Press release from Atlas Copco AB

January 25, 2024

Atlas Copco Group

Interim report on Q4 and full-year summary 2023

Mixed demand, record revenues and cash flow conclude a record year

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

Fourth quarter

- Orders received increased 2% to MSEK 36 843 (36 148), organic increase of 1%
- Revenues increased 12% to MSEK 44 954 (40 054), organic growth of 10%
- Operating profit reached MSEK 9 086 (7 810), corresponding to a margin of 20.2% (19.5)
  - Adjusted operating profit, excluding items affecting comparability, was MSEK 9 956 (8 029), corresponding to a margin of 22.1% (20.0)
- Profit before tax amounted to MSEK 8 833 (7 620)
- 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)
- The Board of Directors proposes:
  – Ordinary dividend for 2023 of SEK 2.80 (2.30) per share, to be paid in two equal installments

	October-December			January-December		
MSEK	2023	2022		2023	2022	
Orders received	36 843	36 148	2%	170 627	158 092	8%
Revenues	44 954	40 054	12%	172 664	141 325	22%
EBITA*	9 638	8 306	16%	39 242	31 956	23%
– as a percentage of revenues	*21.4*	*20.7*		*22.7*	*22.6*	
Operating profit	9 086	7 810	16%	37 091	30 216	23%
– as a percentage of revenues	*20.2*	*19.5*		*21.5*	*21.4*	
Profit before tax	8 833	7 620	16%	36 442	30 044	21%
– as a percentage of revenues	*19.6*	*19.0*		*21.1*	*21.3*	
Profit for the period	6 780	6 055	12%	28 052	23 482	19%
Basic earnings per share, SEK	1.39	1.24		5.76	4.82	
Diluted earnings per share, SEK	1.39	1.24		5.75	4.81	
Return on capital employed, %	30	29				

* Operating profit excluding amortization of intangibles related to acquisitions.

Near-term demand outlook

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

Previous near-term demand outlook (published October 25, 2023):
Atlas Copco Group expects that the customers' activity level will weaken compared to 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 2023

Orders and revenues

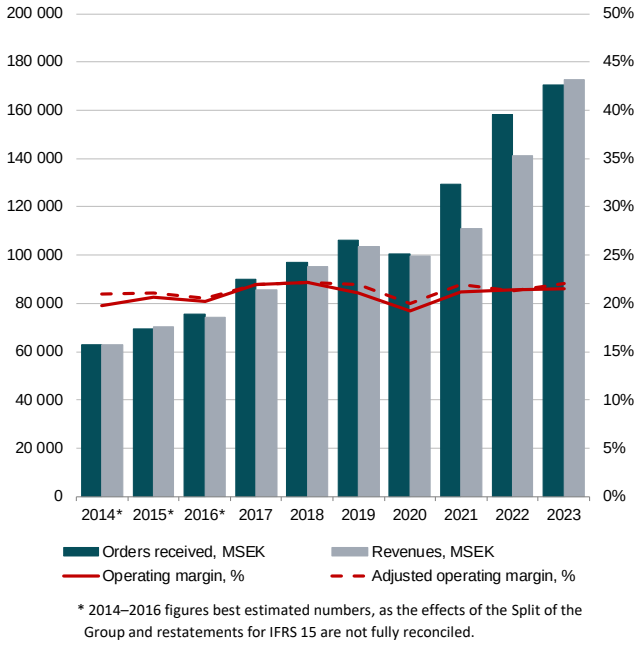
The order intake in 2023 increased 8% to record MSEK 170 627 (158 092). Acquisition contributed with 5% and currency had a positive effect of 3%. Organically, the order intake remained unchanged. Revenues also reached a record and increased 22% to MSEK 172 664 (141 325), corresponding to a 14% organic increase.

Sales bridge

	January-December	
MSEK	Orders received	Revenues
2022	158 092	141 325
Structural change, %	+5	+4
Currency, %	+3	+4
Organic*, %	+0	+14
Total, %	+8	+22
2023	170 627	172 664

* Volume, price and mix.

Orders, revenues, and operating profit margin



* 2014–2016 figures 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 23% to record MSEK 37 091 (30 216), corresponding to a margin of 21.5% (21.4). Items affecting comparability amounted to MSEK -1 126 (151) whereof the change in provision for share-related long-term incentive programs, reported in Common Group Items, was MSEK -520 (151). Other items affecting comparability includes MSEK -606 related to a provision for a commercial dispute originating from an agreement dating back to before the current Group structure and the split of the Group in 2018, also reported in Common Group Items. Adjusted operating profit increased 27% to MSEK 38 217 (30 065) corresponding to a margin of 22.1% (21.3). Changes in exchange rates compared with the previous year had a positive effect of MSEK 930 on the operating profit, but the main explanation for the higher margin was increased organic revenues.

Profit before tax amounted to MSEK 36 442 (30 044), corresponding to a margin of 21.1% (21.3). Income tax expense amounted to MSEK 8 390 (6 562), corresponding to an effective tax rate of 23.0% (21.8). The higher effective tax rate follows the increased nominal tax rate in the UK and a geographical mix effect.

Profit for the period was MSEK 28 052 (23 482). Basic and diluted earnings per share were SEK 5.76 (4.82) and SEK 5.75 (4.81), respectively.

Operating cash flow (important internal KPI, but not an IFRS measurement, and hence reconciled on page 14) before acquisitions, divestments and dividends reached MSEK 23 192 (17 099).

Dividend

The Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 2.80 (2.30) per share for the 2023 fiscal year. Excluding shares currently held by the company, the proposed dividend corresponds to a total of MSEK 13 638 (11 203). In order to facilitate a more efficient cash management, the ordinary annual dividend is proposed to be paid in two equal installments, the first with record date April 26, 2024, and the second with record date October 21, 2024.

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 and division presidents, participation in the plan will require own investment in Atlas Copco shares. The details of the proposal will be communicated in connection with the Notice of the Annual General Meeting.

Important events – before and after period end

On November 24, 2023, it was announced that Mats Rahmström, the President and CEO of the Atlas Copco Group, will leave the Group. After 35 years with the Group and almost seven years as CEO, Mats Rahmström informed the Board of Directors of Atlas Copco AB that he wishes to step down. Mats Rahmström will continue to be fully operational up until April 30, 2024.

On January 11, 2024, it was announced that the Board of Directors has appointed Vagner Rego (currently Business Area President for the business area Compressor Technique) as the new President and CEO of Atlas Copco Group, effective May 1, 2024.

Review of the fourth quarter

Market development

The overall demand for the Atlas Copco Group's equipment and services was basically unchanged compared to the previous year but weaker than in the third quarter. Year-on-year, the service business grew in all business areas while the order intake for equipment was mixed.

Order volumes for industrial compressors increased while orders for gas and process compressors did not reach the previous year's level. The order intake for vacuum equipment decreased due to weaker demand from industrial and scientific vacuum customers. Order volumes for vacuum equipment to the semiconductor and flat panel display industry were largely unchanged. The order intake for industrial assembly and vision solutions increased somewhat, while orders for power and flow equipment decreased.

In total, the order intake increased in North and South America, decreased in Europe, and remained essentially unchanged in Asia.

Geographic distribution of orders received

	Atlas Copco Group	
October-December 2023	Orders received, %	Change*, %
North America	29	+15
South America	5	+17
Europe	28	-6
Africa/Middle East	5	+11
Asia/Oceania	33	+0
Atlas Copco Group	100	+3

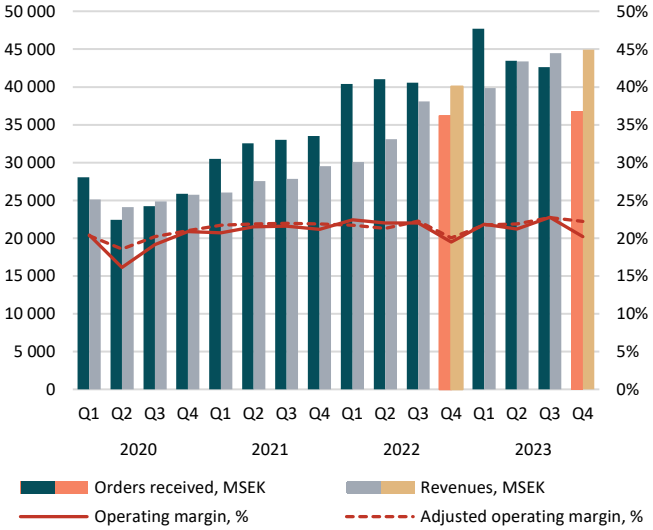
* Change in orders received compared to the previous year in local currency.

Sales bridge

	October-December	
MSEK	Orders received	Revenues
2022	36 148	40 054
Structural change, %	+2	+2
Currency, %	-1	+0
Organic*, %	+1	+10
Total, %	+2	+12
2023	36 843	44 954

* Volume, price and mix.

Orders, revenues, and operating profit margin



Geographic distribution of orders received and revenues

October-December 2023	Compressor Technique, %		Vacuum Technique, %		Industrial Technique, %		Power Technique, %		Atlas Copco Group, %	
	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues
North America	28	24	32	25	34	31	22	27	29	26
South America	7	6	0	0	3	3	8	7	5	4
Europe	30	32	15	14	35	36	34	32	28	28
Africa/Middle East	7	7	1	1	1	1	10	8	5	5
Asia/Oceania	28	31	52	60	27	29	26	26	33	37
	100	100	100	100	100	100	100	100	100	100

Revenues, profits and returns

Revenues increased 12% to record MSEK 44 954 (40 054), corresponding to an organic growth of 10%. Acquisitions added 2%, while currency had no effect.

The operating profit increased 16% to MSEK 9 086 (7 810) and includes items affecting comparability of MSEK -870 (-219). The MSEK -870 consist of MSEK -264 (-219) from a change in provision for share related long-term incentive programs, and MSEK -606 related to a provision for a commercial dispute originating from an agreement dating back to before the current Group structure and the split of the Group in 2018, all reported in Common Group Items. The adjusted operating profit increased 24% to MSEK 9 956 (8 029), corresponding to a margin of 22.1% (20.0). The main explanation for the higher margin was increased organic revenues and previous year's high costs related to supply chain constraints, that were not repeated.

Net financial items amounted to MSEK -253 (-190) whereof interest net at MSEK -131 (-69). The increased interest cost was mainly a result of higher interest rates. Other financial items, including financial exchange differences, were MSEK -122 (-121). Profit before tax amounted to MSEK 8 833 (7 620), corresponding to a margin of 19.6% (19.0). Corporate income tax amounted to MSEK -2 053 (-1 565), corresponding to an effective tax rate of 23.2% (20.5). The main reason for the higher effective tax rate was that previous year contained positive one-off adjustments. The higher effective tax rate is also a consequence of the increased nominal tax rate in the UK and a geographical mix effect.

Profit for the period was MSEK 6 780 (6 055). Basic and diluted earnings per share were SEK 1.39 (1.24) and SEK 1.39 (1.24), respectively.

The return on capital employed during the last 12 months was 30% (29). Return on equity was 32% (32). 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 12 065 (10 251). Net financial items and taxes paid amounted to MSEK -1 539 (-1 711). Working capital decreased by MSEK 558 (increase of 1 370), mainly due to decreased inventories. Net investments in rental equipment were MSEK -592 (-247). Net investments in property, plant, and equipment, were MSEK -1 002 (-988).

Operating cash flow (an important internal KPI, but not an IFRS measurement, and hence defined on page 14) reached MSEK 8 799 (5 930).

Net indebtedness

The Group's net indebtedness amounted to MSEK 23 441 (26 570), of which MSEK 2 584 (2 380) was attributable to post-employment benefits. The Group's interest-bearing liabilities have an average maturity of 5.7 years. The net debt/EBITDA ratio was 0.5 (0.7) and the net debt/equity ratio was 26% (33).

Acquisition and divestment of own shares

During the quarter, 2 649 622 series A shares, net, were acquired for a net value of MSEK 465. 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 18.

Employees

On December 31, 2023, the number of employees was 52 778 (48 951). The number of consultants/external workforce was 3 123 (3 834). For comparable units, the total workforce increased by 1 986 from December 31, 2022.

Revenues and operating profit – bridge

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

Compressor Technique

	October-December			January-December		
MSEK	2023	2022		2023	2022	
Orders received	17 250	16 202	6%	79 492	69 834	14%
Revenues	19 827	17 085	16%	75 552	61 058	24%
EBITA*	5 068	4 163	22%	19 073	14 882	28%
– as a percentage of revenues	*25.6*	*24.4*		*25.2*	*24.4*	
Operating profit	4 915	4 026	22%	18 488	14 425	28%
– as a percentage of revenues	*24.8*	*23.6*		*24.5*	*23.6*	
Return on capital employed, %	85	82				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Equipment order growth driven by industrial compressors**
- **Continued solid growth for service**
- **Record revenues and operating profit, margin at 24.8%**

Sales bridge

	October-December	
MSEK	Orders received	Revenues
2022	16 202	17 085
Structural change, %	+1	+1
Currency, %	-2	+0
Organic*, %	+7	+15
Total, %	+6	+16
2023	17 250	19 827

* Volume, price and mix.

Industrial compressors

Order volumes for industrial compressors increased compared to the previous year. The growth was primarily driven by higher demand for large-sized compressors, even if orders for small and medium-sized compressors also grew somewhat. Sequentially, order volumes decreased.

Geographically, and compared to the previous year, order volumes increased in all regions except Europe, where volumes decreased.

Gas and process compressors

The order intake for gas and process compressors decreased compared to the previous year due to lower demand from several customer segments.

Year-on-year, the order intake increased in Europe and Africa/Middle East but decreased in North America and Asia.

Compressor service

The demand for service remained strong, and the order intake continued to grow with solid order growth in all regions.

Innovation

A new compressor and a dryer forming an essential building block for carbon capture systems, the ZR CO_2 + ND CO_2, was introduced to the market. The new products can support with compression and drying of CO_2 in several industries where CO_2 is captured to prevent it from entering the atmosphere, such as steel and glass production, chemical and cement industry, as well as developing technologies using CO_2 as a feedstock, such as methanation and the production of more sustainable aviation fuel.

Acquisitions

The following acquisitions were completed in the quarter:

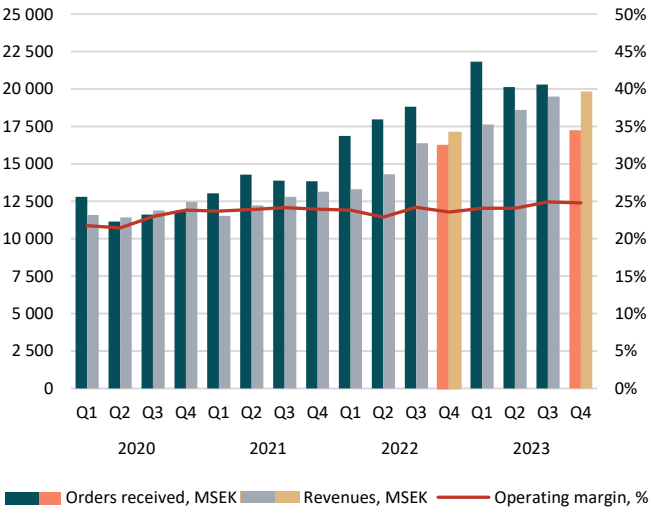
- Two US-based medical gas systems service suppliers: William G Frank Medical Gas Testing and Consulting, LLC, and Medical Gas Credentialing LLC, with in total 8 employees and revenues of approximately MSEK 20 in 2022.
- ACJ, s.r.o., a compressor distributor in Slovakia with 14 employees.
- Hamamcıoğlu Makina (HAMAK), a Turkish distributor of compressed air solutions with 23 employees and revenues of approximately MSEK 75 in 2022.

Revenues and profitability

Revenues increased 16% to record MSEK 19 827 (17 085), corresponding to an organic increase of 15%.

The operating profit also reached a record at MSEK 4 915 (4 026), corresponding to a margin of 24.8% (23.6). The higher margin was mainly due to increased organic revenues. Currency and dilution from acquisitions had a small negative effect on the margin. Return on capital employed (last 12 months) was 85% (82).

Orders, revenues, and operating profit margin



Vacuum Technique

	October-December			January-December		
MSEK	2023	2022		2023	2022	
Orders received	8 235	8 482	-3%	35 723	41 213	-13%
Revenues	11 110	10 646	4%	42 812	38 941	10%
EBITA*	2 550	2 105	21%	10 327	9 019	15%
– as a percentage of revenues	*23.0*	*19.8*		*24.1*	*23.2*	
Operating profit	2 370	1 941	22%	9 607	8 407	14%
– as a percentage of revenues	*21.3*	*18.2*		*22.4*	*21.6*	
Return on capital employed, %	22	24				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Equipment orders down, driven by industrial and scientific vacuum equipment**
- **Continued growth for service**
- **Record revenues, operating profit margin at 21.3%**

Sales bridge

	October-December	
MSEK	Orders received	Revenues
2022	8 482	10 646
Structural change, %	+3	+2
Currency, %	-1	-1
Organic*, %	-5	+3
Total, %	-3	+4
2023	8 235	11 110

* Volume, price and mix.

Semiconductor and flat panel display equipment

The demand for equipment for the semiconductor and flat panel industry remained relatively stable. Order volumes were largely unchanged compared to the previous year and sequentially.

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

Industrial and scientific vacuum equipment

Order volumes for industrial and scientific vacuum equipment decreased compared to the previous year and compared to the previous quarter. The lower year-on-year order intake was primarily driven by weaker demand for products used in analytical instrument and R&D applications.

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

Vacuum service

The service business continued to grow with increased order intake from semiconductor and industrial customers. Order growth was achieved in most regions.

Innovation

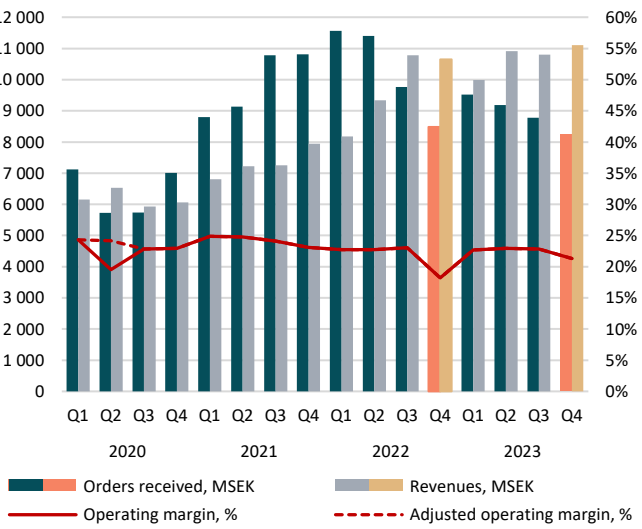
A new generation dry claw pumps, DZS A & DZS VSD+, designed primarily for the general industry was introduced. The new products offer low noise levels, improved reliability thanks to internal temperature control and better performance thanks to a patented smart algorithm. Versions equipped with variable speed drive are also available, helping customers achieving energy savings and productivity.

Revenues and profitability

Revenues reached a record MSEK 11 110 (10 646), corresponding to an organic increase of 3%.

The operating profit increased 22% to MSEK 2 370 (1 941), corresponding to a margin of 21.3% (18.2). The main reasons for the higher margin were increased organic revenues, and high costs in the previous year related to supply chain constraints, and inefficiencies in production and service, that were not repeated. Currency also had a positive effect on the operating margin, while acquisitions had a small dilutive effect on the margin. Return on capital employed (last 12 months) was 22% (24).

Orders, revenues, and operating profit margin



Industrial Technique

	October-December			January-December		
MSEK	2023	2022		2023	2022	
Orders received	6 407	6 199	3%	29 497	26 070	13%
Revenues	7 375	6 608	12%	28 453	23 007	24%
EBITA*	1 714	1 322	30%	6 730	5 127	31%
– as a percentage of revenues	*23.2*	*20.0*		*23.7*	*22.3*	
Operating profit	1 580	1 188	33%	6 183	4 597	35%
– as a percentage of revenues	*21.4*	*18.0*		*21.7*	*20.0*	
Return on capital employed, %	21	17				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Slight order growth for equipment driven by general industry**
- **Continued solid growth for service**
- **Record revenues, operating profit margin at 21.4%**

Sales bridge

	October-December	
MSEK	Orders received	Revenues
2022	6 199	6 608
Structural change, %	+0	+0
Currency, %	+0	+1
Organic*, %	+3	+11
Total, %	+3	+12
2023	6 407	7 375

* Volume, price and mix.

Automotive industry

Order volumes for industrial assembly and vision solutions to the automotive industry decreased compared to the previous year, primarily due to lower demand in Asia. The order intake was also markedly lower compared to the previous quarter.

Year-on-year, the order intake decreased in Asia, was somewhat lower in North America, but increased in Europe.

General industry

The order intake for industrial assembly and vision solutions for the general industry increased, supported by increased demand from several customer segments, such as off-highway, aerospace, and vision applications for solar energy, battery, and glass production. Sequentially, order volumes remained essentially unchanged.

Geographically, and compared to the previous year, order volumes increased in all major regions.

Service

Order volumes for the service remained strong, and solid order growth was achieved in all major regions.

Innovation

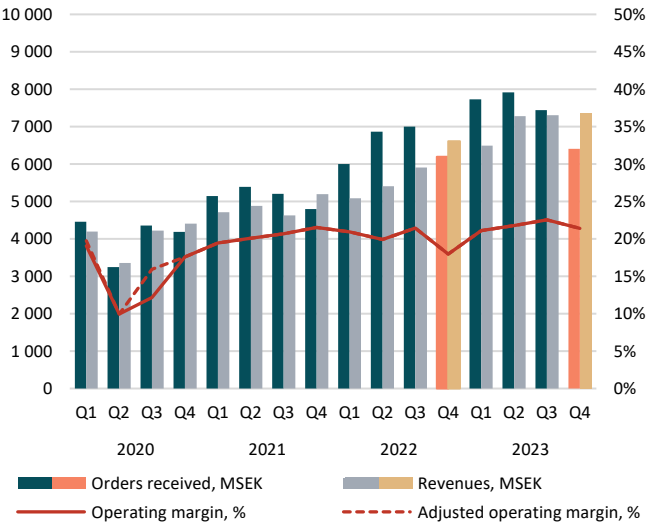
A robot-based and fully automated machine vision system for paint inspection in the automotive industry was introduced. Artificial intelligence algorithms ensure a 98.5% detection rate of all types of quality defects, while process analytics provides real-time feedback to ensure continuous process improvement. Thanks to digital-twin functionality, customers' installation time can be reduced by up to 75%.

Revenues and profitability

Revenues increased 12% to record MSEK 7 375 (6 608), corresponding to an organic increase of 11%.

The operating profit increased 33% to MSEK 1 580 (1 188), corresponding to a margin of 21.4% (18.0). The main explanations for the higher margin were increased organic revenues and high costs in the previous year, related to supply chain constraints and inventory, that were not repeated. Return on capital employed (last 12 months) was 21% (17).

Orders, revenues, and operating profit margin



Power Technique

	October-December			January-December		
MSEK	2023	2022		2023	2022	
Orders received	5 231	5 461	-4%	26 940	21 783	24%
Revenues	6 933	5 897	18%	26 899	19 053	41%
EBITA*	1 407	1 132	24%	5 490	3 666	50%
– as a percentage of revenues	*20.3*	*19.2*		*20.4*	*19.2*	
Operating profit	1 323	1 071	24%	5 191	3 525	47%
– as a percentage of revenues	*19.1*	*18.2*		*19.3*	*18.5*	
Return on capital employed, %	22	25				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Weaker equipment demand**
- **Continued solid growth for specialty rental and service**
- **Operating profit margin at 19.1%**

Sales bridge

	October-December	
MSEK	Orders received	Revenues
2022	5 461	5 897
Structural change, %	+8	+7
Currency, %	-1	+1
Organic*, %	-11	+10
Total, %	-4	+18
2023	5 231	6 933

* Volume, price and mix.

Equipment

The overall demand for equipment such as portable compressors, generators, and pumps weakened, and the order intake decreased markedly compared to the previous year and sequentially.

Geographically and compared to the previous year, the order intake increased in Asia but decreased in North America, Europe, and Africa/Middle East.

Specialty rental

The demand for the specialty rental business remained strong and order volumes continued to grow compared to the previous year and sequentially.

Year-on-year, solid order growth was achieved in all regions.

Service

Order volumes for service continued to grow with increased order intake in all regions, especially in North America and Asia.

Innovation

A new energy storage system in a 20-foot container, the ZBC1000-1200m, was introduced. By using different power sources such as solar, the new products will enable the creation of micro-grids at infrastructure construction sites, and support hybrid power plants and stabilization grid maintenance work.

Acquisitions

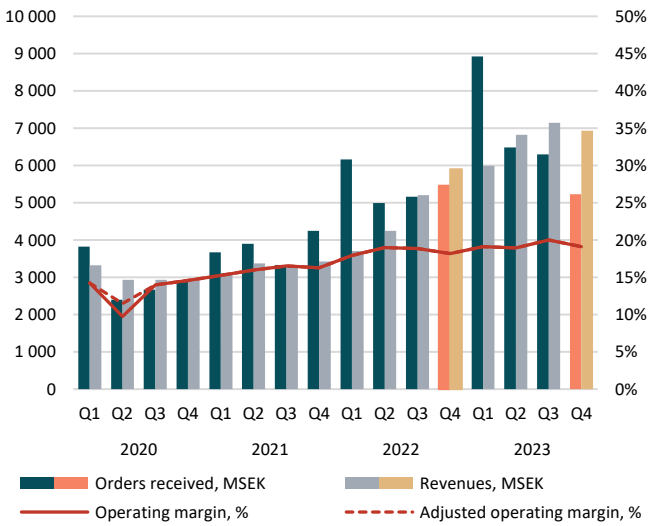
In the quarter, Sykes Group Pty Ltd (Sykes) was acquired, an Australian dewatering pump manufacturer with 123 employees and revenues of MSEK 455 in 2022.

Revenues and profitability

Revenues increased 18% to MSEK 6 933 (5 897), corresponding to an organic increase of 10%.

The operating profit increased 24% to MSEK 1 323 (1 071), corresponding to a margin of 19.1% (18.2). The margin was supported by increased organic revenues, while currency affected the margin negatively. Acquisitions had no material effect on the operating margin. Return on capital employed (last 12 months) was 22% (25).

Orders, revenues, and operating profit margin



Accounting principles

The consolidated accounts of 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 2022. 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:
https://www.atlascopcogroup.com/en/investor-relations/key-figures

Risks, risk management and factors of uncertainty

Atlas Copco Group'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 Group 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 Group 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 Group. 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 Group'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 Group 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 Group 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 Group 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 Group 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 Group 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.

Risks related to the war in Ukraine
Atlas Copco Group's financial exposure to Russia and Ukraine is limited. During 2023, revenues from Russia accounted for well below 0.5% of the Group's total revenues. Ukraine accounted for less than 0.1% of the Group's total revenues. Further, Atlas Copco Group has no production units in Russia or Ukraine. Hence the ongoing war has very limited direct financial effects on Atlas Copco Group. Given the uncertainties surrounding the ongoing conflict, it is very difficult to predict potential indirect effects on Atlas Copco Group. As of December 31, 2023, there is no significant impact on any balance sheet items.

Change regarding European Commission's decision on Belgium's tax rulings
On September 20, 2023, the General Court of the European Union (EGC) ruled in favor of the European Commission, confirming the Commission's decision from 2016 that Belgian tax rulings granted to companies regarding "Excess Profit" shall be considered as illegal state aid. Atlas Copco Group has appealed the decision to the European Court of Justice (ECJ). During 2015-2017, Atlas Copco Group paid and expensed the full costs of MEUR 313 related to the Commission's decision.

For more information on Atlas Copco Group's risk management process and further descriptions of risks and how they are handled, see the Annual Report 2022.

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 often referred to as Atlas Copco Group, Atlas Copco, the Group or the company. Atlas Copco AB is also sometimes referred to as Atlas Copco Group, the Group or the company when describing results, targets or Group-wide frameworks and initiatives. Any mentioning of the Board or the Directors refers to the Board of Directors of Atlas Copco AB.

Consolidated income statement (condensed)

	October-December		January-December	
MSEK	2023	2022	2023	2022
Revenues	44 954	40 054	172 664	141 325
Cost of sales	-25 276	-23 054	-97 547	-81 941
Gross profit	**19 678**	**17 000**	**75 117**	**59 384**
Marketing expenses	-5 003	-4 450	-19 387	-15 629
Administrative expenses	-2 822	-2 469	-10 649	-7 961
Research and development costs	-1 736	-1 526	-6 693	-5 389
Other operating income and expenses	-1 031	-745	-1 297	-189
Operating profit	**9 086**	**7 810**	**37 091**	**30 216**
- as a percentage of revenues	*20.2%*	*19.5%*	*21.5%*	*21.4%*
Net financial items	-253	-190	-649	-172
Profit before tax	**8 833**	**7 620**	**36 442**	**30 044**
- as a percentage of revenues	*19.6%*	*19.0%*	*21.1%*	*21.3%*
Income tax expense	-2 053	-1 565	-8 390	-6 562
Profit for the period	**6 780**	**6 055**	**28 052**	**23 482**
Profit attributable to				
- owners of the parent	6 779	6 053	28 040	23 477
- non-controlling interests	1	2	12	5
Basic earnings per share, SEK	**1.39**	**1.24**	**5.76**	**4.82**
Diluted earnings per share, SEK	1.39	1.24	5.75	4.81
Basic weighted average number of shares outstanding, millions	4 873.3	4 867.3	4 871.4	4 868.4
Diluted weighted average number of shares outstanding, millions	4 880.4	4 875.2	4 878.9	4 875.9

Key ratios		
Equity per share, period end, SEK	19	16
Return on capital employed, 12 month values, %	30	29
Return on equity, 12 month values, %	32	32
Debt/equity ratio, period end, %	26	33
Equity/assets ratio, period end, %	50	46
Number of employees, period end	52 778	48 951

Consolidated statement of comprehensive income

	October-December		January-December	
MSEK	2023	2022	2023	2022
Profit for the period	**6 780**	**6 055**	**28 052**	**23 482**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	-880	-485	-753	1 550
Income tax relating to items that will not be reclassified	218	138	192	-420
	-662	**-347**	**-561**	**1 130**
Items that may be reclassified subsequently to profit or loss				
Translation differences on foreign operations	-6 919	-2 594	-4 717	8 112
Hedge of net investments in foreign operations	668	-259	148	-1 328
Cash flow hedges	-	231	28	13
Income tax relating to items that may be reclassified	-224	56	-50	445
	-6 475	**-2 566**	**-4 591**	**7 242**
Other comprehensive income for the period, net of tax	**-7 137**	**-2 913**	**-5 152**	**8 372**
Total comprehensive income for the period	**-357**	**3 142**	**22 900**	**31 854**
Total comprehensive income attributable to				
- owners of the parent	-354	3 142	22 892	31 849
- non-controlling interests	-3	-	8	5

Consolidated balance sheet (condensed)

MSEK	Dec. 31 2023	Dec. 31 2022
Intangible assets	67 501	67 067
Rental equipment	4 345	2 689
Other property, plant and equipment	14 358	12 720
Right-of-use assets	5 763	4 752
Financial assets and other receivables	2 276	2 668
Deferred tax assets	2 234	2 193
Total non-current assets	**96 477**	**92 089**
Inventories	29 283	27 219
Trade and other receivables	45 072	40 849
Other financial assets	965	889
Cash and cash equivalents	10 887	11 254
Assets classified as held for sale	-	1
Total current assets	**86 207**	**80 212**
TOTAL ASSETS	**182 684**	**172 301**
Equity attributable to owners of the parent	91 450	79 976
Non-controlling interests	50	50
TOTAL EQUITY	**91 500**	**80 026**
Borrowings	29 967	23 770
Post-employment benefits	2 584	2 380
Other liabilities and provisions	2 154	1 922
Deferred tax liabilities	2 267	2 745
Total non-current liabilities	**36 972**	**30 817**
Borrowings	2 742	12 563
Trade payables and other liabilities	48 871	47 142
Provisions	2 599	1 753
Total current liabilities	**54 212**	**61 458**
TOTAL EQUITY AND LIABILITIES	**182 684**	**172 301**

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 2022, 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 2022. http://www.atlascopco.com/ir

Financial instruments recorded at fair value

MSEK	Dec. 31 2023	Dec. 31 2022
Non-current assets and liabilities		
Assets	96	86
Liabilities	-	-
Current assets and liabilities		
Assets	437	625
Liabilities	721	288

Carrying value and fair value of borrowings

MSEK	Dec. 31 2023	Dec. 31 2023	Dec. 31 2022	Dec. 31 2022
	Carrying value	Fair value	Carrying value	Fair value
Bonds	14 294	12 633	17 902	15 535
Other loans	12 673	12 648	13 612	13 223
Lease liability	5 742	5 742	4 819	4 819
	32 709	**31 023**	**36 333**	**33 577**

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, 2023	**79 976**	**50**	**80 026**
Changes in equity for the period			
Total comprehensive income for the period	22 892	8	22 900
Dividend	-11 203	-8	-11 211
Change of non-controlling interests	-8	-	-8
Acquisition and divestment of own shares	265	-	265
Share-based payments, equity settled	-472	-	-472
Closing balance, December 31, 2023	**91 450**	**50**	**91 500**

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**

Consolidated statement of cash flows (condensed)

	October-December		January-December	
MSEK	2023	2022	2023	2022
Cash flows from operating activities				
Operating profit	9 086	7 810	37 091	30 216
Depreciation, amortization and impairment (see below)	2 112	1 768	7 761	6 333
Capital gain/loss and other non-cash items	867	673	929	429
Operating cash surplus	**12 065**	**10 251**	**45 781**	**36 978**
Net financial items received/paid	129	-633	-883	-714
Taxes paid	-1 668	-1 078	-8 758	-6 245
Pension funding and payment of pension to employees	-180	-167	-512	-419
Change in working capital	558	-1 370	-5 775	-7 415
Investments in rental equipment	-604	-252	-1 814	-884
Sale of rental equipment	12	5	45	76
Net cash from operating activities	**10 312**	**6 756**	**28 084**	**21 377**
Cash flows from investing activities				
Investments in property, plant and equipment	-1 045	-1 019	-3 987	-3 660
Sale of property, plant and equipment	43	31	101	99
Investments in intangible assets	-364	-347	-1 464	-1 371
Acquisition of subsidiaries and associated companies	-791	-895	-4 314	-10 591
Other investments, net	294	-1	276	20
Net cash from investing activities	**-1 863**	**-2 231**	**-9 388**	**-15 503**
Cash flows from financing activities				
Annual dividends paid	-5 604	-4 623	-11 203	-9 250
Dividends paid to non-controlling interest	-	-	-8	-
Redemption of shares	-	-	-	-9 732
Repurchase and sales of own shares	-465	239	265	-483
Change in interest-bearing liabilities, net	-3 721	1 382	-7 330	4 814
Net cash from financing activities	**-9 790**	**-3 002**	**-18 276**	**-14 651**
Net cash flow for the period	**-1 341**	**1 523**	**420**	**-8 777**
Cash and cash equivalents, beginning of the period	12 906	9 883	11 254	18 990
Exchange differences in cash and cash equivalents	-678	-152	-787	1 041
Cash and cash equivalents, end of the period	**10 887**	**11 254**	**10 887**	**11 254**

Depreciation, amortization and impairment

	October-December		January-December	
Depreciation, amortization and impairment	2023	2022	2023	2022
Rental equipment	250	202	897	778
Other property, plant and equipment	530	436	1 934	1 554
Right-of-use assets	436	356	1 632	1 325
Intangible assets	896	774	3 298	2 676
Total	**2 112**	**1 768**	**7 761**	**6 333**

Calculation of operating cash flow

	October-December		January-December	
MSEK	2023	2022	2023	2022
Net cash flow for the period	**-1 341**	**1 523**	**420**	**-8 777**
Add back:				
Change in interest-bearing liabilities, net	3 721	-1 382	7 330	-4 814
Repurchase and sales of own shares	465	-239	-265	483
Annual dividends paid	5 604	4 623	11 203	9 250
Dividends paid to non-controlling interest	-	-	8	-
Redemption of shares	-	-	-	9 732
Acquisitions and divestments	791	895	4 314	10 591
Investments of cash liquidity	-294	-	-294	-
Currency hedges	-147	510	476	634
Operating cash flow	**8 799**	**5 930**	**23 192**	**17 099**

Revenues by business area

	2021				2022				2023			
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	11 522	12 212	12 792	13 131	13 305	14 291	16 377	17 085	17 632	18 600	19 493	19 827
- of which external	*11 423*	*12 099*	*12 677*	*13 017*	*13 169*	*14 174*	*16 244*	*16 957*	*17 466*	*18 407*	*19 300*	*19 614*
- of which internal	*99*	*113*	*115*	*114*	*136*	*117*	*133*	*128*	*166*	*193*	*193*	*213*
Vacuum Technique	6 808	7 220	7 249	7 942	8 179	9 335	10 781	10 646	9 989	10 911	10 802	11 110
- of which external	*6 804*	*7 214*	*7 245*	*7 937*	*8 173*	*9 332*	*10 773*	*10 639*	*9 979*	*10 906*	*10 795*	*11 101*
- of which internal	*4*	*6*	*4*	*5*	*6*	*3*	*8*	*7*	*10*	*5*	*7*	*9*
Industrial Technique	4 713	4 880	4 630	5 198	5 083	5 405	5 911	6 608	6 492	7 280	7 306	7 375
- of which external	*4 705*	*4 873*	*4 622*	*5 190*	*5 072*	*5 396*	*5 900*	*6 595*	*6 469*	*7 260*	*7 290*	*7 356*
- of which internal	*8*	*7*	*8*	*8*	*11*	*9*	*11*	*13*	*23*	*20*	*16*	*19*
Power Technique	3 121	3 377	3 312	3 424	3 702	4 247	5 207	5 897	5 996	6 828	7 142	6 933
- of which external	*3 089*	*3 348*	*3 280*	*3 389*	*3 672*	*4 209*	*5 157*	*5 863*	*5 947*	*6 791*	*7 100*	*6 883*
- of which internal	*32*	*29*	*32*	*35*	*30*	*38*	*50*	*34*	*49*	*37*	*42*	*50*
Common Group Items / Eliminations	-143	-155	-159	-162	-183	-167	-202	-182	-248	-255	-258	-291
Atlas Copco Group	**26 021**	**27 534**	**27 824**	**29 533**	**30 086**	**33 111**	**38 074**	**40 054**	**39 861**	**43 364**	**44 485**	**44 954**

Equipment and service revenues

	2021				2022				2023			
% of total revenues (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique - Equipment	56	57	58	57	55	57	58	59	57	58	59	60
Compressor Technique - Service	44	43	42	43	45	43	42	41	43	42	41	40
Vacuum Technique - Equipment	75	76	75	76	76	77	78	78	77	77	77	78
Vacuum Technique - Service	25	24	25	24	24	23	22	22	23	23	23	22
Industrial Technique - Equipment	72	74	71	74	72	72	72	74	71	74	73	76
Industrial Technique - Service	28	26	29	26	28	28	28	26	29	26	27	24
Power Technique - Equipment	60	59	56	55	55	54	56	58	58	60	56	54
Power Technique - Service	40	41	44	45	45	46	44	42	42	40	44	46

Operating profit by business area

	2021				2022				2023			
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	2 730	2 916	3 087	3 141	3 170	3 266	3 963	4 026	4 245	4 472	4 856	4 915
- as a percentage of revenues	*23.7*	*23.9*	*24.1*	*23.9*	*23.8*	*22.9*	*24.2*	*23.6*	*24.1*	*24.0*	*24.9*	*24.8*
Vacuum Technique	1 695	1 789	1 748	1 834	1 859	2 123	2 484	1 941	2 268	2 504	2 465	2 370
- as a percentage of revenues	*24.9*	*24.8*	*24.1*	*23.1*	*22.7*	*22.7*	*23.0*	*18.2*	*22.7*	*22.9*	*22.8*	*21.3*
Industrial Technique	917	981	958	1 120	1 065	1 077	1 267	1 188	1 371	1 585	1 647	1 580
- as a percentage of revenues	*19.5*	*20.1*	*20.7*	*21.5*	*21.0*	*19.9*	*21.4*	*18.0*	*21.1*	*21.8*	*22.5*	*21.4*
Power Technique	476	539	548	558	664	807	983	1 071	1 145	1 294	1 429	1 323
- as a percentage of revenues	*15.3*	*16.0*	*16.5*	*16.3*	*17.9*	*19.0*	*18.9*	*18.2*	*19.1*	*19.0*	*20.0*	*19.1*
Common Group Items / Eliminations	-431	-301	-341	-405	-9	6	-319	-416	-330	-666	-280	-1 102
Operating profit	**5 387**	**5 924**	**6 000**	**6 248**	**6 749**	**7 279**	**8 378**	**7 810**	**8 699**	**9 189**	**10 117**	**9 086**
- as a percentage of revenues	*20.7*	*21.5*	*21.6*	*21.2*	*22.4*	*22.0*	*22.0*	*19.5*	*21.8*	*21.2*	*22.7*	*20.2*
Net financial items	-44	-52	-55	2	-78	26	70	-190	-44	-163	-189	-253
Profit before tax	**5 343**	**5 872**	**5 945**	**6 250**	**6 671**	**7 305**	**8 448**	**7 620**	**8 655**	**9 026**	**9 928**	**8 833**
- as a percentage of revenues	*20.5*	*21.3*	*21.4*	*21.2*	*22.2*	*22.1*	*22.2*	*19.0*	*21.7*	*20.8*	*22.3*	*19.6*

Return on capital employed by business area

	2021				2022				2023			
% (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	84	91	94	93	90	86	83	82	82	83	82	85
Vacuum Technique	20	23	24	25	25	25	25	24	24	23	22	22
Industrial Technique	12	13	15	16	17	17	18	17	18	20	20	21
Power Technique	19	23	25	27	29	29	27	25	24	23	22	22
Atlas Copco Group	**23**	**26**	**27**	**27**	**27**	**28**	**29**	**29**	**29**	**30**	**30**	**30**

Acquisitions and divestments

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2023 Dec. 5	Sykes Group Pty Ltd. (Sykes)		Power Technique	455	123
2023 Nov. 14	Hamamcıoğlu Makina (HAMAK)		Compressor Technique	75	23
2023 Oct. 16	ACJ, s.r.o.		Compressor Technique		14
2023 Oct. 11	William G Frank Medical Gas Testing and Consulting, LLC & Medical Gas Credentialing LLC		Compressor Technique	20	8
2023 Aug. 3	Climorent		Power Technique	21	15
2023 Jul. 17	ZEUS Co., Ltd.		Vacuum Technique		59
2023 Jul. 4	Extend3D GmbH		Industrial Technique	32	16
2023 Jun. 1	National Pump & Energy		Power Technique	1 400	420
2023 May 23	Maziak Compressor Services Ltd.		Compressor Technique	87	40
2023 May 4	C.P. Service SRL		Compressor Technique	60	13
2023 May 2	James E. Watson & Co.		Vacuum Technique		7
2023 Apr. 5	Shandong Bozhong Vacuum Technology Co., Ltd.		Vacuum Technique	120	116
2023 Apr. 4	Asven S.R.L.		Compressor Technique		10
2023 Apr. 4	Trillium US Inc.		Vacuum Technique	270	140
2023 Mar. 7	FS Medical Technology Business		Compressor Technique	71	32
2023 Feb. 2	CVS Engineering GmbH		Vacuum Technique	200	76
2023 Jan. 17	MedCore Services Inc.		Compressor Technique	10	7
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

* 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 2023, 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 2023. See the Annual Report for 2022 for disclosure of acquisitions made in 2022.

Parent company

Income statement (condensed)

	October-December		January-December	
MSEK	2023	2022	2023	2022
Administrative expenses	-227	-321	-932	-733
Other operating income and expenses	220	182	476	269
Operating profit/loss	**-7**	**-139**	**-456**	**-464**
Financial income and expenses	2 410	5 936	8 694	30 271
Appropriations	3 383	2 946	3 383	2 946
Profit/loss before tax	**5 786**	**8 743**	**11 621**	**32 753**
Income tax	-609	-522	-247	-320
Profit/loss for the period	**5 177**	**8 221**	**11 374**	**32 433**

Balance sheet (condensed)

MSEK	Dec. 31 2023	Dec. 31 2022
Total non-current assets	192 885	179 842
Total current assets	5 165	4 932
TOTAL ASSETS	**198 050**	**184 774**
Total restricted equity	5 785	5 785
Total non-restricted equity	156 444	156 517
TOTAL EQUITY	**162 229**	**162 302**
Total provisions	860	704
Total non-current liabilities	34 605	18 532
Total current liabilities	356	3 236
TOTAL EQUITY AND LIABILITIES	**198 050**	**184 774**

Assets pledged and contingent liabilities

MSEK	Dec. 31 2023	Dec. 31 2022
Assets pledged	205	199
Contingent liabilities	10 846	10 066

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 9.

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 AB	47 893 133
- of which B shares held by Atlas Copco AB	0
Total shares outstanding, net of shares held by Atlas Copco AB	4 870 559 283

Performance-based personnel option plan

The Annual General Meeting 2023 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 was 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 AB has mandates to acquire and sell own shares as per below:

- Acquisition of not more than 14 810 000 series A shares, whereof a maximum of 10 450 000 may be transferred to personnel stock option holders under the performance-based stock option plan for 2023.
- Acquisition of not more than 60 000 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 60 000 series A shares to cover costs related to previously issued synthetic shares to board members.
- The sale of a maximum 33 000 000 series A shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2017, 2018, 2019 and 2020.
- The shares may only be acquired or sold on NASDAQ Stockholm at a price within the registered price interval at any given time.

During 2023, 2 202 318 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 AB 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 2022.

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 2022.

Nacka, Sweden January 25, 2024
Atlas Copco AB (publ)

Mats Rahmström
President and CEO

The company's auditors have not reviewed this report.

This is Atlas Copco Group

Atlas Copco Group enables technology that transforms the future. We innovate to develop products, services, and solutions that are key to our customers' success. Our four business areas offer compressed air and gas solutions, vacuum solutions, energy solutions, dewatering and industrial pumps, industrial power tools, and assembly and machine vision solutions. In 2023, the Group had revenues of BSEK 173 and about 53 000 employees at year-end.

Business areas

Atlas Copco Group 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 and gas solutions such as 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 technology that transforms the future of 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 technology that transforms the future and improves customer 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, and services through a global network. The business area innovates technology that transforms the future 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, energy storage systems, dewatering and industrial pumps, along with a number of complementary products. It also offers specialty rental and provides service through a global network. The business area innovates technology that transforms the future for multiple industries, including infrastructure 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 stakeholders. The mission is to achieve sustainable, profitable inclusive growth. This means that we should continuously deliver profitable growth with an increased positive impact on society and the environment and by promoting diversity and inclusion. Inclusion is about providing everyone within our organization with support and inspiration to learn and grow. It also means that we include the perspective of different stakeholders, like customers and society, when we create value. 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 25, 2024, at 14:00 CET.

To follow the presentation via webcast:
https://ir.financialhearings.com/atlas-copco-q4-report-2023

To participate via teleconference:
https://conference.financialhearings.com/teleconference/?id=5008086

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

Annual Report 2023

The 2023 Annual Report will be published during the week of March 18, 2024.

First-quarter report 2024

The Q1 2024 report will be published on April 24, 2024, around 11:00 CEST and the conference call will be at 14:00 CEST.
Silent period starts March 25, 2024.

Annual General Meeting 2024

The Annual General Meeting for Atlas Copco AB will be held on April 24, 2024.

Capital Markets Day 2024

Atlas Copco Group will host its Capital Markets Day on May 16, 2024, in Antwerp, Belgium.

Second-quarter report 2024

The Q2 2024 report will be published on July 18, 2024.
Silent period starts June 18, 2024.

Third-quarter report 2024

The Q3 2024 report will be published on October 24, 2024.
Silent period starts September 24, 2024.

Fourth-quarter report 2024

The Q4 2024 report will be published on January 28, 2025.
Silent period starts December 29, 2024.

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 25, 2024.