



Committed to sustainable productivity

Q3 2017 results

October 18, 2017

Atlas Copco

Q3 in brief

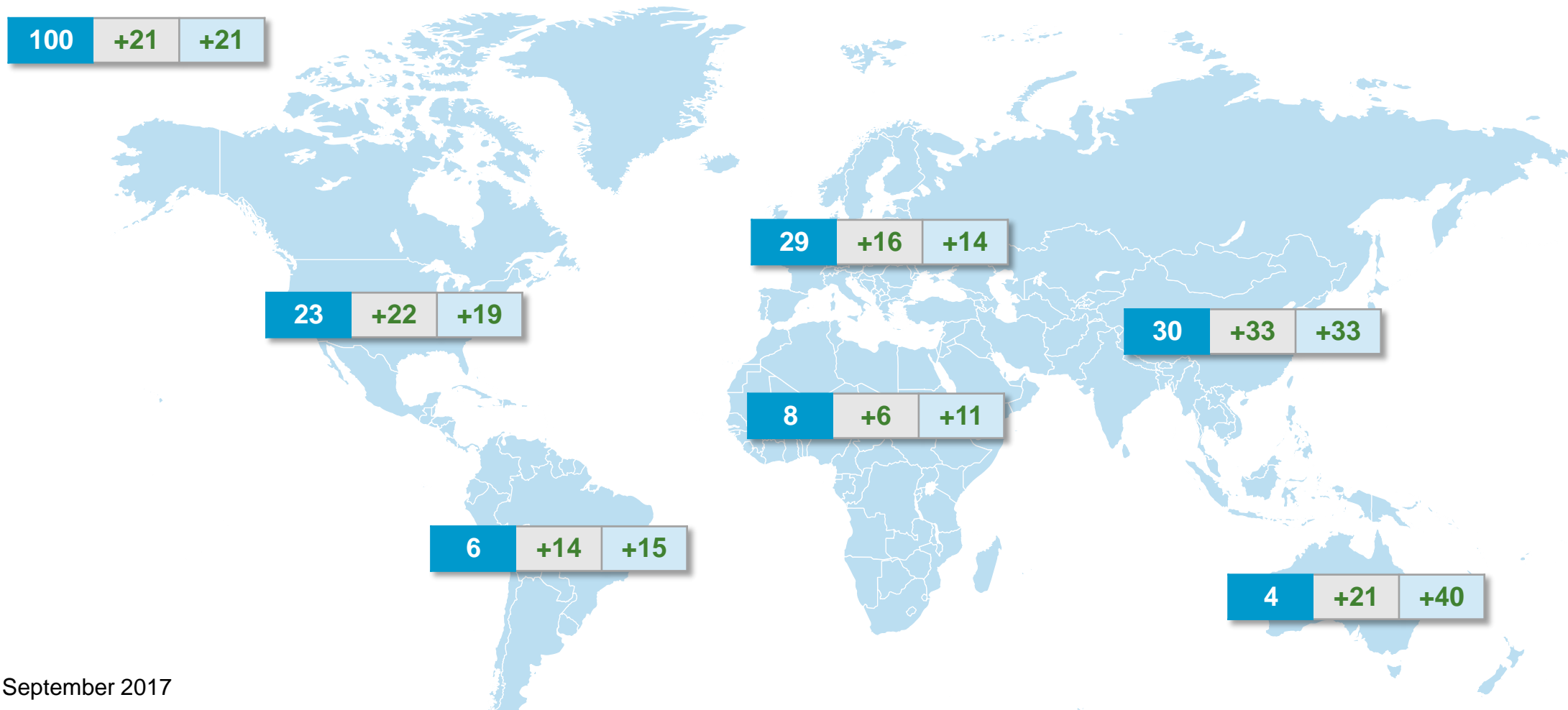
- Strong order growth
- Good traction for new products and innovation
- Order growth for all business areas
 - Particularly strong growth for vacuum and mining
- Double-digit growth in all regions
- Record profit and solid operating cash flow
- The split project progressing according to plan
- Road Construction Equipment divestment completed

Q3 figures in summary – continuing operations

- Orders received were MSEK 30 552, organic growth of 17%
- Revenues were MSEK 28 499, organic growth of 10%
- Reported operating profit increased 24% to MSEK 6 268 (5 074), margin at 22.0% (19.6)
- Adjusted operating profit was MSEK 6 187 (5 240), margin at 21.7% (20.3)
 - Items affecting comparability of MSEK +81 (-166)
- Profit for the period was MSEK 4 446 (3 436)
- Basic earnings per share were SEK 3.66 (2.82)
- Operating cash flow* was MSEK 5 008 (4 958)

**Including discontinued operations*

Orders received – local currency



September 2017

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

Year-to-date vs. previous year, %

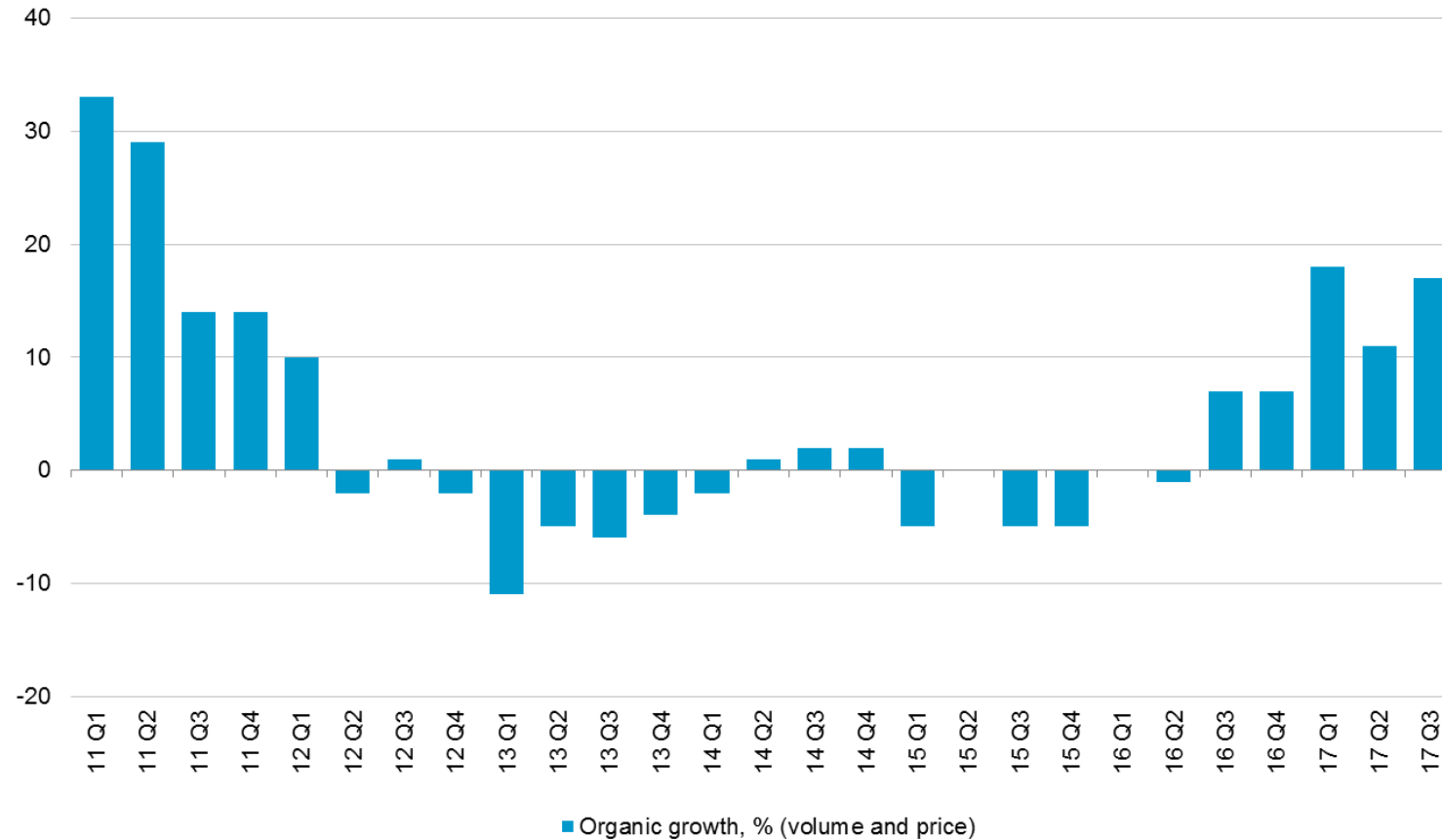
Last 3 months vs. previous year, %

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Order growth per quarter

Organic growth

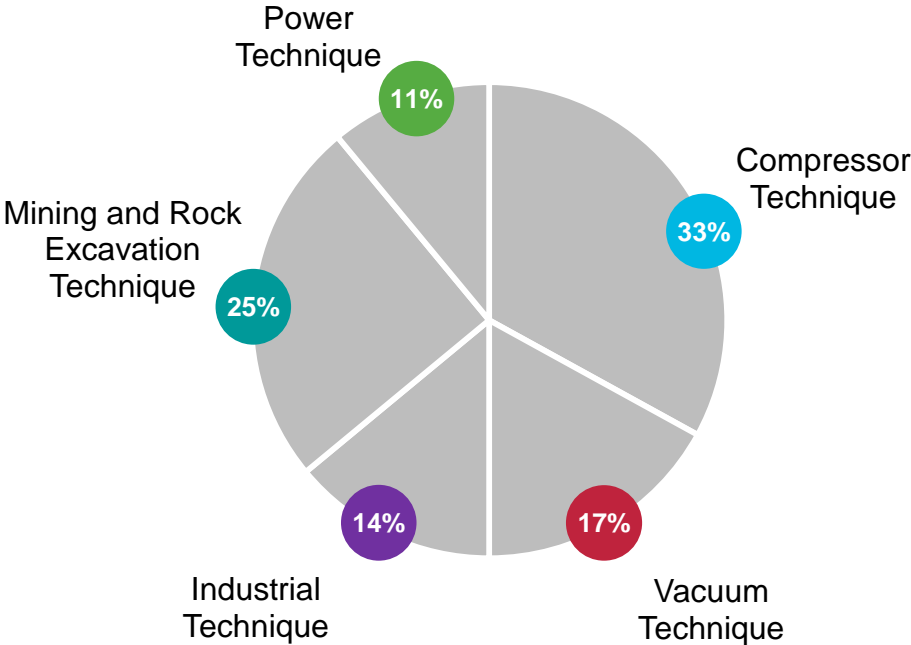


Sales bridge

MSEK	July - September		January - September	
	Orders received	Revenues	Orders received	Revenues
2016	26 038	25 843	75 195	72 861
Structural change, %	+3	+3	+6	+6
Currency, %	-3	-3	+3	+2
Price, %	+0	+0	+0	+0
Volume, %	+17	+10	+15	+9
Total, %	+17	+10	+24	+17
2017	30 552	28 499	93 059	85 556

Atlas Copco Group

Revenues by business area



12 months ending September 2017

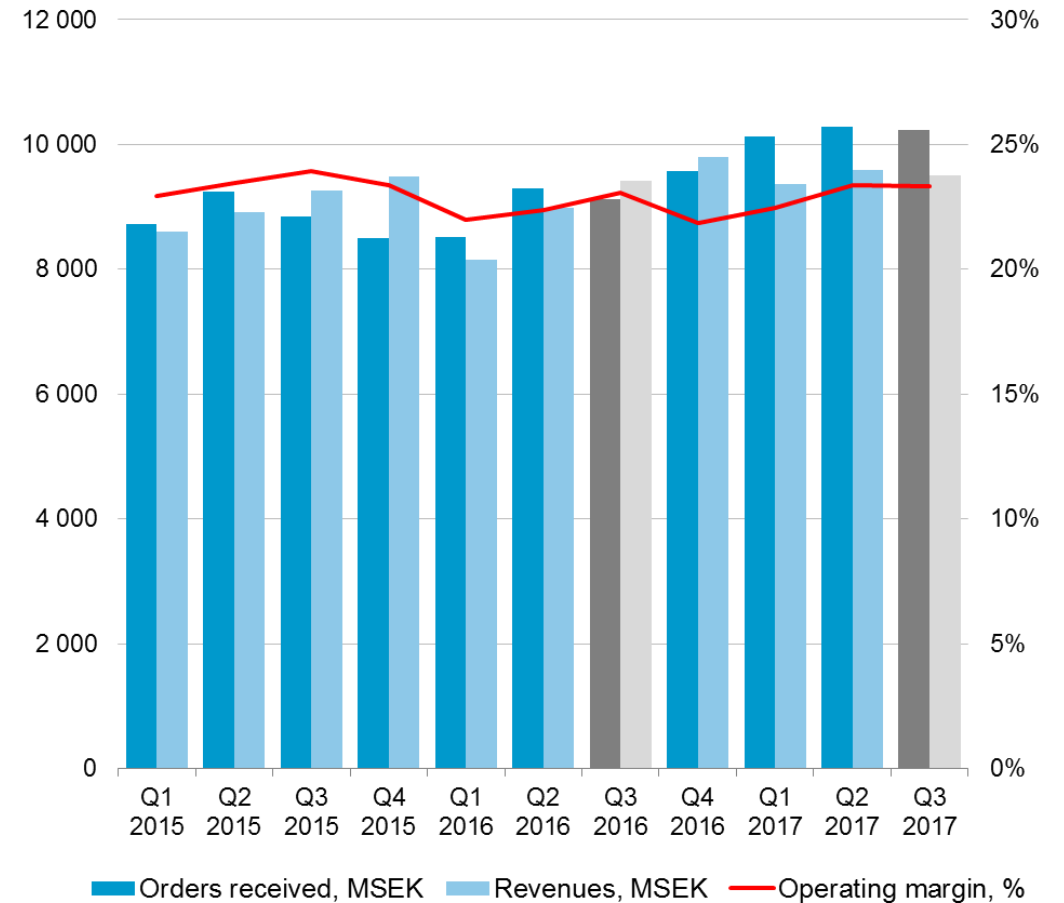


Compressor Technique

- Strong organic order growth of 14%
 - Good order development for industrial and gas & process compressors
- Continued steady growth for the service business
- Operating margin at 23.3% (23.1)
 - Supported by volume and mix



New low-energy consuming dryer, designed to maximize operational reliability.

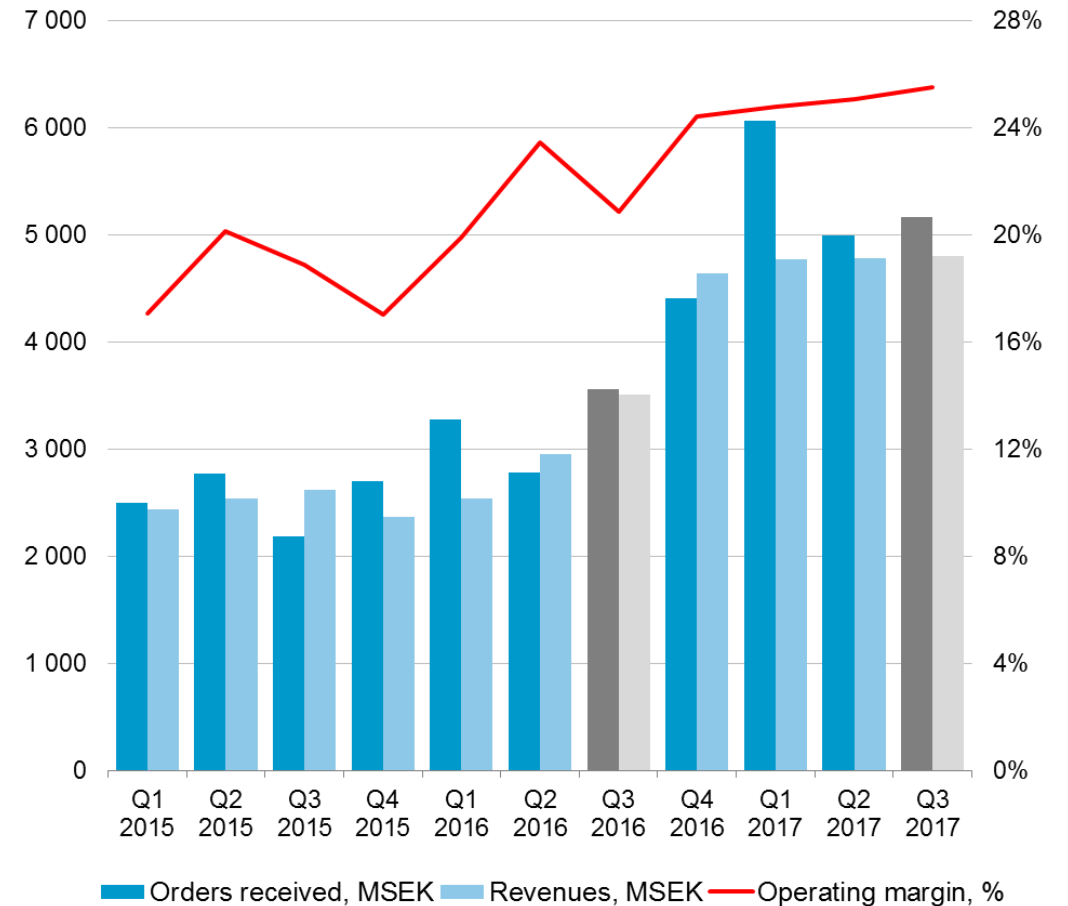


Vacuum Technique

- Organic order growth of 32%
 - Strong growth for semiconductor, industrial and high vacuum
 - Strong growth in all major regions
- Record revenues and profit
- Operating margin at 25.5% (20.8)
 - Mainly supported by volume
 - Acquired businesses exceed expectations

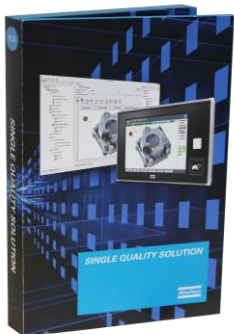


New energy-efficient turbo pump for industrial coating applications, used in the manufacturing of products such as smart phone displays and solar panels.

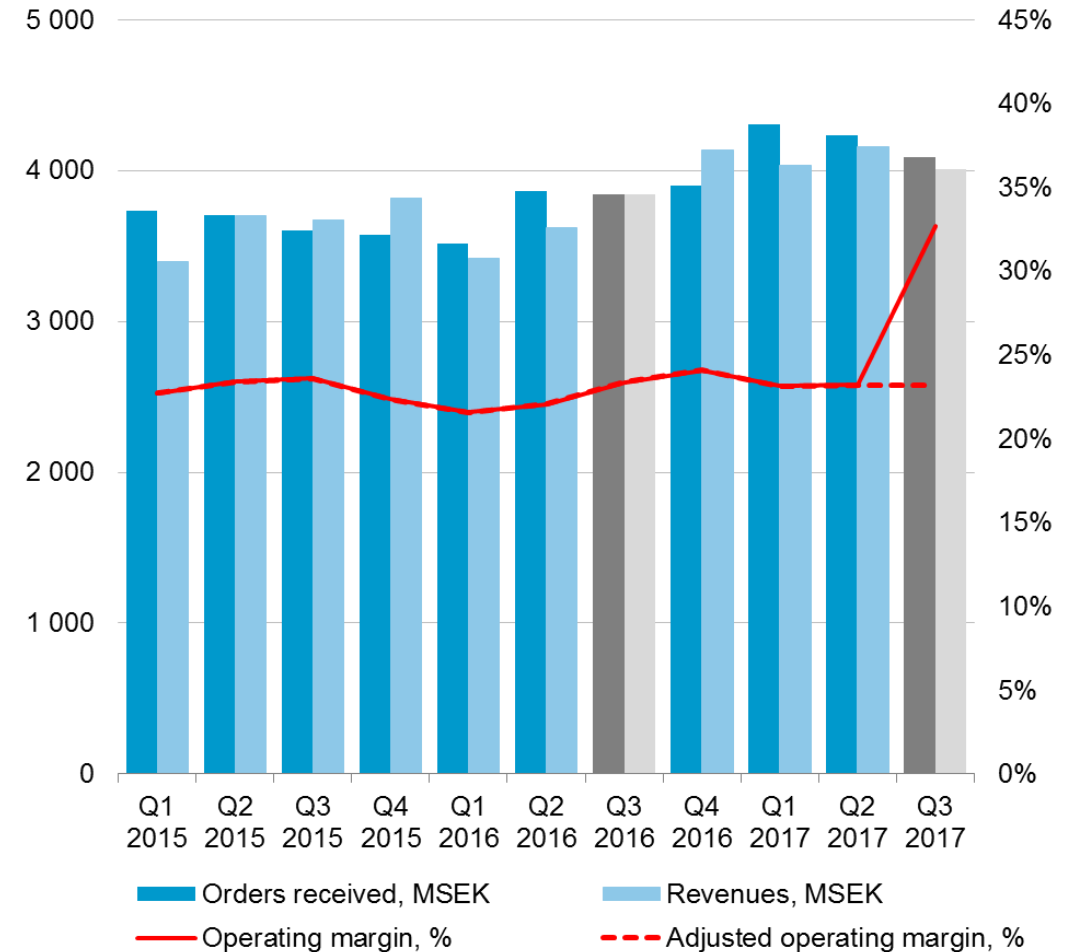


Industrial Technique

- Organic order growth of 11%
 - Main drivers include lighter and mixed materials in car manufacturing
 - Increased activity in off-road segment
 - Good traction for service products
- Operating profit of MSEK 1 311 (897)
 - Positive one-time items of MSEK 380
 - Adjusted operating profit at 23.2% (23.4)



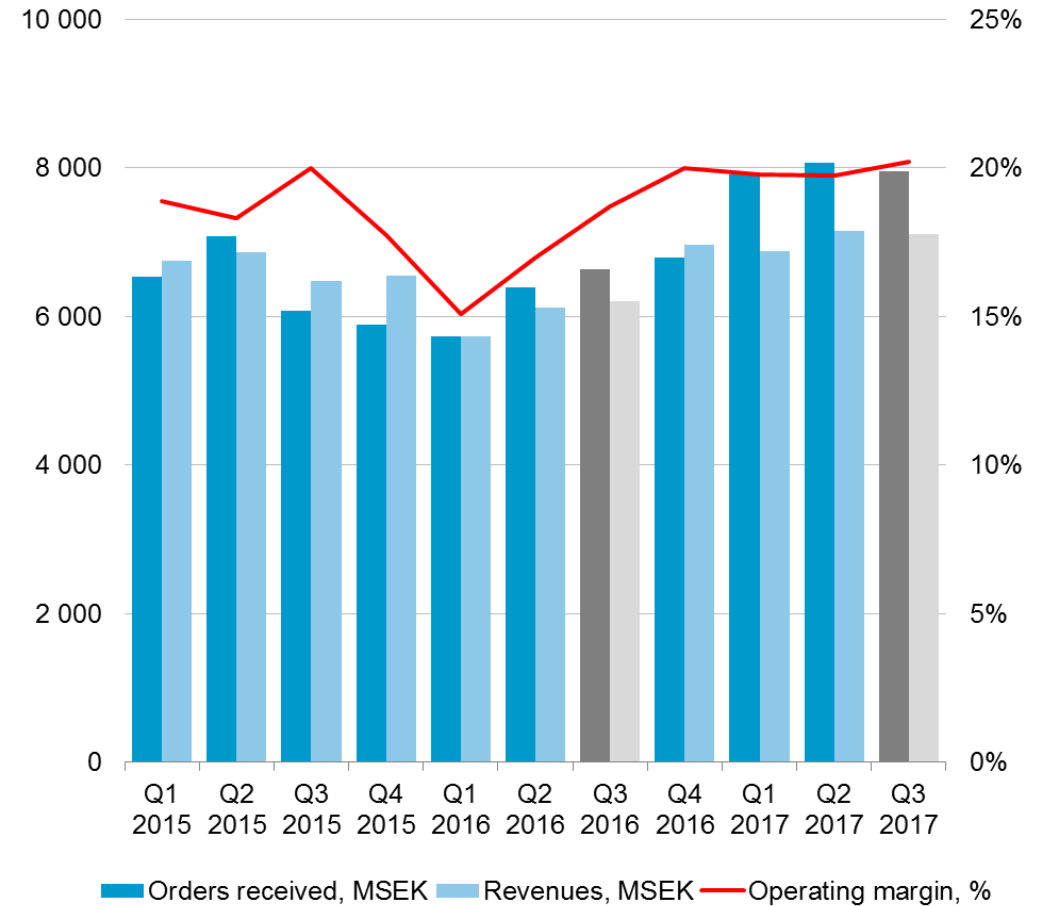
New software that supports error proofing in assembly applications. The software can reduce customers' cost for rework and warranty claims.



Mining and Rock Excavation Technique

- Strong organic order growth of 22%
 - Equipment growth for underground and surface mining
 - Continued growth for service and consumables
- Operating margin at 20.2% (18.7)
 - Supported by volume
- Continued progress on the digital mine

New electrically powered product line for continuous mechanical mining, offering increased efficiency and safety.

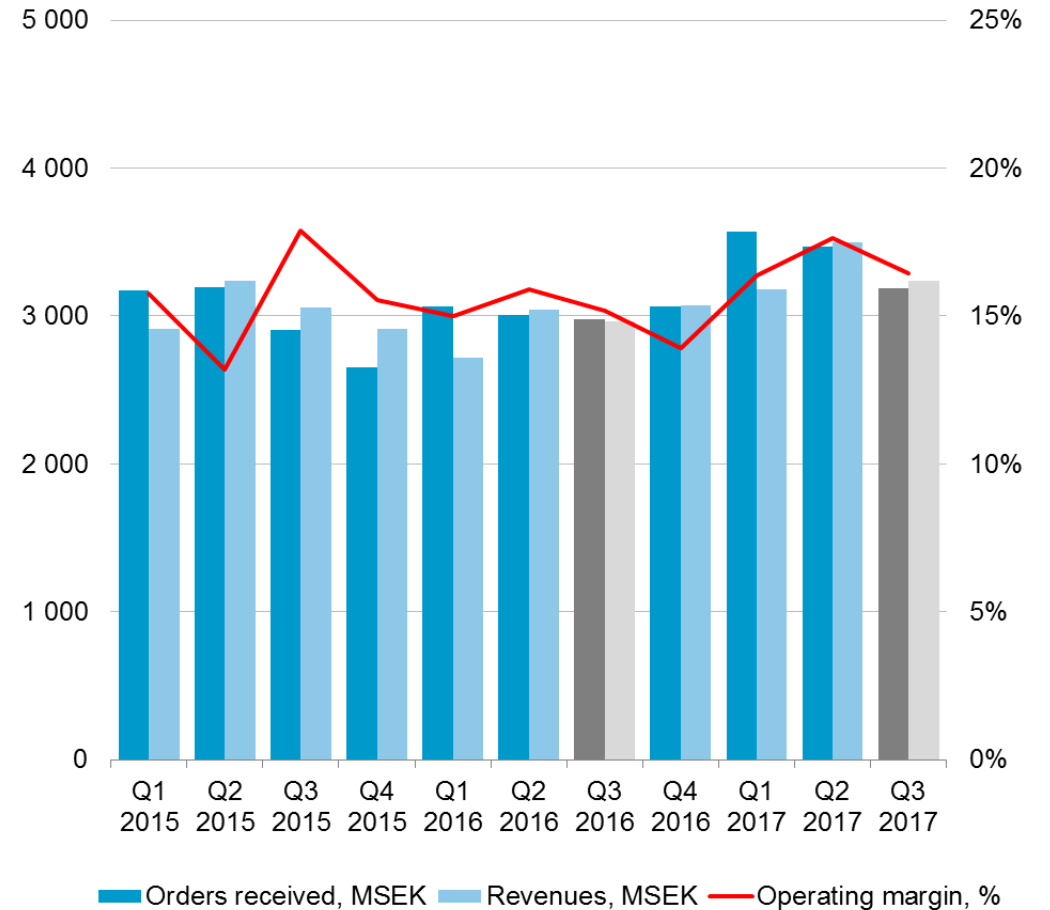


Power Technique*

- Organic order growth of 9%
 - Strong growth for portable compressors and construction tools
 - Demand for specialty rental continued to develop positively
 - All regions contributed to the growth
- Operating margin at 16.4% (15.2)
 - Supported by volume



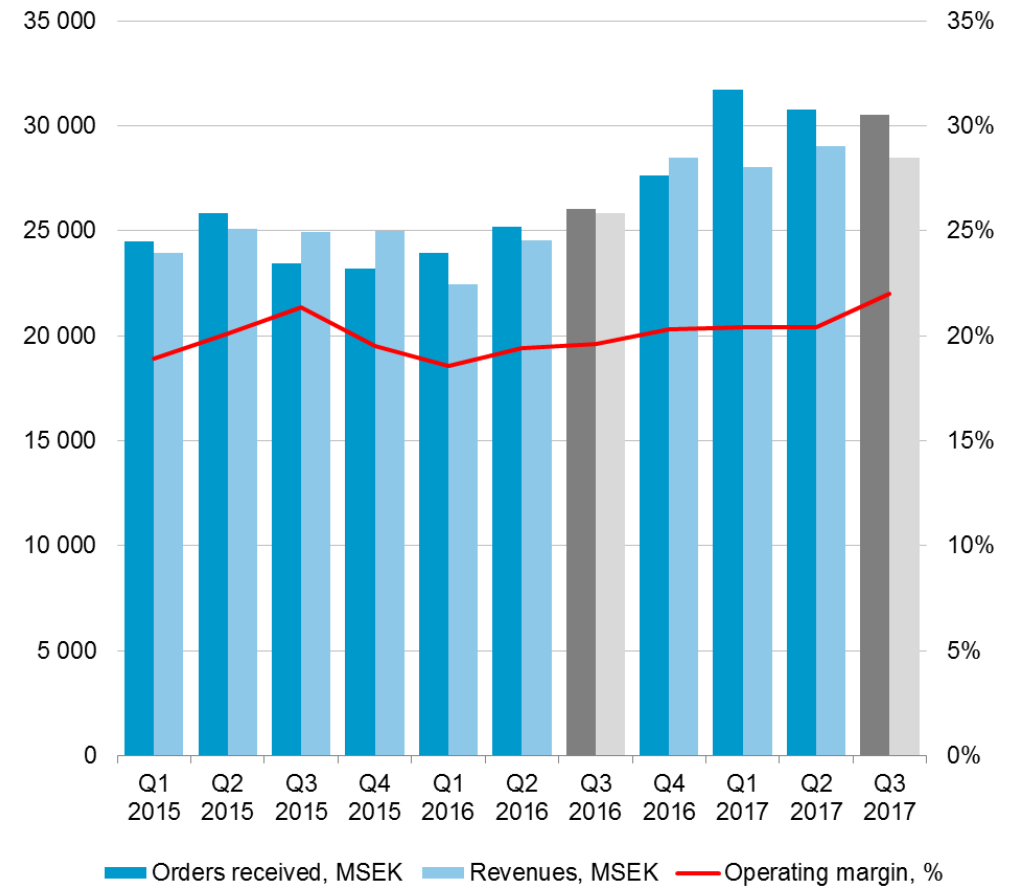
Extended range of portable generators that offers electrical power with quick start-up for customers at demanding worksites.



Group total

July – September 2017 vs. 2016

Continuing operations MSEK	July - September		
	2017	2016	%
Orders received	30 552	26 038	17%
Revenues	28 499	25 843	10%
Operating profit	6 268	5 074	24%
– as a percentage of revenues	22.0	19.6	
Profit before tax	6 067	4 770	27%
– as a percentage of revenues	21.3	18.5	
Income tax expense	-1 621	-1 334	22%
Profit for the period from continuing operations	4 446	3 436	29%
Basic earnings per share, SEK	3.66	2.82	
Return on capital employed, %	30	27	



Revenues and operating profit bridge

July – September 2017 vs. 2016

MSEK	Q3 2017	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI* programs	Q3 2016
Atlas Copco Group						
Revenues	28 499	2 616	-795	835		25 843
Operating profit	6 268	1 117	-270	240	107	5 074
	22.0%	42.7%				19.6%

*LTI = Long Term Incentive

Profit bridge – by business area

July – September 2017 vs. 2016

MSEK	Q3 2017	Volume, price, mix and other	Currency	One-time items Acquisitions	Q3 2016
Compressor Technique					
Revenues	9 505	309	-320	95	9 421
Operating profit	2 218	135	-90	0	2 173
	23.3%	43.7%			23.1%
Vacuum Technique					
Revenues	4 801	765	-155	680	3 511
Operating profit	1 225	428	-25	90	732
	25.5%	55.9%			20.8%
Industrial Technique					
Revenues	4 010	299	-135	5	3 841
Operating profit	1 311	99	-65	380	897
	32.7%	33.1%			23.4%
Mining and Rock Excavation Technique					
Revenues	7 116	994	-100	10	6 212
Operating profit	1 440	297	-20	0	1 163
	20.2%	29.9%			18.7%
Power Technique					
Revenues	3 236	320	-85	40	2 961
Operating profit	532	93	-20	10	449
	16.4%	29.1%			15.2%

Balance sheet

MSEK	Sep. 30, 2017		Sep. 30, 2016*		Dec. 31, 2016	
Intangible assets	34 992	29%	39 370	34%	37 828	33%
Rental equipment	2 833	2%	3 102	3%	3 095	3%
Other property, plant and equipment	9 226	8%	10 064	9%	9 793	8%
Other non-current assets	3 866	3%	4 298	4%	4 175	4%
Inventories	17 961	15%	18 462	16%	16 912	15%
Receivables	28 217	23%	28 201	24%	27 685	24%
Current financial assets	1 760	1%	1 675	1%	2 455	2%
Cash and cash equivalents	19 742	16%	10 785	9%	11 458	10%
Assets classified as held for sale	2 950	2%	10	0%	2 491	2%
TOTAL ASSETS	121 547		115 967		115 892	
Total equity	54 782	45%	50 502	44%	53 177	46%
Interest-bearing liabilities	27 867	23%	29 476	25%	28 629	25%
Non-interest-bearing liabilities	38 005	31%	35 989	31%	33 275	29%
Liabilities directly associated with assets classified as held for sale	893	1%	-	-	811	1%
TOTAL EQUITY AND LIABILITIES	121 547		115 967		115 892	

*Including assets and liabilities
related to discontinued operations

Cash flow*

MSEK	July - September		January - September	
	2017	2016	2017	2016
Operating cash surplus	7 282	6 398	21 971	17 341
<i>of which depreciation added back</i>	1 531	1 111	3 827	3 188
Net financial items	583	-448	368	-357
Taxes paid	-1 450	-1 270	-5 886	-6 269
Pension funding	-105	-57	-1 099	-94
Change in working capital	345	1 166	166	1 720
Increase in rental equipment, net	-242	-268	-633	-577
Cash flows from operating activities	6 413	5 521	14 887	11 764
Investments of property, plant & eq., net	-390	-321	-1 067	-876
Other investments, net	-190	-330	-628	-1 050
Cash flow from investments	-580	-651	-1 695	-1 926
Adjustment, pensions	0		772	
Adjustment, currency hedges of loans	-825	88	-1 263	-516
Adjustment, tax payment in Belgium	0	0	655	2 250
Operating cash flow	5 008	4 958	13 356	11 572
Company acquisitions/ divestments	-325	-3 692	-510	-4 656

* Including discontinued operations

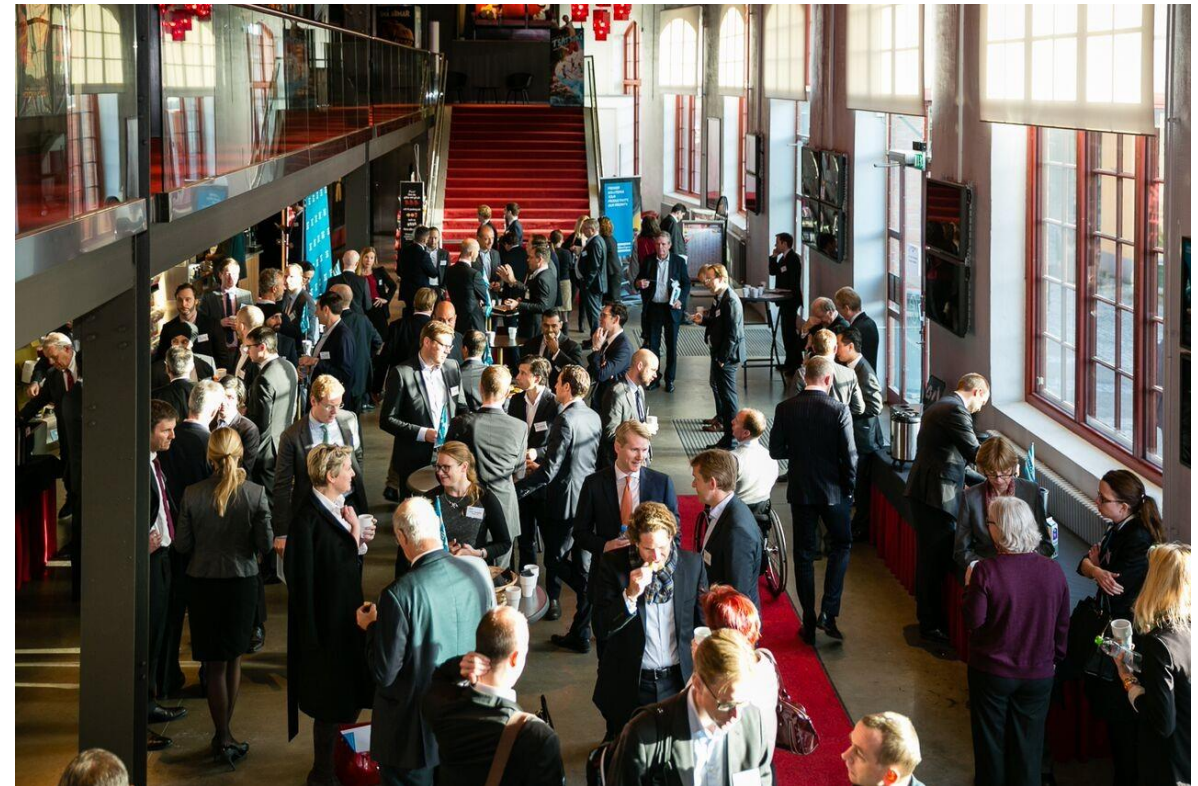
Capital Markets Day 2017

November 14, 2017

Stockholm, Sweden

Last day to register: October 31

www.atlascopcogroup.com/CMD2017



Near-term outlook

The overall demand for the Group is expected to remain at current high level.

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sustainable productivity.***



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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.”