ATLAS COPCO MINING AND ROCK EXCAVATION TECHNIQUE

Capital Markets Day – Focus on Service
November 17, 2015

Johan Halling, Business Area President
SAFETY FIRST
In everything we do

- Our goal – zero accidents
- Creating a sustainable safety culture
- Global campaigns to create awareness
- Preventive actions and activity plans
- Enhanced safety program for service technicians
AGENDA

1. Facts in Brief

2. Automation – Mechanical Rock Excavation

3. Two distinctive service businesses
   - Mining and Rock Excavation Service
   - Rock Drilling Tools

4. Summary
MINING AND ROCK EXCAVATION TECHNIQUE

In Brief

- Innovation and automation is key
- Strengthen the agility and resilience
- High focus on service and consumables
- Customers’ focus is on total cost of operations

Q3 2015

- Growth in service and parts
- Lower order intake for equipment
- Operating margin at 20.0% (18.5 adjusted)

Orders, revenues and operating margin

Orders received, MSEK
Revenues, MSEK
Operating margin, %
Adjusted operating margin, %

ROCE 34%
ORDERS RECEIVED - LOCAL CURRENCY

Mining and Rock Excavation Technique

<table>
<thead>
<tr>
<th></th>
<th>A Share of orders received, year-to-date, %</th>
<th>B Year-to-date vs. previous year, %</th>
<th>C Last 3 months vs. previous year, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2015</td>
<td>100 -6 -8</td>
<td>24 -5 -6</td>
<td>22 +9 +15</td>
</tr>
<tr>
<td></td>
<td>14 -17 -23</td>
<td>17 -6 -10</td>
<td>15 -11 -6</td>
</tr>
<tr>
<td></td>
<td>8 -18 -35</td>
<td></td>
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MINING AND ROCK EXCAVATION TECHNIQUE

Customer split

Orders received by customer category

Pie chart: Orders received 12 months until September 2015
Graph: Orders received 12 months figures

Pie chart: Orders received 12 months until September 2015
Graph: Orders received 12 months figures
Estimated exposure to minerals

**March 2012**
- Copper: 16%
- Silver: 5%
- Zink: 6%
- Nickel: 5%
- Lead: 1%
- Gold: 31%
- Coal: 11%
- Diamond: 3%
- Platinum: 5%
- Other: 3%

**June 2015**
- Copper: 25%
- Gold: 30%
- Nickel, Lead, Tin: 5%
- Zink: 7%
- Iron: 13%
- Coal: 8%
- Diamond: 3%
- Platinum: 5%
- Other: 4%
MINING AND ROCK EXCAVATION TECHNIQUE

Revenues by business type

Pie chart: Revenues, Sept. 2015, 12 months figures
Graph: Revenues 12 months figures

Equipment
Service (consumables)
Service

24% 31%
45%

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ROAD MAP AUTOMATION

2015 – 2016

Powered by RCS
Machine-oriented

All machines in scope shall report value-based information connected to the work cycle

2017 – 2018

MineSET
Control room oriented

Premium range of machines improving the work cycle and fleet productivity

Autonomous PitViper
– increases meters drilled by 10 %
– Increases utilization by 18 %

2019 – 2020

Automation business
Automation solutions integration

Best of breed automation solutions

Boltec reporting status
– Forecast end of activity
– Number of bolts completed

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AUTONOMOUS SURFACE DRILLING

First Tele-remote in South America  
Multi equipment operations  
Fully autonomous testing in July
AUTONOMOUS UNDERGROUND

- Equipment scope
  - All machines on the production level operated from a control room

- Loader automation development project
  - Production system to dispatch and monitor loading and haulage equipment
  - Auto loading
  - Proximity and collision avoidance
MECHANICAL ROCK EXCAVATION

Mobile miner

Reef miner
TWO DISTINCTIVE SERVICE BUSINESSES

Mining and Rock Excavation Service
Providing service solutions to our customers

- > 4000 Service engineers
- > 550 Sales engineers

Rock Drilling Tools
Providing rock drilling tools to our customers
MINING AND ROCK EXCAVATION SERVICE

Service offer

- Replacement parts and kits
- Rock drills and rotation units
- Reman solutions
- Service products
- Custom engineered solutions
- Upgrades
- Service tools
- Certiq
- Training products
REPLACEMENT PARTS AND KITS

Features
- Readily available
- Complies with Atlas Copco quality standards
- Packaged for safe and efficient transport

Benefits
- Ensures safety features are properly functioning
- Promotes maintenance in the safest way possible
- Reduces time searching for the right parts
- Assures parts available at the time of service
SERVICE PRODUCTS

CARE Agreements – Your security for up time

Features

- Preventive maintenance
- Scheduled inspections and audits
- Inspection and overhaul protocols
- Extended warranty

Benefits

- Consistent machine performance
- Records for service and action needed
- Protection against unplanned extra cost
SERVICE PRODUCTS

RigScan

Features

- Fast, convenient, minimally invasive audit technology
- Combining visual inspections and performance analysis tools
- Global audit protocols

Benefits

- Increased productivity and improved safety through predictability
- Faster troubleshooting reducing maintenance costs
- Comprehensive performance analysis lowering operational cost
CERTIQ

Telematics solution

**Features**
- Telematics solution that gathers, compares and communicates vital equipment information
- Online 24-7 monitoring
- Intuitive graphics user interface
- Fleet overview

**Benefits**
- Let your machines do the talking
- One step ahead of everything
FOCUS ON PROFITABLE GROWTH IN SERVICE

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Strategy

- Increase market and customer share by offering the right value proposition
- Improve parts availability and stock visibility
- Operational efficiency in service operations and workshop footprint
- Price and cost management

Organic growth

Growth % - Service organic

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth %</th>
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<tbody>
<tr>
<td>2011</td>
<td>25</td>
</tr>
<tr>
<td>2012</td>
<td>15</td>
</tr>
<tr>
<td>2013</td>
<td>5</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
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<tr>
<td>2015 YTD</td>
<td>5</td>
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CONSUMABLES – ROCK DRILLING TOOLS

Product portfolio

<table>
<thead>
<tr>
<th>Top hammer</th>
<th>Down-the-hole</th>
<th>Rotary</th>
<th>Raise boring</th>
<th>Exploration</th>
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<td><img src="image2" alt="Down-the-hole" /></td>
<td><img src="image3" alt="Rotary" /></td>
<td><img src="image4" alt="Raise boring" /></td>
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<th>Handheld</th>
<th>Geotechnical drilling</th>
<th>Ground support</th>
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<td><img src="image7" alt="Handheld" /></td>
<td><img src="image8" alt="Geotechnical drilling" /></td>
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BUSINESS CONCEPT – ROCK DRILLING TOOLS

- A complete drill string
- Partnership - long term
- Value oriented contracts
  - Guaranteed performance / cost per meter
  - Supply and inventory management
  - Including service / reconditioning
  - Technical service / training
- Common goal – Customer’s success
FOCUS ON PROFITABLE GROWTH IN CONSUMABLES

Mining and Rock Excavation Technique

Strategy

- Increase market and customer share by offering new innovative products and the right value proposition
- An efficient distribution (supply chain)
- Operational efficiency
- Price and cost management

Organic growth

Growth % - Consumables organic

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**SUMMARY**

**Business**
- Short and medium term, the market for mining equipment is depressed
- Actions to adapt to the current environment
- Resilient profitability due to high share of revenues from service and consumables
- Long term, the market for Mining and Rock Excavation Technique is good

**Innovation**
- Innovation, automation and autonomous solutions are key
- More productive and efficient equipment, services and consumables
- Efficiency and time to market
- Growth opportunities

*Reduce customers’ total cost of operations*
COMMITTED TO
SUSTAINABLE PRODUCTIVITY.