Press release from Atlas Copco AB

January 26, 2023

Atlas Copco
Interim report on Q4 and full-year summary 2022

Mixed demand, record revenues and solid cash flow

The comparison figures presented in this report refer to previous year unless otherwise stated.

Fourth quarter

- Orders received increased 8% to MSEK 36 148 (33 525), organic decline of 7%
- Revenues increased 36% to MSEK 40 054 (29 533), organic growth of 16%
- Operating profit was MSEK 7 810 (6 248), corresponding to a margin of 19.5% (21.2)
  - Adjusted operating profit, excluding items affecting comparability, reached MSEK 8 029 (6 462), corresponding to a margin of 20.0% (21.9)
- Profit before tax amounted to MSEK 7 620 (6 250)
- Basic earnings per share were SEK 1.24 (1.00, adjusted for share split)
- Operating cash flow at MSEK 5 930 (6 650)
- Return on capital employed was 29% (27)
- The Board of Directors proposes:
  - Ordinary dividend for 2022 of SEK 2.30 (1.90, adjusted for share split) per share, to be paid in two installments

	October - December			January - December		
MSEK	2022	2021		2022	2021	
Orders received	36 148	33 525	8%	158 092	129 545	22%
Revenues	40 054	29 533	36%	141 325	110 912	27%
EBITA[1)]	8 306	6 615	26%	31 956	25 015	28%
– as a percentage of revenues	*20.7*	*22.4*		*22.6*	*22.6*	
Operating profit	7 810	6 248	25%	30 216	23 559	28%
– as a percentage of revenues	*19.5*	*21.2*		*21.4*	*21.2*	
Profit before tax	7 620	6 250	22%	30 044	23 410	28%
– as a percentage of revenues	*19.0*	*21.2*		*21.3*	*21.1*	
Profit for the period	6 055	4 889	24%	23 482	18 134	29%
Basic earnings per share, SEK	1.24	1.00 [2)]		4.82	3.72 [2)]	
Diluted earnings per share, SEK	1.24	1.00 [2)]		4.81	3.71 [2)]	
Return on capital employed, %	29	27				

[1)] Operating profit excluding amortization of intangibles related to acquisitions.

[2)] Adjusted for share split.

Near-term demand outlook

Atlas Copco expects that the customers' activity level will remain at the current level.

Previous near-term demand outlook (published October 19, 2022):
Atlas Copco expects that the customers' activity level will weaken somewhat compared to the high level in the third quarter.

Quarterly and annual financial data in Excel format can be found at:
https://www.atlascopcogroup.com/en/investor-relations/financial-reports-presentations/latest-results

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Summary of full-year 2022

Orders and revenues

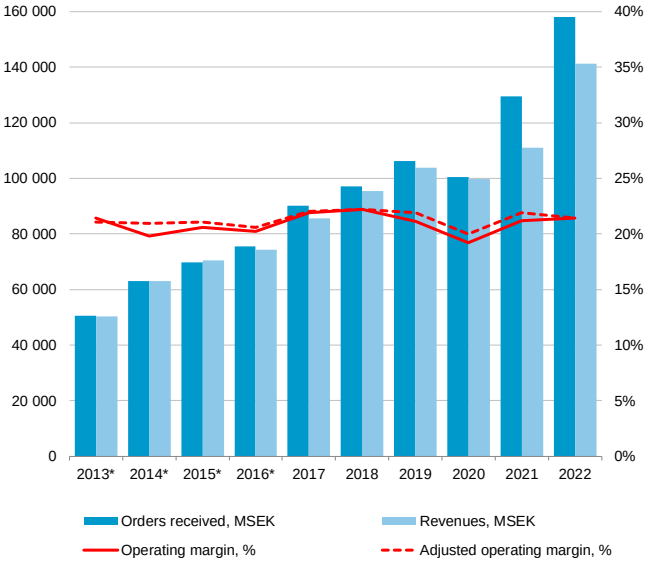
Orders received in 2022 increased 22% to record MSEK 158 092 (129 545), corresponding to an organic growth of 8%. Revenues also reached a record and increased 27% to MSEK 141 325 (110 912), corresponding to a 12% organic increase.

Sales bridge

	January - December	
MSEK	Orders received	Revenues
2021	129 545	110 912
Structural change, %	+3	+3
Currency, %	+11	+12
Organic*, %	+8	+12
Total, %	+22	+27
2022	158 092	141 325

*Volume, price and mix.

Orders, revenues and operating profit margin



* 2013–2016 figures are best estimated numbers, as the effects of the split of the Group and restatements for IFRS 15 are not fully reconciled.

Results and cash flow

Operating profit increased 28% to record MSEK 30 216 (23 559), corresponding to a margin of 21.4% (21.2). Items affecting comparability includes a change in provision for share-related long-term incentive programs, reported in Common Group Items of MSEK 151 (-687). Adjusted operating profit increased 24% to MSEK 30 065 (24 246) corresponding to a margin of 21.3% (21.9). Changes in exchange rates compared with the previous year had a positive effect of MSEK 4 500 on the operating profit and positively affected the operating margin by approximately 1 percentage point. On the other hand, increased costs related to constraints in the supply chain and COVID-19 affected the margin negatively. Acquisitions had a small negative effect on the operating margin.

Profit before tax amounted to MSEK 30 044 (23 410), corresponding to a margin of 21.3% (21.1). Income tax expense amounted to MSEK 6 562 (5 276), corresponding to an effective tax rate of 21.8% (22.5).

Profit for the period was MSEK 23 482 (18 134). Basic and diluted earnings per share were SEK 4.82 (3.72 adjusted for share split) and SEK 4.81 (3.71 adjusted for share split), respectively.

Operating cash flow (important internal KPI, but not an IFRS measurement, and hence reconciled on page 15) before acquisitions, divestments and dividends reached MSEK 17 099 (19 378).

Dividend

The Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 2.30 (1.90, adjusted for share split) per share for the 2022 fiscal year. Excluding shares currently held by the company, the proposed dividend corresponds to a total of MSEK 11 197 (9 250). In order to facilitate a more efficient cash management, the ordinary annual dividend is proposed to be paid in two installments, the first with record date May 2, 2023, and the second with record date October 20, 2023.

Personnel stock option program

The Board of Directors will propose to the Annual General Meeting a similar performance-based long-term incentive program as in the previous years. For Group Management, participation in the plan will require own investment in Atlas Copco shares. It is proposed that the plan is covered as before through the repurchase of the company's own shares. The details of the proposal will be communicated in connection with the Notice of the Annual General Meeting.

Review of the fourth quarter

Market development

The overall demand for Atlas Copco's products and services remained high even if the activity level in several end markets weakened in the quarter.

Order volumes for industrial compressors remained essentially unchanged, and the order intake for portable compressors decreased compared to the previous year. Order volumes for gas and process compressors, on the other hand, increased significantly. The demand for vacuum equipment from the semiconductor industry weakened and the order intake decreased markedly. Orders for vacuum equipment to industrial and scientific customers, however, increased. Order volumes for industrial assembly and vision solutions increased, driven by customers' investments in the transition to electric vehicles.

The service business continued to grow with increased order intake in all business areas.

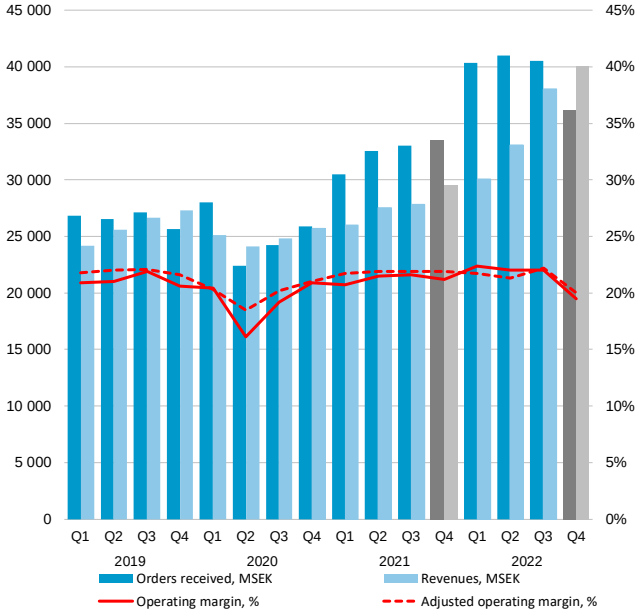
Overall, order volumes increased in Europe, South America, and Africa/Middle East, remained unchanged in North America but decreased in Asia compared to the previous year.

Sales bridge

	October - December	
MSEK	Orders received	Revenues
2021	33 525	29 533
Structural change, %	+5	+6
Currency, %	+10	+14
Organic*, %	-7	+16
Total, %	+8	+36
2022	36 148	40 054

*Volume, price and mix.

Orders, revenues, and operating profit margin



Geographic distribution of orders received

		Atlas Copco Group
October - December 2022	Orders received, %	Change*, %
North America	26	+0
South America	4	+3
Europe	30	+3
Africa/Middle East	5	+18
Asia/Oceania	35	-10
Atlas Copco Group	100	-2

*Change in orders received compared to the previous year in local currency.

Geographic distribution of orders received and revenues

October - December 2022	Compressor Technique, %		Vacuum Technique, %		Industrial Technique, %		Power Technique, %		Atlas Copco, %	
	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues
North America	25	23	23	25	34	31	23	27	26	26
South America	6	6	1	0	2	3	6	7	4	4
Europe	32	31	17	16	34	33	44	39	30	28
Africa/Middle East	6	7	1	1	1	1	10	8	5	5
Asia/Oceania	31	33	58	58	29	32	17	19	35	37
	100	100	100	100	100	100	100	100	100	100

Revenues, profits and returns
Revenues increased 36% to record MSEK 40 054 (29 533), corresponding to an organic growth of 16%. Currency had a positive effect of 14%, and acquisitions added 6%.

The operating profit increased 25% to MSEK 7 810 (6 248) and includes a change in provision for share related long-term incentive programs, reported in Common Group Items of MSEK -219 (-214).

Adjusted operating profit increased 24% to MSEK 8 029 (6 462), corresponding to a margin of 20.0% (21.9). The margin was negatively affected by higher costs related to continued supply chain constraints, higher costs for purchased material, and dilutions from recent acquisitions. Currency had a small positive effect on the margin for the Group.

Net financial items amounted to MSEK -190 (2) whereof interest net at MSEK -69 (-57). Other financial items, including financial exchange differences were MSEK -121 (59). Profit before tax amounted to MSEK 7 620 (6 250), corresponding to a margin of 19.0% (21.2). Corporate income tax amounted to MSEK -1 565 (-1 361), corresponding to an effective tax rate of 20.5% (21.8).

Profit for the period was MSEK 6 055 (4 889). Basic and diluted earnings per share were SEK 1.24 (1.00, adjusted for share split) and SEK 1.24 (1.00, adjusted for share split), respectively.

The return on capital employed during the last 12 months was 29% (27). Return on equity was 32% (30). The Group uses a weighted average cost of capital (WACC) of 8.0% as an investment and overall performance benchmark.

Operating cash flow and investments
Operating cash surplus increased to MSEK 10 251 (7 626). Net financial items and taxes paid amounted to MSEK -1 711 (123). Working capital increased by MSEK 1 370 (decrease of 524), mainly due to increased trade receivables resulting from the high invoicing.
Net investments in rental equipment were MSEK -247 (-119). Net investments in property, plant, and equipment, mostly related to extension of production capacity, were MSEK -988 (-628).

Operating cash flow (important internal KPI, but not an IFRS measurement, and hence defined on page 15) reached MSEK 5 930 (6 650).

Net indebtedness
The Group's net indebtedness amounted to MSEK 26 570 (8 151), of which MSEK 2 380 (3 114) was attributable to post-employment benefits. The Group's interest-bearing liabilities have an average maturity of 4.0 years. The net debt/EBITDA ratio was 0.7 (0.3) and the net debt/equity ratio was 33% (12).

Acquisition and divestment of own shares
During the quarter, 1 883 790 series A shares, net, were sold for a net value of MSEK 239. These transactions are in accordance with mandates granted by the Annual General Meeting and relate to the Group's long-term incentive programs. See page 19.

Employees
On December 31, 2022, the number of employees was 48 951 (42 862). The number of consultants/external workforce was 3 834 (3 762). For comparable units, the total workforce increased by 3 394 from December 31, 2021.

Revenues and operating profit – bridge

MSEK	Q4 2022	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q4 2021
Atlas Copco Group							
Revenues	40 054	4 691	4 005	1 825	-	-	29 533
Operating profit	7 810	482	965	120	0	-5	6 248
	19.5%						*21.2%*

*LTI= Long term incentive

Atlas Copco acquires LEWA

On August 1, 2022, Atlas Copco completed the acquisition of LEWA GmbH and subsidiaries for a total consideration of MSEK 6 468.

LEWA is a leading manufacturer of diaphragm metering pumps, process pumps and complete metering systems. LEWA was founded in 1952 and is based in Germany. The company has around 1 200 employees and had revenues of BSEK 2.4 (MEUR 233) in 2021. LEWA offers industry-specific high-quality pump solutions for a wide range of industries.

The acquired businesses have their base in the Power and Flow division within the Power Technique business area.

From the date of control, revenues were MSEK 1 259 and operating profit MSEK 127, corresponding to an operating margin of 10.1%, including negative purchase price allocation effects of MSEK 60.

A preliminary purchase price allocation is outlined below.

MSEK	
Intangible assets	1 223
Property, plant and equipment	665
Other assets	1 301
Cash and cash equivalents	921
Interest-bearing liabilities and borrowings	-130
Other liabilities and provisions	-1 196
Net identifiable assets	2 784
Non-controlling interests	-44
Goodwill	3 728
Total consideration	6 468

SEK / EUR 10.40 at date of acquisition.

Compressor Technique

	October - December			January - December		
MSEK	2022	2021		2022	2021	
Orders received	16 202	13 834	17%	69 834	55 012	27%
Revenues	17 085	13 131	30%	61 058	49 657	23%
EBITA*	4 163	3 233	29%	14 882	12 205	22%
– as a percentage of revenues	*24.4*	*24.6*		*24.4*	*24.6*	
Operating profit	4 026	3 141	28%	14 425	11 874	21%
– as a percentage of revenues	*23.6*	*23.9*		*23.6*	*23.9*	
Return on capital employed, %	82	93				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Strong order growth for gas and process compressors - Industrial compressors flat**
- **Solid growth for service**
- **Record revenues and operating margin at 23.6%**

Sales bridge

	October - December	
MSEK	Orders received	Revenues
2021	13 834	13 131
Structural change, %	+3	+3
Currency, %	+11	+12
Organic*, %	+3	+15
Total, %	+17	+30
2022	16 202	17 085

*Volume, price and mix.

Industrial compressors

The overall demand for industrial compressors remained essentially unchanged compared to the previous year but decreased sequentially. Year-on-year orders decreased for small and medium-sized compressors, while orders for large-sized industrial compressors grew.

Geographically, and compared to the previous year, order volumes increased in Asia and Africa/Middle East but decreased in all other regions.

Gas and process compressors

Order volumes for gas and process compressors increased significantly compared to the previous year but did not reach the very high level of the previous quarter.

Year-on-year, strong order growth was achieved in North America and Asia but decreased in Europe and Africa/Middle East.

Compressor service

The demand for service remained strong, and solid order growth was achieved in all regions.

Innovation

The business area introduced the new H2P (Hydrogen to Power) reciprocating hydrogen compressor, developed mainly for pipeline injection and storage applications. In addition to the high energy efficiency with a variable speed motor and the high gas quality, the units bring flexibility and reliability. It is supplied in a 20 ft container, generating unique flexibility and easy integration with most hydrogen systems.

Acquisitions

The following acquisitions were completed in the quarter:

- Suzhou Since Gas System Co., Ltd., a Chinese manufacturer of on-site gas generation, with 80 employees and revenues of about MSEK 93.
- Shandong Meditech Medical Technology Co., Ltd., a Chinese manufacturer of medical oxygen solutions, with 70 employees and revenues of about MSEK 114.
- Aircel, LLC., a US-based provider of air treatment and air purification solutions, with 19 employees and revenues of approximately MSEK 55.
- Six distributors, one based in Canada, one in Poland, two in the UK, and two in the US.

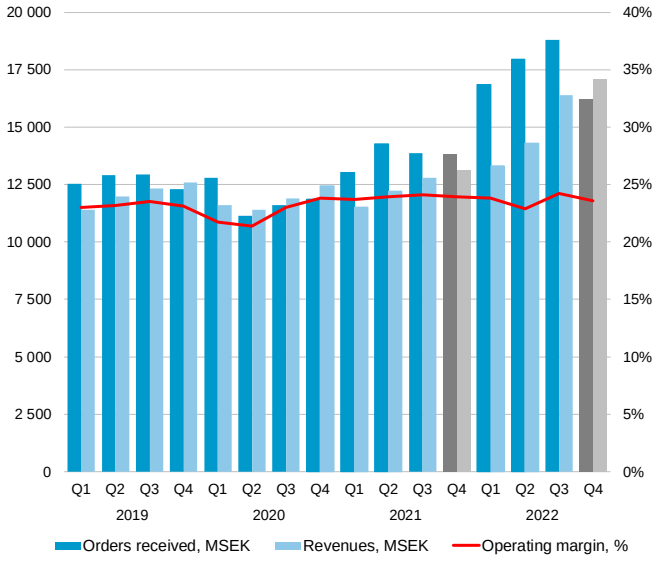
For more information, see page 17.

Revenues and profitability

Revenues increased 30% to record MSEK 17 085 (13 131), corresponding to an organic increase of 15%.

The operating profit increased 28% to MSEK 4 026 (3 141), corresponding to a margin 23.6% (23.9). Sales mix and dilutions from acquisitions had a negative effect on the margin, while increased organic revenues and currency affected the margin positively. Return on capital employed (last 12 months) was 82% (93).

Orders, revenues and operating profit margin



Vacuum Technique

	October - December			January - December		
MSEK	2022	2021		2022	2021	
Orders received	8 482	10 811	-22%	41 213	39 529	4%
Revenues	10 646	7 942	34%	38 941	29 219	33%
EBITA*	2 105	1 964	7%	9 019	7 569	19%
– as a percentage of revenues	*19.8*	*24.7*		*23.2*	*25.9*	
Operating profit	1 941	1 834	6%	8 407	7 066	19%
– as a percentage of revenues	*18.2*	*23.1*		*21.6*	*24.2*	
Return on capital employed, %	24	25				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Significantly lower demand for equipment to the semiconductor industry**
- **Growth for industrial vacuum equipment and for service**
- **Operating margin at 18.2%**

Sales bridge

	October - December	
MSEK	Orders received	Revenues
2021	10 811	7 942
Structural change, %	+2	+4
Currency, %	+9	+16
Organic*, %	-33	+14
Total, %	-22	+34
2022	8 482	10 646

*Volume, price and mix.

Semiconductor and flat panel display equipment

The order intake for vacuum equipment to the semiconductor and flat panel display industry decreased significantly. The markedly lower order volumes resulted from a generally lower demand, delays in the construction of customers' production facilities, and lower level of pre-ordering compared to the previous year. Order volumes also decreased significantly compared to the previous quarter.

Geographically and compared to the previous year, order volumes decreased significantly in all regions.

Industrial and scientific vacuum equipment

Order volumes for industrial and scientific vacuum equipment increased compared to the previous year but did not reach the levels of the previous quarter.

Year-on-year, order volumes increased in North America and Asia but decreased in Europe.

Vacuum service

The service business achieved solid order growth with increased order intake from semiconductor and industrial customers. Order volumes increased in all major regions.

Innovation

A new innovation for improved abatement product performance was introduced, the "Porous Head Technology," available for both new equipment and service upgrades. The new technology offers increased efficiency and increased abatement uptime for customers thanks to a reduced build-up of powder deposition in the abatement process.

Acquisitions

The business area completed two acquisitions:

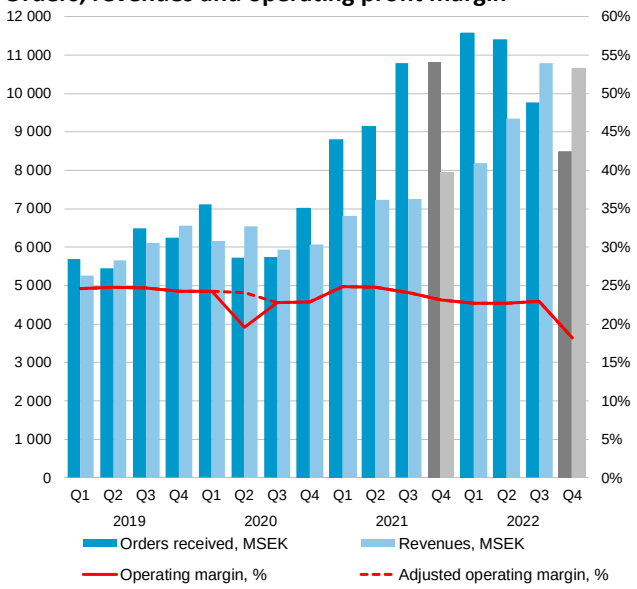
- Shangdong Jinggong Pump Co., Ltd., a Chinese manufacturer of industrial vacuum pumps and systems, with 100 employees and revenues of about MSEK 102.
- Montana Instruments Corporation, a US-based cryostat manufacturer with 38 employees and revenues of about MSEK 106.

Revenues and profitability

Revenues increased 34% to MSEK 10 646 (7 942), corresponding to an organic increase of 14%.

The operating profit increased 6% to MSEK 1 941 (1 834), corresponding to a margin of 18.2% (23.1). The main reasons for the lower operating margin were significantly higher costs related to continued supply chain constraints and consequent inefficiencies in production and service, higher costs for purchased material, and a negative currency effect. Return on capital employed (last 12 months) was 24% (25).

Orders, revenues and operating profit margin



Industrial Technique

	October - December			January - December		
MSEK	2022	2021		2022	2021	
Orders received	6 199	4 801	29%	26 070	20 545	27%
Revenues	6 608	5 198	27%	23 007	19 421	18%
EBITA*	1 322	1 252	6%	5 127	4 538	13%
– as a percentage of revenues	*20.0*	*24.1*		*22.3*	*23.4*	
Operating profit	1 188	1 120	6%	4 597	3 976	16%
– as a percentage of revenues	*18.0*	*21.5*		*20.0*	*20.5*	
Return on capital employed, %	17	16				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Solid growth for equipment and service**
- **Record revenues**
- **Operating profit margin at 18.0%**

Sales bridge

	October - December	
MSEK	Orders received	Revenues
2021	4 801	5 198
Structural change, %	-1	+0
Currency, %	+12	+11
Organic*, %	+18	+16
Total, %	+29	+27
2022	6 199	6 608

*Volume, price and mix.

Automotive industry

The demand for industrial assembly and vision solutions for the automotive industry increased, driven by customers' investments in the transition to electric vehicles and automation. As a result, order volumes increased significantly compared to the previous year. Sequentially, however, the order intake did not reach the high level of the previous quarter.

Year-on-year, solid order growth was achieved in all major regions, particularly in Asia and North America.

General industry

Order volumes for industrial assembly and vision solutions to the general industry increased, supported by increased demand from several customer segments such as aerospace, electronics, off-highway, and general assembly. Sequentially, the order intake decreased.

Geographically, and compared to the previous year, order volumes increased in North America and Asia but decreased in Europe.

Service

The demand for service remained high and solid order growth was achieved in all regions.

Innovation

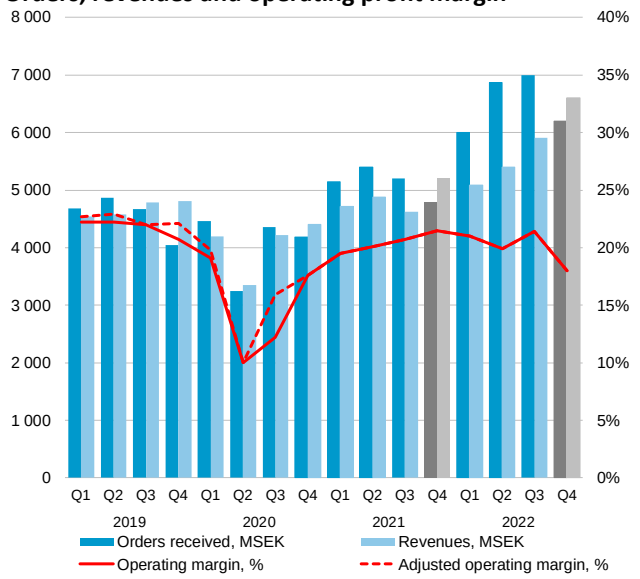
To support the need for reduced process times when applying sealants, adhesives, or potting materials in customers' production, the DosP DP2001 was launched. Thanks to the latest advanced high-performing dispensing technology with high precision, viscous materials can be dispensed at up to ten times the speed compared to conventional dispensing.

Revenues and profitability

Revenues increased 27% to record MSEK 6 608 (5 198), corresponding to an organic increase of 16%.

The operating profit increased 6% to MSEK 1 188 (1 120), corresponding to a margin of 18.0% (21.5). The lower margin is mainly explained by higher costs related to continued supply chain constraints, higher costs for purchased material including spot market buying, stock adjustments and provisions, and a negative currency effect. Return on capital employed (last 12 months) was 17% (16).

Orders, revenues and operating profit margin



Power Technique

	October - December			January - December		
MSEK	2022	2021		2022	2021	
Orders received	5 461	4 248	29%	21 783	15 155	44%
Revenues	5 897	3 424	72%	19 053	13 234	44%
EBITA*	1 132	572	98%	3 666	2 182	68%
– as a percentage of revenues	*19.2*	*16.7*		*19.2*	*16.5*	
Operating profit	1 071	558	92%	3 525	2 121	66%
– as a percentage of revenues	*18.2*	*16.3*		*18.5*	*16.0*	
Return on capital employed, %	25	27				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Mixed equipment demand**
- **Solid order growth for specialty rental and service**
- **Record revenues and operating profit margin at 18.2%**

Sales bridge

	October - December	
MSEK	Orders received	Revenues
2021	4 248	3 424
Structural change, %	+24	+33
Currency, %	+11	+15
Organic*, %	-6	+24
Total, %	+29	+72
2022	5 461	5 897

*Volume, price and mix.

Equipment

The demand for equipment was mixed. Order volumes for generators increased while the order intake for portable compressors decreased, primarily due to lower demand from equipment rental companies in North America.

Geographically, order volumes increased in all regions except the Americas, where volumes decreased.

Specialty rental

The specialty rental business remained strong, and the order intake increased significantly.

Solid year-on-year growth was achieved in all regions.

Service

Order volumes for service increased, and solid order growth was achieved in all major regions except Europe, where order volumes were flat.

Innovation

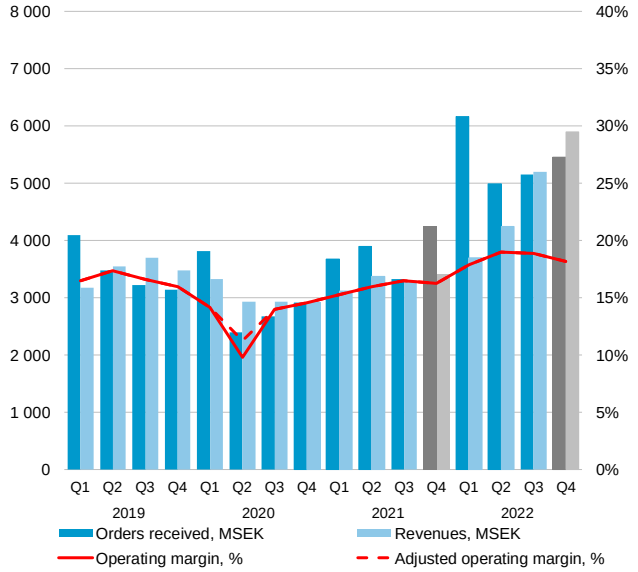
The business area launched a new range of portable compressors, the X-AIR+ GIV. The new products offer reduced fuel consumption by up to 15% compared to previous models and are well positioned to meet new emission regulations.

Revenues and profitability

Revenues increased 72% to record MSEK 5 897 (3 424), corresponding to an organic increase of 24%. Acquisitions contributed with 33%.

The operating profit increased 92% to MSEK 1 071 (558), corresponding to a margin of 18.2% (16.3). The main explanation for the higher margin was increased organic revenues. Currency also had a positive effect on the operating margin, while the recent acquisitions had a dilutive effect. Return on capital employed (last 12 months) was 25% (27).

Orders, revenues and operating profit margin



Accounting principles
The consolidated accounts of the Atlas Copco Group are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The description of the accounting principles and definitions applied in this report are found in the Annual Report 2021. The interim report is prepared in accordance with IAS 34 Interim Financial Reporting. Non-IFRS measures are also presented in the report since they are considered to be important supplemental measures of the company´s performance. For further information about these measures and how they have been calculated, please visit: http://www.atlascopcogroup.com/investor-relations

Risks, risk management and factors of uncertainty
Atlas Copco's global and diversified business is active within many customer segments and results in a variety of risks and opportunities geographically and operationally. Thus, the ability to identify, analyze and manage risks is crucial for effective governance and control of the business. The aim is to meet the Group's goals with a high awareness of risks and well-managed risk taking. Atlas Copco sees the benefits of an efficient risk management both from risk reduction and business opportunity perspectives, which can lead to good business growth.

Risks in Atlas Copco are identified in a 360-degree spectrum, meaning that both internal, and external exposures are assessed including today's circumstances and future changes. The Group's risk management approach follows the decentralized structure of Atlas Copco. Risks are analyzed and addressed in an integrated way. Local companies are responsible for their own risk management, which is monitored and followed up regularly at for example local business board meetings. Group functions responsible for legal, insurance, human resources, compliance, sustainability, treasury, tax, controlling and accounting provide policies, guidelines and instructions regarding risk management.

Risk areas include compliance risks, external exposure risks, including pandemics, operational risks and strategic risks. These risk areas can impact the business negatively both in the long and short term, but often also create business opportunities if managed well. Examples of risks and how they are handled is described below.

Market risks
The demand for Atlas Copco's equipment and services is affected by changes in the customers' investment and production levels. A general economic downturn, geopolitical tensions, pandemics, changes in trade agreements, trade sanctions, a widespread financial crisis and other macroeconomic disturbances may, directly or indirectly, affect the Group negatively both in terms of revenues and profitability. However, the Group's sales are well diversified with customers in many industries and countries around the world, which mitigates the risk.

Financial risks
Atlas Copco is subject to currency risks, funding risks, interest rate risks, tax risks, and other financial risks. In line with the overall goals with respect to growth, return on capital, and protecting creditors, Atlas Copco has adopted a policy to control the financial risks to which the Group is exposed. A financial risk management committee meets regularly to manage and follow up financial risks, in line with the policy.

Production risks
A large part of the components used in production are sourced from sub-suppliers. The availability is dependent on the sub-suppliers and if they have interruptions or lack capacity, this may adversely affect production. To minimize these risks, Atlas Copco has established a global network of sub-suppliers, which means that in most cases there are more than one sub-supplier that can provide a certain component. Atlas Copco is also directly and indirectly exposed to raw material prices. Cost increases for raw materials and components often coincide with strong end-customer demand and can partly be compensated for by increased sales prices.

Acquisitions
Atlas Copco has the ambition to grow all its business areas, primarily through organic growth, complemented by selected acquisitions. The integration of acquired businesses is a difficult process and it is not certain that every integration will be successful. Therefore, costs related to acquisitions can be higher and/or synergies can take longer to materialize than anticipated.

For more information of Atlas Copco's risk management process and further descriptions of risks and how they are handled, see the Annual Report 2021.

Risks related to the war in Ukraine
Atlas Copco's financial exposure to Russia and Ukraine is limited. During 2021 revenues from Russia accounted for less than 2% of the Group's total revenues. Ukraine accounted for well below 1% of the Group's total revenues. Further, Atlas Copco has no production units in Russia or Ukraine. Hence the ongoing war has very limited direct financial effects on Atlas Copco. Given the uncertainties surrounding the ongoing conflict, it is very difficult to predict potential indirect effects on Atlas Copco. As of December 31, 2022, there is no significant impact on any balance sheet items.

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.

Atlas Copco AB
Atlas Copco AB and its subsidiaries are sometimes referred to as the Atlas Copco Group, the Group or Atlas Copco. Atlas Copco AB is also sometimes referred to as Atlas Copco. Any mentioning of the Board of Directors, the Board or the Directors refers to the Board of Directors of Atlas Copco AB.

Consolidated income statement (condensed)

	3 months ended		12 months ended	
	Dec. 31	Dec. 31	Dec. 31	Dec. 31
MSEK	2022	2021	2022	2021
Revenues	40 054	29 533	141 325	110 912
Cost of sales	-23 054	-17 157	-81 941	-64 383
Gross profit	**17 000**	**12 376**	**59 384**	**46 529**
Marketing expenses	-4 450	-3 244	-15 629	-12 178
Administrative expenses	-2 469	-1 959	-7 961	-7 283
Research and development costs	-1 526	-1 116	-5 389	-4 125
Other operating income and expenses	-745	191	-189	616
Operating profit	**7 810**	**6 248**	**30 216**	**23 559**
- as a percentage of revenues	*19.5*	*21.2*	*21.4*	*21.2*
Net financial items	-190	2	-172	-149
Profit before tax	**7 620**	**6 250**	**30 044**	**23 410**
- as a percentage of revenues	*19.0*	*21.2*	*21.3*	*21.1*
Income tax expense	-1 565	-1 361	-6 562	-5 276
Profit for the period	**6 055**	**4 889**	**23 482**	**18 134**
Profit attributable to				
- owners of the parent	6 053	4 889	23 477	18 130
- non-controlling interests	2	-	5	4
Basic earnings per share, SEK	**1.24**	**1.00** [1)]	**4.82**	**3.72** [1)]
Diluted earnings per share, SEK	1.24	1.00 [1)]	4.81	3.71 [1)]
Basic weighted average number of shares outstanding, millions	4 867.3	4 874.6 [1)]	4 868.4	4 870.9 [1)]
Diluted weighted average number of shares outstanding, millions	4 875.2	4 885.1 [1)]	4 875.9	4 882.1 [1)]

Key ratios		
Equity per share, period end, SEK	16	14 [1)]
Return on capital employed, 12 month values, %	29	27
Return on equity, 12 month values, %	32	30
Debt/equity ratio, period end, %	33	12
Equity/assets ratio, period end, %	46	49
Number of employees, period end	48 951	42 862

[1)] Earnings per share, number of shares, and equity capital per share are adjusted for share split.

Consolidated statement of comprehensive income

	3 months ended		12 months ended	
	Dec. 31	Dec. 31	Dec. 31	Dec. 31
MSEK	2022	2021	2022	2021
Profit for the period	**6 055**	**4 889**	**23 482**	**18 134**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	-485	-365	1 550	808
Income tax relating to items that will not be reclassified	138	121	-420	-160
	-347	**-244**	**1 130**	**648**
Items that may be reclassified subsequently to profit or loss				
Translation differences on foreign operations	-2 594	1 395	8 112	4 571
Hedge of net investments in foreign operations	-259	-54	-1 328	-342
Cash flow hedges	231	12	13	-102
Income tax relating to items that may be reclassified	56	14	445	116
	-2 566	**1 367**	**7 242**	**4 243**
Other comprehensive income for the period, net of tax	**-2 913**	**1 123**	**8 372**	**4 891**
Total comprehensive income for the period	**3 142**	**6 012**	**31 854**	**23 025**
Total comprehensive income attributable to				
- owners of the parent	3 142	6 012	31 849	23 018
- non-controlling interests	-	-	5	7

Consolidated balance sheet (condensed)

MSEK	Dec. 31, 2022	Dec. 31, 2021
Intangible assets	67 067	50 348
Rental equipment	2 689	2 342
Other property, plant and equipment	12 720	8 991
Right-of-use assets	4 752	3 244
Financial assets and other receivables	2 668	1 962
Deferred tax assets	2 193	1 790
Total non-current assets	**92 089**	**68 677**
Inventories	27 219	17 801
Trade and other receivables	40 849	30 363
Other financial assets	889	847
Cash and cash equivalents	11 254	18 990
Assets classified as held for sale	1	5
Total current assets	**80 212**	**68 006**
TOTAL ASSETS	**172 301**	**136 683**
Equity attributable to owners of the parent	79 976	67 633
Non-controlling interests	50	1
TOTAL EQUITY	**80 026**	**67 634**
Borrowings	23 770	20 893
Post-employment benefits	2 380	3 114
Other liabilities and provisions	1 922	2 014
Deferred tax liabilities	2 745	2 225
Total non-current liabilities	**30 817**	**28 246**
Borrowings	12 563	3 981
Trade payables and other liabilities	47 142	35 196
Provisions	1 753	1 626
Total current liabilities	**61 458**	**40 803**
TOTAL EQUITY AND LIABILITIES	**172 301**	**136 683**

Fair value of derivatives, cash equivalents and borrowings

The carrying value and fair value of the Group's outstanding derivatives, liquidity funds and borrowings are shown in the tables below. The fair values of bonds are based on level 1 and the fair values of derivatives, liquidity funds and other loans are based on level 2 in the fair value hierarchy. Compared to 2021, no transfers have been made between different levels in the fair value hierarchy for derivatives and borrowings and no significant changes have been made to valuation techniques, inputs or assumptions. Liquidity funds, reported under cash equivalents, are according to IFRS 9 classified at fair value through profit and loss. For further information, see note 27 in the Annual Report 2021. http://www.atlascopco.com/ir

Financial instruments recorded at fair value

MSEK	Dec. 31, 2022	Dec. 31, 2021
Non-current assets and liabilities		
Assets	86	37
Liabilities	-	-
Current assets and liabilities		
Assets	625	1 163
Liabilities	288	222

Carrying value and fair value of borrowings

MSEK	Dec. 31, 2022	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2021
	Carrying value	Fair value	Carrying value	Fair value
Bonds	17 902	15 535	13 278	13 528
Other loans	13 612	13 223	8 247	8 282
Lease liability	4 819	4 819	3 349	3 349
	36 333	**33 577**	**24 874**	**25 159**

Consolidated statement of changes in equity (condensed)

MSEK	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Opening balance, January 1, 2022	**67 633**	**1**	**67 634**
Changes in equity for the period			
Total comprehensive income for the period	31 849	5	31 854
Dividend	-9 250	-	-9 250
Redemption of shares	-9 732	-	-9 732
Change of non-controlling interests	-	44	44
Acquisition and divestment of own shares	-483	-	-483
Share-based payments, equity settled	-41	-	-41
Closing balance, December 31, 2022	**79 976**	**50**	**80 026**

MSEK	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Opening balance, January 1, 2021	**53 215**	**319**	**53 534**
Changes in equity for the period			
Total comprehensive income for the period	23 018	7	23 025
Dividend	-8 889	-	-8 889
Change of non-controlling interests	-511	-325	-836
Acquisition and divestment of own shares	1 034	-	1 034
Share-based payments, equity settled	-234	-	-234
Closing balance, December 31, 2021	**67 633**	**1**	**67 634**

Consolidated statement of cash flows (condensed)

	October - December		January - December	
MSEK	2022	2021	2022	2021
Cash flows from operating activities				
Operating profit	7 810	6 248	30 216	23 559
Depreciation, amortization and impairment (see below)	1 768	1 450	6 333	5 466
Capital gain/loss and other non-cash items	673	-72	429	-73
Operating cash surplus	**10 251**	**7 626**	**36 978**	**28 952**
Net financial items received/paid	-633	395	-714	459
Taxes paid	-1 078	-272	-6 245	-5 211
Pension funding and payment of pension to employees	-167	-116	-419	-330
Change in working capital	-1 370	524	-7 415	-244
Investments in rental equipment	-252	-122	-884	-510
Sale of rental equipment	5	3	76	36
Net cash from operating activities	**6 756**	**8 038**	**21 377**	**23 152**
Cash flows from investing activities				
Investments in property, plant and equipment	-1 019	-672	-3 660	-1 970
Sale of property, plant and equipment	31	44	99	93
Investments in intangible assets	-347	-356	-1 371	-1 389
Acquisition of subsidiaries and associated companies	-895	-25	-10 591	-2 334
Divestment of subsidiaries	-	-7	-	-7
Other investments, net	-1	2	20	-514
Net cash from investing activities	**-2 231**	**-1 014**	**-15 503**	**-6 121**
Cash flows from financing activities				
Annual dividends paid	-4 623	-4 447	-9 250	-8 889
Acquisition of non-controlling interest	-	-	-	-823
Redemption of shares	-	-	-9 732	-
Repurchase and sales of own shares	239	-303	-483	1 034
Change in interest-bearing liabilities, net	1 382	-639	4 814	-1 645
Net cash from financing activities	**-3 002**	**-5 389**	**-14 651**	**-10 323**
Net cash flow for the period	**1 523**	**1 635**	**-8 777**	**6 708**
Cash and cash equivalents, beginning of the period	9 883	17 106	18 990	11 655
Exchange differences in cash and cash equivalents	-152	249	1 041	627
Cash and cash equivalents, end of the period	**11 254**	**18 990**	**11 254**	**18 990**

Depreciation, amortization and impairment				
Rental equipment	*202*	*183*	*778*	*707*
Other property, plant and equipment	*436*	*351*	*1 554*	*1 361*
Right-of-use assets	*356*	*301*	*1 325*	*1 147*
Intangible assets	*774*	*615*	*2 676*	*2 251*
Total	*1 768*	*1 450*	*6 333*	*5 466*

Calculation of operating cash flow

	October - December		January - December	
MSEK	2022	2021	2022	2021
Net cash flow for the period	**1 523**	**1 635**	**-8 777**	**6 708**
Add back:				
Change in interest-bearing liabilities, net	-1 382	639	-4 814	1 645
Repurchase and sales of own shares	-239	303	483	-1 034
Annual dividends paid	4 623	4 447	9 250	8 889
Redemption of shares	-	-	9 732	-
Acquisition of non-controlling interest	-	-	-	823
Acquisitions and divestments	895	32	10 591	2 341
Investments of cash liquidity	-	-	-	547
Currency hedges	510	-406	634	-541
Operating cash flow	**5 930**	**6 650**	**17 099**	**19 378**

Revenues by business area

	2020				2021				2022			
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	11 588	11 405	11 890	12 446	11 522	12 212	12 792	13 131	13 305	14 291	16 377	17 085
- of which external	*11 470*	*11 322*	*11 806*	*12 381*	*11 423*	*12 099*	*12 677*	*13 017*	*13 169*	*14 174*	*16 244*	*16 957*
- of which internal	*118*	*83*	*84*	*65*	*99*	*113*	*115*	*114*	*136*	*117*	*133*	*128*
Vacuum Technique	6 159	6 535	5 928	6 063	6 808	7 220	7 249	7 942	8 179	9 335	10 781	10 646
- of which external	*6 154*	*6 535*	*5 925*	*6 059*	*6 804*	*7 214*	*7 245*	*7 937*	*8 173*	*9 332*	*10 773*	*10 639*
- of which internal	*5*	*0*	*3*	*4*	*4*	*6*	*4*	*5*	*6*	*3*	*8*	*7*
Industrial Technique	4 193	3 355	4 221	4 407	4 713	4 880	4 630	5 198	5 083	5 405	5 911	6 608
- of which external	*4 180*	*3 347*	*4 215*	*4 399*	*4 705*	*4 873*	*4 622*	*5 190*	*5 072*	*5 396*	*5 900*	*6 595*
- of which internal	*13*	*8*	*6*	*8*	*8*	*7*	*8*	*8*	*11*	*9*	*11*	*13*
Power Technique	3 325	2 930	2 932	2 919	3 121	3 377	3 312	3 424	3 702	4 247	5 207	5 897
- of which external	*3 294*	*2 898*	*2 903*	*2 899*	*3 089*	*3 348*	*3 280*	*3 389*	*3 672*	*4 209*	*5 157*	*5 863*
- of which internal	*31*	*32*	*29*	*20*	*32*	*29*	*32*	*35*	*30*	*38*	*50*	*34*
Common Group Items / Eliminations	-167	-123	-122	-97	-143	-155	-159	-162	-183	-167	-202	-182
Atlas Copco Group	**25 098**	**24 102**	**24 849**	**25 738**	**26 021**	**27 534**	**27 824**	**29 533**	**30 086**	**33 111**	**38 074**	**40 054**

Equipment and Service Revenues

	2020				2021				2022			
% of total revenues	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique - Equipment	55	57	56	59	56	57	58	57	55	57	58	59
Compressor Technique - Service	*45*	*43*	*44*	*41*	*44*	*43*	*42*	*43*	*45*	*43*	*42*	*41*
Vacuum Technique - Equipment	*73*	*74*	*71*	*73*	*75*	*76*	*75*	*76*	*76*	*77*	*78*	*78*
Vacuum Technique - Service	*27*	*26*	*29*	*27*	*25*	*24*	*25*	*24*	*24*	*23*	*22*	*22*
Industrial Technique - Equipment	*68*	*75*	*72*	*71*	*72*	*74*	*71*	*74*	*72*	*72*	*72*	*74*
Industrial Technique - Service	*32*	*25*	*28*	*29*	*28*	*26*	*29*	*26*	*28*	*28*	*28*	*26*
Power Technique - Equipment	*58*	*61*	*59*	*58*	*60*	*59*	*56*	*55*	*55*	*54*	*56*	*58*
Power Technique - Service	42	39	41	42	40	41	44	45	45	46	44	42

Operating profit by business area

	2020				2021				2022			
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	2 520	2 444	2 729	2 965	2 730	2 916	3 087	3 141	3 170	3 266	3 963	4 026
- as a percentage of revenues	*21.7*	*21.4*	*23.0*	*23.8*	*23.7*	*23.9*	*24.1*	*23.9*	*23.8*	*22.9*	*24.2*	*23.6*
Vacuum Technique	1 497	1 278	1 354	1 390	1 695	1 789	1 748	1 834	1 859	2 123	2 484	1 941
- as a percentage of revenues	*24.3*	*19.6*	*22.8*	*22.9*	*24.9*	*24.8*	*24.1*	*23.1*	*22.7*	*22.7*	*23.0*	*18.2*
Industrial Technique	799	334	513	776	917	981	958	1 120	1 065	1 077	1 267	1 188
- as a percentage of revenues	*19.1*	*10.0*	*12.2*	*17.6*	*19.5*	*20.1*	*20.7*	*21.5*	*21.0*	*19.9*	*21.4*	*18.0*
Power Technique	473	286	410	425	476	539	548	558	664	807	983	1 071
- as a percentage of revenues	*14.2*	*9.8*	*14.0*	*14.6*	*15.3*	*16.0*	*16.5*	*16.3*	*17.9*	*19.0*	*18.9*	*18.2*
Common Group Items / Eliminations	-165	-453	-246	-183	-431	-301	-341	-405	-9	6	-319	-416
Operating profit	**5 124**	**3 889**	**4 760**	**5 373**	**5 387**	**5 924**	**6 000**	**6 248**	**6 749**	**7 279**	**8 378**	**7 810**
- as a percentage of revenues	*20.4*	*16.1*	*19.2*	*20.9*	*20.7*	*21.5*	*21.6*	*21.2*	*22.4*	*22.0*	*22.0*	*19.5*
Net financial items	-114	-63	-64	-80	-44	-52	-55	2	-78	26	70	-190
Profit before tax	**5 010**	**3 826**	**4 696**	**5 293**	**5 343**	**5 872**	**5 945**	**6 250**	**6 671**	**7 305**	**8 448**	**7 620**
- as a percentage of revenues	*20.0*	*15.9*	*18.9*	*20.6*	*20.5*	*21.3*	*21.4*	*21.2*	*22.2*	*22.1*	*22.2*	*19.0*

Return on capital employed by business area

	2020				2021				2022			
% (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	80	76	75	79	84	91	94	93	90	86	83	82
Vacuum Technique	22	20	19	19	20	23	24	25	25	25	25	24
Industrial Technique	31	23	16	13	12	13	15	16	17	17	18	17
Power Technique	25	21	19	18	19	23	25	27	29	29	27	25
Atlas Copco Group	**29**	**26**	**24**	**23**	**23**	**26**	**27**	**27**	**27**	**28**	**29**	**29**

Acquisitions and divestments

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2022 Dec. 5	Shandong Meditech Medical Technology Co., Ltd		Compressor Technique	114	70
2022 Dec. 2	Suzhou Since Gas System Co., Ltd		Compressor Technique	93	80
2022 Nov. 21	Montana Instruments Corporation		Vacuum Technique	106	38
2022 Nov. 11	Northeast Compressor		Compressor Technique		6
2022 Nov. 9	Entreprises Larry Inc.		Compressor Technique		65
2022 Nov. 2	Precision Pneumatics Ltd		Compressor Technique		26
2022 Nov. 2	Wearside Pneumatics Ltd		Compressor Technique		19
2022 Nov. 2	Shandong Jinggong Pump Co., Ltd		Vacuum Technique	102	100
2022 Nov. 2	Aircel, LLC.		Compressor Technique	55	19
2022 Oct. 17	Vector Sp. z o.o.		Compressor Technique		23
2022 Oct. 4	Mesa Equipment & Supply Company		Compressor Technique		19
2022 Sep. 5	DF-Druckluft-Fachhandel GmbH		Compressor Technique		39
2022 Sep. 2	Oxymat A/S		Compressor Technique	411	146
2022 Aug. 1	LEWA GmbH		Power Technique	2 400	1 200
2022 Aug. 1	Geveke B.V.		Power Technique	648	173
2022 Jul. 29	Compressed Air Products, Inc. (operating assets)		Compressor Technique		20
2022 Jul. 27	Glaston Compressor Services Ltd		Compressor Technique		26
2022 Jul. 18	Ceres Technologies, Inc.		Vacuum Technique	351	185
2022 Jul. 8	Les pompes à vide TECHNI-V-AC inc.		Vacuum Technique		10
2022 Jul. 5	FITEC S.A.S.		Compressor Technique		8
2022 Jul. 4	Bireme Group		Compressor Technique		20
2022 Jul. 4	National Vacuum Equipment Inc.		Vacuum Technique	223	100
2022 Jun. 13	Qolibri Inc.		Vacuum Technique	0.6	4
2022 Jun. 8	Associated Compressor Engineers Ltd (ACE)		Compressor Technique		12
2022 Jun. 2	Tekser Endüstriyel Cihazlar Sanayi ve Ticaret A.Ş (Tekser)		Vacuum Technique		8
2022 Jun. 1	CAS Products Ltd (CAS)		Compressor Technique		12
2022 Apr. 5	Pumpenfabrik Wangen GmbH		Power Technique	466	265
2022 Mar. 2	SCB S.r.l.		Compressor Technique	51	16
2022 Jan. 24	Soft2tec GmbH		Industrial Technique	20	38
2022 Jan. 21	HHV Pumps Pvt. Ltd.		Vacuum Technique	53	151
2021 Dec. 28		CMM (part of Perceptron)	Industrial Technique	100	50
2021 Dec. 10	Provac Limited		Vacuum Technique		11
2021 Nov. 9	S.T.E.R.I. srl (STERI)		Compressor Technique		19
2021 Oct. 19	Eugen Theis GmbH		Vacuum Technique		4
2021 Sep. 28	AEP		Compressor Technique		8
2021 Aug. 31	NATEV GmbH		Industrial Technique	5	10
2021 Aug. 5	CPC Pumps International Inc.		Compressor Technique	385	110
2021 Jun. 24	Airflow Compressors & Pneumatics Ltd (Airflow)		Compressor Technique		16
2021 Jun. 14	Compressed Air Systems, Inc. (CAS)		Compressor Technique		30
2021 May 31	ARPUMA regel- und fördertechnische Geräte GmbH		Vacuum Technique	41	14
2021 May 25	Medigas Service & Testing Co. Inc.		Compressor Technique	23	6
2021 May 10	MidState Air Compressor		Compressor Technique		15
2021 May 3	Eco Steam and Heating Solutions (acquisition of majority share)		Power Technique	198	23
2021 Apr. 7	IBVC Vacuum, S.L.U.		Vacuum Technique		10
2021 Mar. 3	Cooper Freer Ltd.		Compressor Technique		18
2021 Jan. 26	DGM SRL		Compressor Technique		21
2021 Jan. 7	Ehrler & Beck GmbH		Vacuum Technique		15
2021 Jan. 5	Kawalek Kompressoren		Compressor Technique		10

*Annual revenues and number of employees at time of acquisition/divestment. No revenues are disclosed for former Atlas Copco distributors.
Due to the relatively small size of most of the acquisitions made in 2022, full disclosure as per IFRS 3 is not given in this interim report.
Disclosure on an aggregated level will be given in the Annual Report 2022. More detailed information about LEWA GmbH can be found on page 5 in this report.
See the Annual Report for 2021 for disclosure of acquisitions made in 2021.

Parent company

Income statement (condensed)

	October - December		January - December	
MSEK	2022	2021	2022	2021
Administrative expenses	-321	-200	-733	-764
Other operating income and expenses	182	34	269	120
Operating profit/loss	**-139**	**-166**	**-464**	**-644**
Financial income and expenses	5 936	706	30 271	3 464
Appropriations	2 946	2 695	2 946	2 695
Profit/loss before tax	**8 743**	**3 235**	**32 753**	**5 515**
Income tax	-522	-479	-320	-339
Profit/loss for the period	**8 221**	**2 756**	**32 433**	**5 176**

Balance sheet (condensed)

	Dec. 31	Dec. 31
MSEK	2022	2021
Total non-current assets	179 842	163 902
Total current assets	4 932	9 957
TOTAL ASSETS	**184 774**	**173 859**
Total restricted equity	5 785	5 785
Total non-restricted equity	156 517	143 591
TOTAL EQUITY	**162 302**	**149 376**
Total provisions	704	1 018
Total non-current liabilities	18 532	22 195
Total current liabilities	3 236	1 270
TOTAL EQUITY AND LIABILITIES	**184 774**	**173 859**

Assets pledged and contingent liabilities

	Dec. 31	Dec. 31
MSEK	2022	2021
Assets pledged	199	201
Contingent liabilities	10 066	3 266

Accounting principles

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group. The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities. The same accounting principles and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. See also accounting principles, page 10.

Parent Company

Distribution of shares
Share capital equaled MSEK 786 (786) at the end of the period, distributed as follows:

Class of share	Shares
A shares	3 357 576 384
B shares	1 560 876 032
Total	4 918 452 416
- of which A shares held by Atlas Copco	*50 095 451*
- of which B shares held by Atlas Copco	-
Total shares outstanding, net of shares held by Atlas Copco	4 868 356 965

During the second quarter 2022 the share split resolved by the Annual General Meeting on April 26, 2022, whereby each share was divided into four (4) ordinary shares and one (1) redemption share, was concluded. For further information, see www.atlascopcogroup.com/en/investor-relations/atlas-copco-share/redemption-of-shares

Performance-based personnel option plan
The Annual General Meeting 2022 approved a performance-based long-term incentive program. For Group Management and division presidents, the plan requires management's own investment in Atlas Copco shares. The intention is to cover Atlas Copco's obligation under the plan through the repurchase of the company's own shares. For further information, see www.atlascopcogroup.com/agm

Transactions in own shares
Atlas Copco has mandates to acquire and sell own shares as per below:

- Acquisition of not more than 3 000 000 series A shares, whereof a maximum of 2 400 000 may be transferred to personnel stock option holders under the performance-based stock option plan 2022.
- Acquisition of not more than 15 000 series A shares to hedge the obligation of the company to pay remuneration to board members who have chosen to receive 50% of the remuneration in synthetic shares.
- The sale of not more than 15 000 series A shares to cover costs related to previously issued synthetic shares to board members.
- The sale of a maximum 8 800 000 series A shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2016, 2017, 2018 and 2019.
- The shares may only be acquired or sold on NASDAQ Stockholm at a price within the registered price interval at any given time.

During 2022, 725 364 series A shares, net, were sold. These transactions are in accordance with mandates granted. The company's holding of own shares at the end of the period appears in the table to the left.

Risks and factors of uncertainty
Financial risks
Atlas Copco AB is subject to currency risks, funding risks, interest rate risks, tax risks, and other financial risks. In line with the overall goals with respect to growth, return on capital, and protecting creditors, Atlas Copco has adopted a policy to control the financial risks to which Atlas Copco AB and the Group is exposed. A financial risk management committee meets regularly to manage and follow up financial risks, in line with the policy.

For further information, see the Annual Report 2021.

Related parties
There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company compared with the information given in the Annual Report 2021.

Nacka, Sweden January 26, 2023
Atlas Copco AB (publ)

Mats Rahmström
President and CEO

The company's auditors have not reviewed this report.

This is Atlas Copco
The Atlas Copco Group is a world-leading provider of sustainable productivity solutions, demanded by all types of industries, enabling everything from industrial automation to reliable medical air solutions. The Group offers innovative compressors, air treatment systems, vacuum solutions, industrial power tools and assembly systems, machine vision, and power and flow solutions. Atlas Copco develops products and services focused on productivity, energy efficiency, safety and ergonomics, supported by insights from connected products. The company was founded in 1873, is based in Nacka, Sweden, and has a global reach spanning more than 180 countries. In 2022, Atlas Copco had revenues of BSEK 141 and about 49 000 employees at year end.

Business areas
Atlas Copco has four business areas. The business areas are responsible for developing their respective operations by implementing and following up on strategies and objectives to achieve sustainable, profitable growth.

The **Compressor Technique** business area provides compressed air solutions; industrial compressors, gas and process compressors and expanders, air and gas treatment equipment, and air management systems. The business area has a global service network and innovates for sustainable productivity in the manufacturing and process industries. Principal product development and manufacturing units are located in Belgium, the United States, China, India, Germany, and Italy.

The **Vacuum Technique** business area provides vacuum products, exhaust management systems, valves and related products. The main markets served are semiconductor and scientific instruments as well as a wide range of industrial segments including chemical process industries, food packaging and paper handling. The business area has a global service network and innovates for sustainable productivity in order to further improve its customers' performance. Principal product development and manufacturing units are located in the United States, Mexico, United Kingdom, Czech Republic, Germany, South Korea, China, and Japan.

The **Industrial Technique** business area provides industrial power tools, assembly and machine vision solutions, quality assurance products, software, and service through a global network. The business area innovates for sustainable productivity for customers in the automotive and general industries. Principal product development and manufacturing units are located in Sweden, Germany, Hungary, United Kingdom, France, the United States, China, and Japan.

The **Power Technique** business area provides portable air and power, industrial and portable flow solutions through products such as mobile compressors, generators, light towers, industrial and portable pumps, along with a number of complementary products. It also offers specialty rental and provides service through a global network. Guided by a forward-thinking approach to innovation, Power Technique provides sustainable productivity solutions across multiple industries, including construction, manufacturing, oil and gas, and exploration drilling. Principal product development and manufacturing units are located in Belgium, Spain, Germany, the United States, China, and India.

Vision, mission and strategy
The Atlas Copco Group's vision is to become and remain First in Mind—First in Choice of its customers and other principal stakeholders. The mission is to achieve sustainable, profitable growth. Sustainability plays an important role in Atlas Copco's vision and it is an integral aspect of the Group's mission. An integrated sustainability strategy, backed by ambitious goals, helps the company deliver greater value to all its stakeholders in a way that is economically, environmentally and socially responsible.

For further information

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Conference call
A presentation for investors, analysts and media will be held on January 26, 2023, at 14:00 CET.

To follow the presentation via webcast:
https://ir.financialhearings.com/atlas-copco-q4-2022

To participate via teleconference:
https://conference.financialhearings.com/teleconference/?id=5005029

Please visit our website:
http://www.atlascopcogroup.com/investor-relations
for the webcast link and presentation material.

Annual Report
The 2022 Annual Report will be published week 12, 2023.

First-quarter report 2023
The Q1 2023 report will be published on April 27, 2023, around 11:00 CEST and the conference call will be at 14:00 CEST.
Silent period starts March 28, 2023.

Annual General Meeting 2023
The Annual General Meeting for Atlas Copco AB will be held on April 27, 2023.

Second-quarter report 2023
The Q2 2023 report will be published on July 19, 2023.
Silent period starts June 19, 2023.

Third-quarter report 2023
The Q3 2023 report will be published on October 25, 2023.
Silent period starts September 25, 2023.

Fourth-quarter report 2023
The Q4 2023 report will be published on January 25, 2024.
Silent period starts December 26, 2023.

This information is information that Atlas Copco AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above, at 12:00 CET on January 26, 2023.