

October 23, 2024

Atlas Copco Group

Third-quarter report 2024

Overall stable orders with mixed end-market demand

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

Third quarter

- Orders received reached MSEK 42 080 (42 606), organic increase of 1%
- Revenues decreased 3% to MSEK 43 105 (44 485), organic decline of 1%
- Operating profit reached MSEK 9 337 (10 117), corresponding to a margin of 21.7% (22.7)
 - Adjusted operating profit, excluding items affecting comparability, was MSEK 9 441 (10 110), corresponding to a margin of 21.9% (22.7)
- Profit before tax amounted to MSEK 9 184 (9 928)
- 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)

MSEK	July-September			January-September		
	2024	2023		2024	2023	
Orders received	42 080	42 606	-1%	131 390	133 784	-2%
Revenues	43 105	44 485	-3%	130 783	127 710	2%
EBITA*	9 913	10 671	-7%	29 873	29 604	1%
– as a percentage of revenues	23.0	24.0		22.8	23.2	
Operating profit	9 337	10 117	-8%	28 148	28 005	1%
– as a percentage of revenues	21.7	22.7		21.5	21.9	
Profit before tax	9 184	9 928	-7%	27 819	27 609	1%
– as a percentage of revenues	21.3	22.3		21.3	21.6	
Profit for the period	7 174	7 803	-8%	21 994	21 272	3%
Basic earnings per share, SEK	1.47	1.60		4.51	4.37	
Diluted earnings per share, SEK	1.47	1.60		4.50	4.36	
Return on capital employed, %	28	30				

* Operating profit excluding amortization of intangibles related to acquisitions.

Near-term outlook

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

Previous near-term outlook (published July 18, 2024):

Atlas Copco Group expects that the customer activity 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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Revenues, profits and returns

Revenues decreased with 3% to MSEK 43 105 (44 485), corresponding to an organic decline of 1%. Currency had a negative effect of 4%, and acquisitions contributed with 2%.

The operating profit decreased 8% to MSEK 9 337 (10 117) and includes a MSEK -83 restructuring cost in the Vacuum Technique business area, a MSEK -40 restructuring cost in the Industrial Technique business area, and a change in provisions for share-related long-term incentive programs, reported in Common Group Items of MSEK +19 (+7).

Adjusted operating profit decreased 7% to MSEK 9 441 (10 110), corresponding to a margin of 21.9% (22.7). The margin was negatively affected by currency, lower revenue volumes and dilution from recent acquisitions.

Net financial items amounted to MSEK -153 (-189) whereof interest net at MSEK -50 (-143). Other financial items, including financial exchange differences, were MSEK -103 (-46). Profit before tax amounted to MSEK 9 184 (9 928), corresponding to a margin of 21.3% (22.3). Corporate income tax amounted to MSEK -2 010 (-2 125), corresponding to an effective tax rate of 21.9% (21.4).

Profit for the period was MSEK 7 174 (7 803). Basic and diluted earnings per share were SEK 1.47 (1.60) and SEK 1.47 (1.60), respectively.

The return on capital employed during the last 12 months was 28% (30). Return on equity was 29% (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 decreased to MSEK 11 657 (11 926). Net financial items and taxes paid amounted to MSEK -2 943 (-2 474). Working capital decreased by MSEK 1 043 in the quarter (increase of 963). The main reason for the difference compared to the previous year was decreased inventories and receivables. Net investments in rental equipment were MSEK -580 (-507), and in property, plant, and equipment, MSEK -1 342 (-967).

Operating cash flow (an important internal KPI, but not an IFRS measurement, and hence defined on page 13) reached MSEK 7 545 (6 581).

Net indebtedness

The Group's net indebtedness amounted to MSEK 16 713 (25 293), of which MSEK 2 439 (2 324) was attributable to post-employment benefits. The Group's interest-bearing liabilities have an average maturity of 4.9 years. The net debt/EBITDA ratio was 0.4 (0.6) and the net debt/equity ratio was 16% (27).

Acquisition and divestment of own shares

During the quarter, 246 900 series A shares, net, were sold for a net value of MSEK 45. 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 September 30, 2024, the number of employees was 54 697 (52 179). The number of consultants/external workforce was 3 143 (3 280). For comparable units, the total workforce increased by 1 110 from September 30, 2023.

Revenues and operating profit – bridge

MSEK	Q3 2024	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q3 2023
Atlas Copco Group							
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

Compressor Technique

MSEK	July-September			January-September		
	2024	2023		2024	2023	
Orders received	19 505	20 304	-4%	61 873	62 242	-1%
Revenues	19 031	19 493	-2%	57 877	55 725	4%
EBITA*	5 115	5 003	2%	15 056	14 005	8%
– as a percentage of revenues	26.9	25.7		26.0	25.1	
Operating profit	4 974	4 856	2%	14 606	13 573	8%
– as a percentage of revenues	26.1	24.9		25.2	24.4	
Return on capital employed, %	85	82				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Orders for industrial compressors flat, gas and process compressors down**
- **Solid growth for service**
- **Operating profit margin at 26.1%**

Sales bridge

MSEK	July-September	
	Orders received	Revenues
2023	20 304	19 493
Structural change*, %	+0	+0
Currency, %	-5	-4
Organic**, %	+1	+2
Total, %	-4	-2
2024	19 505	19 031

* Includes an internal transfer to Power Technique.

** Volume, price and mix.

Industrial compressors

The demand for industrial compressors was stable, and order volumes remained unchanged compared to the previous year for both small and large-sized compressors. Sequentially, order volumes for industrial compressors were flat.

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

Gas and process compressors

The order intake for gas and process compressors decreased compared to the strong quarter in the previous year. The lower order volumes were due to fewer orders in several customer segments. Sequentially, orders also decreased.

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

Compressor service

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

Innovation

A new product range for compressing biogas was introduced, the BBR CBG, CU CBG & HN CBG. The range is suitable for biogas plants when upgrading biogas into biomethane for Compressed Natural Gas refueling and gas grid applications. The new products offer high performance, high reliability, and easy serviceability.

Acquisitions

The following acquisitions were completed in the quarter:

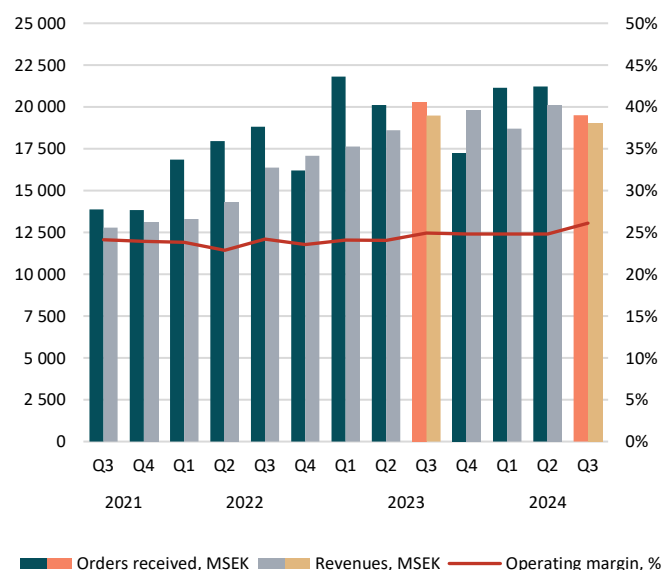
- Emcovele S.A., a compressor distributor in Ecuador with 49 employees.
- Kingsdown Compressed Air Systems Ltd., a distributor of compressed air and other equipment in the UK with 13 employees and revenues of MSEK 31 in 2023.
- Compressed Air Technologies, Inc., a US based distributor with 53 employees.
- Danmil A/S, a Danish process filtration company with 26 employees and revenues of MSEK 126 in 2023.

Revenues and profitability

Revenues reached MSEK 19 031 (19 493), corresponding to an organic increase of 2%.

The operating profit increased 2% to MSEK 4 974 (4 856), corresponding to a margin of 26.1% (24.9). The higher margin was supported by a positive currency effect and the combination of volume, price and mix, while dilution from recent acquisitions had a negative effect on the margin. Return on capital employed (last 12 months) was 85% (82).

Orders, revenues, and operating profit margin



Vacuum Technique

MSEK	July-September			January-September		
	2024	2023		2024	2023	
Orders received	9 487	8 774	8%	27 994	27 488	2%
Revenues	10 444	10 802	-3%	30 252	31 702	-5%
EBITA*	2 205	2 652	-17%	6 726	7 777	-14%
– as a percentage of revenues	21.1	24.6		22.2	24.5	
Operating profit	2 014	2 465	-18%	6 160	7 237	-15%
– as a percentage of revenues	19.3	22.8		20.4	22.8	
Return on capital employed, %	20	22				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Equipment order growth driven by the semiconductor industry**
- **Solid growth for service**
- **Operating profit margin at 19.3%**

Sales bridge

MSEK	July-September	
	Orders received	Revenues
2023	8 774	10 802
Structural change, %	+1	+1
Currency, %	-3	-2
Organic*, %	+10	-2
Total, %	+8	-3
2024	9 487	10 444

* Volume, price and mix.

Semiconductor and flat panel display equipment

The order intake for equipment to the semiconductor and flat panel display industry increased compared to the previous year, primarily driven by increased demand in Asia. Order volumes also grew sequentially.

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

Industrial and scientific vacuum equipment

Order volumes for industrial and scientific vacuum equipment decreased due to lower demand from various industrial customer segments, including battery production and solar energy. Sequentially, the order intake remained unchanged.

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

Vacuum service

The order intake for service increased, primarily driven by stronger demand from the semiconductor industry.

Geographically, solid order intake was achieved in all regions.

Innovation

A new integrated vacuum and abatement system for the semiconductor market was introduced, the Warden System, specifically designed for safe handling in hazardous production processes. Its automatic control of the pumping process improves safety and prevents damage to production equipment, increasing uptime and productivity.

Acquisitions

The following acquisitions were completed in the quarter:

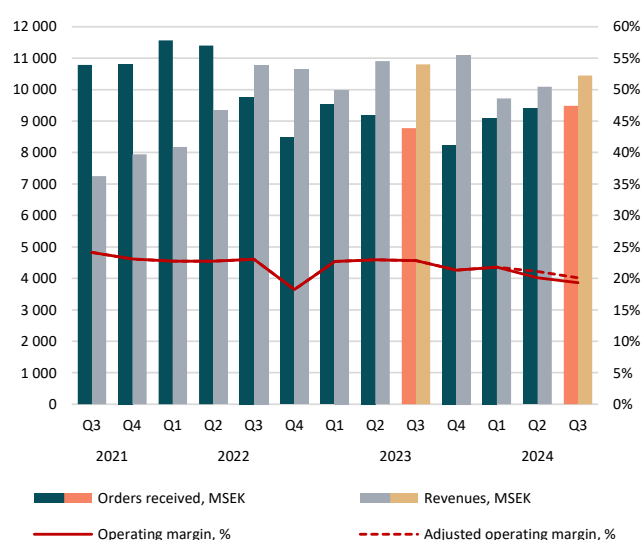
- AVT Services Pty Ltd., a company providing vacuum pumps and system sales, and service to customers in Australia. The company has 15 employees.
- Anhui NOY Technologies Co. Ltd., a Chinese helium leak detector manufacturer with 78 employees and revenues of MSEK 178 in 2023.

Revenues and profitability

Revenues decreased 3% to MSEK 10 444 (10 802), corresponding to an organic decline of 2%.

The operating profit decreased 18% to MSEK 2 014 (2 465), corresponding to a margin of 19.3% (22.8). Adjusted for restructuring costs of MSEK -83, the margin reached 20.1% (22.8). The lower margin can mainly be explained by a negative currency effect. Return on capital employed (last 12 months) was 20% (22).

Orders, revenues, and operating profit margin



Industrial Technique

MSEK	July-September			January-September		
	2024	2023		2024	2023	
Orders received	6 644	7 443	-11%	21 368	23 090	-7%
Revenues	6 832	7 306	-6%	21 817	21 078	4%
EBITA*	1 490	1 785	-17%	4 962	5 016	-1%
– as a percentage of revenues	21.8	24.4		22.7	23.8	
Operating profit	1 364	1 647	-17%	4 570	4 603	-1%
– as a percentage of revenues	20.0	22.5		20.9	21.8	
Return on capital employed, %	21	20				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Equipment orders down, mainly due to weaker demand from the automotive industry**
- **Solid growth for service**
- **Operating profit margin at 20.0%**

Sales bridge

MSEK	July-September	
	Orders received	Revenues
2023	7 443	7 306
Structural change, %	+0	+0
Currency, %	-4	-3
Organic*, %	-7	-3
Total, %	-11	-6
2024	6 644	6 832

* Volume, price and mix.

Automotive industry

The demand for industrial assembly and vision solutions to the automotive industry weakened and order volumes decreased markedly compared to the previous year. Sequentially, the order intake decreased somewhat due to lower demand in Asia.

Year-on-year, orders decreased in all regions, most significantly in Asia.

General industry

Order volumes for industrial assembly and vision solutions to the general industry remained essentially unchanged compared to the previous year. The order intake grew in certain customer segments like aerospace, off-highway, and energy, whereas orders declined in several other segments. Sequentially, order volumes decreased somewhat.

Geographically, compared to the previous year, order volumes increased in North America, but decreased in all other regions.

Service

The service business achieved solid growth with increased order volumes in all regions.

Innovation

A new compact robot-guided vision sensor for quality assurance was introduced, the PAINTSCAN Compact. The new product primarily aims to support improved in-line inspection of painted surfaces for the automotive industry and its sub-suppliers. Thanks to real-time production monitoring and process control, customers' production processes can be optimized continuously.

Acquisitions

The following acquisitions were completed in the quarter:

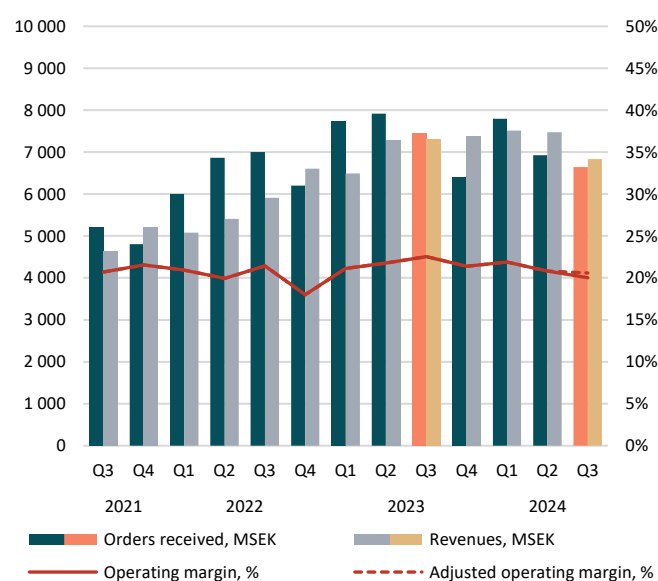
- Swed-Weld AB, a Swedish provider of smart automated screw and nut feeding systems with focus on the automotive industry. The company has 10 employees and had revenues of MSEK 30 in 2023.
- Mont-Tech Ltd., a Czech engineering company offering customized engineering solutions for assembly automation. The company has 27 employees and had revenues of MSEK 40 in 2023.

Revenues and profitability

Revenues decreased 6% to MSEK 6 832 (7 306), corresponding to an organic decline of 3%.

The operating profit decreased 17% to MSEK 1 364 (1 647), corresponding to a margin of 20.0% (22.5). Adjusted for restructuring costs of MSEK -40, the margin was 20.6% (22.5). The lower margin was mainly due to lower revenue volumes and a negative currency effect. Return on capital employed (last 12 months) was 21% (20).

Orders, revenues, and operating profit margin



Power Technique

MSEK	July-September			January-September		
	2024	2023		2024	2023	
Orders received	6 654	6 297	6%	20 980	21 709	-3%
Revenues	7 072	7 142	-1%	21 665	19 966	9%
EBITA*	1 392	1 513	-8%	4 390	4 083	8%
– as a percentage of revenues	19.7	21.2		20.3	20.4	
Operating profit	1 274	1 429	-11%	4 073	3 868	5%
– as a percentage of revenues	18.0	20.0		18.8	19.4	
Return on capital employed, %	18	22				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Lower equipment demand — Order growth supported by acquisitions**
- **Stable demand for specialty rental and solid order growth for service**
- **Operating profit margin at 18.0%**

Sales bridge

MSEK	July-September	
	Orders received	Revenues
2023	6 297	7 142
Structural change*, %	+10	+8
Currency, %	-4	-4
Organic**, %	+0	-5
Total, %	+6	-1
2024	6 654	7 072

* Includes an internal transfer from Compressor Technique.

** Volume, price and mix.

Equipment

The overall demand for equipment, such as generators and pumps, weakened compared to the previous year. However, due to contributions from recent acquisitions, the order intake increased. Sequentially, organic orders increased, primarily due to increased demand in North America.

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

Specialty rental

The specialty rental business remained stable, with contributions from recent acquisitions supporting the increased order intake.

Geographically, the order intake decreased in North America, was basically unchanged in Asia, and increased in Europe.

Service

Order volumes for service continued to increase with solid growth in all regions.

Innovation

A new range of surface dewatering pumps was introduced. The new products with connectivity capabilities are specifically designed to pump liquids with high pressure and flow. The pumps perform in the harshest pumping environments, such as in mining and quarries, as well as in the energy sector and many more areas.

Acquisitions

The following acquisitions were completed in the quarter:

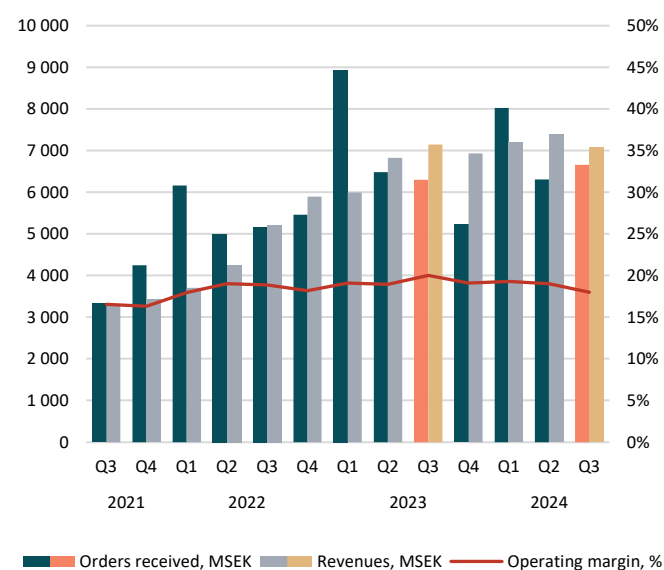
- Generator Rental Services, a company providing specialty power rental solutions. The company has 58 employees and had revenues of MSEK 263 in 2023.
- Integrated Pump Rental, a specialty rental provider of dewatering solutions in South Africa. The company has 18 employees and had revenues of MSEK 57 in 2023.

Revenues and profitability

Revenues decreased 1% to MSEK 7 072 (7 142), corresponding to an organic decline of 5%.

The operating profit decreased 11% to MSEK 1 274 (1 429), corresponding to a margin of 18.0% (20.0). The lower margin can mainly be explained by lower revenue volumes, investments in the specialty rental fleet, and dilution from recent acquisitions. Return on capital employed (last 12 months) was 18% (22).

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)

MSEK	July-September		January-September	
	2024	2023	2024	2023
Revenues	43 105	44 485	130 783	127 710
Cost of sales	-24 375	-25 413	-74 109	-72 271
Gross profit	18 730	19 072	56 674	55 439
Marketing expenses	-4 928	-4 939	-15 018	-14 384
Administrative expenses	-2 495	-2 537	-7 975	-7 827
Research and development costs	-1 698	-1 713	-5 328	-4 957
Other operating income and expenses	-272	234	-205	-266
Operating profit	9 337	10 117	28 148	28 005
- as a percentage of revenues	21.7%	22.7%	21.5%	21.9%
Net financial items	-153	-189	-329	-396
Profit before tax	9 184	9 928	27 819	27 609
- as a percentage of revenues	21.3%	22.3%	21.3%	21.6%
Income tax expense	-2 010	-2 125	-5 825	-6 337
Profit for the period	7 174	7 803	21 994	21 272
Profit attributable to				
- owners of the parent	7 170	7 798	21 984	21 261
- non-controlling interests	4	5	10	11
Basic earnings per share, SEK	1.47	1.60	4.51	4.37
Diluted earnings per share, SEK	1.47	1.60	4.50	4.36
Basic weighted average number of shares outstanding, millions	4 874.9	4 873.0	4 873.4	4 870.7
Diluted weighted average number of shares outstanding, millions	4 882.5	4 879.9	4 881.7	4 878.3
Key ratios				
Equity per share, period end, SEK	21	19		
Return on capital employed, 12 month values, %	28	30		
Return on equity, 12 month values, %	29	32		
Debt/equity ratio, period end, %	16	27		
Equity/assets ratio, period end, %	51	48		
Number of employees, period end	54 697	52 179		

Consolidated statement of comprehensive income

MSEK	July-September		January-September	
	2024	2023	2024	2023
Profit for the period	7 174	7 803	21 994	21 272
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	19	178	419	127
Income tax relating to items that will not be reclassified	-3	-50	-124	-26
	16	128	295	101
Items that may be reclassified subsequently to profit or loss				
Translation differences on foreign operations	-3 034	-1 529	1 819	2 202
Hedge of net investments in foreign operations	162	442	-326	-520
Cash flow hedges	-	1	-	28
Income tax relating to items that may be reclassified	-54	-148	110	174
	-2 926	-1 234	1 603	1 884
Other comprehensive income for the period, net of tax	-2 910	-1 106	1 898	1 985
Total comprehensive income for the period	4 264	6 697	23 892	23 257
Total comprehensive income attributable to				
- owners of the parent	4 262	6 692	23 881	23 246
- non-controlling interests	2	5	11	11

Consolidated balance sheet (condensed)

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
Financial assets and other receivables	2 400	2 740	2 276
Deferred tax assets	2 253	2 355	2 234
Total non-current assets	105 767	100 950	96 477
Inventories	29 410	31 979	29 283
Trade and other receivables	46 122	47 354	45 072
Other financial assets	405	690	965
Cash and cash equivalents	18 867	12 906	10 887
Assets classified as held for sale	-	1	-
Total current assets	94 804	92 930	86 207
TOTAL ASSETS	200 571	193 880	182 684
Equity attributable to owners of the parent	102 298	92 445	91 450
Non-controlling interests	56	53	50
TOTAL EQUITY	102 354	92 498	91 500
Borrowings	30 588	31 250	29 967
Post-employment benefits	2 439	2 324	2 584
Other liabilities and provisions	2 303	2 097	2 154
Deferred tax liabilities	2 233	2 366	2 267
Total non-current liabilities	37 563	38 037	36 972
Borrowings	2 958	5 315	2 742
Trade payables and other liabilities	54 993	55 998	48 871
Provisions	2 703	2 032	2 599
Total current liabilities	60 654	63 345	54 212
TOTAL EQUITY AND LIABILITIES	200 571	193 880	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	Sep. 30 2024	Dec. 31 2023
<i>Non-current assets and liabilities</i>		
Assets	79	96
Liabilities	-	-
<i>Current assets and liabilities</i>		
Assets	358	437
Liabilities	29	721

Carrying value and fair value of borrowings

MSEK	Sep. 30 2024	Sep. 30 2024	Dec. 31 2023	Dec. 31 2023
	Carrying value	Fair value	Carrying value	Fair value
Bonds	14 592	13 216	14 294	12 633
Other loans	12 655	12 605	12 673	12 648
Lease liability	6 299	6 299	5 742	5 742
	33 546	32 120	32 709	31 023

Consolidated statement of changes in equity (condensed)

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
Opening balance, January 1, 2024	91 450	50	91 500
Changes in equity for the period			
Total comprehensive income for the period	23 881	11	23 892
Dividend	-13 647	-5	-13 652
Change of non-controlling interests	-8		-8
Acquisition and divestment of own shares	838	-	838
Share-based payments, equity settled	-216	-	-216
Closing balance, 30 September, 2024	102 298	56	102 354

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
Opening balance, January 1, 2023	79 976	50	80 026
Changes in equity for the period			
Total comprehensive income for the period	23 246	11	23 257
Dividend	-11 203	-8	-11 211
Acquisition and divestment of own shares	730	-	730
Share-based payments, equity settled	-304	-	-304
Closing balance, 30 September, 2023	92 445	53	92 498

Consolidated statement of cash flows (condensed)

MSEK	July-September		January-September	
	2024	2023	2024	2023
Cash flows from operating activities				
Operating profit	9 337	10 117	28 148	28 005
Depreciation, amortization and impairment (see below)	2 167	1 990	6 401	5 649
Capital gain/loss and other non-cash items	153	-181	445	62
Operating cash surplus	11 657	11 926	34 994	33 716
Net financial items received/paid	-309	-202	-151	-1 012
Taxes paid	-2 634	-2 272	-7 301	-7 090
Pension funding and payment of pension to employees	-108	-83	-331	-332
Change in working capital	1 043	-963	-237	-6 333
Investments in rental equipment	-606	-517	-1 904	-1 210
Sale of rental equipment	26	10	56	33
Net cash from operating activities	9 069	7 899	25 126	17 772
Cash flows from investing activities				
Investments in property, plant and equipment	-1 357	-985	-3 151	-2 942
Sale of property, plant and equipment	15	18	56	58
Investments in intangible assets	-466	-365	-1 224	-1 100
Acquisition of subsidiaries and associated companies	-1 905	-315	-5 212	-3 523
Other investments, net	15	-15	30	-18
Net cash from investing activities	-3 698	-1 662	-9 501	-7 525
Cash flows from financing activities				
Annual dividends paid	-	-	-6 822	-5 599
Dividends paid to non-controlling interest	-5	-4	-5	-8
Acquisition of non-controlling interest	-18	-	-18	-
Repurchase and sales of own shares	45	34	838	730
Change in interest-bearing liabilities, net	-656	-2 683	-1 537	-3 609
Net cash from financing activities	-634	-2 653	-7 544	-8 486
Net cash flow for the period	4 737	3 584	8 081	1 761
Cash and cash equivalents, beginning of the period	14 495	9 509	10 887	11 254
Exchange differences in cash and cash equivalents	-365	-187	-101	-109
Cash and cash equivalents, end of the period	18 867	12 906	18 867	12 906

Depreciation, amortization and impairment

	July-September		January-September	
	2024	2023	2024	2023
Depreciation, amortization and impairment				
Rental equipment	279	239	792	647
Other property, plant and equipment	559	490	1 643	1 404
Right-of-use assets	460	413	1 342	1 196
Intangible assets	869	848	2 624	2 402
Total	2 167	1 990	6 401	5 649

Calculation of operating cash flow

MSEK	July-September		January-September	
	2024	2023	2024	2023
Net cash flow for the period	4 737	3 584	8 081	1 761
Add back:				
Change in interest-bearing liabilities, net	656	2 683	1 537	3 609
Repurchase and sales of own shares	-45	-34	-838	-730
Annual dividends paid	-	-	6 822	5 599
Dividends paid to non-controlling interest	5	4	5	8
Acquisition of non-controlling interest	18	-	18	-
Acquisitions and divestments	1 905	315	5 212	3 523
Currency hedges	269	29	229	623
Operating cash flow	7 545	6 581	21 066	14 393

Revenues by business area

	2022				2023				2024		
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Compressor Technique	13 305	14 291	16 377	17 085	17 632	18 600	19 493	19 827	18 710	20 136	19 031
- of which external	13 169	14 174	16 244	16 957	17 466	18 407	19 300	19 614	18 507	19 905	18 819
- of which internal	136	117	133	128	166	193	193	213	203	231	212
Vacuum Technique	8 179	9 335	10 781	10 646	9 989	10 911	10 802	11 110	9 719	10 089	10 444
- of which external	8 173	9 332	10 773	10 639	9 979	10 906	10 795	11 101	9 711	10 089	10 439
- of which internal	6	3	8	7	10	5	7	9	8	0	5
Industrial Technique	5 083	5 405	5 911	6 608	6 492	7 280	7 306	7 375	7 514	7 471	6 832
- of which external	5 072	5 396	5 900	6 595	6 469	7 260	7 290	7 356	7 492	7 460	6 821
- of which internal	11	9	11	13	23	20	16	19	22	11	11
Power Technique	3 702	4 247	5 207	5 897	5 996	6 828	7 142	6 933	7 202	7 391	7 072
- of which external	3 672	4 209	5 157	5 863	5 947	6 791	7 100	6 883	7 165	7 349	7 026
- of which internal	30	38	50	34	49	37	42	50	37	42	46
Common Group Items / Eliminations	-183	-167	-202	-182	-248	-255	-258	-291	-270	-284	-274
Atlas Copco Group	30 086	33 111	38 074	40 054	39 861	43 364	44 485	44 954	42 875	44 803	43 105

Equipment and service revenues

	2022				2023				2024		
% of total revenues (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Compressor Technique - Equipment	55	57	58	59	57	58	59	60	56	58	57
Compressor Technique - Service	45	43	42	41	43	42	41	40	44	42	43
Vacuum Technique - Equipment	76	77	78	78	77	77	77	78	75	74	74
Vacuum Technique - Service	24	23	22	22	23	23	23	22	25	26	26
Industrial Technique - Equipment	72	72	72	74	71	74	73	76	73	73	71
Industrial Technique - Service	28	28	28	26	29	26	27	24	27	27	29
Power Technique - Equipment	55	54	56	58	58	60	56	54	58	57	53
Power Technique - Service	45	46	44	42	42	40	44	46	42	43	47

Operating profit by business area

	2022				2023				2024		
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Compressor Technique	3 170	3 266	3 963	4 026	4 245	4 472	4 856	4 915	4 642	4 990	4 974
- as a percentage of revenues	23.8	22.9	24.2	23.6	24.1	24.0	24.9	24.8	24.8	24.8	26.1
Vacuum Technique	1 859	2 123	2 484	1 941	2 268	2 504	2 465	2 370	2 119	2 027	2 014
- as a percentage of revenues	22.7	22.7	23.0	18.2	22.7	22.9	22.8	21.3	21.8	20.1	19.3
Industrial Technique	1 065	1 077	1 267	1 188	1 371	1 585	1 647	1 580	1 649	1 557	1 364
- as a percentage of revenues	21.0	19.9	21.4	18.0	21.1	21.8	22.5	21.4	21.9	20.8	20.0
Power Technique	664	807	983	1 071	1 145	1 294	1 429	1 323	1 393	1 406	1 274
- as a percentage of revenues	17.9	19.0	18.9	18.2	19.1	19.0	20.0	19.1	19.3	19.0	18.0
Common Group Items / Eliminations	-9	6	-319	-416	-330	-666	-280	-1 102	-458	-514	-289
Operating profit	6 749	7 279	8 378	7 810	8 699	9 189	10 117	9 086	9 345	9 466	9 337
- as a percentage of revenues	22.4	22.0	22.0	19.5	21.8	21.2	22.7	20.2	21.8	21.1	21.7
Net financial items	-78	26	70	-190	-44	-163	-189	-253	16	-192	-153
Profit before tax	6 671	7 305	8 448	7 620	8 655	9 026	9 928	8 833	9 361	9 274	9 184
- as a percentage of revenues	22.2	22.1	22.2	19.0	21.7	20.8	22.3	19.6	21.8	20.7	21.3

Return on capital employed by business area

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

Acquisitions and divestments

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2024 Sep. 3	Integrated Pump Rental ("IPR")		Power Technique	57	18
2024 Sep. 3	Anhui NOY Technologies Co. Ltd., ("NOY")		Vacuum Technique	178	78
2024 Sep. 3	Generator Rental Services ("GRS")		Power Technique	263	58
2024 Aug. 2	AVT Services Pty Ltd., "AVT Services"		Vacuum Technique		15
2024 Aug. 2	Danmil A/S ("Danmil")		Compressor Technique	126	26
2024 Jul. 29	Compressed Air Technologies, Inc.		Compressor Technique		53
2024 Jul. 23	Kingsdown Compressed Air Systems Ltd. ("Kingsdown")		Compressor Technique	31	13
2024 Jul. 4	Mont-Tech Ltd. (Mont-Tech)		Industrial Technique	40	27
2024 Jul. 2	Swed-Weld AB ("Swed-Weld")		Industrial Technique	30	10
2024 Jul. 2	Emcovele S.A.		Compressor Technique		49
2024 Jun. 14	AE Industrial Ltd. (AE Industrial)		Compressor Technique		40
2024 Jun. 5	Baraghini Compressori Srl (Baraghini)		Compressor Technique	31	14
2024 May 7	Montajes Electromecánicos e Ingeniería, S.A. de C.V. ("MEISA")		Vacuum Technique		52
2024 May 3	Tecturbo		Compressor Technique	60	51
2024 Apr. 4	Delta Temp		Power Technique	100	20
2024 Apr. 2	Presys Co., Ltd.		Vacuum Technique	275	134
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	Hamamcioğlu 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 &		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)

MSEK	July-September		January-September	
	2024	2023	2024	2023
Administrative expenses	-196	-222	-718	-705
Other operating income and expenses	13	210	301	256
Operating profit/loss	-183	-12	-417	-449
Financial income and expenses	-174	-180	14 379	6 284
Profit/loss before tax	-357	-192	13 962	5 835
Income tax	66	101	204	362
Profit/loss for the period	-291	-91	14 166	6 197

Balance sheet (condensed)

MSEK	Sep. 30 2024	Sep. 30 2023	Dec. 31 2023
Total non-current assets	199 125	181 075	192 885
Total current assets	7 219	8 450	5 165
TOTAL ASSETS	206 344	189 525	198 050
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	157 578	151 933	156 444
TOTAL EQUITY	163 363	157 718	162 229
Total provisions	844	705	860
Total non-current liabilities	35 002	25 175	34 605
Total current liabilities	7 135	5 927	356
TOTAL EQUITY AND LIABILITIES	206 344	189 525	198 050

Assets pledged and contingent liabilities

MSEK	Sep. 30 2024	Sep. 30 2023	Dec. 31 2023
Assets pledged	218	204	205
Contingent liabilities	11 146	11 347	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	43 397 093
- of which B shares held by Atlas Copco AB	0
Total shares outstanding, net of shares held by Atlas Copco AB	4 875 055 323

Performance-based personnel option plan

The Annual General Meeting 2024 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 10 000 000 series A shares, whereof a maximum of 8 000 000 may be transferred to personnel stock option holders under the performance-based stock option plan for 2024.
- 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 26 000 000 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, 2020 and 2021.
- 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 nine months in 2024, 4 496 040 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 October 23, 2024

Atlas Copco AB (publ)

Vagner Rego
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 October 23, 2024, at 14:00 CEST.

To follow the presentation via webcast:

<https://ir.financialhearings.com/atlas-copco-group-q3-report-2024>

To participate via teleconference:

<https://conference.financialhearings.com/teleconference/?id=50048436>

Please visit our website:

<http://www.atlascopcogroup.com/investor-relations> for the webcast link and presentation material.

Fourth-quarter report 2024

The Q4 2024 report will be published on January 28, 2025, around 12:00 CET and the conference call will be at 14:00 CET. Silent period starts December 29, 2024.

First-quarter report 2025

The Q1 2025 report will be published on April 29, 2025. Silent period starts March 30, 2025.

Annual General Meeting 2025

The Annual General Meeting for Atlas Copco AB will be held on April 29, 2025, in Stockholm.

Second-quarter report 2025

The Q2 2025 report will be published on July 18, 2025. Silent period starts June 18, 2025.

Third-quarter report 2025

The Q3 2025 report will be published on October 23, 2025. Silent period starts September 23, 2025.

Fourth-quarter report 2025

The Q4 2025 report will be published on January 27, 2026. Silent period starts December 28, 2025.

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 CEST on October 23, 2024.