

***Committed to  
sustainable  
productivity***

Q1 2017 results

April 26, 2017

***Atlas Copco***

## *Q1 in brief*

- Strong order growth in all business areas
  - Record order levels for both equipment and service
  - Double-digit growth in all regions
  - Particularly strong quarter for vacuum and mining
- Solid operating profit
  - Up 37%, positively affected by volume and currency

## Q1 figures in summary – continuing operations

- Orders received were MSEK 31 710, organic growth of 18%
- Revenues were MSEK 28 027, organic growth of 11%
- Operating profit up 37% to MSEK 5 711
- Adjusted operating profit was MSEK 5 878 (4 157), margin at 21.0% (18.5)
  - Items affecting comparability of MSEK -167 (+13)
  - Reported operating profit of MSEK 5 711 (4 170), margin at 20.4% (18.6)
- Profit for the period was MSEK 3 989 (2 897)
- Basic earnings per share were SEK 3.28 (2.38)
- Operating cash flow\* was MSEK 3 510 (3 127)

*\* Including discontinued operations*

# Orders received – local currency

100 +25

24 +28

6 +18

28 +21

8 +10

30 +35

4 +33

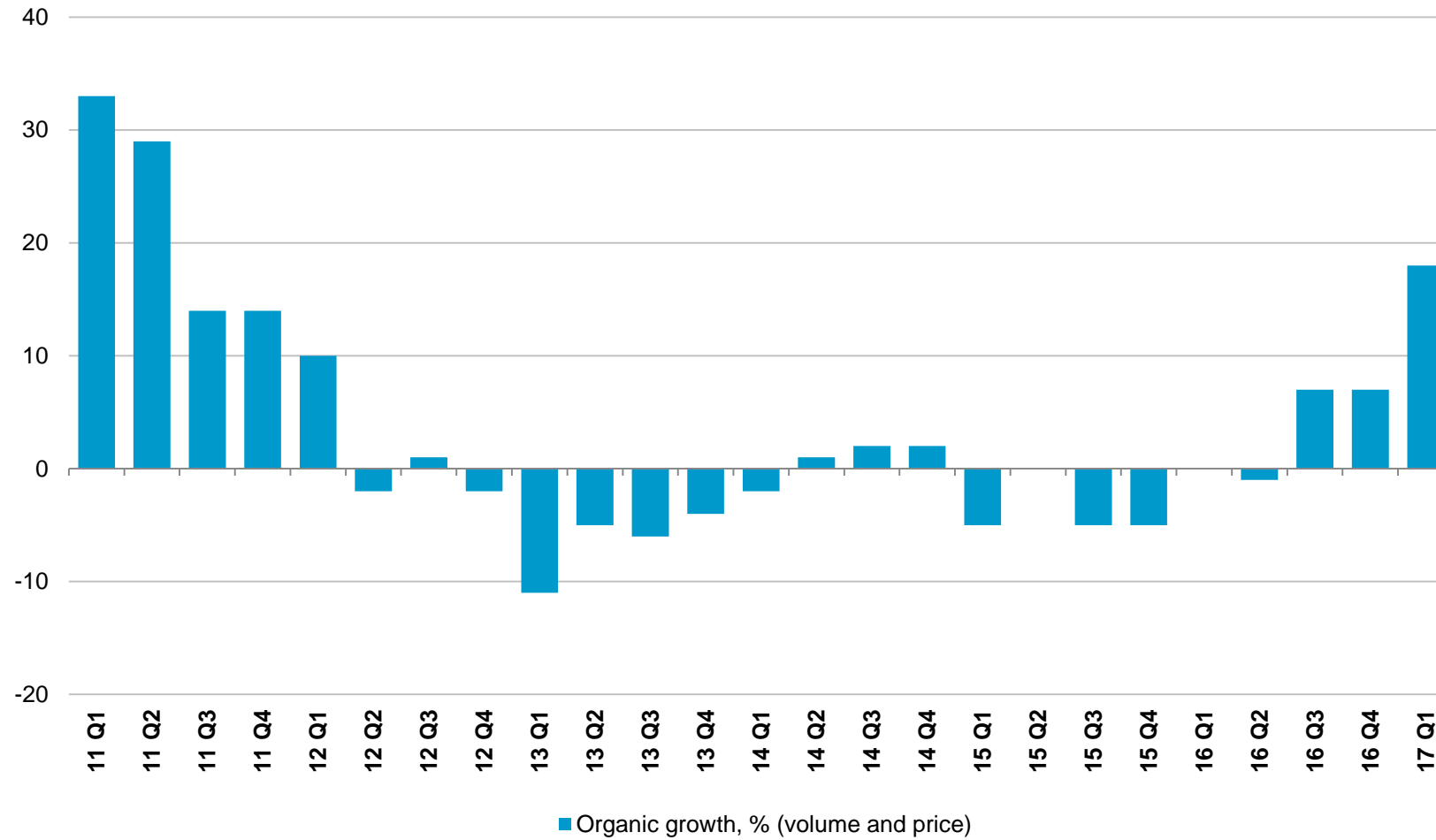
March 31, 2017

Share of orders received,  
year-to-date, %

Year-to-date vs. previous  
year, %

# Order growth per quarter

## Organic growth

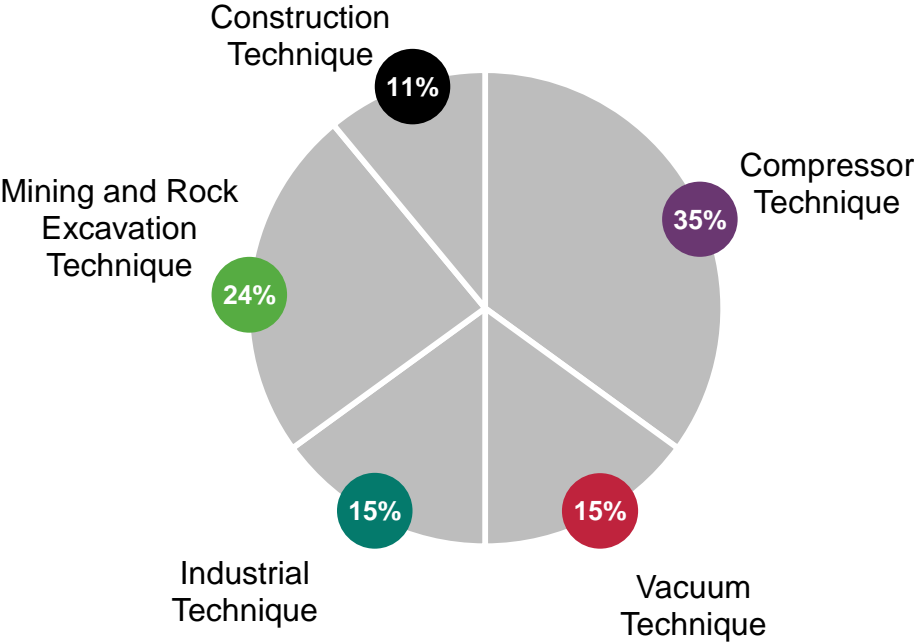


# Sales bridge

MSEK	January - March	
	Orders received	Revenues
2016	23 950	22 453
Structural change, %	+7	+7
Currency, %	+7	+7
Price, %	+0	+0
Volume, %	+18	+11
Total, %	+32	+25
2017	31 710	28 027

# Atlas Copco Group

Revenues by business area



12 months ending March 2017

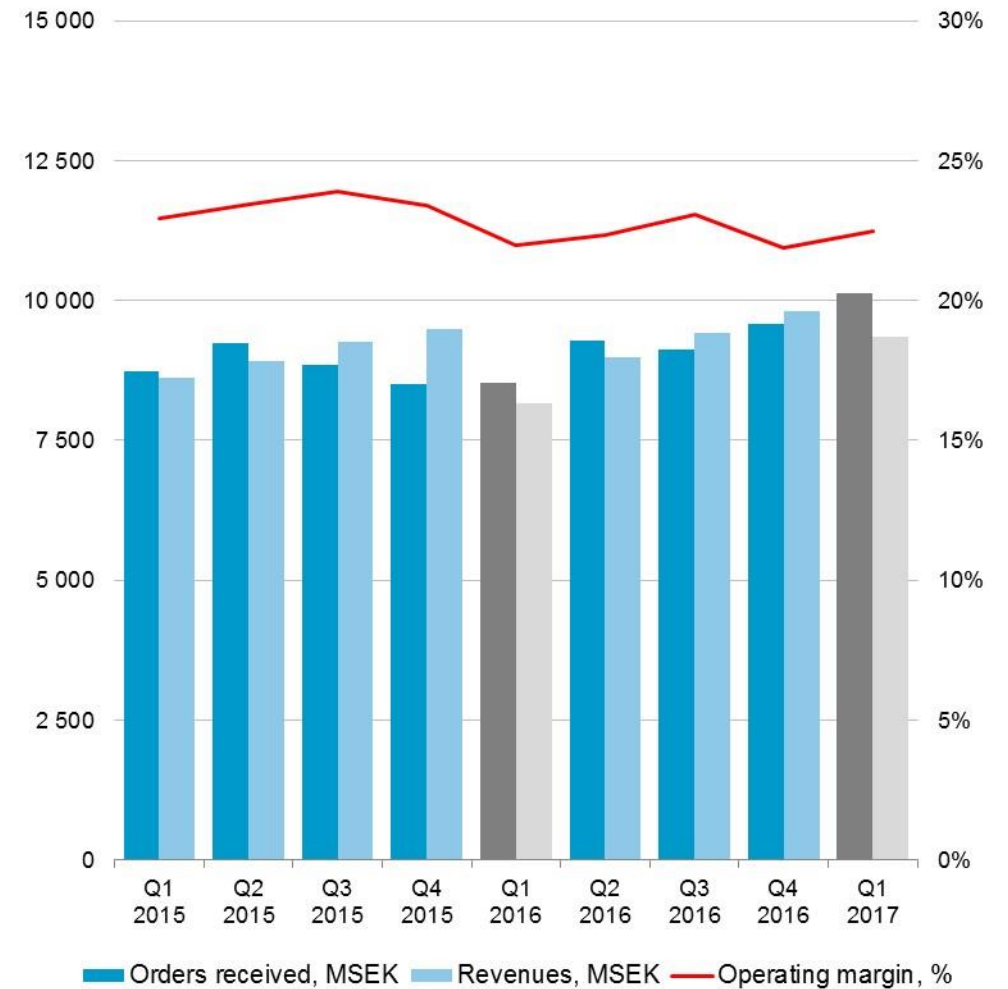


# Compressor Technique

- Robust organic growth
  - Steady growth for service
  - Double-digit growth for small-sized compressors
  - Increased order intake in all regions
- Operating margin at 22.5% (22.0)



New range of quiet and performance-enhancing oil-injected screw compressors.



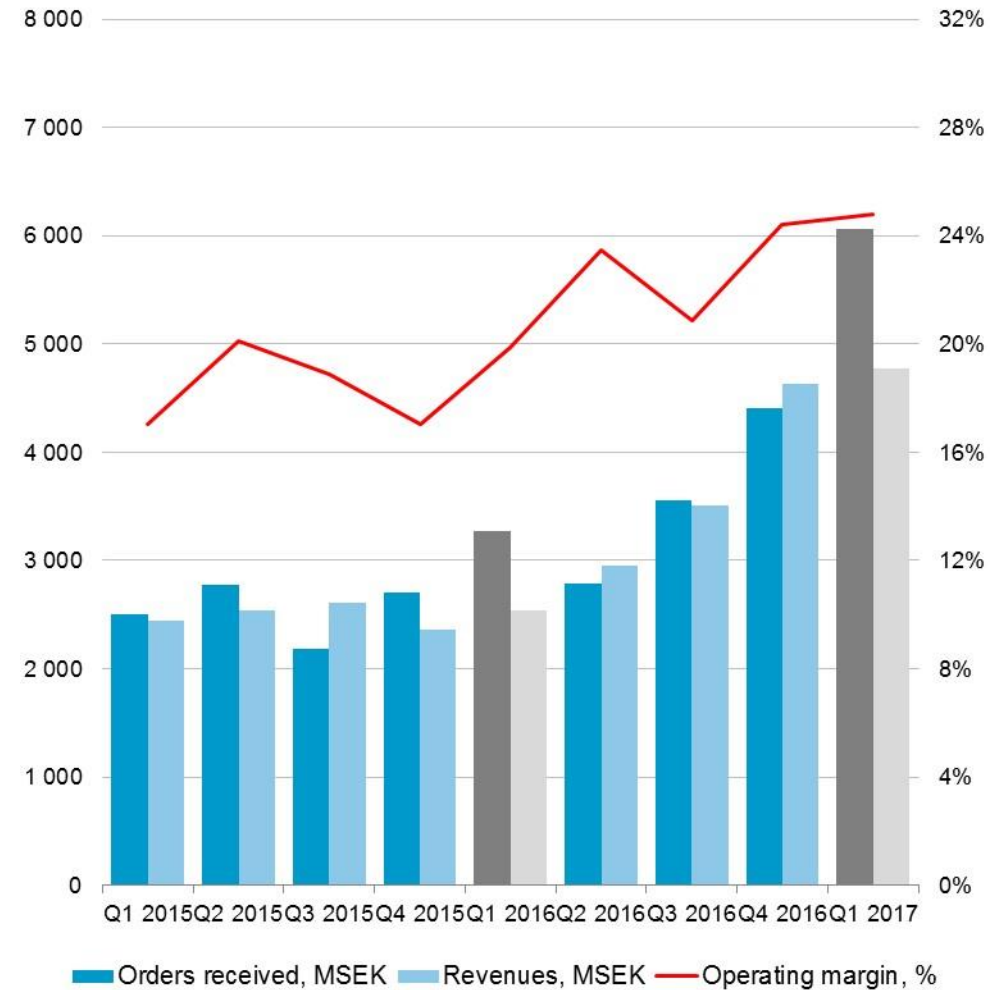


# Vacuum Technique

- Record orders, revenues and profit
  - Continued strong growth in semiconductor
  - Strong growth for industrial and high vacuum
- Leybold integration on track
- Operating margin at 24.8% (19.9)



Vacuum pump for laboratories and research facilities, offering energy savings and reduced noise level.

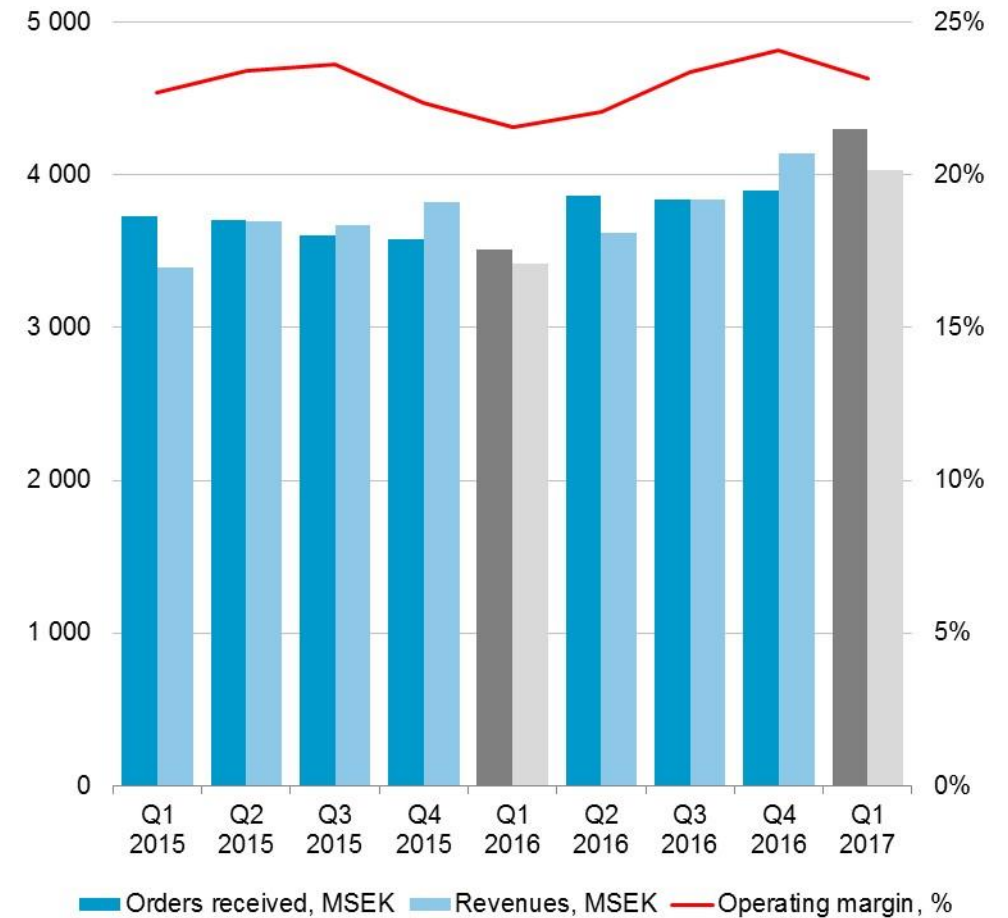


# Industrial Technique

- Record order intake, up 16% organically
  - Continued growth for service
  - Strong demand from automotive and general industry
- Operating margin at 23.1% (21.6)



New mechatronic wrench and connected controller that report tightening results in real time.

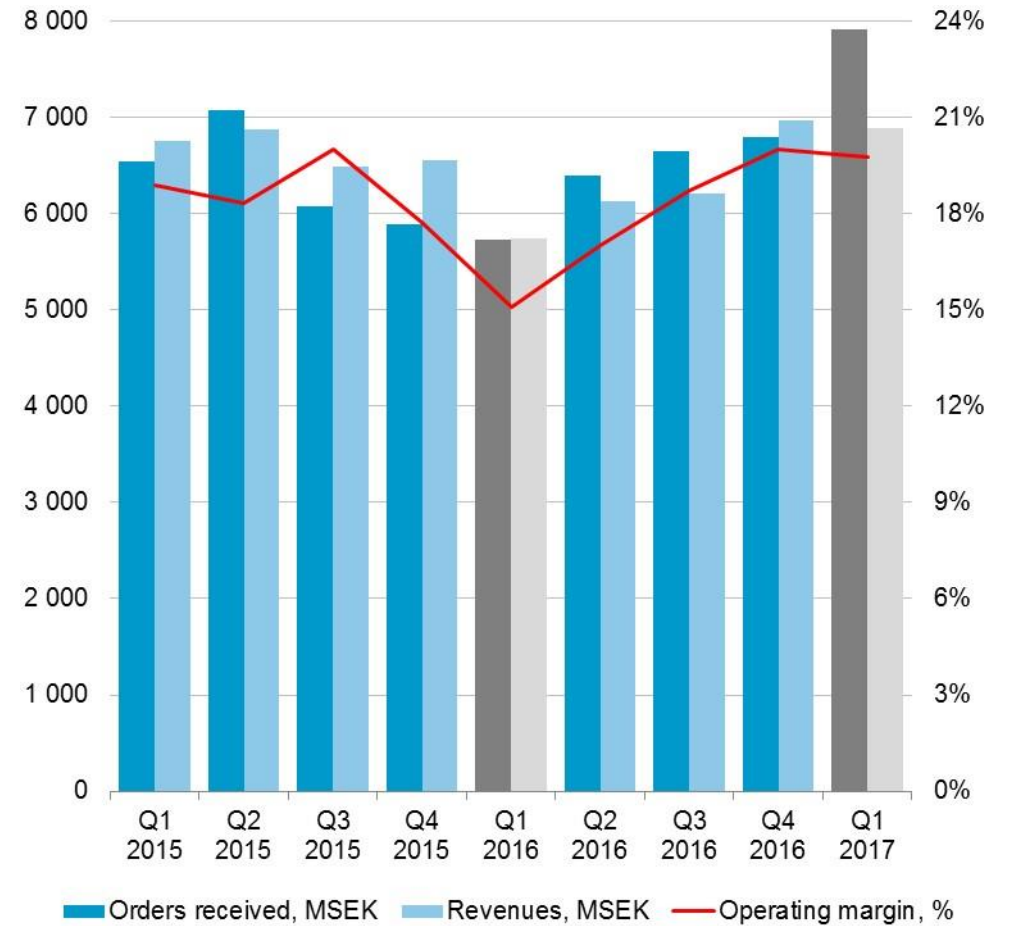


# Mining and Rock Excavation Technique

- Organic order growth of 28%
  - Double-digit growth for service and consumables
  - Equipment orders almost doubled vs. Q1 2016
- Operating margin at 19.8% (15.1)



New surface drilling rig with Power Eco function, reducing fuel consumption by up to 10%.

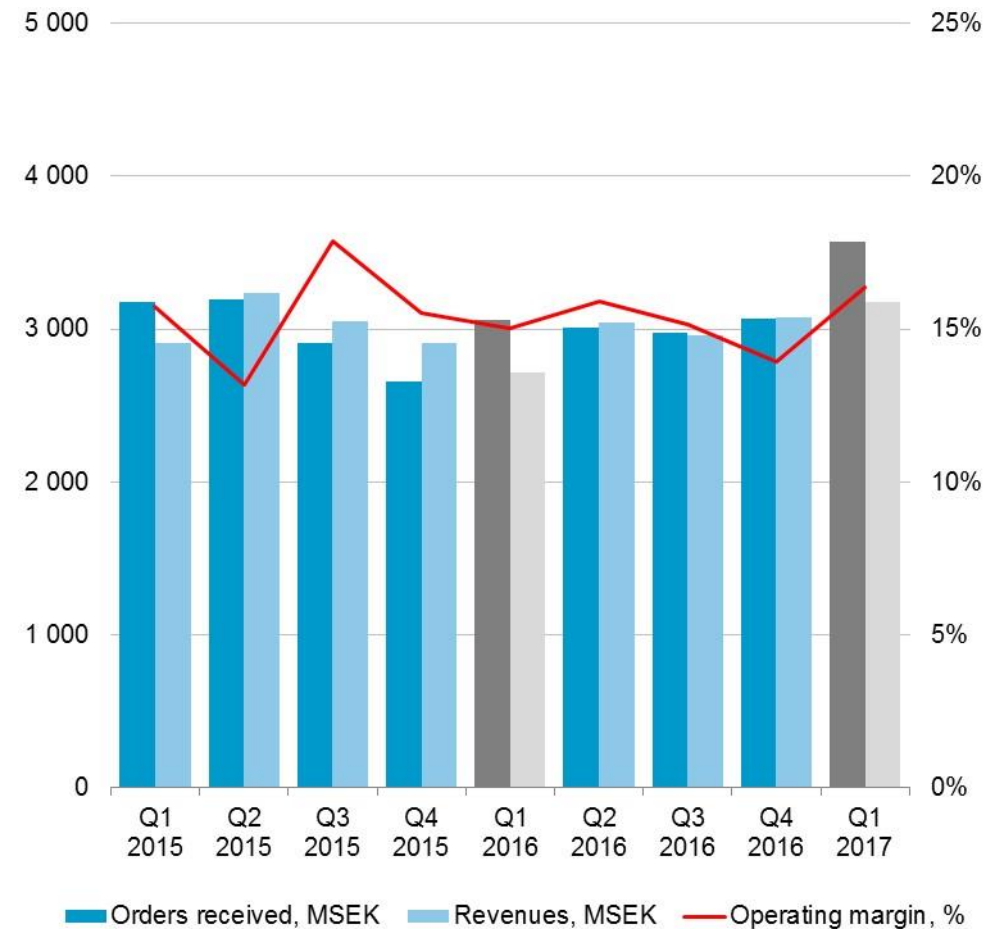


# Construction Technique – continuing operations

- Orders up 10% organically
  - Primarily due to stronger equipment demand
  - Growth for specialty rental and service
- Operating margin at 16.4% (15.0)



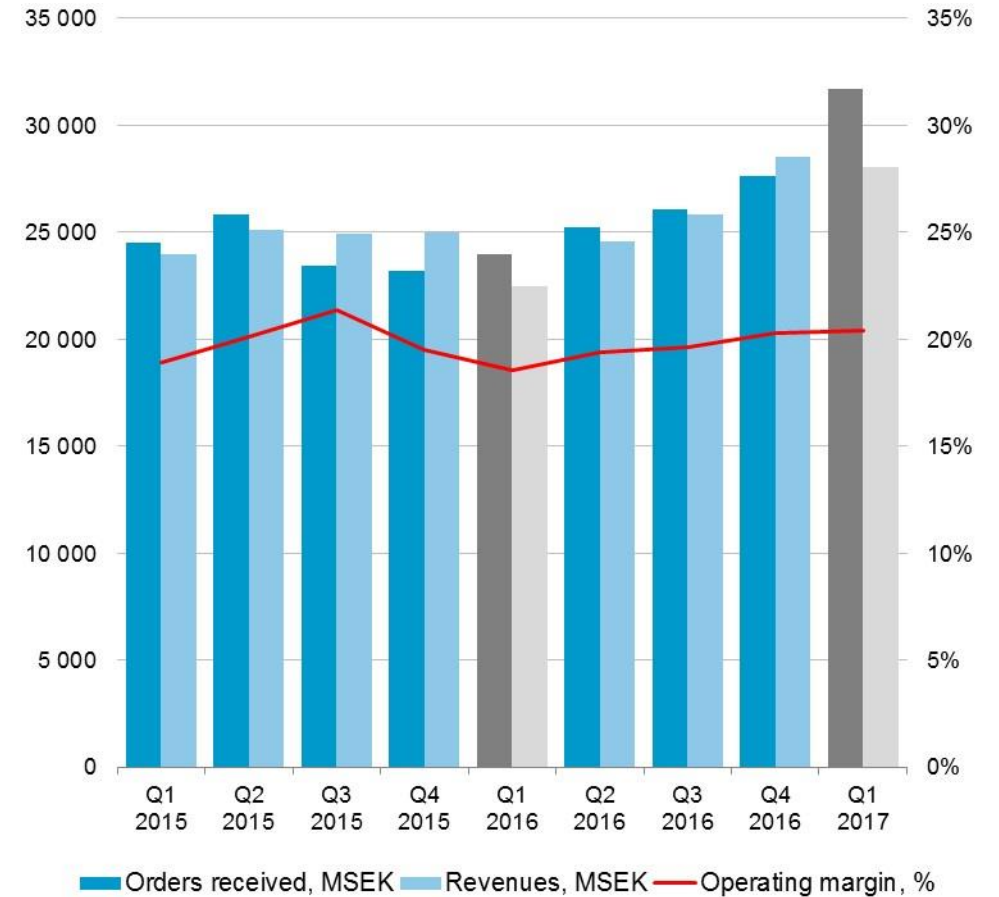
New range of electric dewatering pumps with up to 20% less energy consumption than comparable models.



# Group total

## January – March 2017 vs. 2016

Continuing operations MSEK	January - March		
	2017	2016	%
<b>Orders received</b>	<b>31 710</b>	<b>23 950</b>	<b>32%</b>
<b>Revenues</b>	<b>28 027</b>	<b>22 453</b>	<b>25%</b>
<b>Operating profit</b>	<b>5 711</b>	<b>4 170</b>	<b>37%</b>
– as a percentage of revenues	20.4	18.6	
<b>Profit before tax</b>	<b>5 496</b>	<b>3 989</b>	<b>38%</b>
– as a percentage of revenues	19.6	17.8	
<b>Income tax expense</b>	<b>-1 507</b>	<b>-1 092</b>	<b>38%</b>
<b>Profit for the period from continuing operations</b>	<b>3 989</b>	<b>2 897</b>	<b>38%</b>
<b>Basic earnings per share, SEK</b>	<b>3.28</b>	<b>2.38</b>	
<b>Return on capital employed, %</b>	<b>28</b>	<b>28</b>	



# Profit bridge

January – March 2017 vs. 2016

MSEK	Q1 2017	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs*	Q1 2016
<b>Atlas Copco Group</b>						
Revenues	28 027	2 434	1 490	1 650		22 453
Operating profit	5 711	966	570	185	-180	4 170
%	20.4%	39.7%				18.6%

\*LTI = Long Term Incentive

# Profit bridge – by business area

January – March 2017 vs. 2016

MSEK	Q1 2017	Volume, price, mix and other	Currency	One-time items Acquisitions	Q1 2016
<b>Compressor Technique</b>					
Revenues	9 361	530	400	275	8 156
Operating profit	2 102	165	140	5	1 792
%	22.5%	31.1%			22.0%
<b>Vacuum Technique</b>					
Revenues	4 768	692	220	1 320	2 536
Operating profit	1 181	352	150	175	504
%	24.8%	50.9%			19.9%
<b>Industrial Technique</b>					
Revenues	4 031	414	175	25	3 417
Operating profit	933	146	50	0	737
%	23.1%	35.3%			21.6%
<b>Mining and Rock Excavation Technique</b>					
Revenues	6 882	616	525	5	5 736
Operating profit	1 361	285	210	0	866
%	19.8%	46.3%			15.1%
<b>Construction Technique</b>					
Revenues	3 177	264	170	25	2 718
Operating profit	520	62	45	5	408
%	16.4%	23.5%			15.0%

# Balance sheet

MSEK	Mar. 31, 2017		Mar. 31, 2016*		Dec. 31, 2016	
Intangible assets	37 383	31%	33 522	32%	37 828	33%
Rental equipment	2 954	2%	2 960	3%	3 095	3%
Other property, plant and equipment	9 720	8%	8 932	8%	9 793	8%
Other non-current assets	3 817	3%	3 942	4%	4 175	4%
Inventories	17 769	15%	17 711	17%	16 912	15%
Receivables	30 139	25%	25 979	24%	27 685	24%
Current financial assets	1 645	1%	1 639	2%	2 455	2%
Cash and cash equivalents	15 191	13%	11 490	11%	11 458	10%
Assets classified as held for sale	2 800	2%	11	0%	2 491	2%
<b>TOTAL ASSETS</b>	<b>121 418</b>		<b>106 186</b>		<b>115 892</b>	
Total equity	56 593	47%	49 236	46%	53 177	46%
Interest-bearing liabilities	29 169	24%	25 644	24%	28 629	25%
Non-interest-bearing liabilities	34 681	29%	31 306	29%	33 275	29%
Liabilities directly associated with assets classified as held for sale	975	1%	-	-	811	1%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>121 418</b>		<b>106 186</b>		<b>115 892</b>	

\*Including assets and liabilities related to discontinued operations



## Cash flow – including discontinued operations

MSEK	January - March	
	2017	2016
Operating cash surplus	7 161	5 278
<i>of which depreciation added back</i>	1 158	1 035
Net financial items	-823	9
Taxes paid	-1 820	-1 390
Pension funding	-109	-1
Change in working capital	-525	113
Increase in rental equipment, net	-145	-113
<b>Cash flows from operating activities</b>	<b>3 739</b>	<b>3 896</b>
Investments of property, plant & eq., net	-348	-263
Other investments, net	-241	-329
Cash flow from investments	-589	-592
Adjustment, currency hedges of loans	360	-177
<b>Operating cash flow</b>	<b>3 510</b>	<b>3 127</b>
Company acquisitions/ divestments	-61	-607

## *Near-term outlook*

The overall demand for the Group is expected to improve somewhat.

***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.”