

# ATLAS COPCO CONSTRUCTION TECHNIQUE

Capital Markets Day – Focus on Service November 17, 2015 Andrew Walker, Business Area President



# AGENDA

- 1. Facts in Brief
- 2. Two distinctive service businesses
  - Construction Technique Service
  - Specialty Rental

#### 3. Summary





# **CONSTRUCTION TECHNIQUE**









# **CONSTRUCTION TECHNIQUE**

#### In Brief

- Focus on growth
- Strengthen market position in our segments
- Further product innovation to develop mature segments
- Develop service network for the indirect channel

#### Q3 2015

- Orders received MSEK 11 872 YTD (+7% in SEK)
- Positive development for specialty rental and stable service business
- Lower order intake for equipment
- Operating margin at 14.0% (11.4)







ROCE

12%

# **ORDERS RECEIVED - LOCAL CURRENCY**

#### **Construction Technique**



В

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#### 6

# **EQUIPMENT AND SERVICE GROWTH**

#### **Construction Technique**

#### Revenues from equipment and service



#### Organic growth





# **TWO DISTINCTIVE SERVICE BUSINESSES**

#### **Construction Technique Service**

- Providing service solutions to our predominately construction based customers
- Service
  - 15% of business area revenues

# Construction Technique Service



#### **Specialty Rental**

- Providing short-medium term equipment solutions to a more diverse range of industries
- Rental
  - 18% of business area revenues





# **CONSTRUCTION TECHNIQUE SERVICE**

Service offering





# **CONSTRUCTION TECHNIQUE SERVICE**

Anytime, any product, anywhere, you can count on us







Our local customer centers have a first-class team to support our customers with a single point of contact



Online technical information with PartsOnline



Trained technicians



Efficient logistics



Buy online 24/7 with ShopOnline



# **STRATEGY – CHANNEL**

#### Strategy



- Be seen as strategic partner for large rental companies
- Parts and service provider for small and medium size companies
- Shop Online, Parts Online

# END USERS

- Installed base management
- Climb the service ladder
- Segments:
  - Mining
  - Drilling and quarries
- Oil and gas
- Civil Construction and Demolition



- Performance vs. potential
- Loyalty
- Shop Online, Parts Online





# **DIFFERENT STRATEGY PER CHANNEL**

#### **DISTRIBUTORS / RENTAL**

**Objective:** Fleet utilization. High resale value



#### END USERS

**Objective:** Keep productivity optimized / asset management





# HOW WE GO TO MARKET

#### Small contractor / end user



- Partnering with a local distributor
- Training
- Spare part kits and consumables



# HOW WE GO TO MARKET

#### Large fleets



- Asset management
- Planned maintenance
- On-site support for events and overhauls



# **FOCUS ON TRAINING**

#### With a distribution model, this is essential



- Videos
- Service documention
- Classroom sessions

https://www.youtube.com/watch?v=8QdFbk-osSI

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# **CASE STORY**

#### India



The Indian market can be challenging due to geographic size, an ageing fleet and high utilization rates:

#### Objective

 Organize a series of regional Service Camps and invite customers to bring machines and/or visit as many local customers as possible for free equipment health checks

#### Solution

 In a typical week (example) 72 customers were visited and 212 compressors were inspected

#### Outcome

- Customer satisfaction
- Revenue increase of x2.5



# ALWAYS REACHABLE, EVERYWHERE, ANYTIME!







- Manuals, spare parts books, instructions
- Always up to date
- Check availability of parts
- Place order and track





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# CONNECTIVITY





# **GROWTH STRATEGY**

#### **Construction Technique Service**

	Develop indirect service	-	Develop new packages for dealers
	Accelerate training programs		Introduce more interactive digital programs
	Introduce new tools	-	Simpler quote and pricing modules
3	Connectivity	-	Focus on increased customer productivity
	Competitor Service		Extend our reach and grow customer share



# ATLAS COPCO SPECIALTY RENTAL





# **SPECIALTY RENTAL EQUIPMENT**

- Over 7 000 pieces of equipment
- 1 000 MW air compressors in the worldwide fleet, diesel & electric driven





### WHAT WE OFFER



#### Installation Design

Logistical Expertize

24/7 Onsite Service

Energy Management

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# A GLOBAL PLAYER WITH LOCAL PRESENCE

#### **Over 140 locations worldwide**





# **CORE MARKET SEGMENTS**

#### Stay ahead in the core industries and become a leader in new industries





# **OPERATIONAL EXCELLENCE**

#### We strive to exceed customer expectations and create customer loyalty





# **POWER PLANT EXAMPLE**



#### Application

- Commissioning of 600 MW gas fired power plant
- Air blowing, pipeline cleaning and pressure testing

#### Project

High quality air of 34,000 m<sup>3</sup>/h – 20,000 cfm
 @ 70 bar(g) – 1,000 psig

#### **Equipment and resources**

- 17 x PNS 1250, 2 x XRVS
- 9 x B7-41 booster, 9 x high pressure filter pack
- 14 x fuel tanks + accessories
- On-site operators



# **GROWTH STRATEGY**

#### **Speciality Rental**





# **SUMMARY**

#### **Construction Technique**

#### **Business Area**

- Focus on growth
- Strengthen market position in our new segments
- Successful launch of new innovations in 2016

#### Service

Construction Technique

- Develop a service network for an indirect channel
- Improve service tools
- Expand training programs

#### **Specialty Rental**

- Explore parallel opportunities
- Geographic expansion







# COMMITTED TO

# SUSTAINABLE PRODUCTIVITY.





