Power Technique
Andrew Walker, 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
Power Technique

**Growth drivers**

- Increased infrastructure investments
- Localization of our products to meet local legislations
- Innovation in equipment
- Expanding the service offer
- Strengthen market position in pumps, generators and light towers
- Develop a service network for indirect channels
- Environmental regulations

*2016 quarterly figures shows best estimated numbers, as effects of the split of the Group and restatements for IFRS 15, are not fully reconciled.
Orders received – local currency Q3 2018

SHARE OF ORDERS RECEIVED YEAR TO DATE:

- 29%
- 51%
- 20%

Q3 vs. Q2 YoY

+7%  +24%  +14%  -11%  -2%
Focused on construction and so much more…

Industries served include:

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Power Technique divisions

- Portable Air Inc. Tools
- Power and Flow
- Power Technique Service
- Specialty Rental
Trends and driving forces

Global regulations

Other relevant types of regulations

- Pressure vessels
- Safety
- Road homologation
- Noise
- ....

Diesel emission regulations (particles / nox exhaust)
- Stage V (2019)
- Tier 4
- Stage IV
- Stage III & IV
Trends and driving forces

Investments

Global trends

- Government investments in infrastructure drive
- Consolidation rental market
- Increased demand for service (focus on their core)
- Digitalization
Summary of strategic focus areas

- Channel management
- Recurring business
- Developing generator and pump market
- Portable air and handheld tools
- Market coverage
- Digitalizing customer experience
Channel management

Three main segments

Dealers

Rental companies

Direct to end-users

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Recurring business

2 service divisions

Power Technique Service

Specialty Rental

SHARE OF REVENUES 2017

- Equipment: 62%
- Service: 15%
- Service, Specialty Rental: 23%
Developing generator and pump market

Profitable niches

Innovate to grow market share in generators

Significant player in flow
Develop service business in selected niches pumps
Selected acquisitions to develop market share

Become market leader in light towers
Portable air and handheld tools

Consolidate our number 1 position for portable air compressors

Develop complete electric compressor portfolio

Regionalized product offering for local needs and legislation
Dealer management tools
Focus on handheld tools

Using boosters to focus on oil & gas segment
Roll out Stage V
Market coverage

Geographic footprint gives increased versatility

- Air compressors
- Generators
- Pumps

- Surface pumps
- Air compressors and breakers
- Boosters
- Oil free portables

- Submersible Pumps

- Light towers
- Generators
- Pumps
- Breakers

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Digitalizing customer experience
Innovation for growth

New portable efficient electric compressors

Containerized efficient Twin-engine generator for Europe

Battery technology in light towers

Extended high-flow pump range

Full range of compact utility compressors

Variable speed generator (QAS VSG)

Monitoring control
As standard on select new units retrofitting field units

Oil-free rental compressor
Innovation in reality
Innovation: portable electric air compressor range

E-Air 250
Electric motor driven
Free air delivery: 247 cfm – 117 l/s
Pressure: 174 psig – 12 bar
Summary

Consolidate our number 1 position in portable air compressors

Become market leader in light towers

Grow rental business in adjacent segments

Increase product innovation to grow organically in generators

Significant player in selected flow segments
  - Pumps

Develop service business in selected product segments
  - Pumps
  - Generators
  - Light towers

Selected acquisitions to develop flow business

Grow rental business in adjacent segments

Increase product innovation to grow organically in generators

Selected acquisitions to develop flow business
“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.”