

Order and revenue growth with solid profitability

Stockholm, Sweden, October 21, 2019: Mats Rahmström, President and CEO of the Atlas Copco Group, comments on the Q3 results that were released today. "Order intake remained on a high level despite continuous uncertainties in the global economy".

Order volumes for large compressors increased, supported by new product introductions and increased market penetration. For vacuum equipment to the semiconductor and flat panel industry, orders increased significantly, mainly driven by customers' investments in new production technologies. Order intake from the motor vehicle industry continued to decrease and the demand from other manufacturing industry also weakened. The service business continued to grow in all business areas.

"We have seen lower activity levels in some parts of the market", said Mats Rahmström President and CEO of the Atlas Copco Group. "Still our profitability is solid and we are resilient thanks to our innovation capabilities, agility and well diversified business and geographical presence".

Orders received in the third quarter grew to MSEK 27 102 (23 440), an organic growth of 6%. Revenues were MSEK 26 676 (23 675), up 4% organically. Excluding items affecting comparability, the adjusted operating profit increased 11% to MSEK 5 880 (5 322), corresponding to a margin of 22.0% (22.5). The return on capital employed remained strong at 32%.

"We focus on developing leading products and service solutions that ensure that our customers get the most out of their investments, increasing productivity and uptime", said Mats Rahmström. "Being a decentralized group we empower our people to take decisions based on their competence and knowledge of the market. That combined with a strong local presence creates lasting value for our customers".

Looking ahead, in the near-term, the demand for Atlas Copco's products and services is expected to be somewhat lower than the level in the third quarter.

For more information please contact: Daniel Althoff, Vice President Investor Relations +46 8 743 9597 or +46 76 899 9597 ir@se.atlascopco.com

Sara Liljedal, Media Relations Manager +46 8 743 8060 or +46 721 44 10 38 media@se.atlascopco.com

Atlas Copco Group

Great ideas accelerate innovation. At Atlas Copco we have been turning industrial ideas into businesscritical benefits since 1873. By listening to our customers and knowing their needs, we deliver value and innovate with the future in mind.

Atlas Copco is based in Stockholm, Sweden with customers in more than 180 countries and about 37 000 employees. Revenues of BSEK 95/BEUR 9 in 2018. For more information: <u>www.atlascopcogroup.com</u>

Atlas Copco Group Center

Atlas Copco AB SE-105 23 Stockholm Sweden Visitors address: Sickla Industriväg 19 Nacka Telephone:+46 8 743 8000Reg. No:556014-2720Web sitewww.atlascopcogroup.com

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