



Atlas Copco



Compressor Technique

Capital Markets Day 2019

Vagner Rego, Business Area President

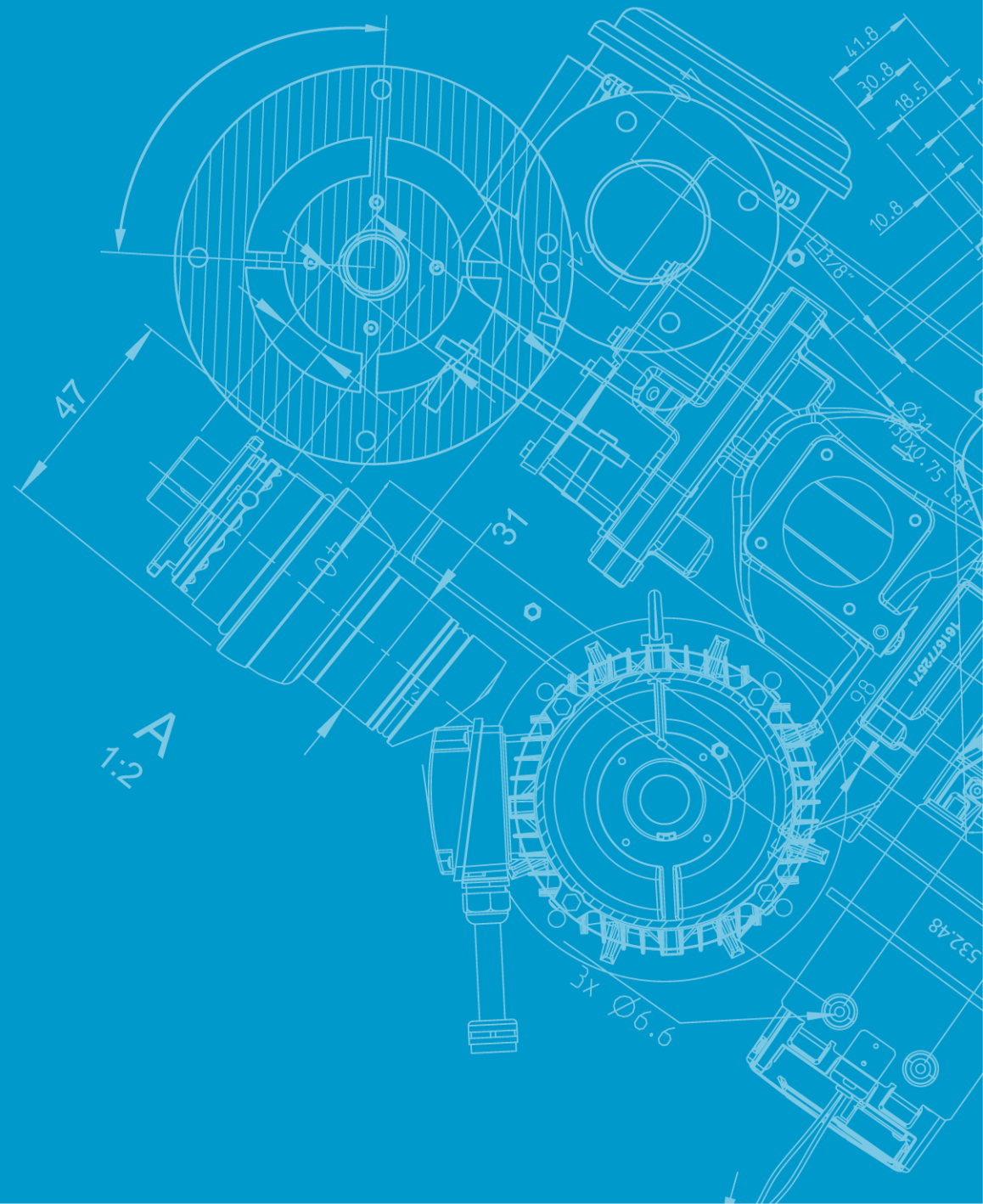
Agenda



- 1 Facts in brief
- 2 The market and business fundamentals
- 3 Strategy for growth
- 4 Summary



Facts in brief



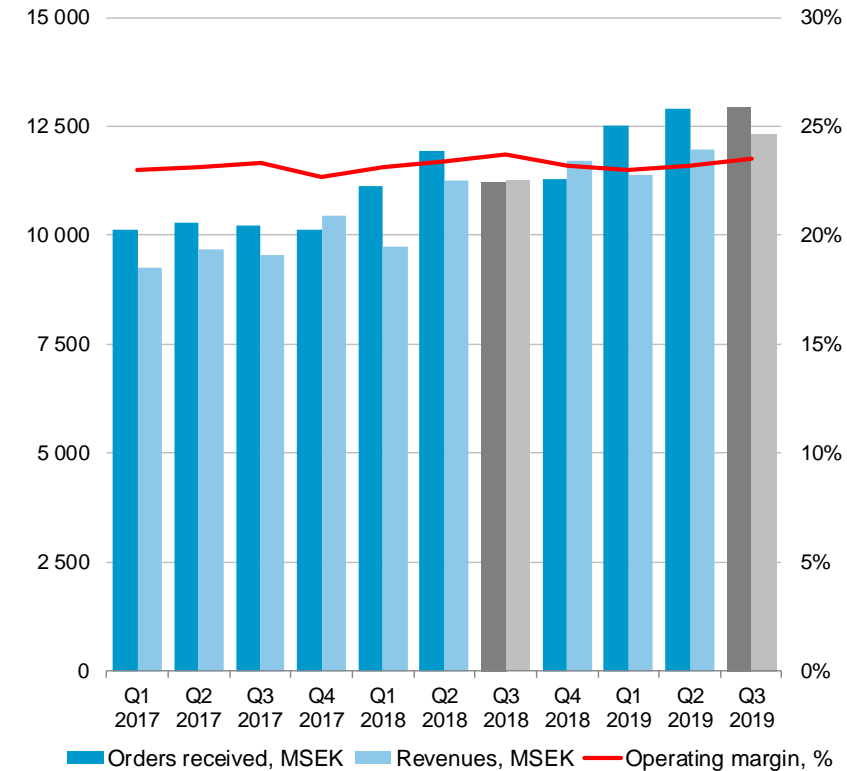
Compressor Technique

ROCE
93%

Growth drivers

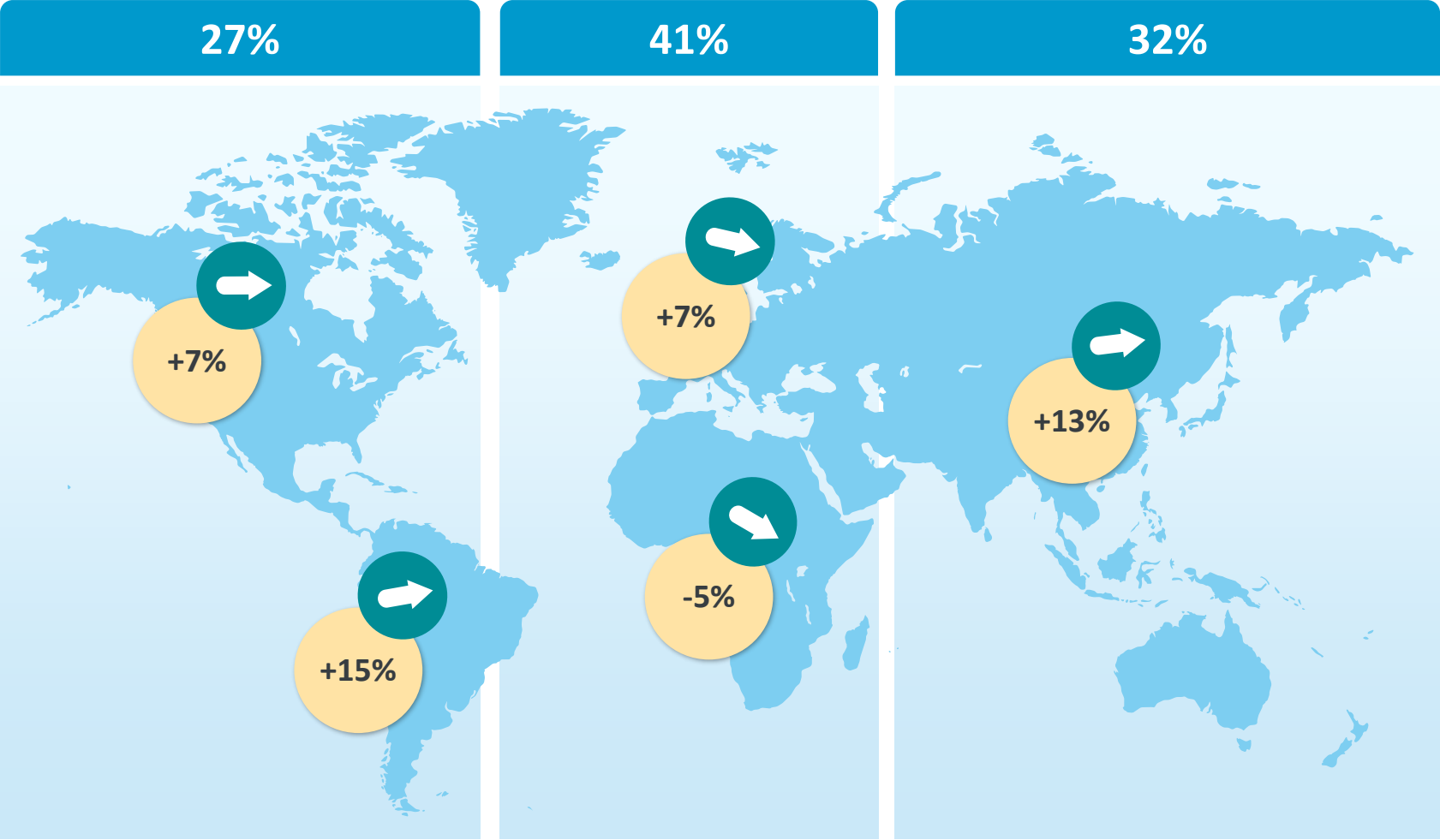
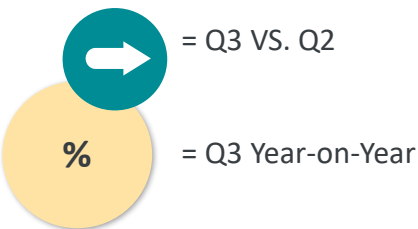
- Industrial production
- Need for reduced energy consumption
- Innovation
- Leverage investments in presence
- Service offer
- Further expand the core organically and with acquisitions
- Digital value creation
- People development

Orders, revenues and operating margin



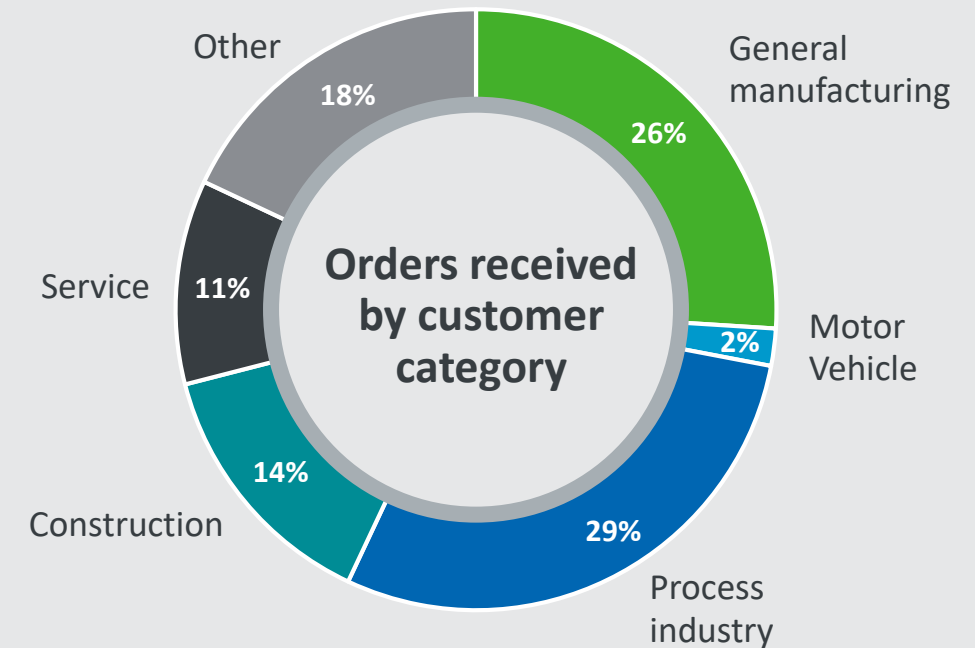
Orders received – Local currency Q3 2019

SHARE OF ORDERS
RECEIVED YEAR TO DATE:



The market we operate in

- Compressed air is often referred to as the 4th utility
 - We serve all industry segments
- Largest technology range
 - Application driven solutions
 - Small to big industries
- Providing Total Solutions
 - Quality air treatment
 - Industrial Gases
- Strong service organization
 - Global market coverage



* Share of orders received 12 months ending September 2019.

Traditional industries



Automotive



Brewery



Medical



PET Bottle Blowing



Wastewater treatment



Textile



Oil & Gas



Railway



Food and Beverage



Chemical and Petrochemical



Marine



Pharmaceutical



Pulp and Paper



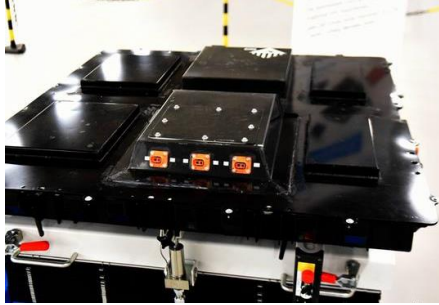
Fish Farming

...
many more

New technology industries



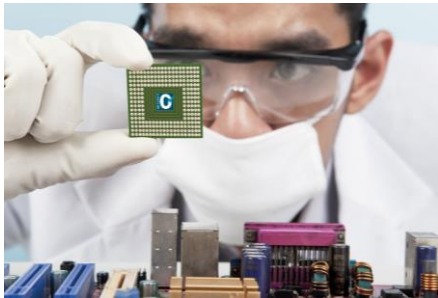
Laboratories



Battery cell production



Packaging Automation



Electronics



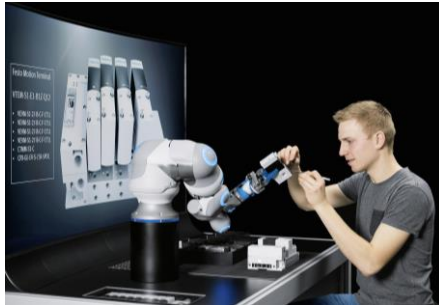
Process Automation



Control Engineering



Laser Cutting



Robotics

...
many more

Automatization & Industry 4.0
bring lots of opportunities for
pneumatic controls and
compressed air

Applications

Waste water treatment – Blower technologies



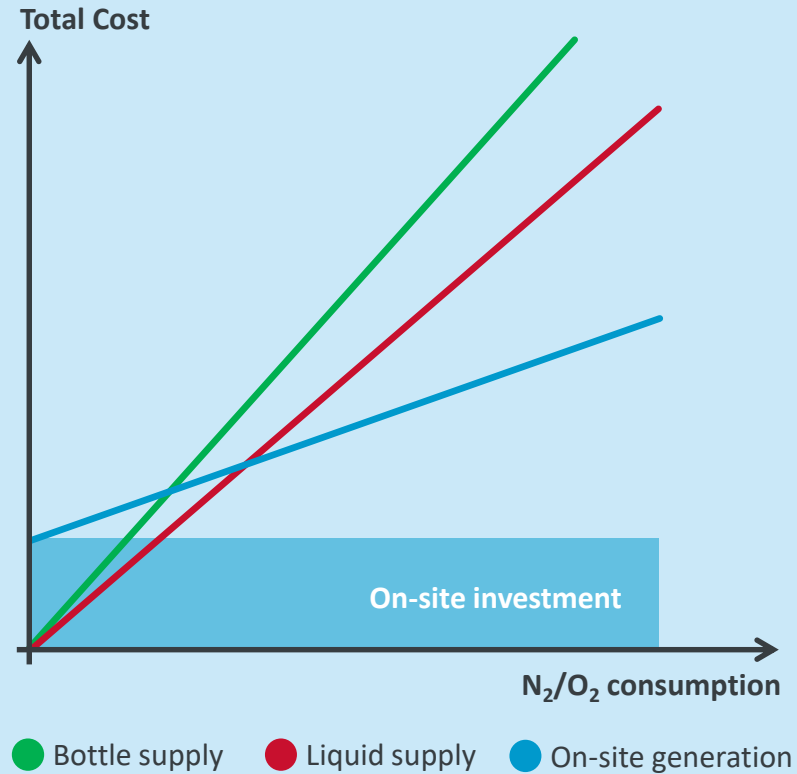
✓ Traditional solution
✓ Simple & reliable

✓ Energy efficient solution
✓ Low cost of ownership

✓ Premium solution
✓ Lowest cost of ownership

Applications

On-site Nitrogen Generator



Proven technology

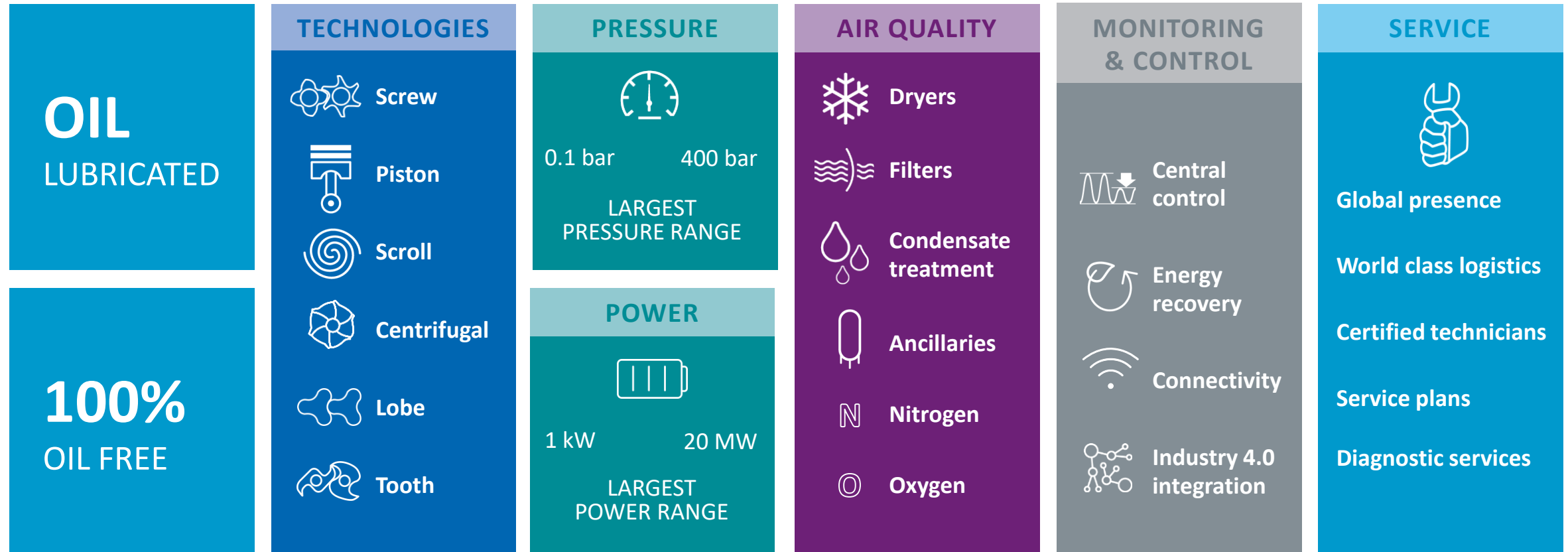
- Simple
- Reliable
- Durable

Purity in line with application needs

Low operating costs

Our product offering

ATLAS COPCO COMPRESSOR TECHNOLOGY



Recent product launches

More than 40 new products launched during the last 12 months



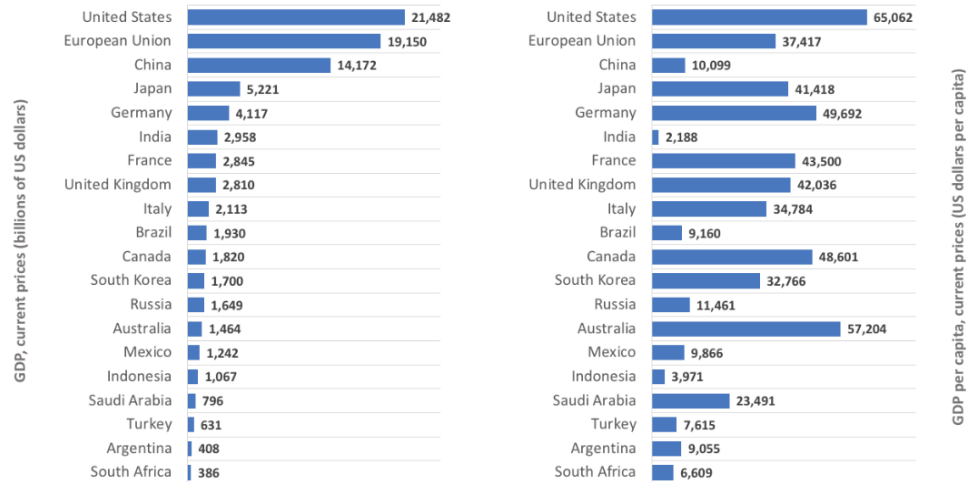
**Sustainable
profitable growth**



Trends and driving forces

GROSS DOMESTIC PRODUCT PER CAPITA

G20 COUNTRIES GDP AND GDP PER CAPITA – 2019 FORECAST



Data Source: IMF World Economic Outlook, October 2018

Data Analysis by: MGM Research

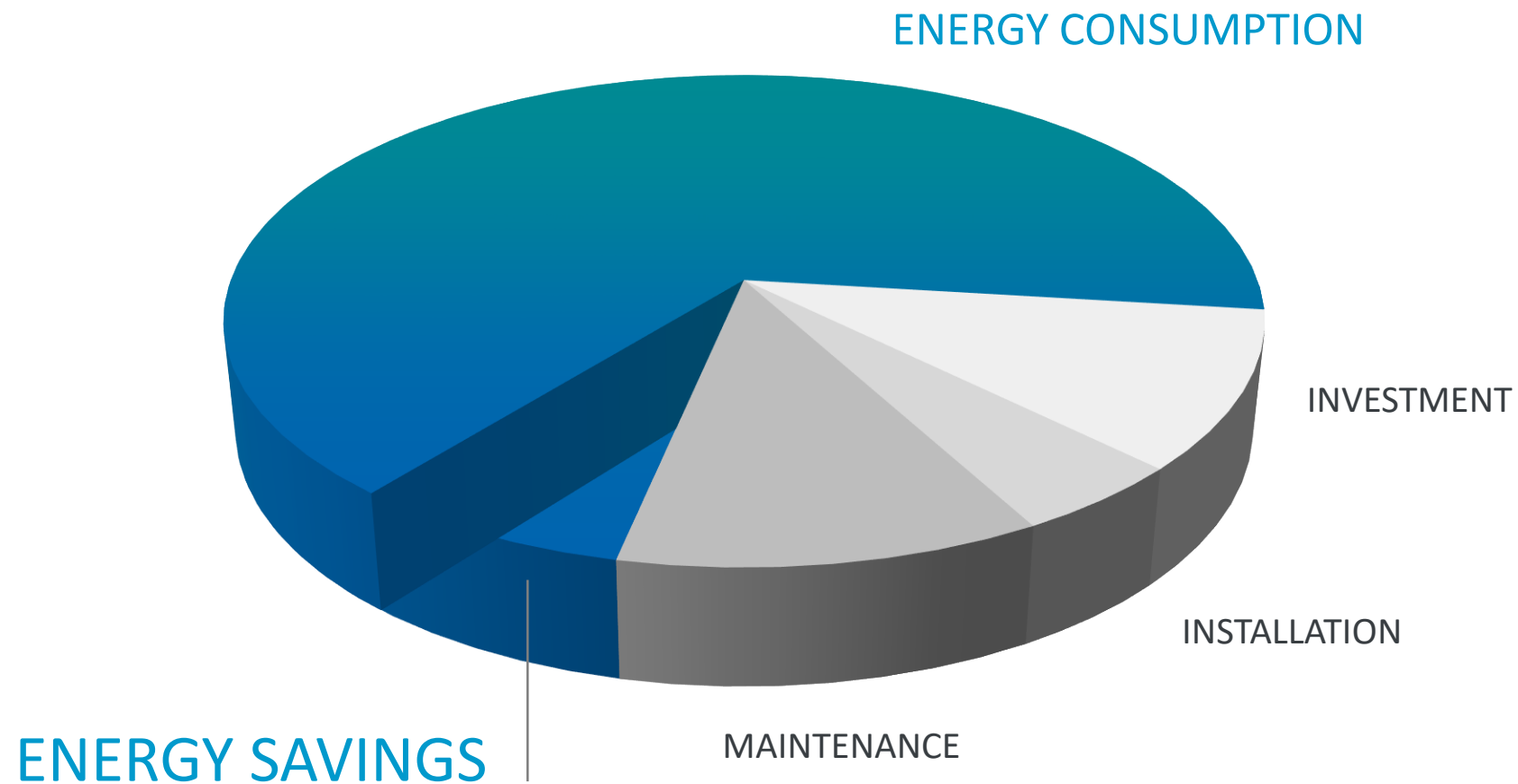
SUSTAINABILITY



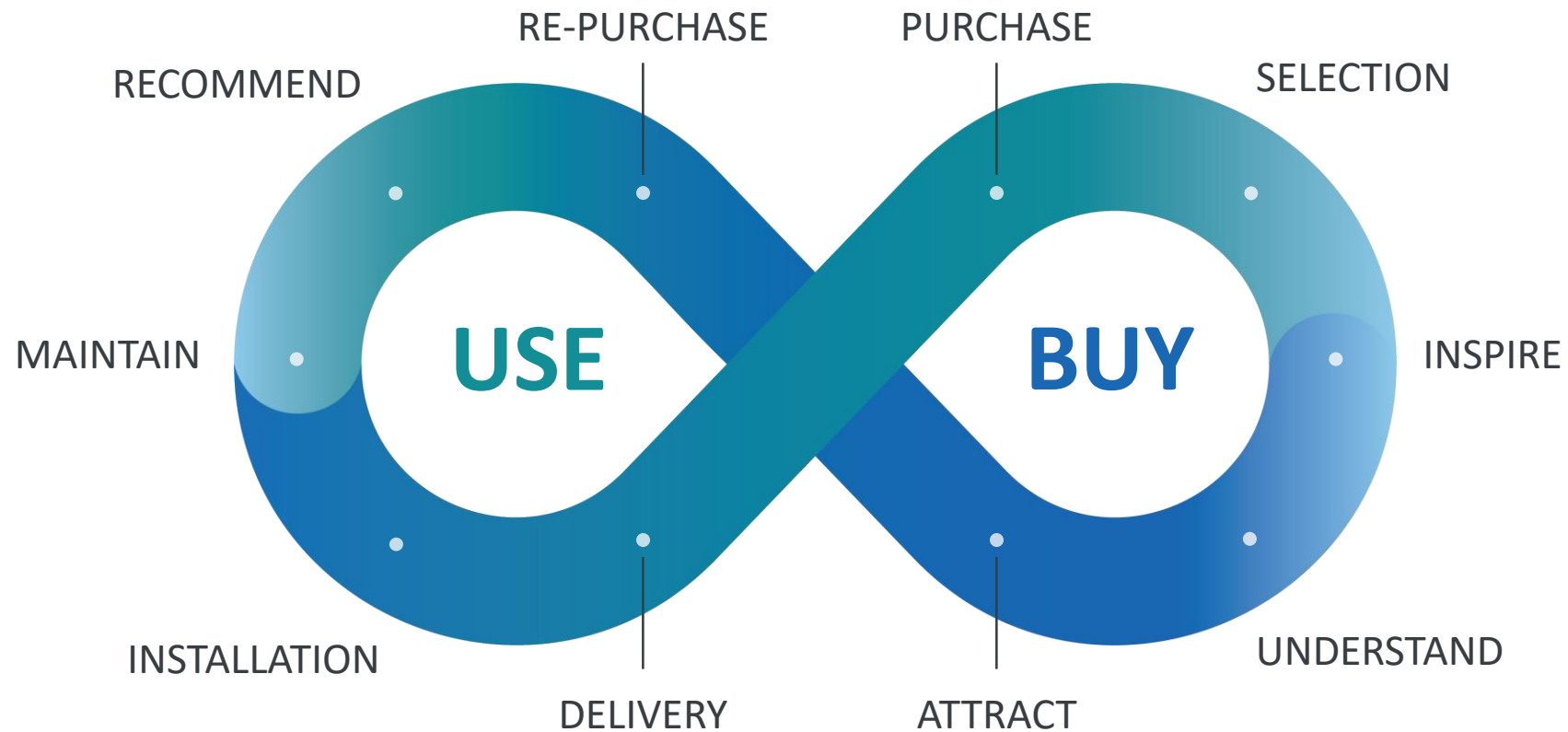
United Nations
Environment Programme



Trends and driving forces



Focus and priorities



Customer requirements

INCREASED PRODUCTIVITY

Maximum Uptime
Performance Increase

Guaranteed Air Quality
Service Agreements

ELIMINATE RISKS



REDUCED OPERATING COST

Energy Savings
Eliminate Breakdown Cost

Energy Savings
Environmental Footprint

PROTECT ENVIRONMENT

Strategy for profitable growth – Summary

Innovation for Reduced TCO

Expanding Applications

Increased Presence

Service Offering

Digitalization

GROWTH

Modular Product Design

Lean Management

Digitalization of Processes

OPERATIONAL EXCELLENCE

CUSTOMER VALUE

PRODUCTIVITY

ENERGY COST

GA 90-160 (VSD+)



RELIABILITY

AVAILABILITY OF 98%

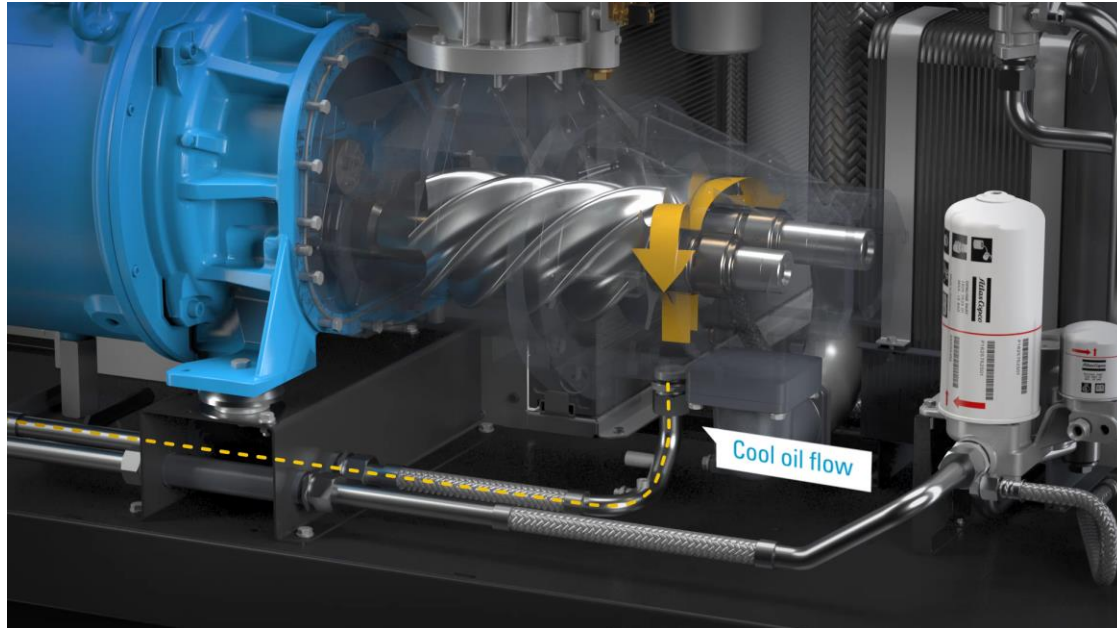
EFFICIENCY

MOST EFFICIENT COMPRESSOR ON THE MARKET

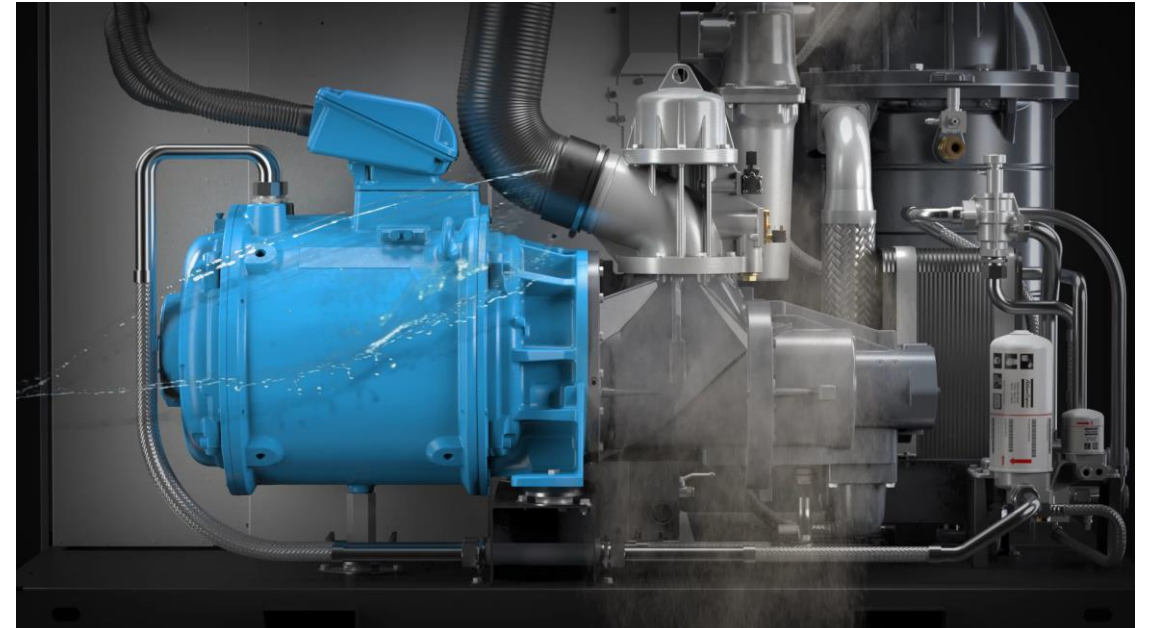
SERVICEABILITY

50% REDUCTION IN SERVICE TIME

Reliability

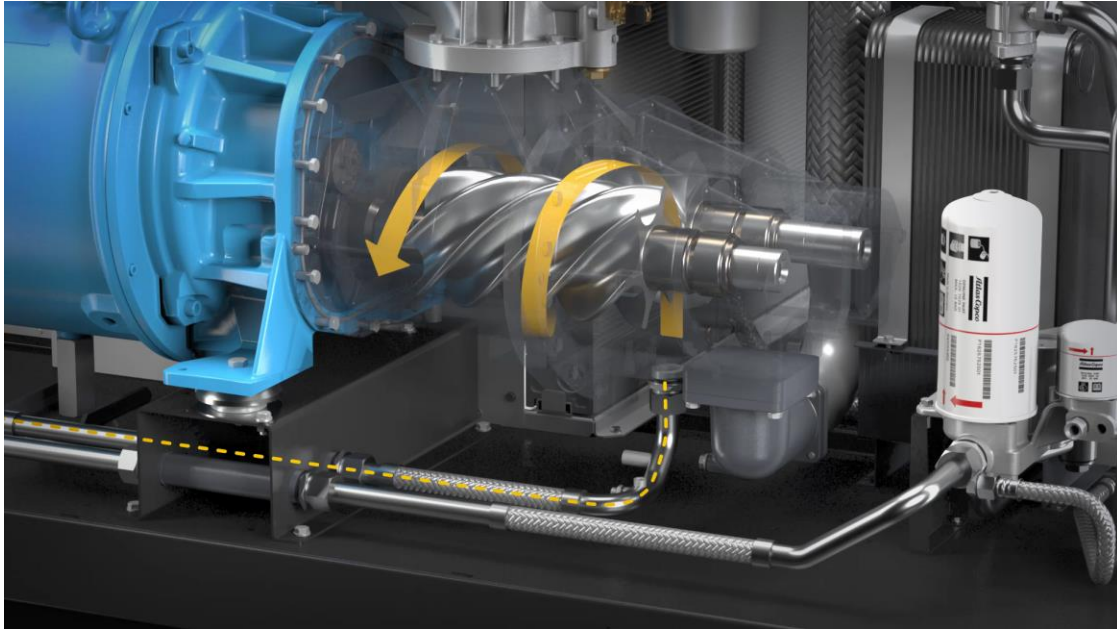


- Separate cool oil flow to bearings
- Longer bearing life

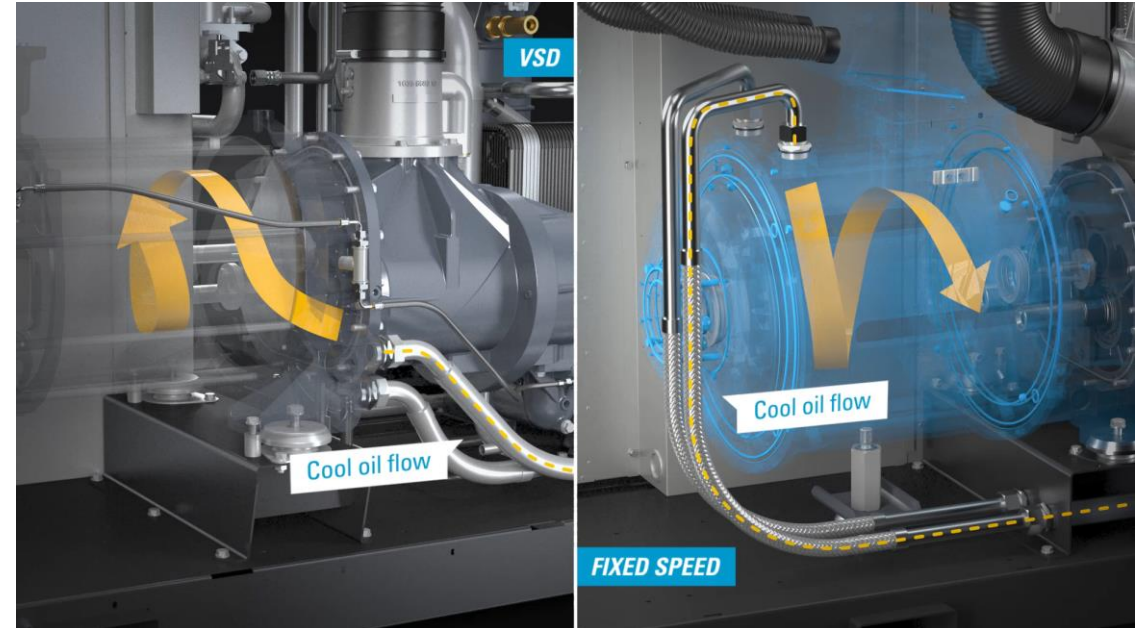


- IP66 Drive train (toughest conditions)
- Oil cooled motors (no greasing)

Efficiency



- Smart Injection oil system
- Optimum efficiency

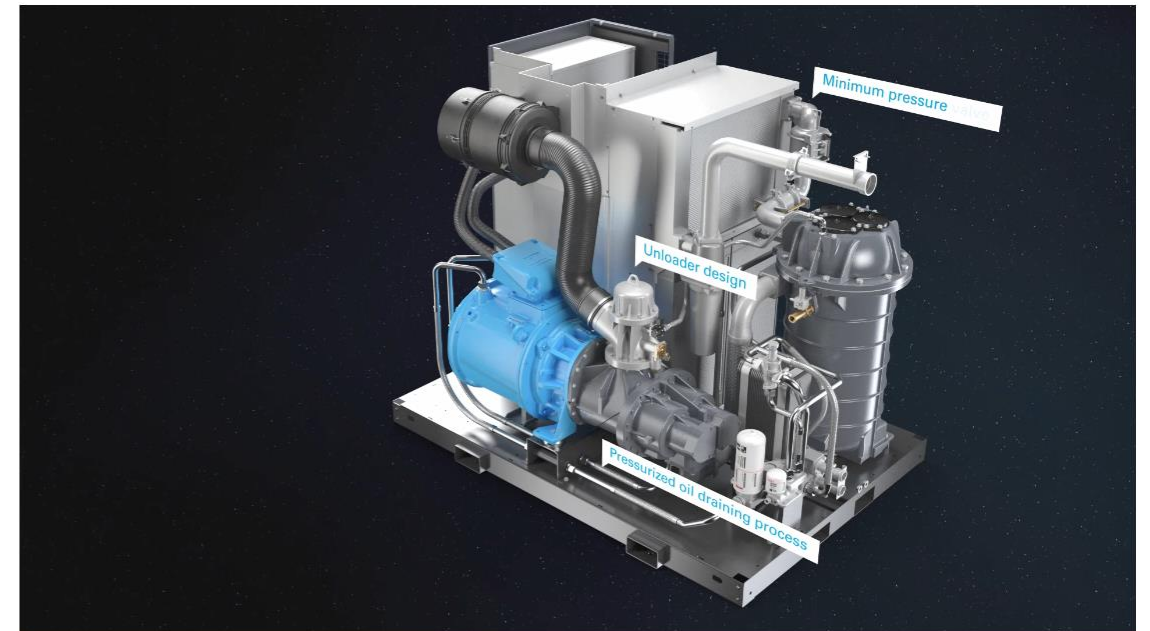


- IE4 & IE5 motors
- Highest efficiency classes

Serviceability



50% reduced service time



Service time reduced in 6 key areas

GA90 – 160(VSD⁺)



5% energy reduction

Saving **3,360** euro per annum

VSD 35% reduction compared to
fixed speed compressors

TOTAL **40%**

Saving **26,880** euro per annum

compared to old fixed speed range

Environmental savings

40%

energy saving =

268,800 kWh

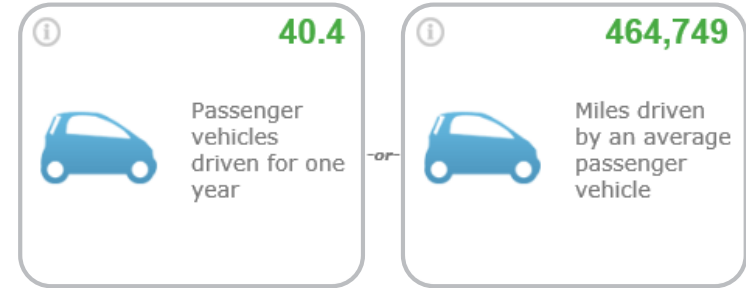
of electricity or

carbon dioxide

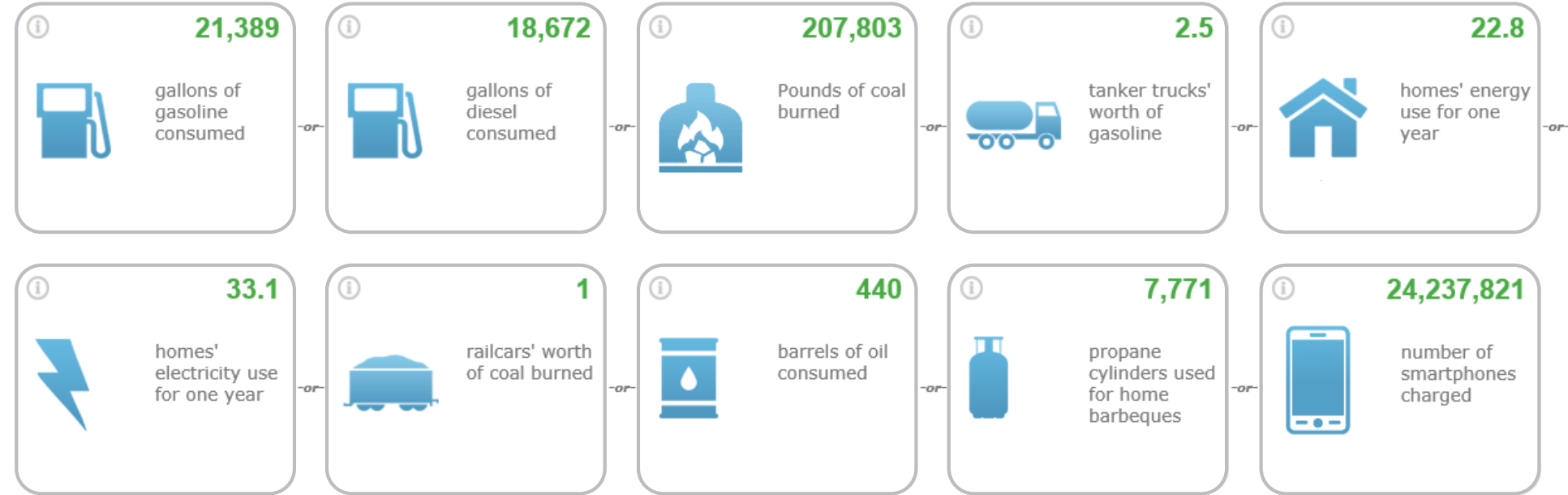
reduction of

190 metric tons

Greenhouse gas emissions from

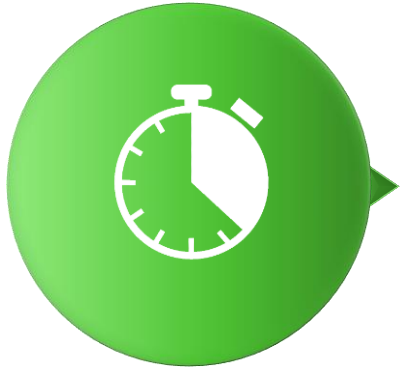


CO₂ emissions from



Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load

Strategy for profitable growth – Service



Increase Customer Productivity

Well maintained compressed air installations with increased reliability

Guaranteed maximum uptime through fast and professional service response



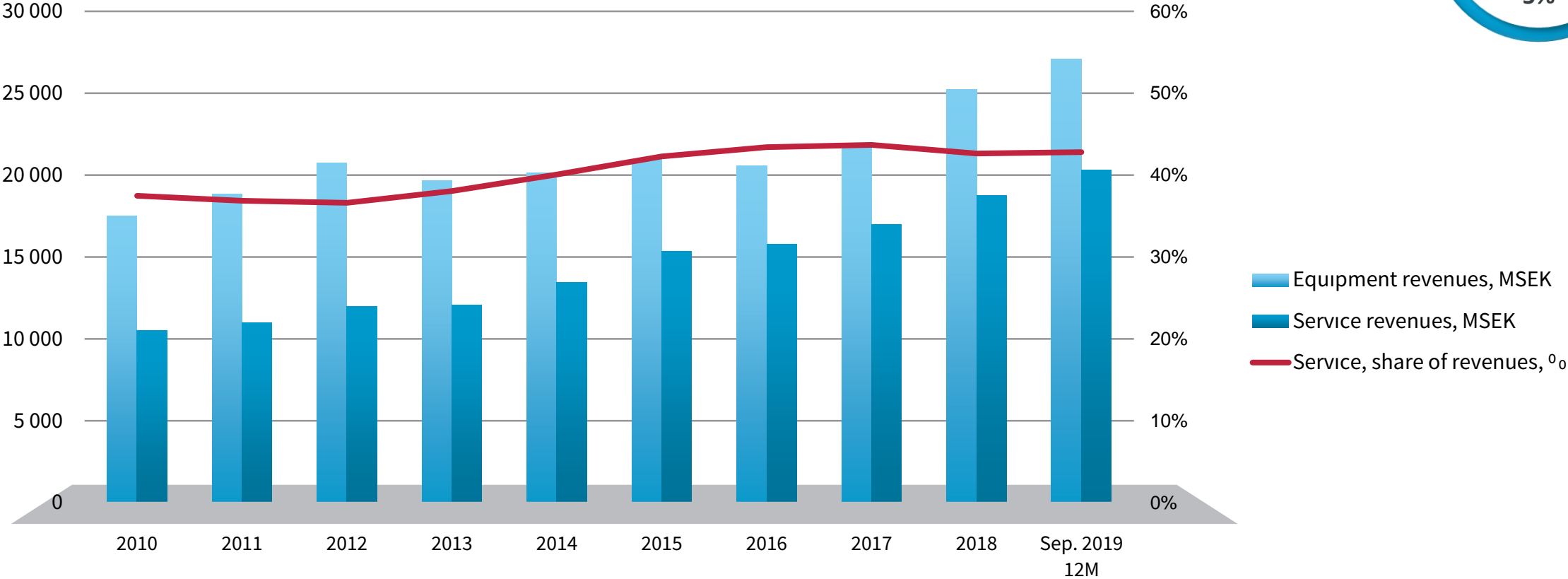
Reduce Total Operating Cost

Energy savings through optimizing the efficiency of the complete compressed air installation

Service Plan agreements to ensure optimal compressor operations

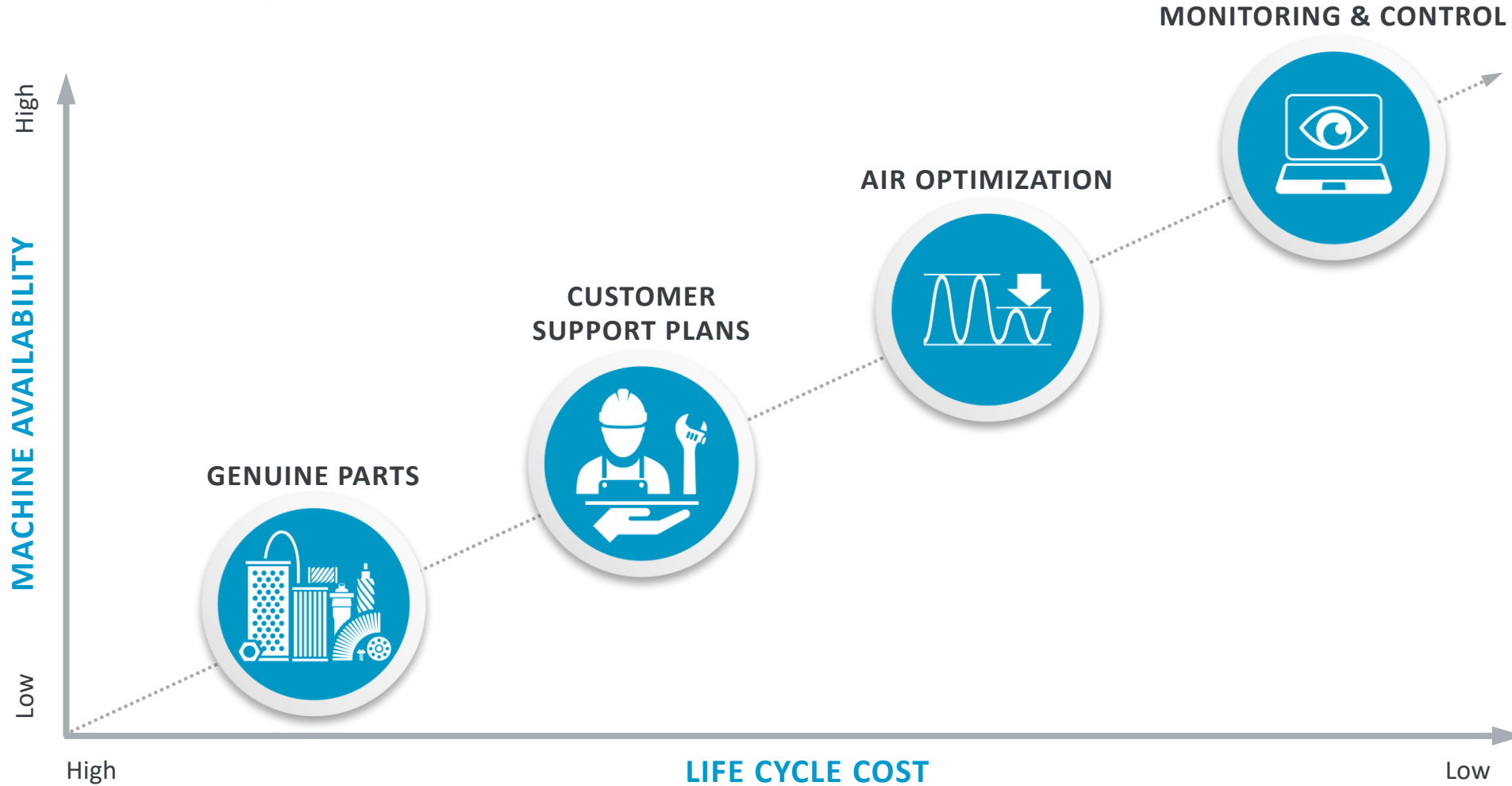
Compressor Technique – Service

CAGR
Service
8%
Equipment
5%



Strategy for profitable growth – Service

Our service offering



Strategy for profitable growth – Service

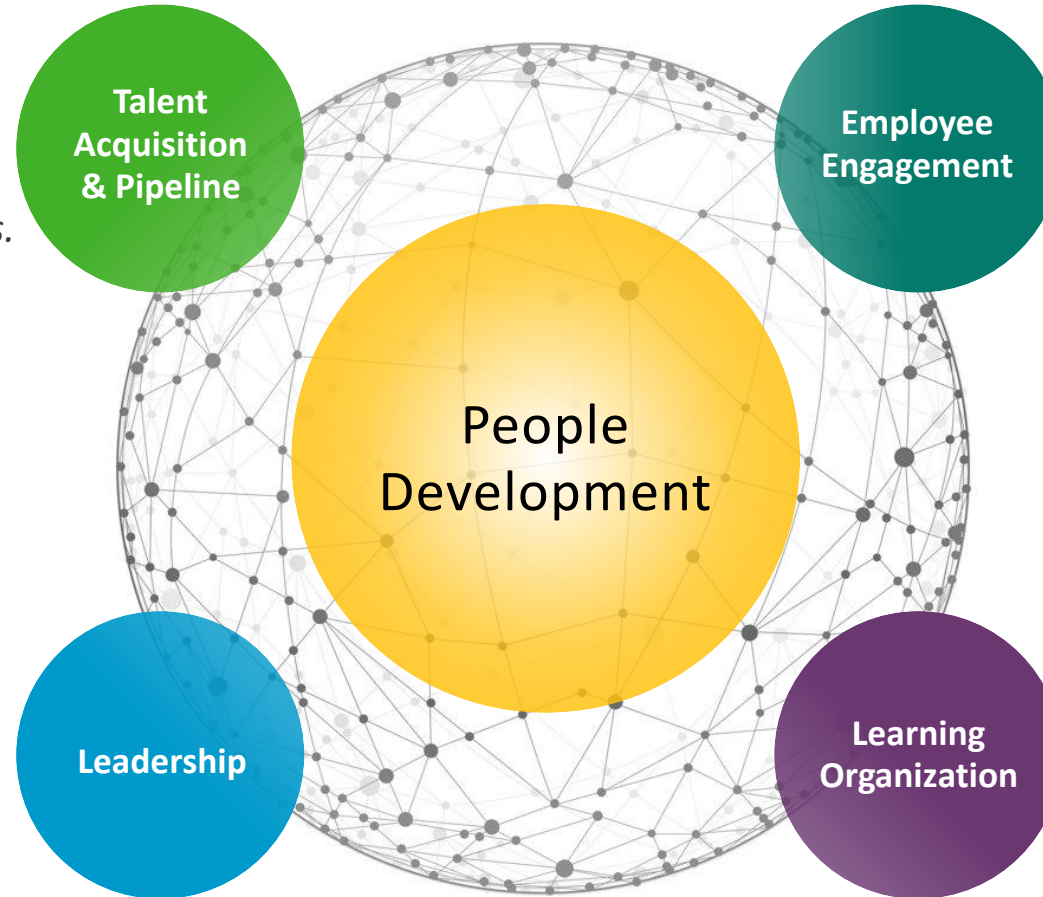
Connectivity



People Key Focus Areas

*Talent pipeline for future BLM's and GM's.
Development plans for potential successors for business critical roles.
Diversity & inclusion : Master in Marketing & Sales programs.*

*Top 350 leaders all have an individual development plan.
Leadership development courses in place.*



*71% employees believe there is opportunity for professional development, mobility and growth.
73% employees believe we have a culture of respect, fairness and openness.*

*>85% usage of curated learning paths developed for target employee populations.
LinkedIn learning available throughout the organization.*

Summary – Compressor Technique



- Diversified market place
- Growing number of applications
- Broad product portfolio
- Focus on innovation
- Complete solution provider
- People are key





Atlas Copco

atlas-copco.com

Forward looking statements

“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 and adversely affected by other factors such as the effect of economic conditions, exchange-rate and interest-rate movements, political risks, the impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.”