

October 19, 2022

Atlas Copco Third-quarter report 2022

Solid order growth, record revenues and operating profit

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

Third quarter

- Orders received increased 23% to MSEK 40 555 (33 023), organic growth of 6%
- Revenues increased 37% to MSEK 38 074 (27 824), organic growth 18%
- Operating profit was MSEK 8 378 (6 000), corresponding to a margin of 22.0% (21.6)
 - Adjusted operating profit, excluding items affecting comparability, reached MSEK 8 469 (6 109), corresponding to a margin of 22.2% (22.0)
- Profit before tax amounted to MSEK 8 448 (5 945)
- Basic earnings per share were SEK 1.34 (0.94, adjusted for share split)
- Operating cash flow at MSEK 5 705 (4 664)
- Return on capital employed was 29% (27)

| MSEK | July - September | | January - September | |
|---------------------------------|------------------|--------------------|---------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Orders received | 40 555 | 33 023 | 23% | 121 944 |
| Revenues | 38 074 | 27 824 | 37% | 101 271 |
| EBITA ¹⁾ | 8 844 | 6 373 | 39% | 23 650 |
| – as a percentage of revenues | 23.2 | 22.9 | 23.4 | 22.6 |
| Operating profit | 8 378 | 6 000 | 40% | 22 406 |
| – as a percentage of revenues | 22.0 | 21.6 | 22.1 | 21.3 |
| Profit before tax | 8 448 | 5 945 | 42% | 22 424 |
| – as a percentage of revenues | 22.2 | 21.4 | 22.1 | 21.1 |
| Profit for the period | 6 536 | 4 557 | 43% | 17 427 |
| Basic earnings per share, SEK | 1.34 | 0.94 ²⁾ | 3.58 | 2.72 ²⁾ |
| Diluted earnings per share, SEK | 1.34 | 0.93 ²⁾ | 3.57 | 2.71 ²⁾ |
| Return on capital employed, % | 29 | 27 | | |

¹⁾ Operating profit excluding amortization of intangibles related to acquisitions.

²⁾ Adjusted for share split.

Near-term demand outlook

Atlas Copco expects that the customers' activity level will weaken somewhat compared to the high level in the third quarter.

Previous near-term demand outlook (published July 19, 2022):

Atlas Copco expects that the customers' activity level will be lower than in the second quarter.

Quarterly and annual financial data in Excel format can be found at:

<https://www.atlascopcogroup.com/en/investor-relations/financial-reports-presentations/latest-results>

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Summary of nine-month results

Orders received in the first nine months of 2022 increased by 27% to MSEK 121 944 (96 020), corresponding to an organic growth of 14%. Acquisitions contributed with 2% and currency had a positive effect of 11%. Revenues reached MSEK 101 271 (81 379), corresponding to an 11% organic increase.

Operating profit increased by 29% to MSEK 22 406 (17 311). The operating margin was 22.1% (21.3). Adjusted for items affecting comparability, the margin was 21.8%

(21.9). There was a positive impact of changes in exchange rates for the first nine month of MSEK 3 530.

Profit before tax was MSEK 22 424 (17 160), corresponding to a margin of 22.1% (21.1). Profit for the period totaled MSEK 17 427 (13 245). Basic and diluted earnings per share were SEK 3.58 (2.72 adjusted for share split) and 3.57 (2.71, adjusted for share split) respectively.

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 11 169 (12 728).

Review of the third quarter

Market development

The overall order intake for Atlas Copco's products and services was strong and order volumes increased compared to the previous year. Sequentially, however, the order intake did not reach the levels from the strong second quarter, primarily due to a lower order intake of vacuum equipment from the semiconductor industry.

Year-on-year, order volumes increased markedly for industrial compressors, and strong growth was achieved for gas and process compressors. The order intake for industrial and scientific vacuum equipment increased, while orders for vacuum equipment to the semiconductor industry decreased. Order volumes for industrial assembly and vision solutions increased, supported by customers' investments in electric vehicle production, whereas assembly and vision solutions to the general industry remained more or less unchanged. The continued strong demand for power equipment, such as portable compressors and generators, also resulted in an increased order intake. The service business continued to grow with increased order volumes in all business areas.

Overall, the order intake increased in all regions compared to the previous year.

Geographic distribution of orders received

| | | Atlas Copco Group |
|-----------------------|--------------------|-------------------|
| July - September 2022 | Orders Received, % | Change*, % |
| North America | 28 | +16 |
| South America | 4 | +20 |
| Europe | 25 | +10 |
| Africa/Middle East | 4 | +18 |
| Asia/Oceania | 39 | +4 |
| Atlas Copco Group | 100 | +10 |

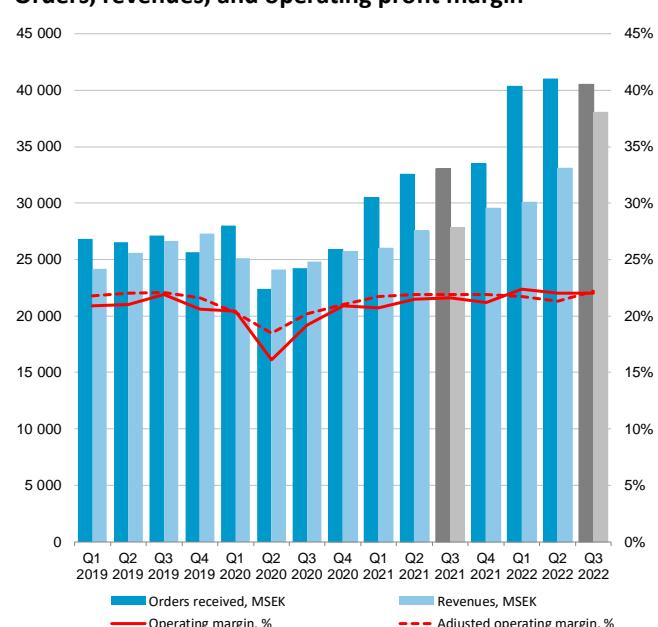
*Change in orders received compared to the previous year in local currency.

Sales bridge

| | July - September | |
|----------------------|------------------|----------|
| MSEK | Orders received | Revenues |
| 2021 | 33 023 | 27 824 |
| Structural change, % | +4 | +4 |
| Currency, % | +13 | +15 |
| Organic*, % | +6 | +18 |
| Total, % | +23 | +37 |
| 2022 | 40 555 | 38 074 |

*Volume, price and mix

Orders, revenues, and operating profit margin



Geographic distribution of orders received and revenues

Revenues, profits and returns

Revenues increased 37% to record MSEK 38 074 (27 824), corresponding to an organic growth of 18%. Currency had a positive effect of 15%, and acquisitions added 4%.

The operating profit increased 40% to record MSEK 8 378 (6 000) and includes a change in provision for share-related long-term incentive programs, reported in Common Group Items of MSEK -91 (-109).

Adjusted operating profit increased 39% to MSEK 8 469 (6 109), corresponding to a margin of 22.2% (22.0). The margin was supported by currency but negatively impacted by increased costs related to continued disruptions in the supply chain.

Net financial items amounted to MSEK 70 (-55) whereof interest net at MSEK -46 (-71). Other financial items, including financial exchange differences were MSEK 116 (16). Profit before tax amounted to MSEK 8 448 (5 945), corresponding to a margin of 22.2% (21.4). Corporate income tax amounted to MSEK -1 912 (-1 388), corresponding to an effective tax rate of 22.6% (23.3).

Profit for the period was MSEK 6 536 (4 557). Basic and diluted earnings per share were SEK 1.34 (0.94, adjusted for share split) and SEK 1.34 (0.93, adjusted for share split), respectively.

The return on capital employed during the last 12 months was 29% (27). Return on equity was 32% (30). 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 9 937 (7 285). Net financial items and taxes paid amounted to MSEK -1 885 (-1 676). Working capital increased by MSEK 665 (decrease of 77), mainly due to increased inventories and receivables, partly offset by increased liabilities. Net investments in rental equipment were MSEK -204 (-147). Net investments in property, plant, and equipment, mostly related to extension of production capacity, were MSEK -977 (-513).

Operating cash flow (important internal KPI, but not an IFRS measurement, and hence defined on page 14) reached MSEK 5 705 (4 664).

Net indebtedness

The Group's net indebtedness amounted to MSEK 24 622 (9 649), of which MSEK 1 784 (2 530) was attributable to post-employment benefits. The Group's interest-bearing liabilities have an average maturity of 4.5 years. The net debt/EBITDA ratio was 0.7 (0.3) and the net debt/equity ratio was 32% (16).

Acquisition and divestment of own shares

During the quarter, 448 452 series A shares, net, were sold for a net value of MSEK 51. These transactions are in accordance with mandates granted by the Annual General Meeting and relate to the Group's long-term incentive programs. See page 18.

Employees

On September 30, 2022, the number of employees was 47 986 (42 066). The number of consultants/external workforce was 3 935 (3 854). For comparable units, the total workforce increased by 3 613 from September 30, 2021.

Revenues and operating profit – bridge

| MSEK | Q3 2022 | Volume, price, mix and other | Currency | Acquisitions | Items affecting comparability | Share-based LTI* programs | Q3 2021 |
|--------------------------|---------|---------------------------------|----------|--------------|----------------------------------|------------------------------|---------|
| Atlas Copco Group | | | | | | | |
| Revenues | 38 074 | 4 930 | 4 315 | 1 005 | - | - | 27 824 |
| Operating profit | 8 378 | 645 | 1 650 | 65 | 0 | 18 | 6 000 |
| | | 22.0% | | | | | 21.6% |

*LTI= Long term incentive

Atlas Copco acquires LEWA

On August 1, Atlas Copco completed the acquisition of LEWA GmbH and subsidiaries for a total consideration of MSEK 6 450.

LEWA is a leading manufacturer of diaphragm metering pumps, process pumps and complete metering systems. LEWA was founded in 1952 and is based in Germany. The company has around 1 200 employees and had revenues of BSEK 2.4 (MEUR 233) in 2021. LEWA offers industry-specific high-quality pump solutions for a wide range of industries.

The acquired businesses will have its base in the Power and Flow division within the Power Technique business area.

From the date of control, revenues were MSEK 469 and operating profit MSEK 56 corresponding to an operating margin of 11.9%, including negative purchase price allocation effects of MSEK 22.

A preliminary purchase price allocation is outlined below.

| MSEK | |
|---|--------|
| Intangible assets | 1 250 |
| Property, plant and equipment | 700 |
| Other assets | 1 300 |
| Cash and cash equivalents | 900 |
| Interest-bearing liabilities and borrowings | -150 |
| Other liabilities and provisions | -1 200 |
| Net identifiable assets | 2 800 |
| Non-controlling interests | -50 |
| Goodwill | 3 700 |
| Total consideration | 6 450 |

SEK / EUR 10.40 at date of acquisition.

Compressor Technique

| MSEK | July - September | | January - September | |
|-------------------------------|------------------|--------|---------------------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| Orders received | 18 809 | 13 874 | 36% | 53 632 |
| Revenues | 16 377 | 12 792 | 28% | 43 973 |
| EBITA* | 4 082 | 3 174 | 29% | 10 719 |
| – as a percentage of revenues | 24.9 | 24.8 | 24.4 | 24.6 |
| Operating profit | 3 963 | 3 087 | 28% | 10 399 |
| – as a percentage of revenues | 24.2 | 24.1 | 23.6 | 23.9 |
| Return on capital employed, % | 83 | 94 | | |

* Operating profit excluding amortization of intangibles related to acquisitions.

- Strong order growth for equipment and service
- Record revenues
- Operating margin at 24.2%

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2021 | 13 874 | 12 792 |
| Structural change, % | +1 | +1 |
| Currency, % | +14 | +14 |
| Organic*, % | +21 | +13 |
| Total, % | +36 | +28 |
| 2022 | 18 809 | 16 377 |

*Volume, price and mix.

Industrial compressors

The demand for industrial compressors remained strong, and solid order growth was achieved compared to the previous year. The growth was primarily driven by large-sized compressors, while order volumes for small and medium-sized compressors remained essentially unchanged. Sequentially, order volumes decreased.

Solid year-on-year order growth was achieved in all regions except Europe, where volumes were unchanged.

Gas and process compressors

Order volumes for gas and process compressors increased significantly compared to the previous year and also sequentially.

Geographically and compared to the previous year, orders grew strongly in all major regions.

Compressor service

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

Innovation

The business area introduced a new range of oil-free tooth compressors in the quarter, the ZT30-50VSD+. The new compressors offer a compact design, low noise level, and are 15% more energy efficient than the previous generation.

Acquisitions

The following acquisitions were completed in the quarter:

- Oxymat A/S, a Danish supplier of on-site oxygen and nitrogen solutions.
- Four distributors, one based in France, one in UK and two in the US.
- DF-Druckluft-Fachhandel GmbH, an online specialist in compressed air equipment sales based in Germany.

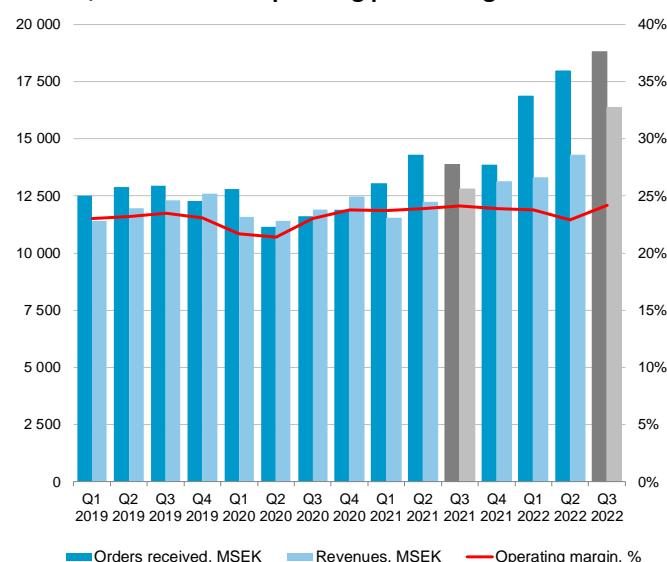
For more information see page 16.

Revenues and profitability

Revenues increased 28% to record MSEK 16 377 (12 792), corresponding to an organic increase of 13%.

The operating profit also reached a record at MSEK 3 963 (3 087), corresponding to a margin of 24.2% (24.1%). Increased organic revenues and currency had a positive effect on the margin, while increased costs related to supply chain constraints and inefficiencies in production affected the margin negatively. Return on capital employed (last 12 months) was 83% (94).

Orders, revenues and operating profit margin



Vacuum Technique

| MSEK | July - September | | January - September | | 2021 |
|-------------------------------|------------------|--------|---------------------|--------|--------|
| | 2022 | 2021 | 2022 | 2021 | |
| Orders received | 9 764 | 10 782 | -9% | 32 731 | 28 718 |
| Revenues | 10 781 | 7 249 | 49% | 28 295 | 21 277 |
| EBITA* | 2 651 | 1 876 | 41% | 6 913 | 5 605 |
| – as a percentage of revenues | 24.6 | 25.9 | | 24.4 | 26.3 |
| Operating profit | 2 484 | 1 748 | 42% | 6 466 | 5 232 |
| – as a percentage of revenues | 23.0 | 24.1 | | 22.9 | 24.6 |
| Return on capital employed, % | 25 | 24 | | | |

* Operating profit excluding amortization of intangibles related to acquisitions.

- Decreased equipment demand from the semiconductor industry
- Strong growth for industrial vacuum equipment and continued growth for service
- Record revenues and margin at 23.0%

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2021 | 10 782 | 7 249 |
| Structural change, % | +3 | +2 |
| Currency, % | +11 | +20 |
| Organic*, % | -23 | +27 |
| Total, % | -9 | +49 |
| 2022 | 9 764 | 10 781 |

*Volume, price and mix.

Semiconductor and flat panel display equipment

The demand for vacuum equipment to the semiconductor and flat panel display industry weakened compared to the high levels of the previous quarters. The order intake decreased compared both to the previous year and sequentially. The lower order volumes were a result of a general lower demand, slower ramp up of customers' production capacity, and high level of pre-ordering in previous quarters which was not repeated.

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

Industrial and scientific vacuum equipment

Order volumes for industrial and scientific vacuum equipment increased markedly compared to the previous year but did not reach the levels of the second quarter.

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

Vacuum service

The service business continued to grow notably with increased order volumes from semiconductor and industrial customers.

Innovation

The business area introduced a new module for integrated vacuum and abatement systems, the Hydrogen Dilution (H2D) module. The new product replaces fuel-fired abatement. Through dilution of hydrogen from the process in semiconductor manufacturing, customers will benefit from significantly lower energy consumption, and significant carbon footprint reduction.

Acquisitions

The business area completed three acquisitions:

- National Vacuum Equipment Inc., a US manufacturer of industrial vacuum pumps and packages for mobile use.
- Les pompes à vide TECHNI-V-AC inc., a Canadian distributor and service provider.
- Ceres Technologies, a US-based manufacturer and designer of gas and vapour delivery equipment for the semiconductor industry.

For more information see page 16.

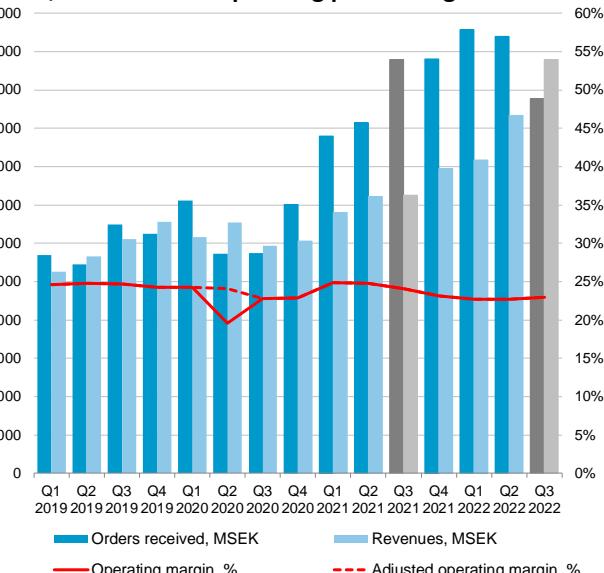
Revenues and profitability

Revenues increased 49% to record MSEK 10 781 (7 249), corresponding to an organic increase of 27%.

The operating profit increased 42% to record MSEK 2 484 (1 748), corresponding to a margin of 23.0% (24.1%). The margin was negatively affected by higher costs related to supply chain constraints, inefficiencies in factories, and increased production capacity investments. Currency affected the margin positively.

Return on capital employed (last 12 months) was 25% (24).

Orders, revenues and operating profit margin



Industrial Technique

| MSEK | July - September | | January - September | |
|-------------------------------|------------------|-------|---------------------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| Orders received | 7 001 | 5 206 | 34% | 19 871 |
| Revenues | 5 911 | 4 630 | 28% | 16 399 |
| EBITA* | 1 399 | 1 100 | 27% | 3 805 |
| – as a percentage of revenues | 23.7 | 23.8 | | 23.2 |
| Operating profit | 1 267 | 958 | 32% | 3 409 |
| – as a percentage of revenues | 21.4 | 20.7 | | 20.8 |
| Return on capital employed, % | 18 | 15 | | 20.1 |

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Strong order intake and record revenues**
- **Growth for automotive equipment and service, general industry equipment flat**
- **Operating profit margin at 21.4%**

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2021 | 5 206 | 4 630 |
| Structural change, % | -1 | +0 |
| Currency, % | +14 | +14 |
| Organic*, % | +21 | +14 |
| Total, % | +34 | +28 |
| 2022 | 7 001 | 5 911 |

*Volume, price and mix.

Automotive industry

Order volumes for industrial assembly and vision solutions to the automotive industry increased significantly compared to the previous year. The strong order growth was supported by customers' increased investments in electrical vehicle production and automation. Sequentially, order volumes were more or less unchanged.

Geographically and compared to the previous year, orders grew strongly in all major regions.

General industry

The demand for industrial assembly and vision solutions to the general industry was mixed in the quarter. For some customer segments, such as energy and off-highway customers, the order intake increased, while for others, such as electronics and general assembly customers the order volumes were lower. Overall, order volumes were unchanged compared to the previous year but decreased sequentially.

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

Service

Order volumes for the service business continued to increase with solid order growth in all major regions.

Innovation

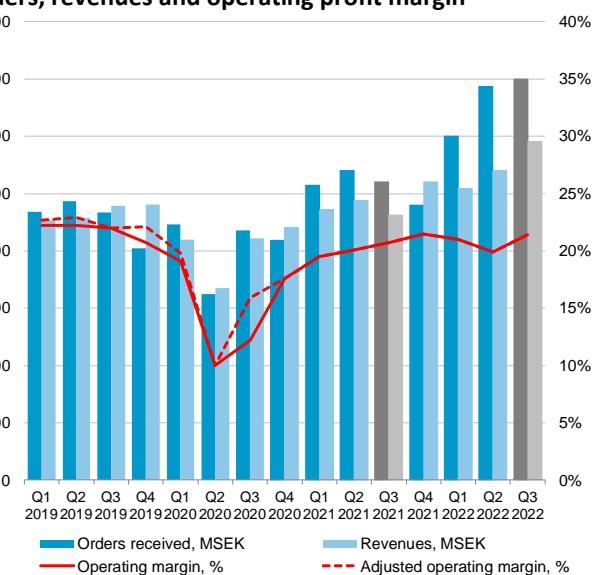
The STRwrench was introduced in the quarter, a new handheld torque wrench with connectivity features. The new product can support customers to increase flexibility and reduce errors in production thanks to high torque accuracy, wide torque range, and providing direct and clear feedback to the operator.

Revenues and profitability

Revenues increased 28% to record MSEK 5 911 (4 630), corresponding to an organic increase of 14%.

The operating profit increased 32% to MSEK 1 267 (958), corresponding to a margin of 21.4% (20.7). Currency and increased organic revenues affected the margin positively, whereas increased costs related to supply chain constraints and inefficiencies in production had a negative impact. Return on capital employed (last 12 months) was 18% (15%).

Orders, revenues and operating profit margin



Power Technique

| MSEK | July - September | | January - September | | 2021 |
|-------------------------------|------------------|-------|---------------------|--------|--------|
| | 2022 | 2021 | 2022 | 2021 | |
| Orders received | 5 161 | 3 331 | 55% | 16 322 | 10 907 |
| Revenues | 5 207 | 3 312 | 57% | 13 156 | 9 810 |
| EBITA* | 1 030 | 564 | 83% | 2 534 | 1 610 |
| – as a percentage of revenues | 19.8 | 17.0 | | 19.3 | 16.4 |
| Operating profit | 983 | 548 | 79% | 2 454 | 1 563 |
| – as a percentage of revenues | 18.9 | 16.5 | | 18.7 | 15.9 |
| Return on capital employed, % | 27 | 25 | | | |

* Operating profit excluding amortization of intangibles related to acquisitions.

- Solid equipment demand
- Strong order intake for specialty rental and service
- Operating profit margin at 18.9%

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2021 | 3 331 | 3 312 |
| Structural change, % | +23 | +21 |
| Currency, % | +16 | +16 |
| Organic*, % | +16 | +20 |
| Total, % | +55 | +57 |
| 2022 | 5 161 | 5 207 |

*Volume, price and mix.

Equipment

The order intake for equipment increased markedly compared to the previous year. The growth was driven by increased demand from equipment rental companies and end users, primarily for portable compressors and generators. Sequentially, order volumes decreased.

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

Specialty rental

The demand for the specialty rental business remained strong and the order intake increased significantly.

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

Service

Order volumes for service increased considerably and solid order growth was achieved in all regions.

Innovation

A new portable oil-free electric compressor with variable speed drive was added to the specialty rental fleet, the PTE900 VSD. The new product is compact, delivering the same airflow as comparable models but with half the footprint, is easy to move, and is designed to perform in demanding environments.

Acquisitions

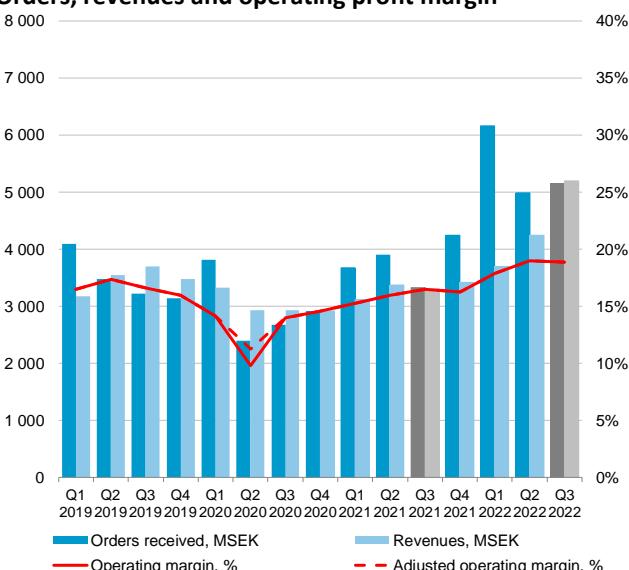
In the quarter, the business area completed the acquisition of LEWA GmbH and subsidiaries, and Geveke B.V. and subsidiaries. LEWA is a leading manufacturer of diaphragm metering pumps, process pumps and complete metering systems. Geveke distributes compressors and engineers advanced and complex process pump installations. LEWA has around 1 200 employees and had revenues of about BSEK 2.4 in 2021. Geveke has 173 employees and had revenues of about MSEK 648 in 2021. More information can be found on page 4 and page 16.

Revenues and profitability

Revenues increased 57% to MSEK 5 207 (3 312), corresponding to an organic increase of 20%. Acquisitions contributed with 21%.

The operating profit increased 79% to record MSEK 983 (548), corresponding to a margin of 18.9% (16.5). The higher operating margin can mainly be explained by increased organic revenues. Increased costs related to supply chain constraints had a negative effect on the margin. Return on capital employed (last 12 months) was 27% (25).

Orders, revenues and operating profit margin



Accounting principles

The consolidated accounts of the 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 2021. 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:

<http://www.atlascopcogroup.com/investor-relations>

Risks, risk management and factors of uncertainty

Atlas Copco'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 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 are identified in a 360 degree spectrum, meaning that both internal, and external exposures are assessed including todays circumstances and future changes. The Group's risk management approach follows the decentralized structure of Atlas Copco. 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'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 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 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 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 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 has the ambition to grow all its business areas, primarily through organic growth, complemented by selected acquisitions. The integration of acquired businesses is a difficult process and it is not certain that every integration will be successful. Therefore, costs related to acquisitions can be higher and/or synergies can take longer to materialize than anticipated.

For more information of Atlas Copco's risk management process and further descriptions of risks and how they are handled, see the Annual Report 2021.

Risks related to the war in Ukraine

Atlas Copco's financial exposure to Russia and Ukraine is limited. During 2021 revenues from Russia accounted for less than 2% of the Group's total revenues. Ukraine accounted for well below 1% of the Group's total revenues. Further, Atlas Copco has no production units in Russia or Ukraine. Hence the ongoing war has very limited direct financial effects on Atlas Copco. Given the uncertainties surrounding the ongoing conflict, it is very difficult to predict potential indirect effects on Atlas Copco. As of September 30, 2022, there is no significant impact on any balance sheet items.

Forward-looking statements

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

Atlas Copco AB

Atlas Copco AB and its subsidiaries are sometimes referred to as the Atlas Copco Group, the Group or Atlas Copco. Atlas Copco AB is also sometimes referred to as Atlas Copco. Any mentioning of the Board of Directors, the Board or the Directors refers to the Board of Directors of Atlas Copco AB.

Consolidated income statement (condensed)

| | 3 months ended | | 9 months ended | |
|--|----------------|---------------------------|----------------|---------------------------|
| | Sep. 30 | Sep. 30 | Sep. 30 | Sep. 30 |
| | 2022 | 2021 | 2022 | 2021 |
| MSEK | | | | |
| Revenues | 38 074 | 27 824 | 101 271 | 81 379 |
| Cost of sales | -22 151 | -16 134 | -58 887 | -47 226 |
| Gross profit | 15 923 | 11 690 | 42 384 | 34 153 |
| Marketing expenses | -4 088 | -3 079 | -11 179 | -8 934 |
| Administrative expenses | -2 250 | -1 750 | -5 492 | -5 324 |
| Research and development costs | -1 377 | -1 024 | -3 863 | -3 009 |
| Other operating income and expenses | 170 | 163 | 556 | 425 |
| Operating profit | 8 378 | 6 000 | 22 406 | 17 311 |
| - <i>as a percentage of revenues</i> | 22.0 | 21.6 | 22.1 | 21.3 |
| Net financial items | 70 | -55 | 18 | -151 |
| Profit before tax | 8 448 | 5 945 | 22 424 | 17 160 |
| - <i>as a percentage of revenues</i> | 22.2 | 21.4 | 22.1 | 21.1 |
| Income tax expense | -1 912 | -1 388 | -4 997 | -3 915 |
| Profit for the period | 6 536 | 4 557 | 17 427 | 13 245 |
| Profit attributable to | | | | |
| - owners of the parent | 6 533 | 4 557 | 17 424 | 13 241 |
| - non-controlling interests | 3 | - | 3 | 4 |
| Basic earnings per share, SEK | 1.34 | 0.94 ¹⁾ | 3.58 | 2.72 ¹⁾ |
| Diluted earnings per share, SEK | 1.34 | 0.93 ¹⁾ | 3.57 | 2.71 ¹⁾ |
| Basic weighted average number of shares outstanding, millions | 4 866.3 | 4 873.6 ¹⁾ | 4 868.7 | 4 869.7 ¹⁾ |
| Diluted weighted average number of shares outstanding, millions | 4 872.5 | 4 884.4 ¹⁾ | 4 876.2 | 4 880.4 ¹⁾ |

Key ratios

| | | |
|--|--------|------------------|
| Equity per share, period end, SEK | 16 | 13 ¹⁾ |
| Return on capital employed, 12 month values, % | 29 | 27 |
| Return on equity, 12 month values, % | 32 | 30 |
| Debt/equity ratio, period end, % | 32 | 16 |
| Equity/assets ratio, period end, % | 45 | 47 |
| Number of employees, period end | 47 986 | 42 066 |

¹⁾Earnings per share, number of shares, and equity capital per share are adjusted for share split.

Consolidated statement of comprehensive income

| MSEK | 3 months ended | | 9 months ended | |
|--|----------------|--------------|----------------|---------------|
| | Sep. 30 | Sep. 30 | Sep. 30 | Sep. 30 |
| | 2022 | 2021 | 2022 | 2021 |
| Profit for the period | 6 536 | 4 557 | 17 427 | 13 245 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurements of defined benefit pension plans | 333 | 126 | 2 035 | 1 173 |
| Income tax relating to items that will not be reclassified | -92 | -29 | -558 | -281 |
| | 241 | 97 | 1 477 | 892 |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Translation differences on foreign operations | 4 167 | 1 218 | 10 706 | 3 176 |
| Hedge of net investments in foreign operations | -339 | -112 | -1 069 | -288 |
| Cash flow hedges | 43 | -60 | -218 | -114 |
| Income tax relating to items that may be reclassified | 110 | 44 | 389 | 102 |
| | 3 981 | 1 090 | 9 808 | 2 876 |
| Other comprehensive income for the period, net of tax | 4 222 | 1 187 | 11 285 | 3 768 |
| Total comprehensive income for the period | 10 758 | 5 744 | 28 712 | 17 013 |
| Total comprehensive income attributable to | | | | |
| - owners of the parent | 10 753 | 5 744 | 28 707 | 17 006 |
| - non-controlling interests | 5 | - | 5 | 7 |

Consolidated balance sheet (condensed)

| MSEK | Sep. 30, 2022 | Sep. 30, 2021 | Dec. 31, 2021 |
|---|----------------|----------------|----------------|
| Intangible assets | 67 381 | 49 754 | 50 348 |
| Rental equipment | 2 702 | 2 395 | 2 342 |
| Other property, plant and equipment | 12 111 | 8 544 | 8 991 |
| Right-of-use assets | 4 423 | 3 158 | 3 244 |
| Financial assets and other receivables | 2 420 | 1 695 | 1 962 |
| Deferred tax assets | 2 042 | 1 614 | 1 790 |
| Total non-current assets | 91 079 | 67 160 | 68 677 |
| Inventories | 27 113 | 16 622 | 17 801 |
| Trade and other receivables | 40 636 | 30 715 | 30 363 |
| Other financial assets | 1 462 | 625 | 847 |
| Cash and cash equivalents | 9 883 | 17 106 | 18 990 |
| Assets classified as held for sale | 1 | 5 | 5 |
| Total current assets | 79 095 | 65 073 | 68 006 |
| TOTAL ASSETS | 170 174 | 132 233 | 136 683 |
| | | | |
| Equity attributable to owners of the parent | 76 659 | 61 856 | 67 633 |
| Non-controlling interests | 50 | 1 | 1 |
| TOTAL EQUITY | 76 709 | 61 857 | 67 634 |
| Borrowings | 23 204 | 22 022 | 20 893 |
| Post-employment benefits | 1 784 | 2 530 | 3 114 |
| Other liabilities and provisions | 1 793 | 1 995 | 2 014 |
| Deferred tax liabilities | 2 954 | 2 190 | 2 225 |
| Total non-current liabilities | 29 735 | 28 737 | 28 246 |
| Borrowings | 10 979 | 2 828 | 3 981 |
| Trade payables and other liabilities | 50 971 | 36 985 | 35 196 |
| Provisions | 1 780 | 1 826 | 1 626 |
| Total current liabilities | 63 730 | 41 639 | 40 803 |
| TOTAL EQUITY AND LIABILITIES | 170 174 | 132 233 | 136 683 |

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 2021, no transfers have been made between different levels in the fair value hierarchy for derivatives and borrowings and no significant changes have been made to valuation techniques, inputs or assumptions. Liquidity funds, reported under cash equivalents, are according to IFRS 9 classified at fair value through profit and loss. For further information, see note 27 in the Annual Report 2021.

<http://www.atlascopco.com/ir>

Financial instruments recorded at fair value

| MSEK | Sep. 30, 2022 | Dec. 31, 2021 |
|---|---------------|---------------|
| <i>Non-current assets and liabilities</i> | | |
| Assets | 31 | 37 |
| Liabilities | - | - |
| <i>Current assets and liabilities</i> | | |
| Assets | 666 | 1 163 |
| Liabilities | 769 | 222 |

Carrying value and fair value of borrowings

| MSEK | Sep. 30, 2022 | Sep. 30, 2022 | Dec. 31, 2021 | Dec. 31, 2021 |
|-----------------|----------------|---------------|----------------|---------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Bonds | 17 574 | 15 069 | 13 278 | 13 528 |
| Other loans | 12 060 | 11 690 | 8 247 | 8 282 |
| Lease liability | 4 549 | 4 549 | 3 349 | 3 349 |
| | 34 183 | 31 308 | 24 874 | 25 159 |

Consolidated statement of changes in equity (condensed)

| MSEK | Equity attributable to | | |
|--|------------------------|---------------------------|---------------|
| | owners of the parent | non-controlling interests | Total equity |
| Opening balance, January 1, 2022 | 67 633 | 1 | 67 634 |
| Changes in equity for the period | | | |
| Total comprehensive income for the period | 28 707 | 5 | 28 712 |
| Dividend | -9 255 | - | -9 255 |
| Redemption of shares | -9 732 | - | -9 732 |
| Change of non-controlling interests | - | 44 | 44 |
| Acquisition and divestment of own shares | -722 | - | -722 |
| Share-based payments, equity settled | 28 | - | 28 |
| Closing balance, September 30, 2022 | 76 659 | 50 | 76 709 |

| MSEK | Equity attributable to | | |
|--|------------------------|---------------------------|---------------|
| | owners of the parent | non-controlling interests | Total equity |
| Opening balance, January 1, 2021 | 53 215 | 319 | 53 534 |
| Changes in equity for the period | | | |
| Total comprehensive income for the period | 17 006 | 7 | 17 013 |
| Dividend | -8 883 | - | -8 883 |
| Change of non-controlling interests | -510 | -325 | -835 |
| Acquisition and divestment of own shares | 1 337 | - | 1 337 |
| Share-based payments, equity settled | -309 | - | -309 |
| Closing balance, September 30, 2021 | 61 856 | 1 | 61 857 |

Consolidated statement of cash flows (condensed)

| MSEK | July - September | | January - September | |
|---|------------------|---------------|---------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash flows from operating activities | | | | |
| Operating profit | 8 378 | 6 000 | 22 406 | 17 311 |
| Depreciation, amortization and impairment (see below) | 1 633 | 1 400 | 4 565 | 4 016 |
| Capital gain/loss and other non-cash items | -74 | -115 | -244 | -1 |
| Operating cash surplus | 9 937 | 7 285 | 26 727 | 21 326 |
| Net financial items received/paid | 123 | -69 | -81 | 64 |
| Taxes paid | -2 008 | -1 607 | -5 167 | -4 939 |
| Pension funding and payment of pension to employees | -87 | -68 | -252 | -214 |
| Change in working capital | -665 | 77 | -6 045 | -768 |
| Investments in rental equipment | -234 | -155 | -632 | -388 |
| Sale of rental equipment | 30 | 8 | 71 | 33 |
| Net cash from operating activities | 7 096 | 5 471 | 14 621 | 15 114 |
| Cash flows from investing activities | | | | |
| Investments in property, plant and equipment | -1 014 | -522 | -2 641 | -1 298 |
| Sale of property, plant and equipment | 37 | 9 | 68 | 49 |
| Investments in intangible assets | -328 | -339 | -1 024 | -1 033 |
| Acquisition of subsidiaries and associated companies | -8 513 | -1 591 | -9 696 | -2 309 |
| Other investments, net | -4 | 27 | 21 | -516 |
| Net cash from investing activities | -9 822 | -2 416 | -13 272 | -5 107 |
| Cash flows from financing activities | | | | |
| Annual dividends paid | - | - | -4 627 | -4 442 |
| Acquisition of non-controlling interest | - | -26 | - | -823 |
| Redemption of shares | - | - | -9 732 | - |
| Repurchase and sales of own shares | 51 | 561 | -722 | 1 337 |
| Change in interest-bearing liabilities, net | 1 816 | -365 | 3 432 | -1 006 |
| Net cash from financing activities | 1 867 | 170 | -11 649 | -4 934 |
| Net cash flow for the period | -859 | 3 225 | -10 300 | 5 073 |
| Cash and cash equivalents, beginning of the period | 10 419 | 13 720 | 18 990 | 11 655 |
| Exchange differences in cash and cash equivalents | 323 | 161 | 1 193 | 378 |
| Cash and cash equivalents, end of the period | 9 883 | 17 106 | 9 883 | 17 106 |

Depreciation, amortization and impairment

| | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Rental equipment | 196 | 180 | 576 | 524 |
| Other property, plant and equipment | 393 | 340 | 1 118 | 1 010 |
| Right-of-use assets | 341 | 288 | 969 | 846 |
| Intangible assets | 703 | 592 | 1 902 | 1 636 |
| Total | 1 633 | 1 400 | 4 565 | 4 016 |

Calculation of operating cash flow

| MSEK | July - September | | January - September | |
|---|------------------|--------------|---------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net cash flow for the period | -859 | 3 225 | -10 300 | 5 073 |
| Add back: | | | | |
| Change in interest-bearing liabilities, net | -1 816 | 365 | -3 432 | 1 006 |
| Repurchase and sales of own shares | -51 | -561 | 722 | -1 337 |
| Annual dividends paid | - | - | 4 627 | 4 442 |
| Redemption of shares | - | - | 9 732 | - |
| Acquisition of non-controlling interest | - | 26 | - | 823 |
| Acquisitions and divestments | 8 513 | 1 591 | 9 696 | 2 309 |
| Investments of cash liquidity | - | - | - | 547 |
| Currency hedges | -82 | 18 | 124 | -135 |
| Operating cash flow | 5 705 | 4 664 | 11 169 | 12 728 |

Revenues by business area

| MSEK (by quarter) | 2020 | | | | 2021 | | | | 2022 | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | |
| Compressor Technique | 11 588 | 11 405 | 11 890 | 12 446 | 11 522 | 12 212 | 12 792 | 13 131 | 13 305 | 14 291 | 16 377 | |
| - of which external | 11 470 | 11 322 | 11 806 | 12 381 | 11 423 | 12 099 | 12 677 | 13 017 | 13 169 | 14 174 | 16 244 | |
| - of which internal | 118 | 83 | 84 | 65 | 99 | 113 | 115 | 114 | 136 | 117 | 133 | |
| Vacuum Technique | 6 159 | 6 535 | 5 928 | 6 063 | 6 808 | 7 220 | 7 249 | 7 942 | 8 179 | 9 335 | 10 781 | |
| - of which external | 6 154 | 6 535 | 5 925 | 6 059 | 6 804 | 7 214 | 7 245 | 7 937 | 8 173 | 9 332 | 10 773 | |
| - of which internal | 5 | 0 | 3 | 4 | 4 | 6 | 4 | 5 | 6 | 3 | 8 | |
| Industrial Technique | 4 193 | 3 355 | 4 221 | 4 407 | 4 713 | 4 880 | 4 630 | 5 198 | 5 083 | 5 405 | 5 911 | |
| - of which external | 4 180 | 3 347 | 4 215 | 4 399 | 4 705 | 4 873 | 4 622 | 5 190 | 5 072 | 5 396 | 5 900 | |
| - of which internal | 13 | 8 | 6 | 8 | 8 | 7 | 8 | 8 | 11 | 9 | 11 | |
| Power Technique | 3 325 | 2 930 | 2 932 | 2 919 | 3 121 | 3 377 | 3 312 | 3 424 | 3 702 | 4 247 | 5 207 | |
| - of which external | 3 294 | 2 898 | 2 903 | 2 899 | 3 089 | 3 348 | 3 280 | 3 389 | 3 672 | 4 209 | 5 157 | |
| - of which internal | 31 | 32 | 29 | 20 | 32 | 29 | 32 | 35 | 30 | 38 | 50 | |
| Common Group Items / Eliminations | -167 | -123 | -122 | -97 | -143 | -155 | -159 | -162 | -183 | -167 | -202 | |
| Atlas Copco Group | 25 098 | 24 102 | 24 849 | 25 738 | 26 021 | 27 534 | 27 824 | 29 533 | 30 086 | 33 111 | 38 074 | |

Operating profit by business area

| MSEK (by quarter) | 2020 | | | | 2021 | | | | 2022 | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | |
| Compressor Technique | 2 520 | 2 444 | 2 729 | 2 965 | 2 730 | 2 916 | 3 087 | 3 141 | 3 170 | 3 266 | 3 963 | |
| - as a percentage of revenues | 21.7 | 21.4 | 23.0 | 23.8 | 23.7 | 23.9 | 24.1 | 23.9 | 23.8 | 22.9 | 24.2 | |
| Vacuum Technique | 1 497 | 1 278 | 1 354 | 1 390 | 1 695 | 1 789 | 1 748 | 1 834 | 1 859 | 2 123 | 2 484 | |
| - as a percentage of revenues | 24.3 | 19.6 | 22.8 | 22.9 | 24.9 | 24.8 | 24.1 | 23.1 | 22.7 | 22.7 | 23.0 | |
| Industrial Technique | 799 | 334 | 513 | 776 | 917 | 981 | 958 | 1 120 | 1 065 | 1 077 | 1 267 | |
| - as a percentage of revenues | 19.1 | 10.0 | 12.2 | 17.6 | 19.5 | 20.1 | 20.7 | 21.5 | 21.0 | 19.9 | 21.4 | |
| Power Technique | 473 | 286 | 410 | 425 | 476 | 539 | 548 | 558 | 664 | 807 | 983 | |
| - as a percentage of revenues | 14.2 | 9.8 | 14.0 | 14.6 | 15.3 | 16.0 | 16.5 | 16.3 | 17.9 | 19.0 | 18.9 | |
| Common Group Items / Eliminations | -165 | -453 | -246 | -183 | -431 | -301 | -341 | -405 | -9 | 6 | -319 | |
| Operating profit | 5 124 | 3 889 | 4 760 | 5 373 | 5 387 | 5 924 | 6 000 | 6 248 | 6 749 | 7 279 | 8 378 | |
| - as a percentage of revenues | 20.4 | 16.1 | 19.2 | 20.9 | 20.7 | 21.5 | 21.6 | 21.2 | 22.4 | 22.0 | 22.0 | |
| Net financial items | -114 | -63 | -64 | -80 | -44 | -52 | -55 | 2 | -78 | 26 | 70 | |
| Profit before tax | 5 010 | 3 826 | 4 696 | 5 293 | 5 343 | 5 872 | 5 945 | 6 250 | 6 671 | 7 305 | 8 448 | |
| - as a percentage of revenues | 20.0 | 15.9 | 18.9 | 20.6 | 20.5 | 21.3 | 21.4 | 21.2 | 22.2 | 22.1 | 22.2 | |

Return on capital employed by business area

| % (by quarter) | 2020 | | | | 2021 | | | | 2022 | | | |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | |
| Compressor Technique | 80 | 76 | 75 | 79 | 84 | 91 | 94 | 93 | 90 | 86 | 83 | |
| Vacuum Technique | 22 | 20 | 19 | 19 | 20 | 23 | 24 | 25 | 25 | 25 | 25 | |
| Industrial Technique | 31 | 23 | 16 | 13 | 12 | 13 | 15 | 16 | 17 | 17 | 18 | |
| Power Technique | 25 | 21 | 19 | 18 | 19 | 23 | 25 | 27 | 29 | 29 | 27 | |
| Atlas Copco Group | 29 | 26 | 24 | 23 | 23 | 26 | 27 | 27 | 27 | 28 | 29 | |

Acquisitions and divestments

| Date | Acquisitions | Divestments | Business area | Revenues MSEK* | Number of employees* |
|--------------|---|--------------------------|----------------------|----------------|----------------------|
| 2022 Sep. 5 | DF-Druckluft-Fachhandel GmbH | | Compressor Technique | | 39 |
| 2022 Sep. 2 | Oxymat A/S | | Compressor Technique | 411 | 146 |
| 2022 Aug. 1 | LEWA GmbH | | Power Technique | 2 400 | 1 200 |
| 2022 Aug. 1 | Geveke B.V. | | Power Technique | 648 | 173 |
| 2022 Jul. 29 | Compressed Air Products, Inc. (operating assets) | | Compressor Technique | | 20 |
| 2022 Jul. 27 | Glaston Compressor Services Ltd | | Compressor Technique | | 26 |
| 2022 Jul. 18 | Ceres Technologies, Inc. | | Vacuum Technique | 351 | 185 |
| 2022 Jul. 8 | Les pompes à vide TECHNI-V-AC inc. | | Vacuum Technique | | 10 |
| 2022 Jul. 5 | FITEC S.A.S. | | Compressor Technique | | 8 |
| 2022 Jul. 4 | Bireme Group | | Compressor Technique | | 20 |
| 2022 Jul. 4 | National Vacuum Equipment Inc. | | Vacuum Technique | 223 | 100 |
| 2022 Jun. 13 | Qolibri Inc. | | Vacuum Technique | 0.6 | 4 |
| 2022 Jun. 8 | Associated Compressor Engineers Ltd (ACE) | | Compressor Technique | | 12 |
| 2022 Jun. 2 | Tekser Endüstriyel Cihazlar Sanayi ve Ticaret A.Ş (Tekser) | | Vacuum Technique | | 8 |
| 2022 Jun. 1 | CAS Products Ltd (CAS) | | Compressor Technique | | 12 |
| 2022 Apr. 5 | Pumpenfabrik Wangen GmbH | | Power Technique | 466 | 265 |
| 2022 Mar. 2 | SCB S.r.l. | | Compressor Technique | 51 | 16 |
| 2022 Jan. 24 | Soft2tec GmbH | | Industrial Technique | 20 | 38 |
| 2022 Jan. 21 | HHV Pumps Pvt. Ltd. | | Vacuum Technique | 53 | 151 |
| 2021 Dec. 28 | | CMM (part of Perceptron) | Industrial Technique | 100 | 50 |
| 2021 Dec. 10 | Provac Limited | | Vacuum Technique | | 11 |
| 2021 Nov. 9 | S.T.E.R.I. srl (STERI) | | Compressor Technique | | 19 |
| 2021 Oct. 19 | Eugen Theis GmbH | | Vacuum Technique | | 4 |
| 2021 Sep. 28 | AEP | | Compressor Technique | | 8 |
| 2021 Aug. 31 | NATEV GmbH | | Industrial Technique | 5 | 10 |
| 2021 Aug. 5 | CPC Pumps International Inc. | | Compressor Technique | 385 | 110 |
| 2021 Jun. 24 | Airflow Compressors & Pneumatics Ltd (Airflow) | | Compressor Technique | | 16 |
| 2021 Jun. 14 | Compressed Air Systems, Inc. (CAS) | | Compressor Technique | | 30 |
| 2021 May 31 | ARPUMA regel- und fördertechnische Geräte GmbH | | Vacuum Technique | 41 | 14 |
| 2021 May 25 | Medigas Service & Testing Co. Inc. | | Compressor Technique | 23 | 6 |
| 2021 May 10 | MidState Air Compressor | | Compressor Technique | | 15 |
| 2021 May 3 | Eco Steam and Heating Solutions (acquisition of majority share) | | Power Technique | 198 | 23 |
| 2021 Apr. 7 | IBVC Vacuum, S.L.U. | | Vacuum Technique | | 10 |
| 2021 Mar. 3 | Cooper Freer Ltd. | | Compressor Technique | | 18 |
| 2021 Jan. 26 | DGM SRL | | Compressor Technique | | 21 |
| 2021 Jan. 7 | Ehrler & Beck GmbH | | Vacuum Technique | | 15 |
| 2021 Jan. 5 | Kawalek Kompressoren | | Compressor Technique | | 10 |

*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 2022, 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 2022. More detailed information about LEWA GmbH can be found on page 4 in this report.

See the Annual Report for 2021 for disclosure of acquisitions made in 2021.

Parent company**Income statement (condensed)**

| | July - September | | January - September | |
|-------------------------------------|------------------|--------------|---------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| MSEK | | | | |
| Administrative expenses | -201 | -173 | -412 | -564 |
| Other operating income and expenses | 35 | 30 | 87 | 86 |
| Operating profit/loss | -166 | -143 | -325 | -478 |
| Financial income and expenses | 5 893 | 1 238 | 24 335 | 2 758 |
| Profit/loss before tax | 5 727 | 1 095 | 24 010 | 2 280 |
| Income tax | 39 | 42 | 202 | 140 |
| Profit/loss for the period | 5 766 | 1 137 | 24 212 | 2 420 |

Balance sheet (condensed)

| | Sep. 30 | Sep. 30 | Dec. 31 |
|-------------------------------------|----------------|----------------|----------------|
| MSEK | 2022 | 2021 | 2021 |
| Total non-current assets | 171 585 | 163 909 | 163 902 |
| Total current assets | 10 160 | 7 424 | 9 957 |
| TOTAL ASSETS | 181 745 | 171 333 | 173 859 |
| | | | |
| Total restricted equity | 5 785 | 5 785 | 5 785 |
| Total non-restricted equity | 148 122 | 141 069 | 143 591 |
| TOTAL EQUITY | 153 907 | 146 854 | 149 376 |
| | | | |
| Total provisions | 566 | 932 | 1 018 |
| Total non-current liabilities | 18 532 | 18 830 | 22 195 |
| Total current liabilities | 8 740 | 4 717 | 1 270 |
| TOTAL EQUITY AND LIABILITIES | 181 745 | 171 333 | 173 859 |

Assets pledged and contingent liabilities

| | Sep. 30 | Sep. 30 | Dec. 31 |
|------------------------|---------|---------|---------|
| MSEK | 2022 | 2021 | 2021 |
| Assets pledged | 201 | 201 | 201 |
| Contingent liabilities | 9 695 | 3 291 | 3 266 |

Accounting principles

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group. The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities. The same accounting principles and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. See also accounting principles, page 9.

Parent Company

Distribution of shares

Share capital equaled MSEK 786 (786) at the end of the period, distributed as follows:

| Class of share | Shares |
|--|---------------|
| A shares | 3 357 576 384 |
| B shares | 1 560 876 032 |
| Total | 4 918 452 416 |
| - of which A shares held by Atlas Copco | 51 979 241 |
| - of which B shares held by Atlas Copco | - |
| Total shares outstanding, net of shares held by Atlas Copco | 4 866 473 175 |

During the second quarter 2022 the share split resolved by the Annual General Meeting on April 26, 2022, whereby each share was divided into four (4) ordinary shares and one (1) redemption share, was concluded. For further information, see www.atlascopcogroup.com/en/investor-relations/atlas-copco-share/redemption-of-shares

Performance-based personnel option plan

The Annual General Meeting 2022 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 is 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 has mandates to acquire and sell own shares as per below:

- Acquisition of not more than 3 000 000 series A shares, whereof a maximum of 2 400 000 may be transferred to personnel stock option holders under the performance-based stock option plan 2022.

- Acquisition of not more than 15 000 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 15 000 series A shares to cover costs related to previously issued synthetic shares to board members.
- The sale of a maximum 8 800 000 series A shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2016, 2017, 2018 and 2019.
- 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 2022, 1 158 426 series A shares, net, were acquired. 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 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 2021.

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 2021.

Nacka, Sweden October 19, 2022
Atlas Copco AB (publ)

Mats Rahmström
President and CEO

This is Atlas Copco

The Atlas Copco Group is a world-leading provider of sustainable productivity solutions, demanded by all types of industries, enabling everything from industrial automation to reliable medical air solutions. The Group offers innovative compressors, air treatment systems, vacuum solutions, industrial power tools and assembly systems, machine vision, and power and flow solutions. Atlas Copco develops products and services focused on productivity, energy efficiency, safety and ergonomics, supported by insights from connected products. The company was founded in 1873, is based in Nacka, Sweden, and has a global reach spanning more than 180 countries. In 2021, Atlas Copco had revenues of BSEK 111 and about 43 000 employees at year end.

Business areas

Atlas Copco 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 solutions; 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 for sustainable productivity in 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 for sustainable productivity in order to further improve its customers' 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, software, and service through a global network. The business area innovates for sustainable productivity 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 air, power and flow solutions through products such as mobile compressors, pumps, light towers and generators, along with a number of complementary products. It also offers specialty rental and provides services through a dedicated, global network. Power Technique provides sustainable productivity solutions across multiple industries, including construction, manufacturing, oil and gas, and exploration drilling. Principal product development and manufacturing units are located in Belgium, Spain, 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 principal stakeholders. The mission is to achieve sustainable, profitable growth. Sustainability plays an important role in Atlas Copco's vision and it is an integral aspect of the Group's mission. 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 19, 2022, at 14:00 CEST.

The dial-in numbers are:

- Sweden: +46 8 505 163 86
- United Kingdom: +44 20 319 848 84
- United States: +1 412 317 6300

Pin: 7927087#

The conference call will be broadcasted live on the web.

Please see our website:

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

Capital Markets Day 2022

Atlas Copco will host its Capital Markets Day on November 17, 2022, in Stockholm, Sweden.

Fourth-quarter report 2022

The Q4 2022 report will be published on January 26, 2023, around 12:00 CET. The conference call will be held at 14:00 CET.
Silent period starts December 27, 2022.

First-quarter report 2023

The Q1 2023 report will be published on April 27, 2023.
Silent period starts March 28, 2023.

Annual General Meeting 2023

The Annual General Meeting for Atlas Copco AB will be held on April 27, 2023.

Second-quarter report 2023

The Q2 2023 report will be published on July 19, 2023.
Silent period starts June 19, 2023.

Third-quarter report 2023

The Q3 2023 report will be published on October 25, 2023.
Silent period starts September 25, 2023.