Great ideas drive development.

At Atlas Copco, we have been turning great ideas into business-critical benefits since 1873. By listening to our customers and knowing their needs, we deliver value and innovate with the future in mind.
Power Technique

Andrew Walker, Business Area President
Capital Markets Day 2018
Agenda

1. Facts in brief
2. Trends and driving forces
3. Focus and priorities
4. Innovation in reality
5. Summary
**Power Technique**

**Growth drivers**

- Increased infrastructure investments
- Localization of our products to meet local legislations
- Innovation in equipment
- Expanding the service offer
- Strengthen market position in pumps, generators and light towers
- Develop a service network for indirect channels
- Environmental regulations

---

*2016 quarterly figures shows best estimated numbers, as effects of the split of the Group and restatements for IFRS 15, are not fully reconciled.*
Orders received – local currency Q3 2018

SHARE OF ORDERS RECEIVED YEAR TO DATE:

- 29%
- 51%
- 20%

YoY Q3 vs. Q2

+7%  +24%  -2%

+14%
Focused on construction and so much more…

Industries served include:

- Petrochemical
- Events
- Construction
- Water well, oil & gas
- Offshore
- Emergency Relief
- Manufacturing
- Power plants
- Mining
- Quarries
Trends and driving forces

Global regulations

Diesel emission regulations (particles / nox exhaust)
- Stage V (2019)
- Tier 4
- Stage IV
- Stage III & IV

Other relevant types of regulations
- Pressure vessels
- Safety
- Road homologation
- Noise
- ….
Trends and driving forces

Investments

Global trends

- Government investments in infrastructure drive
- Consolidation rental market
- Increased demand for service (focus on their core)
- Digitalization
Summary of strategic focus areas

Channel management

Recurring business

Developing generator and pump market

Portable air and handheld tools

Market coverage

Digitalizing customer experience
Channel management
Three main segments

Dealers
Rental companies
Direct to end-users
Recurring business
2 service divisions

Power Technique Service

Specialty Rental

SHARE OF REVENUES 2017

- Equipment: 62%
- Service: 23%
- Service, Specialty Rental: 15%

Equipment, Service, and Specialty Rental represent 90% of revenues.
Developing generator and pump market

Profitable niches

- Innovate to grow market share in generators
- Significant player in flow
- Develop service business in selected niches pumps
- Selected acquisitions to develop market share
- Become market leader in light towers
Portable air and handheld tools
Consolidate our number 1 position for portable air compressors

Develop complete electric compressor portfolio

Regionalized product offering for local needs and legislation
Dealer management tools
Focus on handheld tools

Using boosters to focus on oil & gas segment
Roll out Stage V
Market coverage

Geographic footprint gives increased versatility
Digitalizing customer experience
Innovation for growth

- New portable efficient electric compressors
- Containerized efficient Twin-engine generator for Europe
- Battery technology in light towers
- Extended high-flow pump range
- Full range of compact utility compressors
- Variable speed generator (QAS VSG)
- Monitoring control
  - As standard on select new units retrofitting field units
- Oil-free rental compressor
Innovation in reality
Innovation: portable electric air compressor range

**E-Air 250**

Electric motor driven
Free air delivery: 247 cfm – 117 l/s
Pressure: 174 psig – 12 bar

ZERO EMISSION

½ NOISE

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Summary

Consolidate our number 1 position in portable air compressors

Become market leader in light towers

Grow rental business in adjacent segments

Increase product innovation to grow organically in generators

Significant player in selected flow segments
- Pumps

Develop service business in selected product segments
- Pumps
- Generators
- Light towers

Selected acquisitions to develop flow business

Grow rental business in adjacent segments
Industrial Technique

Henrik Elmin, Business Area President
Capital Markets Day 2018
Agenda

1. Facts in brief
2. Trends and driving forces
3. Focus and priorities
4. Innovation in reality
5. Summary
Industrial Technique

**Growth drivers**

- Global offer in selected assembly technologies
- Transformation towards Industry 4.0
- New product development
- Acceleration in service
### Orders received – local currency Q3 2018

<table>
<thead>
<tr>
<th>SHARE OF ORDERS RECEIVED YEAR TO DATE:</th>
<th>35%</th>
<th>37%</th>
<th>28%</th>
</tr>
</thead>
</table>

**YoY Q3 vs. Q2**
- 32% increase
- 5% decrease
- 22% increase

**November 15 2018**
Atlas Copco Capital Markets Day
Broad offer

- Multiple industries
  - TIGHTENING

- Aerospace
  - DRILLING

- Metal fabrication
  - MATERIAL REMOVAL

- Automotive
  - SELF-PIERCE RIVETING

- Automotive
  - ADHESIVE DISPENSING

- Automotive
  - FLOW DRILL FASTENING

November 15 2018 | Atlas Copco Capital Markets Day
Diverse customer base

- Off-road
- Ship building
- Electronics
- Automotive Tiers
- Motorcycles
- Large transport equipment
- Power equipment
- Oil and Gas
- Power generation
- Automotive
- Non-metal fabrication
- Vehicle service
- Battery
- Aerospace
- Recreational products
- Rail
- Medical
- Foundries and metal production
- Appliance
- Industrial Machinery & Equipment

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Trends

GENERAL
1. China
2. Quality, ergonomics & safety

CUSTOMER PRODUCTS
3. Electric vehicles & battery
4. Light-weighting
5. Growth of Electronics

SMART PRODUCTION
6. Connectivity
7. Flexible automation
8. Big data & Artificial Intelligence
Summary of strategic focus areas

**MOTOR VEHICLE INDUSTRY**
- Expanding within assembly technologies
- Dedicated products for industrial automation
- Solutions for in-line quality control
- Transformation in Asia
- Data driven service

**GENERAL INDUSTRY**
- Segment focused approach
- Smart Connected Assembly
- Dedicated products for industrial automation
- Coverage and transformation in Asia
- Data driven service
Expanding within assembly technologies

New materials

New applications

New joining technologies
Transformation in General Industry

Smart Connected Offroad

Smart Connected Aerospace

Smart Connected Electronics

Smart Connected Bolting
Dedicated products for industrial automation

- Automotive
- Electronics
- Aerospace
Solutions for in-line quality control
Innovation for growth

TBP & SRB battery tools

MicroTorque electric screwdriver

Enso system

FlexDrive

Synatec SQS

Henrob Flex system

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Service – From Reactive to Proactive

Spare parts

Break-down repairs

Preventive service

Tool management center

November 15 2018 Atlas Copco Capital Markets Day
Data analysis

Analysis of real time production data
As production lines become more flexible, Atlas Copco will help customers to proactively improve quality and uptime.

**Data driven service**

- Notifications
- Optimized maintenance
- Process improvements
Strategic approach to acquisitions

Adhesive systems and metering technology 2011
Drilling equipment 2011
Quality control solutions 2013
Mechanical and electrical wrenches 2013
Hydraulic torque wrenches and pumps 2013
High torque bolting solutions 2013

Self-pierce riveting 2014
Hydraulic torque wrenches and pumps 2014
Process control solutions 2015
Adhesive dispensing equipment 2016
Flow drill fastening 2018
Quality inspection 2018

Innovation in reality
Innovation in reality
Summary

- Electric vehicles and light-weighting drive growth
- Focus on Industry 4.0
- Sustainable business model in Motor Vehicle and General Industries
- Strong service growth
Vacuum Technique

Geert Follens, Business Area President
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
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**

<table>
<thead>
<tr>
<th></th>
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<td>Orders</td>
<td>2000</td>
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<tr>
<td>Revenues</td>
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<td>3000</td>
<td>3500</td>
<td>3700</td>
<td>4000</td>
<td>4200</td>
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<tr>
<td>Operating margin</td>
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<td>7%</td>
<td>9%</td>
<td>10%</td>
<td>12%</td>
<td>14%</td>
<td>16%</td>
<td>18%</td>
<td>20%</td>
<td>22%</td>
<td>24%</td>
</tr>
</tbody>
</table>

* 2016 figures not restated per IFRS 15.
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

<table>
<thead>
<tr>
<th>Division</th>
<th>Key Drivers of Change</th>
<th>Short Term Growth</th>
<th>Mid-Long Term Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductor</td>
<td>Miniaturization, Legislation, China, Global Data Use, IoT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Vacuum</td>
<td>Application Technology Leadership, Broader Product Portfolio, Digitalization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Vacuum</td>
<td>New Vacuum Applications, Energy Efficiency and Dry Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semiconductor Service</td>
<td>Global Manufacturing Capacity, Digitalization, Legislation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacuum Technique Service</td>
<td>Digitalization, Brand Management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

Fab Floor (Clean room)
- Process Tools
  - Deposition
  - Implant
  - Etch

Sub-Fab Floor
- Cryo Pumps
- Turbo Pumps
- Dry Pumps Abatement

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

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Process Criticality
Fab Mapping – SEMI China mainland 2018
Industrial Vacuum

Distillation
Preserving
Lifting
Holding & Moving
Cooling & Drying
Degassing & De-aerating
Creating a Clean & Controlled Environment
Forming & Shaping
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

Extended range EDS dry screw pump technology

Next generation abatement system

New dry screw vacuum pumps

Atlas Mk4

DHS VSD+

iXHMk2

LRP VSD+
Innovation in reality
Summary

Market share gain.

Growth through breakthrough innovative new products.

Excellence in Brand Portfolio management.

Very strong service growth through utilization and presence.

An integrated sustainable strategy.

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

Vagner Rego, Business Area President
Capital Markets Day 2018
Agenda

1. Facts in brief
2. Trends and driving forces
3. Focus and priorities
4. Innovation in reality
5. Summary
Compressor Technique

**Growth drivers**

- Innovation
- Leverage investments in presence
- Service offer
- Further expand the core organically and with acquisitions
- Digital value creation
- People development

![ORDERS, REVENUES AND OPERATING MARGIN](image)

---

*2016 figures not restated per IFRS 15.*
Compressor Technique growth opportunities

- High Pressure Products
- Medium Pressure Products
- Low Pressure
- Industrial Gas Products
- Air Treatment
- Product Service
- Installations
- Auditing
- Digital Services
- Air Treatment
Orders received – local currency Q3 2018

SHARE OF ORDERS RECEIVED YEAR TO DATE:

- 28%
- 40%
- 32%

+6%
+5%
+4%
+0%
+11%

YoY Q3 vs. Q2

November 15 2018
Atlas Copco Capital Markets Day
Compressor Technique – The People We Serve

- Glass
- Paint
- Electronics
- Electricity
- Medical & Health
- Furniture Manufacturing
- Gas
- Water
- Textiles
- Cosmetics
- Plastics & Ceramics
- Pharmaceuticals
- Pulp & Paper
- Food & Beverage
- Pulp & Paper
- Water
Compressor Technique – The Applications We Serve

- Reverse Jet Looms
- Laser Cutting
- Shot / Beed Blasting
- Agitation
- Plastic Forming
- Pneumatic Conveying
- Workshop Tools
- Humidification
- Cleaning
- Grinding Tools
- Air Separation
- CO₂ Recovery
- Air Brakes
- Bubble Barriers
- Aeration
- Pneumatic Machinery
- Gas Expansion
- Industrial Assembly Tools
- Robotics
- Fire Suppression
- Insect Control
- Marine Engine Starting
- Nitrogen Packaging
- Instrumentation
- Cooling
- Drying
- Pneumatic Valves
- Climate Control
- Gas Expansion
- Reverse Jet Filters
- LNG Liquification
- Process Gas Compression
- Bottle Blowing
- Tire Filling
- Breathing Air
- Surgical Tools
Compressor Technique – The Solutions We Provide

AIR COMPRESSORS & BLOWERS

GAS GENERATION, COMPRESSION, EXPANSION

AIR & GAS TREATMENT

EQUIPMENT AND SYSTEM CONTROL & MONITORING

AIR & GAS DISTRIBUTION

AFTER MARKET SUPPORT

AIR & GAS GENERATION, COMPRESSION, EXPANSION

Oxygen, Nitrogen

Carbon Dioxide

Hydrogen

Air

0.5 Kw To 37 Mw

Dew Points +5°C to -100°C

Pressure 0.1 to 350 Bar

System Control

System Analysis

Stainless Steel

Remote Monitoring

Dryer Control

Geothermal LNG

Renewables

Petrochemical

Compressor Control

Installation

Aluminum

Service

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Atlas Copco Capital Markets Day

Atlas Copco
Trends and driving forces
Trends and driving forces

- Energy consumption
- Investment
- Installation
- Maintenance
- ENERGY SAVINGS
Focus and priorities

BUY

USE

RECOMMEND

RE-PURCHASE

PURCHASE

SELECTION

INSPIRE

MAINTAIN

INSTALLATION

DELIVERY

ATTRACT

UNDERSTAND

Focus and priorities

November 15 2018  Atlas Copco Capital Markets Day
### System Digitalization Industry 4.0

<table>
<thead>
<tr>
<th>Product</th>
<th>Smart Product</th>
<th>Smart Connected Product</th>
<th>Product System’s</th>
<th>System of Systems (SmartLink)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
<td><img src="image5.png" alt="Image" /></td>
</tr>
</tbody>
</table>

#### Marketing
- BI Dashboards
- Efficiency Articles
- Automatic Mailers
- Links to CRM

#### Factory Management System
- Air volume analysis
- Remote equipment start
- Production shift analysis
- Industry Comparisons

#### Atlas Copco Support Center
- Operating Software updates
- Equipment status
- Preventative diagnostics
- Performance enhancements
- Service planning information
- Parts order status

---

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Market opportunity

Presence

Atlas Copco

Hit rate
Product Developments

New Ranges

- Piston Compressors
- Low Pressure Blowers
- Medium Pressure Oil Injected Screw
- Medium Pressure Oil Free Screw
- High Pressure Pistons
- Medium Pressure Centrifugal
- -40 °C Drum Type Dryers
- System Controllers
Innovation in reality
Life cycle cost

AVAILABILITY

ENERGY COST

Time

ZR90-160 VSD+
Product Developments

KEY FOCUS AREAS

- Increased Energy Efficiency
- Increased Control
- Increased Reliability
- Easier To Install
- Easier to Service
- Improved Monitoring

Zr90-160 Vsd+
New element

Most efficient oil-free screw element on the market

Unique patented coating and element design

Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load
Permanent magnet motor

Unique patented permanent magnet motor

Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load
Two Neos drives

Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load

Dual Inverter Drive with smart control algorithms
ZR 90 – 160 VSD

10% energy reduction

Saving **6,720** euro per annum

VSD 35% reduction compared to fixed speed compressors

TOTAL **45%**

Saving **30,240** euro per annum compared to old fixed speed range

Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load
Environmental savings

45% energy saving = 302,400 kWh of electricity or carbon dioxide reduction of 225 metric tons

Greenhouse gas emissions from

- 48.2 Passenger vehicles driven for one year
- 551,596 Miles driven by an average passenger vehicle
- 78.4 Tons of waste recycled instead of landfilled
- 11.2 Garbage trucks of waste recycled instead of landfilled

CO₂ emissions from

- 25,324 gallons of gasoline consumed
- 246,227 Pounds of coal burned
- 3 Tanker trucks' worth of gasoline
- 24.3 Homes' energy use for one year
- 0.057 Wind turbines running for a year
- 33.7 Homes' electricity use for one year
- 1.2 Railcars' worth of coal burned
- 7,532 Incandescent lamps switched to LEDs
- 521 Barrels of oil consumed
- 9,200 Propane cylinders used for home barbeques

Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load
Summary – Compressor Technique

Diversified market place
Growing number of applications
Broad product portfolio
Focus on innovation
Complete solution provider
Great ideas drive development.

At Atlas Copco, we have been turning great ideas into business-critical benefits since 1873. By listening to our customers and knowing their needs, we deliver value and innovate with the future in mind.
Agenda

1. Atlas Copco – One Group
2. Performance review
3. How we create value and grow
4. Summary
Agenda

1. Atlas Copco – One Group
   
2. Performance review
   
3. How we create value and grow
   
4. Summary

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The Atlas Copco Group – Brand

The home of industrial ideas for tangible customer values

COMMITMENT

INNOVATION

INTERACTION
The Atlas Copco Group – Customers
The Atlas Copco Group – Technology
The Atlas Copco Group – Culture
In Atlas Copco
Leadership is defined as
the ability to create
lasting results
Divisions generally conduct business through product companies, distribution centers and customer centers.
A diversified business

ORDERS RECEIVED BY CUSTOMER CATEGORY

- Other: 7%
- Services: 12%
- Construction: 15%
- Process industry: 11%
- Electrical and technology: 18%
- Motor vehicle: 25%
- General manufacturing: 12%
- Equipment: 7%

12 months ending September 2018

REVENUES BY BUSINESS TYPE

- Service: 34%
- Equipment: 66%

12 months ending September 2018
Agenda

1. Atlas Copco – One Group
2. Performance review
3. How we create value and grow
4. Summary
January – September in brief

• Solid order growth
  – Particularly strong growth in North America and Europe
  – Firm organic growth for Compressor Technique, Industrial Technique and Power Technique
  – Vacuum Technique down due to lower semiconductor investments

• Good profitability in all business areas

• Steady operating cash flow, in spite of growth

• Successful spin-off of Epiroc
Q3 2018

ORDERS RECEIVED
23 BSEK

1% organic decline

REVENUES
24 BSEK

6% organic growth

OPERATING MARGIN
22.2%
Orders received – local currency Q3 2018

SHARE OF ORDERS RECEIVED YEAR TO DATE:

29%
37%
34%

+6%
+5%
+2%
-9%
+11%

YoY Q3 vs. Q2

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Atlas Copco Capital Markets Day
Near-term outlook

The customer demand is expected to be somewhat lower, mainly due to the semiconductor and automotive industries.
Agenda

1. Atlas Copco – One Group
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4. Summary
Value for all stakeholders
How we do business – Innovation across the value chain

- Leading positions in our defined markets
- Leading, differentiated technology
- Key products in customers’ operations
- Smaller part of customers’ investment
- Healthy service potential
- Balance sheet agility

Supplier
- Leveraging the competence of business partners

Atlas Copco
- Design and development
- Sales and service
- Core manufacturing

Customer
- Productivity gains
- Reduced total cost of ownership

Supplier
- Productivity gains
- Reduced total cost of ownership

Customer
- Design and development
- Sales and service
- Core manufacturing
Agility and resilience

**Deteriorating business climate**
- Reduce variable costs
- Working capital reduction

**Improving business climate**
- Add variable costs
- Working capital increase
- Small incremental investments

- **RESILIENCE**
  - Asset light operations
  - Profitable service business

- **AGILE OPERATIONAL SET-UP**
People are key

Knowledgeable, professional, and passionate

Diversity

Trust

Speed
Passionate people create exceptional things

Clarity in mission and expectations creates freedom to develop and implement our visions and strategies

Ownership and clarity in roles and responsibilities

Freedom with accountability

The one closest to the problem, is the one closest to the solution
Our management team

IN TOTAL:

47 years of international experience

79 years of external experience in diverse businesses

190 years in Atlas Copco

Strong international experience
Internal and external expertise
Be the Atlas Copco culture in all aspect
Presence

- Develop local competences
- Direct, indirect, and digital presence
- Create high brand awareness
Digitalization
Proactive service
Our targets

**PROFIT**

**Revenues**
8% average growth per year over a business cycle

**Returns**
Sustained high return on capital employed (ROCE)

**Cash dividend**
50% of net profit in annual dividend

**PEOPLE**

**PLANET**

- Energy consumption
- Transport and CO₂
- Water consumption
- % renewable energy
- Reused, recycled and recovered waste

November 15 2018
Atlas Copco Capital Markets Day
Foundation for continuous growth

- Market leader with a strong portfolio of businesses and products
- Commitment to innovation
- Top organization, world-class people, and top execution
- Strong service offering
- Capacity for strategic acquisitions
- Digitalization embedded in everything

REVENUE GROWTH 2010 – 2017

Goal

5%

15%

25%
Foundation for continuous high return on capital employed

- Standardization and efficient flow
- Asset light operations
- Variable cost structure
- Strong service business
- Digitalization embedded in everything

ROCE 1998 – 2017*

* Including discontinued operations
Growth and strong profitability

*Revenues not adjusted for intercompany sales between Atlas Copco and Epiroc. Operating margin and ROCE are estimated excluding the Mining and Rock Excavation Business Area and Road Construction Equipment division.
Growth and resilience – Service business

CAGR Service 8%
CAGR Equipment 7%

Revenues excluding Mining and Rock Excavation Technique until 2017.
Growth and resilience – Asset light

Average property, plant and equipment in % of revenues

Average net working capital in % of revenues

*Including Mining and Rock Excavation Technique until 2017.
Growth and resilience – Cash generation

Including discontinued operations. Profit for the period “Sep. 2018 12M” is excluding the capital gain related to the distribution of Epiroc.
Growth and resilience – Cash distribution

Average payout ratio 68%
Average yield 5%

Dividend per share, SEK
Redemption per share, SEK
Earnings per share, SEK

Regional growth development – from 70 to 93 BSEK

Note: 2010 Revenues including Epiroc.
Index rebalanced to 100 as per 31 December, 2017.
Impact of tariffs

Estimated cost impact:
MUSD 15 per year

- Majority of impact is on supply from Atlas Copco China to Atlas Copco US

- The main mitigating actions include changed sourcing countries and price increases
Impact of “hard” Brexit

Estimated cost impact:
MUSD 13 per year

- The direct cost impact is mainly related to tariffs on goods moving in and out of the UK
- Other costs relate to:
  - One to two days longer lead time due to border controls
  - Additional personnel resources to handle issues with VAT, trade compliance, and logistics
  - Build up of safety stocks

- Over time a slower GDP growth in the UK is expected
Agenda

1. Atlas Copco – One Group
2. Performance review
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Value for all stakeholders

- Identify and “own” profitable niches
- Use our core competencies to develop the niches
- Top execution through a decentralized leadership model

NETWORKS

- R&D
- Marketing
- Manufacturing
- Sourcing
- Logistics
- Service

SOCIETY

ENVIROMENT

CUSTOMERS

SHAREHOLDERS
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.”