.28 (3.38)
- Operating cash flow at MSEK 2 400 (4 321)
- Return on capital employed was 27% (23)



Orders received – local currency

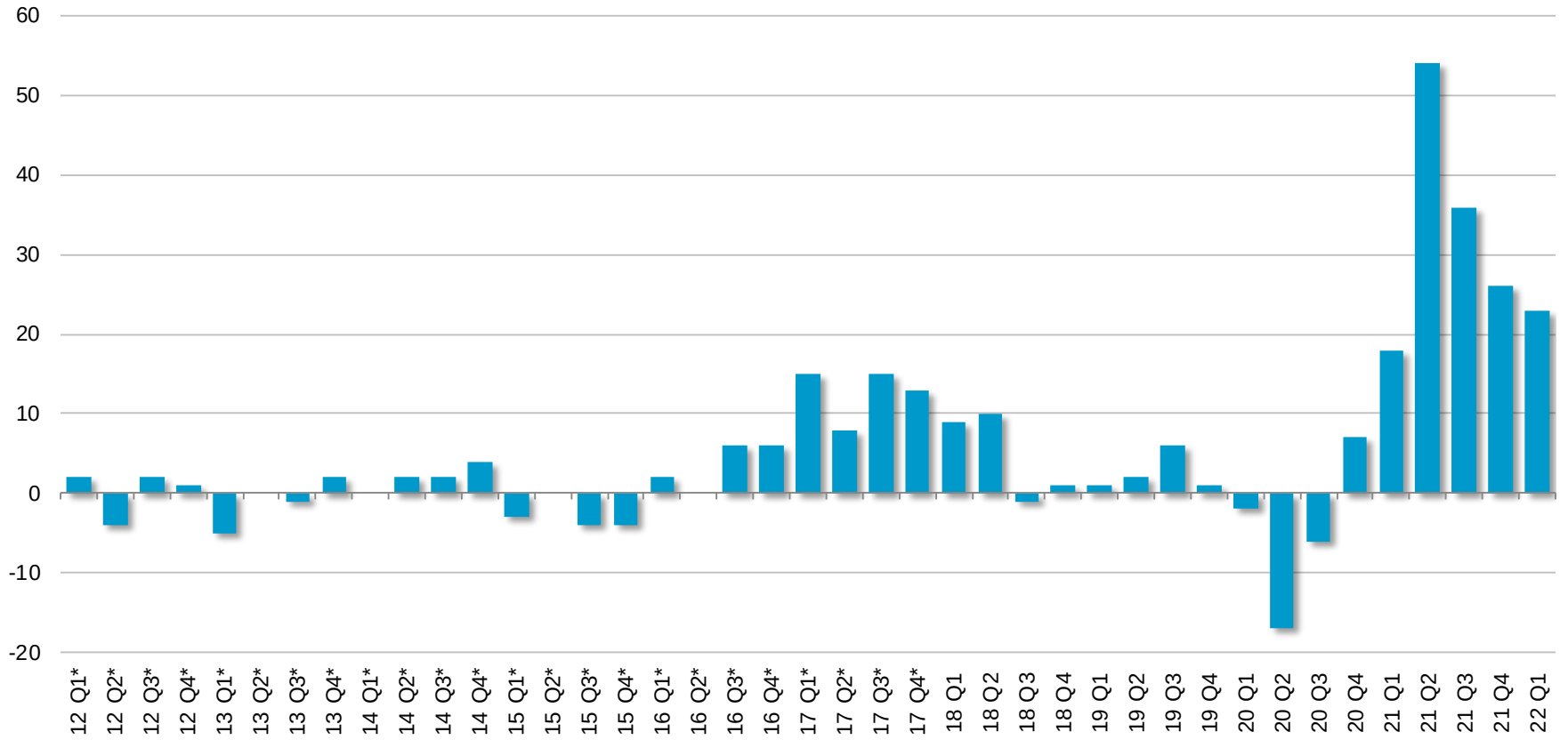


March 31, 2022

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

Order growth per quarter

Organic growth, %



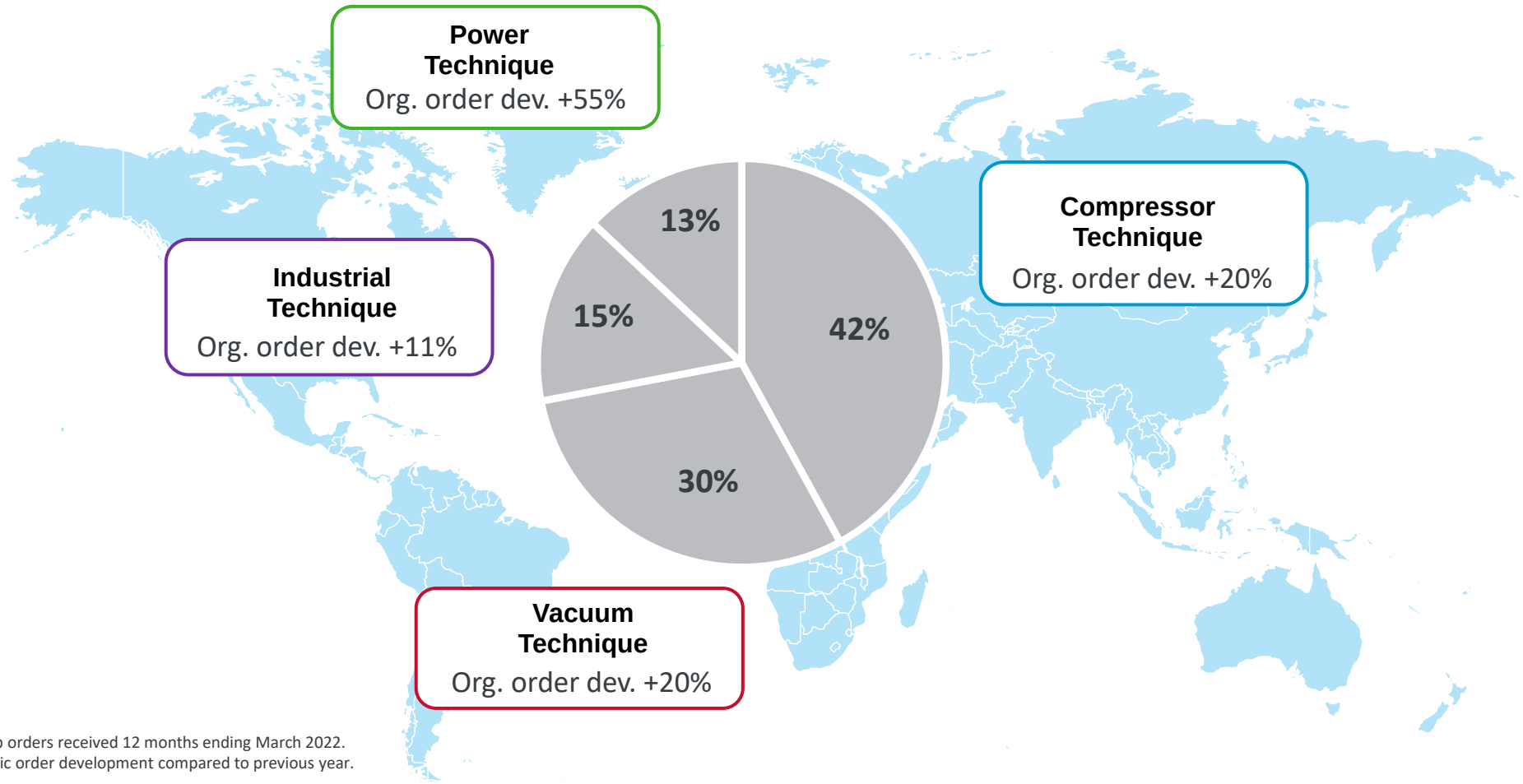
*2012-2017 excluding Mining and Rock Excavation Technique business area (now part of Epiroc AB).

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2021	30 468	26 021
Structural change, %	+1	+1
Currency, %	+9	+8
Organic*, %	+23	+7
Total, %	+33	+16
2022	40 379	30 086

*Volume, price and mix.

Orders by business area and organic order development*



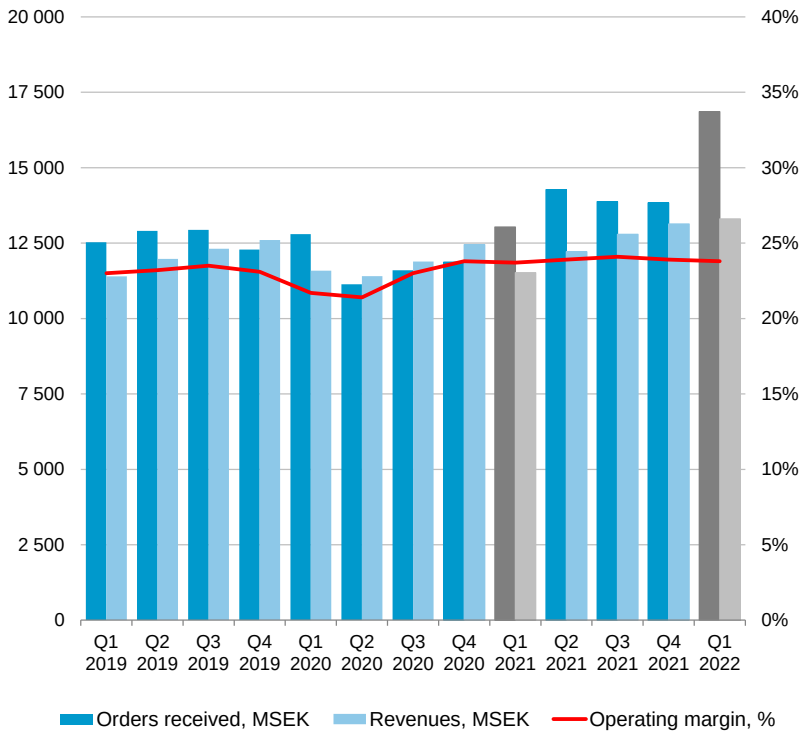
* Share of Group orders received 12 months ending March 2022.
3 month organic order development compared to previous year.

Compressor Technique

- Record orders, organic growth of 20%
  - Strong growth for all compressor types
  - Solid growth for service
- Revenues up 7% organically
- Operating profit margin at 23.8% (23.7)
  - Supported by currency
  - Negatively affected by supply chain constraints and COVID-19
- ROCE at 90% (84)

Innovation:

A new range of compressed air filters, Atlas Copco inPASS, that helps customers to optimize the air quality and protect equipment in production.

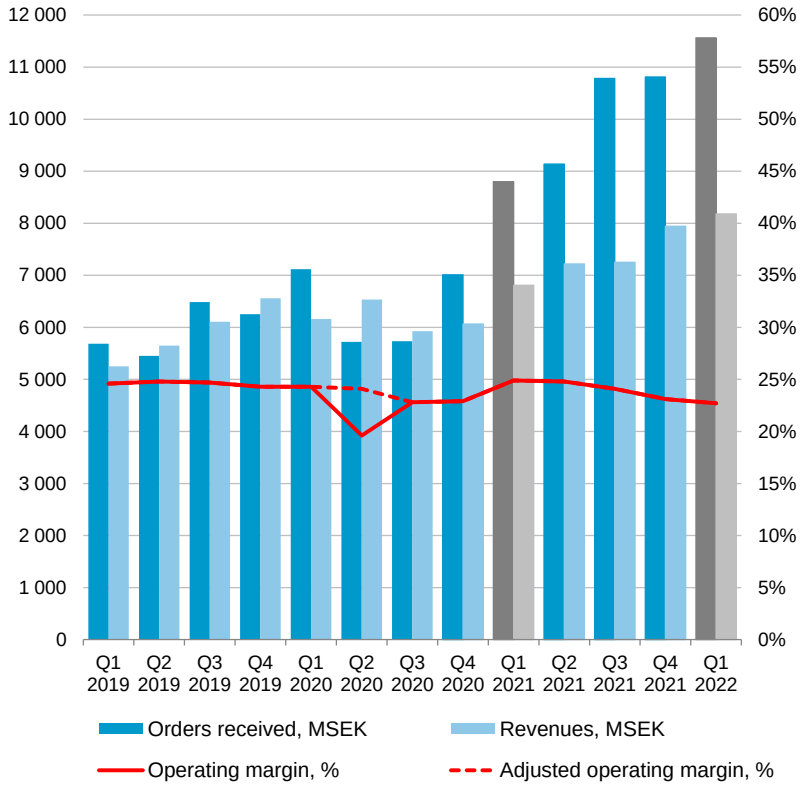


Vacuum Technique

- Record orders, organic growth of 20%
  - Significant growth for equipment (semiconductor and general vacuum)
  - Solid growth for service
- Revenues up 10% organically
- Operating profit margin at 22.7% (24.9)
  - Negative effects from supply chain constraints and COVID-19
  - Slight positive currency effect
- ROCE at 25% (20)

Innovation:

A new generation variable speed drive oil-injected vacuum pumps, GHS 1402-2002VSD+, targeting industrial vacuum applications and offers optimal oil separation and a small footprint.

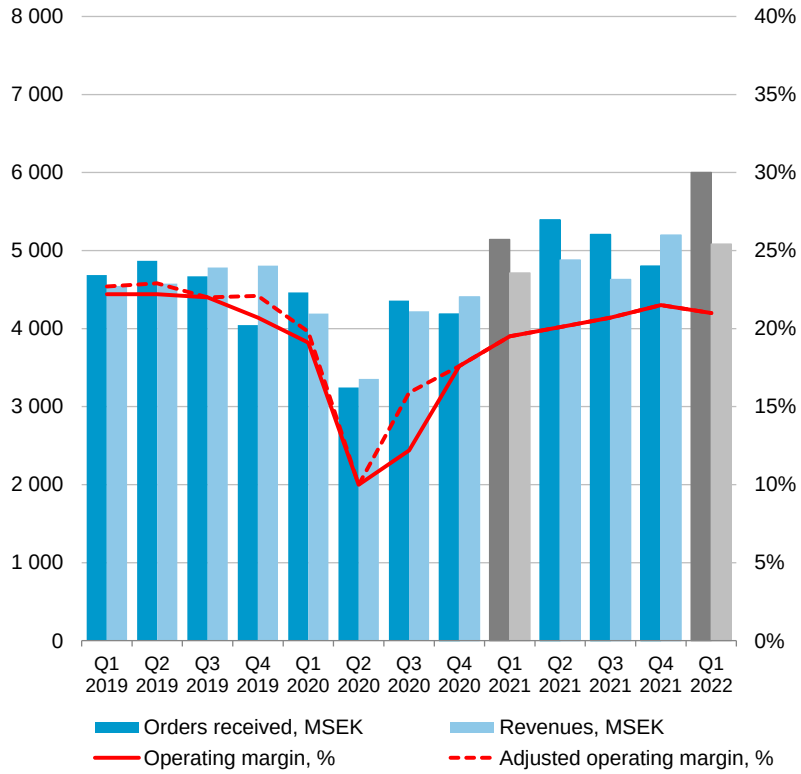


Industrial Technique

- Record orders, organic growth of 11%
  - Increased demand from automotive and general industry
  - Service orders flat
- Revenues up 1% organically
- Operating profit margin at 21.0% (19.5)
  - Supported by currency
  - Negative effects from supply chain constraints and COVID- 19
- ROCE at 17% (12)

Innovation:

A new screw feeding system, based on standardized modules for tailor-made design, that will support customers to improve quality, uptime, and productivity production.

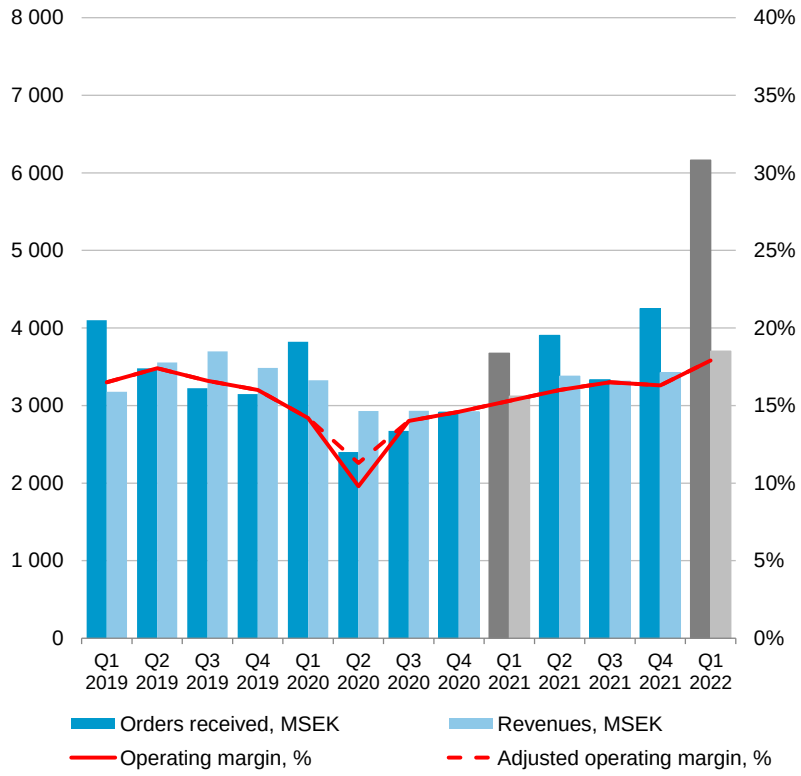


Power Technique

- Record orders, organic growth of 55%
  - Significant equipment growth driven by equipment rental companies
  - Strong growth for specialty rental and service
- Record revenues, up 9% organically
- Operating profit margin at 17.9% (15.3)
  - Driven by increased organic revenue volumes
  - Negatively affected by currency, supply chain constraints and COVID-19
- ROCE at 29% (19)

Innovation:

A new pump range for dewatering and industrial applications, PAC F/H, offering high pumping performance and low environmental footprint thanks to electrical motor.

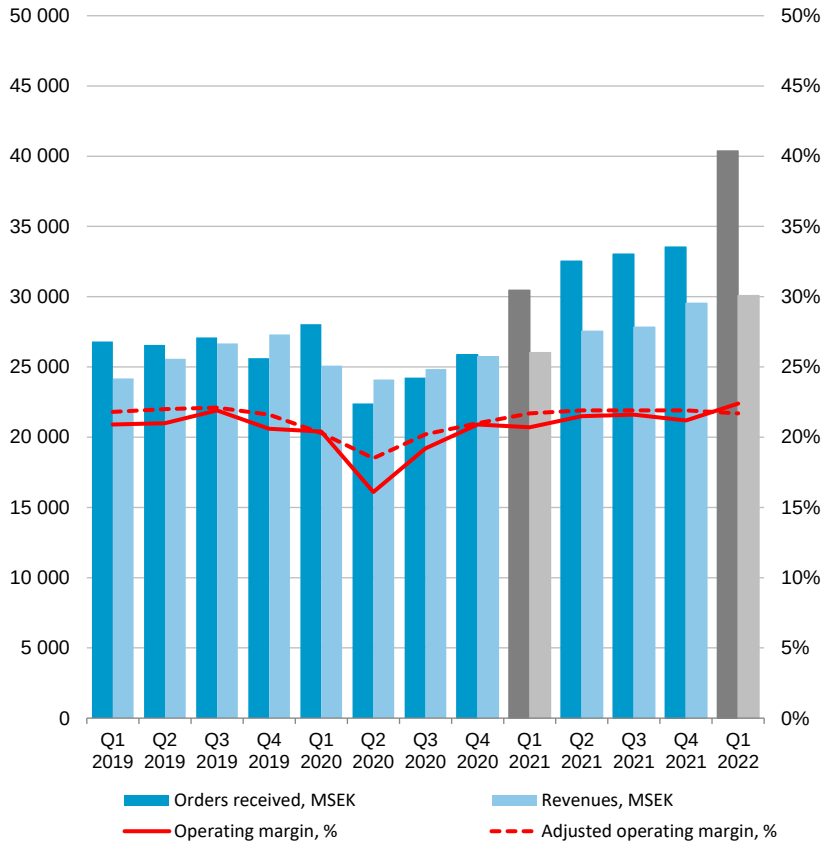


Group total

January – March 2022 vs. 2021

MSEK	January - March 2022	2021	
Orders received	**40 379**	**30 468**	**33%**
Revenues	**30 086**	**26 021**	**16%**
EBITA*	**7 127**	**5 742**	**24%**
– as a percentage of revenues	*23.7*	*22.1*	
Operating profit	**6 749**	**5 387**	**25%**
– as a percentage of revenues	*22.4*	*20.7*	
Net financial items	-78	-44	
Profit before tax	**6 671**	**5 343**	**25%**
– as a percentage of revenues	*22.2*	*20.5*	
Income tax expense	**-1 458**	**-1 226**	**19%**
– as a percentage of profit before tax	*21.9*	*22.9*	
Profit for the period	**5 213**	**4 117**	**27%**
Basic earnings per share, SEK	**4.28**	**3.38**	
Return on capital employed, %	**27**	**23**	
Return on equity, %	**30**	**27**	

* Operating profit excluding amortization of intangibles related to acquisitions.



Profit bridge

January – March 2022 vs. 2021

MSEK	Q1 2022	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q1 2021
Atlas Copco Group							
Revenues	30 086	1 780	2 015	270	-	-	26 021
Operating profit	6 749	256	605	15	0	486	5 387
	22.4%						*20.7%*

*LTI= Long term incentive

Profit bridge – by business area

January – March 2022 vs. 2021

MSEK	Q1 2022	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Q1 2021
Compressor Technique						
Revenues	13 305	783	805	195		11 522
Operating profit	3 170	185	250	5	0	2 730
	23.8%					*23.7%*
Vacuum Technique						
Revenues	8 179	676	650	45		6 808
Operating profit	1 859	-16	180	0	0	1 695
	22.7%					*24.9%*
Industrial Technique						
Revenues	5 083	60	330	-20		4 713
Operating profit	1 065	-17	170	-5	0	917
	21.0%					*19.5%*
Power Technique						
Revenues	3 702	291	240	50		3 121
Operating profit	664	153	20	15	0	476
	17.9%					*15.3%*

Balance sheet

MSEK	Mar. 31, 2022	Mar. 31, 2021	Dec. 31, 2021
Intangible assets	51 215	47 789	50 348
Rental equipment	2 437	2 257	2 342
Other property, plant and equipment	9 615	8 217	8 991
Right-of-use assets	3 213	3 359	3 244
Other non-current assets	3 773	3 164	3 752
Inventories	20 361	14 696	17 801
Receivables	32 390	28 491	30 363
Current financial assets	752	664	847
Cash and cash equivalents	24 183	14 746	18 990
Assets classified as held for sale	5	5	5
TOTAL ASSETS	**147 944**	**123 388**	**136 683**
Total equity	74 436	61 168	67 634
Interest-bearing liabilities	31 079	26 839	27 988
Non-interest-bearing liabilities	42 429	35 381	41 061
TOTAL EQUITY AND LIABILITIES	**147 944**	**123 388**	**136 683**

Cash flow

MSEK	January - March 2022	2021
Operating cash surplus	8 145	6 773
of which depreciation added back	*1 441*	*1 278*
Net financial items	-225	138
Taxes paid	-1 099	-1 066
Pension funding	-82	-75
Change in working capital	-3 079	-500
Increase in rental equipment, net	-185	-84
Cash flows from operating activities	**3 475**	**5 186**
Investments of property, plant & eq., net	-836	-340
Other investments, net	-349	-318
Cash flow from investments	**-1 185**	**-658**
Adjustment, currency hedges of loans	110	-207
Operating cash flow	**2 400**	**4 321**
Company acquisitions/ divestments	-226	-124

Near-term outlook

Although the world's current economic development makes the outlook uncertain, Atlas Copco expects that the customers' activity level will remain high, but weaken compared to the very high level in the first quarter.

Atlas Copco

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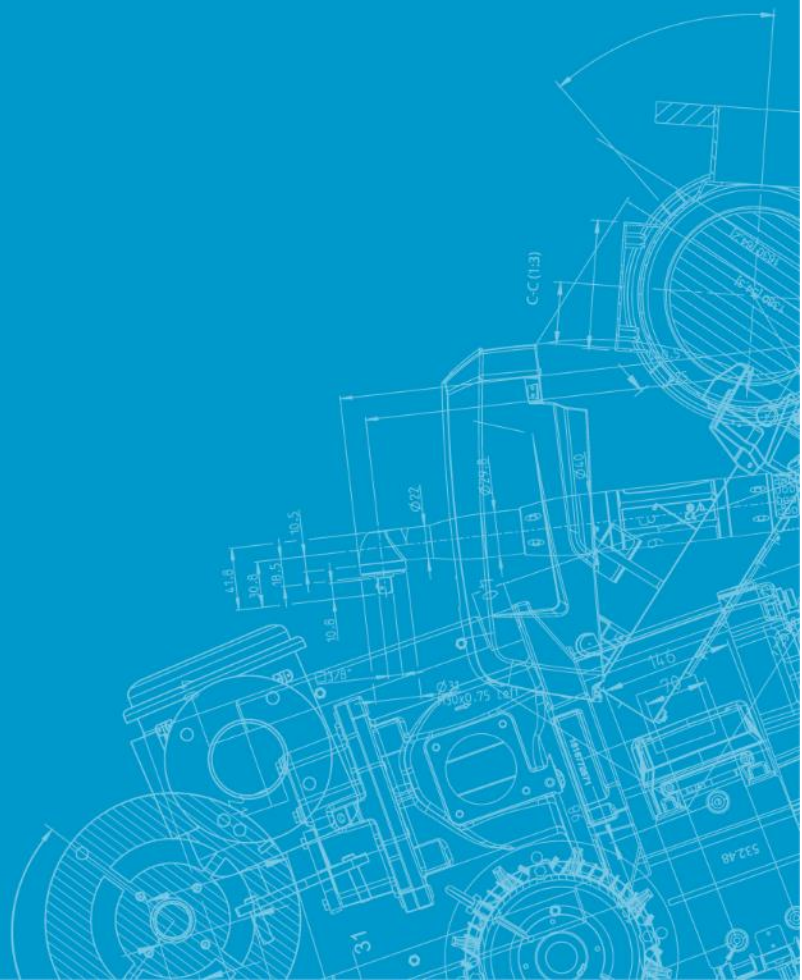

Forward-looking statements

“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.”