Industrial Technique
Henrik Elmin, Business Area President
Capital Markets Day 2018
Agenda

1. Facts in brief
2. Trends and driving forces
3. Focus and priorities
4. Innovation in reality
5. Summary
Industrial Technique

*Growth drivers*

- Global offer in selected assembly technologies
- Transformation towards Industry 4.0
- New product development
- Acceleration in service

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**ORDERS, REVENUES AND OPERATING MARGIN**

- Orders received, MSEK
- Revenues, MSEK
- Operating margin, %
- Adjusted operating margin, %

*2016 figures not restated per IFRS 15.*
Orders received – local currency Q3 2018

SHARE OF ORDERS RECEIVED YEAR TO DATE:

35%
37%
28%

+2%
-5%
+22%
+32%
-32%

Q3 vs. Q2
YoY

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Broad offer

Multiple industries
- TIGHTENING

Aerospace
- DRILLING

Metal fabrication
- MATERIAL REMOVAL

Automotive
- SELF-PIERCE RIVETING

Automotive
- ADHESIVE DISPENSING

Automotive
- FLOW DRILL FASTENING

Multiple industries

Aerospace

Metal fabrication

Automotive

Automotive

Automotive
Diverse customer base

- Off-road
- Ship building
- Electronics
- Automotive Tiers
- Motorcycles
- Large transport equipment
- Power equipment
- Power generation
- Automotive
- Non-metal fabrication
- Vehicle service
- Battery
- Oil and Gas
- Ship building
- Electronics
- Automotive Tiers
- Motorcycles
- Large transport equipment
- Power equipment
- Power generation
- Automotive
- Non-metal fabrication
- Vehicle service
- Battery
- Aerospace
- Recreational products
- Rail
- Medical
- Foundries and metal production
- Appliance
- Industrial Machinery & Equipment

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Trends

GENERAL
1. China
2. Quality, ergonomics & safety

CUSTOMER PRODUCTS
3. Electric vehicles & battery
4. Light-weighting
5. Growth of Electronics

SMART PRODUCTION
6. Connectivity
7. Flexible automation
8. Big data & Artificial Intelligence

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## Summary of strategic focus areas

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<th>GENERAL INDUSTRY</th>
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<td>• Expanding within assembly technologies</td>
<td>• Dedicated products for industrial automation</td>
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<td>• Solutions for in-line quality control</td>
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<td>• Transformation in Asia</td>
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<td>• Data driven service</td>
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Expanding within assembly technologies

New materials

New applications

New joining technologies
Transformation in General Industry

Smart Connected Offroad

Smart Connected Aerospace

Smart Connected Electronics

Smart Connected Bolting
Dedicated products for industrial automation

Automotive

Electronics

Aerospace
Solutions for in-line quality control

BODY SHOP

FINAL ASSEMBLY
Innovation for growth

TBP & SRB battery tools

MicroTorque electric screwdriver

Enso system

FlexSystem

Henrob Flex system

Synatec SQS
Data analysis

Analysis of real time production data
Data driven service

As production lines become more flexible, Atlas Copco will help customer to proactively improve quality and uptime.
Strategic approach to acquisitions

**Innovation in reality**

- Adhesive systems and metering technology (2011)
- Drilling equipment (2011)
- Quality control solutions (2013)
- Mechanical and electrical wrenches (2013)
- Hydraulic torque wrenches and pumps (2013)
- High torque bolting solutions (2013)
- Self-pierce riveting (2014)
- Hydraulic torque wrenches and pumps (2014)
- Adhesive dispensing equipment (2016)
- Flow drill fastening (2018)
- Quality inspection (2018)
Innovation in reality
Summary

Electric vehicles and light-weighting drive growth

Sustainable business model in Motor Vehicle and General Industries

Focus on Industry 4.0

Strong service growth
Cautionary 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 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.”