

## Press release from Atlas Copco AB

July 16, 2021

### Atlas Copco Second-quarter report 2021

#### Record order intake and revenues

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

- Order intake increased 45% to record MSEK 32 529 (22 401), organic growth of 54%
- Revenues increased 14% to record MSEK 27 534 (24 102), organic growth of 21%
- Operating profit increased 52% to MSEK 5 924 (3 889), corresponding to a margin of 21.5% (16.1)
  - Adjusted operating profit, excluding items affecting comparability, was MSEK 6 026 (4 476), corresponding to a margin of 21.9% (18.6)
- Profit before tax amounted to MSEK 5 872 (3 826)
- Basic earnings per share were SEK 3.75 (2.58)
- Operating cash flow at MSEK 3 743 (3 483)
- Return on capital employed was 26% (26)

MSEK	April - June			January - June		
	2021	2020		2021	2020	
Orders received	32 529	22 401	45%	62 997	50 440	25%
Revenues	27 534	24 102	14%	53 555	49 200	9%
EBITA*	6 285	4 201	50%	12 027	9 631	25%
– as a percentage of revenues	22.8	17.4		22.5	19.6	
Operating profit	5 924	3 889	52%	11 311	9 013	25%
– as a percentage of revenues	21.5	16.1		21.1	18.3	
Profit before tax	5 872	3 826	53%	11 215	8 836	27%
– as a percentage of revenues	21.3	15.9		20.9	18.0	
Profit for the period	4 571	3 129	46%	8 688	6 969	25%
Basic earnings per share, SEK	3.75	2.58		7.14	5.73	
Diluted earnings per share, SEK	3.75	2.57		7.12	5.73	
Return on capital employed, %	26	26				

\* Operating profit excluding amortization of intangibles related to acquisitions.

#### Near-term demand outlook

*Atlas Copco expects that the customers' business activity level will remain at the high current level.*

*Previous near-term demand outlook (published April 27, 2021):*

*Although the world's economic development remains uncertain, Atlas Copco expects that the customers' business activity level will remain at the high 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 2021 increased by 25% to MSEK 62 997 (50 440), corresponding to an organic growth of 34%. Acquisitions contributed with 3% and currency had a negative effect of 12%. Revenues reached MSEK 53 555 (49 200), corresponding to a 17% organic increase.

Operating profit increased by 25% to MSEK 11 311 (9 013). The operating margin was 21.1% (18.3). Adjusted for items affecting comparability, the margin was 21.8%

(19.5). There was a negative impact of changes in exchange rates for the first half-year of MSEK 1 780.

Profit before tax was MSEK 11 215 (8 836), corresponding to a margin of 20.9% (18.0). Profit for the period totaled MSEK 8 688 (6 969). Basic and diluted earnings per share were SEK 7.14 (5.73) and 7.12 (5.73) respectively.

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 8 064 (7 308).

## Review of the second quarter

## Market development

The customers' activity level remained high and the demand for Atlas Copco's products and services improved considerably compared to the previous year, which was heavily impacted by the COVID-19 pandemic. The order intake increased significantly year on year but also grew compared to the previous quarter to a new record level.

Compared to the previous year, strong order growth was achieved for all business areas in all regions, for all types of equipment and service.

Sequentially, the order growth was primarily driven by increased order volumes for industrial compressors, industrial and scientific vacuum equipment, and the service businesses, while vacuum equipment to the semiconductor industry remained basically unchanged at a high level.

### Geographic distribution of orders received

	Atlas Copco Group	
April - June 2021	Orders Received, %	Change*, %
North America	25	+84
South America	3	+84
Europe	28	+46
Africa/Middle East	4	+36
Asia/Oceania	40	+50
Atlas Copco Group	100	+57

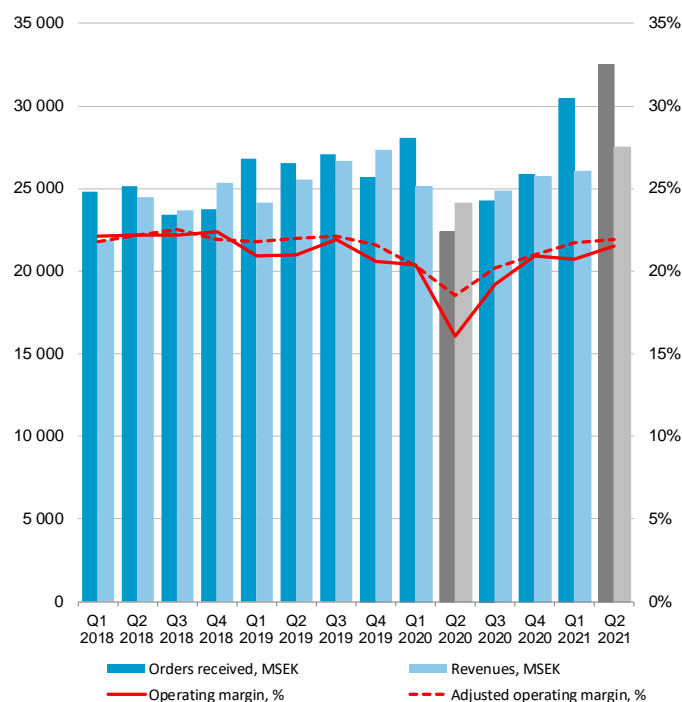
\*Change in orders received compared to the previous year in local currency.

## Sales bridge

	April - June	
	Orders	
MSEK	received	Revenues
2020	22 401	24 102
Structural change, %	+3	+3
Currency, %	-12	-10
Organic*, %	+54	+21
Total, %	+45	+14
2021	32 529	27 534

\*Volume, price and mix.

### Orders, revenues and operating profit margin



### Geographic distribution of orders received and revenues

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### Revenues, profits and returns

Revenues increased 14% to MSEK 27 534 (24 102), corresponding to an organic growth of 21%. Currency had a negative effect of 10%, and acquisitions added 3%.

The operating profit increased 52% to MSEK 5 924 (3 889) and includes a change in provision for share-related long-term incentive programs, reported in Common Group Items of MSEK -102 (-237). Previous year's items affecting comparability also included restructuring costs of MSEK -140 in the business areas Vacuum Technique and Power Technique, and MSEK -210 related to a provision for settlement of a pension dispute in Edwards Ltd (Vacuum Technique) dating back to before the acquisition of Edwards Ltd in 2014.

Adjusted operating profit increased 35% to MSEK 6 026 (4 476), corresponding to a margin of 21.9% (18.6). Higher revenue volume was the main explanation for the higher margin, while currency had a negative impact.

The net currency effect compared to the previous year was negative MSEK 715, mainly due to the weaker USD.

Net financial items were MSEK -52 (-63) whereof interest net at MSEK -64 (-71). Other financial items, mainly financial exchange differences, were MSEK +12 (+8). Profit before tax amounted to MSEK 5 872 (3 826), corresponding to a margin of 21.3% (15.9). Corporate income tax amounted to MSEK -1 301 (-697), corresponding to an effective tax rate of 22.2% (18.2). Previous year included one-time adjustments, mainly related to provisions for withholding taxes on dividends from subsidiaries that reduced the effective tax rate by approximately 5 percentage points.

Profit for the period was MSEK 4 571 (3 129). Basic and diluted earnings per share were SEK 3.75 (2.58) and SEK 3.75 (2.57), respectively.

The return on capital employed during the last 12 months was 26% (26). Return on equity was 29% (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 7 268 (5 780). Working capital increased by MSEK 345 (increase of 387). Net investments in rental equipment were MSEK -124 (-118) and net investments in property, plant and equipment were MSEK -396 (-303).

Operating cash flow (important internal KPI, but not an IFRS measurement, and hence defined on page 13) reached MSEK 3 743 (3 483).

### Net indebtedness

The Group's net indebtedness amounted to MSEK 13 076 (23 772), of which MSEK 2 564 (3 480) was attributable to post-employment benefits. The Group's interest-bearing liabilities have an average maturity of 4.6 years. The net debt/EBITDA ratio was 0.5 (0.9) and the net debt/equity ratio was 23% (44).

### Acquisition and divestment of own shares

During the quarter, 878 652 series A shares, net, were sold for a net value of MSEK 453. 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, 2021, the number of employees was 41 105 (39 909). The number of consultants/external workforce was 3 595 (2 761). For comparable units, the total workforce increased by 1 417 from June 30, 2020.

### Revenues and operating profit – bridge

MSEK	Q2 2021	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based LTI* programs	Q2 2020
<b>Atlas Copco Group</b>							
Revenues	27 534	4 992	-2 280	720	-	-	24 102
Operating profit	5 924	2 210	-715	55	350	135	3 889
	21.5%						16.1%

\*LTI= Long term incentive

## Compressor Technique

MSEK	April-June			January - June		
	2021	2020		2021	2020	
Orders received	14 272	11 134	28%	27 304	23 934	14%
Revenues	12 212	11 405	7%	23 734	22 993	3%
EBITA*	2 994	2 526	19%	5 798	5 119	13%
– as a percentage of revenues	24.5	22.1		24.4	22.3	
Operating profit	2 916	2 444	19%	5 646	4 964	14%
– as a percentage of revenues	23.9	21.4		23.8	21.6	
Return on capital employed, %	91	76				

\* Operating profit excluding amortization of intangibles related to acquisitions.

- **Record order intake**
- **Strong order growth for all types of equipment and service**
- **Operating profit margin at 23.9%**

## Sales bridge

MSEK	April-June	
	Orders received	Revenues
2020	11 134	11 405
Structural change, %	+1	+1
Currency, %	-10	-8
Organic*, %	+37	+14
Total, %	+28	+7
2021	14 272	12 212

\*Volume, price and mix.

## Industrial compressors

The demand for industrial compressors was strong, and the order intake for all compressor sizes increased significantly compared to the previous year. The strong order growth was supported by the generally improved business climate and increased market penetration. Sequentially, the order volumes also increased markedly for both smaller and larger compressors.

All compressor sizes generated strong order growth in all regions compared to the previous year.

## Gas and process compressors

Order volumes for gas and process compressors increased significantly compared to the previous year, primarily in North America and Asia, but remained flat sequentially.

## Compressor service

The order intake for service increased considerably compared to the previous year and also grew compared to the previous quarter.

Geographically, and compared to the previous year, solid order growth was achieved in all regions.

## Innovation

A new oil-free screw blower, the ZS 5 VSD, was introduced. The new product is targeting applications such as wastewater treatment, food and beverage, pneumatic conveying, and pharma. Thanks to the new screw technology, the blower offers 20% more energy efficiency than previous generations. It is a compact plug-and-play solution enabling easy replacement of older equipment for customers.

## Acquisitions

The business area made four acquisitions in the quarter:

The operating assets of MidState Air Compressor, a US-based compressor distributor with 15 employees.

The operating assets of Medigas Service & Testing Co. Inc., a US-based supplier of medical gas systems with 6 employees and revenues of MSEK 23.

The operating assets of Compressed Air Systems, Inc. (CAS), a US-based compressor distributor, with 30 employees.

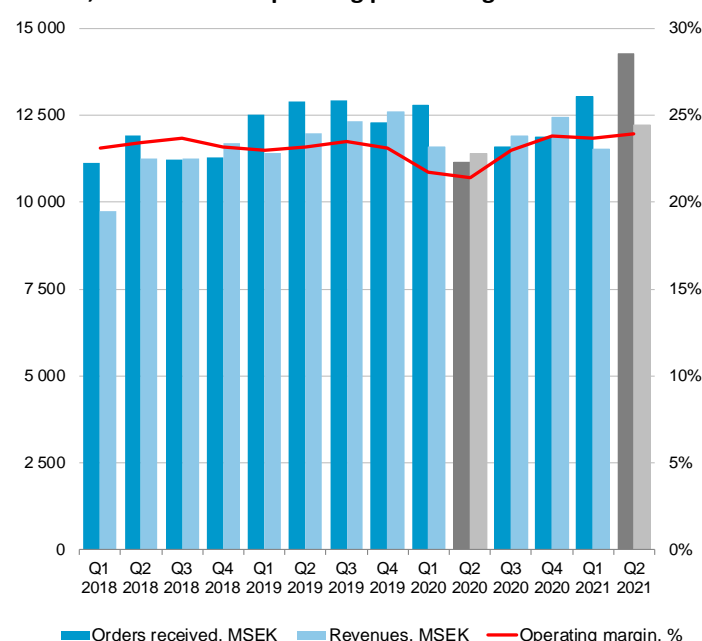
Airflow Compressors & Pneumatics Ltd (Airflow), a UK-based compressor distributor with 16 employees.

## Revenues and profitability

Revenues reached MSEK 12 212 (11 405), corresponding to an organic increase of 14%.

The operating profit increased 19% to MSEK 2 916 (2 444), corresponding to a margin of 23.9% (21.4). The higher margin was primarily due to higher revenue volume. Return on capital employed (last 12 months) increased to 91% (76).

## Orders, revenues and operating profit margin



## Vacuum Technique

MSEK	April-June			January - June		
	2021	2020		2021	2020	
Orders received	9 137	5 723	60%	17 936	12 839	40%
Revenues	7 220	6 535	10%	14 028	12 694	11%
EBITA*	1 912	1 413	35%	3 729	3 043	23%
– as a percentage of revenues	26.5	21.6		26.6	24.0	
Operating profit	1 789	1 278	40%	3 484	2 775	26%
– as a percentage of revenues	24.8	19.6		24.8	21.9	
Return on capital employed, %	23	20				

\* Operating profit excluding amortization of intangibles related to acquisitions.

- **Record order intake, revenues and operating profit**
- **Strong order growth for semiconductor and industrial vacuum equipment**
- **Continued growth for service**

## Sales bridge

MSEK	April-June	
	Orders received	Revenues
2020	5 723	6 535
Structural change, %	+1	+0
Currency, %	-17	-11
Organic*, %	+76	+21
Total, %	+60	+10
2021	9 137	7 220

\*Volume, price and mix.

## Semiconductor and flat panel display equipment

The order intake to the semiconductor and flat panel industry increased significantly compared to the previous year, primarily due to several key accounts that invested in new production capacity. Sequentially, the order volumes remained at about the same high level as in the first quarter.

Geographically, and compared to the previous year, all regions recorded strong order growth.

## Industrial and scientific vacuum equipment

Order volumes for industrial and scientific vacuum equipment increased considerably, both compared to the previous year and sequentially, supported by increased demand from most customer segments.

Year on year, the order intake increased in all geographical regions.

## Vacuum service

Service orders increased year on year and sequentially, both to industrial vacuum customers and to the semiconductor industry.

Compared to the previous year, the order intake increased in all major regions.

## Innovation

The business area introduced a new range of advanced vacuum gauges, the Leybold THERMOVAC, to strengthen its position in vacuum sensing technology. With reliable and robust measurement results, customers will benefit from optimized processes and the increased process throughputs, whatever the application.

## Acquisitions

The business area made two acquisitions in the quarter:

IBVC Vacuum, S.L.U, a Spanish vacuum distributor and service provider with 10 employees.

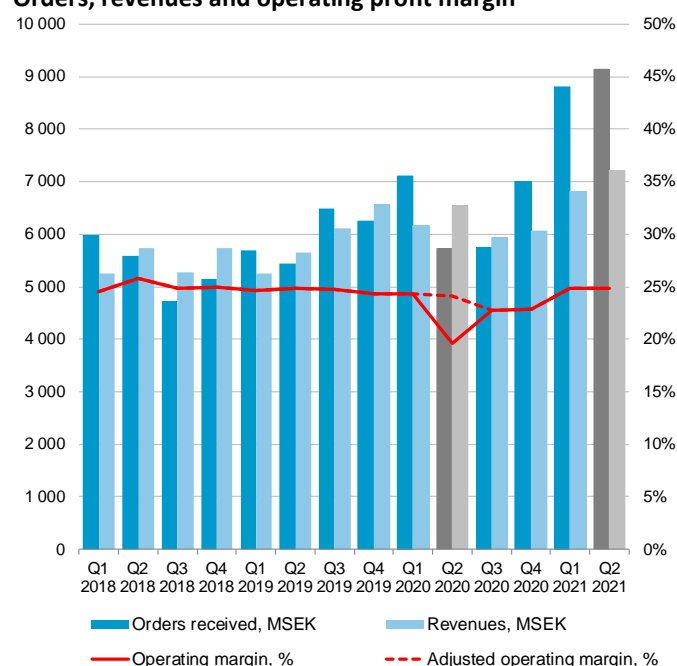
ARPUMA regel- und förder technische Geräte GmbH, a vacuum systems and solutions provider based in Germany with 14 employees and revenues of MSEK 41.

## Revenues and profitability

Revenues increased 10% to record MSEK 7 220 (6 535), corresponding to an organic increase of 21%.

The operating profit also reached a record of MSEK 1 789 (1 278). Previous year included restructuring costs of MSEK -90 and MSEK -210 related to a provision for settlement of a pension dispute in Edwards Ltd. The operating margin was 24.8% (19.6, adjusted 24.1). Increased revenue volume was the main explanation for the higher operating margin, while currency had a negative impact. Return on capital employed (last 12 months) was 23% (20).

## Orders, revenues and operating profit margin



## Industrial Technique

MSEK	April-June			January - June		
	2021	2020		2021	2020	
Orders received	5 395	3 246	66%	10 538	7 709	37%
Revenues	4 880	3 355	45%	9 593	7 548	27%
EBITA*	1 126	410	175%	2 186	1 289	70%
– as a percentage of revenues	23.1	12.2		22.8	17.1	
Operating profit	981	334	194%	1 898	1 133	68%
– as a percentage of revenues	20.1	10.0		19.8	15.0	
Return on capital employed, %	13	23				

\* Operating profit excluding amortization of intangibles related to acquisitions.

- Record order intake
- Strong equipment order growth to automotive and general industry
- Operating profit margin at 20.1%

## Sales bridge

MSEK	April-June	
	Orders received	Revenues
2020	3 246	3 355
Structural change, %	+17	+16
Currency, %	-12	-10
Organic*, %	+61	+39
Total, %	+66	+45
2021	5 395	4 880

\*Volume, price and mix.

## Automotive industry

Order volumes for industrial power tools and assembly solutions increased significantly compared to the previous year, primarily due to increased demand in North America. The order intake also increased compared to the previous quarter.

Solid order growth was achieved year on year for machine vision solutions, such as robot guidance and quality inspection.

Geographically, and compared to the previous year, order growth was achieved in all regions.

## General industry

The order intake for industrial power tools to the general industry increased considerably, supported by increased demand in most customer segments. Order volumes for machine vision solutions to the general industry also increased in the quarter.

The order intake increased in all major regions, and in North America and Europe in particular.

## Service

The service business achieved strong order growth compared to the previous year, while the order intake remained essentially unchanged sequentially.

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

## Innovation

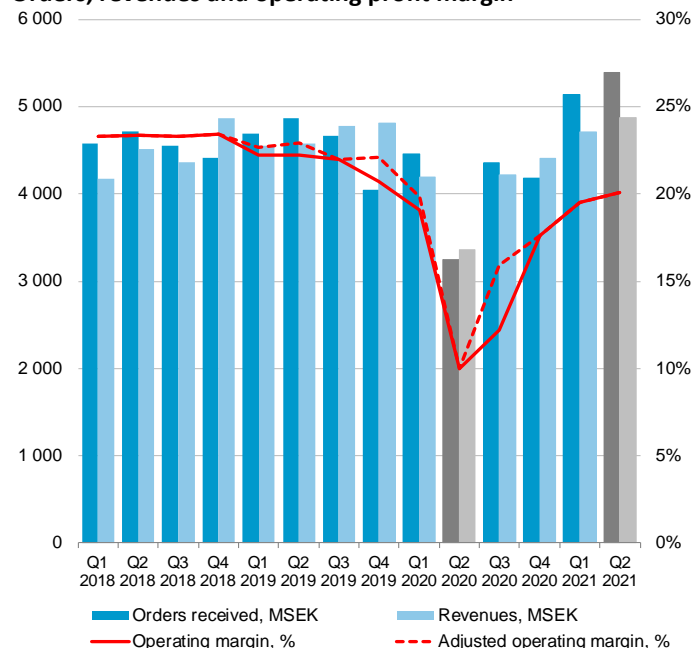
The next generation multi-stereo 3D scanner was launched, the ISRA X-GAGE3D. The all-in-one scanner can be used in various applications, including robotic guidance for automated industrial production and in-line metrology applications in vehicle manufacturing. The advanced 4-camera technology and lighting offer matchless measurement accuracy. The scanner has fast image processing thanks to powerful vision technology with direct internal data transfer.

## Revenues and profitability

Revenues increased 45% to MSEK 4 880 (3 355), corresponding to an organic increase of 39%.

The operating profit almost tripled to MSEK 981 (334), corresponding to a margin of 20.1% (10.0), mainly due to the increased revenue volume. Return on capital employed (last 12 months) was 13% (23), heavily affected by the recent acquisition of ISRA VISION.

## Orders, revenues and operating profit margin



## Power Technique

MSEK	April-June			January - June		
	2021	2020		2021	2020	
Orders received	3 902	2 400	63%	7 576	6 223	22%
Revenues	3 377	2 930	15%	6 498	6 255	4%
EBITA*	556	305	82%	1 046	798	31%
– as a percentage of revenues	16.5	10.4		16.1	12.8	
Operating profit	539	286	88%	1 015	759	34%
– as a percentage of revenues	16.0	9.8		15.6	12.1	
Return on capital employed, %	23	21				

\* Operating profit excluding amortization of intangibles related to acquisitions.

- **Strong order growth for all business types**
- **Acquisition of specialty steam rental company**
- **Operating profit margin at 16.0%**

## Sales bridge

MSEK	April-June	
	Orders received	Revenues
2020	2 400	2 930
Structural change, %	+1	+1
Currency, %	-13	-9
Organic*, %	+75	+23
Total, %	+63	+15
2021	3 902	3 377

\*Volume, price and mix.

## Equipment

Order volumes for equipment increased significantly compared to the previous year. The growth was supported by increased demand for portable compressors, generators and pumps, particularly in North America and Europe. Sequentially, orders also grew.

Year on year, strong order growth was achieved in all regions.

## Specialty rental

The demand for the specialty rental business increased, and the order intake increased considerably compared to the previous year and compared to the previous quarter.

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

## Service

The order intake for service increased significantly compared to the previous year, but growth was also achieved sequentially.

All regions contributed to the year-on-year growth.

## Innovation

A new energy storage system was introduced, the Zenergize range. The products can be used combined with generators or renewables to make hybrid power solutions as well as to create microgrids for several applications, hence reducing customers' CO<sub>2</sub> emissions while delivering optimal performance. The storage systems are compact and light compared to traditional alternatives, yet capable of providing over 12 hours of power with a single charge.

## Acquisitions

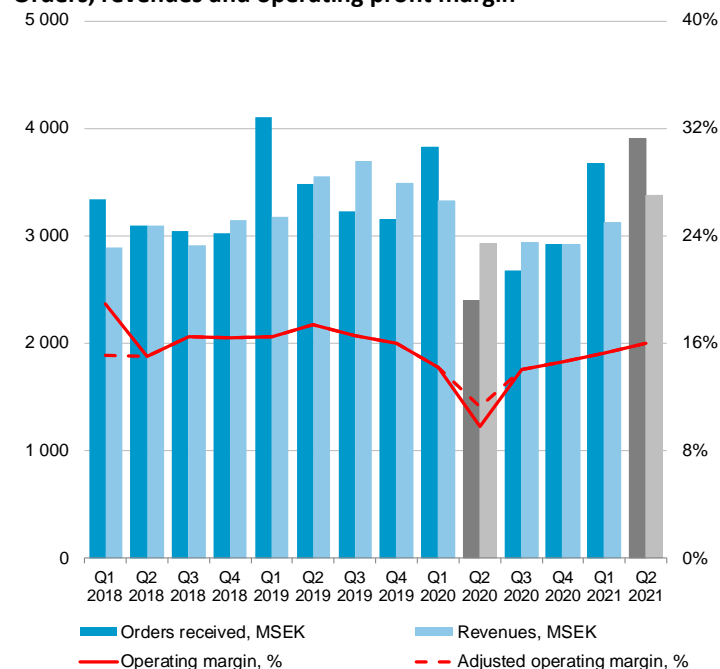
The business area acquired a majority share of Eco Steam and Heating Solutions, a specialty steam rental company based in the Netherlands with 23 employees and revenues of MSEK 198.

## Revenues and profitability

Revenues reached MSEK 3 377 (2 930), corresponding to an organic increase of 23%.

The operating profit increased 88% to MSEK 539 (286). Previous year included restructuring costs of MSEK -50. The operating margin was 16.0% (9.8, adjusted 11.5), supported by increased revenue volumes but negatively affected by currency. Return on capital employed (last 12 months) was 23% (21).

## 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 2020. 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 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.

For more information of Atlas Copco's risk management process and further descriptions of risks and how they are handled, see the Annual Report 2020.

### 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	Jun. 30	Jun. 30	Jun. 30
MSEK	2021	2020	2021	2020
Revenues	27 534	24 102	53 555	49 200
Cost of sales	-15 907	-14 547	-31 092	-28 942
<b>Gross profit</b>	<b>11 627</b>	<b>9 555</b>	<b>22 463</b>	<b>20 258</b>
Marketing expenses	-3 002	-2 653	-5 855	-5 733
Administrative expenses	-1 708	-1 709	-3 574	-3 352
Research and development costs	-1 007	-927	-1 985	-1 907
Other operating income and expenses	14	-377	262	-253
<b>Operating profit</b>	<b>5 924</b>	<b>3 889</b>	<b>11 311</b>	<b>9 013</b>
- as a percentage of revenues	21.5	16.1	21.1	18.3
Net financial items	-52	-63	-96	-177
<b>Profit before tax</b>	<b>5 872</b>	<b>3 826</b>	<b>11 215</b>	<b>8 836</b>
- as a percentage of revenues	21.3	15.9	20.9	18.0
Income tax expense	-1 301	-697	-2 527	-1 867
<b>Profit for the period</b>	<b>4 571</b>	<b>3 129</b>	<b>8 688</b>	<b>6 969</b>
Profit attributable to				
- owners of the parent	4 569	3 129	8 684	6 965
- non-controlling interests	2	-	4	4
<b>Basic earnings per share, SEK</b>	<b>3.75</b>	<b>2.58</b>	<b>7.14</b>	<b>5.73</b>
Diluted earnings per share, SEK	3.75	2.57	7.12	5.73
Basic weighted average number of shares outstanding, millions	1 217.3	1 214.7	1 216.9	1 215.1
Diluted weighted average number of shares outstanding, millions	1 219.9	1 215.7	1 219.4	1 215.9

**Key ratios**

Equity per share, period end, SEK	46	45
Return on capital employed, 12 month values, %	26	26
Return on equity, 12 month values, %	29	30
Debt/equity ratio, period end, %	23	44
Equity/assets ratio, period end, %	45	47
Number of employees, period end	41 105	39 909

**Consolidated statement of comprehensive income**

MSEK	3 months ended		6 months ended	
	Jun. 30	Jun. 30	Jun. 30	Jun. 30
	2021	2020	2021	2020
<b>Profit for the period</b>	<b>4 571</b>	<b>3 129</b>	<b>8 688</b>	<b>6 969</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit pension plans	315	-518	1 047	307
Income tax relating to items that will not be reclassified	-82	111	-252	-84
	<b>233</b>	<b>-407</b>	<b>795</b>	<b>223</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences on foreign operations	-981	-3 930	1 958	-1 014
Hedge of net investments in foreign operations	156	984	-176	-101
Cash flow hedges	-26	-	-54	-82
Income tax relating to items that may be reclassified	-44	-278	58	47
	<b>-895</b>	<b>-3 224</b>	<b>1 786</b>	<b>-1 150</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-662</b>	<b>-3 631</b>	<b>2 581</b>	<b>-927</b>
<b>Total comprehensive income for the period</b>	<b>3 909</b>	<b>-502</b>	<b>11 269</b>	<b>6 042</b>
Total comprehensive income attributable to				
- owners of the parent	3 910	-499	11 262	6 040
- non-controlling interests	-1	-3	7	2

**Consolidated balance sheet (condensed)**

MSEK	Jun. 30, 2021	Jun. 30, 2020	Dec. 31, 2020
Intangible assets	47 528	49 606	45 840
Rental equipment	2 438	2 678	2 255
Other property, plant and equipment	11 432	11 732	11 136
Financial assets and other receivables	1 668	1 839	1 706
Deferred tax assets	1 536	1 560	1 484
<b>Total non-current assets</b>	<b>64 602</b>	<b>67 415</b>	<b>62 421</b>
Inventories	15 242	16 036	13 450
Trade and other receivables	29 682	28 049	25 777
Other financial assets	624	167	58
Cash and cash equivalents	13 720	5 277	11 655
Assets classified as held for sale	5	6	5
<b>Total current assets</b>	<b>59 273</b>	<b>49 535</b>	<b>50 945</b>
<b>TOTAL ASSETS</b>	<b>123 875</b>	<b>116 950</b>	<b>113 366</b>
Equity attributable to owners of the parent	55 713	54 150	53 215
Non-controlling interests	17	332	319
<b>TOTAL EQUITY</b>	<b>55 730</b>	<b>54 482</b>	<b>53 534</b>
Borrowings	21 904	22 604	21 669
Post-employment benefits	2 564	3 480	3 488
Other liabilities and provisions	1 879	1 500	1 473
Deferred tax liabilities	1 987	1 856	1 736
<b>Total non-current liabilities</b>	<b>28 334</b>	<b>29 440</b>	<b>28 366</b>
Borrowings	2 952	3 132	2 977
Trade payables and other liabilities	35 015	28 089	26 556
Provisions	1 844	1 807	1 933
<b>Total current liabilities</b>	<b>39 811</b>	<b>33 028</b>	<b>31 466</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>123 875</b>	<b>116 950</b>	<b>113 366</b>

**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 2020, 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 2020.

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

**Financial instruments recorded at fair value**

MSEK	Jun. 30, 2021	Dec. 31, 2020
<i>Current assets and liabilities</i>		
Assets	662	950
Liabilities	8	69

**Carrying value and fair value of borrowings**

MSEK	Jun. 30, 2021	Jun. 30, 2021	Dec. 31, 2020	Dec. 31, 2020
	Carrying value	Fair value	Carrying value	Fair value
Bonds	13 148	13 525	13 017	13 577
Other loans	8 354	8 454	8 260	8 406
Lease liability	3 354	3 354	3 369	3 369
	24 856	25 333	24 646	25 352

**Consolidated statement of changes in equity (condensed)**

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
<b>Opening balance, January 1, 2021</b>	<b>53 215</b>	<b>319</b>	<b>53 534</b>
<b>Changes in equity for the period</b>			
Total comprehensive income for the period	11 262	7	11 269
Dividend	-8 883	-	-8 883
Change of non-controlling interests	-500	-309	-809
Acquisition and divestment of own shares	776	-	776
Share-based payments, equity settled	-157	-	-157
<b>Closing balance, June 30, 2021</b>	<b>55 713</b>	<b>17</b>	<b>55 730</b>

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
<b>Opening balance, January 1, 2020</b>	<b>53 231</b>	<b>59</b>	<b>53 290</b>
<b>Changes in equity for the period</b>			
Total comprehensive income for the period	6 040	2	6 042
Dividend	-4 250	-	-4 250
Change of non-controlling interests	-153	271	118
Acquisition and divestment of own shares	-677	-	-677
Share-based payments, equity settled	-41	-	-41
<b>Closing balance, June 30, 2020</b>	<b>54 150</b>	<b>332</b>	<b>54 482</b>

**Consolidated statement of cash flows (condensed)**

MSEK	April - June		January - June	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Operating profit	5 924	3 889	11 311	9 013
Depreciation, amortization and impairment (see below)	1 338	1 286	2 616	2 577
Capital gain/loss and other non-cash items	6	605	114	610
<b>Operating cash surplus</b>	<b>7 268</b>	<b>5 780</b>	<b>14 041</b>	<b>12 200</b>
Net financial items received/paid	-5	-194	133	-242
Taxes paid	-2 266	-1 101	-3 332	-2 176
Pension funding and payment of pension to employees	-71	-77	-146	-158
Change in working capital	-345	-387	-845	-723
Investments in rental equipment	-128	-136	-233	-314
Sale of rental equipment	4	18	25	46
<b>Net cash from operating activities</b>	<b>4 457</b>	<b>3 903</b>	<b>9 643</b>	<b>8 633</b>
<b>Cash flows from investing activities</b>				
Investments in property, plant and equipment	-405	-317	-776	-733
Sale of property, plant and equipment	9	14	40	19
Investments in intangible assets	-366	-299	-694	-604
Acquisition of subsidiaries and associated companies	-594	-8 714 *	-718	-12 798 *
Other investments, net	-6	4	-543	28
<b>Net cash from investing activities</b>	<b>-1 362</b>	<b>-9 312</b>	<b>-2 691</b>	<b>-14 088</b>
<b>Cash flows from financing activities</b>				
Annual dividends paid	-4 442	-4 250	-4 442	-4 250
Acquisition of non-controlling interest	-797	-182	-797	-182
Repurchase and sales of own shares	453	347	776	-677
Change in interest-bearing liabilities, net	850	2 496	-641	855
<b>Net cash from financing activities</b>	<b>-3 936</b>	<b>-1 589</b>	<b>-5 104</b>	<b>-4 254</b>
<b>Net cash flow for the period</b>	<b>-841</b>	<b>-6 998</b>	<b>1 848</b>	<b>-9 709</b>
Cash and cash equivalents, beginning of the period	14 746	12 837	11 655	15 005
Exchange differences in cash and cash equivalents	-185	-562	217	-19
<b>Cash and cash equivalents, end of the period</b>	<b>13 720</b>	<b>5 277</b>	<b>13 720</b>	<b>5 277</b>

\*Includes approximately MSEK 1 600 in Q1 and approximately MSEK 8 700 in Q2 related to the acquisition of ISRA VISION.

**Depreciation, amortization and impairment**

	2021	2020	2021	2020
<i>Rental equipment</i>	176	188	344	386
<i>Other property, plant and equipment</i>	349	330	670	667
<i>Right-of-use assets</i>	281	295	558	594
<i>Intangible assets</i>	532	473	1 044	930
<b>Total</b>	<b>1 338</b>	<b>1 286</b>	<b>2 616</b>	<b>2 577</b>

**Calculation of operating cash flow**

MSEK	April - June		January - June	
	2021	2020	2021	2020
<b>Net cash flow for the period</b>	<b>-841</b>	<b>-6 998</b>	<b>1 848</b>	<b>-9 709</b>
Add back:				
Change in interest-bearing liabilities, net	-850	-2 496	641	-855
Repurchase and sales of own shares	-453	-347	-776	677
Annual dividends paid	4 442	4 250	4 442	4 250
Acquisition of non-controlling interest	797	182	797	182
Acquisitions and divestments	594	8 714	718	12 798
Investments of cash liquidity	-	-	547	-
Currency hedges	54	178	-153	-35
<b>Operating cash flow</b>	<b>3 743</b>	<b>3 483</b>	<b>8 064</b>	<b>7 308</b>

## Revenues by business area

MSEK (by quarter)	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Compressor Technique	11 397	11 974	12 314	12 601	11 588	11 405	11 890	12 446	11 522	12 212
- of which external	11 241	11 832	12 146	12 502	11 470	11 322	11 806	12 381	11 423	12 099
- of which internal	156	142	168	99	118	83	84	65	99	113
Vacuum Technique	5 253	5 650	6 107	6 560	6 159	6 535	5 928	6 063	6 808	7 220
- of which external	5 253	5 650	6 107	6 560	6 154	6 535	5 925	6 059	6 804	7 214
- of which internal	0	0	0	0	5	0	3	4	4	6
Industrial Technique	4 547	4 576	4 783	4 806	4 193	3 355	4 221	4 407	4 713	4 880
- of which external	4 538	4 567	4 774	4 799	4 180	3 347	4 215	4 399	4 705	4 873
- of which internal	9	9	9	7	13	8	6	8	8	7
Power Technique	3 177	3 555	3 697	3 486	3 325	2 930	2 932	2 919	3 121	3 377
- of which external	3 149	3 531	3 649	3 458	3 294	2 898	2 903	2 899	3 089	3 348
- of which internal	28	24	48	28	31	32	29	20	32	29
Common Group Items / Eliminations	-193	-175	-225	-134	-167	-123	-122	-97	-143	-155
<b>Atlas Copco Group</b>	<b>24 181</b>	<b>25 580</b>	<b>26 676</b>	<b>27 319</b>	<b>25 098</b>	<b>24 102</b>	<b>24 849</b>	<b>25 738</b>	<b>26 021</b>	<b>27 534</b>

## Operating profit by business area

MSEK (by quarter)	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Compressor Technique	2 618	2 773	2 897	2 910	2 520	2 444	2 729	2 965	2 730	2 916
- as a percentage of revenues	23.0	23.2	23.5	23.1	21.7	21.4	23.0	23.8	23.7	23.9
Vacuum Technique	1 292	1 401	1 508	1 591	1 497	1 278	1 354	1 390	1 695	1 789
- as a percentage of revenues	24.6	24.8	24.7	24.3	24.3	19.6	22.8	22.9	24.9	24.8
Industrial Technique	1 008	1 016	1 051	994	799	334	513	776	917	981
- as a percentage of revenues	22.2	22.2	22.0	20.7	19.1	10.0	12.2	17.6	19.5	20.1
Power Technique	524	619	606	559	473	286	410	425	476	539
- as a percentage of revenues	16.5	17.4	16.4	16.0	14.2	9.8	14.0	14.6	15.3	16.0
Common Group Items / Eliminations	-394	-430	-219	-427	-165	-453	-246	-183	-431	-301
<b>Operating profit</b>	<b>5 048</b>	<b>5 379</b>	<b>5 843</b>	<b>5 627</b>	<b>5 124</b>	<b>3 889</b>	<b>4 760</b>	<b>5 373</b>	<b>5 387</b>	<b>5 924</b>
- as a percentage of revenues	20.9	21.0	21.9	20.6	20.4	16.1	19.2	20.9	20.7	21.5
Net financial items	-141	-64	-65	-55	-114	-63	-64	-80	-44	-52
<b>Profit before tax</b>	<b>4 907</b>	<b>5 315</b>	<b>5 778</b>	<b>5 572</b>	<b>5 010</b>	<b>3 826</b>	<b>4 696</b>	<b>5 293</b>	<b>5 343</b>	<b>5 872</b>
- as a percentage of revenues	20.3	20.8	21.7	20.4	20.0	15.9	18.9	20.6	20.5	21.3

## Return on capital employed by business area

%(by quarter)	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Compressor Technique	105	100	93	87	80	76	75	79	84	91
Vacuum Technique	26	25	23	22	22	20	19	19	20	23
Industrial Technique	39	37	36	35	31	23	16	13	12	13
Power Technique	30	30	29	28	25	21	19	18	19	23
<b>Atlas Copco Group</b>	<b>33</b>	<b>33</b>	<b>32</b>	<b>30</b>	<b>29</b>	<b>26</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>26</b>

**Acquisitions and divestments**

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
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 förder technische 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
2020 Dec. 31	Purification Solutions LLC		Compressor Technique	242	60
2020 Dec. 21	Perceptron		Industrial Technique	516	300
2020 Sep. 2	MEDGAS-Technik GmbH		Compressor Technique	126	80
2020 Aug. 4	iTrap (the technology and operating assets)		Vacuum Technique		4
2020 Aug. 4	THN Druckluft and Produktions GmbH & Co.KG		Compressor Technique		15
2020 Jun. 24	ISRA VISION AG		Industrial Technique	1 619	800
2020 Jun. 5	Ovity Air Comprimé		Compressor Technique		8
2020 Feb. 28	Dekker Vacuum Technologies Inc		Vacuum Technique	217	70
2020 Feb. 27	Dr. Gustav Gail Drucklufttechnik GmbH		Compressor Technique		10
2020 Jan. 22	M.C. Schroeder Equipment Co., Inc.		Vacuum Technique		8
2020 Jan. 16	Hydra Flow West		Compressor Technique		7
2020 Jan. 3	Scheugenpflug AG		Industrial Technique	850	600

\*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 2021, full disclosure as per IFRS 3 is not given in this interim report. Disclosure will be given in the annual report 2021. See the annual report for 2020 for disclosure of acquisitions made in 2020.

**Parent company****Income statement (condensed)**

	April - June		January - June	
MSEK	2021	2020	2021	2020
Administrative expenses	-187	-251	-391	-356
Other operating income and expenses	30	5	56	29
<b>Operating profit/loss</b>	<b>-157</b>	<b>-246</b>	<b>-335</b>	<b>-327</b>
Financial income and expenses	1 548	1 412	1 520	1 362
<b>Profit/loss before tax</b>	<b>1 391</b>	<b>1 166</b>	<b>1 185</b>	<b>1 035</b>
Income tax	49	16	98	73
<b>Profit/loss for the period</b>	<b>1 440</b>	<b>1 182</b>	<b>1 283</b>	<b>1 108</b>

**Balance sheet (condensed)**

	Jun. 30	Jun. 30	Dec. 31
MSEK	2021	2020	2020
Total non-current assets	162 231	159 049	161 665
Total current assets	11 803	13 110	16 926
<b>TOTAL ASSETS</b>	<b>174 034</b>	<b>172 159</b>	<b>178 591</b>
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	139 523	140 355	146 504
<b>TOTAL EQUITY</b>	<b>145 308</b>	<b>146 140</b>	<b>152 289</b>
Total provisions	877	689	666
Total non-current liabilities	23 118	23 097	23 007
Total current liabilities	4 731	2 233	2 629
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>174 034</b>	<b>172 159</b>	<b>178 591</b>

**Assets pledged and contingent liabilities**

	Jun. 30	Jun. 30	Dec. 31
MSEK	2021	2020	2020
Assets pledged	196	187	183
Contingent liabilities	3 268	11 848	3 290

**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	839 394 096
B shares	390 219 008
Total	1 229 613 104
- of which A shares held by Atlas Copco	11 883 856
- of which B shares held by Atlas Copco	0
Total shares outstanding, net of shares held by Atlas Copco	1 217 729 248

### Performance-based personnel option plan

The Annual General Meeting 2021 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](http://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 2 450 000 series A shares, whereof a maximum of 2 000 000 may be transferred to personnel stock option holders under the performance-based stock option plan 2021.
- 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 6 800 000 series A shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2016, 2017 and 2018.
- 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 2021, 1 536 595 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 2020.

### 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 2020.

### 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 2020, Atlas Copco had revenues of BSEK 100 (BEUR 10) and about 40 000 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. 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, 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

- Analysts and investors  
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- Media  
Sara Liljedal, Media Relations Manager  
Mobile: +46 72 144 10 38  
[media@atlascopco.com](mailto:media@atlascopco.com)

### Conference call

A presentation for investors, analysts and media will be held on July 16, 2021 at 14:30 CEST.

The dial-in numbers are:

- Sweden: +46 8 50 55 83 66
- United Kingdom: +44 33 33 00 90 30
- United States: +1 646 72 24 902

The conference call will be broadcasted live on the web.

Please see our website:

<http://www.atlas-copco.com/investor-relations>

for the webcast link and presentation material.

### Third-quarter report 2021

The Q3 2021 report will be published on October 21, 2021 around 12:00 CEST and the conference call will be at 14:00 CEST.

Silent period starts September 21, 2021.

### Fourth-quarter report 2021

The Q4 2021 report will be published on January 25, 2022.

Silent period starts December 26, 2021.

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*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 13:30 CEST on July, 16, 2021.*

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 16, 2021  
Atlas Copco AB

Hans Stråberg  
*Board member*  
*Chair*

Staffan Bohman  
*Board member*

Tina Donikowski  
*Board member*

Johan Forssell  
*Board member*

Anna Ohlsson-Leijon  
*Board member*

Mats Rahmström  
*Board member*  
*President and CEO*

Gordon Riske  
*Board member*

Peter Wallenberg Jr  
*Board member*

Mikael Bergstedt  
*Board member*  
*Union representative*

Benny Larsson  
*Board member*  
*Union representative*

#### **Auditors' Review Report**

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, 2021, 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.

Nacka, July 16, 2021  
Ernst & Young AB

Erik Sandström  
Authorized Public Accountant