Q1 results 2021

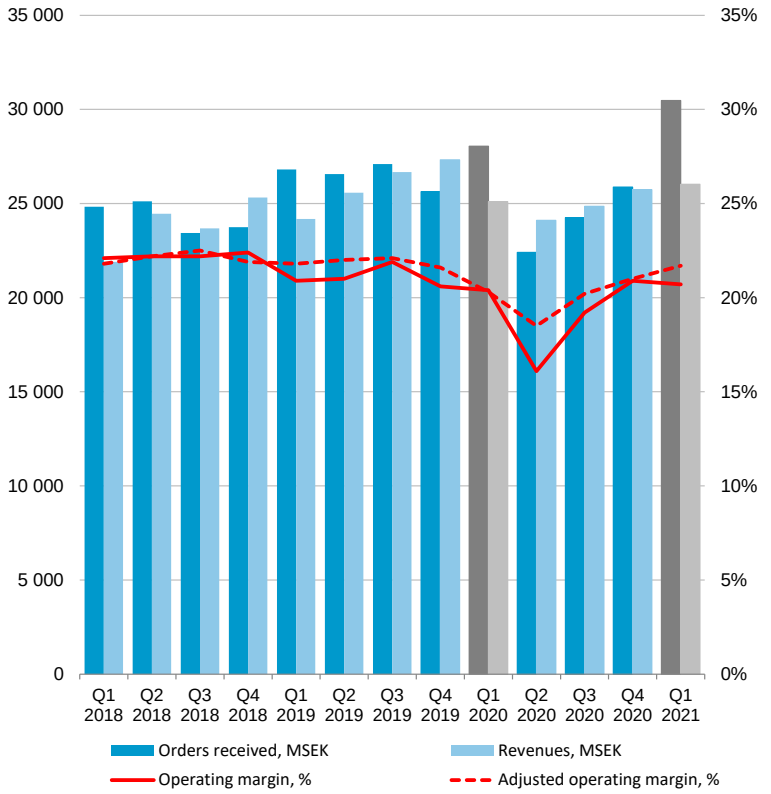
April 27, 2021

Q1 in brief

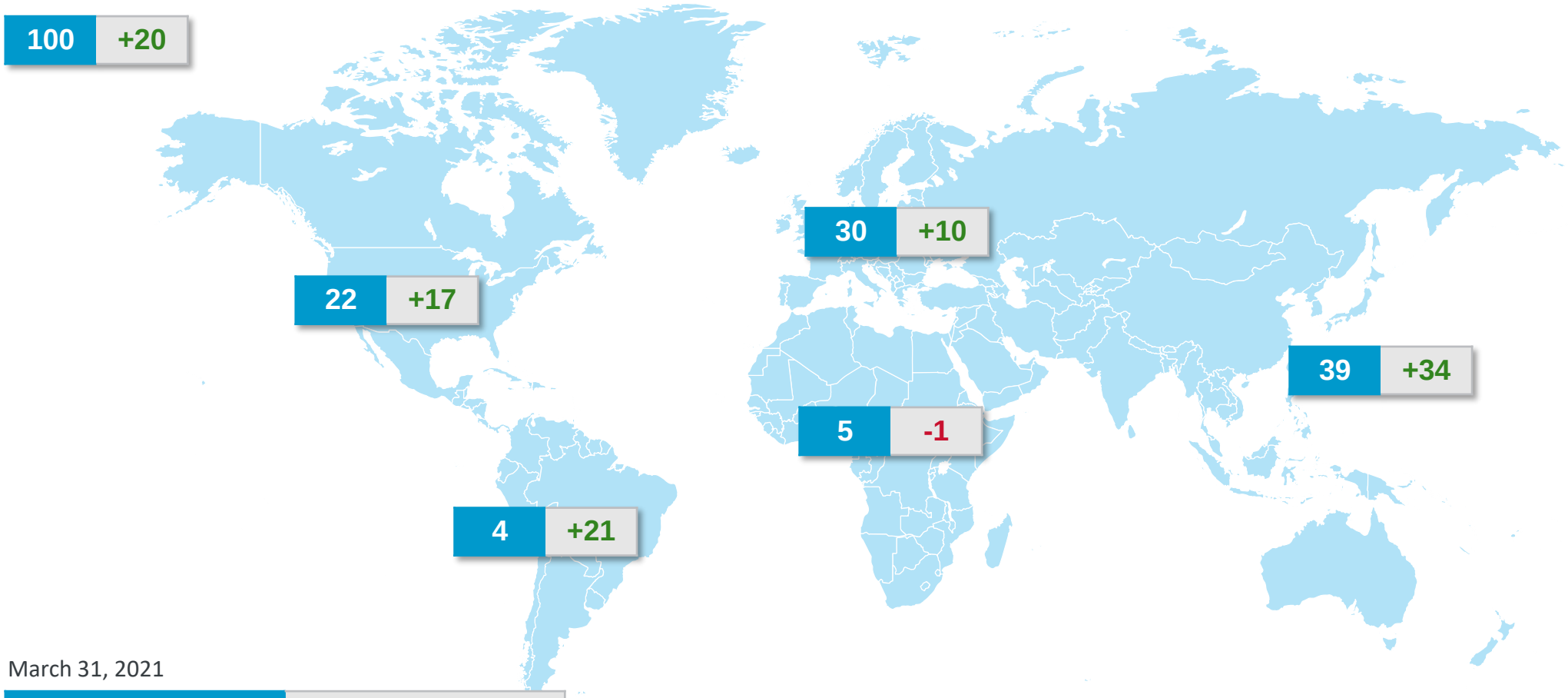
- Record order intake
  - Primarily due to semiconductor investments
- Growth in all business areas and in most customer segments
  - Both in equipment and service
- Improved profit and cash flow
- Continued strong product development and acquisition activity

Q1 financials

- Orders received were MSEK 30 468 (28 039), organic growth of 18%
- Revenues were MSEK 26 021 (25 098), organic growth of 13%
- Operating profit was MSEK 5 387 (5 124), margin at 20.7% (20.4)
  - Adjusted operating profit at MSEK 5 649 (5 099), margin of 21.7% (20.3)
- Profit for the period was MSEK 4 117 (3 840)
- Basic earnings per share were SEK 3.38 (3.16)
- Operating cash flow increased to MSEK 4 321 (3 825)
- Return on capital employed was 23% (29)



Orders received – local currency

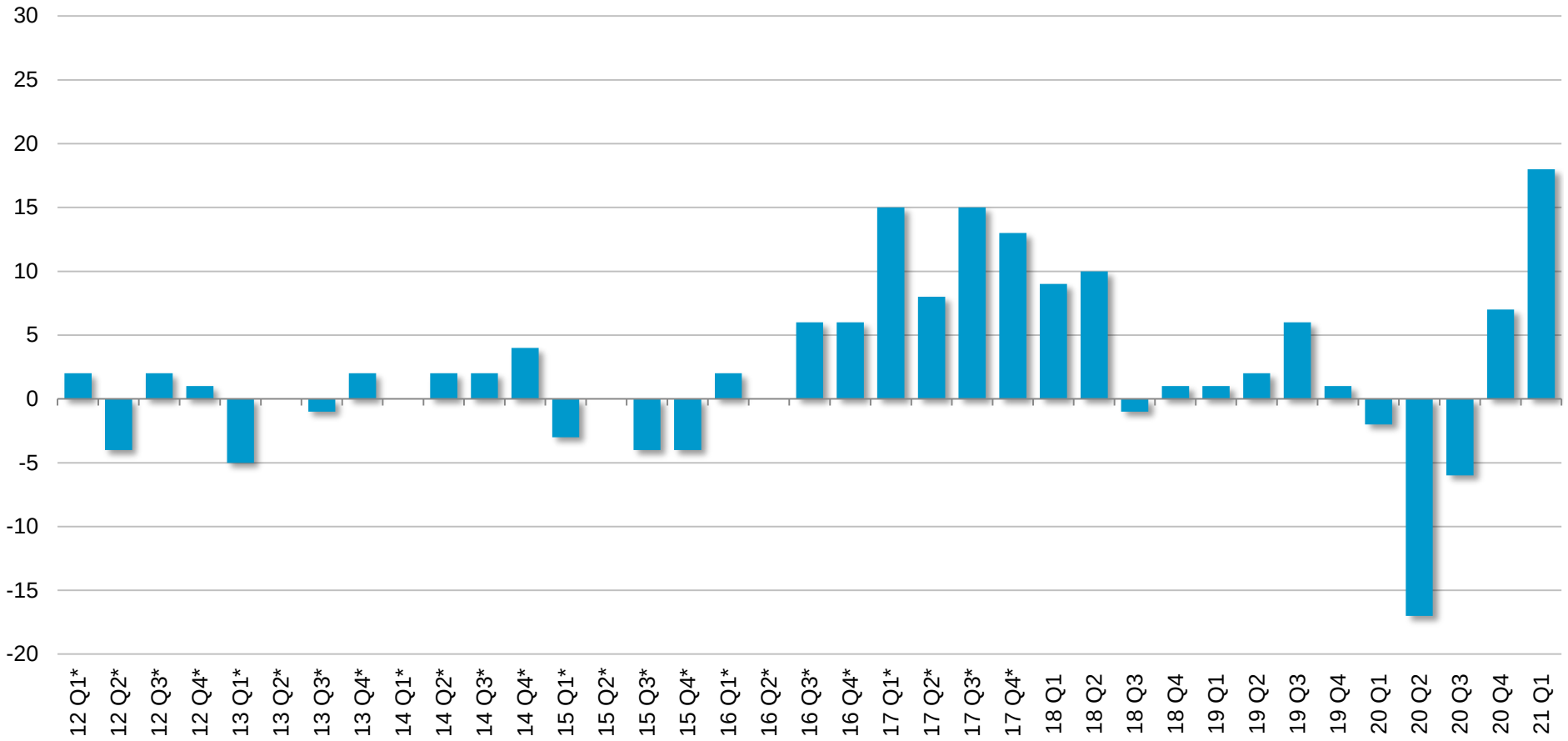


March 31, 2021

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

Order growth per quarter

Organic growth, %



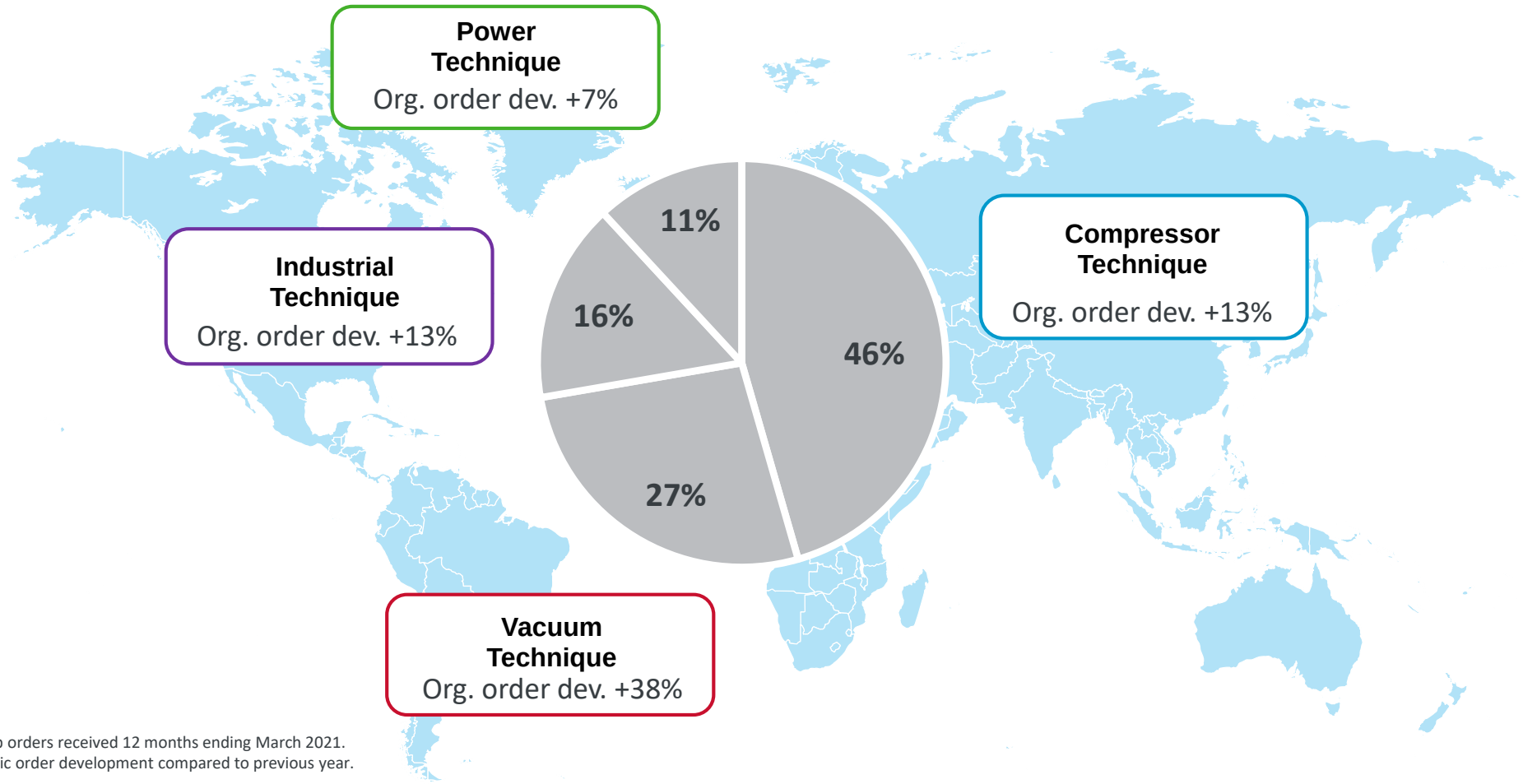
*2012-2017 excluding Mining and Rock Excavation Technique business area (now part of Epiroc AB).

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2020	28 039	25 098
Structural change, %	+3	+2
Currency, %	-12	-11
Organic*, %	+18	+13
Total, %	+9	+4
2021	30 468	26 021

*Volume, price and mix.

Orders by business area and organic order development*



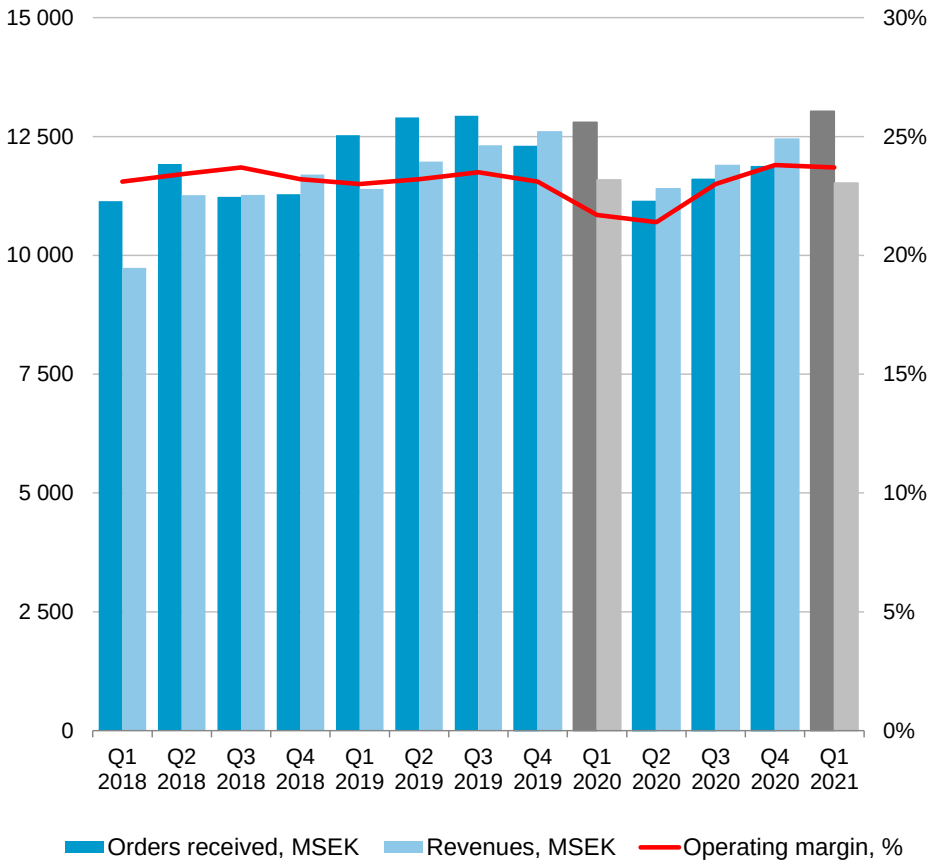
* Share of Group orders received 12 months ending March 2021.
3 month organic order development compared to previous year.

Compressor Technique

- Record order level, organic growth of 13%
  - Strong growth for all types of compressors, except gas and process compressors
  - Continued growth for service
- Revenues increased 11% organically
- Operating profit margin increased to 23.7% (21.7)
  - Supported by increased volumes, negative currency effect
- ROCE at 84% (80)

Innovation:

The Atlas Copco G 2-7, a new range of small-sized industrial compressors with high energy efficiency, low carbon footprint and reduced noise level of 20% compared to similar products.

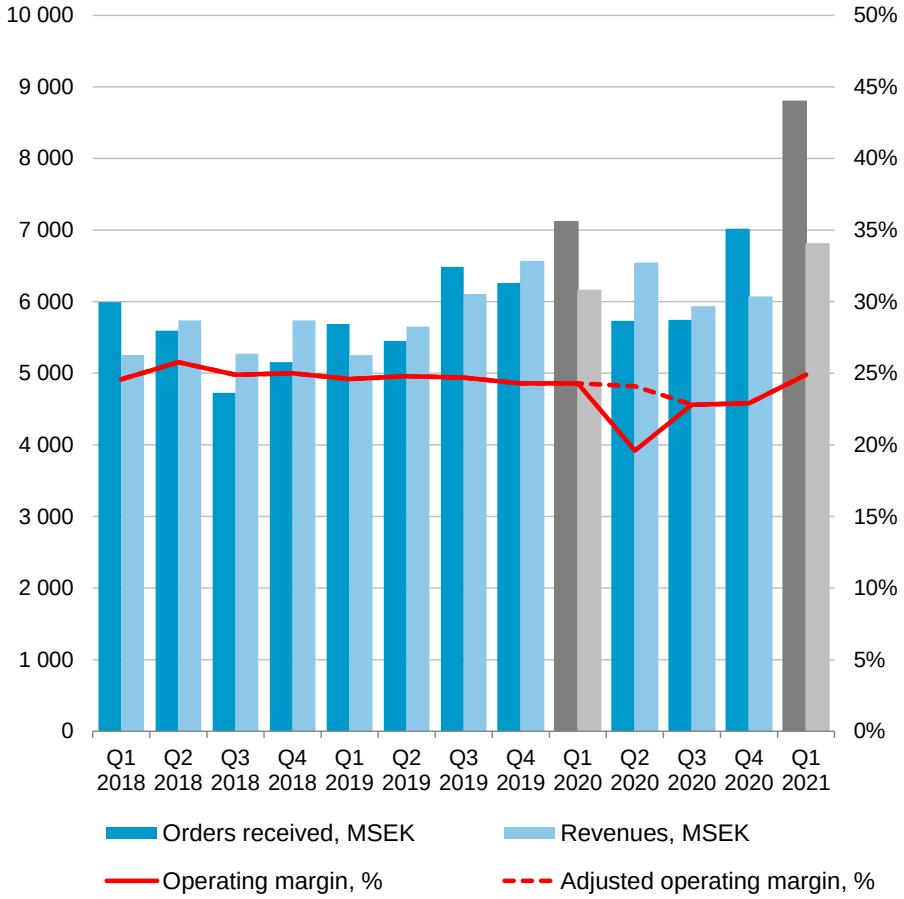


Vacuum Technique

- Record orders and 38% organic growth
  - Particularly strong growth for semiconductor equipment
  - Also strong growth for industrial vacuum equipment and service
- Record revenues, up 23% organically
- Operating profit margin at 24.9% (24.3)
  - Supported by increased volumes, negative currency effect
- ROCE at 20% (22)

Innovation:

The Leybold DRYVAC DV 800, a new vacuum pump with smart connectivity capabilities for industrial applications, with increased energy efficiency compared to older technologies.

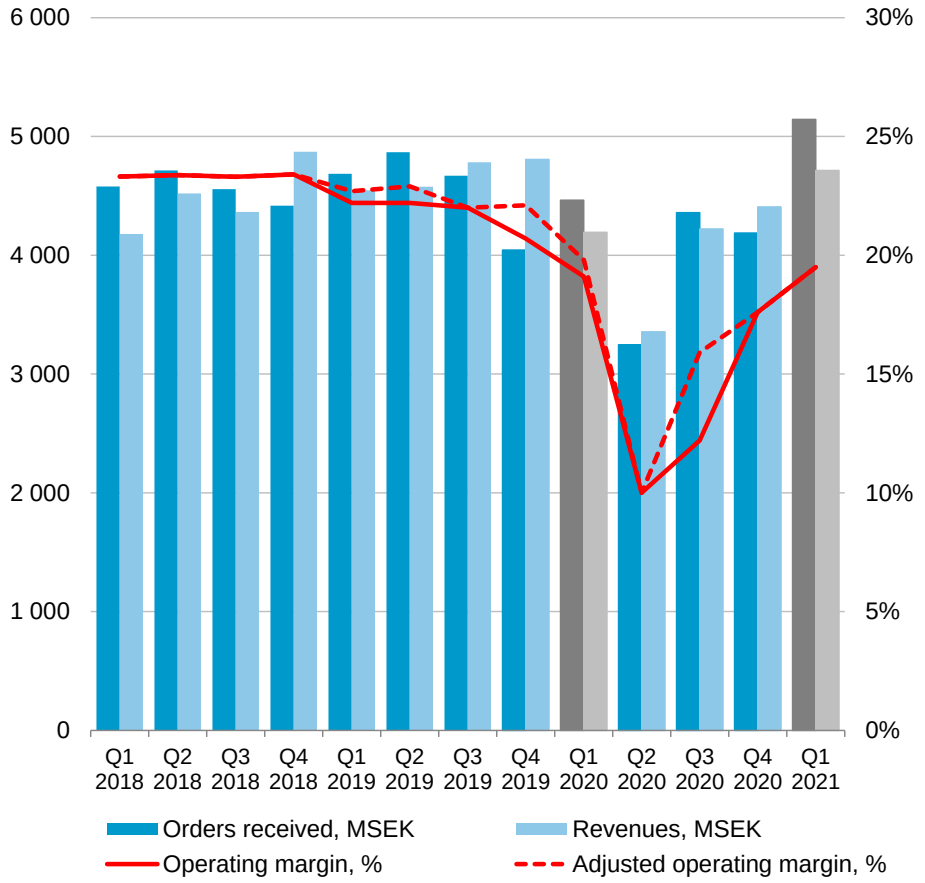


Industrial Technique

- Organic order growth of 13%
  - Increased equipment demand from both automotive and general industry
  - Growth for service
- Revenues increased 12% organically
- Operating profit margin at 19.5% (19.1)
  - Supported by increased volumes, negative currency effect and dilution from acquisitions
- ROCE at 12% (31)
  - Negatively affected by recent acquisitions

Innovation:

The new Henrob 4mm Self-pierce system, with the newly developed rivets and smaller riveting tooling. Carmakers will retain structural joint strength and consistency in safety-critical areas despite thinner frames in the car body.

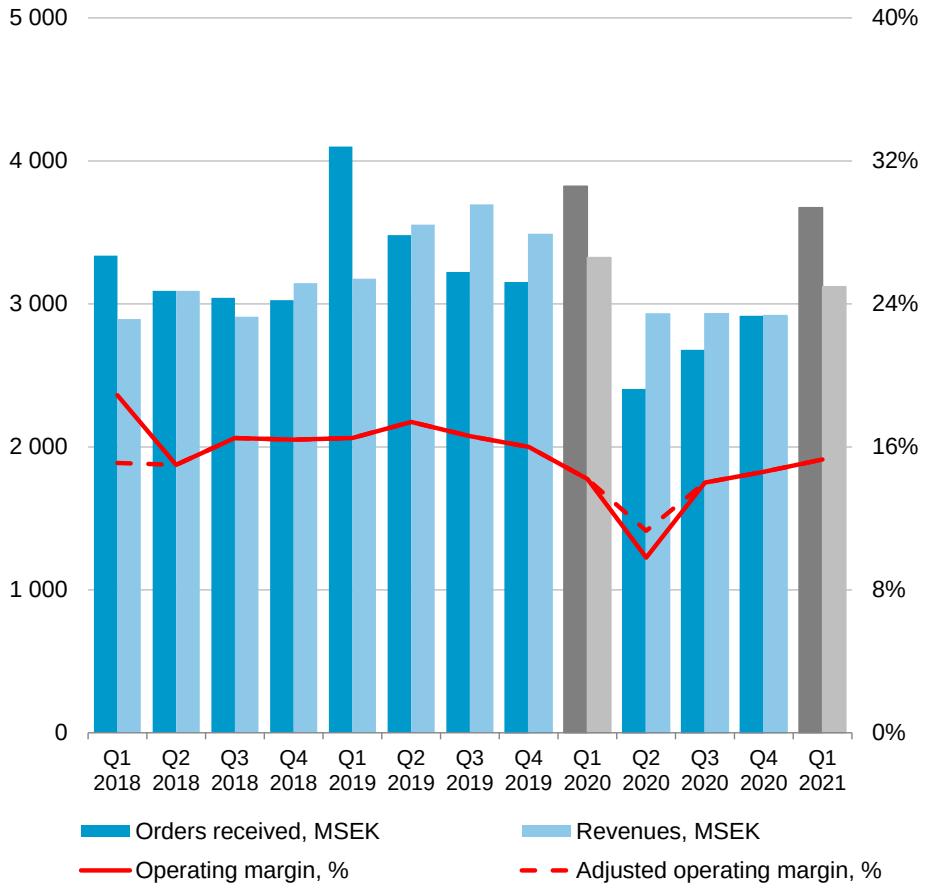


Power Technique

- Organic order growth of 7%
  - Strong development for portable compressors and service
  - Specialty rental orders unchanged
- Revenues increased 5% organically
- Operating profit margin at 15.3% (14.2)
  - Supported by increased volumes, partly offset by currency
- ROCE at 19% (25)

Innovation:

The new TwinPower® generator with reduced fuel consumption up to 40% and nitrogen oxide (NOx) emissions reduced by up to 80% compared to other models.

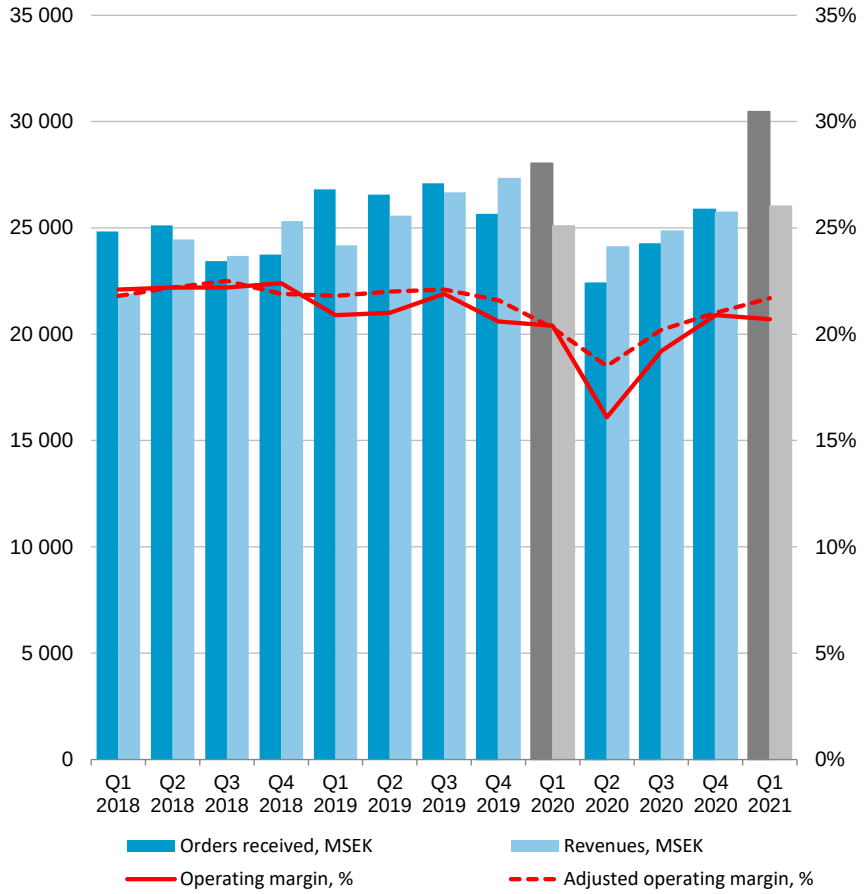


Group total

January – March 2021 vs. 2020

MSEK	January - March 2021	2020	
Orders received	**30 468**	**28 039**	**9%**
Revenues	**26 021**	**25 098**	**4%**
EBITA*	**5 742**	**5 430**	**6%**
– as a percentage of revenues	*22.1*	*21.6*	
Operating profit	**5 387**	**5 124**	**5%**
– as a percentage of revenues	*20.7*	*20.4*	
Net financial items	-44	-114	
Profit before tax	**5 343**	**5 010**	**7%**
– as a percentage of revenues	*20.5*	*20.0*	
Income tax expense	**-1 226**	**-1 170**	**5%**
– as a percentage of profit before tax	*22.9*	*23.4*	
Profit for the period	**4 117**	**3 840**	**7%**
Basic earnings per share, SEK	**3.38**	**3.16**	
Return on capital employed, %	**23**	**29**	
Return on equity, %	**27**	**33**	

* Operating profit excluding amortization of intangibles related to acquisitions.



Profit bridge

January – March 2021 vs. 2020

MSEK	Q1 2021	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q1 2020
Atlas Copco Group							
Revenues	26 021	3 208	-2 895	610			25 098
Operating profit	5 387	1 590	-1 065	25	30	-317	5 124
	20.7%						*20.4%*

*LTI= Long term incentive

Profit bridge – by business area

January – March 2021 vs. 2020

MSEK	Q1 2021	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Q1 2020
Compressor Technique						
Revenues	11 522	1 139	-1 310	105		11 588
Operating profit	2 730	670	-455	-5	0	2 520
	23.7%					*21.7%*
Vacuum Technique						
Revenues	6 808	1 399	-785	35		6 159
Operating profit	1 695	578	-375	-5	0	1 497
	24.9%					*24.3%*
Industrial Technique						
Revenues	4 713	485	-435	470		4 193
Operating profit	917	218	-165	35	30	799
	19.5%					*19.1%*
Power Technique						
Revenues	3 121	171	-375	0		3 325
Operating profit	476	73	-70	0	0	473
	15.3%					*14.2%*

Balance sheet

MSEK	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020
Intangible assets	47 789	41 319	45 840
Fixed assets and other non-current assets	16 997	20 789	16 581
Inventories	14 696	16 159	13 450
Receivables	28 491	28 064	25 777
Cash and current financial assets	15 415	13 653	11 718
Total assets	**123 388**	**119 984**	**113 366**
Total equity	61 168	58 812	53 534
Interest-bearing liabilities	26 839	27 511	28 134
Non-interest-bearing liabilities	35 381	33 661	31 698
Total equity and liabilities	**123 388**	**119 984**	**113 366**

Cash flow

	January - March	
MSEK	2021	2020
Operating cash surplus	6 773	6 420
of which depreciation added back	*1 278*	*1 291*
Net financial items	138	-48
Taxes paid	-1 066	-1 075
Pension funding	-75	-81
Change in working capital	-500	-336
Increase in rental equipment, net	-84	-150
Cash flows from operating activities	**5 186**	**4 730**
Investments of property, plant & eq., net	-340	-411
Other investments, net	-318	-281
Cash flow from investments	**-658**	**-692**
Adjustment, currency hedges of loans	-207	-213
Operating cash flow	**4 321**	**3 825**
Company acquisitions/ divestments	-124	-4 084

Near-term outlook

Although the world's economic development remains uncertain, Atlas Copco expects that the customers' business activity level will remain at the high current level.

Atlas Copco

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Forward-looking statements

“Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented uponother factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer credit losses.”