Value creation and cash flow generation

Hans Ola Meyer, CFO
Value creation in Atlas Copco

- Industry-to-industry
- Geographically spread customer base
- Leader in our niche markets
- Differentiated core technology
- Strong base of business partners
- Healthy aftermarket potential

Leveraging...
- Application knowledge
- Efficient manufacturing and product development processes
- Capacity to swiftly market products and services globally

Goals for sustainable, profitable development

Historic performance – average

![Graphs showing revenue growth, return on capital employed, and other metrics over different years.](image)

- Revenue growth, %
- Operating cash flow revenues, %
- Dividend/earnings per share, %
- Operating margin, %
- Capital employed turnover
Cash generation and use of cash

- Strong underlying cash flow generation

- Enables...
  1. Organic growth
  2. Acquisition growth
  3. Returns to shareholders

Capital efficiency

Operating cash flow and investments

Reported figures, incl. discontinued operations. Investments exclude rental equipment.
Revenue growth vs. change working capital

Cash flow – 2008
Cash flow – 12 months until September 2011

Net profit
- Change in working capital
- Net investments - net depreciation
- Acquisitions and divestments
- Other
- Dividends

Economic Value Added (EVA)

ROI, %
WACC, %
EVA, continuing operations, MSEK
Conclusion cash generation

"Good year"
- Invest in growth

"Bad year"
- Extra cash generation

Committed to sustainable productivity.
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.”