

Interim report third quarter 2024



Summary Q3

Stable topline in a mixed demand environment

- Solid momentum in mining and software businesses, while cutting tools impacted negatively by weak macro environment
- Total order intake flat year on year, organic growth was 2%
- Total revenue declined by 4%, of which organic -1%

Resilient margin and strong free operating cash flow

- Adjusted EBITA decreased by 7%, corresponding to a margin of 19.4% (20.1), adjusted EBITA margin R12 at 19.2 (20.2)
- Savings from restructuring programs amounted to SEK 388 M in the quarter, corresponding to a bridge effect of SEK 309 M
- Adjusted profit for the period amounted to SEK 3.7 Bn (3.9)
- Strong free operating cash flow of SEK 6.8 Bn (5.8)

Execution on strategic priorities

- Major order wins in mining and infrastructure
- Exciting innovations introduced at large international exhibitions
- Acquisition of Universal Field Robots

1%

Revenue growth at fixed exchange rates

19.4%

Adjusted EBITA margin

1.4

Financial net debt/EBITDA



Trolley solution for underground trucks

- Trolley solution for large BEV trucks presented at MINExpo 2024
- A platform approach that supports modular electric systems
- Ideal for large fleets with high power needs, predictable traffic, and long ramps
- Benefits: high ramp speeds, no battery swaps
- Flexible solutions to meet different electrification needs





YoY market development

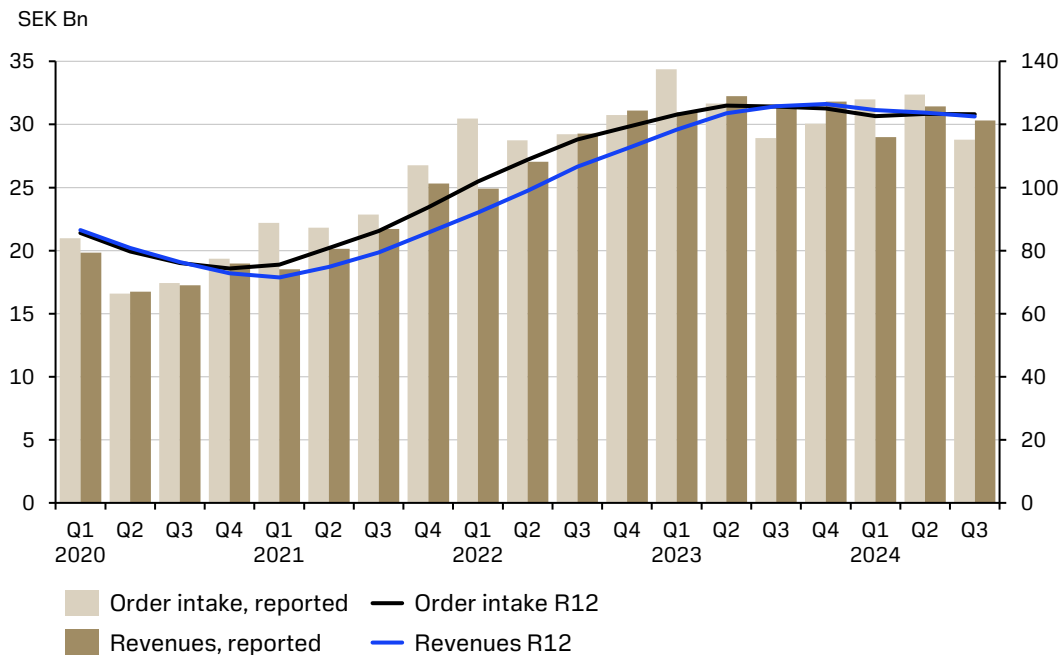
Percent of revenue 2023	Order intake Y/Y Q3 24	
Europe	27%	-6%
North America	25%	2%
Asia	17%	-6%
Africa and Middle East	12%	14%
Australia	13%	6%
South America	7%	26%

Mining 51%	General Engineering 20%	Infrastructure 10%	Automotive 7%	Aerospace 4%	Other 8%	% of revenue 2023
→	↘	↘	↘	→	→	
→	↘	↘	↘	↗	↘	
→	↘	→	↘	→	↗	
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→		↘				
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Other includes mainly energy, die and mold, electronics, medical, pump and valve, rail and defense.



Order intake and revenues



Order intake
Reported (MSEK)
28,796

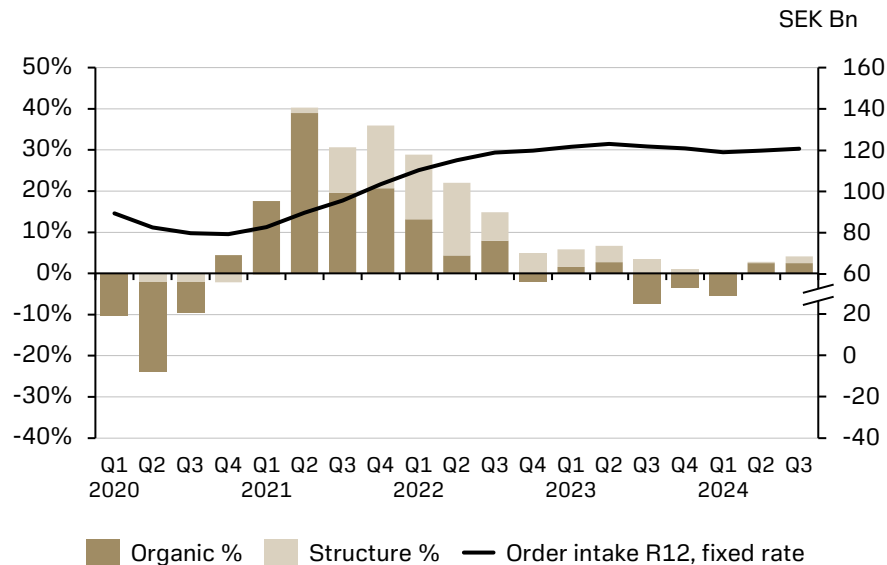
Revenues
Reported (MSEK)
30,306

Book-to-bill
95%

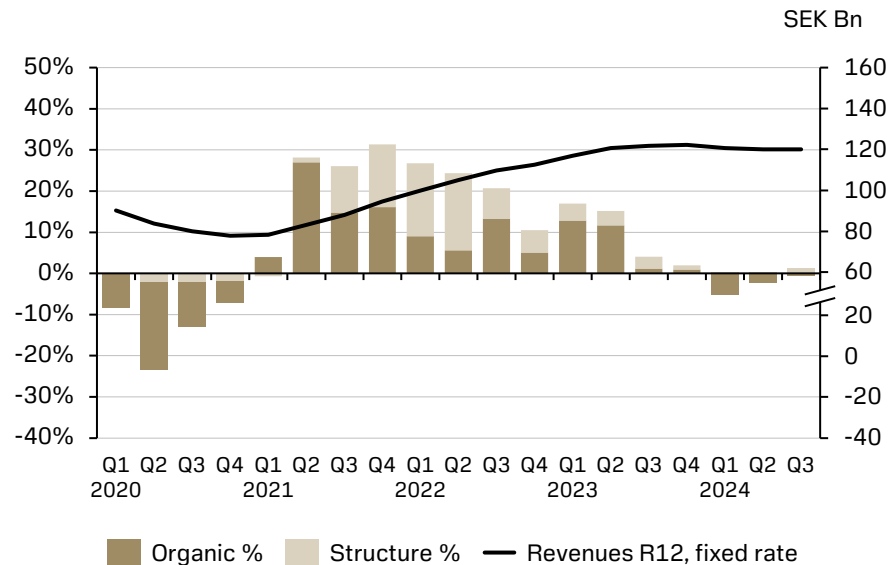


Growth in order intake and revenues

Order intake

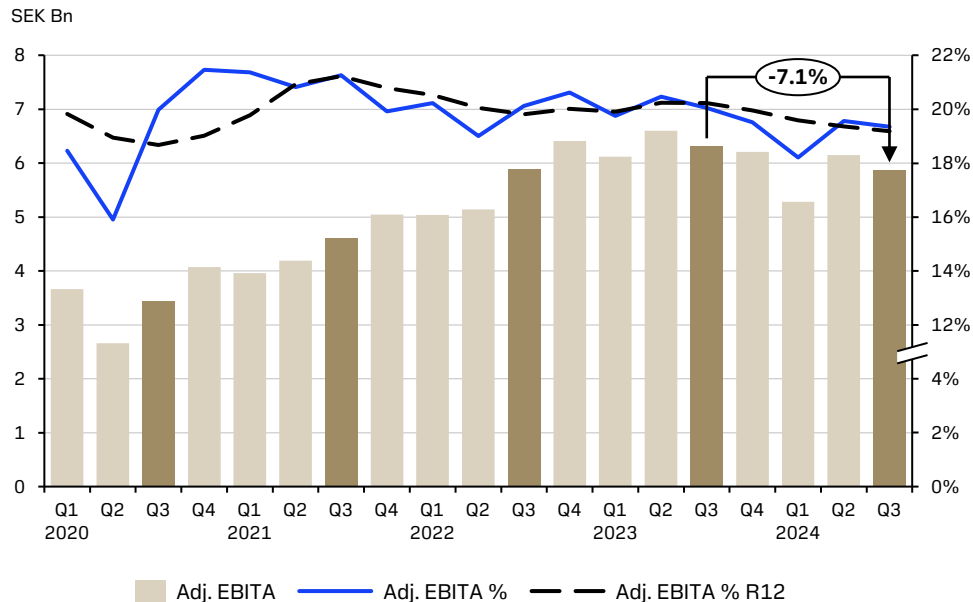


Revenue





Adjusted EBITA development



Adj. EBITA margin:

19.4%

- Adj. EBITA SEK 5,866 M (6,312)
- Lower volumes partly off-set by contingency measures and structural savings
- Cost inflation was off-set by pricing in the quarter, but slightly dilutive year on year
- Currency accretion of 30 basis points
- R12 adj. EBITA 19.2% (20.2)



Mining and Rock Solutions

Order intake

- Continued solid demand in mining driven by double-digit growth in the aftermarket business
- Major order win of SEK 1.9 billion, of which SEK 0.5 billion booked in the quarter. Excluding major orders, organic order intake grew by 4%
- Total order intake increased by 2%, and at fixed exchange rates, by 7%, of which organic 8%

Adjusted EBITA

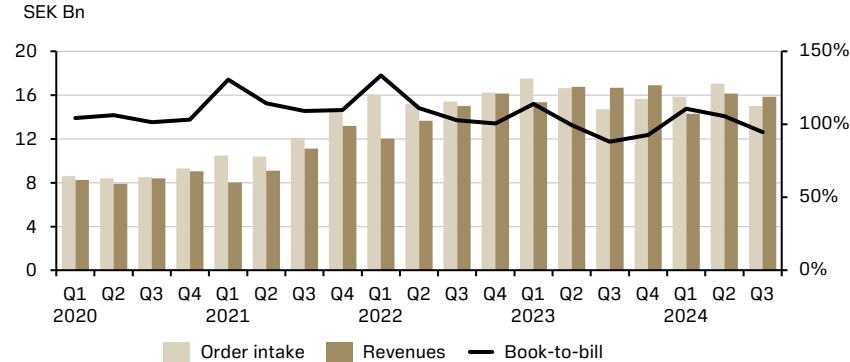
- Adjusted EBITA margin at 20.6% (21.3), mainly impacted by lower equipment volumes. Cost inflation was off-set by pricing in the quarter, but was dilutive year on year
- Savings from restructuring programs had a year on year bridge effect of SEK 81 million
- Exchange rates had an accretive impact of 80 basis points

Shift to growth

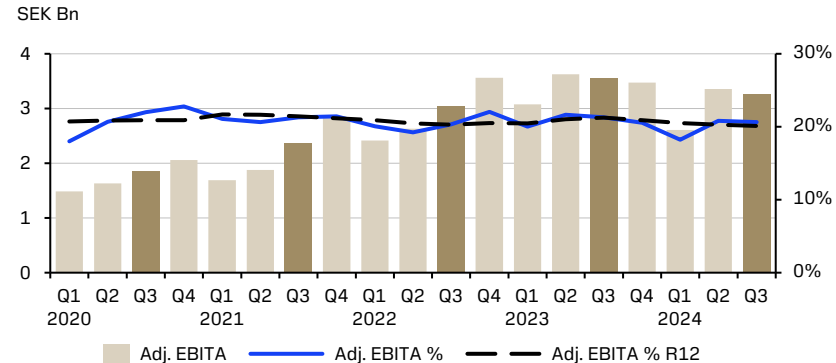
- Acquisition of Universal Field Robots
- New trolley solution for BEV trucks introduced
- Upgraded LFP (lithium iron phosphate) battery technology for underground drills

Order intake and revenues

52% share of revenues 2023



Adjusted EBITA development





Rock Processing Solutions

Order intake

- Stable demand in mining while weak macro environment continued to weigh on infrastructure
- Total order intake declined by 3%. At fixed exchange rate, orders grew by 1%, of which organic 1%
- Received two major orders, totaling SEK 318 million. Excluding major orders, organic order intake declined by 6%

Adjusted EBITA

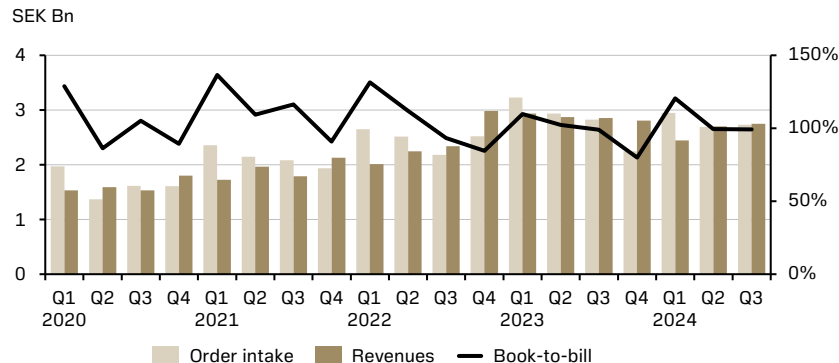
- Adjusted EBITA margin at 15.2% (14.1). Lower volumes off-set by contingency measures and structural savings
- Savings from restructuring programs had a year on year bridge effect of SEK 53 million
- Exchange rates had an accretive impact on the margin of 10 basis points

Shift to growth

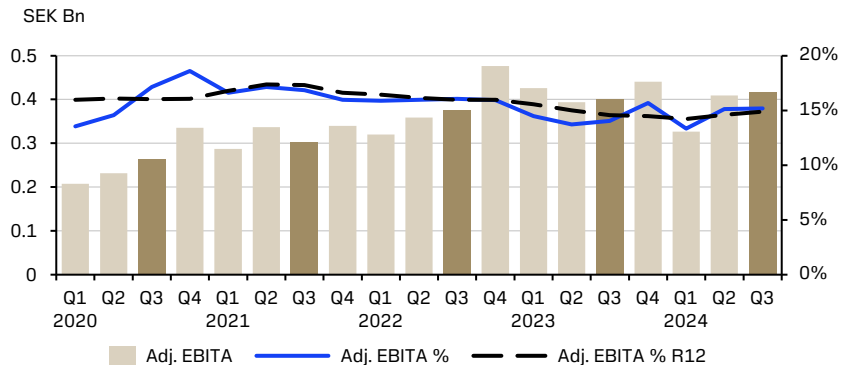
- A new real-time condition monitoring system was introduced with benefits such as reduction of down-time and repairs

Order intake and revenues

9% share of revenues 2023



Adjusted EBITA development





Manufacturing and Machining Solutions

Order intake

- Solid momentum in the software business while cutting tools declined by mid-single digits. Strong development in powder solutions
- Broad-based muted demand in automotive and general engineering
- Total order intake decreased by 3%. At fixed exchange rates, orders grew by 1%, of which organic was -4%
- Daily order intake in the first two weeks of October was stable compared to the third quarter, taking normal seasonality into account

Adjusted EBITA

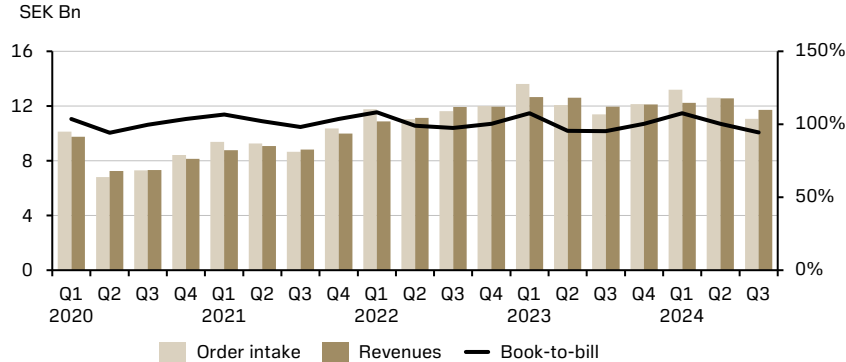
- Adjusted EBITA margin at 19.8% (20.9). Volumes impacted the margin negatively year on year. Cost inflation was off-set by pricing
- Savings from the restructuring programs had a year on year bridge effect of SEK 175 million
- Exchange rates had a dilutive impact of 10 basis points

Shift to growth

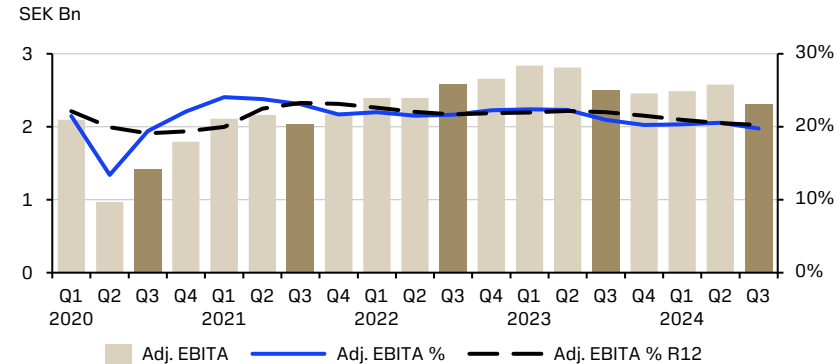
- New integrated offering between Metrologic and Dimensional Control Systems, and new Vericut (former CGTech) solutions
- Successful participation at IMTS trade show

Order intake and revenues

39% share of revenues 2023



Adjusted EBITA development





Cecilia Felton

CFO



Financial summary

MSEK	Q3 2023	Q3 2024
Order intake	28,927	28,796
Revenues	31,476	30,306
Adjusted EBITA	6,312	5,866
Adjusted EBITA margin	20.1%	19.4%
Net financial items	-760	-526
Tax rate excluding IAC	21.9%	24.1%
NWC ¹	28.5%	30.2%
Free operating cash flow	5,830	6,762
ROCE ¹	16.0%	13.5%
Adjusted EPS, diluted	3.14	2.94

Growth	OI	Rev
Organic	2%	-1%
Structure	2%	1%
Organic + structure	4%	1%
Currency	-5%	-4%
Total	0%	-4%

¹ R12 revenues and R12 month average NWC / ROCE



Bridge analysis

MSEK	Q3 2023	Organic	Currency	Structure	Q3 2024
Revenues	31,476	-210	-1,376	416	30,306
Adjusted EBITA	6,312	-336	-173	63	5,866
Adjusted EBITA margin	20.1%	-160%			19.4%
Accretion/dilution		-0.9%	0.3%	-0.1%	



Good progress on the restructuring programs

	SMM	SMR	SRP	Group activities	Total	Annualized run-rate
2022 Program						
Savings in Q3	118	20	34	–	173	88%
Total estimated run-rate savings	540	100	140	5	785	
2024 Program						
Savings in Q3	113	71	31	–	215	69%
Total estimated run-rate savings	710	385	135	10	1,240	



Net financials

MSEK	Q3 2023	Q3 2024
Interest net	-374	-390
Pension	-25	-26
Bank charges	-16	-22
Other financial income and cost	12	-8
Leases IFRS16	-59	-66
Fx and other asset classes	-300	-13
Total	-760	-526
Total yield cost, R12	4.5%	5.2%



Tax rate

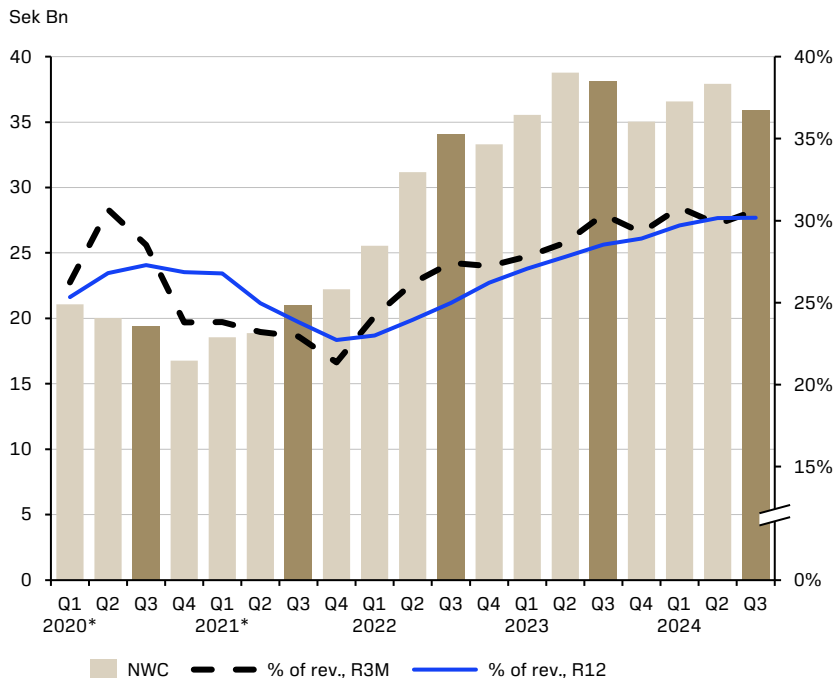
MSEK	Q3 2023	Q3 2024
Reported	22.1%	26.4%
Excluding IAC	21.9%	24.1%
Normalized	23.9%	24.1%

- Reported tax impacted by accounting effects of exiting non-strategic businesses
- Normalized tax: In line with guidance for 2024 – 23-25%

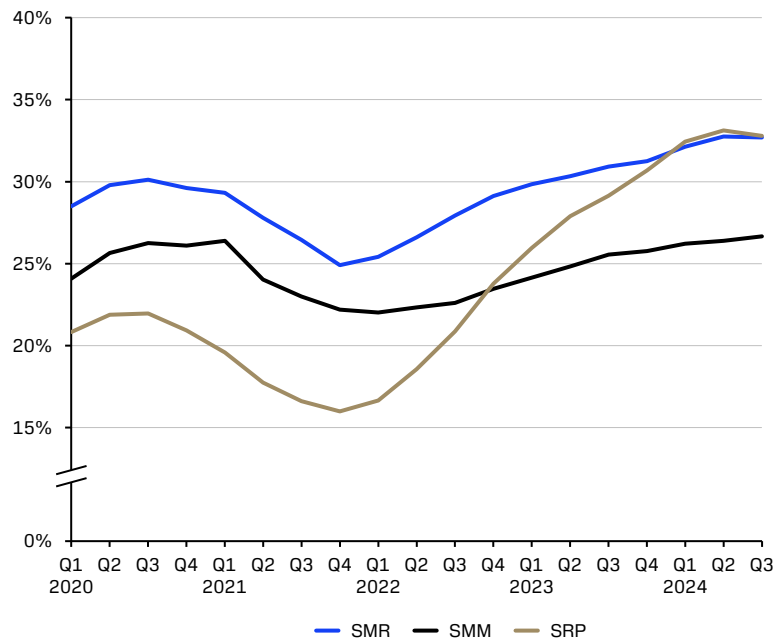


Net working capital

Net working capital



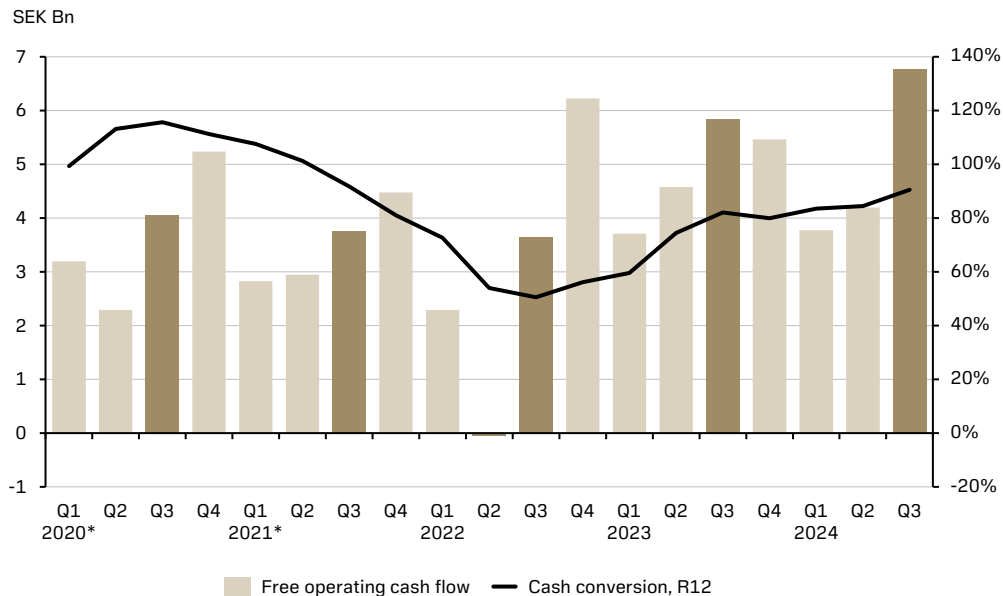
Per BA, % of revenues



* Best estimates excluding Alleima



Free operating cash flow



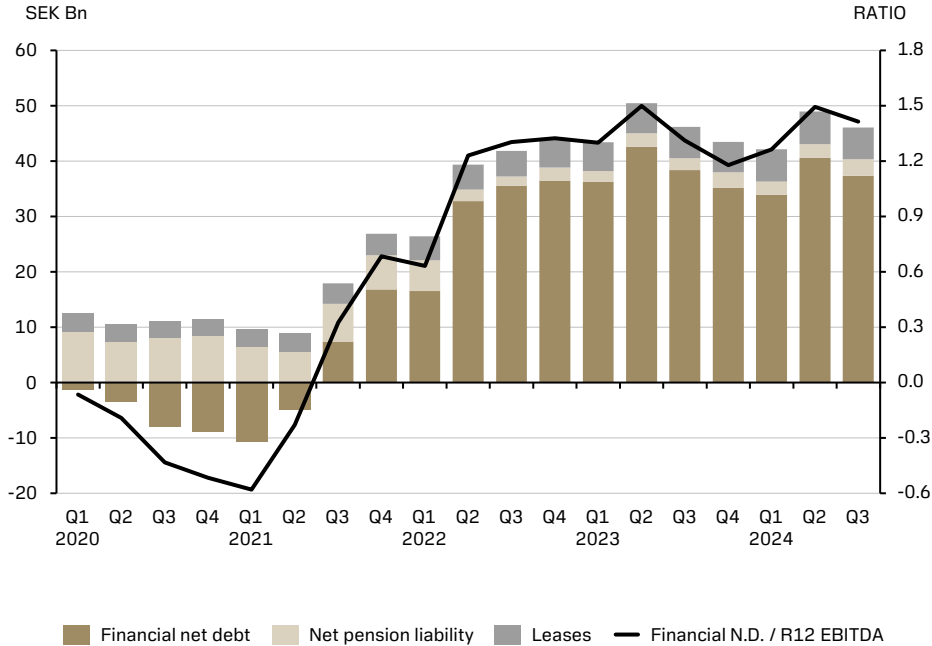
MSEK	Q3 2023	Q3 2024
EBITDA	7,631	6,856
Non-cash and other items**	-377	-669
EBITDA adj for non-cash and other items	7,255	6,186
Capex	-1,269	-1,179
NWC	-156	1,755
FOCF	5,830	6,762

* Best estimates excluding Alleima

**Includes rental fleet, lease payments and proceeds from asset sales



Net debt



Financial net debt/R12 EBITDA:

1.4

- Financial net debt SEK 37 billion
- Net debt SEK 46 billion



Outcome versus guidance

	Outcome Q3	Guidance Q3
Currency YoY effect (MSEK)	-173	-250

	Outcome Q1-Q3'24	Guidance FY24
Capex (BSEK)	3.5	5.0
Interest net (BSEK)	-1.2	-1.5
Normalized tax rate (%)	24.0%	23-25%



Guidance Q4 and FY 2024

Currency effect	Given currency rates at the end of September 2024 the effect on operating profit from transaction and translation would be SEK -250 M for Q4 2024
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CAPEX (Cash)	Estimated to approximately SEK 5.0 Bn for 2024
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Interest net	Underlying interest net is estimated to approximately SEK -1.5 Bn for 2024
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Tax rate	The normalized tax rate is estimated to 23% - 25% for 2024
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Conclusion

Solid performance in a challenging macro environment

- Stable orders and revenues
 - Good execution on cost reductions and a resilient margin
 - Strong cash conversion
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Execution on strategic priorities

- Solid momentum in our software businesses
 - Strengthened automation offering further with new acquisition
 - Continued portfolio optimization - expanded in the high growth Chinese market and decided to exit non-strategic businesses
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Remain focused on execution and resilience

- Uncertainty on the macroeconomic and geopolitical direction
- Cost efficiency and agility
- Ready to act swiftly to opportunities and challenges ahead



Q&A



Backup slides



Adjusted EBITA bridge, per BA

MSEK	Q3 2023	Organic	Currency	Structure	Q3 2024
Mining & Rock Solutions					
Revenues	16,674	15	-805	-46	15,838
Adjusted EBITA	3,548	-243	-46	10	3,269
Adjusted EBITA margin	21.3%				20.6%
Rock Processing Solutions					
Revenues	2,854	15	-118	-	2,750
Adjusted EBITA	401	29	-13	-	417
Adjusted EBITA margin	14.1%				15.2%
Manufacturing & Machining Solutions					
Revenues	11,948	-240	-452	462	11,718
Adjusted EBITA	2,499	-135	-103	53	2,314
Adjusted EBITA margin	20.9%				19.8%



Loan and duration profile

MSEK	Amount	Duration
Bonds MTN	23,599	4.0 years
Bank Loans	7,493	6.3 years
Commercial papers	5,128	0.1 years
Bonds MTN	4,013	0.5 years
Bank Loans	1,117	0.2 years
Total	41,349	3.5 years

Long term:

75%

Short term:

25%

Committed Credit facilities **SEK 11,100 million**

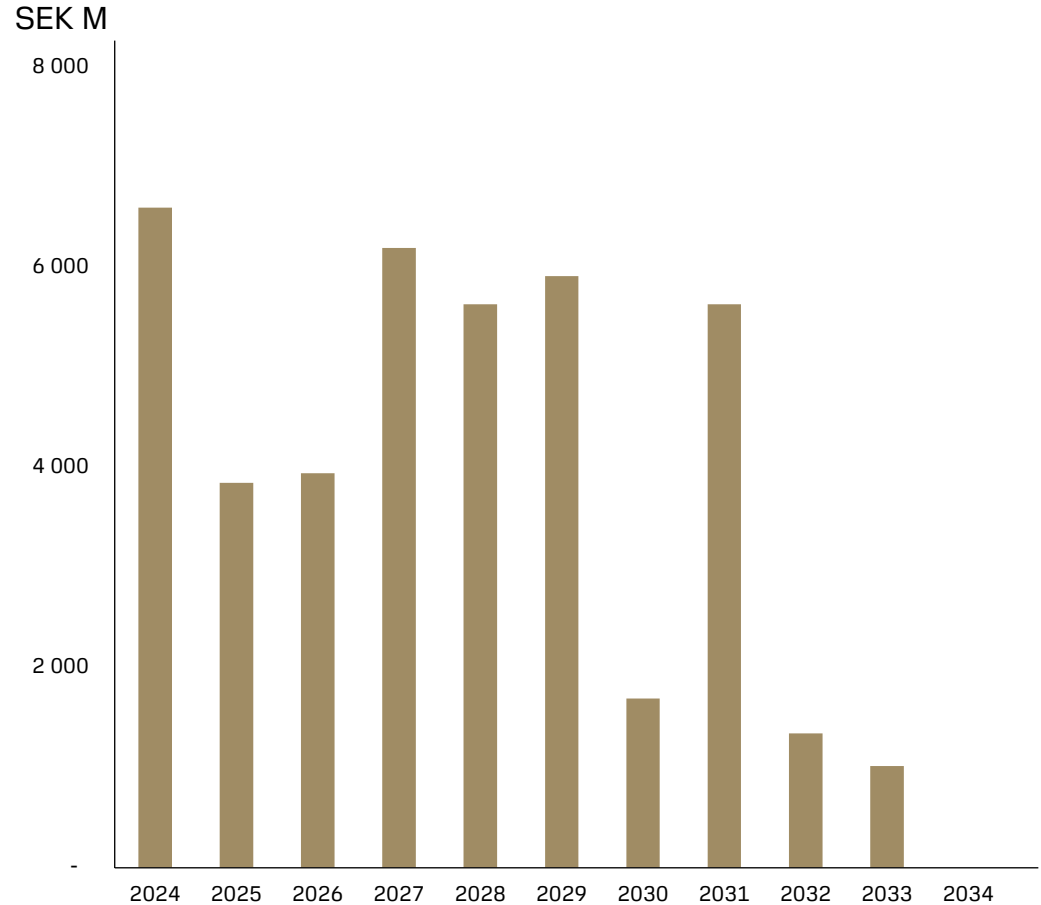


Loan maturity profile

Average interest rate:

~3.7%

(excluding swap costs)



Disclaimer statement

Some statements herein are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and the major customer credit losses.