

Atlas Copco Industrial Technique

Capital Markets Day 2017
Henrik Elmin, Business Area President

Atlas Copco



Agenda

1 Facts in brief

2 Fundamentals

3 Trends and opportunities

- a Electric vehicles
- b Light-weighting
- c General industry
- d Smart factory

4 Summary



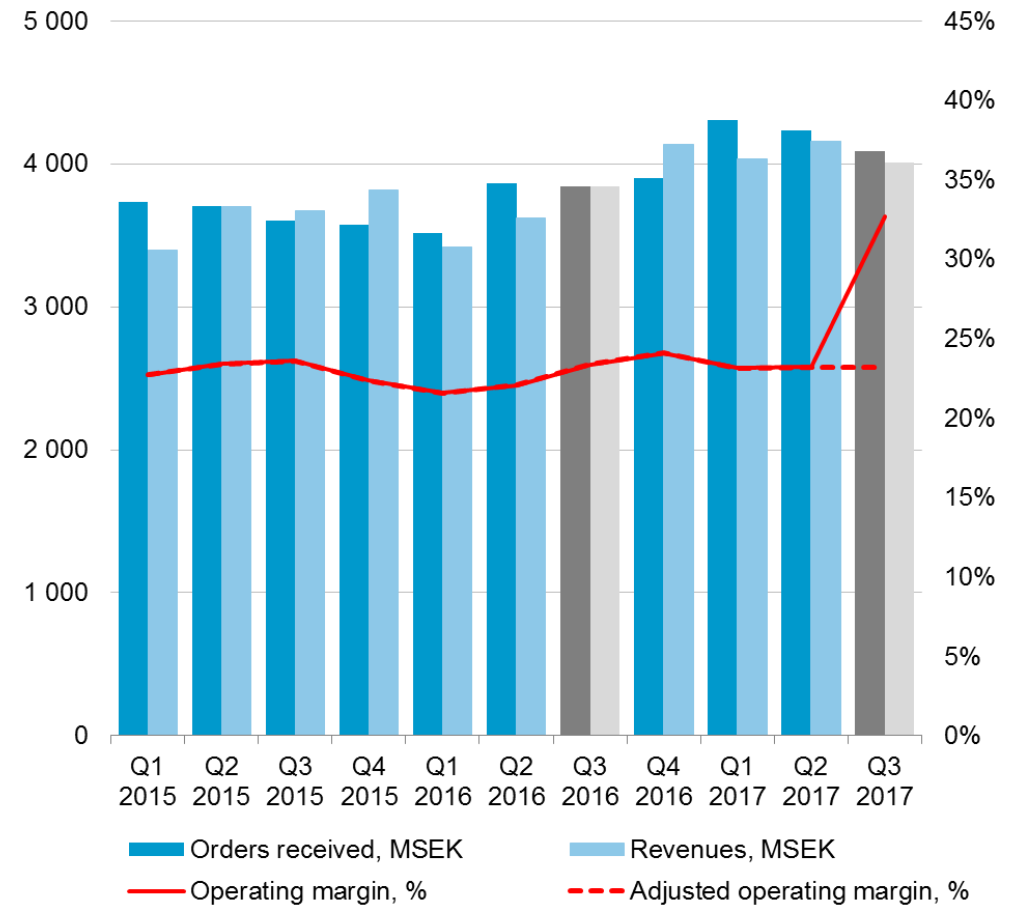
Industrial Technique

ROCE
43%

Growth drivers

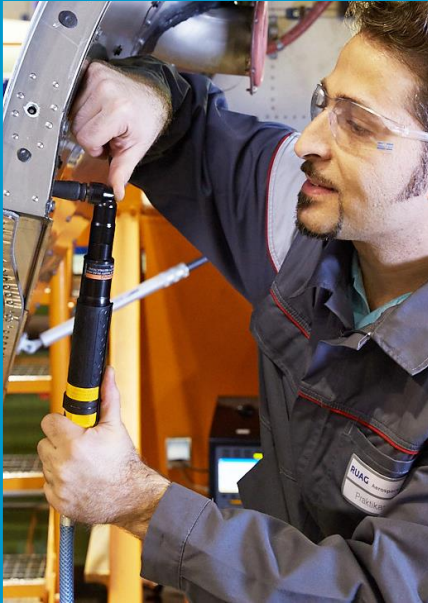
- Further developing the offer within assembly technologies
- Innovation is key
- Extend the service offer

Orders, revenues and operating margin



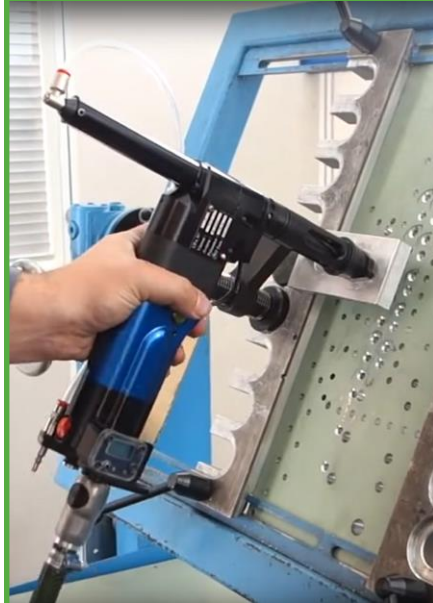
Helping our customers with critical processes

Tightening



Multiple industries

Drilling



Aerospace

Material removal



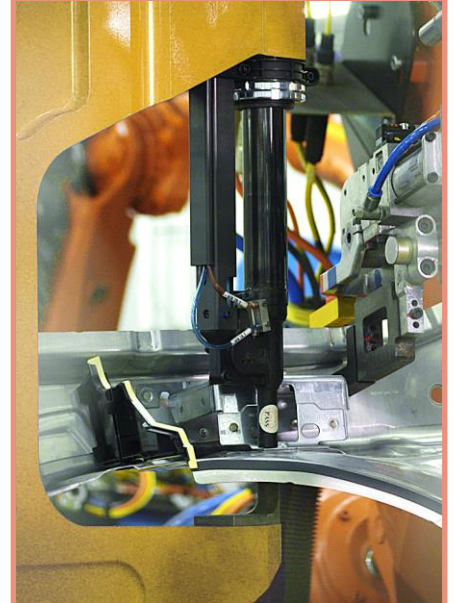
Metal fabrication

Dispensing



Automotive

Self-pierce riveting



Automotive

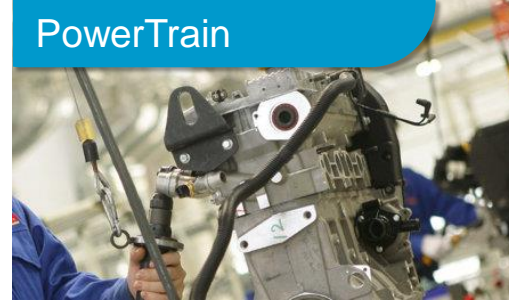
Tightening: Multiple industries



Automotive



PowerTrain



Tiers



Electronics



White goods



Aerospace



Off-road



Energy

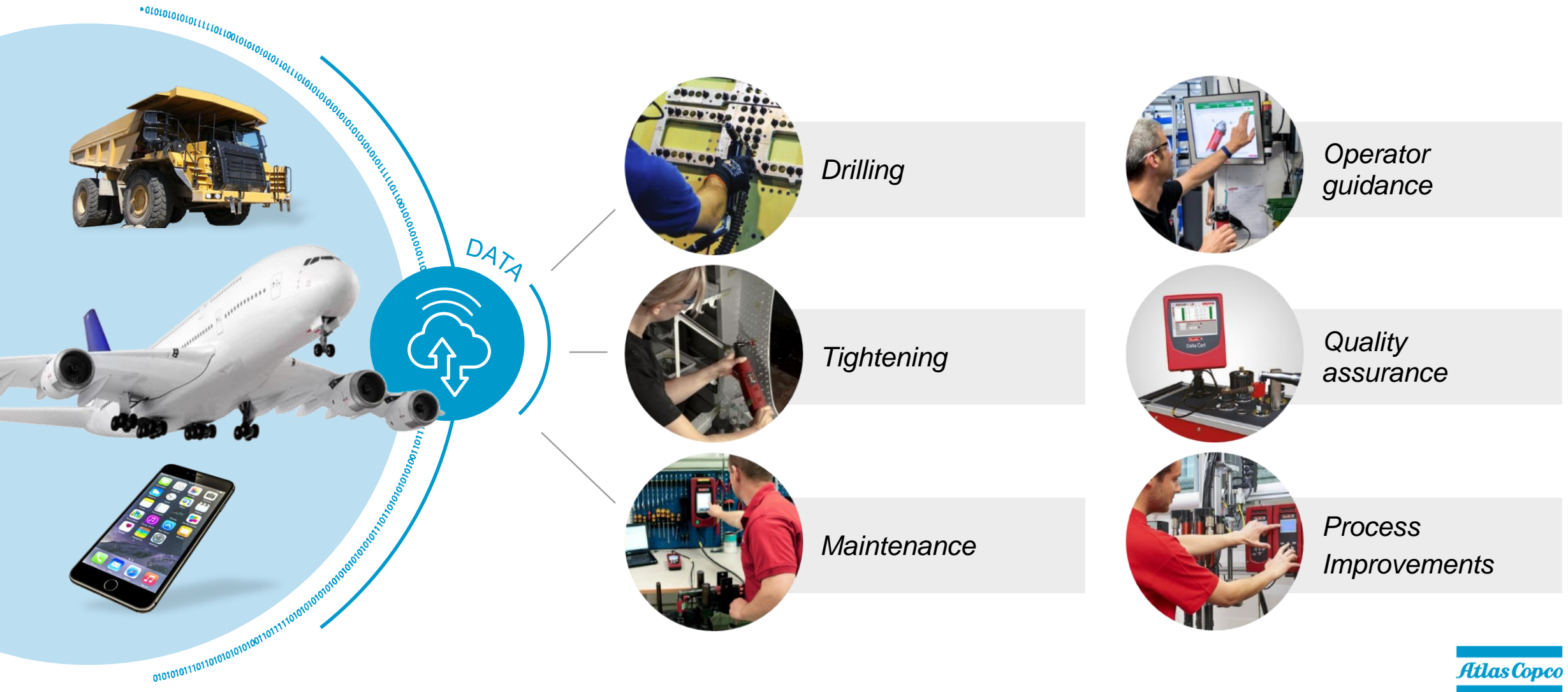


Vehicle maintenance



Business concept – General industry

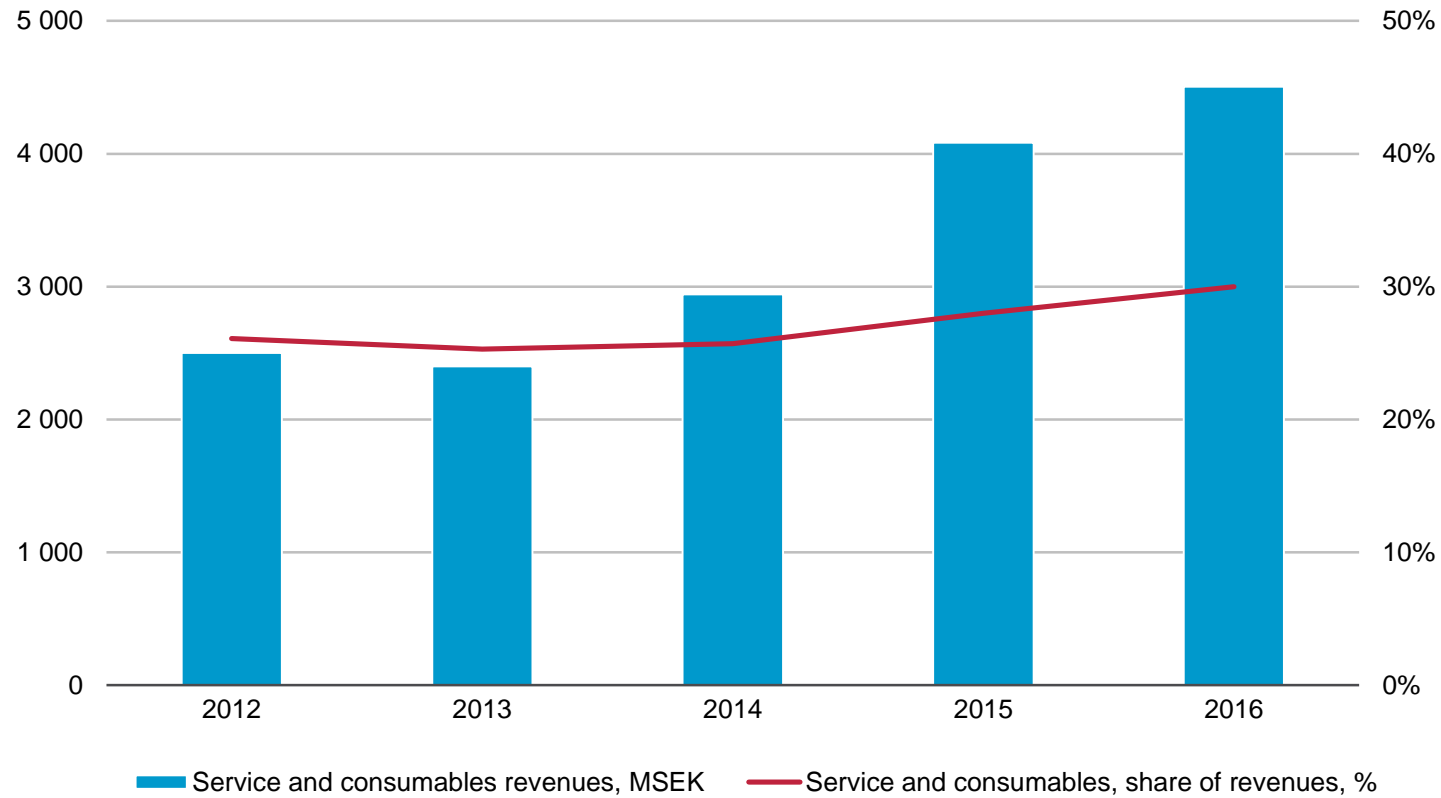
Partner in assembly technology



Industrial Technique – Service

CAGR
2012 - 2016
16%

Revenues from service, parts and consumables



Sustainable productivity in practice



EXAMPLE 1



The Henrob SPR "Eco Controller"

EXAMPLE 2



The SCA 5 step
Material Efficiency Package

EXAMPLE 3



The TBP Battery Pulse Tool
System

Trends



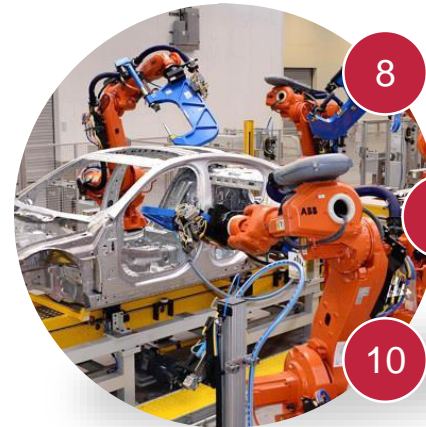
- 1 Quality assurance
- 2 Ergonomics / safety



- 5 Electric vehicles
- 6 Light-weighting
- 7 Electronics



- 3 Middle class growth
- 4 Emerging markets



- 8 Flexible lines
- 9 Automation
- 10 Data driven service

Strategic approach to acquisitions

SCA

2011



Adhesive systems and metering technology



2011



Drilling equipment

SYNATEC

2013



Quality control solutions

SALTUS

2013



Mechanical and electrical wrenches



2013



Hydraulic torque wrenches and pumps

Tentec

2013



High torque bolting solutions



2014



Self-pierce riveting

TITAN

2014



Hydraulic torque wrenches and pumps

PIVOTWARE

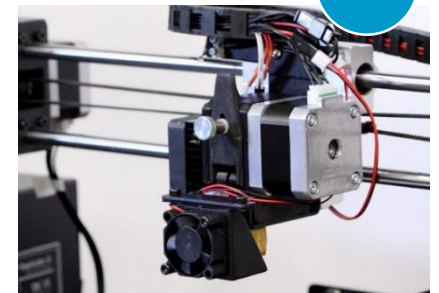
2015



Process control solutions

BONDTECH

2016



Adhesive dispensing equipment

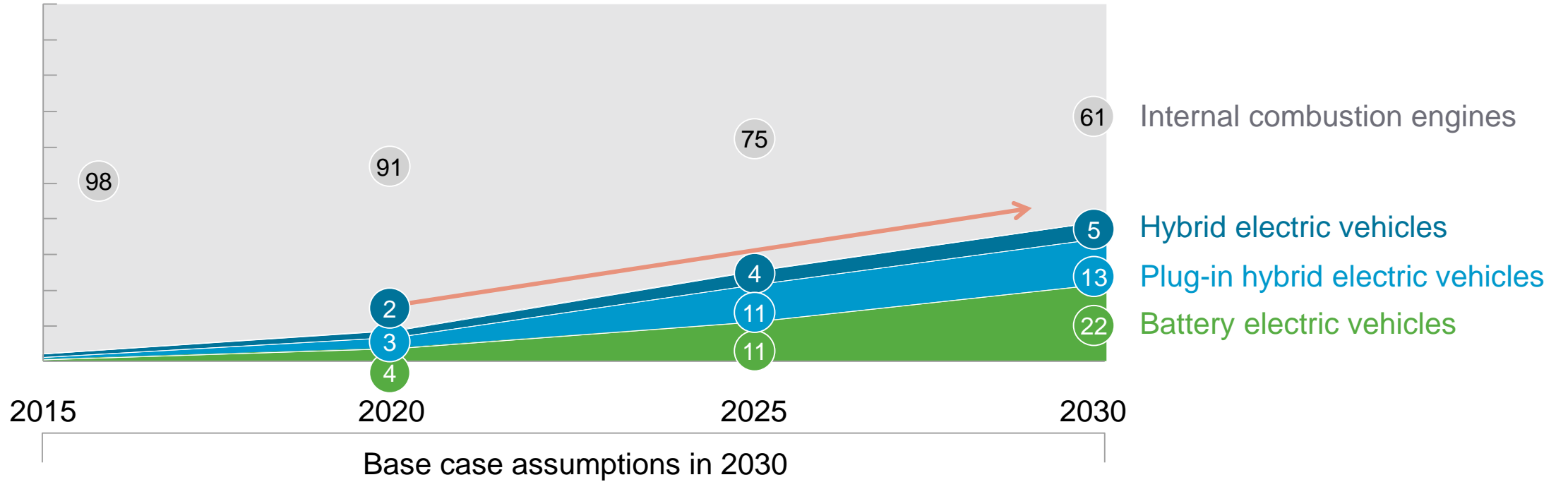
What will be the impact of electric vehicles?




SIMPLIFIED


Base case

New vehicle sales by powertrain type, %



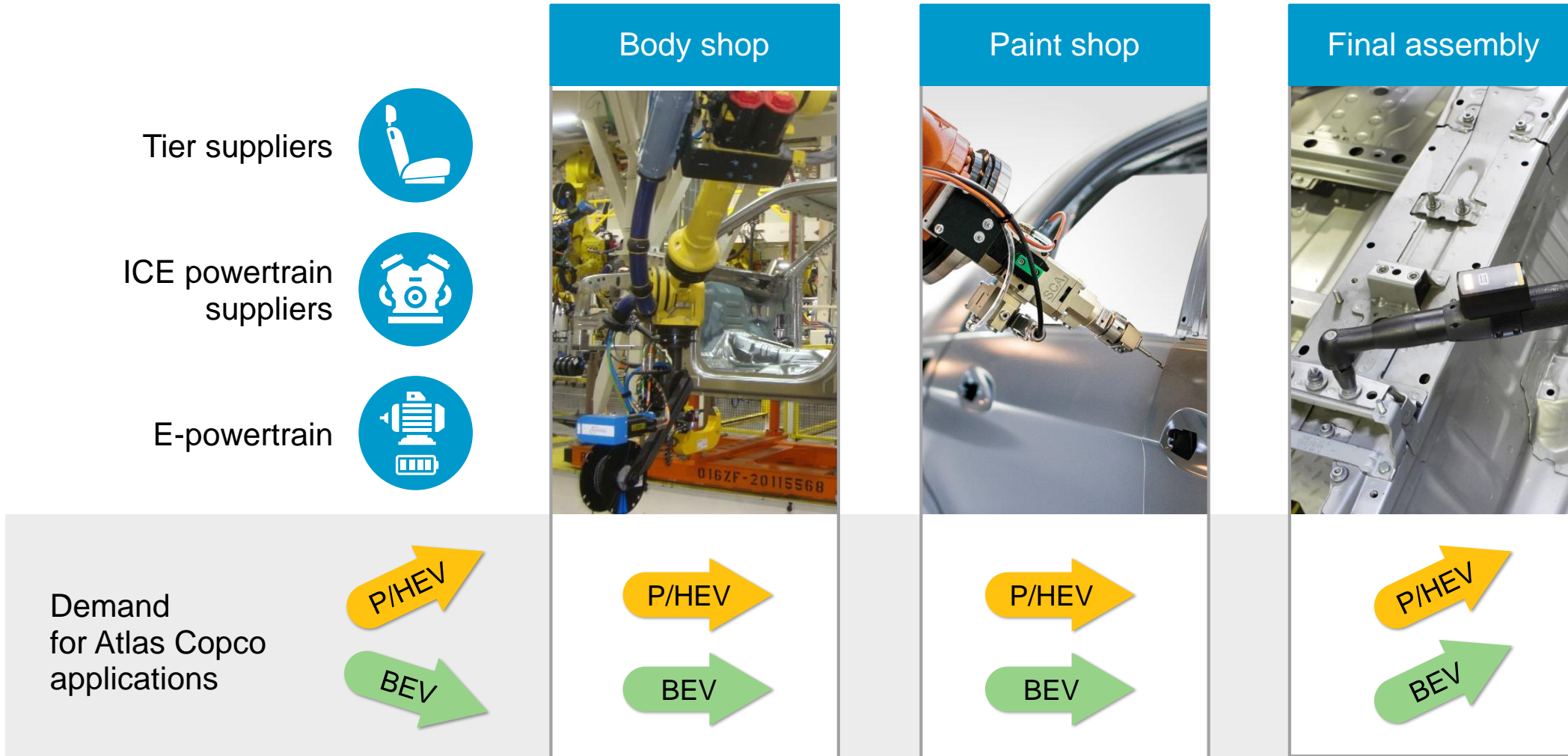

~90 USD/kwh


~70 g CO₂/km


~5% shared vehicle sales

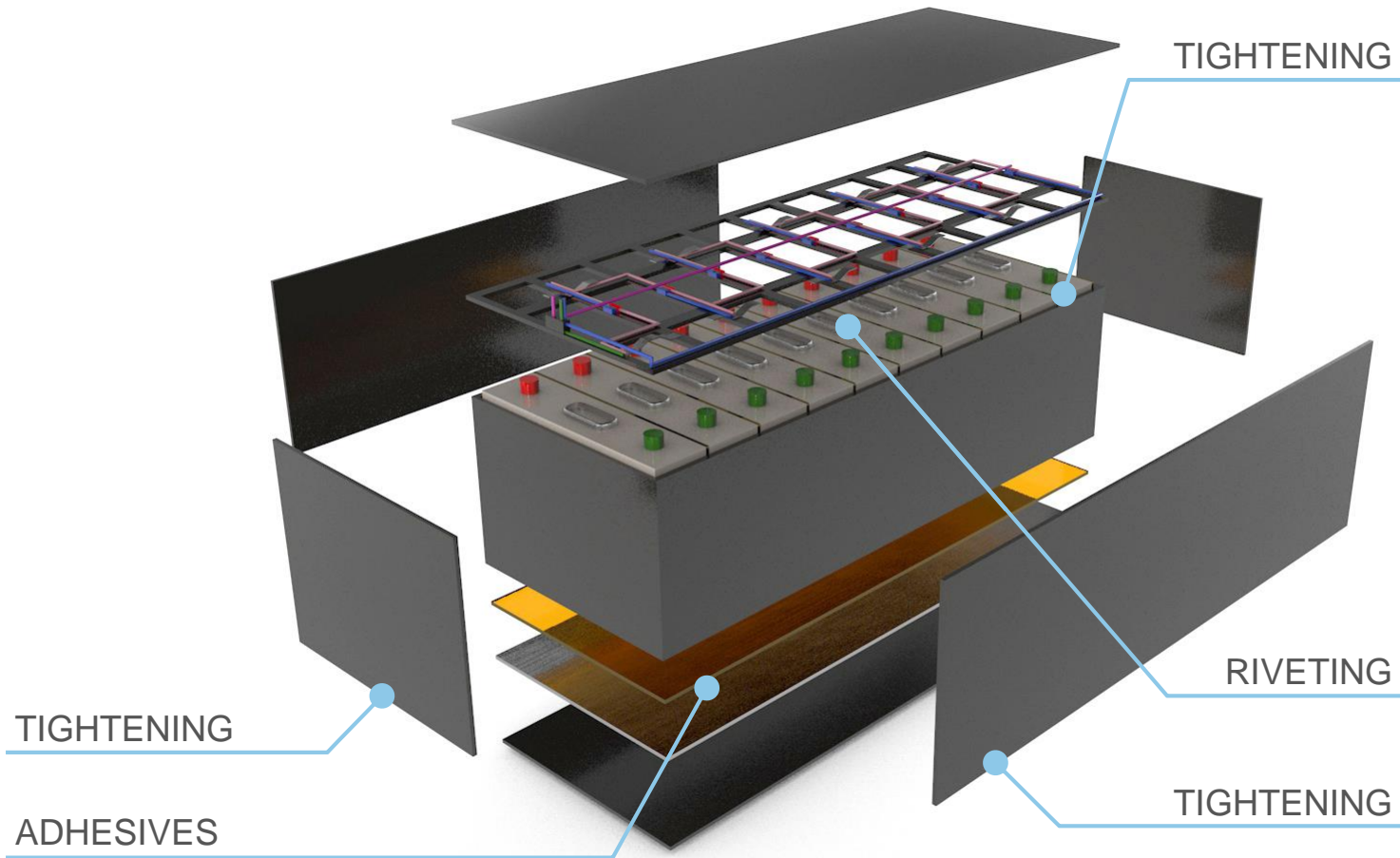
SOURCE: McKinsey 2017

What will be the impact of electric vehicles?



P/HEV: Plug-in/Hybrid Electric Vehicles
 BEV: Battery Electric Vehicles

Electric vehicles will drive demand



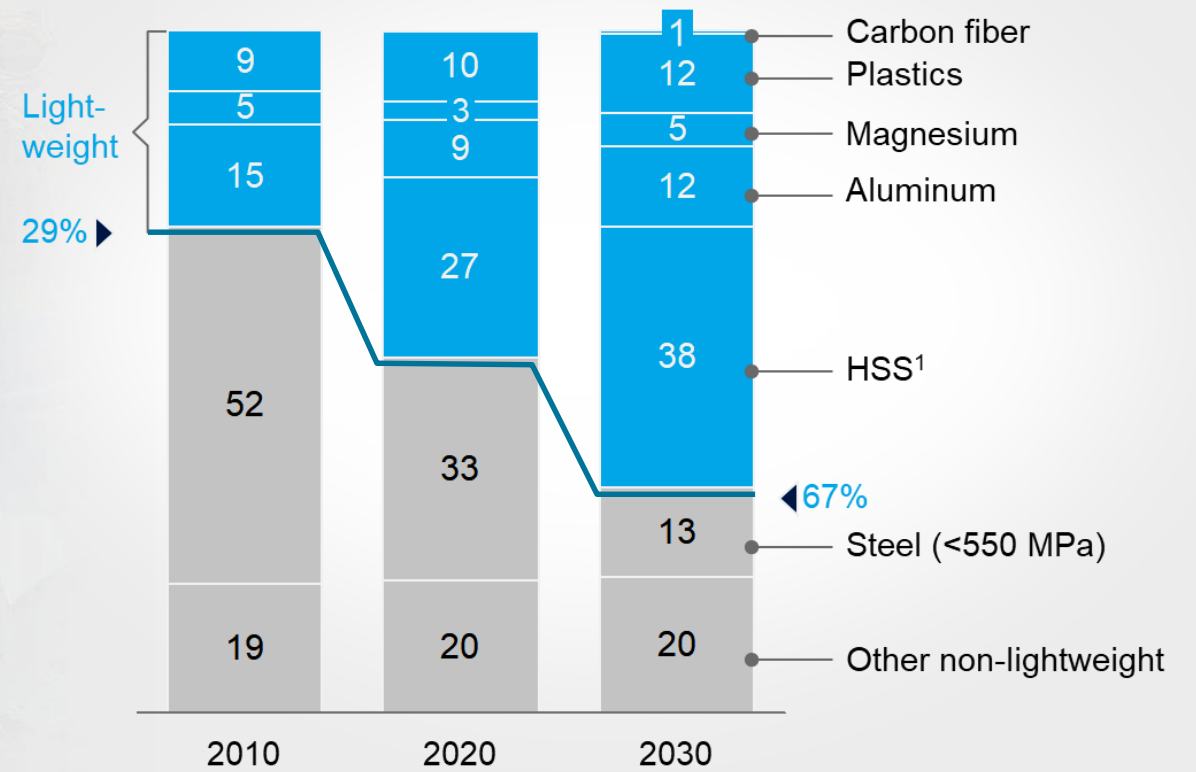
Light-weighting: Increased need for mixed material joining



Automotive

Share of light-weight materials will increase

Material split / percent



SOURCE: McKinsey 2017

Light-weighting: Increased need for mixed material joining

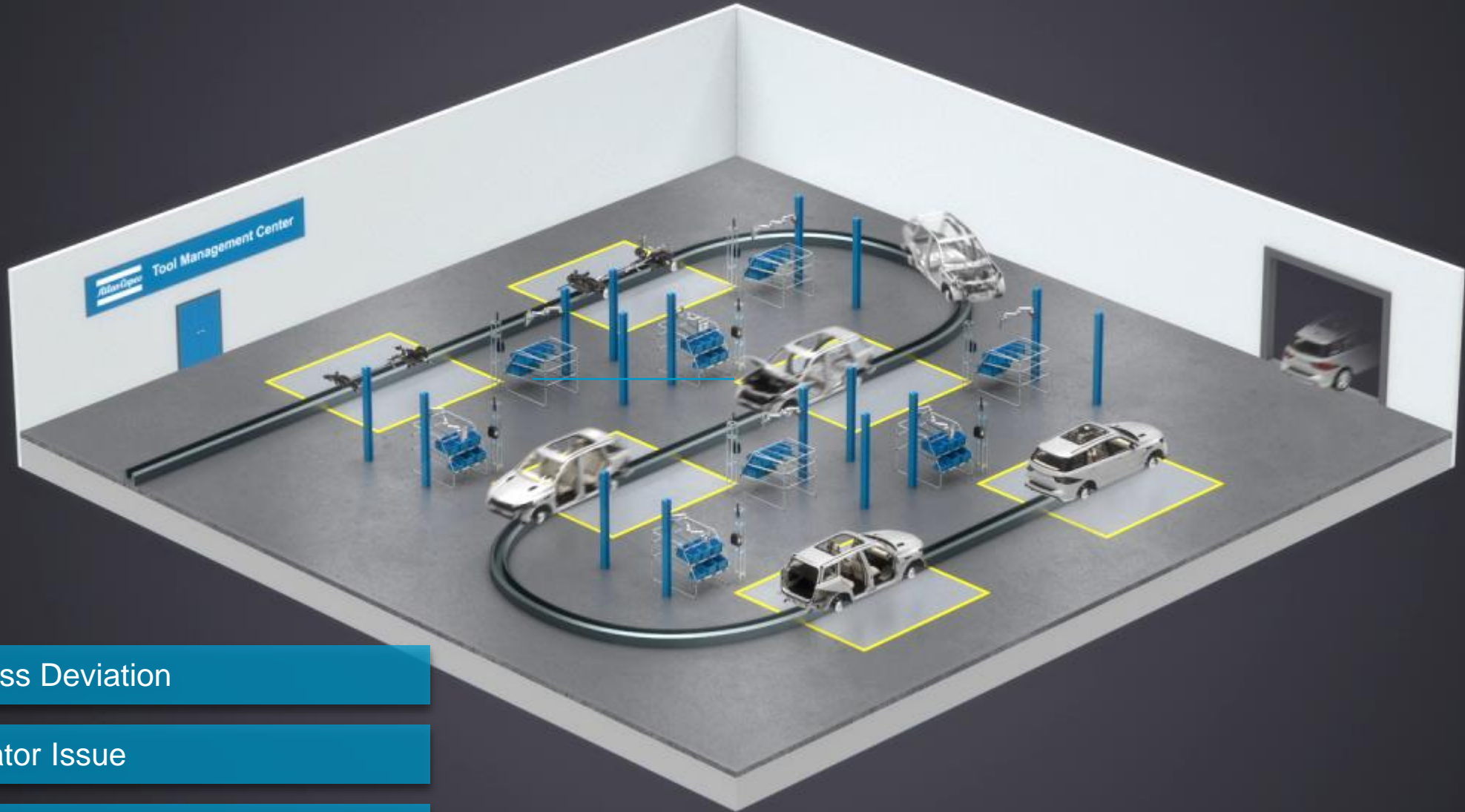


General industry: Improving production yields in electronics



New opportunities in the Smart factory





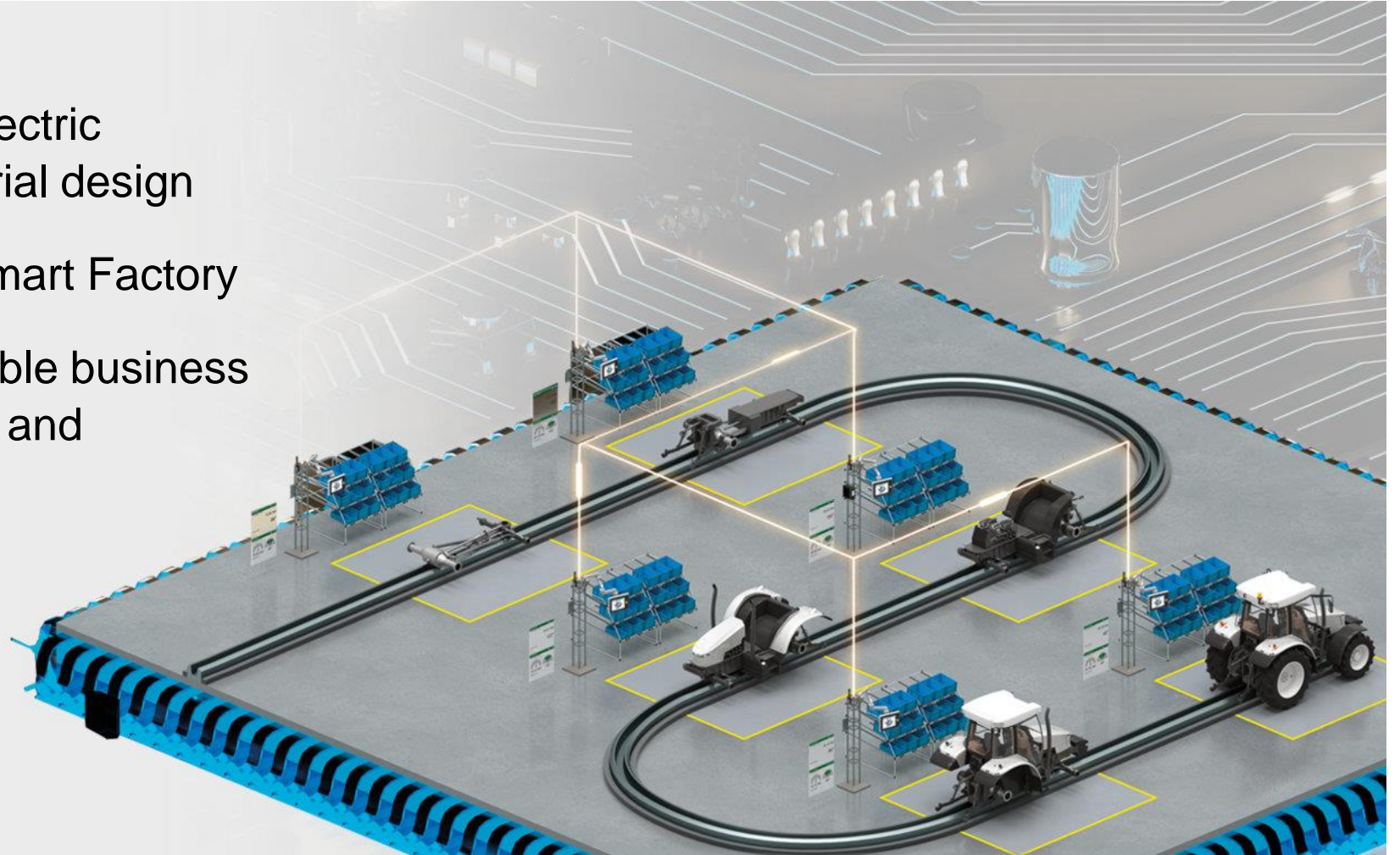
Process Deviation

Operator Issue

Equipment Problem

Summary – Industrial Technique

- Major opportunities in electric vehicles and multi-material design
- Well positioned in the Smart Factory
- Continuation of sustainable business model in the Automotive and General Industries



***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.”