

## 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





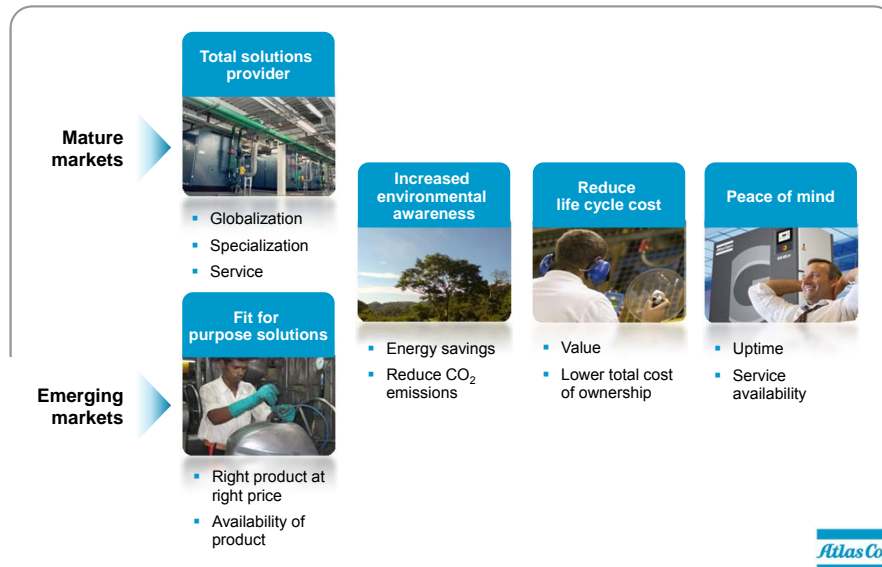
## Demands drivers

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



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## Needs & value propositions



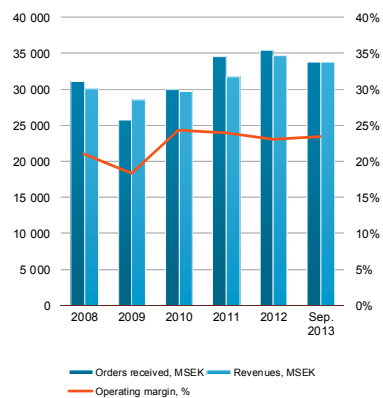
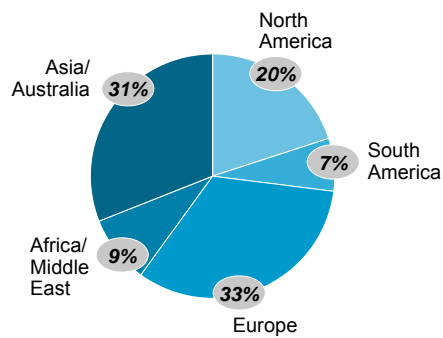
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## Business overview



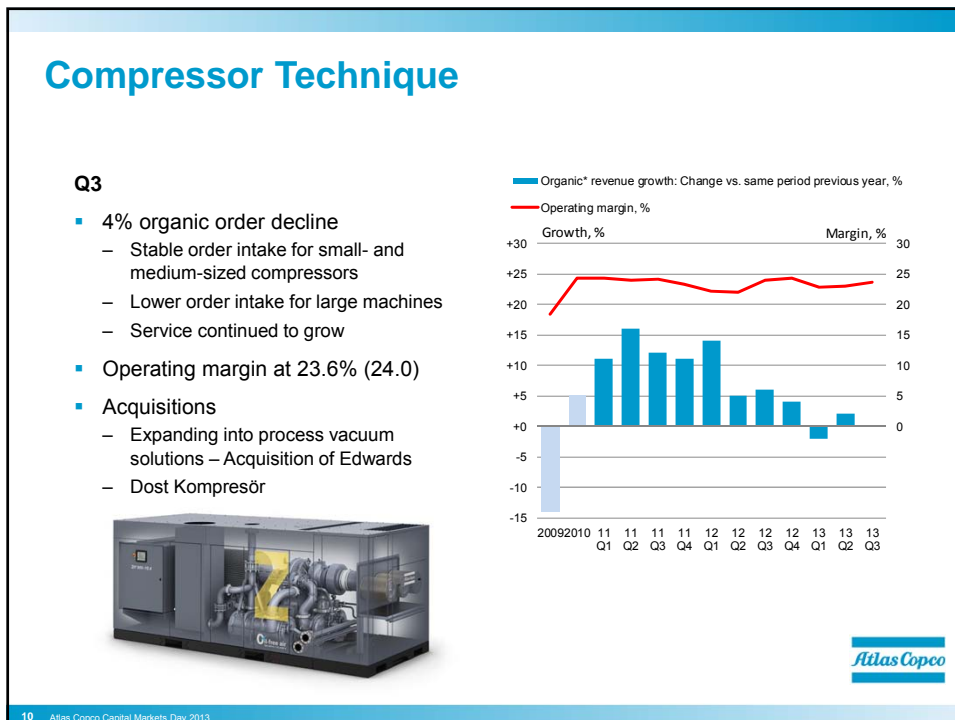
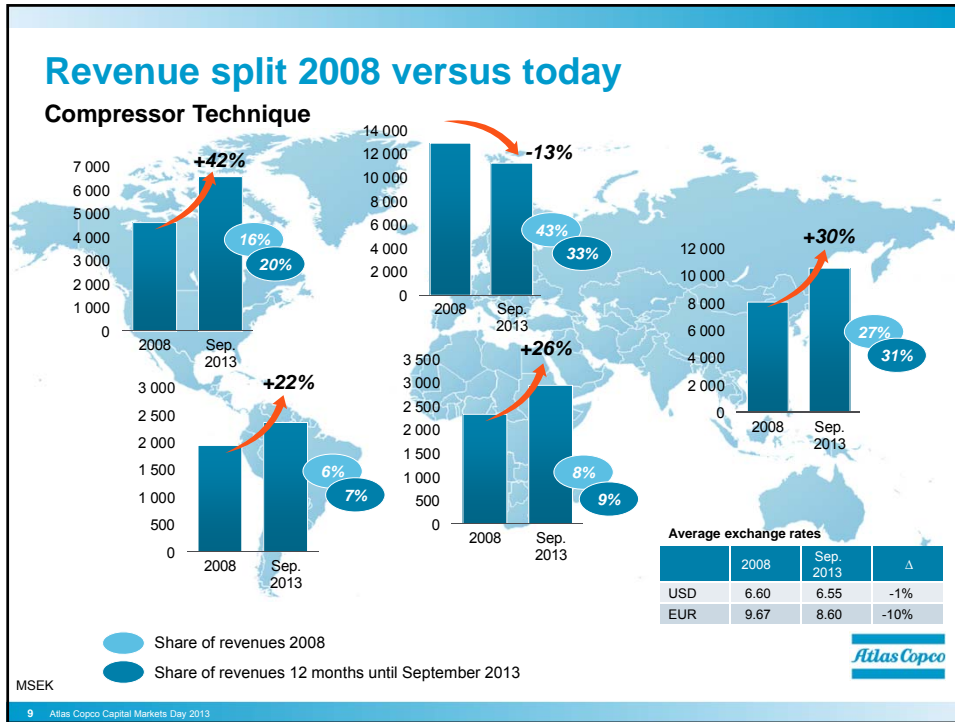
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## Compressor Technique



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

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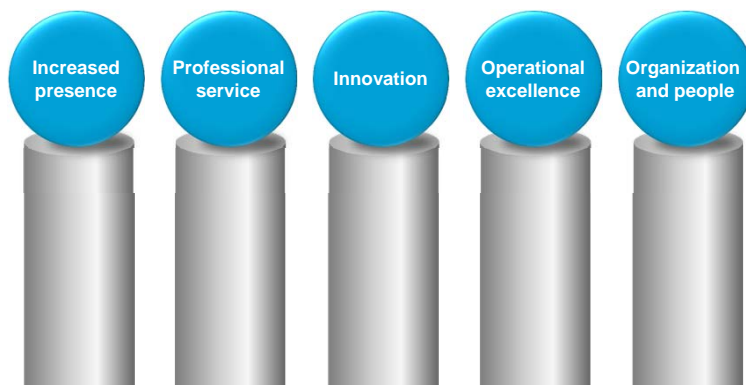


## The strategic pillars for profitable growth



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## The strategic pillars for profitable growth



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## Professional service

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

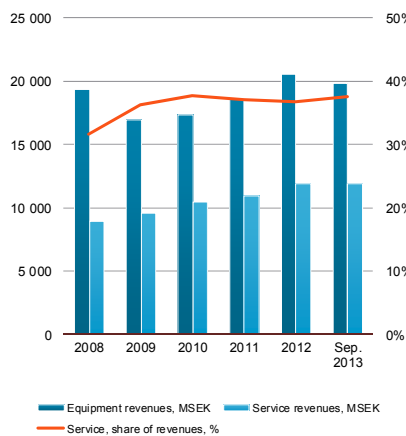


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## Enhance the service offering

Professional service



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

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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

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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

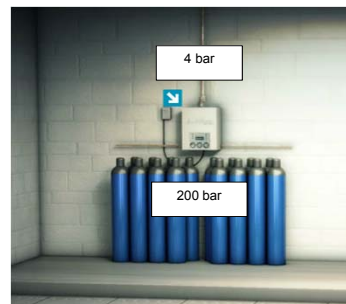
The **yearly energy gain** of 7% for one ZH Mark II compressor equals:

- 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...



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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



**EDWARDS**

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## Vacuum – a growing market

Increasing vacuum intensity

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

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.