Vacuum Technique

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Capital Markets Day 2018
Agenda

1. Facts in brief
2. Trends and driving forces
3. Focus and priorities
4. Innovation in reality
5. Summary
Vacuum is everywhere!

- Space Simulation
- Semiconductor
- Flat panel displays
- Metallurgy
- Electric Vehicles
- Conveying
- Food & Beverages
- Packaging
- Forming & Shaping
- Coating

November 15 2018  Atlas Copco Capital Markets Day
Vacuum Technique

**Growth drivers**

- Successful integration of acquisitions
- Embedding of decentralized organizational structure
- China focus
- Leverage synergies with other business areas and the Group
- Innovation and Digitalization

**ORDERS, REVENUES AND OPERATING MARGIN**

- **Orders received, MSEK**
- **Revenues, MSEK**
- **Operating margin, %**

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

SHARE OF ORDERS RECEIVED YEAR TO DATE:

26% 19% 55%

Q3 vs. Q2

YoY

+16% -7% -31%

+0% +2% +0%
What is sustainable profitable growth?

**Growth Drivers**

**Macro Factors:**
- Climate change
- Miniaturization
- Digitalization
- Urbanization

**Micro Factors:**
- China Investment
- Internet of Things
- High demand for increasing process efficiency

**Vacuum & Abatement Technology**
- Technology Leadership
- Application know-how
- Speed to market

**Market Leadership**
- World-class Key Account Management
- Application based solutions delivered through technology leadership
- Extensive Aftermarket
- Lean hi-tech manufacturing close to our customer base
## Impact of growth drivers

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Summary focus, priorities and strategy

- Agility and resilience
- Growth in industrial vacuum
- Technology leadership
- Opportunities in China
- Integration of cryogenics business
- Service
Agility and resilience
Structure built for agility

Flexible and agile cost structure.
Additional 200 MUSD of cryo business with low overheads.
Adaptable workforce >20% temporary roles.
Agile supply chain.
Move from sellers to buyers market.
Strong development in both service divisions.
Agility without compromising strategy.
Becoming the undisputed leader in vacuum technology
Brooks Cryogenic Business

Leader in high value cryogenics solutions under two leading brands – CTI and Polycold

Extensive track record – 85,000+ CTI Cryopumps and 20,000+ Polycold chillers installed globally.

Market leader in Semiconductor – critical products in deposition and ion implant processes.

Used in a wide range of thin film and scientific applications.

50/50 JV with Ulvac Inc which produces cryopumps for flat panel display market.
Cryo Technology: Increasing footprint on Process Tool Chambers
Inside the Fab and Sub-Fab

Majority of current VT Semiconductor business is for sub-fab vacuum and abatement
Industrial Vacuum

New technologies market

Traditional markets (old products, traditional users)

Introduce disruptive innovations in a traditional market
Service

Two stable and growing service businesses

Vacuum Technique Service

- Share growth potential
- Investing in presence
- Merged Leybold and Edwards hubs; Plan to merge Cryo business hubs
- Develop a Product Portfolio for proactive Service offerings

Semiconductor Service

- Ongoing high fab utilization
- Benefiting from huge growth of install base over last 5-years
- Customer presence with >1,000 on-site service personnel
Innovative products to be launched in the coming months

Innovation in vane technology

- Easy operation – clean exhaust
- Easy integration – compact
- Comfortable operation – low noise level

Next generation dry vacuum pump for harsh processes

- Harsher process capability
- Lower power
- Smaller footprint

Revolution in liquid ring vacuum technology

LRP VSD+

Extended range EDS dry screw pump technology

Next generation abatement system

Next generation dry vacuum pumps

iXHMk2

DHS VSD+

New dry screw vacuum pumps

Atlas Mk4
Innovation in reality
Summary

Market share gain.

Growth through breakthrough innovative new products.

Very strong service growth through utilization and presence.

An integrated sustainable strategy.

Clear divisional roadmaps driving towards strategic convergence and Sustainable Profitable Growth.

Excellence in Brand Portfolio management.
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.”