



COMMITTED TO SUSTAINABLE PRODUCTIVITY

Q3 2016 results

October 20, 2016



Atlas Copco

Q3 IN BRIEF

- Organic order growth, solid profit and strong cash flow
- Order growth for all business areas
- Fifth business area announced
 - Vacuum Technique valid from January 2017
 - The acquisitions of Leybold and CSK completed

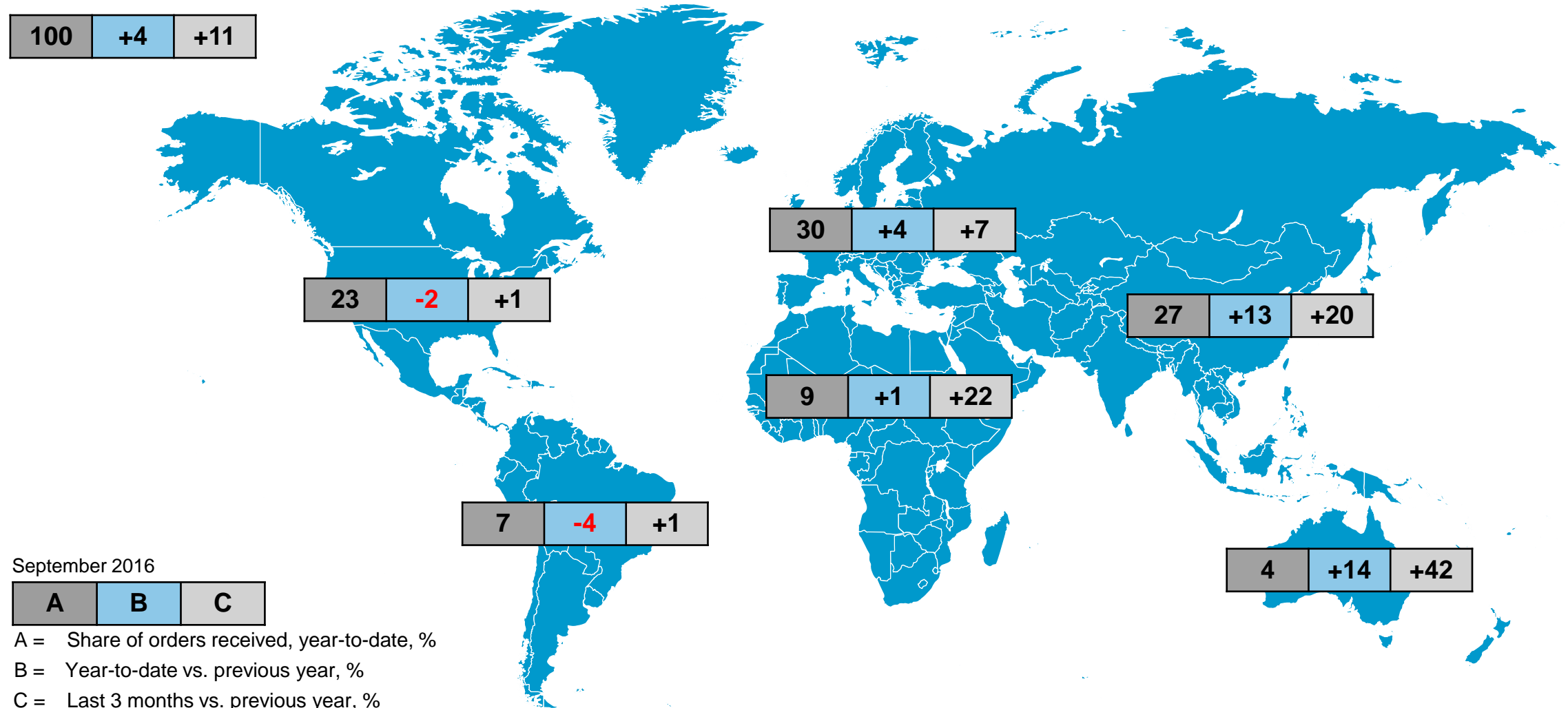
Q3 FIGURES IN SUMMARY

- Orders received were MSEK 26 696, organic growth of 7%
- Revenues were MSEK 26 528, unchanged organically
- Adjusted operating profit margin 19.6% (20.4)
 - Negatively affected by dilutions from acquisitions and currency
- Operating profit of MSEK 5 023 (5 313), margin at 18.9% (20.7)
 - Items affecting comparability of MSEK -166 (+74)
- Profit for the period of MSEK 3 391 (3 806)
- Basic earnings per share SEK 2.78 (3.12)
- Operating cash flow at MSEK 4 958 (4 621)

Q3 FIGURES IN SUMMARY

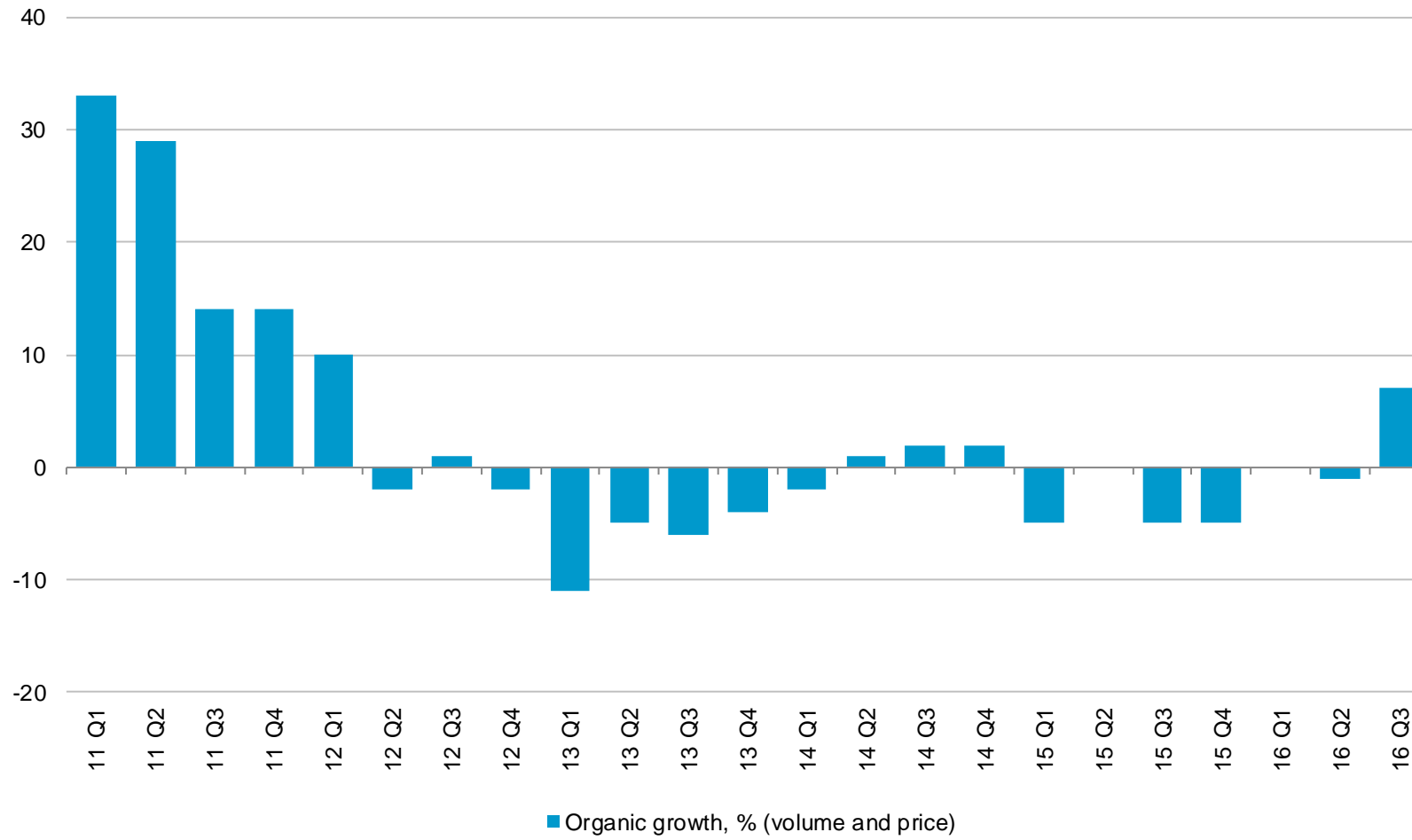
- Orders received were MSEK 26 696, organic growth of 7%
- Revenues were MSEK 26 528, unchanged organically
- Adjusted operating profit margin 19.6% (20.4)
 - Negatively affected by dilutions from acquisitions and currency
- Operating profit of MSEK 5 023 (5 313), margin at 18.9% (20.7)
 - Items affecting comparability of MSEK -166 (+74)
- Profit for the period of MSEK 3 391 (3 806)
- Basic earnings per share SEK 2.78 (3.12)
- Operating cash flow at MSEK 4 958 (4 621)

ORDERS RECEIVED - LOCAL CURRENCY



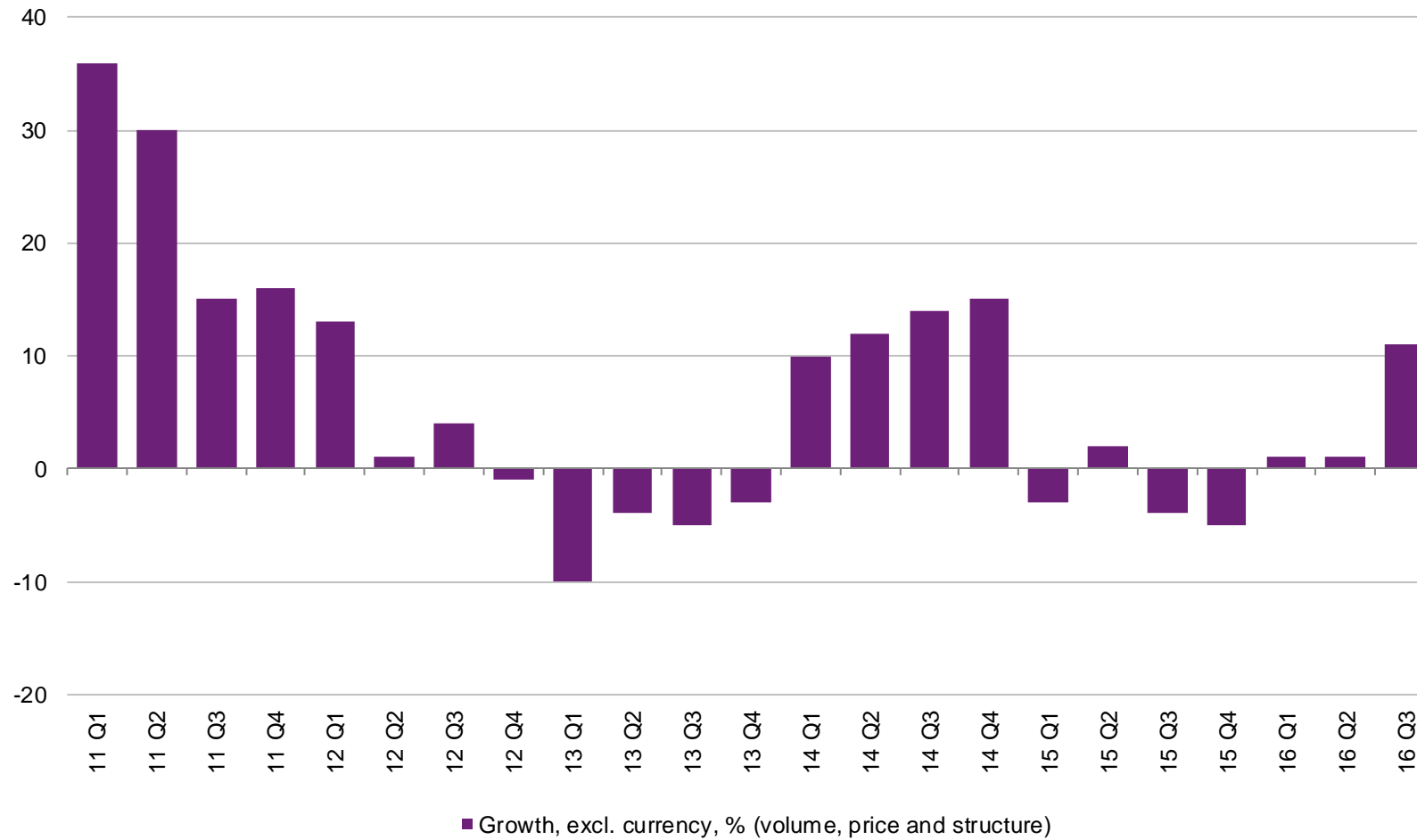
ORDER GROWTH PER QUARTER

Organic growth



ORDER GROWTH PER QUARTER

Growth excl. currency

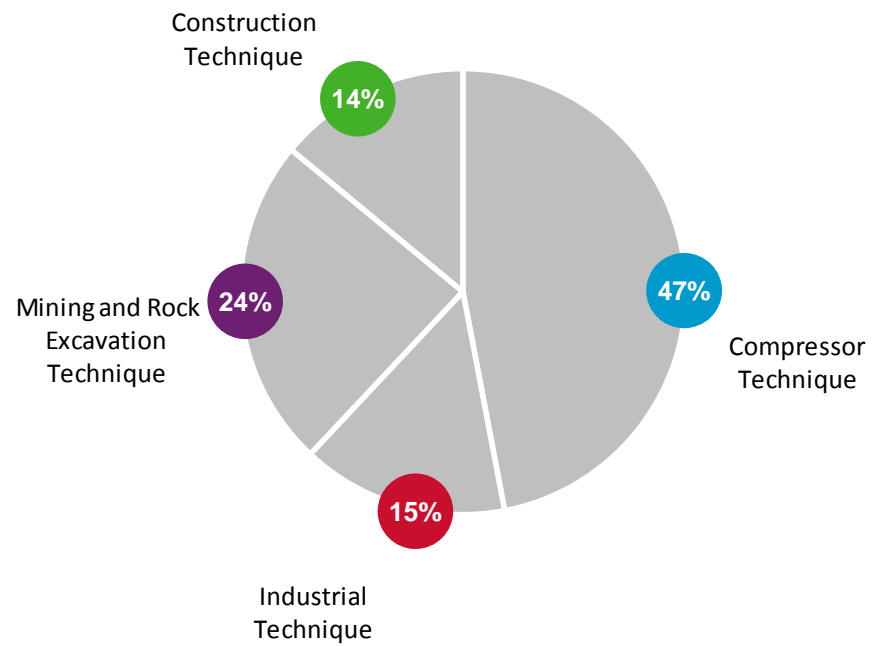


SALES BRIDGE

MSEK	July - September		January - September	
	Orders received	Revenues	Orders received	Revenues
2015	24 149	25 723	76 394	76 579
Structural change, %	+4	+3	+2	+2
Currency, %	+0	+0	-3	-3
Price, %	+0	+0	+0	+0
Volume, %	+7	+0	+2	-1
Total, %	+11	+3	+1	-2
2016	26 696	26 528	77 351	75 103

ATLAS COPCO GROUP

Revenues by business area



12 months through September 2016

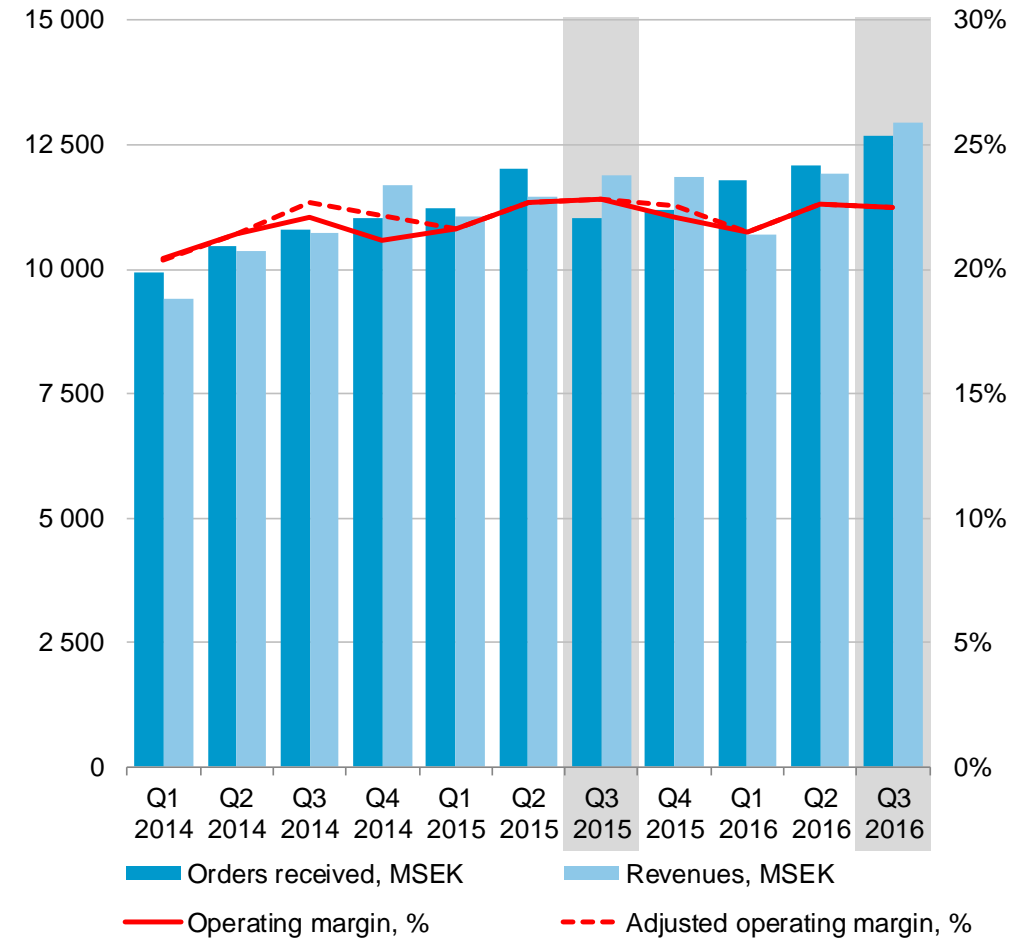


COMPRESSOR TECHNIQUE

- Record order intake, organic growth of 8%
 - Strong growth for vacuum solutions
 - Tough market conditions for gas and process compressors
 - Continued growth for service
- Operating margin at 22.5% (22.8)
- Acquisitions of Leybold and CSK completed



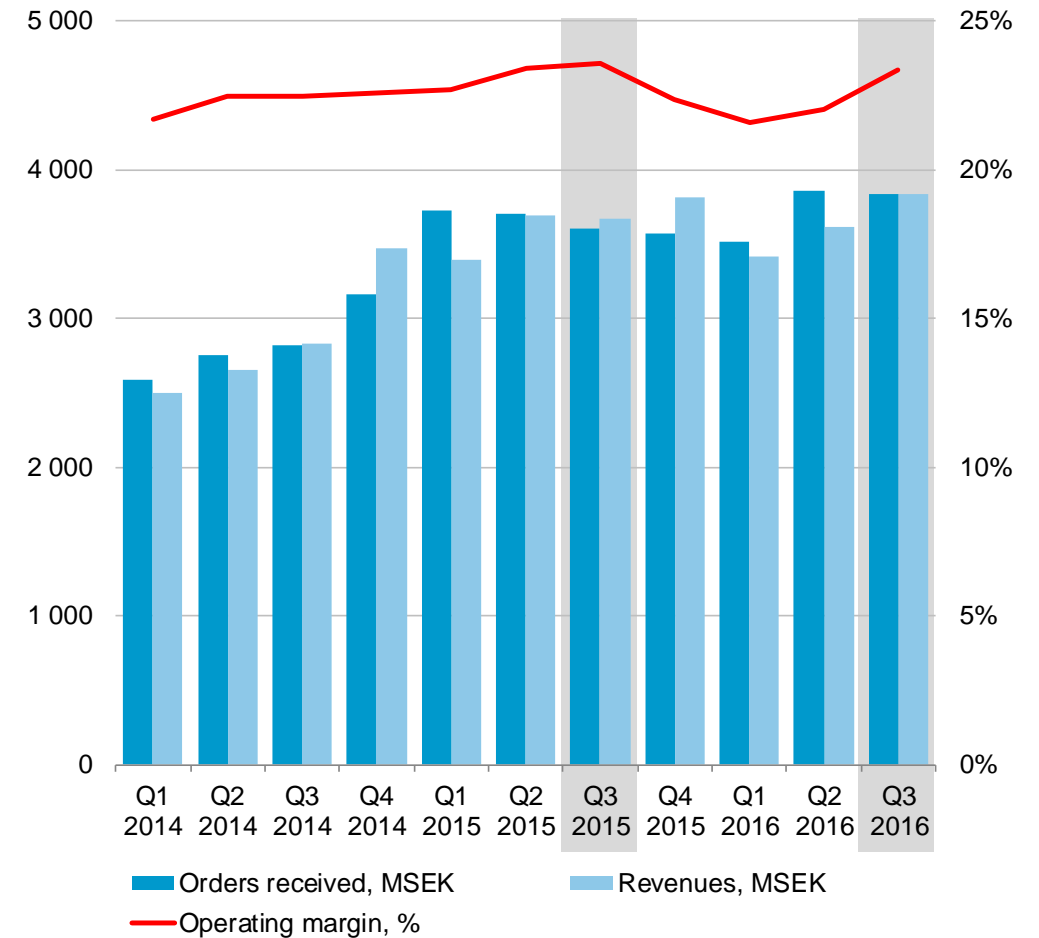
Extended range of oil-injected rotary screw compressors that deliver unsurpassed efficiency.



INDUSTRIAL TECHNIQUE

- Increased orders intake, organic growth of 6%
 - Strong service growth
 - Strong Asia
- Record revenues
- Operating margin at 23.4% (23.6)

New low-reaction battery assembly tool with high accuracy, speed and traceability.

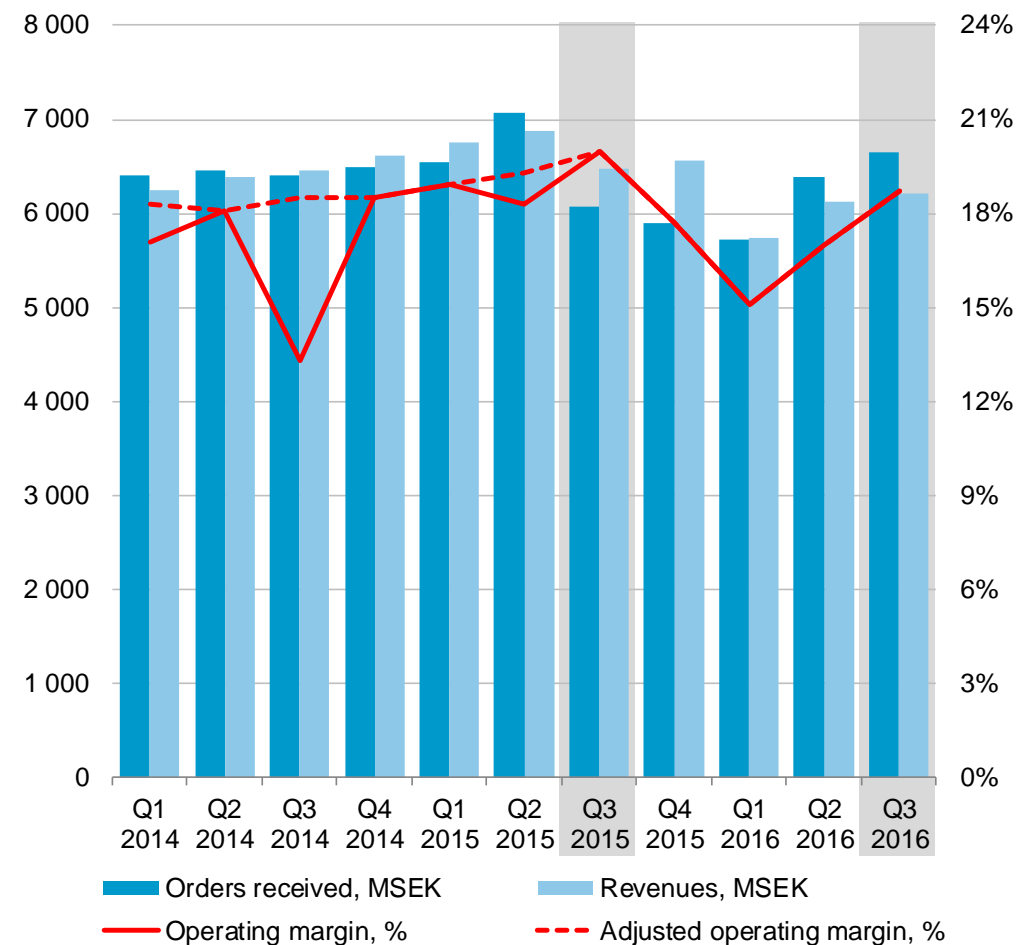


MINING AND ROCK EXCAVATION TECHNIQUE

- Organic order growth of 10%
 - Mining equipment increased
 - Service business down year-on-year – up sequentially
 - Consumables increased
- Operating margin at 18.7% (20.0)



New mine truck with increased productivity and capacity, ready for automation.

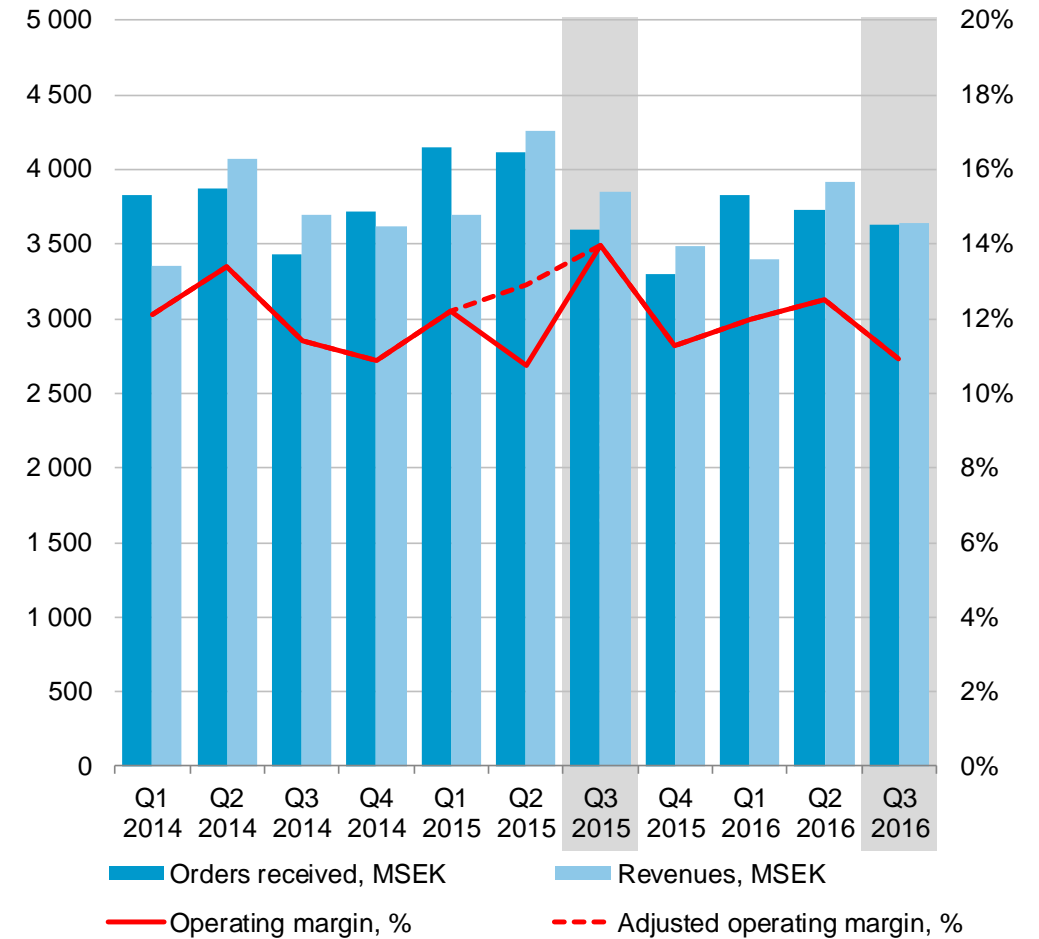


CONSTRUCTION TECHNIQUE

- Order growth +1%
 - Supported by acquisition
- Equipment up, lower order intake for specialty rental
- Operating margin at 10.9% (14.0)



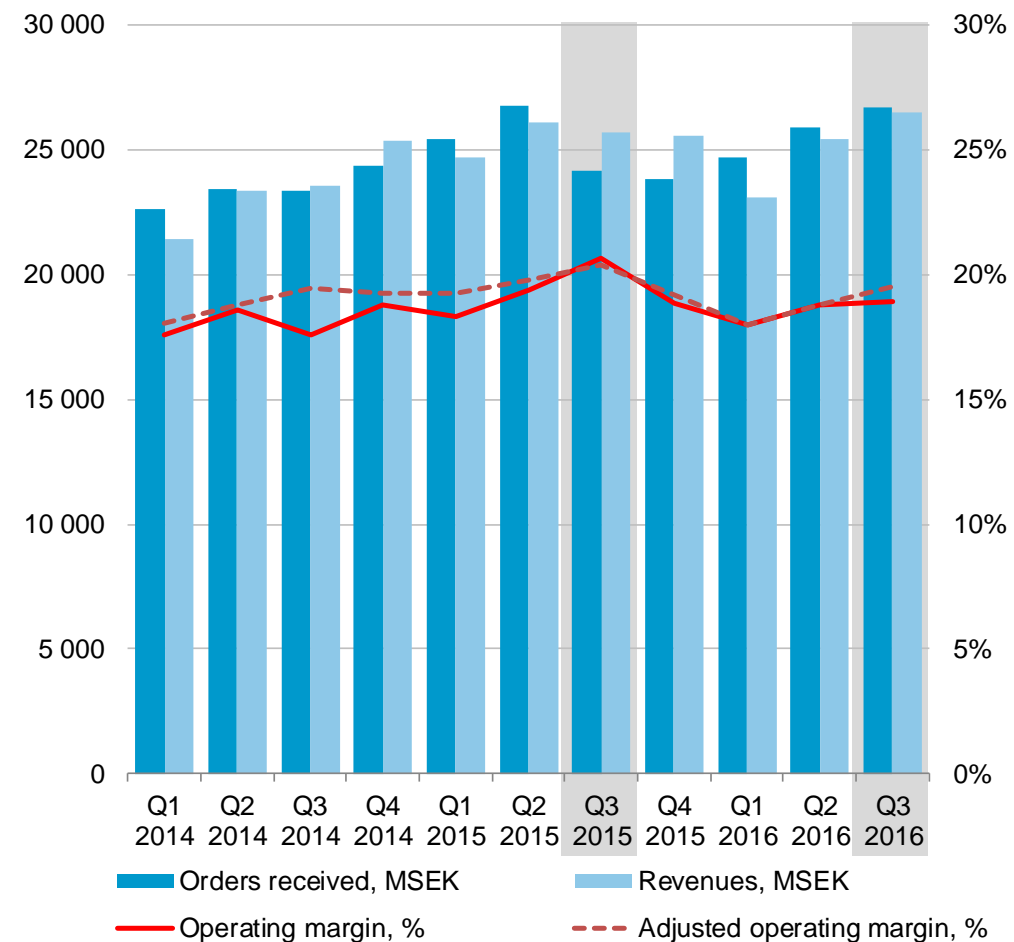
Flexible and versatile portable compressor with a wide pressure range, allowing high utilization.



GROUP TOTAL

July - September 2016 vs. 2015

MSEK	July - September		
	2016	2015	%
Orders received	26 696	24 149	11%
Revenues	26 528	25 723	3%
Operating profit	5 023	5 313	-5%
– as a percentage of revenues	18.9	20.7	
Profit before tax	4 716	5 042	-6%
– as a percentage of revenues	17.8	19.6	
Income tax expense	-1 325	-1 236	7%
– as a percentage of profit before tax	-28.1	-24.5	
Profit for the period	3 391	3 806	-11%
Basic earnings per share, SEK	2.78	3.12	
Return on capital employed, %	25	27	



PROFIT BRIDGE

July - September 2016 vs. 2015

MSEK	Q3 2016	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q3 2015
Atlas Copco Group						
Revenues	26 528	-120	30	895		25 723
Operating profit	5 023	-40	-75	65	-240	5 313
%	18.9%	33.3%				20.7%

PROFIT BRIDGE – BY BUSINESS AREA

July - September 2016 vs. 2015

MSEK	Q3 2016	Volume, price, mix and other	Currency	One-time items Acquisitions	Q3 2015
Compressor Technique					
Revenues	12 932	202	45	810	11 875
Operating profit	2 905	151	-15	60	2 709
%	22.5%	74.8%			22.8%
Industrial Technique					
Revenues	3 841	143	15	15	3 668
Operating profit	897	6	25	0	866
%	23.4%	4.2%			23.6%
Mining and Rock Excavation Technique					
Revenues	6 212	-259	-10	0	6 481
Operating profit	1 163	-63	-70	0	1 296
%	18.7%	24.3%			20.0%
Construction Technique					
Revenues	3 646	-259	-20	70	3 855
Operating profit	398	-130	-15	5	538
%	10.9%	50.2%			14.0%

BALANCE SHEET

MSEK	Sep. 30, 2016		Sep. 30, 2015		Dec. 31, 2015	
Intangible assets	39 370	34%	33 789	32%	33 520	33%
Rental equipment	3 102	3%	3 077	3%	3 076	3%
Other property, plant and equipment	10 064	9%	9 069	9%	8 947	9%
Other non-current assets	4 298	4%	3 968	4%	4 128	4%
Inventories	18 462	16%	18 261	17%	16 906	16%
Receivables	28 201	24%	26 817	26%	25 985	25%
Current financial assets	1 675	1%	1 674	2%	1 576	2%
Cash and cash equivalents	10 785	9%	8 279	8%	8 861	9%
Assets classified as held for sale	10	0%	41	0%	11	0%
TOTAL ASSETS	115 967		104 975		103 010	
Total equity	50 502	44%	46 691	44%	46 750	45%
Interest-bearing liabilities	29 476	25%	25 934	25%	25 214	24%
Non-interest-bearing liabilities	35 989	31%	32 350	31%	31 046	30%
TOTAL EQUITY AND LIABILITIES	115 967		104 975		103 010	

CASH FLOW

MSEK	July - September		January - September	
	2016	2015	2016	2015
Operating cash surplus	6 398	6 168	17 341	17 633
<i>of which depreciation added back</i>	1 111	1 148	3 188	3 242
Net financial items	-448	130	-357	-1 182
Taxes paid	-1 270	-1 266	-6 269	-3 437
Pension funding	-57	7	-94	66
Change in working capital	1 166	558	1 720	218
Increase in rental equipment, net	-268	-181	-577	-616
Cash flows from operating activities	5 521	5 416	11 764	12 682
Investments of property, plant & eq., net	-321	-331	-876	-1 101
Other investments, net	-330	-253	-1 050	-682
Cash flow from investments	-651	-584	-1 926	-1 783
Adjustment, currency hedges of loans	88	-211	-516	701
Adjustment, tax payment in Belgium	0	0	2 250	0
Operating cash flow	4 958	4 621	11 572	11 600
Company acquisitions/ divestments	-3 692	-115	-4 656	-1 729

CAPITAL MARKETS DAY 2016

Antwerp, Belgium

November 15, 2016

www.atlascopcogroup.com/CMD2016

NEAR-TERM OUTLOOK

The overall demand for the Group is expected to remain at current level.

***COMMITTED TO
SUSTAINABLE PRODUCTIVITY.***



Atlas Copco



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.”