

ATLAS COPCO COMPRESSOR TECHNIQUE

Capital Markets Day – Focus on Service
November 17, 2015

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AGENDA

1. Facts in Brief
2. Vacuum Solutions
- Status update
3. Innovation
4. Service
5. Summary

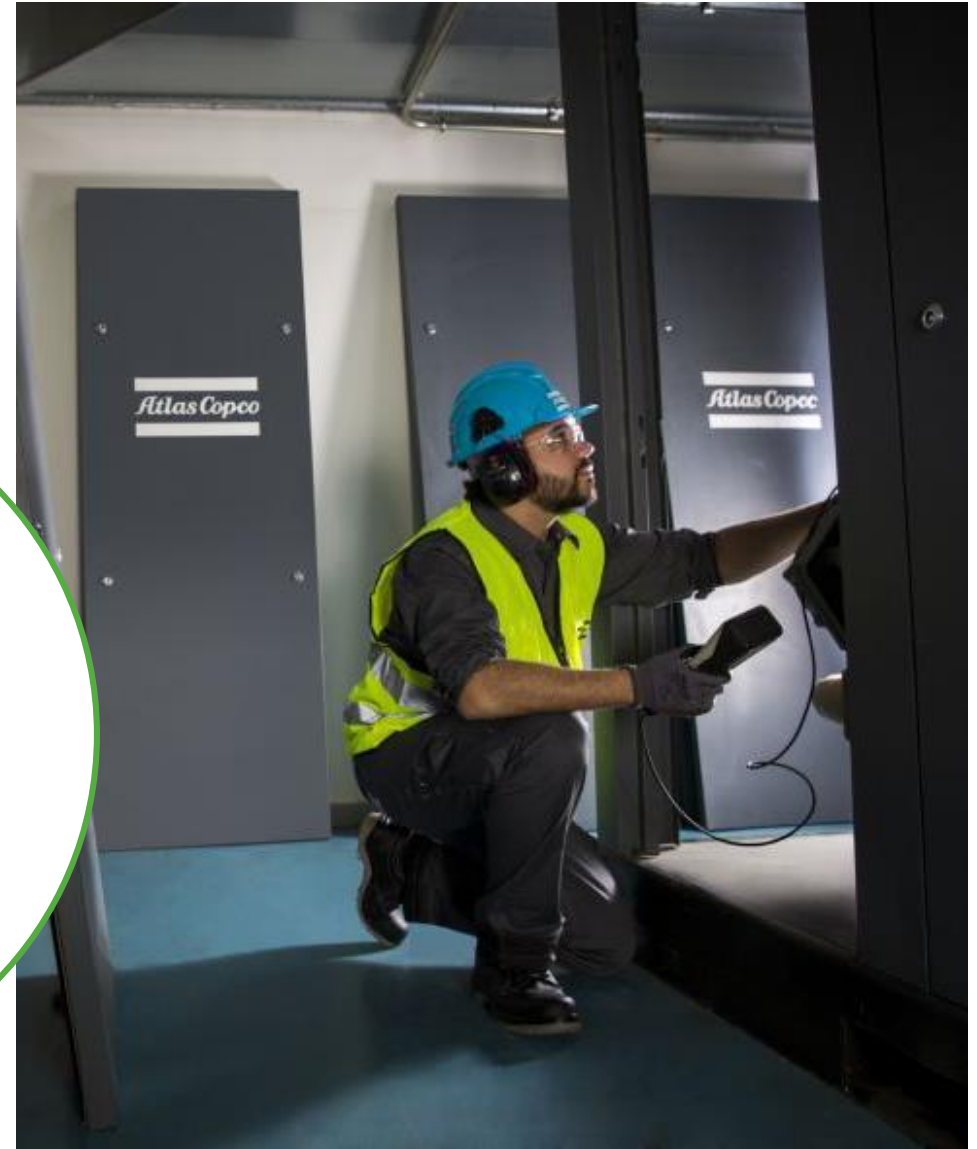


FACTS IN BRIEF

COMPRESSOR TECHNIQUE

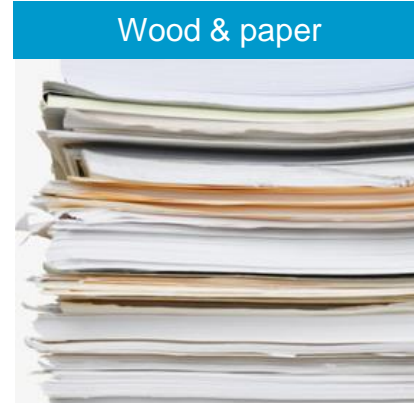
Global leader providing innovative compressed air, air and gas treatment and vacuum solutions for sustainable productivity

Profitable growth with asset light and agile organization

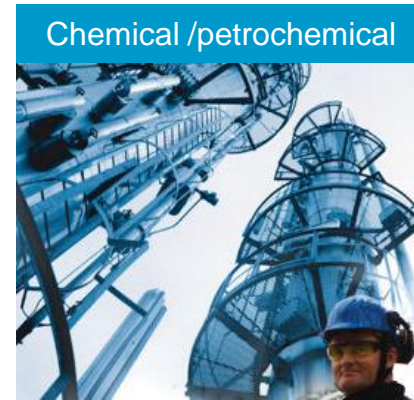


COMPRESSOR TECHNIQUE

Compressors & vacuum pumps



Medical gas solutions & air treatment



COMPRESSOR TECHNIQUE

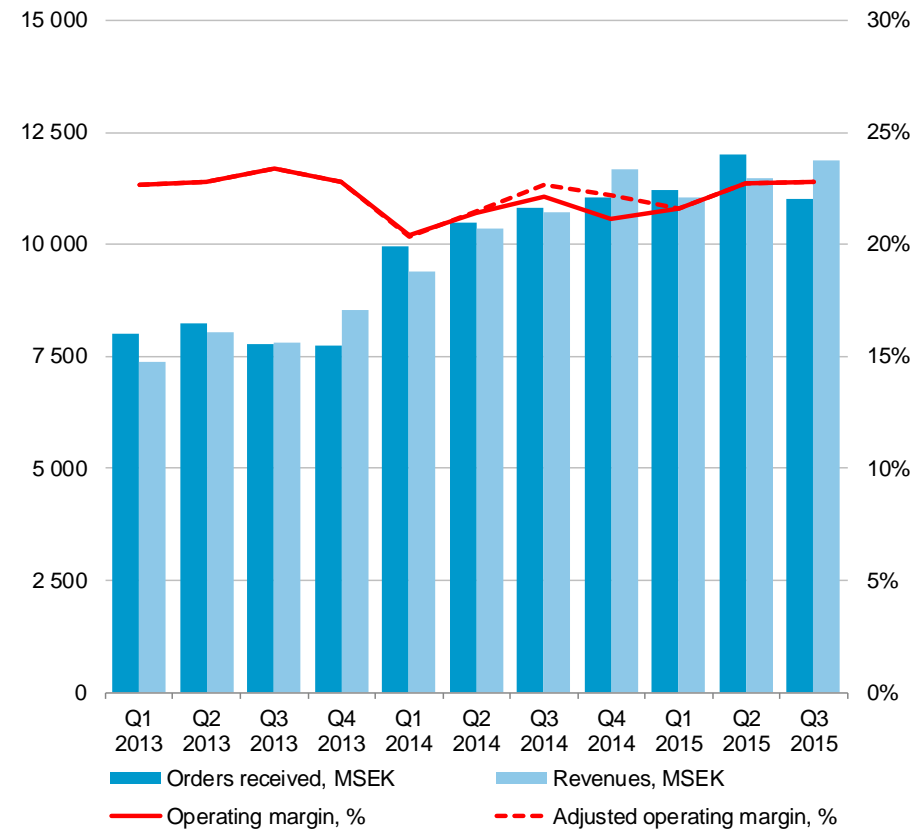
In Brief

- Leverage investments in presence and innovation
- Grow market share and customer share
- Grow the vacuum solutions business
- Strengthen service platform and extend service offer
- Support organic growth with more acquisitions

Q3 2015

- Growth in service
- Weak order intake for equipment
- Record revenues and operating profit
 - Operating margin at 22.8% (22.1)

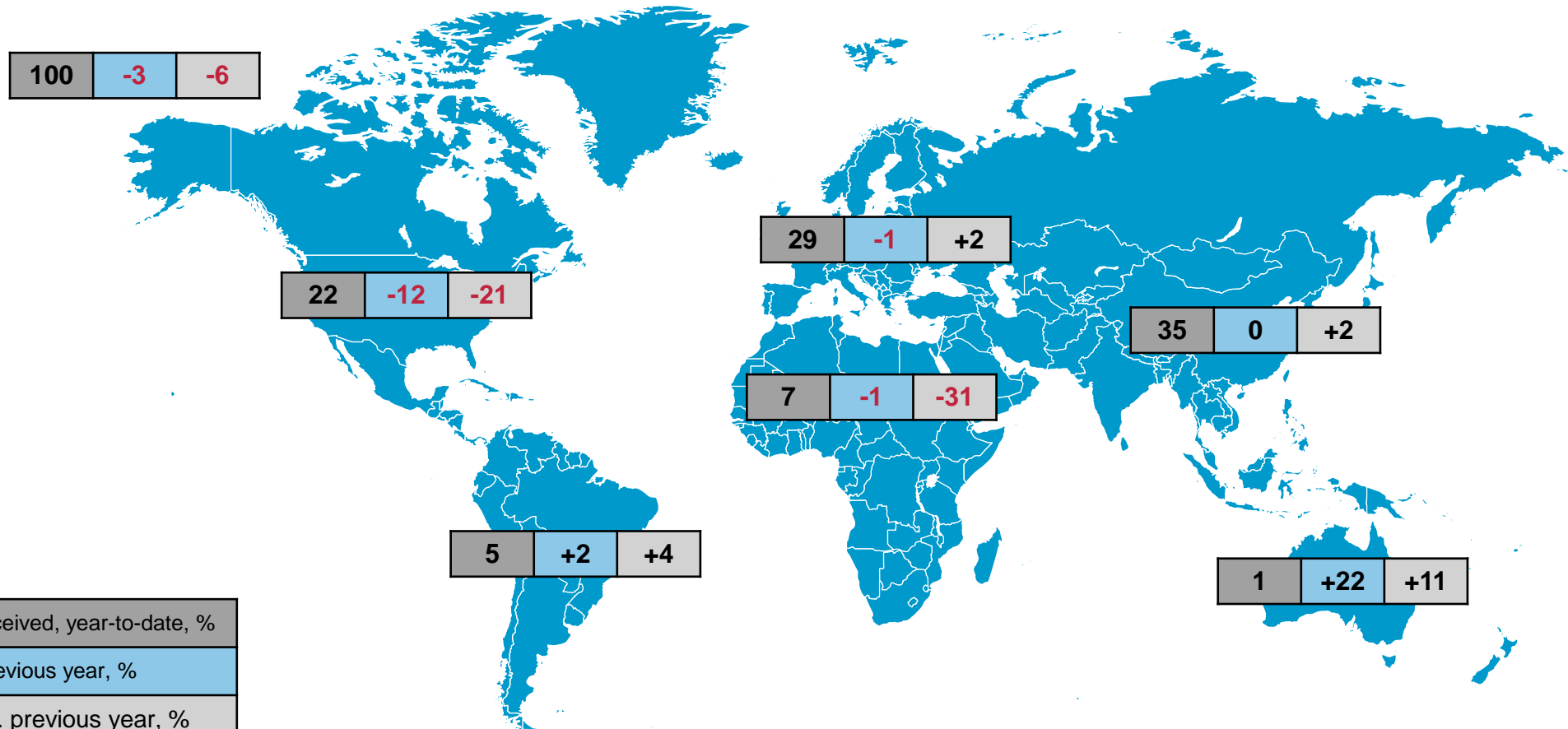
Orders, revenues and operating margin



ROCE
38%

ORDERS RECEIVED - LOCAL CURRENCY

Compressor Technique



September 2015

A Share of orders received, year-to-date, %

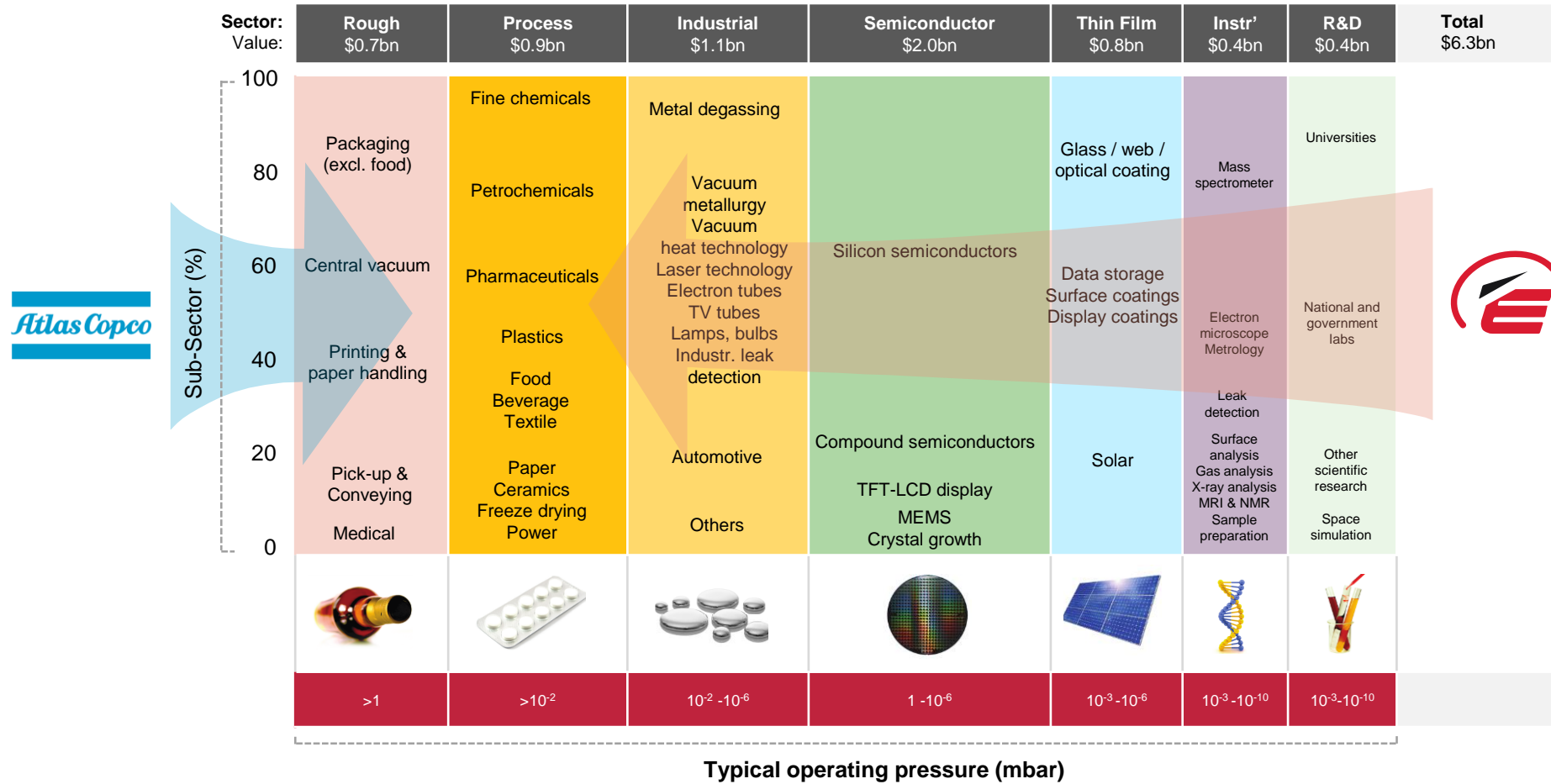
B Year-to-date vs. previous year, %

C Last 3 months vs. previous year, %

VACUUM SOLUTIONS

Status update

VACUUM SOLUTIONS



VACUUM SOLUTIONS

Update



Synergies identified

- Sales and service synergies between vacuum and compressed air
 - Leverage customer relationships of Atlas Copco and Edwards to supply more compressors and vacuum systems
 - Leverage Atlas Copco's geographical footprint with Edwards product offering
- Cross-breeding of similar technologies
- Cost and efficiency synergies
- Grow service offering

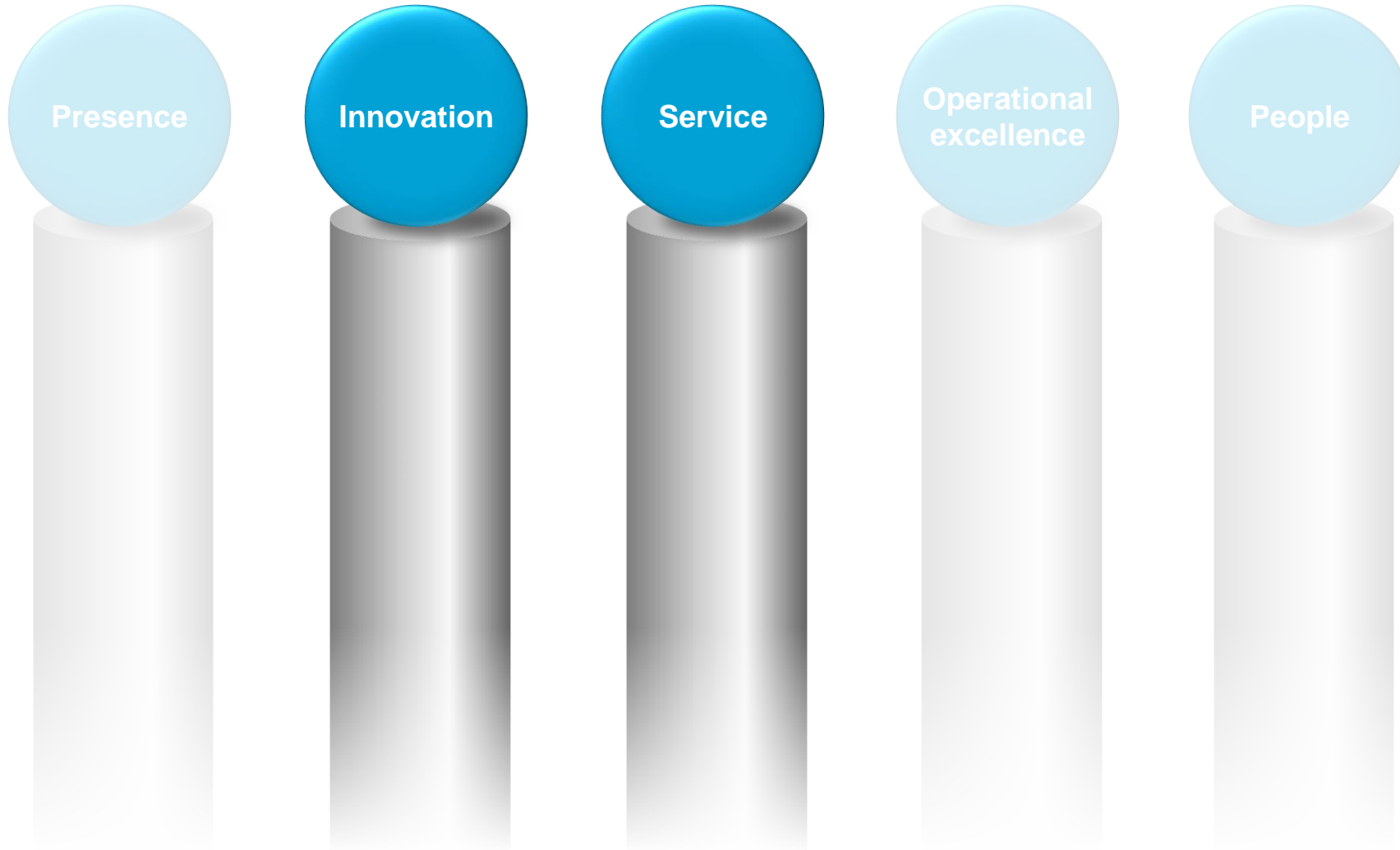


Achievements

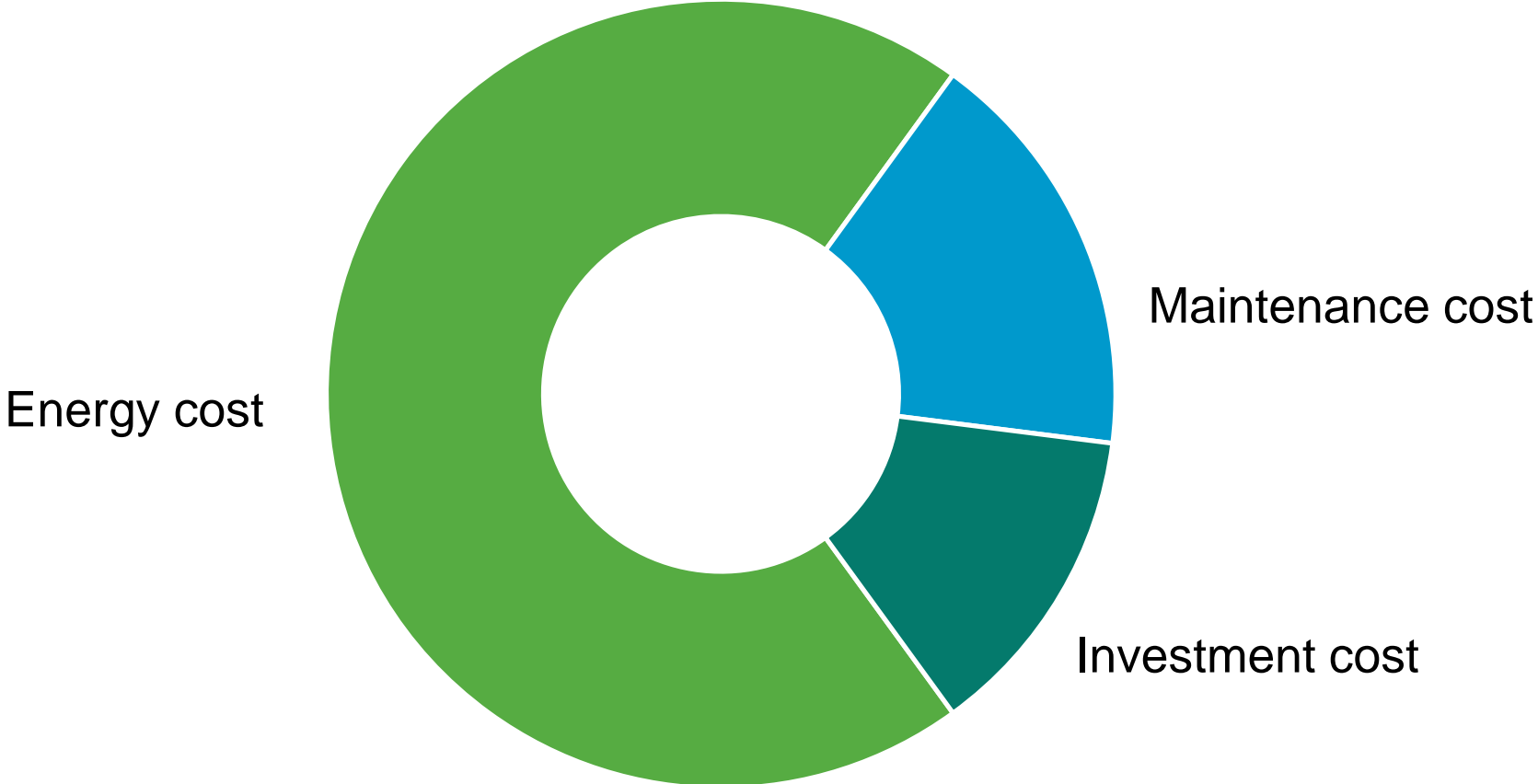
- Innovation – new products
- Strengthened position in semiconductor
- Investments in capacity close to customer
- Investments in Atlas Copco's market organization
- Growth in utility vacuum
- Strengthened position in industrial vacuum
- Accelerated service growth

INNOVATION

THE STRATEGIC PILLARS FOR PROFITABLE GROWTH



LIFE CYCLE COST COMPRESSOR / VACUUM INSTALLATION



NEW GA45-75VSD+

- Extension of break-trough concept
- Industry-leading performance
 - Specific Energy Requirement: -50%
 - Free Air Delivery: +5%
- Very low noise level: 67 d(B)A
- Compact and smart design
 - Easy service
 - Footprint: - 50%



GHS VSD+ VACUUM PUMPS

- Atlas Copco state of the art oil injected screw elements
 - Breakthrough efficient variable speed drive vacuum pumps
- Superior alternative to the traditional oil injected vane pumps:
 - Reduction in energy consumption – on average 50%
 - Silent technology, best in class noise levels
 - Clean operation: insignificant oil emissions
 - Compact all-in-one package with advanced controls
- Game changer in the utility vacuum segment
- Patented designs
- Extension to higher capacities



SERVICE

GLOBAL SERVICE SUPPORT – 24 HOUR OPERATIONS



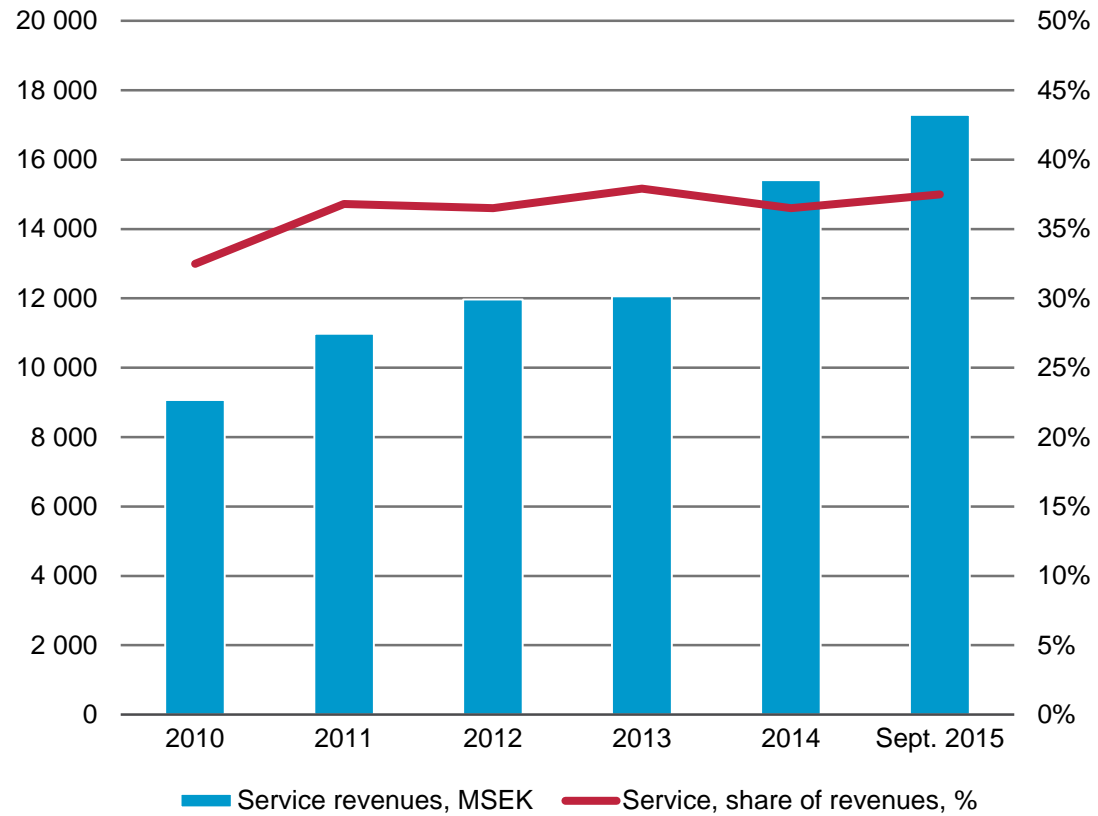
- Pro-active support anywhere at anytime
- Energy management & air optimization
- Superior solutions to reduce operational cost and increase up-time
- Committed, trained and experienced people
- Close, long-term customer relationships
- More than 8 600 people in service



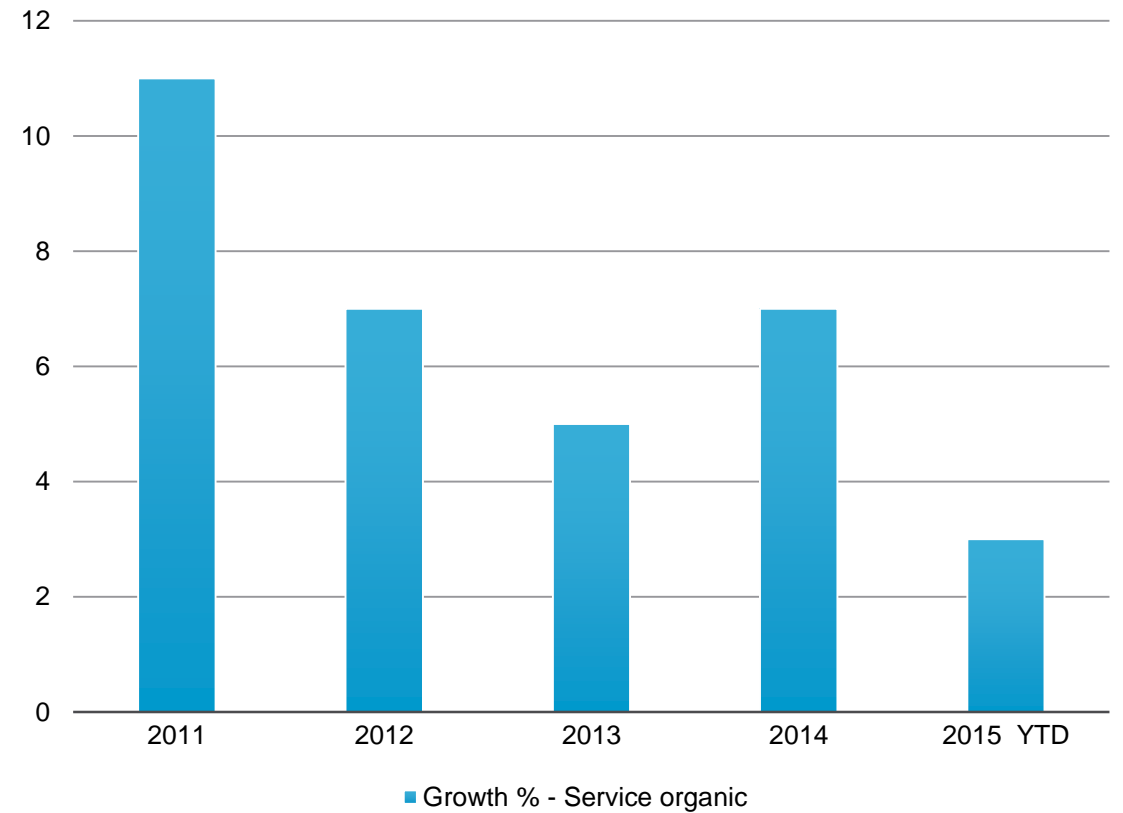
“A complete lifecycle offering”

COMPRESSOR TECHNIQUE SERVICE

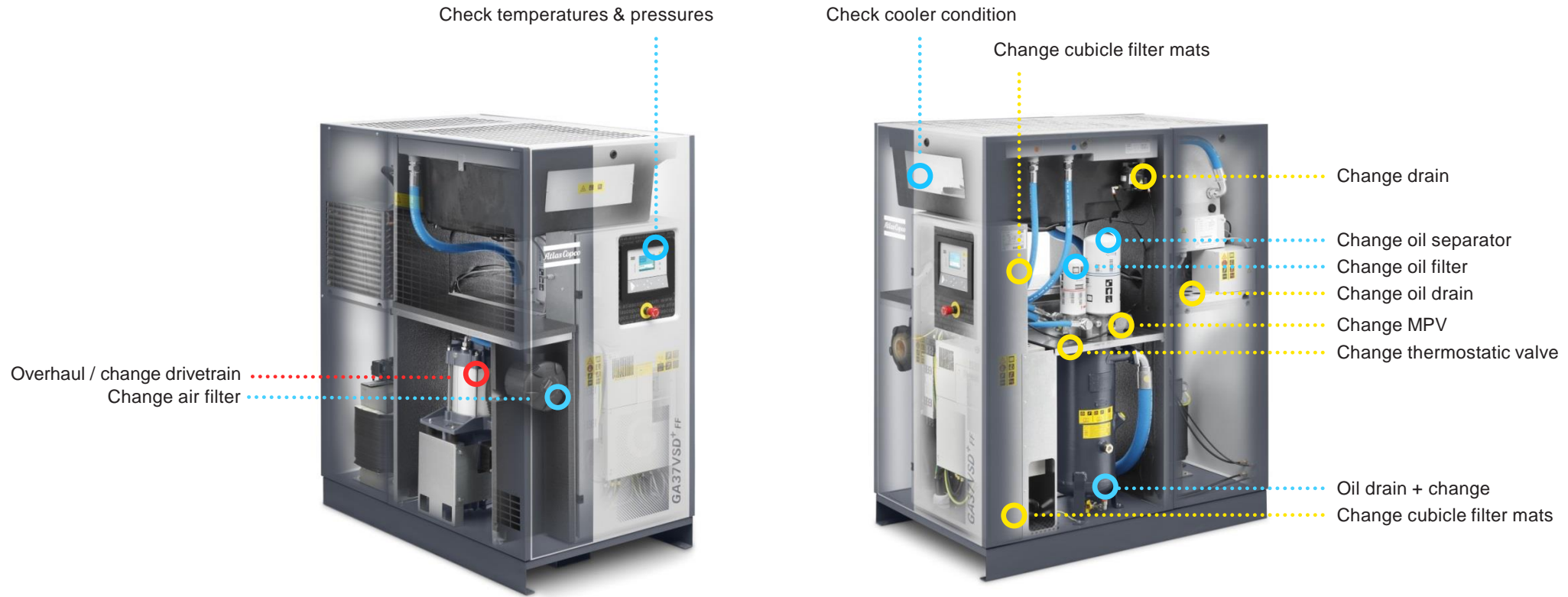
Service revenues



Organic growth



MAINTENANCE ACTIVITY LIST GA7-37VSD+



○ **A visit**
 ○ **B visit** – covers A visit activities
 ○ **D visit** – covers B visit activities

SERVICE EXCELLENCE

PLANNING



Forward Planning

Breakdown

- Forward Planning for Service Plan
- Urgent response to Breakdown
- Technician allocation based on competence and travel optimization

LOGISTICS



Voice Picking

Night Delivery



Direct Delivery

- Logistic centers across the world
- Voice picking for quality control
- Overnight delivery in Service Van
- Direct Delivery to customers worldwide

SERVICE ACTIVITY



Service Job Allocation

Connected Navigation

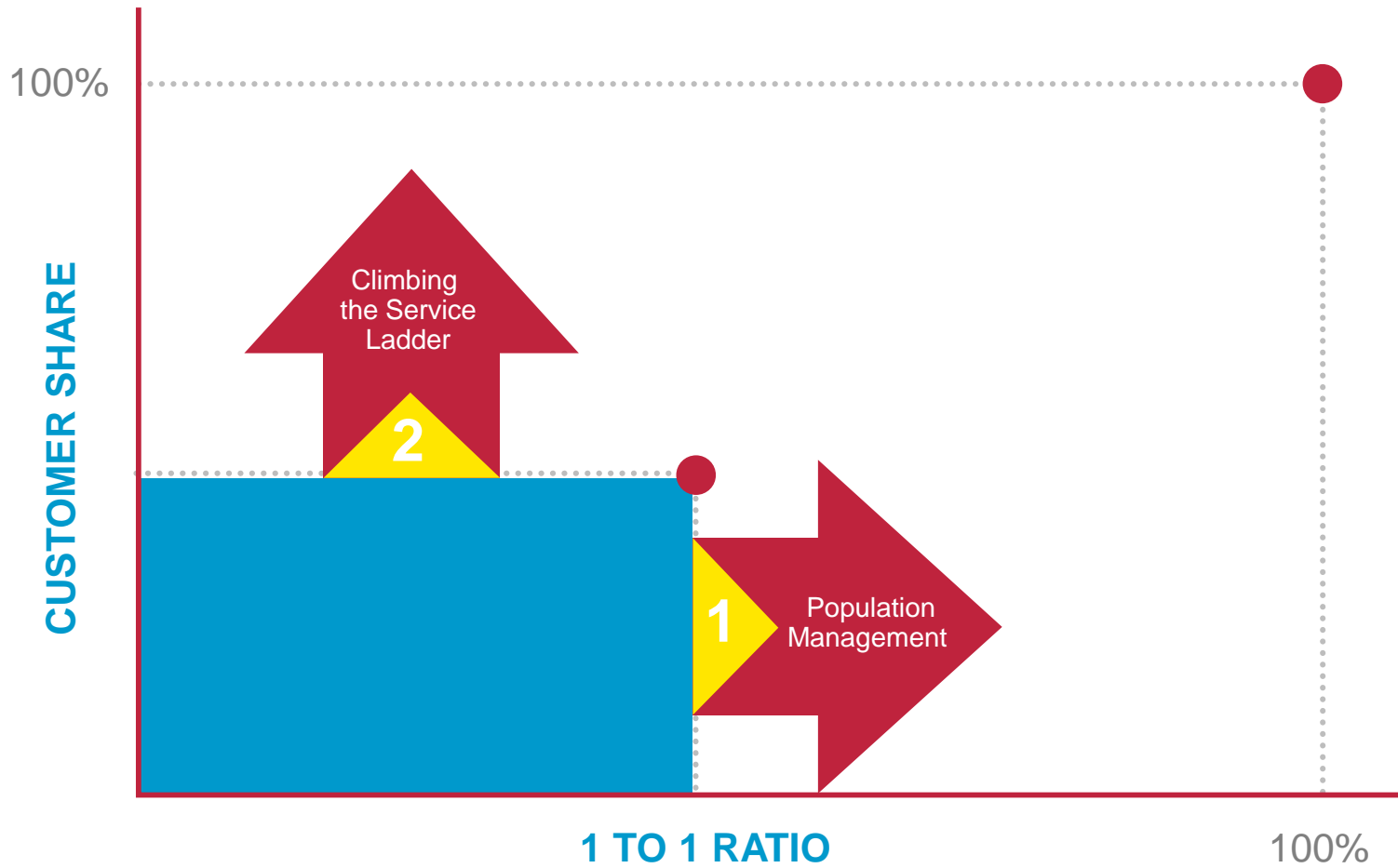
Service Job Execution

Service Job Reporting

- All Service Job information communicated to technician on mobile devices
- Connected Navigation for travel optimization
- Breakdown jobs communicated through connected navigation
- Service job includes activity list and required parts
- Complete Service Job reporting, Customer signature, Visit Report once the Service Job is finished

Correct Service at the Right Time in an Efficient way

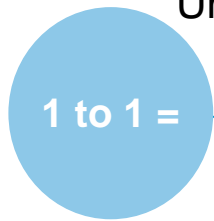
STRATEGY FOR GROWTH



FROM INFORMATION TO ACTIONS

Traffic light concept

1 to 1 ratio

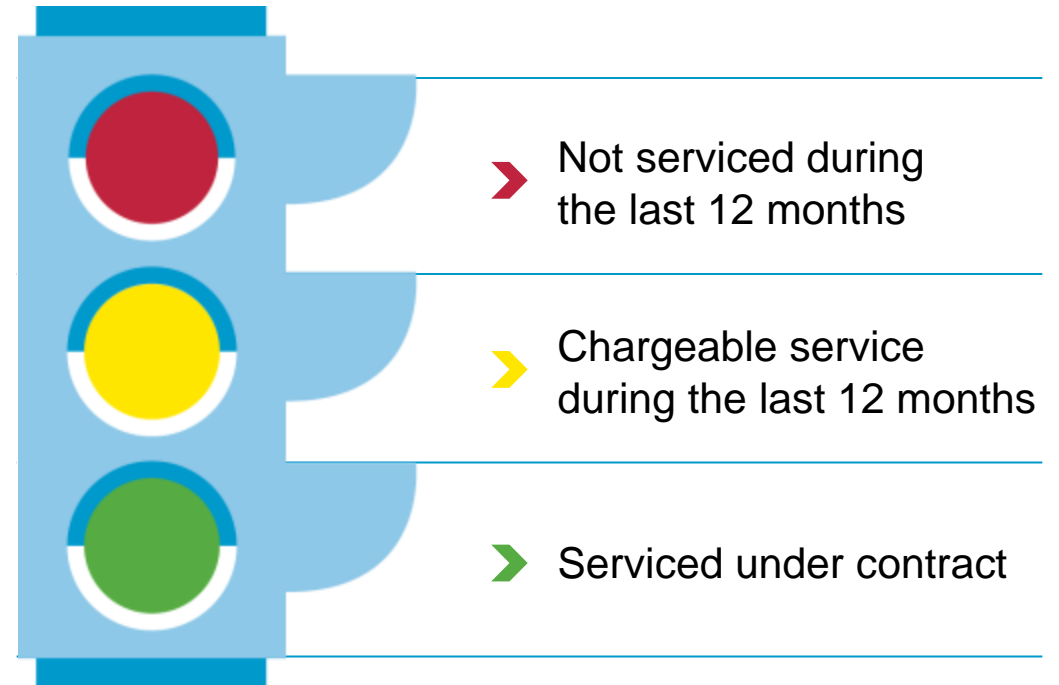


Units under direct service
in the last 12 months

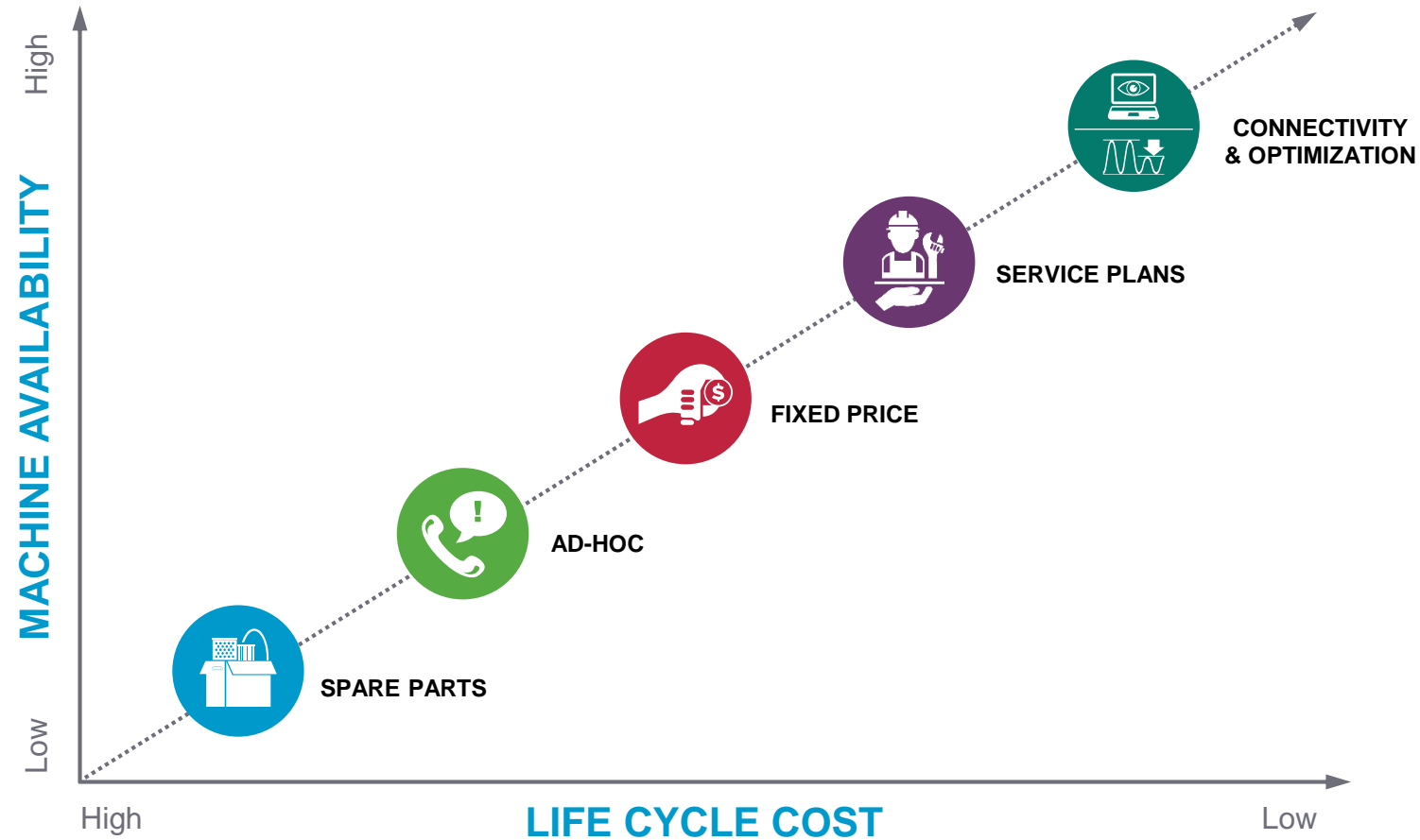
Total units available
for direct service

Every unit requires at least one service
intervention per year – every machine should
get a minimum of one quote per year

Traffic lights



MAXIMUM EQUIPMENT AVAILABILITY AT MINIMUM TOTAL OPERATING COST

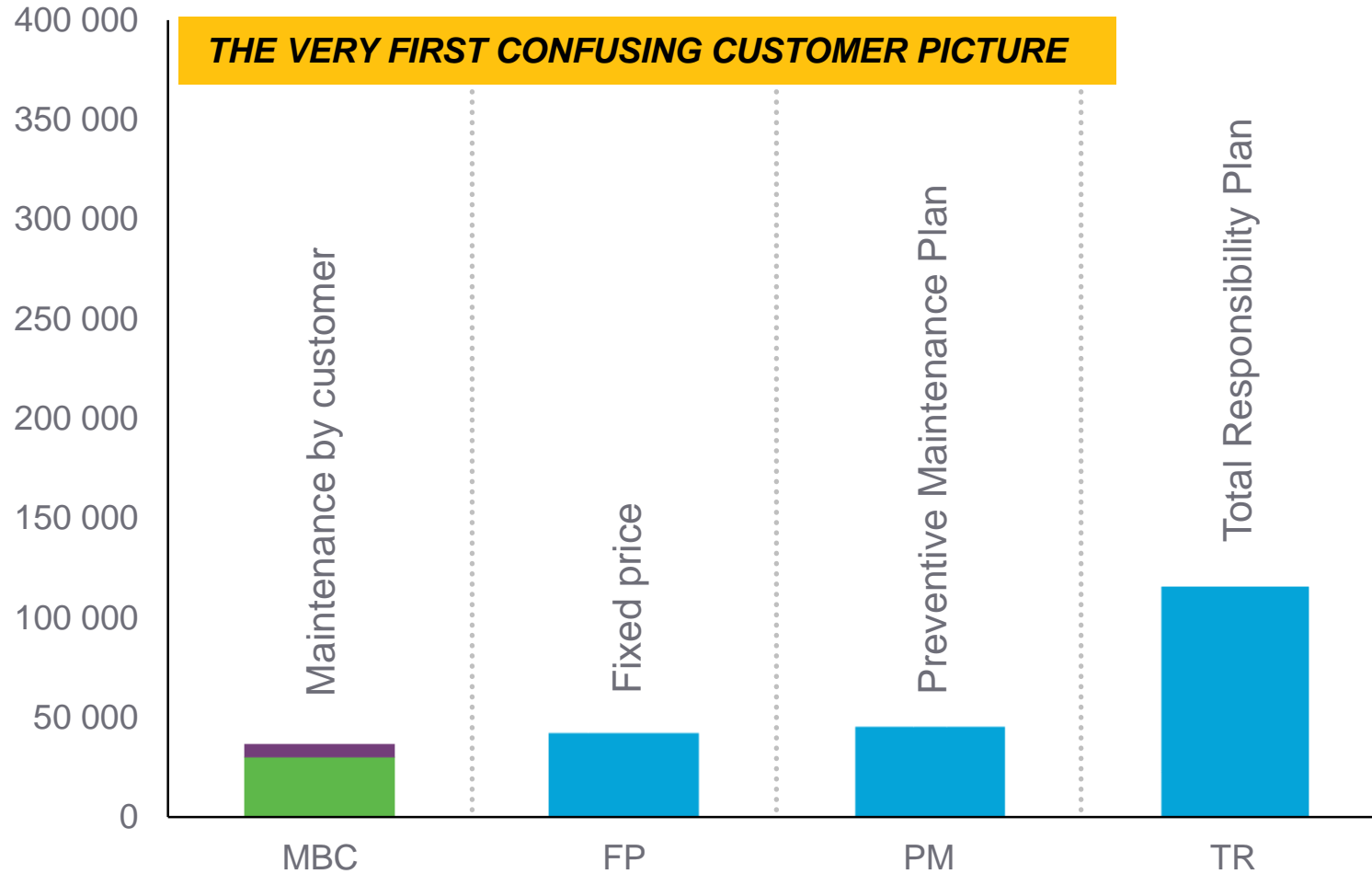


SERVICE PLAN - SCOPE OF SUPPLY



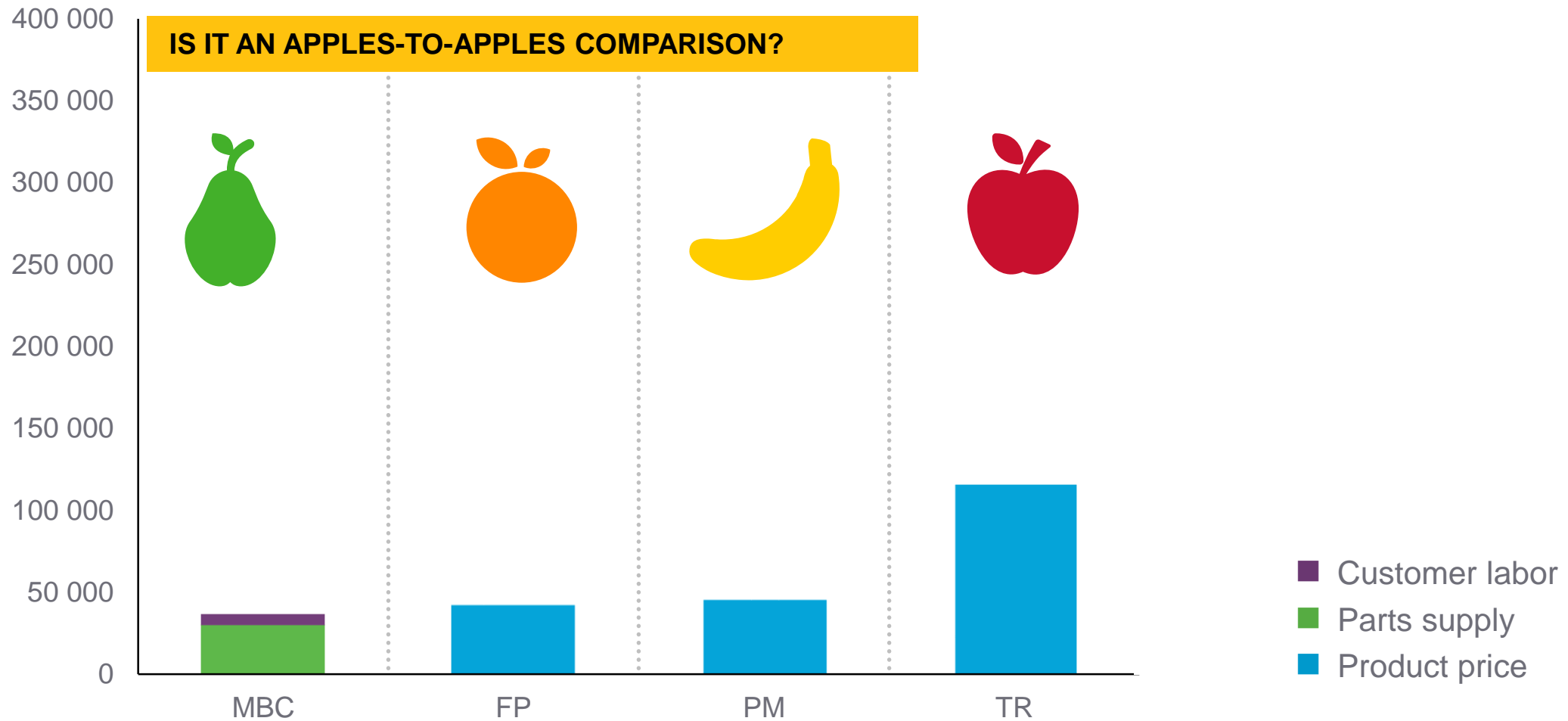
	PERIODIC INSPECTION	PARTS FOR MAINTENANCE	MAINTENANCE LABOR	WARRANTY	OVERHAUL	ECB
INSPECTION PLAN	×					
PARTS PLAN		×				
MAINTENANCE PLAN	×	×	×			
EXTENDED WARRANTY+	×	×	×	×		
TOTAL RESPONSIBILITY	×	×	×	×	×	×

MAINTENANCE-RELATED COSTS – EXAMPLE

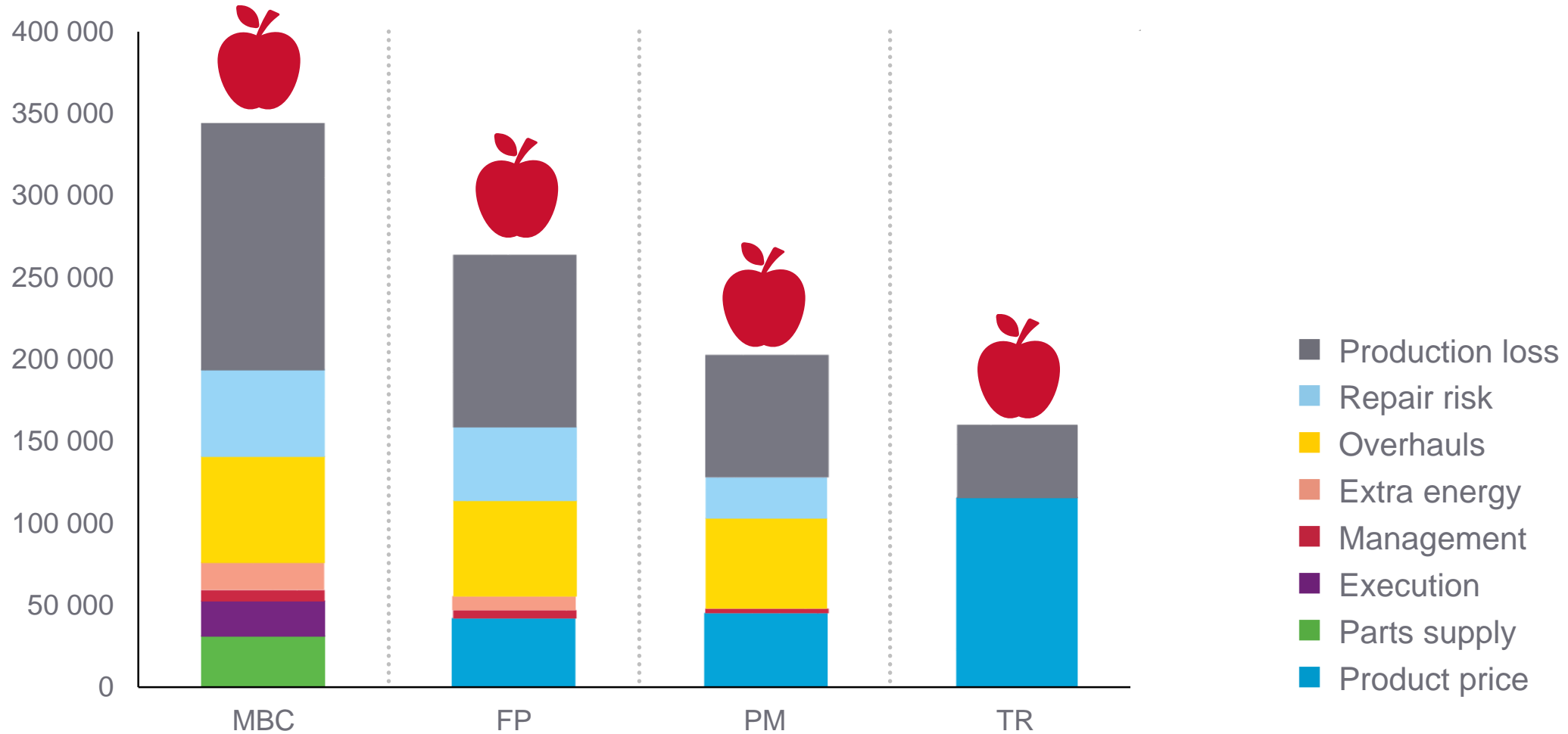


- Customer labor
- Parts supply
- Product price

MAINTENANCE-RELATED COSTS – EXAMPLE



MAINTENANCE-RELATED COSTS – EXAMPLE



CONNECTIVITY: SMARTLINK

Operational Efficiency

- Service visits planned on actual running hours
- Pro-active service response towards customers



Customer Benefits

- Service on time
- SMS/E-mail warnings
- Energy consumption analysis



Maximum Productivity

Minimum Operating Cost



Product Development

- Running conditions and machine behavior identifies areas for product improvement

SUMMARY

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Compressor Technique

- Leverage investments in presence and innovation
- Grow market share and customer share
- Grow the vacuum solutions business
- Strengthen the service platform and extend the service offer
- Support organic growth with acquisitions
- The organization is strong and “fit for more”



***COMMITTED TO
SUSTAINABLE PRODUCTIVITY.***



Atlas Copco

