Press release from Atlas Copco AB

April 24, 2024

Atlas Copco Group

First-quarter report 2024

Solid orders, revenues and operating profit

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

First quarter

- Orders received decreased 4% to MSEK 45 656 (47 707), organic decline of 4%
- Revenues increased 8% to MSEK 42 875 (39 861), organic growth of 7%
- Operating profit reached MSEK 9 345 (8 699), corresponding to a margin of 21.8% (21.8)
  - Adjusted operating profit, excluding items affecting comparability, was MSEK 9 486 (8 663), corresponding to a margin of 22.1% (21.7)
- Profit before tax amounted to MSEK 9 361 (8 655)
- Basic earnings per share were SEK 1.47 (1.34)
- Operating cash flow at MSEK 6 660 (4 948)
- Return on capital employed was 30% (29)

	January-March		
MSEK	2024	2023	
Orders received	45 656	47 707	-4%
Revenues	42 875	39 861	8%
EBITA*	9 905	9 211	8%
– as a percentage of revenues	*23.1*	*23.1*	
Operating profit	9 345	8 699	7%
– as a percentage of revenues	*21.8*	*21.8*	
Profit before tax	9 361	8 655	8%
– as a percentage of revenues	*21.8*	*21.7*	
Profit for the period	7 175	6 528	10%
Basic earnings per share, SEK	1.47	1.34	
Diluted earnings per share, SEK	1.47	1.34	
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 January 25, 2024):
Atlas Copco Group expects that the customer activity level will remain at the current level.

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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Review of the first quarter

Market development

The overall demand for the Atlas Copco Group's equipment and services was solid, although the order intake didn't reach the high level of the comparison quarter in the previous year.

Order volumes for industrial compressors remained basically unchanged, while orders for gas and process compressors did not reach the previous year's exceptional level. The order intake for vacuum equipment for the semiconductor industry increased somewhat, whereas the order intake for industrial and scientific vacuum equipment decreased. Orders for industrial assembly equipment and vision solutions for the automotive industry were basically unchanged, while orders for the general industry increased. The order intake for power and flow equipment decreased markedly compared to the previous year's high level, primarily due to lower demand from equipment rental companies in North America.

The service business, including specialty rental, continued to grow with increased order intake in all business areas and in most regions.

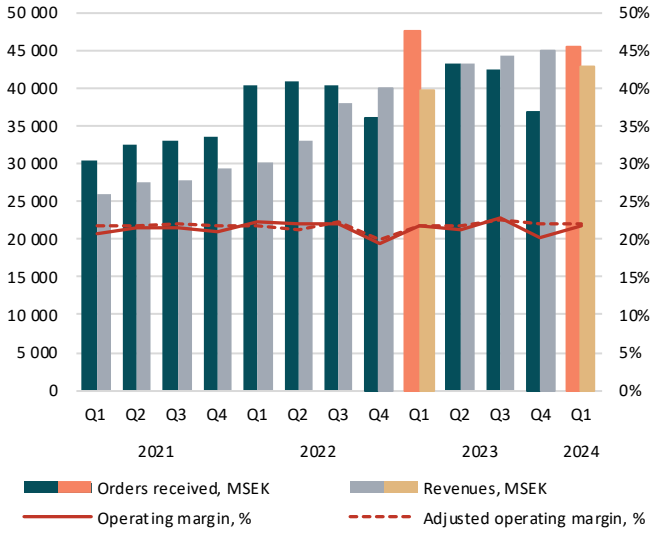
In total, the Group's order intake increased in Europe, South America, and Africa/Middle East but decreased in North America and Asia.

Sales bridge

	January-March	
MSEK	Orders received	Revenues
2023	47 707	39 861
Structural change, %	+2	+3
Currency, %	-2	-2
Organic*, %	-4	+7
Total, %	-4	+8
2024	45 656	42 875

* Volume, price and mix.

Orders, revenues, and operating profit margin



Geographic distribution of orders received

	Atlas Copco Group	
January-March 2024	Orders received, %	Change*, %
North America	26	-12
South America	4	+8
Europe	28	+4
Africa/Middle East	6	+23
Asia/Oceania	36	-2
Atlas Copco Group	100	-2

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

Geographic distribution of orders received and revenues

January-March 2024	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	25	27	23	26	33	33	30	27	26	28
South America	6	6	0	0	2	3	6	7	4	4
Europe	29	32	16	16	34	34	32	32	28	29
Africa/Middle East	7	6	1	1	1	1	9	7	6	4
Asia/Oceania	33	29	60	57	30	29	23	27	36	35
	100	100	100	100	100	100	100	100	100	100

Revenues, profits and returns

Revenues increased 8% to MSEK 42 875 (39 861), corresponding to an organic growth of 7%. Currency had a negative effect of 2%, and acquisitions added 3%.

The operating profit increased 7% to MSEK 9 345 (8 699) and includes a change in provision for share related long-term incentive programs, reported in Common Group Items of MSEK -141 (+36).

Adjusted operating profit increased 10% to MSEK 9 486 (8 663), corresponding to a margin of 22.1% (21.7). The margin was positively affected by increased organic revenues while dilution from acquisitions affected the margin negatively. Currency had no material effect on the margin.

Net financial items amounted to MSEK 16 (-44) whereof interest net at MSEK -61 (-91). Other financial items, including financial exchange differences, were MSEK 77 (47). Profit before tax amounted to MSEK 9 361 (8 655), corresponding to a margin of 21.8% (21.7). Corporate income tax amounted to MSEK -2 186 (-2 127), corresponding to an effective tax rate of 23.4% (24.6). Profit for the period was MSEK 7 175 (6 528). Basic and diluted earnings per share were SEK 1.47 (1.34) and SEK 1.47 (1.34), respectively.

The return on capital employed during the last 12 months was 30% (29). Return on equity was 31% (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 11 685 (10 690). Net financial items and taxes paid amounted to MSEK -2 135 (-1 976). Working capital increased by MSEK 1 334 (increase of 2 212), mainly due to lower operating liabilities. Net investments in rental equipment were MSEK -546 (-298). Net investments in property, plant, and equipment, were MSEK -858 (-983).

Operating cash flow (an important internal KPI, but not an IFRS measurement, and hence defined on page 13) reached MSEK 6 660 (4 948).

Net indebtedness

The Group's net indebtedness amounted to MSEK 20 810 (24 124), of which MSEK 2 715 (2 419) was attributable to post-employment benefits. The Group's interest-bearing liabilities have an average maturity of 5.4 years. The net debt/EBITDA ratio was 0.5 (0.6) and the net debt/equity ratio was 20% (28).

Acquisition and divestment of own shares

During the quarter, 2 309 741 series A shares, net, were sold for a net value of MSEK 410. 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 17.

Employees

On March 31, 2024, the number of employees was 53 728 (50 056). The number of consultants/external workforce was 3 126 (3 576). For comparable units, the total workforce increased by 1 726 from March 31, 2023.

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.

Revenues and operating profit – bridge

MSEK	Q1 2024	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q1 2023
Atlas Copco Group							
Revenues	42 875	2 799	-755	970	-	-	39 861
Operating profit	9 345	888	-120	55	0	-177	8 699
	21.8%						21.8%

* LTI= Long term incentive

Compressor Technique

	January-March		
MSEK	2024	2023	
Orders received	21 144	21 819	-3%
Revenues	18 710	17 632	6%
EBITA*	4 795	4 386	9%
– as a percentage of revenues	*25.6*	*24.9*	
Operating profit	4 642	4 245	9%
– as a percentage of revenues	*24.8*	*24.1*	
Return on capital employed, %	84	82	

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Orders for industrial compressors flat, gas and process compressors down**
- **Solid growth for service**
- **Strong operating profit, margin at 24.8%**

Sales bridge

	January-March	
MSEK	Orders received	Revenues
2023	21 819	17 632
Structural change, %	+1	+0
Currency, %	-3	-2
Organic*, %	-1	+8
Total, %	-3	+6
2024	21 144	18 710

* Volume, price and mix.

Industrial compressors

The demand for both large-sized and smaller-sized compressors was basically unchanged, and the overall order volumes for industrial compressors remained at the same level as the previous year. Sequentially, the order intake increased for all compressor sizes.

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

Gas and process compressors

The order intake for gas and process compressors was strong, although it did not reach the extraordinarily high level of the previous year. Sequentially, however, the order intake increased strongly.

Year-on-year order volumes decreased in most regions, most significantly in North America and Asia, because several larger orders placed in the previous year were not repeated.

Compressor service

The demand for service remained strong, and solid order growth was achieved year-on-year and sequentially. Order volumes increased in all regions compared to the previous year.

Innovation

A new dual-speed oil-injected rotary screw compressor, the GA 11-30 FLX, was introduced to the market. The dual-speed concept can provide up to 20% energy savings compared to a fixed-speed compressor. In addition, and thanks to connectivity, the new product can also be upgraded over the air for total variable speed capabilities and additional energy efficiency.

Acquisitions

The following acquisitions were completed in the quarter:

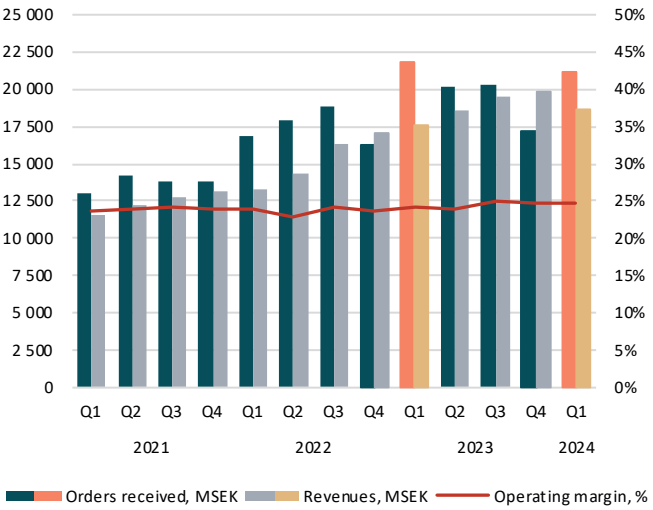
- Hycomp Inc.'s technology for high-pressure oil-free compression. The US-based company has 37 employees and had revenues of MSEK 85 in 2023.
- Ace Air (NI) Ltd, a compressed air distributor and service provider in Ireland with 8 employees.
- Druckluft-Technik-Nord GmbH, a compressor distributor in Germany with 18 employees.
- Pacific Sales & Service, Inc. (Pacific Air Compressors), a compressed air distributor in the US with 15 employees.
- Zahroof Valves Inc., a US-based company that designs, services, and assembles reciprocating compression valve technology. The company has 44 employees and had revenues of approximately MSEK 130 in 2023.

Revenues and profitability

Revenues increased 6% to MSEK 18 710 (17 632), corresponding to an organic increase of 8%.

The operating profit increased 9% to MSEK 4 642 (4 245), corresponding to a margin of 24.8% (24.1). The higher margin was mainly due to increased organic revenues. Currency affected the margin negatively, and dilution from acquisitions had a small negative effect on the margin. Return on capital employed (last 12 months) was 84% (82).

Orders, revenues, and operating profit margin



Vacuum Technique

	January-March		
MSEK	2024	2023	
Orders received	9 104	9 524	-4%
Revenues	9 719	9 989	-3%
EBITA*	2 297	2 441	-6%
– as a percentage of revenues	*23.6*	*24.4*	
Operating profit	2 119	2 268	-7%
– as a percentage of revenues	*21.8*	*22.7*	
Return on capital employed, %	22	24	

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Decreased equipment orders driven by industrial and scientific vacuum**
- **Solid growth for service**
- **Operating profit margin at 21.8%**

Sales bridge

	January-March	
MSEK	Orders received	Revenues
2023	9 524	9 989
Structural change, %	+2	+2
Currency, %	-2	-2
Organic*, %	-4	-3
Total, %	-4	-3
2024	9 104	9 719

* Volume, price and mix.

Semiconductor and flat panel display equipment

Order volumes for equipment to the semiconductor and flat panel industry increased somewhat compared to the previous year, and order growth was also achieved sequentially.

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

Industrial and scientific vacuum equipment

Order volumes for industrial and scientific vacuum equipment decreased markedly due to generally lower demand from several industrial and scientific application segments. Compared to the previous quarter though, order intake increased.

Year-on-year, order volumes decreased in Asia and North America, while orders were unchanged in Europe.

Vacuum service

The service business continued to grow with increased order intake from semiconductor and industrial customers. Order volumes increased in all major regions.

Innovation

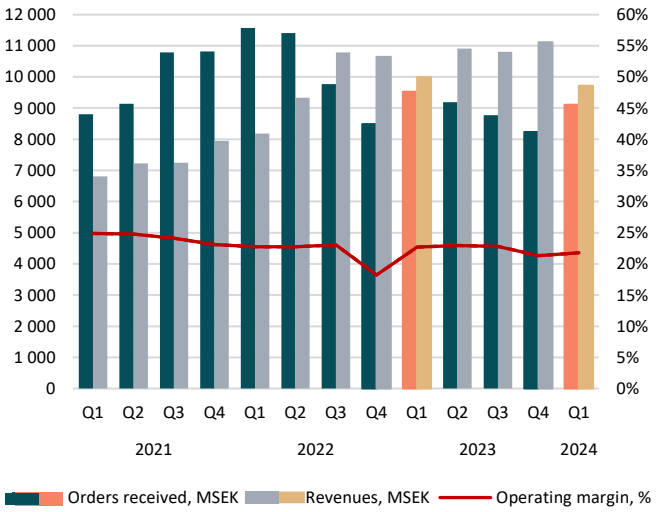
The business area introduced a new chiller, Polycold MC2200, for a broad range of industrial applications. The new chiller offers high productivity, fast cooldown cycles, and up to 20% improved power efficiency compared to previous models.

Revenues and profitability

Revenues reached MSEK 9 719 (9 989), corresponding to an organic decrease of 3%.

The operating profit reached MSEK 2 119 (2 268), corresponding to a margin of 21.8% (22.7). The margin was negatively affected by lower revenue volumes, an unfavorable sales mix, and dilution from acquisitions. Currency had a positive effect on the operating margin. Return on capital employed (last 12 months) was 22% (24).

Orders, revenues, and operating profit margin



Industrial Technique

	January-March		
MSEK	2024	2023	
Orders received	7 796	7 729	1%
Revenues	7 514	6 492	16%
EBITA*	1 781	1 507	18%
– as a percentage of revenues	*23.7*	*23.2*	
Operating profit	1 649	1 371	20%
– as a percentage of revenues	*21.9*	*21.1*	
Return on capital employed, %	22	18	

* 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 21.9%**

Sales bridge

	January-March	
MSEK	Orders received	Revenues
2023	7 729	6 492
Structural change, %	+0	-1
Currency, %	-2	-2
Organic*, %	+3	+19
Total, %	+1	+16
2024	7 796	7 514

* Volume, price and mix.

Automotive industry

The overall order intake for industrial assembly and vision solutions to the automotive industry was basically unchanged compared to the previous year. Orders were largely flat in all major regions. Compared to the previous quarter, the order intake increased, supported by increased order volumes in all major regions.

General industry

Orders for industrial assembly and vision solutions for the general industry increased compared to the previous year and sequentially. The year-on-year order growth was supported by increased demand from several customer segments, such as aerospace, general assembly, electronics, and energy.

Geographically, order volumes increased in Europe and the Americas and remained essentially unchanged in Asia.

Service

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

Innovation

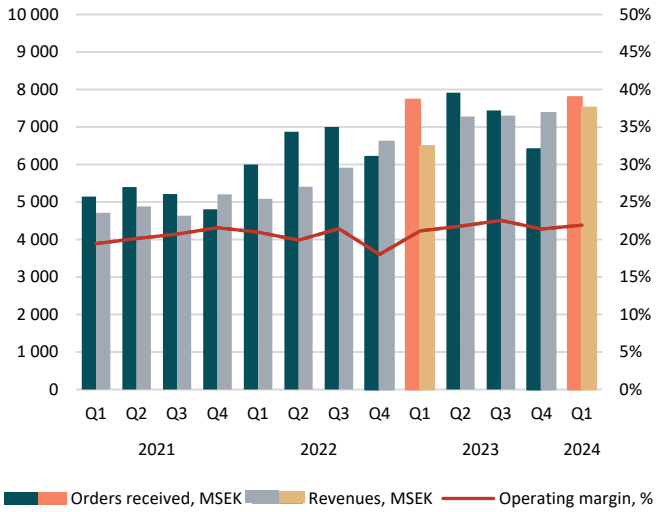
The Atlas Copco Avantguard was introduced as a new error-proofing solution for assembly processes, targeting automotive, off-highway, and energy customers. The solution is based on new software that integrates into the Atlas Copco ecosystem of industrial tools, positioning solutions, and software. It controls and manages factory workflows, reduces errors, and increases quality at customers' production.

Revenues and profitability

Revenues increased 16% to record MSEK 7 514 (6 492), corresponding to an organic increase of 19%.

The operating profit increased 20% to MSEK 1 649 (1 371), corresponding to a margin of 21.9% (21.1). The higher margin was supported by increased revenue volumes. Currency and acquisitions had no material effect on the operating margin. Return on capital employed (last 12 months) was 22% (18).

Orders, revenues, and operating profit margin



Power Technique

	January-March		
MSEK	2024	2023	
Orders received	8 019	8 929	-10%
Revenues	7 202	5 996	20%
EBITA*	1 489	1 206	23%
– as a percentage of revenues	*20.7*	*20.1*	
Operating profit	1 393	1 145	22%
– as a percentage of revenues	*19.3*	*19.1*	
Return on capital employed, %	21	24	

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Equipment orders down compared to previous year's very high level**
- **Growth for specialty rental and service**
- **Operating profit margin at 19.3%**

Sales bridge

	January-March	
MSEK	Orders received	Revenues
2023	8 929	5 996
Structural change, %	+8	+12
Currency, %	-1	-1
Organic*, %	-17	+9
Total, %	-10	+20
2024	8 019	7 202

* Volume, price and mix.

Equipment

Order volumes for equipment such as portable compressors, generators, and pumps decreased significantly compared to the previous year. The lower order intake was mainly due to lower demand from North American equipment rental companies compared to last year's very high level. Sequentially, order volumes increased, partly supported by a normal seasonal effect.

Compared to the previous year, the order intake decreased in North America and Asia but increased in Europe.

Specialty rental

The demand for the specialty rental business increased and order volumes grew compared to the previous year. The increased order intake was further supported by the contribution from recent acquisitions. Sequentially, order volumes decreased.

Year-on-year, the order volumes increased in all larger regions.

Service

Orders for service continued to develop positively, with solid order growth in almost all regions.

Innovation

During the quarter, the CPS 1600-150, a new portable compressor primarily for the North American market, was introduced. The new compressor is compact and lightweight, has a robust design, and offers high fuel efficiency compared to similar products.

Acquisitions

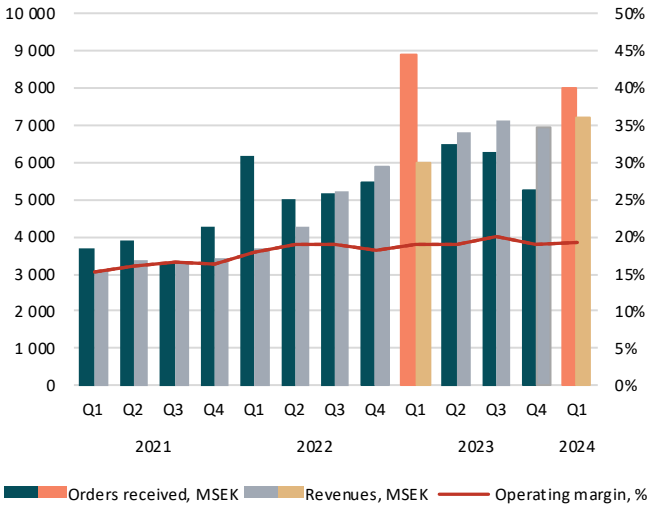
In the quarter, KRACHT GmbH (Kracht), a German manufacturer of external gear pumps, fluid measurement, valves, hydraulic drives, and dosing systems was acquired. The company has 440 employees and had revenues of MSEK 766 in 2022.

Revenues and profitability

Revenues increased 20% to MSEK 7 202 (5 996), corresponding to an organic increase of 9%.

The operating profit increased 22% to MSEK 1 393 (1 145), corresponding to a margin of 19.3% (19.1). The margin was primarily supported by increased organic revenues, even if currency also had a small positive effect. Dilution from acquisitions affected the margin negatively. Return on capital employed (last 12 months) was 21% (24).

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 2023. 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, supplemented 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 on Atlas Copco Group's risk management process and further descriptions of risks and how they are handled, see the Annual Report 2023.

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 is a public company. Atlas Copco AB and its subsidiaries are often referred to as Atlas Copco Group, the Group or the company. Any mentioning of the Board of Directors or the Board refers to the Board of Directors of Atlas Copco AB.

Consolidated income statement (condensed)

	January-March	
MSEK	2024	2023
Revenues	42 875	39 861
Cost of sales	-24 091	-22 411
Gross profit	**18 784**	**17 450**
Marketing expenses	-4 900	-4 561
Administrative expenses	-2 693	-2 414
Research and development costs	-1 784	-1 554
Other operating income and expenses	-62	-222
Operating profit	**9 345**	**8 699**
- as a percentage of revenues	*21.8%*	*21.8%*
Net financial items	16	-44
Profit before tax	**9 361**	**8 655**
- as a percentage of revenues	*21.8%*	*21.7%*
Income tax expense	-2 186	-2 127
Profit for the period	**7 175**	**6 528**
Profit attributable to		
- owners of the parent	7 172	6 523
- non-controlling interests	3	5
Basic earnings per share, SEK	**1.47**	**1.34**
Diluted earnings per share, SEK	1.47	1.34
Basic weighted average number of shares outstanding, millions	4 871.4	4 868.2
Diluted weighted average number of shares outstanding, millions	4 878.3	4 875.8

Key ratios		
Equity per share, period end, SEK	21	18
Return on capital employed, 12 month values, %	30	29
Return on equity, 12 month values, %	31	32
Debt/equity ratio, period end, %	20	28
Equity/assets ratio, period end, %	53	49
Number of employees, period end	53 728	50 056

Consolidated statement of comprehensive income

	January-March	
MSEK	2024	2023
Profit for the period	**7 175**	**6 528**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans	39	-164
Income tax relating to items that will not be reclassified	-14	51
	25	**-113**
Items that may be reclassified subsequently to profit or loss		
Translation differences on foreign operations	6 029	-270
Hedge of net investments in foreign operations	-678	-202
Cash flow hedges	-	27
Income tax relating to items that may be reclassified	228	61
	5 579	**-384**
Other comprehensive income for the period, net of tax	**5 604**	**-497**
Total comprehensive income for the period	**12 779**	**6 031**
Total comprehensive income attributable to		
- owners of the parent	12 772	6 026
- non-controlling interests	7	5

Consolidated balance sheet (condensed)

MSEK	Mar. 31 2024	Mar. 31 2023	Dec. 31 2023
Intangible assets	72 487	67 283	67 501
Rental equipment	4 829	2 805	4 345
Other property, plant and equipment	15 869	13 319	14 358
Right-of-use assets	6 156	5 490	5 763
Financial assets and other receivables	2 312	2 578	2 276
Deferred tax assets	2 432	2 065	2 234
Total non-current assets	**104 085**	**93 540**	**96 477**
Inventories	31 065	29 819	29 283
Trade and other receivables	47 411	41 925	45 072
Other financial assets	394	763	965
Cash and cash equivalents	16 014	9 882	10 887
Assets classified as held for sale	-	1	-
Total current assets	**94 884**	**82 390**	**86 207**
TOTAL ASSETS	**198 969**	**175 930**	**182 684**
Equity attributable to owners of the parent	104 487	85 913	91 450
Non-controlling interests	57	55	50
TOTAL EQUITY	**104 544**	**85 968**	**91 500**
Borrowings	31 445	29 375	29 967
Post-employment benefits	2 715	2 419	2 584
Other liabilities and provisions	2 279	1 842	2 154
Deferred tax liabilities	2 405	2 575	2 267
Total non-current liabilities	**38 844**	**36 211**	**36 972**
Borrowings	3 058	2 975	2 742
Trade payables and other liabilities	49 803	48 978	48 871
Provisions	2 720	1 798	2 599
Total current liabilities	**55 581**	**53 751**	**54 212**
TOTAL EQUITY AND LIABILITIES	**198 969**	**175 930**	**182 684**

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 2023, 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. For further information, see note 26 in the Annual Report 2023. http://www.atlascopco.com/ir

Financial instruments recorded at fair value

MSEK	Mar. 31 2024	Dec. 31 2023
Non-current assets and liabilities		
Assets	112	96
Liabilities	-	-
Current assets and liabilities		
Assets	677	437
Liabilities	10	721

Carrying value and fair value of borrowings

MSEK	Mar. 31 2024	Mar. 31 2024	Dec. 31 2023	Dec. 31 2023
	Carrying value	Fair value	Carrying value	Fair value
Bonds	14 897	13 203	14 294	12 633
Other loans	13 452	13 318	12 673	12 648
Lease liability	6 154	6 154	5 742	5 742
	34 503	**32 675**	**32 709**	**31 023**

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, 2024	**91 450**	**50**	**91 500**
Changes in equity for the period			
Total comprehensive income for the period	12 772	7	12 779
Acquisition and divestment of own shares	410	-	410
Share-based payments, equity settled	-145	-	-145
Closing balance, March 31, 2024	**104 487**	**57**	**104 544**

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	6 026	5	6 031
Acquisition and divestment of own shares	-1	-	-1
Share-based payments, equity settled	-88	-	-88
Closing balance, March 31, 2023	**85 913**	**55**	**85 968**

Consolidated statement of cash flows (condensed)

	January-March	
MSEK	2024	2023
Cash flows from operating activities		
Operating profit	9 345	8 699
Depreciation, amortization and impairment (see below)	2 074	1 778
Capital gain/loss and other non-cash items	266	213
Operating cash surplus	**11 685**	**10 690**
Net financial items received/paid	-354	-351
Taxes paid	-1 781	-1 625
Pension funding and payment of pension to employees	-104	-142
Change in working capital	-1 334	-2 212
Investments in rental equipment	-557	-308
Sale of rental equipment	11	10
Net cash from operating activities	**7 566**	**6 062**
Cash flows from investing activities		
Investments in property, plant and equipment	-879	-1 001
Sale of property, plant and equipment	21	18
Investments in intangible assets	-356	-373
Acquisition of subsidiaries and associated companies	-2 196	-564
Other investments, net	7	3
Net cash from investing activities	**-3 403**	**-1 917**
Cash flows from financing activities		
Repurchase and sales of own shares	410	-1
Change in interest-bearing liabilities, net	75	-5 378
Net cash from financing activities	**485**	**-5 379**
Net cash flow for the period	**4 648**	**-1 234**
Cash and cash equivalents, beginning of the period	10 887	11 254
Exchange differences in cash and cash equivalents	479	-138
Cash and cash equivalents, end of the period	**16 014**	**9 882**

Depreciation, amortization and impairment

	January-March	
Depreciation, amortization and impairment	2024	2023
Rental equipment	249	196
Other property, plant and equipment	518	443
Right-of-use assets	428	377
Intangible assets	879	762
Total	**2 074**	**1 778**

Calculation of operating cash flow

	January-March	
MSEK	2024	2023
Net cash flow for the period	**4 648**	**-1 234**
Add back:		
Change in interest-bearing liabilities, net	-75	5 378
Repurchase and sales of own shares	-410	1
Acquisitions and divestments	2 196	564
Currency hedges	301	239
Operating cash flow	**6 660**	**4 948**

Revenues by business area

	2022				2023				2024
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Compressor Technique	13 305	14 291	16 377	17 085	17 632	18 600	19 493	19 827	18 710
- of which external	*13 169*	*14 174*	*16 244*	*16 957*	*17 466*	*18 407*	*19 300*	*19 614*	*18 507*
- of which internal	*136*	*117*	*133*	*128*	*166*	*193*	*193*	*213*	*203*
Vacuum Technique	8 179	9 335	10 781	10 646	9 989	10 911	10 802	11 110	9 719
- of which external	*8 173*	*9 332*	*10 773*	*10 639*	*9 979*	*10 906*	*10 795*	*11 101*	*9 711*
- of which internal	*6*	*3*	*8*	*7*	*10*	*5*	*7*	*9*	*8*
Industrial Technique	5 083	5 405	5 911	6 608	6 492	7 280	7 306	7 375	7 514
- of which external	*5 072*	*5 396*	*5 900*	*6 595*	*6 469*	*7 260*	*7 290*	*7 356*	*7 492*
- of which internal	*11*	*9*	*11*	*13*	*23*	*20*	*16*	*19*	*22*
Power Technique	3 702	4 247	5 207	5 897	5 996	6 828	7 142	6 933	7 202
- of which external	*3 672*	*4 209*	*5 157*	*5 863*	*5 947*	*6 791*	*7 100*	*6 883*	*7 165*
- of which internal	*30*	*38*	*50*	*34*	*49*	*37*	*42*	*50*	*37*
Common Group Items / Eliminations	-183	-167	-202	-182	-248	-255	-258	-291	-270
Atlas Copco Group	**30 086**	**33 111**	**38 074**	**40 054**	**39 861**	**43 364**	**44 485**	**44 954**	**42 875**

Equipment and service revenues

	2022				2023				2024
% of total revenues (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Compressor Technique - Equipment	55	57	58	59	57	58	59	60	56
Compressor Technique - Service	45	43	42	41	43	42	41	40	44
Vacuum Technique - Equipment	76	77	78	78	77	77	77	78	75
Vacuum Technique - Service	24	23	22	22	23	23	23	22	25
Industrial Technique - Equipment	72	72	72	74	71	74	73	76	73
Industrial Technique - Service	28	28	28	26	29	26	27	24	27
Power Technique - Equipment	55	54	56	58	58	60	56	54	58
Power Technique - Service	45	46	44	42	42	40	44	46	42

Operating profit by business area

	2022				2023				2024
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Compressor Technique	3 170	3 266	3 963	4 026	4 245	4 472	4 856	4 915	4 642
- as a percentage of revenues	*23.8*	*22.9*	*24.2*	*23.6*	*24.1*	*24.0*	*24.9*	*24.8*	*24.8*
Vacuum Technique	1 859	2 123	2 484	1 941	2 268	2 504	2 465	2 370	2 119
- as a percentage of revenues	*22.7*	*22.7*	*23.0*	*18.2*	*22.7*	*22.9*	*22.8*	*21.3*	*21.8*
Industrial Technique	1 065	1 077	1 267	1 188	1 371	1 585	1 647	1 580	1 649
- as a percentage of revenues	*21.0*	*19.9*	*21.4*	*18.0*	*21.1*	*21.8*	*22.5*	*21.4*	*21.9*
Power Technique	664	807	983	1 071	1 145	1 294	1 429	1 323	1 393
- as a percentage of revenues	*17.9*	*19.0*	*18.9*	*18.2*	*19.1*	*19.0*	*20.0*	*19.1*	*19.3*
Common Group Items / Eliminations	-9	6	-319	-416	-330	-666	-280	-1 102	-458
Operating profit	**6 749**	**7 279**	**8 378**	**7 810**	**8 699**	**9 189**	**10 117**	**9 086**	**9 345**
- as a percentage of revenues	*22.4*	*22.0*	*22.0*	*19.5*	*21.8*	*21.2*	*22.7*	*20.2*	*21.8*
Net financial items	-78	26	70	-190	-44	-163	-189	-253	16
Profit before tax	**6 671**	**7 305**	**8 448**	**7 620**	**8 655**	**9 026**	**9 928**	**8 833**	**9 361**
- as a percentage of revenues	*22.2*	*22.1*	*22.2*	*19.0*	*21.7*	*20.8*	*22.3*	*19.6*	*21.8*

Return on capital employed by business area

	2022				2023				2024
% (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Compressor Technique	90	86	83	82	82	83	82	85	84
Vacuum Technique	25	25	25	24	24	23	22	22	22
Industrial Technique	17	17	18	17	18	20	20	21	22
Power Technique	29	29	27	25	24	23	22	22	21
Atlas Copco Group	**27**	**28**	**29**	**29**	**29**	**30**	**30**	**30**	**30**

Acquisitions and divestments

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2024 Mar. 5	Zahroof Valves Inc.		Compressor Technique	130	44
2024 Mar. 4	Pacific Sales & Service, Inc. (Pacific Air Compressors)		Compressor Technique		15
2024 Mar. 4	Druckluft-Technik-Nord GmbH		Compressor Technique		18
2024 Feb. 7	Ace Air (NI) Ltd.		Compressor Technique		8
2024 Jan. 9	Hycomp Inc.		Compressor Technique	85	37
2024 Jan. 3	KRACHT GmbH (Kracht)		Power Technique	766	440
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

* 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 2024, 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 2024. See the Annual Report for 2023 for disclosure of acquisitions made in 2023.

Parent company

Income statement (condensed)

	January-March	
MSEK	2024	2023
Administrative expenses	-230	-179
Other operating income and expenses	44	22
Operating profit/loss	**-186**	**-157**
Financial income and expenses	-46	-75
Profit/loss before tax	**-232**	**-232**
Income tax	90	175
Profit/loss for the period	**-142**	**-57**

Balance sheet (condensed)

MSEK	Mar. 31 2024	Mar. 31 2023	Dec. 31 2023
Total non-current assets	193 091	180 881	192 885
Total current assets	5 123	5 282	5 165
TOTAL ASSETS	**198 214**	**186 163**	**198 050**
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	156 552	156 372	156 444
TOTAL EQUITY	**162 337**	**162 157**	**162 229**
Total provisions	898	575	860
Total non-current liabilities	34 605	23 109	34 605
Total current liabilities	374	322	356
TOTAL EQUITY AND LIABILITIES	**198 214**	**186 163**	**198 050**

Assets pledged and contingent liabilities

MSEK	Mar. 31 2024	Mar. 31 2023	Dec. 31 2023
Assets pledged	224	194	205
Contingent liabilities	11 283	10 313	10 846

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 8.

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	45 583 392
- of which B shares held by Atlas Copco AB	0
Total shares outstanding, net of shares held by Atlas Copco AB	4 872 869 024

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 the first quarter 2024, 2 309 741 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 2023.

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 2023.

Nacka, Sweden April 24, 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 April 24, 2024, at 14:00 CEST.

To follow the presentation via webcast:
https://ir.financialhearings.com/atlas-copco-group-q1-report-2024

To participate via teleconference:
https://conference.financialhearings.com/teleconference/?id=50048434

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

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, around 12:00 CEST and the conference call will be at 13:00 CEST.
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 11:00 CEST on April 24, 2024.