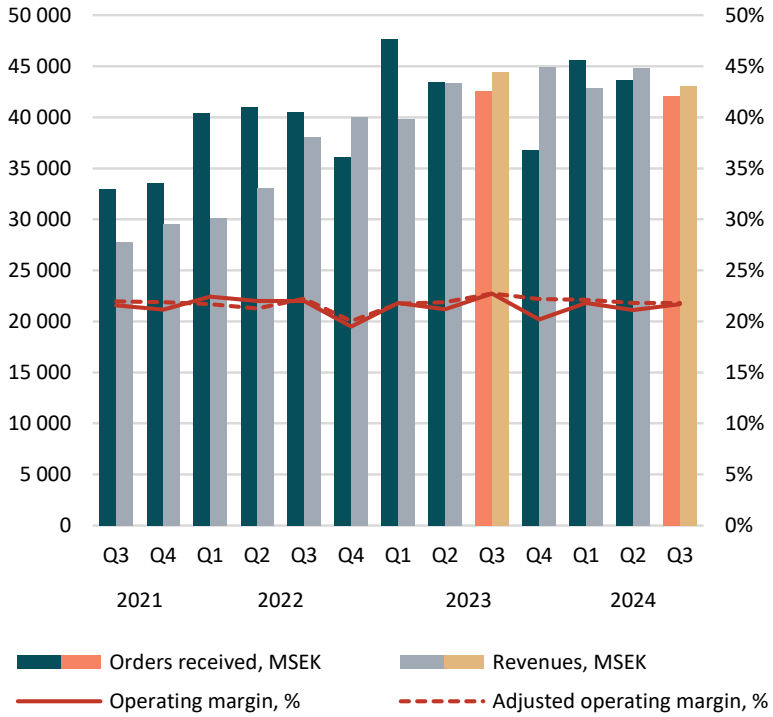
Q3 results 2024

October 23, 2024

Atlas Copco Group

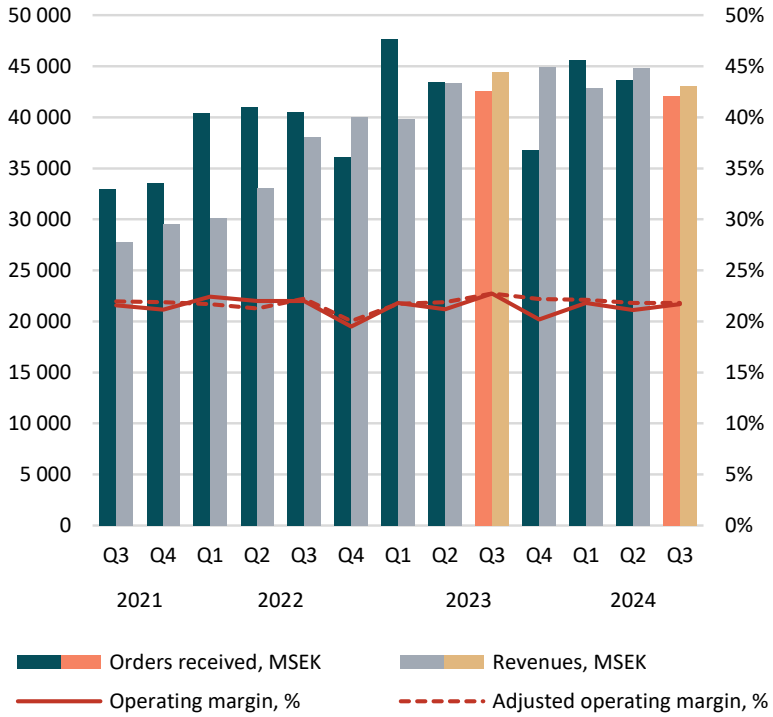
Q3 in brief

- Overall stable orders
- Mixed end-market demand
  - Industrial compressors flat, gas and process compressors down
  - Growth for vacuum equipment driven by semi
  - Industrial assembly and vision solutions down driven by auto
  - Weaker demand for power and flow equipment compensated by acquisitions
  - Solid growth for service in all business areas
- Healthy operating profit
- Solid operating cash flow
- 10 acquisitions closed

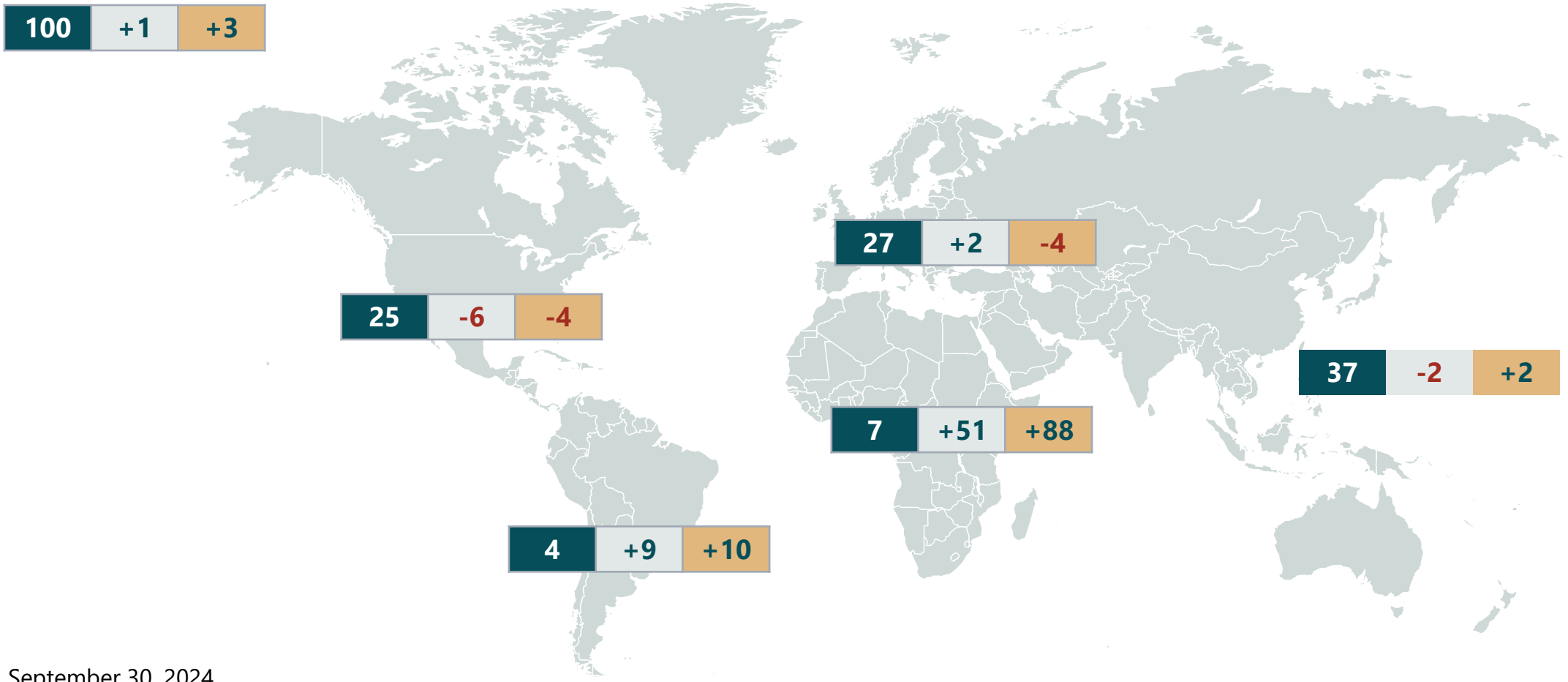


Q3 financials

- Orders received were MSEK 42 080 (42 606), organic increase of 1%
- Revenues were MSEK 43 105 (44 485), organic decline of 1%
- Operating profit reached MSEK 9 337 (10 117), margin at 21.7% (22.7)
  - Adjusted operating profit at MSEK 9 441 (10 110), margin at 21.9% (22.7)
- Profit for the period was MSEK 7 174 (7 803)
- Basic earnings per share were SEK 1.47 (1.60)
- Operating cash flow at MSEK 7 545 (6 581)
- Return on capital employed was 28% (30)



Orders received – local currency

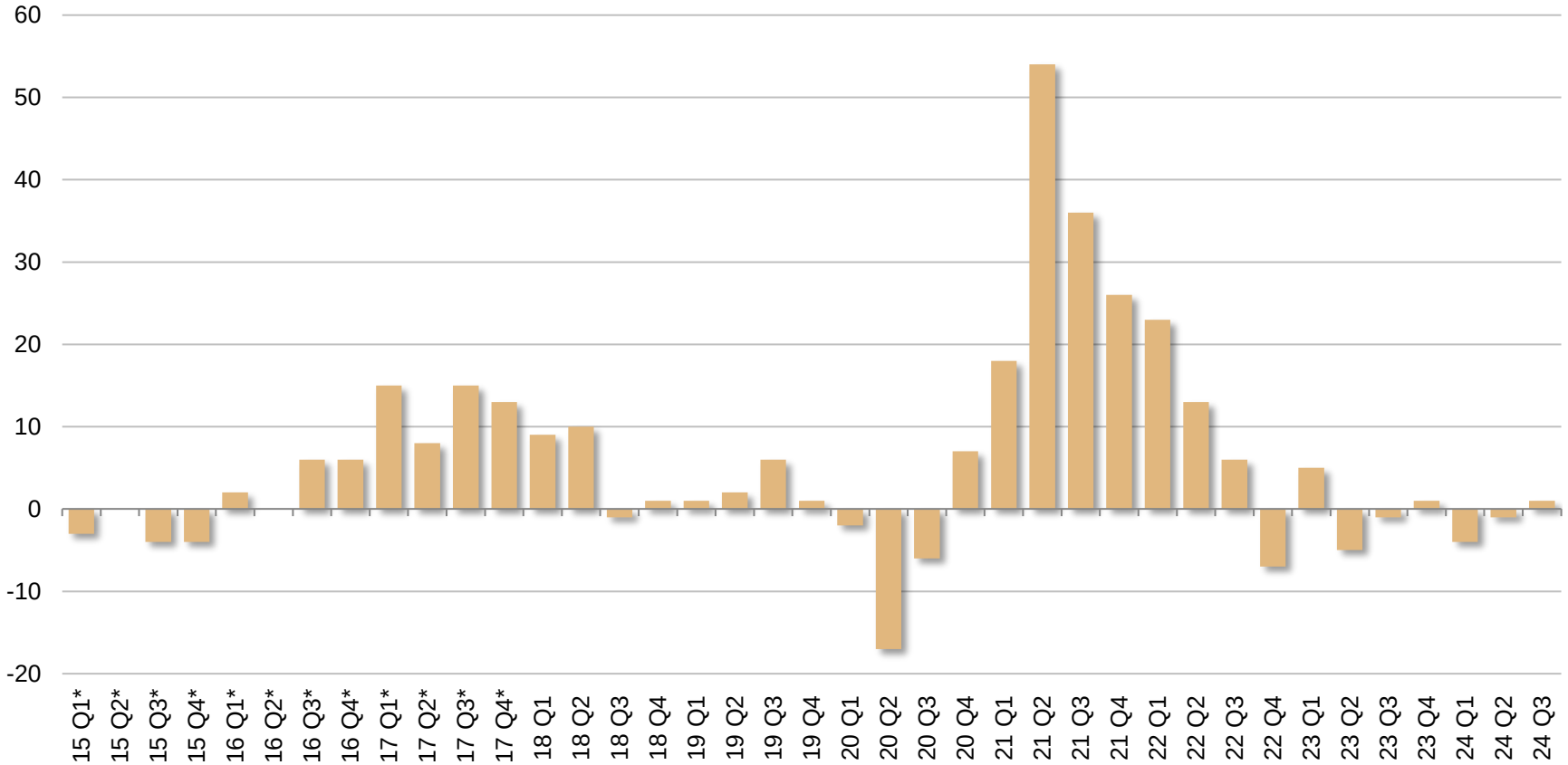


September 30, 2024

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

Order growth per quarter

Organic growth, %



*2015-2017 excluding Mining and Rock Excavation Technique business area (now part of Epiroc AB).

Sales bridge

	July-September		January-September	
MSEK	**Orders received**	**Revenues**	**Orders received**	**Revenues**
2023	42 606	44 485	133 784	127 710
Structural change, %	+2	+2	+2	+2
Currency, %	-4	-4	-2	-2
Organic*, %	+1	-1	-2	+2
Total, %	-1	-3	-2	+2
2024	42 080	43 105	131 390	133 784

*Volume, price and mix.

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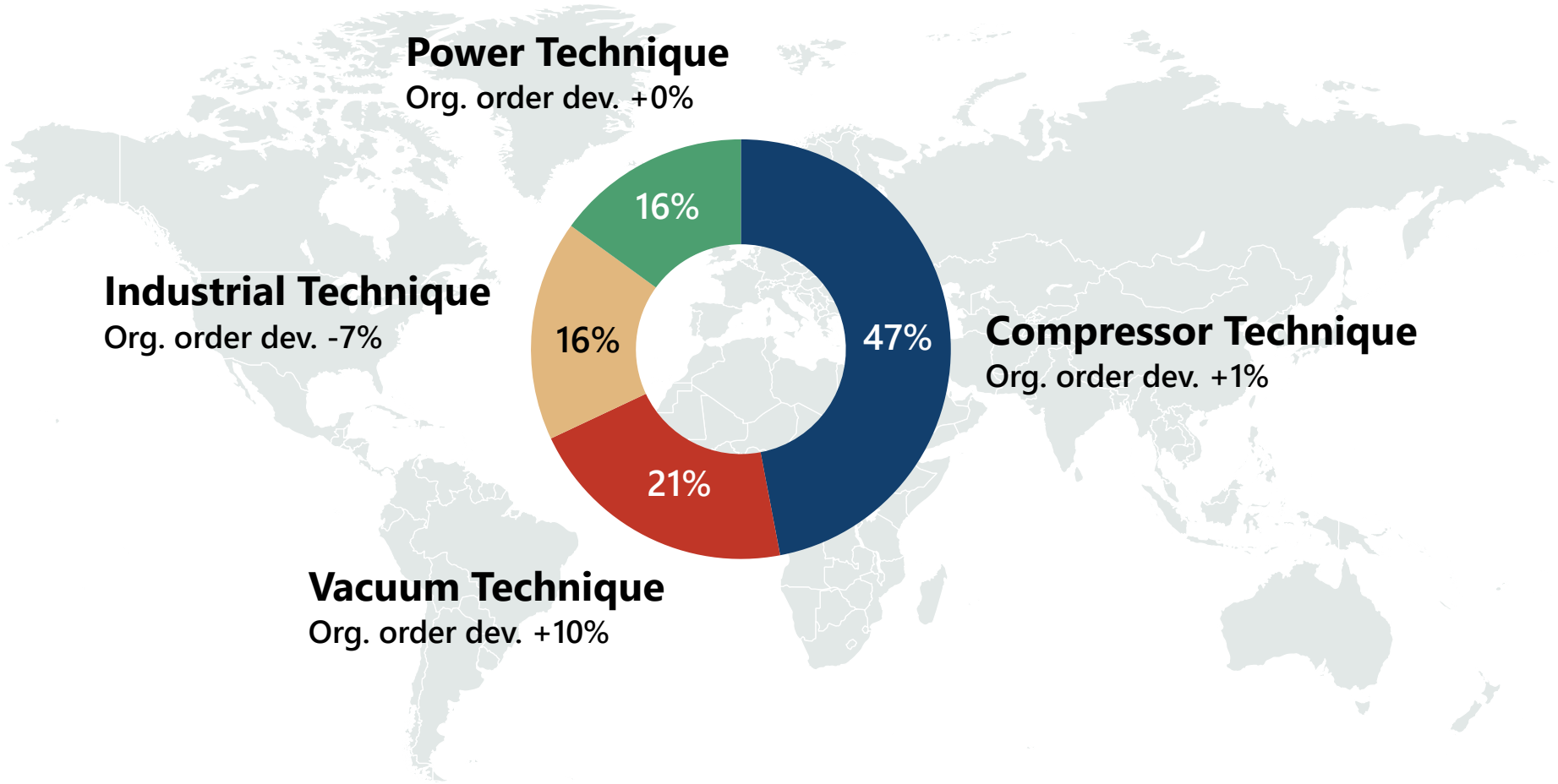
Orders received per business area and organic order growth



* Share of Group orders received 12 months ending September 2024.
3-month organic order development compared to previous year.

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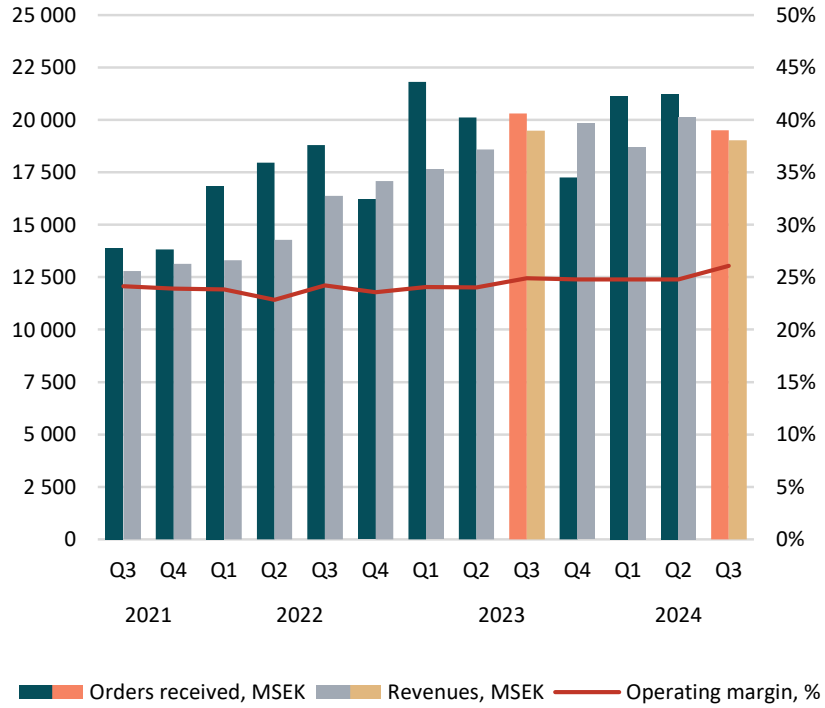
Compressor Technique

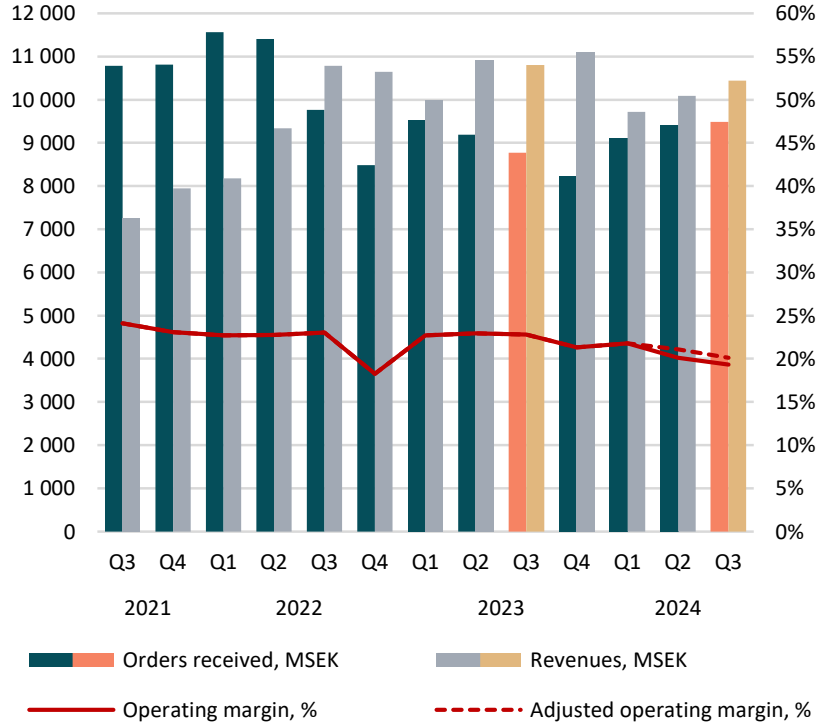
- Orders up 1% organically
  - Industrial compressors flat
  - Gas and process compressors down
  - Solid growth for service
- Revenues increased 2% organically
- Operating profit margin at 26.1% (24.9)
  - Supported by currency and combined volume, price, mix effect
- ROCE at 85% (82)



Innovation:
A new range for compressing biogas suitable when upgrading into biomethane for compressed natural gas refueling and gas grid applications.

Vacuum Technique

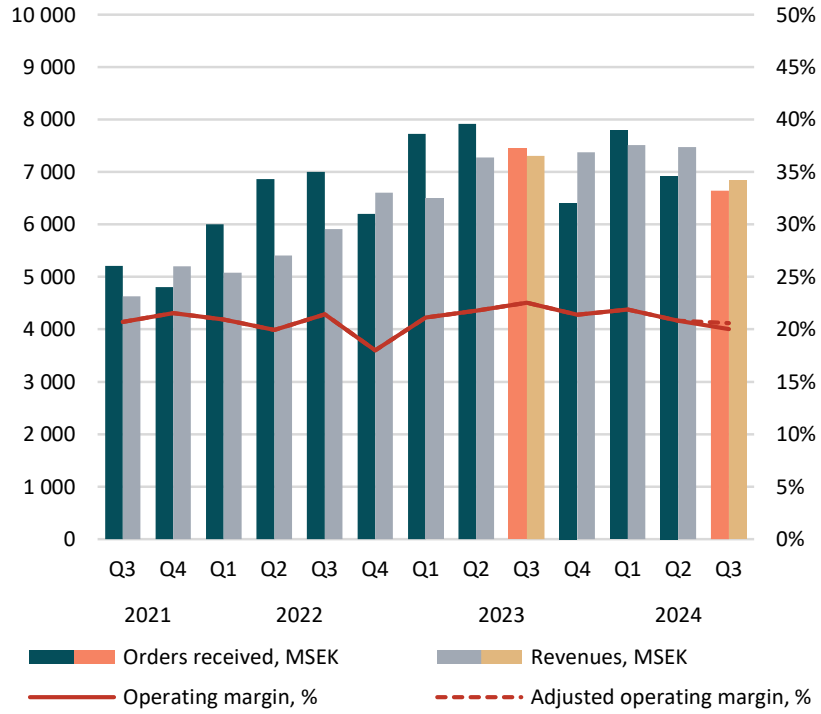
- Organic order growth of 10%
  - Semi equipment orders up, driven by increased demand in Asia
  - Industrial and scientific equipment down
  - Solid growth for service
- Revenues down 2% organically
- Operating profit margin at 19.3% (22.8)
  - Adjusted for restructuring costs 20.1% (22.8)
  - Negatively affected by currency
- ROCE at 20% (22)



Innovation:
A new integrated vacuum and abatement system for the semiconductor market, specifically designed for safe handling in hazardous production processes.

Industrial Technique

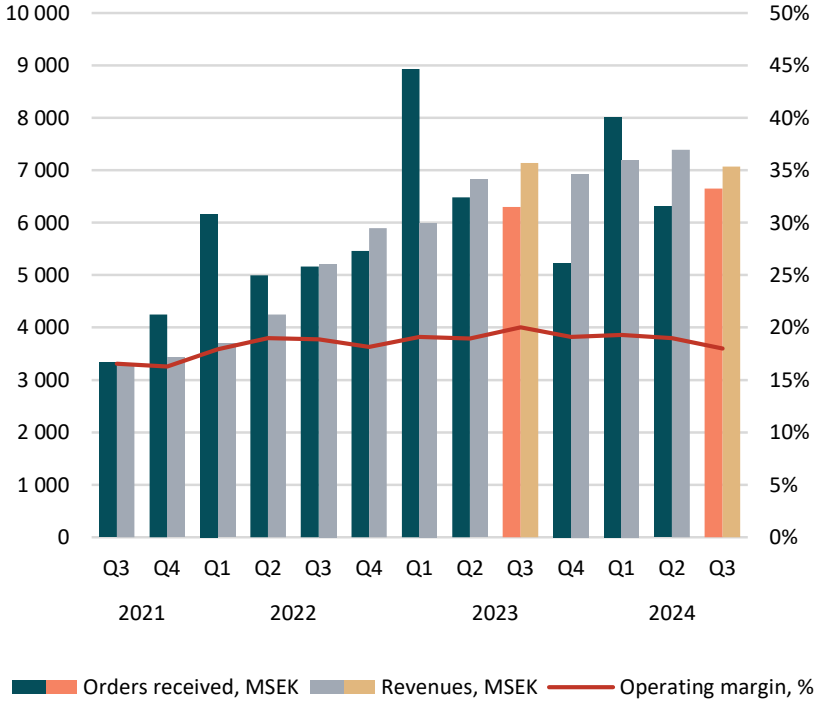
- Organic order decline of 7%
  - Markedly weaker equipment demand from the automotive industry
  - Equipment orders to the general industry basically flat
  - Solid growth for service
- Revenues down 3% organically
- Operating profit margin at 20.0% (22.5)
  - Adjusted for restructuring costs 20.6% (22.5)
  - Negatively affected by lower revenue volumes and currency
- ROCE at 21% (20)



Innovation:
A new compact robot-guided vision sensor for quality assurance, supporting improved inline inspection of painted surfaces for the automotive industry.

Power Technique

- Orders organically flat
  - Weaker equipment demand — Order growth driven by acquisitions
  - Stable demand for specialty rental
  - Solid growth for service
- Revenues down 5% organically
- Operating profit margin at 18.0% (20.0)
  - Negatively affected by lower revenue volumes, investments in specialty rental fleet and acquisitions
- ROCE at 18% (22)



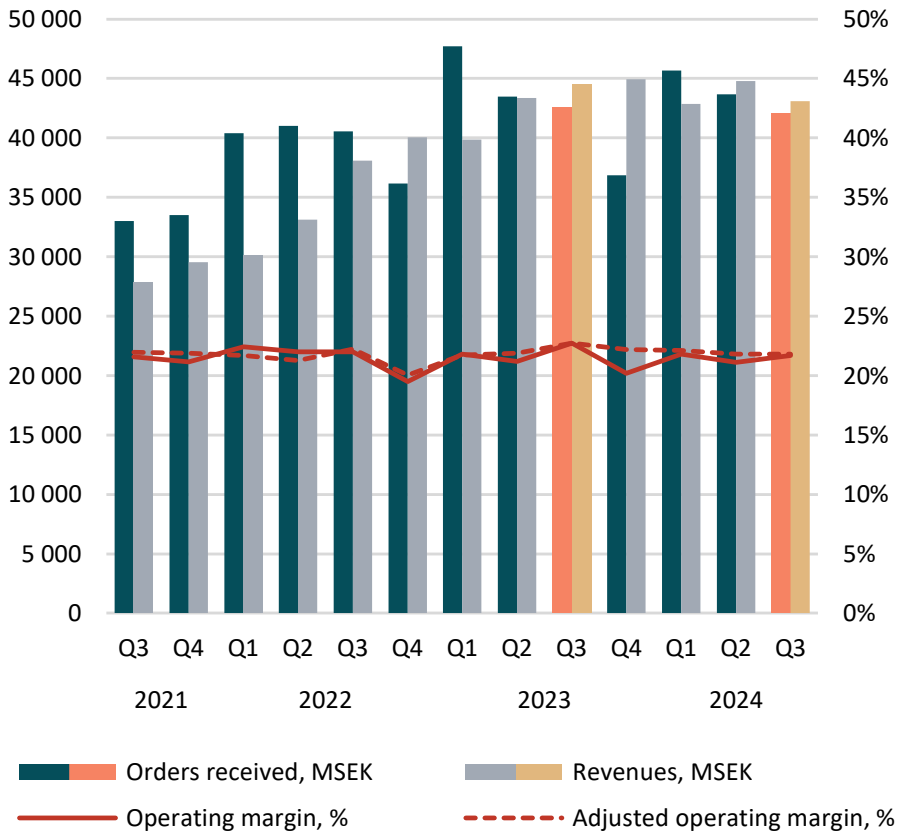
Innovation:
A new range of surface dewatering pumps with connectivity capabilities, designed to pump liquids with high pressure and flow, and perform in the harshest environment.

Group total

July – September 2024 vs. 2023

	July-September	
MSEK	**2024**	**2023**
Orders received	**42 080**	**42 606**
Revenues	**43 105**	**44 485**
EBITA*	**9 913**	**10 671**
– as a percentage of revenues	*23.0*	*24.0*
Operating profit	**9 337**	**10 117**
– as a percentage of revenues	*21.7*	*22.7*
Net financial items	-153	-189
Profit before tax	**9 184**	**9 928**
– as a percentage of revenues	*21.3*	*22.3*
Income tax expense	**-2 010**	**-2 125**
– as a percentage of profit before tax	*21.9*	*21.4*
Profit for the period	**7 174**	**7 803**
Basic earnings per share, SEK	**1.47**	**1.60**
Return on capital employed, %	**28**	**30**
Return on capital equity, %	**29**	**32**

*Operating profit excluding amortization of intangibles related to acquisitions.



Profit bridge

July – September 2024 vs. 2023

MSEK	Q3 2024	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q3 2023
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Revenues	43 105	-500	-1 565	685	-	-	44 485
Operating profit	9 337	-74	-595	0	-123	12	10 117
	21.7%						*22.7%*

*LTI= Long term incentive

Profit bridge – by business area

July – September 2024 vs. 2023

MSEK	Q3 2024	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Q3 2023
Compressor Technique						
Revenues	19 031	108	-790	220		19 493
Operating profit	4 974	213	-80	-15		4 856
	26.1%					*24.9%*
Vacuum Technique						
Revenues	10 444	-188	-265	95		10 802
Operating profit	2 014	17	-380	-5	-83	2 465
	19.3%					*22.8%*
Industrial Technique						
Revenues	6 832	-214	-265	5		7 306
Operating profit	1 364	-138	-100	-5	-40	1 647
	20.0%					*22.5%*
Power Technique						
Revenues	7 072	-185	-250	365		7 142
Operating profit	1 274	-120	-60	25		1 429
	18.0%					*20.0%*

Balance sheet

MSEK	Sep. 30 2024	Sep. 30 2023	Dec. 31 2023
Intangible assets	72 577	71 265	67 501
Rental equipment	5 514	4 228	4 345
Other property, plant and equipment	16 738	14 548	14 358
Right-of-use assets	6 285	5 814	5 763
Other non-current assets	4 653	5 095	4 510
Inventories	29 410	31 979	29 283
Receivables	46 122	47 354	45 072
Current financial assets	405	690	965
Cash and cash equivalents	18 867	12 906	10 887
Assets classified as held for sale	-	1	-
TOTAL ASSETS	**200 571**	**193 880**	**182 684**
Total equity	102 354	92 498	91 500
Interest-bearing liabilities	35 985	38 889	35 293
Non-interest-bearing liabilities	62 232	62 493	55 891
TOTAL EQUITY AND LIABILITIES	**200 571**	**193 880**	**182 684**

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Cash flow

	July-September		January-September	
MSEK	**2024**	**2023**	**2024**	**2023**
Operating cash surplus	11 657	11 926	34 994	33 716
of which depreciation added back	*2 167*	*1 990*	6 401	5 649
Net financial items	-309	-202	-151	-1 012
Taxes paid	-2 634	-2 272	-7 301	-7 090
Pension funding	-108	-83	-331	-332
Change in working capital	1 043	-963	-237	-6 333
Increase in rental equipment, net	-580	-507	-1 848	-1 177
Cash flow from operating activities	**9 069**	**7 899**	**25 126**	**17 772**
Investments of property, plant & eq., net	-1 342	-967	-3 095	-2 884
Other investments, net	-451	-380	-1 194	-1 118
Cash flow from investments	**-1 793**	**-1 347**	**-4 289**	**-4 002**
Adjustment, currency hedges of loans	269	29	229	623
Operating cash flow	**7 545**	**6 581**	**21 066**	**14 393**
Company acquisitions/divestments	-1 905	-315	-5 212	-3 523

Near-term outlook

Atlas Copco Group expects that the customer activity will weaken somewhat.

Q3 Summary

- Overall stable orders
- Healthy operating profit
- Solid operating cash flow
- Near-term outlook:
  Atlas Copco Group expects that the customer activity will weaken somewhat.

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Technology that transforms the future

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.”