

Compressor Technique



Capital Markets Day, November 20, 2013
Stephan Kuhn, Business Area President

Sustainable Productivity



Agenda

- 1 Market overview
- 2 Business overview
- 3 The strategic pillars for profitable growth
- 4 Summary



Market overview

Segments and demand drivers



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Global presence in a wide variety of industries



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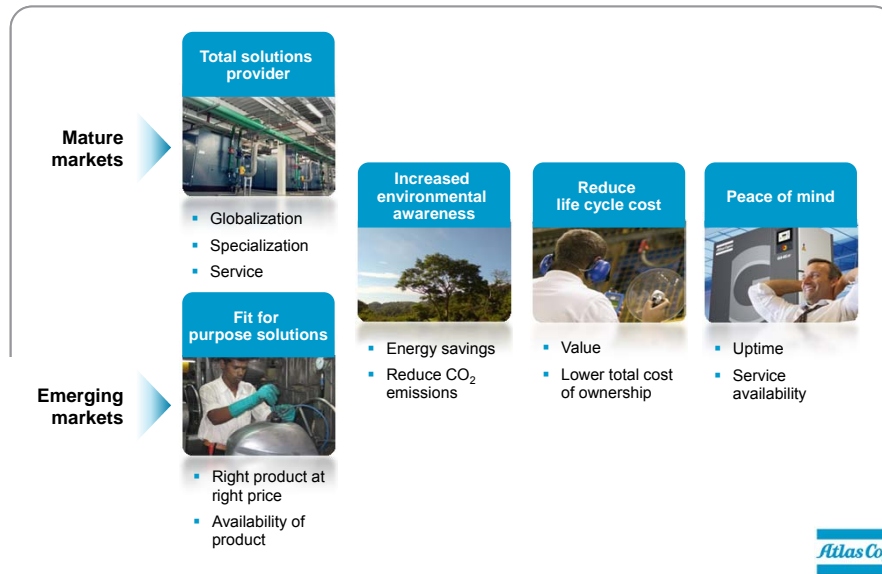
Demands drivers

- Global growth
- Industry capex
- Energy efficiency and productivity
- Life cycle cost
- Total solutions
- Increased demand for services



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Needs & value propositions



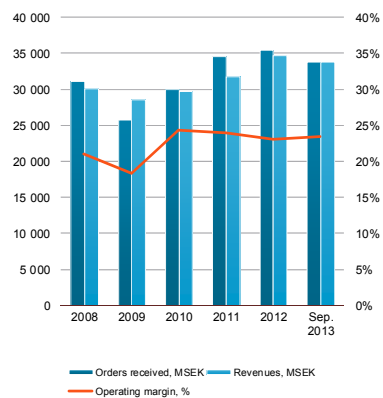
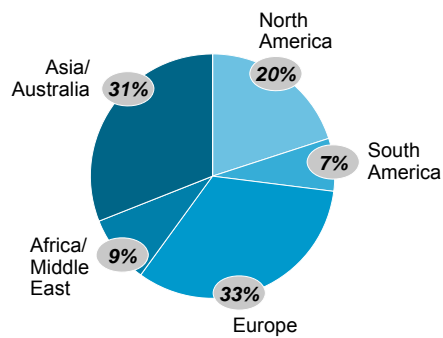
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Business overview



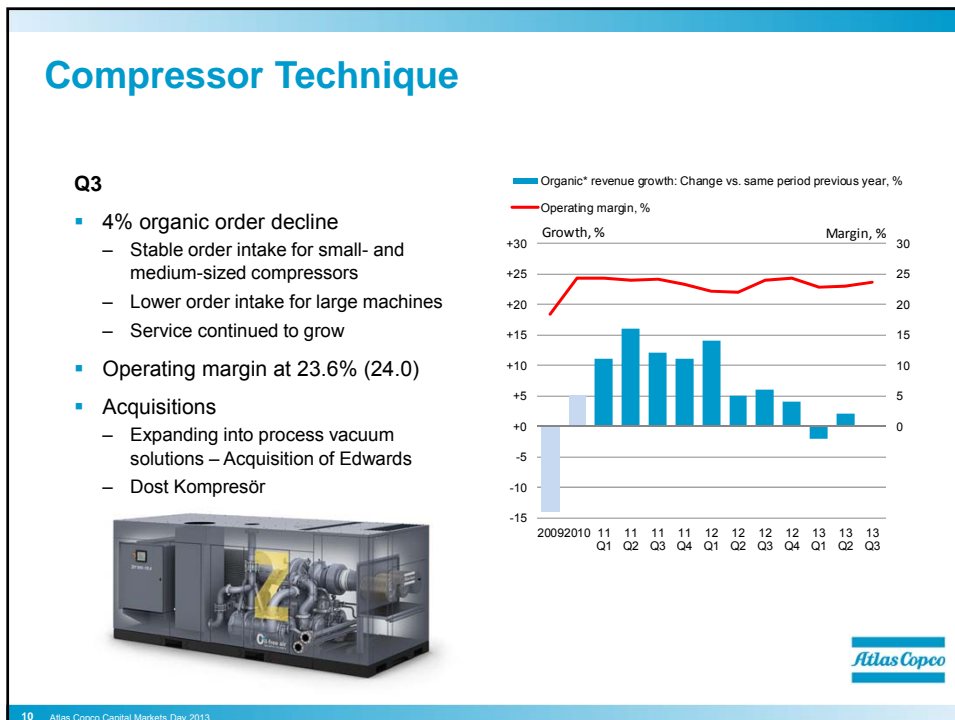
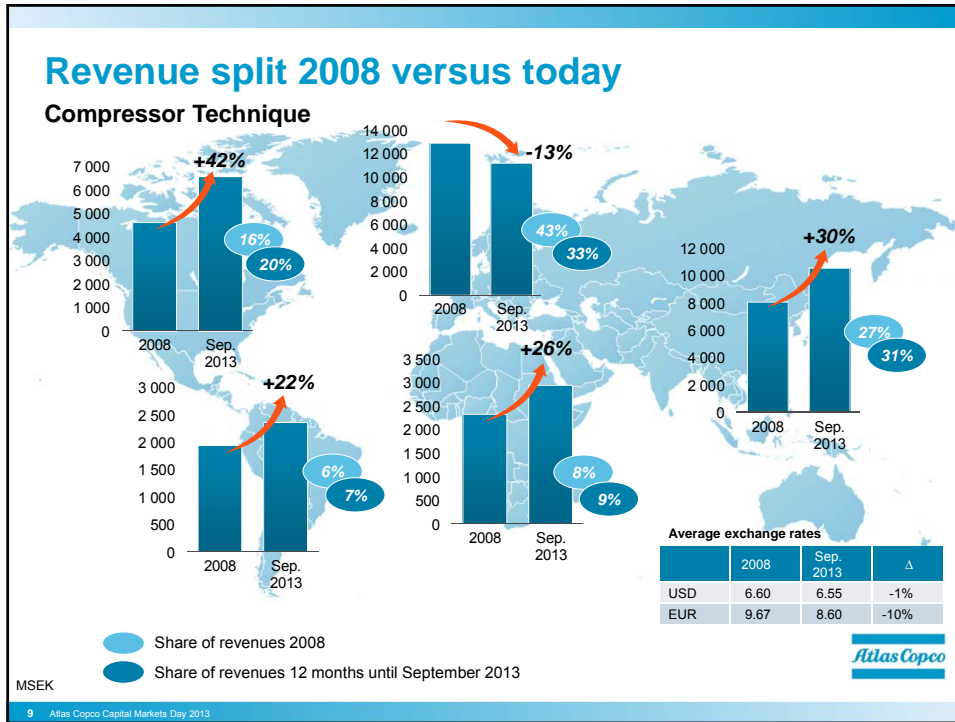
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Compressor Technique



Pie chart: Revenues 12 months until September 2013, Graph: 12 months figures

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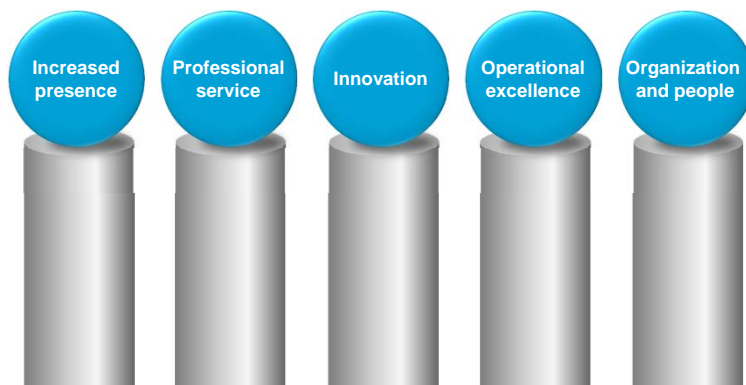


The strategic pillars for profitable growth



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The strategic pillars for profitable growth



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Professional service



Customer:

- Peace of mind
- Total cost of ownership
- Energy management

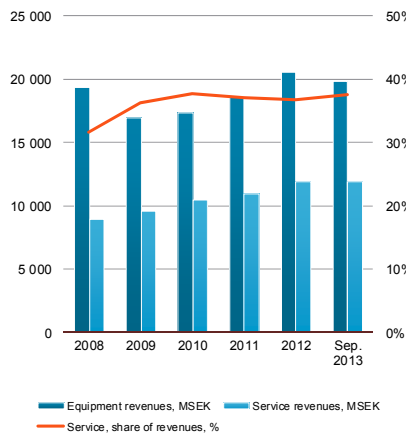
Atlas Copco:

- Uptime of equipment
- Predictable income streams and resource utilization (capacity, competence, efficiency)
- Coverage of all products



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Enhance the service offering



- Grow faster than equipment
- Organic growth YTD 2013 = 6%



12 month figures - Service revenues, excluding rental revenues

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A complete lifecycle offering

Professional service

- Genuine parts
- Customer support plans
- Air optimization
- Monitoring & control

Atlas Copco

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Strategy for growth

Increasing penetration

Professional service

100%

Customer Share

Climbing The Service Ladder

Population Management

1 to 1 ratio


100%

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Fleet management

Traffic light concept



- No service during the last 12 months
- Fixed price or chargeable service during the last 12 months
- Equipment under contract


Professional service

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Climbing the service ladder

SMARTLink monitoring services




Professional service


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Innovation

CUSTOMER NEEDS **CUSTOMER VALUE**







Evaluation of needs




Energy efficiency and heat recovery




Peace of mind service and rental solutions




Superior Technology




Choice of compressor



Optimization of air supply








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Innovation: GA VSD+

- Oil-injected rotary screw compressor with variable speed drive
- 50% more energy efficient than a standard compressor
- 15% more energy efficient compared to previous Atlas Copco VSD compressor



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Innovation: ZH Mark II



- Oil-free centrifugal compressors for large volumes of compressed air
- 7% higher energy efficiency at full load

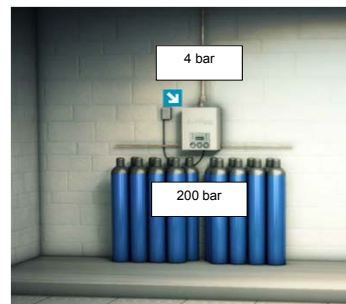
The **yearly energy gain** of 7% for one ZH Mark II compressor equals:

- 320 000 kWh
- 77 000 USD cost savings
- Electricity consumption of 90 households



Innovation: Medical manifold

For distribution of gaseous pharmaceuticals



Acquisitions

- 19 acquisitions in the past 5 years
 - Turnover of more than MSEK 2 000
 - Has contributed to about 2% annual revenue growth
- More to come...



Atlas Copco

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Atlas Copco to acquire Edwards

Acquisition rationale

- Vacuum is an attractive market segment that fits well with Atlas Copco's growth strategy (to grow in current and adjacent businesses)
- Edwards offers technically advanced solutions, products and services that are critical to the customers' operations
- Edwards serves industries that are well-known to Atlas Copco





Atlas Copco

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Vacuum – a growing market

Increasing vacuum intensity

Miniaturization	450 mm transition	New processes	Steel degassing	Lithium Ion batteries
 <ul style="list-style-type: none"> • Moore's law • Next generation technologies 	 <ul style="list-style-type: none"> • Increasing complexity • Consolidation 	 <ul style="list-style-type: none"> • EUV lithography • Advanced packaging 	 <ul style="list-style-type: none"> • New processes • Stronger steels 	 <ul style="list-style-type: none"> • Electric-hybrid vehicle applications
Device proliferation	LED	Wet-to-dry transition	Solar	OLED
 <ul style="list-style-type: none"> • Mobility and connectivity • Electronics as necessity 	 <ul style="list-style-type: none"> • LED and general illumination driving growth 	 <ul style="list-style-type: none"> • Increasing sophistication • Lower power requirements 	 <ul style="list-style-type: none"> • "Green" technology • Multiple technical solutions 	 <ul style="list-style-type: none"> • Significant investment • Hyper growth market

Vacuum Solutions

→

New vacuum applications



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Summary

- Extend the offer, organically and by acquisitions
- Compressor Technique will continue to grow
- The organization is strong and “fit for more”
- Improve presence
- Continue to innovate
- Further development of the service offer



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**Committed to
sustainable productivity.**



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A large version of the Atlas Copco logo, featuring the company name in a blue serif font centered between two thick horizontal blue bars.