

July 19, 2023

Atlas Copco Second-quarter report 2023

Solid orders, record revenues and operating profit

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

Second quarter

- Orders received increased 6% to MSEK 43 471 (41 010), organic decline of 5%
- Revenues increased 31% to MSEK 43 364 (33 111), organic growth of 18%
- Operating profit reached MSEK 9 189 (7 279), corresponding to a margin of 21.2% (22.0)
 - Adjusted operating profit, excluding items affecting comparability, was MSEK 9 488 (7 042), corresponding to a margin of 21.9% (21.3)
- Profit before tax amounted to MSEK 9 026 (7 305)
- Basic earnings per share were SEK 1.42 (1.17)
- Operating cash flow at MSEK 2 864 (3 064)
- Return on capital employed was 30% (28)

MSEK	April - June		January - June			
	2023	2022		2023	2022	
Orders received	43 471	41 010	6%	91 178	81 389	12%
Revenues	43 364	33 111	31%	83 225	63 197	32%
EBITA ¹⁾	9 722	7 679	27%	18 933	14 806	28%
– as a percentage of revenues	22.4	23.2		22.7	23.4	
Operating profit	9 189	7 279	26%	17 888	14 028	28%
– as a percentage of revenues	21.2	22.0		21.5	22.2	
Profit before tax	9 026	7 305	24%	17 681	13 976	27%
– as a percentage of revenues	20.8	22.1		21.2	22.1	
Profit for the period	6 941	5 678	22%	13 469	10 891	24%
Basic earnings per share, SEK	1.42	1.17		2.76	2.24	
Diluted earnings per share, SEK	1.42	1.16		2.76	2.23	
Return on capital employed, %	30	28				

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

Near-term demand outlook

Atlas Copco expects that the customer activity level will weaken somewhat compared to the current high level.

Previous near-term demand outlook (published April 27, 2023):

Atlas Copco expects that the underlying customer activity level will remain at the current level.

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

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

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Summary of half-year results

Orders received in the first six months of 2023 increased by 12% to MSEK 91 178 (81 389), corresponding to an organic growth of 0%. Acquisitions contributed with 6% and currency had a positive effect of 6%. Revenues increased by 32% to MSEK 83 225 (63 197), corresponding to an 18% organic increase.

Operating profit increased by 28% to MSEK 17 888 (14 028). The operating margin was 21.5% (22.2). Adjusted for items affecting comparability, the margin was 21.8%

(21.5). There was a positive impact of changes in exchange rates for the first half-year of MSEK 1 010.

Profit before tax was MSEK 17 681 (13 976), corresponding to a margin of 21.2% (22.1). Profit for the period totaled MSEK 13 469 (10 891). Basic and diluted earnings per share were SEK 2.76 (2.24) and 2.76 (2.23) respectively.

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 7 812 (5 464).

Review of the second quarter

Market development

The demand for the Atlas Copco Group's products and services remained strong even though the order intake did not reach the very high level of the previous quarter.

Year-on-year, solid order growth was achieved for gas and process compressors, while order volumes for industrial compressors remained basically unchanged. The demand for vacuum equipment was lower than the previous year, and the order intake decreased markedly, especially for semiconductor applications. Order volumes for industrial assembly and vision solutions increased, driven by increased demand from the automotive industry. Order volumes for Power equipment such as portable compressors and generators decreased, affected by weaker demand from equipment rental companies. The specialty rental business achieved solid order growth in the quarter, and order volumes for service increased in all business areas.

In total, the order intake increased in Europe and Asia but decreased in North America.

Geographic distribution of orders received

Atlas Copco Group		
April - June 2023	Orders received, %	Change*, %
North America	25	-6
South America	4	+6
Europe	27	+4
Africa/Middle East	5	+15
Asia/Oceania	39	+4
Atlas Copco Group	100	+2

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

Geographic distribution of orders received and revenues

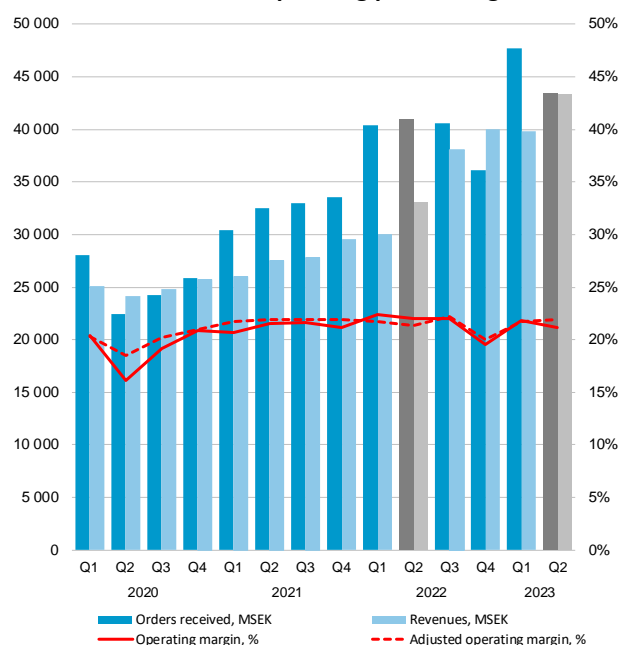
April - June 2023	Compressor Technique, %		Vacuum Technique, %		Industrial Technique, %		Power Technique, %		Atlas Copco, %	
	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues
North America	24	26	25	25	30	33	21	29	25	27
South America	6	5	1	0	3	3	8	7	4	4
Europe	28	30	14	17	35	33	30	35	27	28
Africa/Middle East	7	6	1	1	1	1	8	8	5	5
Asia/Oceania	35	33	59	57	31	30	33	21	39	36
	100	100	100	100	100	100	100	100	100	100

Sales bridge

MSEK	April - June	
	Orders received	Revenues
2022	41 010	33 111
Structural change, %	+7	+6
Currency, %	+4	+7
Organic*, %	-5	+18
Total, %	+6	+31
2023	43 471	43 364

*Volume, price and mix.

Orders, revenues, and operating profit margin



Revenues, profits and returns

Revenues increased 31% to record MSEK 43 364 (33 111), corresponding to an organic growth of 18%. Currency had a positive effect of 7%, and acquisitions added 6%.

The operating profit increased 26% to record MSEK 9 189 (7 279) and includes a change in provision for share related long-term incentive programs, reported in Common Group Items of MSEK -299 (+237).

Adjusted operating profit increased 35% to MSEK 9 488 (7 042), corresponding to a margin of 21.9% (21.3). The main explanation for the higher margin was increased organic revenues.

Net financial items amounted to MSEK -163 (26) whereof interest net at MSEK -156 (-29). The increased interest cost was a result of more debt and higher interest rates. Other financial items, including financial exchange differences were MSEK -7 (55). Profit before tax amounted to MSEK 9 026 (7 305), corresponding to a margin of 20.8% (22.1). Corporate income tax amounted to MSEK -2 085 (-1 627), corresponding to an effective tax rate of 23.1% (22.3). The higher effective tax rate compared to the previous year was partly due to a geographical mix effect.

Profit for the period was MSEK 6 941 (5 678). Basic and diluted earnings per share were SEK 1.42 (1.17) and SEK 1.42 (1.16), respectively.

The return on capital employed during the last 12 months was 30% (28). Return on equity was 33% (31). The Group uses a weighted average cost of capital (WACC) of 8.0% as an investment and overall performance benchmark.

Operating cash flow and investments

Operating cash surplus increased to MSEK 11 100 (8 645).

Net financial items and taxes paid amounted to MSEK -3 652 (-2 039). Working capital increased by MSEK 3 158 (increase of 2 301), mainly due to increased trade receivables as a result of higher revenues. Net investments in rental equipment were MSEK -372 (-172). Net investments in property, plant, and equipment, were MSEK -934 (-760).

Operating cash flow (important internal KPI, but not an IFRS measurement, and hence defined on page 13) reached MSEK 2 864 (3 064).

Net indebtedness

The Group's net indebtedness amounted to MSEK 31 998 (20 437), of which MSEK 2 492 (1 977) was attributable to post-employment benefits. The Group's interest-bearing liabilities have an average maturity of 4.8 years. The net debt/EBITDA ratio was 0.8 (0.6) and the net debt/equity ratio was 37% (31).

Acquisition and divestment of own shares

During the quarter, 4 594 319 series A shares, net, were sold for a net value of MSEK 697. 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 June 30, 2023, the number of employees was 51 363 (45 130). The number of consultants/external workforce was 3 459 (4 155). For comparable units, the total workforce increased by 2 353 from June 30, 2022.

Revenues and operating profit – bridge

MSEK	Q2 2023	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q2 2022
Atlas Copco Group							
Revenues	43 364	5 973	2 150	2 130	-	-	33 111
Operating profit	9 189	2 006	230	210	0	-536	7 279
	21.2%						22.0%

*LTI= Long term incentive

Compressor Technique

MSEK	April - June			January - June		
	2023	2022		2023	2022	
Orders received	20 119	17 964	12%	41 938	34 823	20%
Revenues	18 600	14 291	30%	36 232	27 596	31%
EBITA*	4 616	3 367	37%	9 002	6 637	36%
– as a percentage of revenues	24.8	23.6		24.8	24.1	
Operating profit	4 472	3 266	37%	8 717	6 436	35%
– as a percentage of revenues	24.0	22.9		24.1	23.3	
Return on capital employed, %	83	86				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Equipment orders on a solid level**
- **Continued growth for service**
- **Record revenues and operating profit, margin at 24.0%**

Sales bridge

MSEK	April - June	
	Orders received	Revenues
2022	17 964	14 291
Structural change, %	+3	+3
Currency, %	+5	+6
Organic*, %	+4	+21
Total, %	+12	+30
2023	20 119	18 600

*Volume, price and mix.

Industrial compressors

The demand for industrial compressors remained solid, even if the organic order intake was essentially unchanged compared to the previous year, both for large and smaller-sized compressors. Sequentially, however, the order intake did not reach the high level of the previous quarter.

Geographically, and compared to the previous year, order volumes increased in Europe, remained essentially unchanged in Asia, but decreased in North America.

Gas and process compressors

Solid order growth was achieved for gas and process compressors although the order intake did not match the exceptional levels in the first quarter.

Geographically, and compared to the previous year, order volumes increased in Asia and Africa/Middle East but decreased in all other 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 hydrogen compressor for mobility applications, the H2Y. The new product targets various types of hydrogen filling stations. Thanks to the hydraulic booster technology, the new product offers consistent gas quality and the ability to have frequent start and stop reliability, especially suited for “FastFill” filling stations.

Acquisitions

The business area completed three acquisitions in the quarter:

C.P. Service SRL, an Italy-based compressor distributor and service provider with 13 employees and revenues of MSEK 60.

Maziak Compressor Services Ltd. a UK distributor of air compressors, nitrogen generators, process cooling equipment and related services with 40 employees and revenues of MSEK 87.

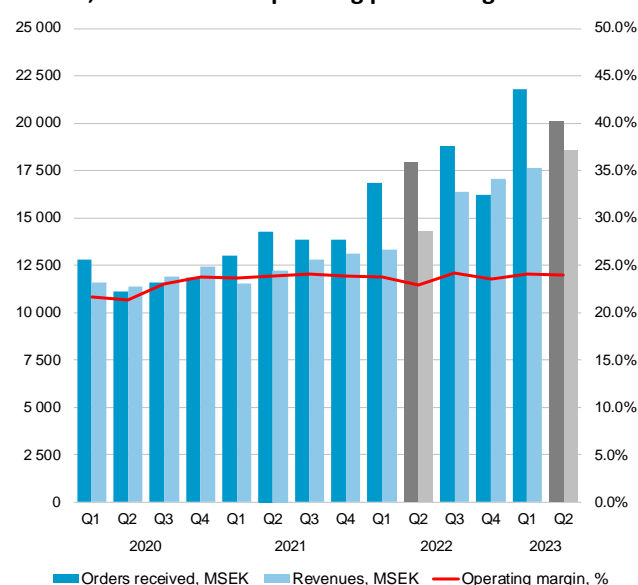
Asven S.R.L. an Argentinian compressed air distributor with 10 employees.

Revenues and profitability

Revenues increased 30% to record MSEK 18 600 (14 291), corresponding to an organic increase of 21%.

The operating profit also reached a record at MSEK 4 472 (3 266), corresponding to a margin of 24.0% (22.9). The higher margin was mainly due to increased organic revenues. Currency and dilution from acquisitions affected the margin negatively. Return on capital employed (last 12 months) was 83% (86).

Orders, revenues and operating profit margin



Vacuum Technique

MSEK	April - June			January - June		
	2023	2022		2023	2022	
Orders received	9 190	11 403	-19%	18 714	22 967	-19%
Revenues	10 911	9 335	17%	20 900	17 514	19%
EBITA*	2 684	2 267	18%	5 125	4 262	20%
– as a percentage of revenues	24.6	24.3		24.5	24.3	
Operating profit	2 504	2 123	18%	4 772	3 982	20%
– as a percentage of revenues	22.9	22.7		22.8	22.7	
Return on capital employed, %	23	25				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Weaker equipment demand, especially from the semiconductor industry**
- **Solid order growth for service**
- **Improved revenues and record operating profit, margin at 22.9%**

Sales bridge

MSEK	April - June	
	Orders received	Revenues
2022	11 403	9 335
Structural change, %	+5	+6
Currency, %	+4	+6
Organic*, %	-28	+5
Total, %	-19	+17
2023	9 190	10 911

*Volume, price and mix.

Semiconductor and flat panel display equipment

The demand for equipment to the semiconductor and flat panel industry weakened significantly, and order volumes decreased compared to the previous year. The order intake compared to the previous quarter was essentially flat.

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 decreased compared to the previous year and sequentially. The negative year-on-year order development was due to lower demand for equipment to both industrial and scientific vacuum applications.

Geographically, order volumes increased in North America, were unchanged in Europe, but decreased in Asia.

Vacuum service

The service business continued to grow with increased order intake from semiconductor and industrial customers. Solid order growth was achieved in all major regions.

Innovation

A new range of advanced pressure gauges was launched, the Leybold PENNINGVAC PTR 90/225 R. The new products offer a high vacuum measuring range, compact design, and flexibility to fit customers' particular vacuum systems, especially customer segments such as glass coating, medical, and research and development.

Acquisitions

The business area completed three acquisitions in the quarter:

James E. Watson & Co., a US-based distributor of vacuum equipment and service solutions with 7 employees.

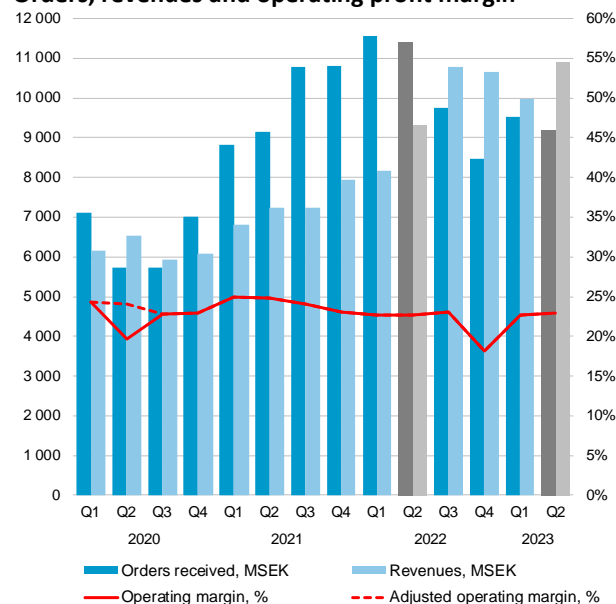
Shandong Bozhong Vacuum Technology Co., Ltd, a Chinese manufacturer of liquid ring pumps and systems, with 116 employees and revenues of about MSEK 120.

Trillium US Inc., a US-based vacuum service provider with 140 employees and revenues of MSEK 270.

Revenues and profitability

Revenues increased 17% to 10 911 (9 335), corresponding to an organic increase of 5%. The operating profit increased 18% to record MSEK 2 504 (2 123), corresponding to a margin of 22.9% (22.7). The margin was supported by increased organic revenues, but negatively affected by dilution from acquisitions. Currency had no effect on the operating margin. Return on capital employed (last 12 months) was 23% (25).

Orders, revenues and operating profit margin



Industrial Technique

MSEK	April - June			January - June		
	2023	2022		2023	2022	
Orders received	7 918	6 868	15%	15 647	12 870	22%
Revenues	7 280	5 405	35%	13 772	10 488	31%
EBITA*	1 724	1 210	42%	3 231	2 406	34%
– as a percentage of revenues	23.7	22.4		23.5	22.9	
Operating profit	1 585	1 077	47%	2 956	2 142	38%
– as a percentage of revenues	21.8	19.9		21.5	20.4	
Return on capital employed, %	20	17				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Solid order growth driven by increased equipment demand from the automotive industry**
- **Continued solid growth for service**
- **Record revenues and operating profit, margin at 21.8%**

Sales bridge

MSEK	April - June	
	Orders received	Revenues
2022	6 868	5 405
Structural change, %	+0	+0
Currency, %	+5	+7
Organic*, %	+10	+28
Total, %	+15	+35
2023	7 918	7 280

*Volume, price and mix.

Automotive industry

The order intake for industrial assembly and vision solutions for the automotive industry remained strong, and solid order growth was achieved compared to the previous year. Order volumes also grew sequentially.

Geographically, and compared to the previous year, order volumes increased markedly in all major regions, especially in Europe.

General industry

The demand for industrial assembly and vision solutions for the general industry was mixed and the order intake remained unchanged both compared to the previous year, as well as sequentially. Some customer segments, such as aerospace and off-highway, had a positive order development, while others, such as glass and energy, did not reach the previous year's level.

Geographically, orders were slightly up in North America, increased in Europe, and remained essentially unchanged in Asia.

Service

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

Innovation

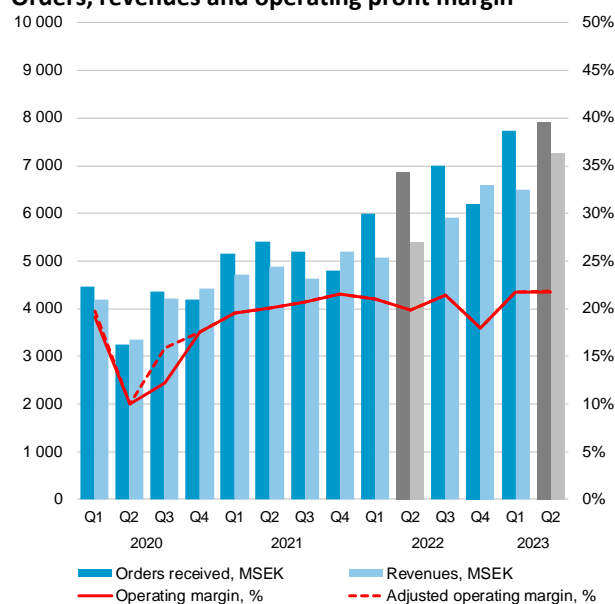
The business area introduced a new assembly solution for multi-spindle applications, the Multi. The new products, placed on a tightening station, offer remote control management, reduce the need for floor space, and can control up to 40 tools.

Revenues and profitability

Revenues increased 35% to record MSEK 7 280 (5 405), corresponding to an organic increase of 28%.

The operating profit increased 47% to record MSEK 1 585 (1 077), corresponding to a margin of 21.8% (19.9). The main explanation for the higher margin was increased revenue volumes. Currency had a negative effect on the margin. Return on capital employed (last 12 months) was 20% (17).

Orders, revenues and operating profit margin



Power Technique

MSEK	April - June			January - June		
	2023	2022		2023	2022	
Orders received	6 483	4 997	30%	15 412	11 161	38%
Revenues	6 828	4 247	61%	12 824	7 949	61%
EBITA*	1 364	829	65%	2 570	1 504	71%
– as a percentage of revenues	20.0	19.5		20.0	18.9	
Operating profit	1 294	807	60%	2 439	1 471	66%
– as a percentage of revenues	19.0	19.0		19.0	18.5	
Return on capital employed, %	23	29				

* Operating profit excluding amortization of intangibles related to acquisitions.

- **Strong order intake supported by acquisitions**
- **Solid growth for specialty rental and service**
- **Record revenues and operating profit, margin at 19.0%**

Sales bridge

MSEK	April - June	
	Orders received	Revenues
2022	4 997	4 247
Structural change, %	+38	+27
Currency, %	+4	+8
Organic*, %	-12	+26
Total, %	+30	+61
2023	6 483	6 828

*Volume, price and mix.

Equipment

The demand for power equipment such as portable compressors and generators decreased compared to the previous year, partly due to equipment rental companies' lower investment levels. However, due to contributions from recent acquisitions the overall order intake increased. Sequentially, the order volumes did not reach the very high level of the first quarter, partly due to a normal seasonal pattern.

Geographically and compared to the previous quarter, the order intake increased in Asia and Africa/Middle East but decreased in all other regions.

Specialty rental

The specialty rental business continued to develop positively, and solid order growth was achieved compared to the previous quarter and sequentially.

Year-on-year, order volumes increased in all regions, particularly in Asia and North America.

Service

Order volumes for service increased with solid growth in most regions.

Innovation

The business area introduced a new diaphragm metering pump, the LEWA LCD Ecosmart Plus, targeting food and beverage, chemicals, and wastewater applications. The new product offers high flow at low pressure and meters a wide variety of fluids with high precision while maintaining high efficiency.

Acquisitions

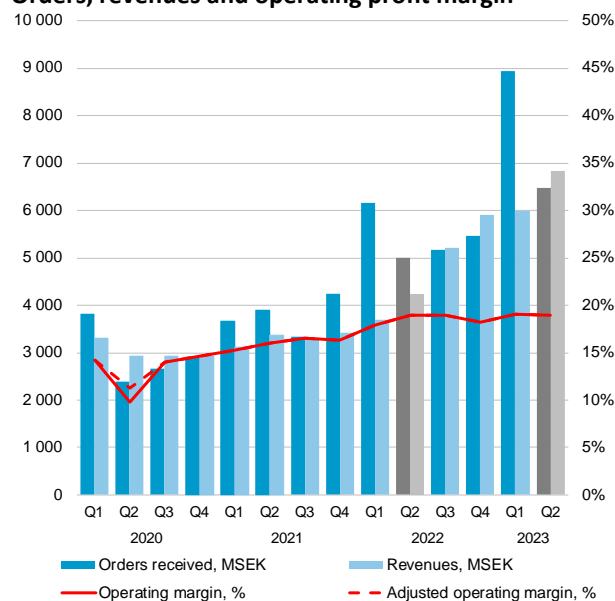
In the quarter, National Pump & Energy was acquired, an Australia-based company providing dewatering, environmental services, and water treatment solutions. The company has 420 employees and revenues of MSEK 1 400.

Revenues and profitability

Revenues increased 61% to record MSEK 6 828 (4 247), corresponding to an organic increase of 26%. Acquisitions contributed with 27%.

The operating profit increased 60% to record MSEK 1 294 (807), corresponding to a margin of 19.0% (19.0). The margin was supported by increased organic revenues. An unfavorable sales mix had a negative effect on the margin. Acquisitions only had a marginal negative effect on the operating margin. Return on capital employed (last 12 months) was 23% (29).

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 2022. 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'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 today's 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.

Risks related to the war in Ukraine

Atlas Copco's financial exposure to Russia and Ukraine is limited. During 2022, revenues from Russia accounted for less than 1% of the Group's total revenues. Ukraine accounted for well below 0.1% 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 June 30, 2023, there is no significant impact on any balance sheet items.

For more information of Atlas Copco's risk management process and further descriptions of risks and how they are handled, see the Annual Report 2022.

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		6 months ended	
	Jun. 30 2023	Jun. 30 2022	Jun. 30 2023	Jun. 30 2022
MSEK				
Revenues	43 364	33 111	83 225	63 197
Cost of sales	-24 447	-19 392	-46 858	-36 736
Gross profit	18 917	13 719	36 367	26 461
Marketing expenses	-4 884	-3 710	-9 445	-7 091
Administrative expenses	-2 876	-1 675	-5 290	-3 242
Research and development costs	-1 690	-1 300	-3 244	-2 486
Other operating income and expenses	-278	245	-500	386
Operating profit	9 189	7 279	17 888	14 028
- as a percentage of revenues	21.2	22.0	21.5	22.2
Net financial items	-163	26	-207	-52
Profit before tax	9 026	7 305	17 681	13 976
- as a percentage of revenues	20.8	22.1	21.2	22.1
Income tax expense	-2 085	-1 627	-4 212	-3 085
Profit for the period	6 941	5 678	13 469	10 891
Profit attributable to				
- owners of the parent	6 940	5 678	13 463	10 891
- non-controlling interests	1	-	6	-
Basic earnings per share, SEK	1.42	1.17	2.76	2.24
Diluted earnings per share, SEK	1.42	1.16	2.76	2.23
Basic weighted average number of shares outstanding, millions	4 870.9	4 868.2	4 869.5	4 870.0
Diluted weighted average number of shares outstanding, millions	4 878.8	4 874.6	4 877.3	4 878.2
Key ratios				
Equity per share, period end, SEK	18	14		
Return on capital employed, 12 month values, %	30	28		
Return on equity, 12 month values, %	33	31		
Debt/equity ratio, period end, %	37	31		
Equity/assets ratio, period end, %	45	44		
Number of employees, period end	51 363	45 130		

Consolidated statement of comprehensive income

	3 months ended		6 months ended	
	Jun. 30 2023	Jun. 30 2022	Jun. 30 2023	Jun. 30 2022
MSEK				
Profit for the period	6 941	5 678	13 469	10 891
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	113	857	-51	1 702
Income tax relating to items that will not be reclassified	-27	-246	24	-466
	86	611	-27	1 236
Items that may be reclassified subsequently to profit or loss				
Translation differences on foreign operations	4 001	5 106	3 731	6 539
Hedge of net investments in foreign operations	-760	-520	-962	-730
Cash flow hedges	-	-193	27	-261
Income tax relating to items that may be reclassified	261	218	322	279
	3 502	4 611	3 118	5 827
Other comprehensive income for the period, net of tax	3 588	5 222	3 091	7 063
Total comprehensive income for the period	10 529	10 900	16 560	17 954
Total comprehensive income attributable to				
- owners of the parent	10 528	10 900	16 554	17 954
- non-controlling interests	1	-	6	-

Consolidated balance sheet (condensed)

MSEK	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Intangible assets	72 561	56 807	67 067
Rental equipment	4 030	2 566	2 689
Other property, plant and equipment	14 349	10 498	12 720
Right-of-use assets	5 865	3 470	4 752
Financial assets and other receivables	2 722	2 374	2 668
Deferred tax assets	2 420	1 883	2 193
Total non-current assets	101 947	77 598	92 089
Inventories	32 394	23 609	27 219
Trade and other receivables	47 323	36 600	40 849
Other financial assets	789	1 016	889
Cash and cash equivalents	9 509	10 419	11 254
Assets classified as held for sale	1	1	1
Total current assets	90 016	71 645	80 212
TOTAL ASSETS	191 963	149 243	172 301
Equity attributable to owners of the parent	85 663	65 845	79 976
Non-controlling interests	52	1	50
TOTAL EQUITY	85 715	65 846	80 026
Borrowings	32 061	21 833	23 770
Post-employment benefits	2 492	1 977	2 380
Other liabilities and provisions	2 116	1 673	1 922
Deferred tax liabilities	2 607	2 579	2 745
Total non-current liabilities	39 276	28 062	30 817
Borrowings	7 743	8 062	12 563
Trade payables and other liabilities	57 296	45 528	47 142
Provisions	1 933	1 745	1 753
Total current liabilities	66 972	55 335	61 458
TOTAL EQUITY AND LIABILITIES	191 963	149 243	172 301

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 2022, 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 2022.

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

Financial instruments recorded at fair value

MSEK	Jun. 30, 2023	Dec. 31, 2022
<i>Non-current assets and liabilities</i>		
Assets	98	86
Liabilities	-	-
<i>Current assets and liabilities</i>		
Assets	650	625
Liabilities	39	288

Carrying value and fair value of borrowings

MSEK	Jun. 30, 2023	Jun. 30, 2023	Dec. 31, 2022	Dec. 31, 2022
	Carrying value	Fair value	Carrying value	Fair value
Bonds	15 264	12 980	17 902	15 535
Other loans	18 678	18 438	13 612	13 223
Lease liability	5 862	5 862	4 819	4 819
	39 804	37 280	36 333	33 577

Consolidated statement of changes in equity (condensed)

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	16 554	6	16 560
Dividend	-11 202	-4	-11 206
Acquisition and divestment of own shares	696	-	696
Share-based payments, equity settled	-361	-	-361
Closing balance, June 30, 2023	85 663	52	85 715

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
Opening balance, January 1, 2022	67 633	1	67 634
Changes in equity for the period			
Total comprehensive income for the period	17 954	-	17 954
Dividend	-9 255	-	-9 255
Redemption of shares	-9 732	-	-9 732
Acquisition and divestment of own shares	-773	-	-773
Share-based payments, equity settled	18	-	18
Closing balance, June 30, 2022	65 845	1	65 846

Consolidated statement of cash flows (condensed)

MSEK	April - June		January - June	
	2023	2022	2023	2022
Cash flows from operating activities				
Operating profit	9 189	7 279	17 888	14 028
Depreciation, amortization and impairment (see below)	1 881	1 491	3 659	2 932
Capital gain/loss and other non-cash items	30	-125	243	-170
Operating cash surplus	11 100	8 645	21 790	16 790
Net financial items received/paid	-459	21	-810	-204
Taxes paid	-3 193	-2 060	-4 818	-3 159
Pension funding and payment of pension to employees	-107	-83	-249	-165
Change in working capital	-3 158	-2 301	-5 370	-5 380
Investments in rental equipment	-385	-208	-693	-398
Sale of rental equipment	13	36	23	41
Net cash from operating activities	3 811	4 050	9 873	7 525
Cash flows from investing activities				
Investments in property, plant and equipment	-956	-775	-1 957	-1 627
Sale of property, plant and equipment	22	15	40	31
Investments in intangible assets	-362	-351	-735	-696
Acquisition of subsidiaries and associated companies	-2 644	-957	-3 208	-1 183
Other investments, net	-6	29	-3	25
Net cash from investing activities	-3 946	-2 039	-5 863	-3 450
Cash flows from financing activities				
Annual dividends paid	-5 599	-4 627	-5 599	-4 627
Dividends paid to non-controlling interest	-4	-	-4	-
Redemption of shares	-	-9 732	-	-9 732
Repurchase and sales of own shares	697	-523	696	-773
Change in interest-bearing liabilities, net	4 452	-1 671	-926	1 616
Net cash from financing activities	-454	-16 553	-5 833	-13 516
Net cash flow for the period	-589	-14 542	-1 823	-9 441
Cash and cash equivalents, beginning of the period	9 882	24 183	11 254	18 990
Exchange differences in cash and cash equivalents	216	778	78	870
Cash and cash equivalents, end of the period	9 509	10 419	9 509	10 419

Depreciation, amortization and impairment

<i>Rental equipment</i>	212	194	408	380
<i>Other property, plant and equipment</i>	471	369	914	725
<i>Right-of-use assets</i>	406	317	783	628
<i>Intangible assets</i>	792	611	1 554	1 199
Total	1 881	1 491	3 659	2 932

Calculation of operating cash flow

MSEK	April - June		January - June	
	2023	2022	2023	2022
Net cash flow for the period	-589	-14 542	-1 823	-9 441
Add back:				
Change in interest-bearing liabilities, net	-4 452	1 671	926	-1 616
Repurchase and sales of own shares	-697	523	-696	773
Annual dividends paid	5 599	4 627	5 599	4 627
Dividends paid to non-controlling interest	4	-	4	-
Redemption of shares	-	9 732	-	9 732
Acquisitions and divestments	2 644	957	3 208	1 183
Currency hedges	355	96	594	206
Operating cash flow	2 864	3 064	7 812	5 464

Revenues by business area

MSEK (by quarter)	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Compressor Technique	11 522	12 212	12 792	13 131	13 305	14 291	16 377	17 085	17 632	18 600
- of which external	11 423	12 099	12 677	13 017	13 169	14 174	16 244	16 957	17 466	18 407
- of which internal	99	113	115	114	136	117	133	128	166	193
Vacuum Technique	6 808	7 220	7 249	7 942	8 179	9 335	10 781	10 646	9 989	10 911
- of which external	6 804	7 214	7 245	7 937	8 173	9 332	10 773	10 639	9 979	10 906
- of which internal	4	6	4	5	6	3	8	7	10	5
Industrial Technique	4 713	4 880	4 630	5 198	5 083	5 405	5 911	6 608	6 492	7 280
- of which external	4 705	4 873	4 622	5 190	5 072	5 396	5 900	6 595	6 469	7 260
- of which internal	8	7	8	8	11	9	11	13	23	20
Power Technique	3 121	3 377	3 312	3 424	3 702	4 247	5 207	5 897	5 996	6 828
- of which external	3 089	3 348	3 280	3 389	3 672	4 209	5 157	5 863	5 947	6 791
- of which internal	32	29	32	35	30	38	50	34	49	37
Common Group Items / Eliminations	-143	-155	-159	-162	-183	-167	-202	-182	-248	-255
Atlas Copco Group	26 021	27 534	27 824	29 533	30 086	33 111	38 074	40 054	39 861	43 364

Equipment and service revenues

% of total revenues	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Compressor Technique - Equipment	56	57	58	57	55	57	58	59	57	58
Compressor Technique - Service	44	43	42	43	45	43	42	41	43	42
Vacuum Technique - Equipment	75	76	75	76	76	77	78	78	77	77
Vacuum Technique - Service	25	24	25	24	24	23	22	22	23	23
Industrial Technique - Equipment	72	74	71	74	72	72	72	74	71	74
Industrial Technique - Service	28	26	29	26	28	28	28	26	29	26
Power Technique - Equipment	60	59	56	55	55	54	56	58	58	60
Power Technique - Service	40	41	44	45	45	46	44	42	42	40

Operating profit by business area

MSEK (by quarter)	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Compressor Technique	2 730	2 916	3 087	3 141	3 170	3 266	3 963	4 026	4 245	4 472
- as a percentage of revenues	23.7	23.9	24.1	23.9	23.8	22.9	24.2	23.6	24.1	24.0
Vacuum Technique	1 695	1 789	1 748	1 834	1 859	2 123	2 484	1 941	2 268	2 504
- as a percentage of revenues	24.9	24.8	24.1	23.1	22.7	22.7	23.0	18.2	22.7	22.9
Industrial Technique	917	981	958	1 120	1 065	1 077	1 267	1 188	1 371	1 585
- as a percentage of revenues	19.5	20.1	20.7	21.5	21.0	19.9	21.4	18.0	21.1	21.8
Power Technique	476	539	548	558	664	807	983	1 071	1 145	1 294
- as a percentage of revenues	15.3	16.0	16.5	16.3	17.9	19.0	18.9	18.2	19.1	19.0
Common Group Items / Eliminations	-431	-301	-341	-405	-9	6	-319	-416	-330	-666
Operating profit	5 387	5 924	6 000	6 248	6 749	7 279	8 378	7 810	8 699	9 189
- as a percentage of revenues	20.7	21.5	21.6	21.2	22.4	22.0	22.0	19.5	21.8	21.2
Net financial items	-44	-52	-55	2	-78	26	70	-190	-44	-163
Profit before tax	5 343	5 872	5 945	6 250	6 671	7 305	8 448	7 620	8 655	9 026
- as a percentage of revenues	20.5	21.3	21.4	21.2	22.2	22.1	22.2	19.0	21.7	20.8

Return on capital employed by business area

% (by quarter)	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Compressor Technique	84	91	94	93	90	86	83	82	82	83
Vacuum Technique	20	23	24	25	25	25	25	24	24	23
Industrial Technique	12	13	15	16	17	17	18	17	18	20
Power Technique	19	23	25	27	29	29	27	25	24	23
Atlas Copco Group	23	26	27	27	27	28	29	29	29	30

Acquisitions and divestments

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
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
2022 Dec. 5	Shandong Meditech Medical Technology Co., Ltd		Compressor Technique	114	70
2022 Dec. 2	Suzhou Since Gas System Co., Ltd		Compressor Technique	93	80
2022 Nov. 21	Montana Instruments Corporation		Vacuum Technique	106	38
2022 Nov. 11	Northeast Compressor		Compressor Technique		6
2022 Nov. 9	Entreprises Larry Inc.		Compressor Technique		65
2022 Nov. 2	Precision Pneumatics Ltd		Compressor Technique		26
2022 Nov. 2	Wearside Pneumatics Ltd		Compressor Technique		19
2022 Nov. 2	Shandong Jinggong Pump Co., Ltd		Vacuum Technique	102	100
2022 Nov. 2	Aircel, LLC.		Compressor Technique	55	19
2022 Oct. 17	Vector Sp. z o.o.		Compressor Technique		23
2022 Oct. 4	Mesa Equipment & Supply Company		Compressor Technique		19
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		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

*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 2023, 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 2023. See the Annual Report for 2022 for disclosure of acquisitions made in 2022.

Parent company**Income statement (condensed)**

MSEK	April - June		January - June	
	2023	2022	2023	2022
Administrative expenses	-304	-124	-483	-211
Other operating income and expenses	24	28	46	52
Operating profit/loss	-280	-96	-437	-159
Financial income and expenses	6 539	18 559	6 464	18 442
Profit/loss before tax	6 259	18 463	6 027	18 283
Income tax	86	75	261	163
Profit/loss for the period	6 345	18 538	6 288	18 446

Balance sheet (condensed)

MSEK	Jun. 30	Jun. 30	Dec. 31
	2023	2022	2022
Total non-current assets	181 279	171 512	179 842
Total current assets	6 343	2 167	4 932
TOTAL ASSETS	187 622	173 679	184 774
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	151 938	142 296	156 517
TOTAL EQUITY	157 723	148 081	162 302
Total provisions	754	506	704
Total non-current liabilities	23 163	16 400	18 532
Total current liabilities	5 982	8 692	3 236
TOTAL EQUITY AND LIABILITIES	187 622	173 679	184 774

Assets pledged and contingent liabilities

MSEK	Jun. 30	Jun. 30	Dec. 31
	2023	2022	2022
Assets pledged	197	202	199
Contingent liabilities	11 602	3 356	10 066

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	45 472 943
- of which B shares held by Atlas Copco	-
Total shares outstanding, net of shares held by Atlas Copco	4 872 979 473

Performance-based personnel option plan

The Annual General Meeting 2023 approved a performance-based long-term incentive program. For Group Management and division presidents, the plan requires management's own investment in Atlas Copco shares. The intention 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 14 810 000 series A shares, whereof a maximum of 10 450 000 may be transferred to personnel stock option holders under the performance-based stock option plan for 2023.
- Acquisition of not more than 60 000 series A shares to hedge the obligation of the company to pay remuneration to board members who have chosen to receive 50% of the remuneration in synthetic shares.

- The sale of not more than 60 000 series A shares to cover costs related to previously issued synthetic shares to board members.
- The sale of a maximum 33 000 000 series A shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2017, 2018 and 2019, 2020.
- The shares may only be acquired or sold on NASDAQ Stockholm at a price within the registered price interval at any given time.

During the first six months in 2023, 4 622 508 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 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 2022.

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 2022.

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 2022, Atlas Copco had revenues of BSEK 141 and about 49 000 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 portable air and power, industrial and portable flow solutions through products such as mobile compressors, generators, light towers, industrial and portable pumps, along with a number of complementary products. It also offers specialty rental and provides service through a global network. Guided by a forward-thinking approach to innovation, 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, 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 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 July 19, 2023, at 13:00 CEST.

To follow the presentation via webcast:

<https://ir.financialhearings.com/atlas-copco-q2-2023>

To participate via teleconference:

<https://conference.financialhearings.com/teleconference/?id=200855>

Please visit our website:

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

for the webcast link and presentation material.

Third-quarter report 2023

The Q3 2023 report will be published on October 25, 2023 around 12:00 CEST and the conference call will be at 14:00 CEST. Silent period starts September 25, 2023.

Fourth-quarter report 2023

The Q4 2023 report will be published on January 25, 2024. Silent period starts December 26, 2023.

This information is information that Atlas Copco AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact person set out above, at 12:00 CEST on July 19, 2023.

The Board of Directors and President declare that the interim report gives a fair view of the business development, financial position and result of operation of the Parent Company and the consolidated Group and describes significant risks and uncertainties that the parent company and its subsidiaries are facing.

Nacka, July 19, 2023
Atlas Copco AB

Hans Stråberg <i>Board member</i> <i>Chair</i>	Jumana Al-Sibai <i>Board member</i>	Johan Forssell <i>Board member</i>	Anna Ohlsson-Leijon <i>Board member</i>
Heléne Mellquist <i>Board member</i>	Mats Rahmström <i>Board member</i> <i>President and CEO</i>	Gordon Riske <i>Board member</i>	Peter Wallenberg Jr <i>Board member</i>
	Mikael Bergstedt <i>Board member</i> <i>Union representative</i>	Benny Larsson <i>Board member</i> <i>Union representative</i>	

Auditors' Review Report (translation of the Swedish original)

Atlas Copco AB (publ), Corp. Reg. No. 556014-2720

Introduction

We have reviewed this interim report for Atlas Copco AB (publ.) as per June 30, 2023, and the six-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Approach and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope

than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion based on a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group, and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, July 19, 2023
Ernst & Young AB

Erik Sandström
Authorized Public Accountant