AGENDA

1. Facts in Brief
2. Vacuum Solutions
   - Status update
3. Innovation
4. Service
5. Summary
COMPRESSOR TECHNIQUE

Global leader providing innovative compressed air, air and gas treatment and vacuum solutions for sustainable productivity

Profitable growth with asset light and agile organization
COMPRESSOR TECHNIQUE

Compressors & vacuum pumps

Medical gas solutions & air treatment

Textile
Assembly
Wood & paper
Food & beverages

Medical
Electronics
Chemical /petrochemical
…and more
COMPRESSOR TECHNIQUE

In Brief

- Leverage investments in presence and innovation
- Grow market share and customer share
- Grow the vacuum solutions business
- Strengthen service platform and extend service offer
- Support organic growth with more acquisitions

Q3 2015

- Growth in service
- Weak order intake for equipment
- Record revenues and operating profit
  – Operating margin at 22.8% (22.1)

Orders, revenues and operating margin

ROCE 38%
**ORDERS RECEIVED - LOCAL CURRENCY**

Compressor Technique

- **A** Share of orders received, year-to-date, %
- **B** Year-to-date vs. previous year, %
- **C** Last 3 months vs. previous year, %

**September 2015**

- **A** 100 -3 -6
- **B** 22 -12 -21
- **C** 29 -1 +2
- **D** 7 -1 -31
- **E** 35 0 +2
- **F** 5 +2 +4
- **G** 1 +22 +11

Compressor Technique
VACUUM SOLUTIONS

Status update
<table>
<thead>
<tr>
<th>Sector</th>
<th>Rough Value ($bn)</th>
<th>Process Value ($bn)</th>
<th>Industrial Value ($bn)</th>
<th>Semiconductor Value ($bn)</th>
<th>Thin Film Value ($bn)</th>
<th>Instr'/R&amp;D Value ($bn)</th>
<th>Total Value ($bn)</th>
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<tbody>
<tr>
<td>Packaging (excl. food)</td>
<td>$0.7bn</td>
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<td>Food Beverages</td>
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<td>Textile</td>
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<td>Printing &amp; paper handling</td>
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<td>Chemicals</td>
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<tr>
<td>Metals</td>
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<td>Power</td>
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<td>Automotive</td>
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<tr>
<td>Others</td>
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**Typical operating pressure (mbar):**

- >1
- 1 - 10⁻⁴
- 10⁻⁴ - 10⁻⁶
- 10⁻⁶ - 10⁻⁸
- 10⁻⁸ - 10⁻¹⁰
- 10⁻¹⁰ - 10⁻¹²

**Sub-Sector (%):**

- 0
- 20
- 40
- 60
- 80
- 100

**VACUUM SOLUTIONS**

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VACUUM SOLUTIONS

Update

**Synergies identified**

- Sales and service synergies between vacuum and compressed air
  - Leverage customer relationships of Atlas Copco and Edwards to supply more compressors and vacuum systems
  - Leverage Atlas Copco’s geographical footprint with Edwards product offering
- Cross-breeding of similar technologies
- Cost and efficiency synergies
- Grow service offering

**Achievements**

- Innovation – new products
- Strengthened position in semiconductor
- Investments in capacity close to customer
- Investments in Atlas Copco’s market organization
- Growth in utility vacuum
- Strengthened position in industrial vacuum
- Accelerated service growth
The strategic pillars for profitable growth:

- Presence
- Innovation
- Service
- Operational excellence
- People
LIFE CYCLE COST COMPRESSOR / VACUUM INSTALLATION

- Energy cost
- Maintenance cost
- Investment cost
NEW GA45-75VSD+

- Extension of break-trough concept
- Industry-leading performance
  - Specific Energy Requirement: -50%
  - Free Air Delivery: +5%
- Very low noise level: 67 d(B)A
- Compact and smart design
  - Easy service
  - Footprint: -50%
GHS VSD+ VACUUM PUMPS

- Atlas Copco state of the art oil injected screw elements
  - Breakthrough efficient variable speed drive vacuum pumps
- Superior alternative to the traditional oil injected vane pumps:
  - Reduction in energy consumption – on average 50%
  - Silent technology, best in class noise levels
  - Clean operation: insignificant oil emissions
  - Compact all-in-one package with advanced controls
- Game changer in the utility vacuum segment
- Patented designs
- Extension to higher capacities
SERVICE
GLOBAL SERVICE SUPPORT – 24 HOUR OPERATIONS

- Pro-active support anywhere at anytime
- Energy management & air optimization
- Superior solutions to reduce operational cost and increase up-time
- Committed, trained and experienced people
- Close, long-term customer relationships
- More than 8 600 people in service

“A complete lifecycle offering”
COMPRESSOR TECHNIQUE SERVICE

Service revenues

<table>
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<th>Year</th>
<th>Service revenues, MSEK</th>
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<tr>
<td>2010</td>
<td>8,000</td>
</tr>
<tr>
<td>2011</td>
<td>10,000</td>
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<td>2012</td>
<td>12,000</td>
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<tr>
<td>2013</td>
<td>12,000</td>
</tr>
<tr>
<td>2014</td>
<td>14,000</td>
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<tr>
<td>Sept. 2015</td>
<td>20,000</td>
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Organic growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth % - Service organic</th>
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<tbody>
<tr>
<td>2011</td>
<td>5%</td>
</tr>
<tr>
<td>2012</td>
<td>6%</td>
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<tr>
<td>2013</td>
<td>4%</td>
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<tr>
<td>2014</td>
<td>5%</td>
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<tr>
<td>2015 YTD</td>
<td>2%</td>
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**MAINTENANCE ACTIVITY LIST GA7-37VSD+**

- **A visit**
  - Overhaul / change drivetrain
  - Change air filter

- **B visit** – covers A visit activities
  - Check temperatures & pressures
  - Check cooler condition
  - Change cubicle filter mats
  - Change drain
  - Change oil separator
  - Change oil filter
  - Change oil drain
  - Change MPV
  - Change thermostatic valve
  - Oil drain + change
  - Change cubicle filter mats

- **D visit** – covers B visit activities

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SERVICE EXCELLENCE

PLANNING

- Forward Planning for Service Plan
- Urgent response to Breakdown
- Technician allocation based on competence and travel optimization

LOGISTICS

- Logistic centers across the world
- Voice picking for quality control
- Overnight delivery in Service Van
- Direct Delivery to customers worldwide

SERVICE ACTIVITY

- All Service Job information communicated to technician on mobile devices
- Connected Navigation for travel optimization
- Breakdown jobs communicated through connected navigation
- Service job includes activity list and required parts
- Complete Service Job reporting, Customer signature, Visit Report once the Service Job is finished

Correct Service at the Right Time in an Efficient way
STRATEGY FOR GROWTH

1. Populace Management
2. Climbing the Service Ladder
FROM INFORMATION TO ACTIONS

Traffic light concept

1 to 1 ratio

Units under direct service in the last 12 months

1 to 1 =

Total units available for direct service

Every unit requires at least one service intervention per year – every machine should get a minimum of one quote per year

Traffic lights

- Not serviced during the last 12 months
- Chargeable service during the last 12 months
- Serviced under contract
MAXIMUM EQUIPMENT AVAILABILITY AT MINIMUM TOTAL OPERATING COST
## SERVICE PLAN - SCOPE OF SUPPLY

<table>
<thead>
<tr>
<th></th>
<th>PERIODIC INSPECTION</th>
<th>PARTS FOR MAINTENANCE</th>
<th>MAINTENANCE LABOR</th>
<th>WARRANTY</th>
<th>OVERHAUL</th>
<th>ECB</th>
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<tr>
<td><strong>MAINTENANCE PLAN</strong></td>
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<td>×</td>
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<tr>
<td><strong>EXTENDED WARRANTY+</strong></td>
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<td>×</td>
<td>×</td>
<td>×</td>
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<tr>
<td><strong>TOTAL RESPONSIBILITY</strong></td>
<td>×</td>
<td>×</td>
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<td>×</td>
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</table>
MAINTENANCE-RELATED COSTS – EXAMPLE

THE VERY FIRST CONFUSING CUSTOMER PICTURE

- Maintenance by customer
- Fixed price
- Preventive Maintenance Plan
- Total Responsibility Plan

- Customer labor
- Parts supply
- Product price
MAINTENANCE-RELATED COSTS – EXAMPLE

IS IT AN APPLES-TO-APPLES COMPARISON?

- Customer labor
- Parts supply
- Product price
MAINTENANCE-RELATED COSTS – EXAMPLE

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CONNECTIVITY: SMARTLINK

**Operational Efficiency**
- Service visits planned on actual running hours
- Pro-active service response towards customers

**Customer Benefits**
- Service on time
- SMS/E-mail warnings
- Energy consumption analysis

**Product Development**
- Running conditions and machine behavior identifies areas for product improvement

**Maximum Productivity**
**Minimum Operating Cost**
SUMMARY
SUMMARY

Compressor Technique

- Leverage investments in presence and innovation
- Grow market share and customer share
- Grow the vacuum solutions business
- Strengthen the service platform and extend the service offer
- Support organic growth with acquisitions
- The organization is strong and “fit for more”
COMMITTED TO SUSTAINABLE PRODUCTIVITY.