

Compressor Technique

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Our Businesses Compressed Air...

- Machines
- Solutions
- Services



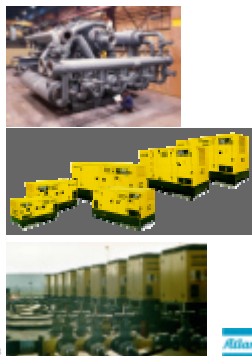
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Our Businesses ...and a bit of

- Gas Compressors
- Generators
- Specialty Rental



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Our Customers

- Industry
- Service Providers
- Distributors

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Our Vision

To be...

First in
Mind...



First in
Choice...



Our Vision

Through...

Interaction

Innovation

Commitment



Our Vision

OFFERING CUSTOMERS

Best Value

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The Foundation

**Strategic
Building Blocks**

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The Foundation

Global Presence – Local Service

-
Own People



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The Foundation

Product Focus
-
Product Range Management

-
Application Knowledge



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The Foundation

Technology
And
Cost Leadership

-
Structure

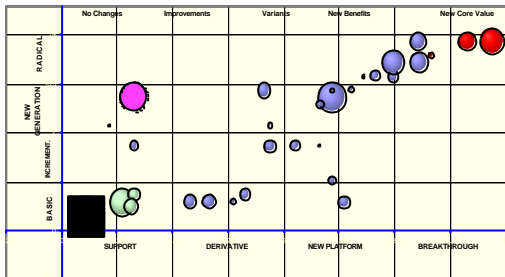


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Technology – The Future “Innovation Matrix”



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Product Projects The Portfolio

- BB 7
- CC 7

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The Foundation

Global Logistics
-
Customer Service
-
Lean Structure - Capital Management



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Customer service and efficiency developments in logistics

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IS - Management



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People Development - Shared Values



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The Foundation

Are we doing the things right ?



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The Foundation

Concept Developments

-

Benchmarking

Is there a Better Way?



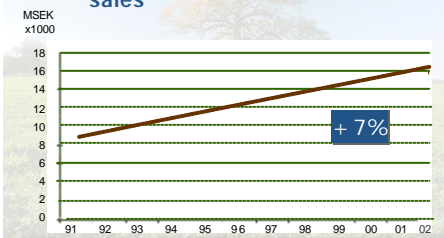
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Development

The Growth - 10 years
sales

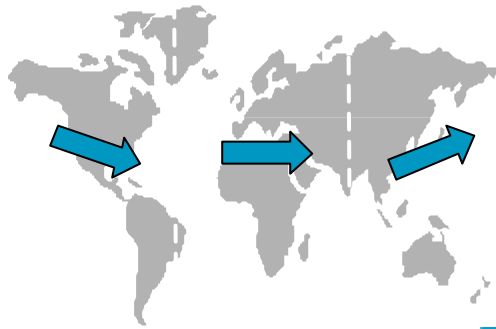


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Development - Now



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Development

Profitability (EBIT)

EARLY 90-ies



13 – 14 %

RECENT YEARS



17 – 19 %

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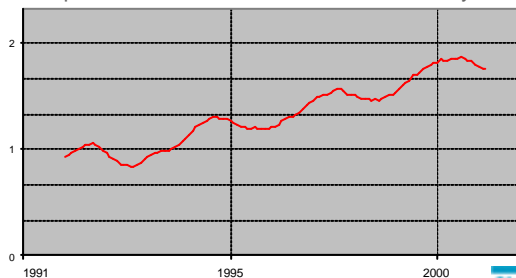
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Development

Profitability

Compressor Element Demand Evolution - 10 years



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Development

Profitability Trend - Slight Dip

- Volume
- Currency
- Market- and Product Development Projects Unchanged
- Acquisitions

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Development

Lean Balance Sheet

- Operating Capital Turn-over rate ? 3.8
- Receivables
- + }
- Inventories } ? 34 % of revenues

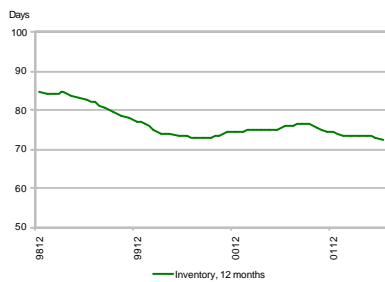
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Development

Inventories in Days



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Development

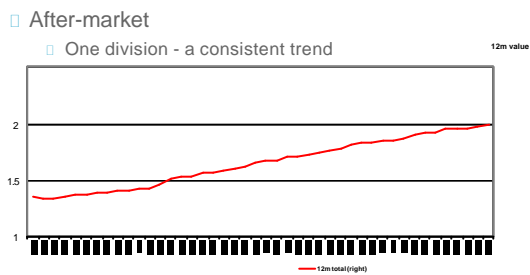
After Market
-
Continuous Growth
Now at approx. 4%

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Development



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Development

After - Market
Share of Total "Industrial" Business
36%
Trend: Increasing

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Development



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Development

Brands

- Better Territory Coverage
 - Market Share
 - Customer Choice
- Synergies

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Development

Brands

- Priority
 - Distributors Channel
 - Smaller machines
 - Specialty Rental

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Development



Efficiency - Concepts



Outlook

Market Trends

Industry - Value Focus

- Solutions
- Convenience
- Energy Efficiency - Life-cycle Cost
- Global Consistency
 - Quality
 - Service and Support
- Outsourcing
- Fewer Suppliers

Outlook

Market Trends

Construction

- More "maintenance" - less new
- Rental
- Hydraulics vs. Pneumatics

- Market for small compressors declining slowly

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Outlook

Market Trends

Environment - Sustainability

- Energy Focus
 - Air Quality
 - Emissions
 - Noise Pollution
 - Remote Control - Diagnostics
 - Recycling
- Strong driving forces in product development



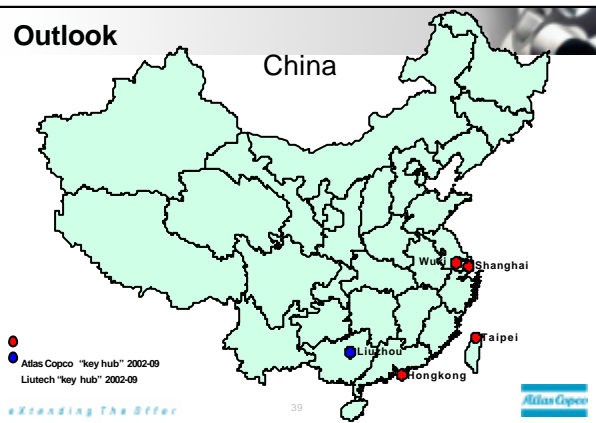
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Outlook

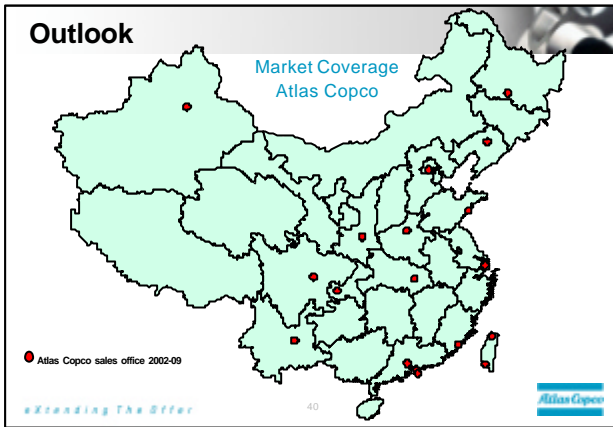
China



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Outlook

China

- Strong Growth in Machine Sales, After-market business and personnel

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Outlook

India

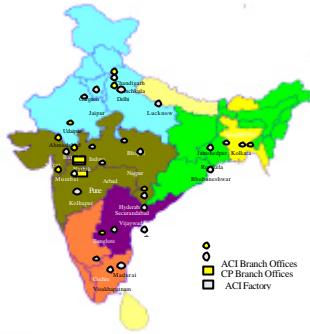
The Country of Eternal Hopes
and Growth Potential

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Outlook India



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Outlook India

- Lean, Modern Structure
- Stable Profitability
- Prepared for Growth



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Outlook

Russia

- Steady demand increase
- More orderly business climate supports investment confidence



Outlook



Outlook

The Gulf Area

Growth Opportunities

(Provided Politically Stable and Oil Priced kept up)

Outlook The Gulf Area

- New Regional Rental and Business Support Hub in Bahrain



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Outlook USA

- Strengthening Marketing, Distribution and After-market presence
- Increased Market Shares



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Outlook Business Focus - After-market

- Increase Share in Installed Base
 - Direct and through Distributors
- More Service Contracts



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Outlook

Business Focus - Air Treatment

- Grow Market Share

No. 2 → No. 1



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Outlook

Growth Objective > 7%

- Organic
- Product Range Extensions
- Scope of Supply
- Acquisitions
- Price

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Development and Outlook

- We are well ahead of competition in size and performance...

- ...and intend to keep it that way!



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