

The Atlas Copco logo, featuring the company name in a white, italicized serif font, centered between two horizontal white bars on a blue rectangular background.

*Atlas Copco*

A blue triangular graphic overlay containing a white technical drawing of a mechanical component, possibly a bearing or a similar industrial part, with various dimensions and labels.

**Atlas Copco  
Capital Markets Day 2021**



# Compressor Technique

Capital Markets Day 2021

Vagner Rego, Business Area President

# Agenda

1 Facts in brief

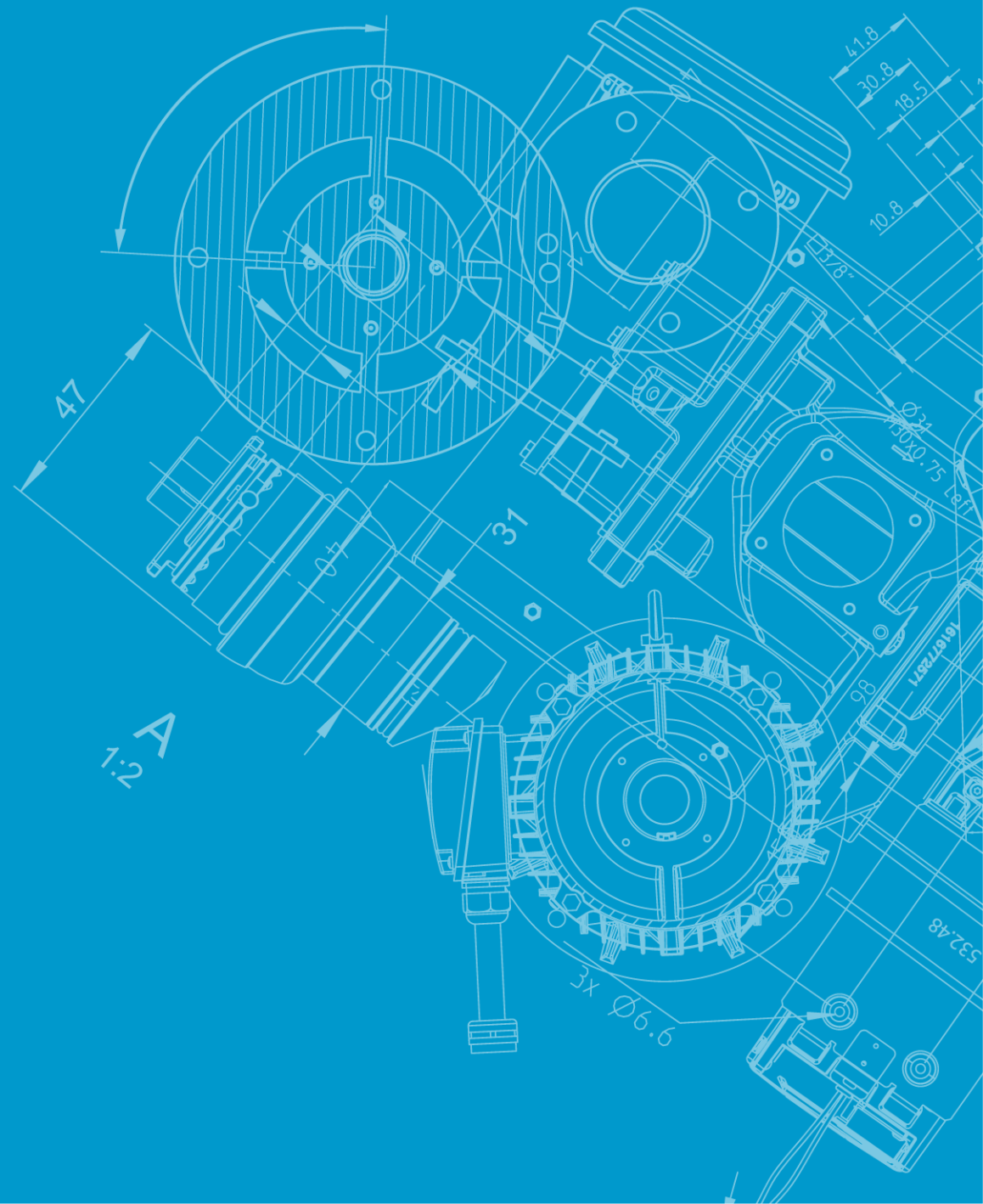
2 The market and business fundamentals

3 Strategy for growth

4 Summary



Facts in brief

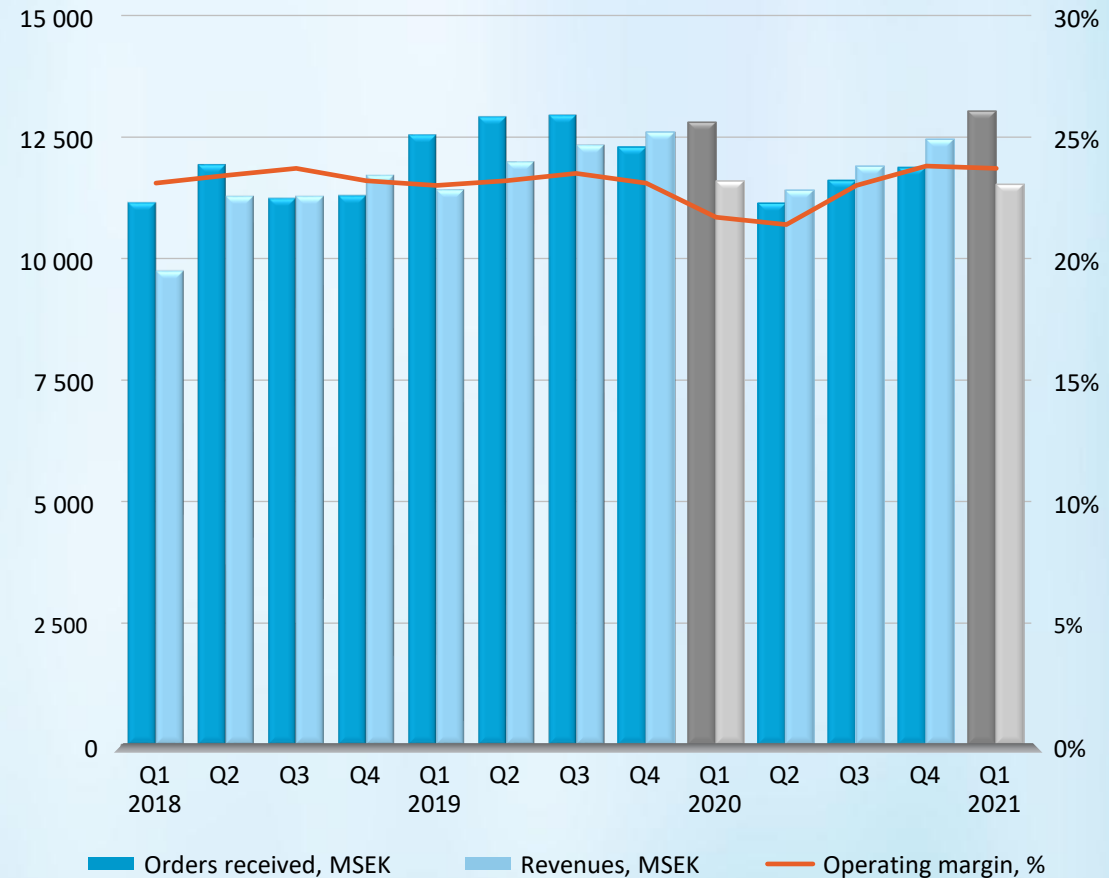


# Compressor Technique

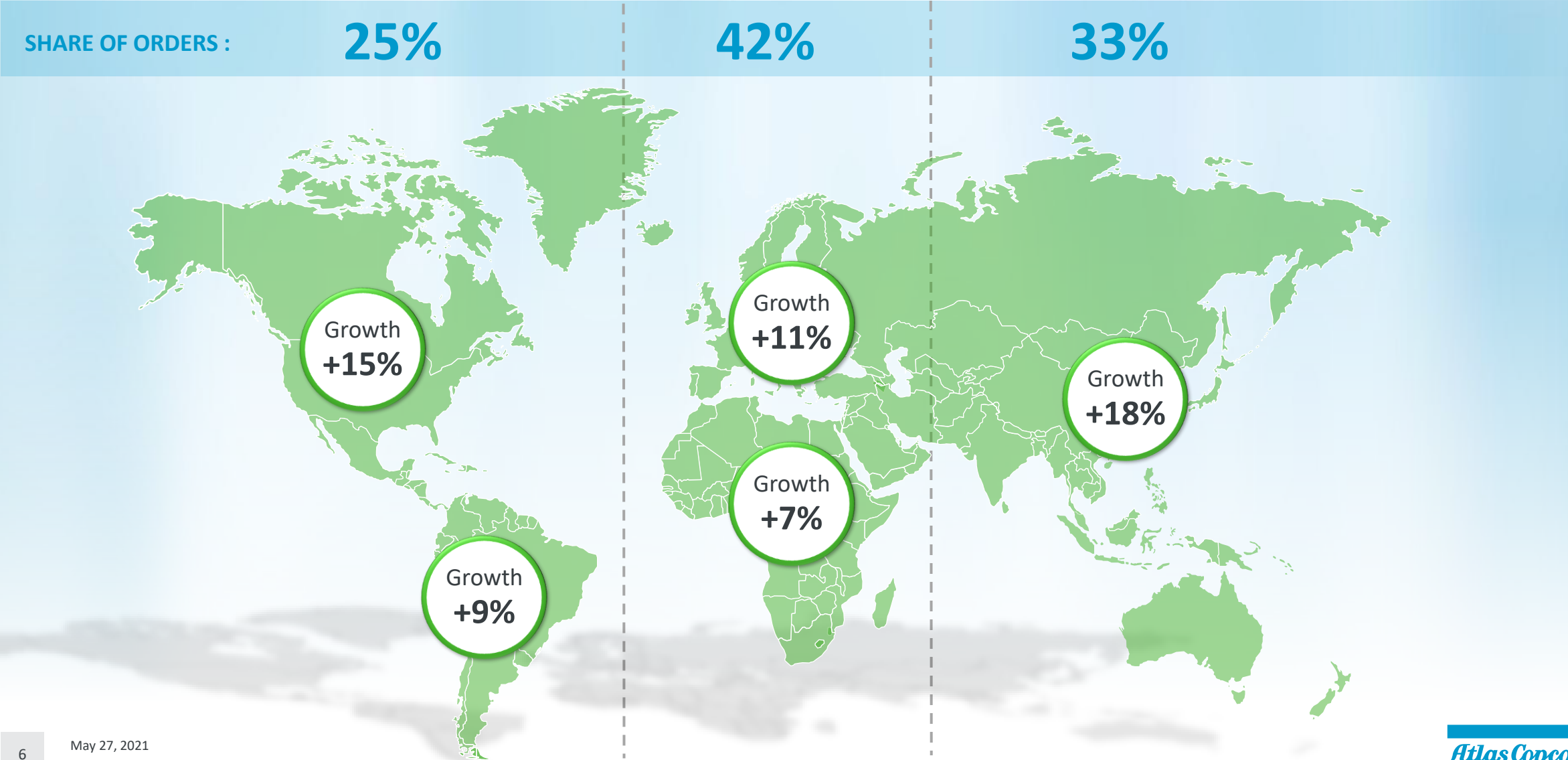
ROCE  
84%

## Market trends

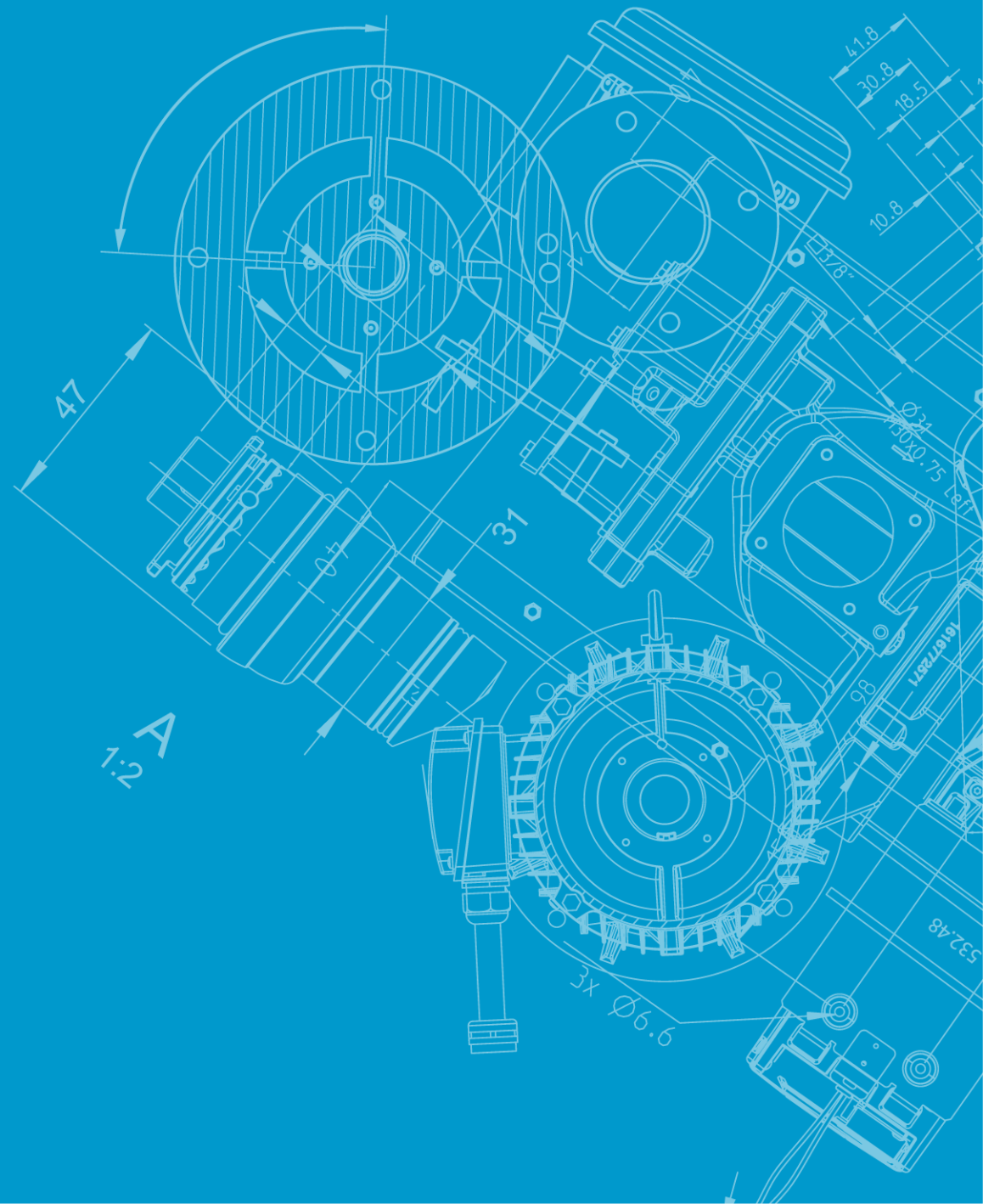
- Continued focus on energy efficiency
- CO<sub>2</sub> emission reduction and energy recovery
- Total solution and total life-cycle cost
- Digitalization and automation
- New applications for compressed air



# Orders received – local currency Q1 2021

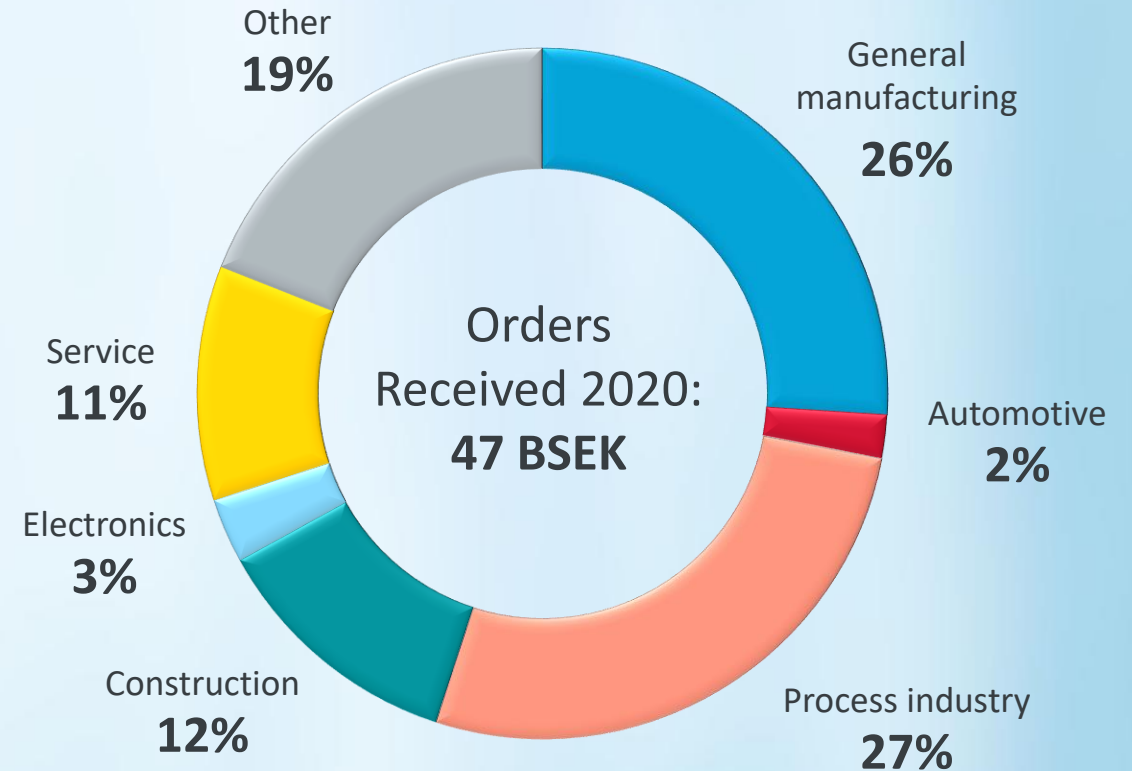


# The market and business fundamentals



# The market we operate in

- Compressed air is often referred to as the 4<sup>th</sup> utility
  - We serve all industry segments
- Largest technology range
  - Application driven solutions
  - Small to big industries
- Providing Total Solutions
  - Quality air treatment
  - Industrial Gasses
- Strong service organization
  - Global market coverage





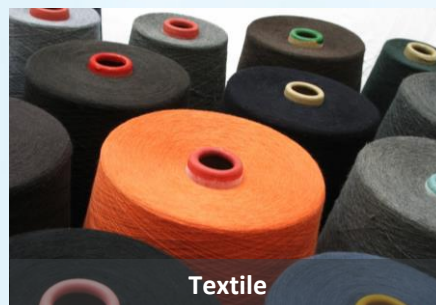
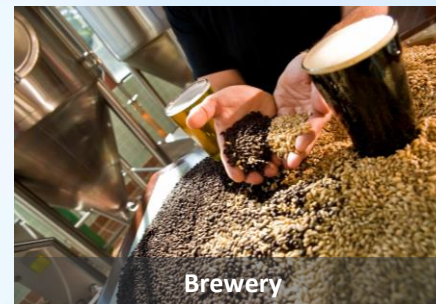


# Traditional Industries

Continued investments in traditional industries:

→ GDP/Capita Growth

→ Energy & CO<sub>2</sub> reduction

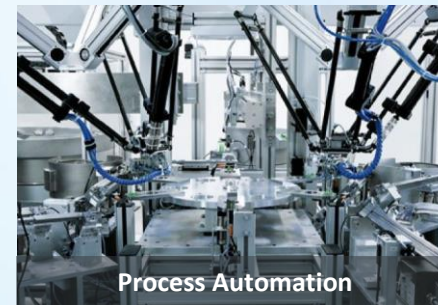
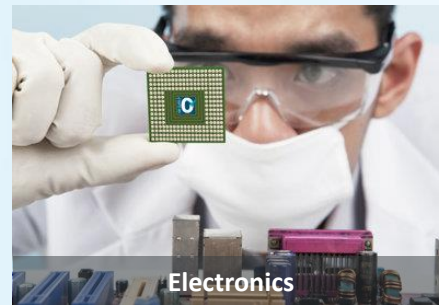


...  
many more

# New Technology Industries

→ Automatization & Industry 4.0 brings lots of opportunities for pneumatic controls and compressed air

→ Use of Industrial Gasses





## Example: Automotive Industry

### Shift to electric driven cars

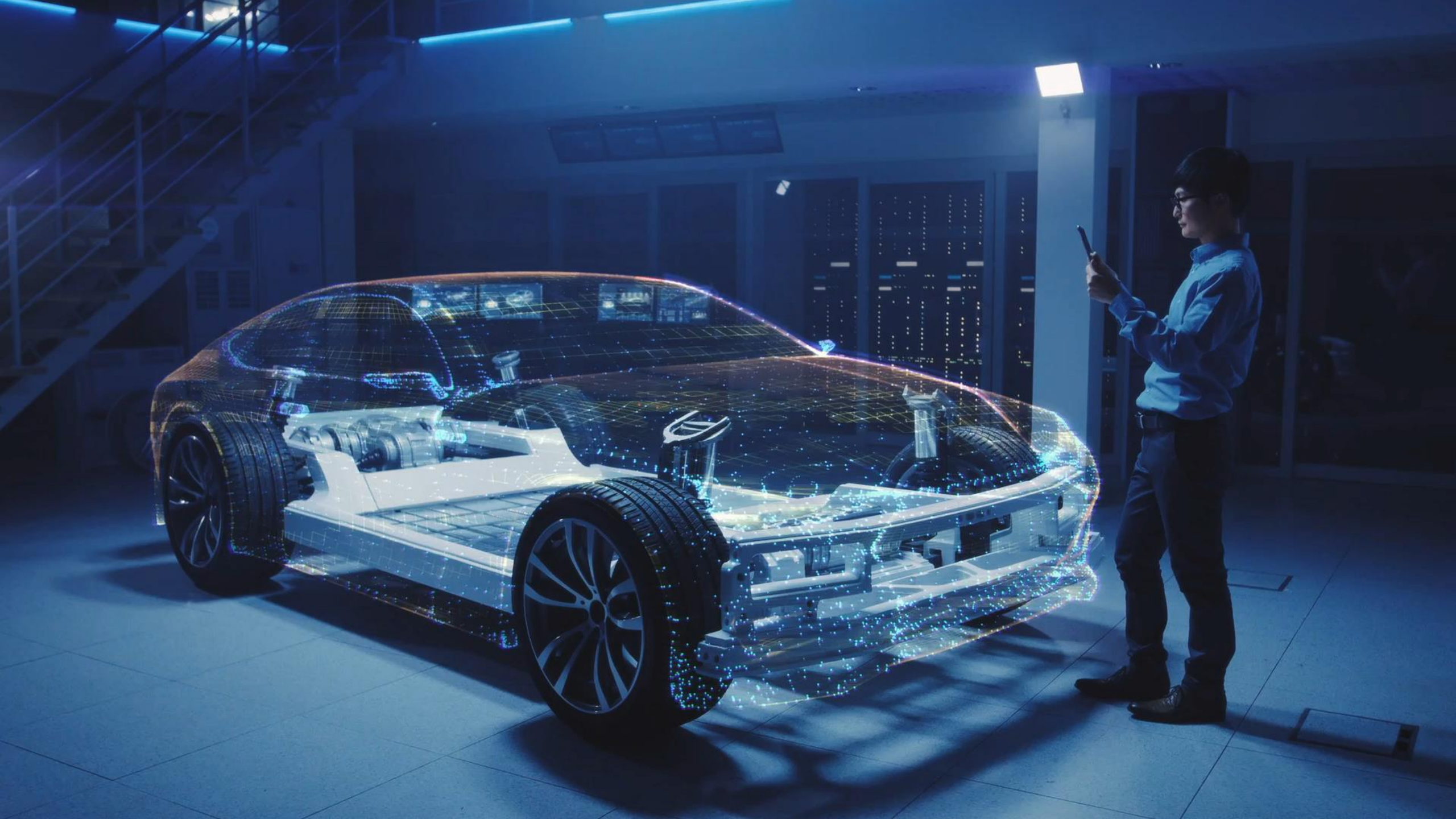
- Increased demand for battery cell production in the coming years
- Huge investments in new factories to produce electric cars



---

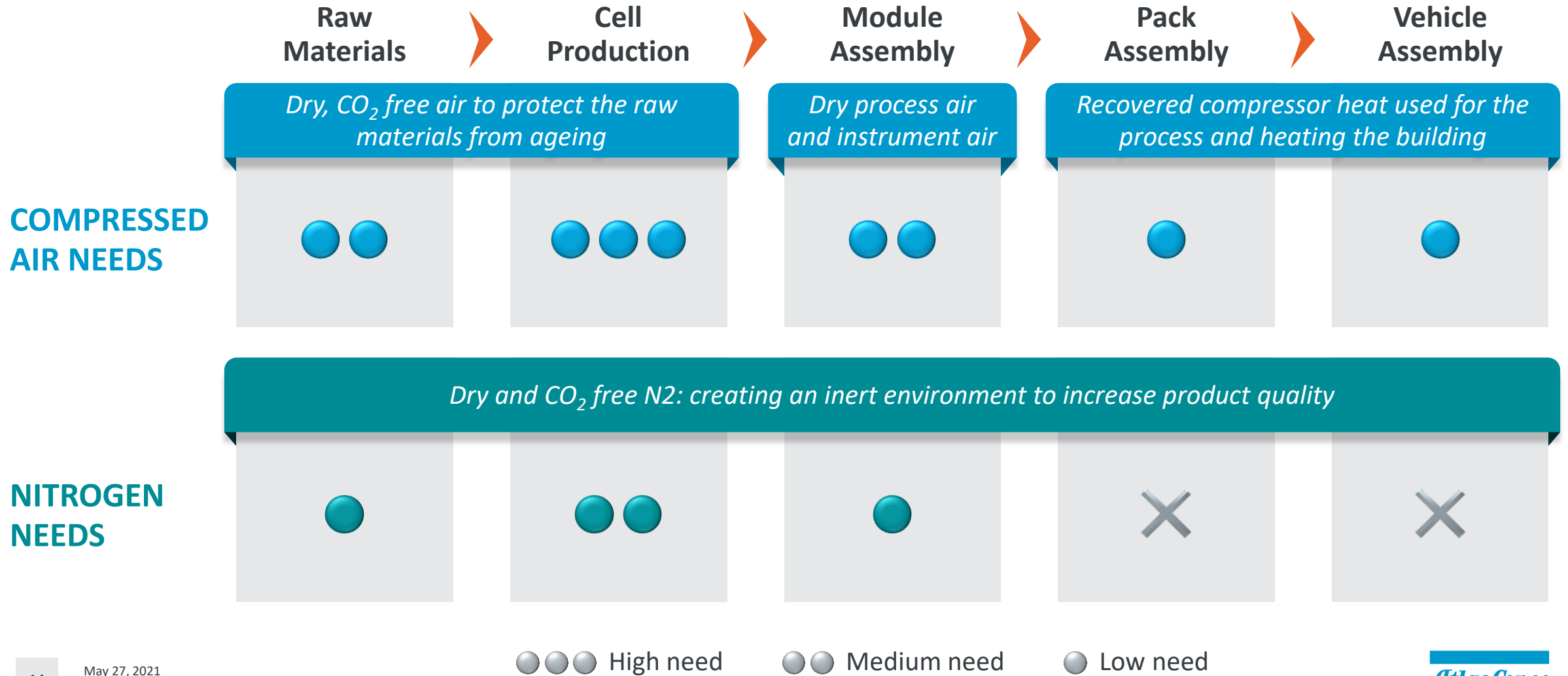
Compressed air and industrial gasses are needed in every part of the process

---

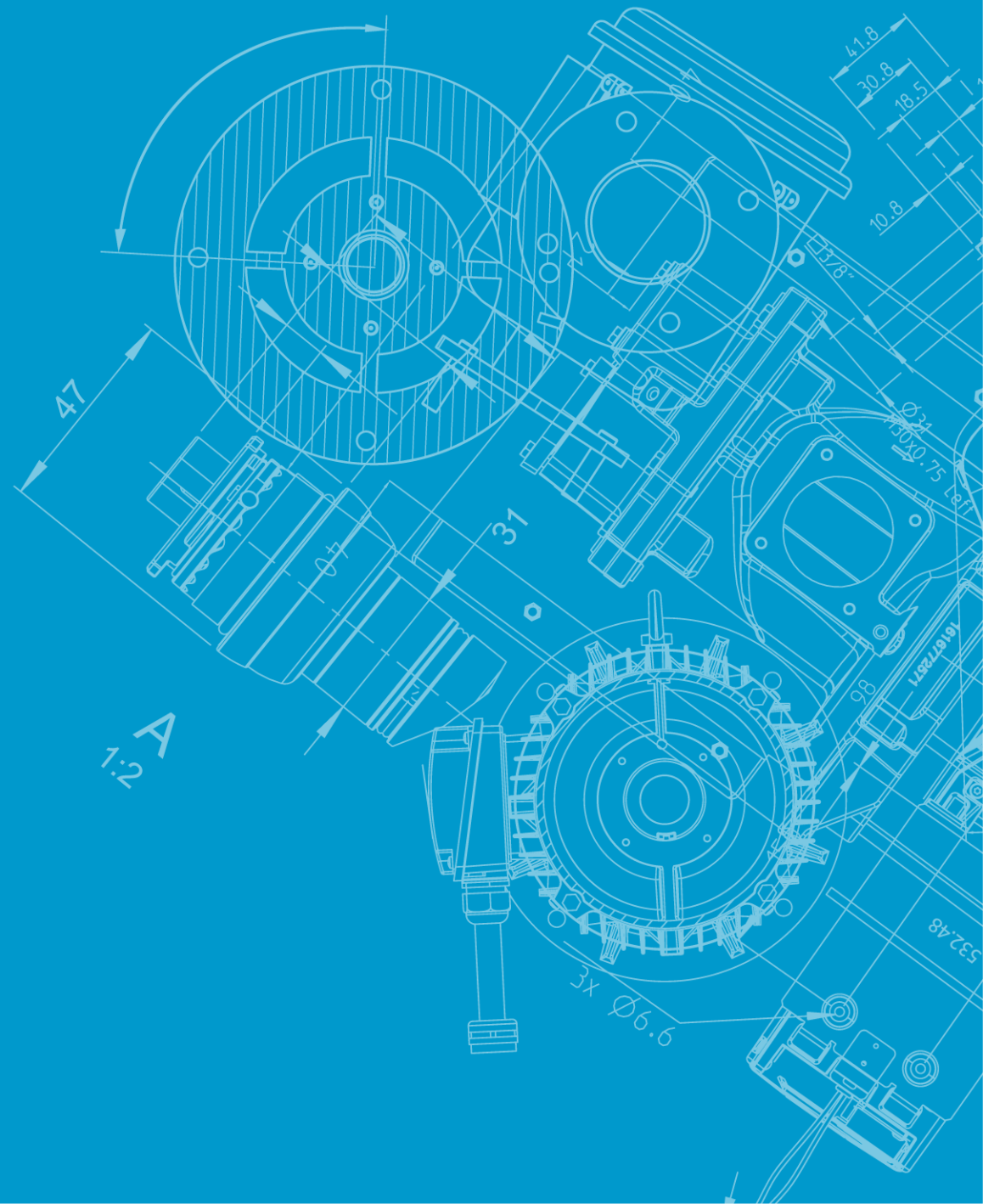


# Example: Automotive Industry

## Electrical vehicle battery production process



# Strategy for growth



# Strategy for profitable growth

- Innovation for reduced TCO
- Expanding Applications
- Increased Presence
- Service Offering
- Digitalization

**GROWTH**



















**OPERATIONAL  
EXCELLENCE**

- Modular Product Design
- Lean Management
- Local for Local
- Digitalization of processes



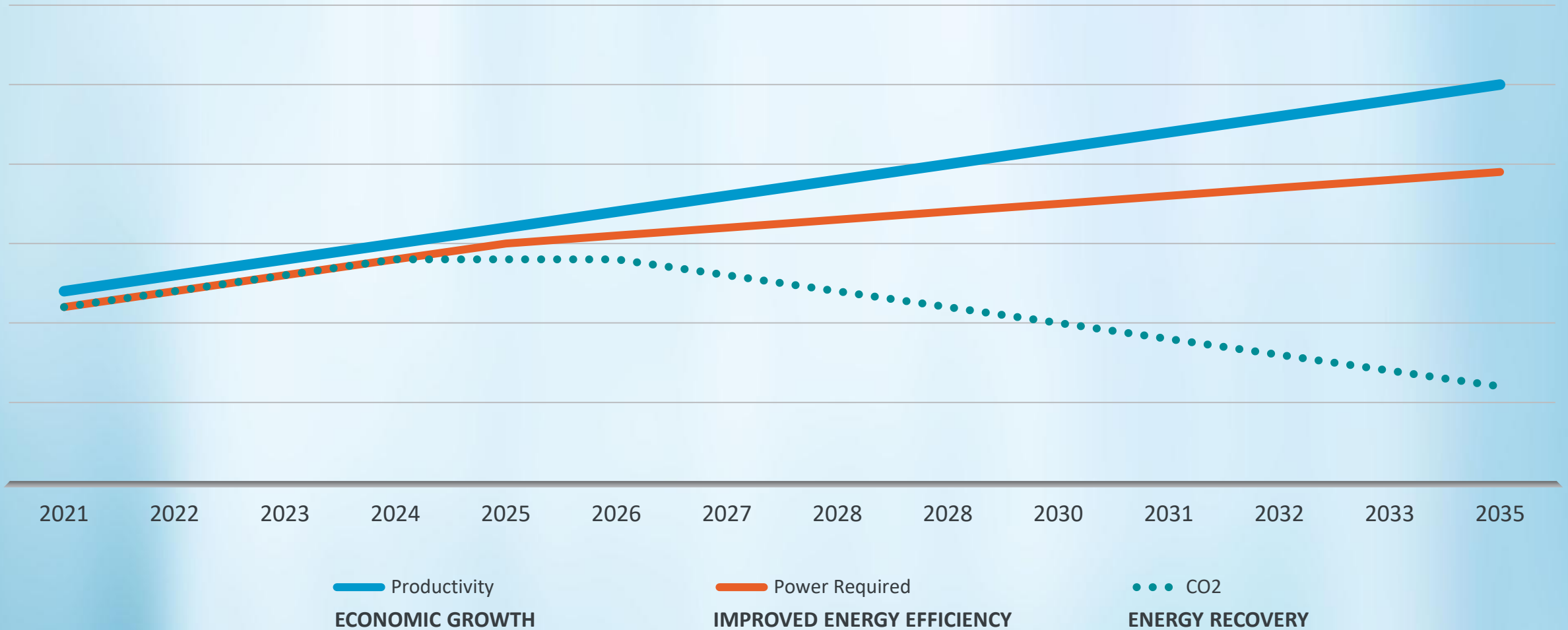
# Our Product Offering

## ATLAS COPCO COMPRESSOR TECHNOLOGY

| TECHNOLOGIES   | OIL LUBRICATED     | PRESSURE  | AIR QUALITY  | MONITORING & CONTROL   | SERVICE   |
|--|--------------------|---|--|--|---|
| <ul style="list-style-type: none"> <li> Screw</li> <li> Piston</li> <li> Scroll</li> <li> Centrifugal</li> <li> Lobe</li> <li> Tooth</li> </ul> | 100% OIL FREE      | POWER   | <ul style="list-style-type: none"> <li> Dryers</li> <li> Filters</li> <li> Condensate treatment</li> <li> Ancillaries</li> <li><b>N</b> Nitrogen</li> <li><b>O</b> Oxygen</li> </ul> | <ul style="list-style-type: none"> <li> Central control</li> <li> Energy recovery</li> <li> Connectivity</li> <li> Industry 4.0 integration</li> </ul> | <ul style="list-style-type: none"> <li> Global presence</li> <li>World class logistics</li> <li>Certified technicians</li> <li>Service plans</li> <li>Diagnostic services</li> </ul> |
|  | INDUSTRIAL COOLING | TEMPERATURE   | THERMAL MGMT   |  |   |
|  |                    | 0.1 bar  400 bar<br>LARGEST PRESSURE RANGE |  |  |   |
|  |                    | 1 kW  20 MW<br>LARGEST POWER RANGE         |  |  |   |
|  |                    | -20°C  +40°C                             | Water<br>Oil<br>Air  |  |   |

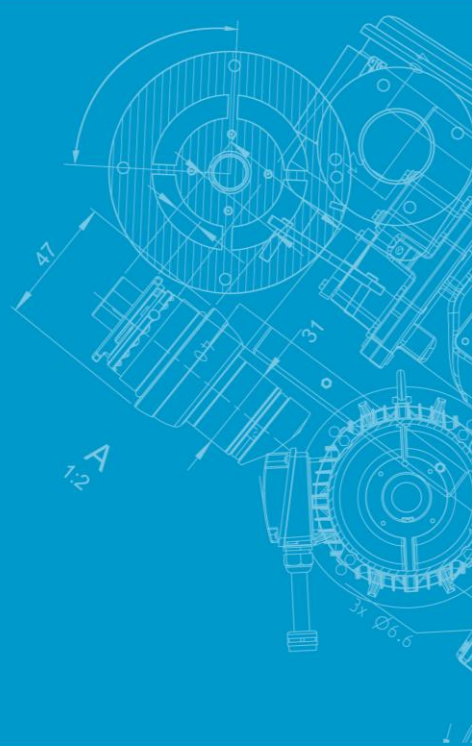


# Compressed air carbon emissions



# Hydrogen

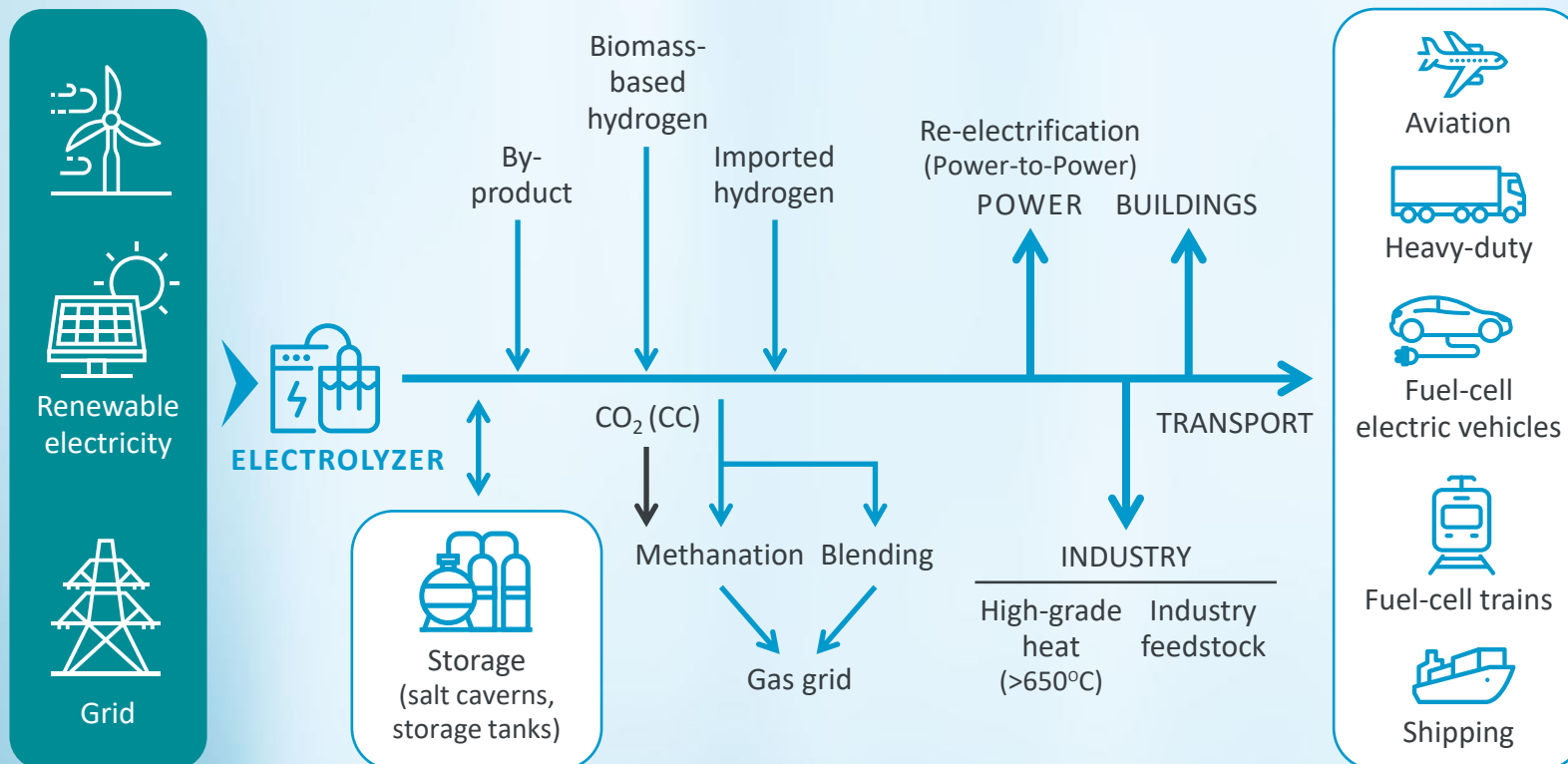
A huge potential for a decarbonized economy



# Hydrogen

## A sustainable energy shift

### ELECTRICITY



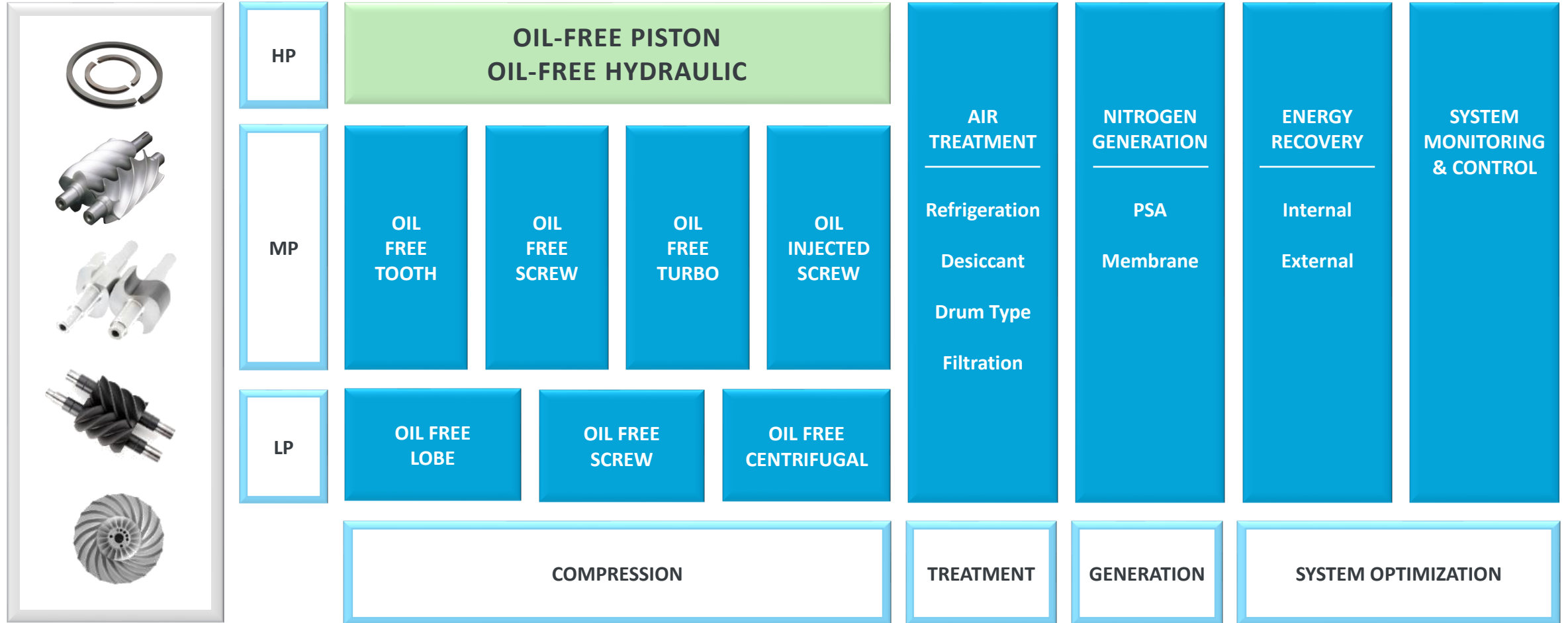
Initiatives to decarbonize the energy sector to meet net carbon zero emissions target by 2050

Hydrogen fuel technology offers a role in global decarbonation




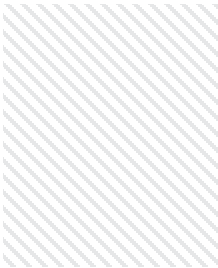




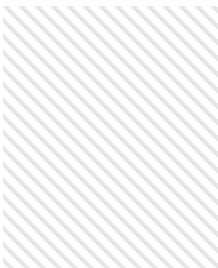






Projected an interesting compressor market for mobility + heat & power applications

# Hydrogen Portfolio in Atlas Copco

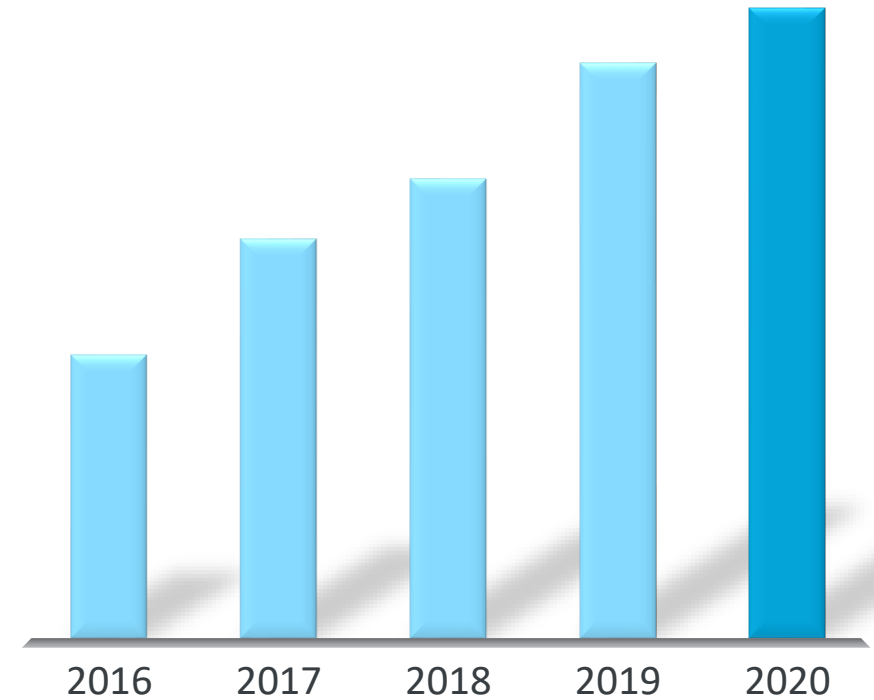
## Atlas Copco Core Technologies



# Low Pressure

|   | 2018  | 2019  | 2020  | 2021   |
|---|---|---|---|--|
| <b>Lobe</b><br>          | <br>ZL 1-2       | <br>ZL 3-4   |             | <br>ZL new                |
| <b>Screw</b><br>         | <br>ZE 6 VSD     | <br>ZS 4 VSD |             | <br>ZS 4 VSD+    ZS 5 VSD |
| <b>Centrifugal</b><br> | <br>ZB 5-6 VSD+ | <br>ZHL 7   | <br>ZM 4-6 | <br>ZHL 8               |

## Revenue Development



# Industrial Cooling

Temp  
ABOVE  
ambient

## Cooler



60-900 kW

Temp  
BELOW  
ambient

## Chiller



5 kW



1250 kW

## Watercooling

Product range of chillers and coolers with optional adiabatic pre-cooling and freecooling.  
Optimized performance and energy savings for industrial process cooling.

Air flow rate 1000-20.000 m<sup>3</sup>/h

## Airchiller

10-200 kW

Fluid temp range 90-300°C

## Temp control unit

5-150 kW

## Thermal Management

Precise temperature control of water, air and oil.  
Increased customer productivity and production quality



# Innovation

*New products*

2020

>55

2019

>40

2018

>35

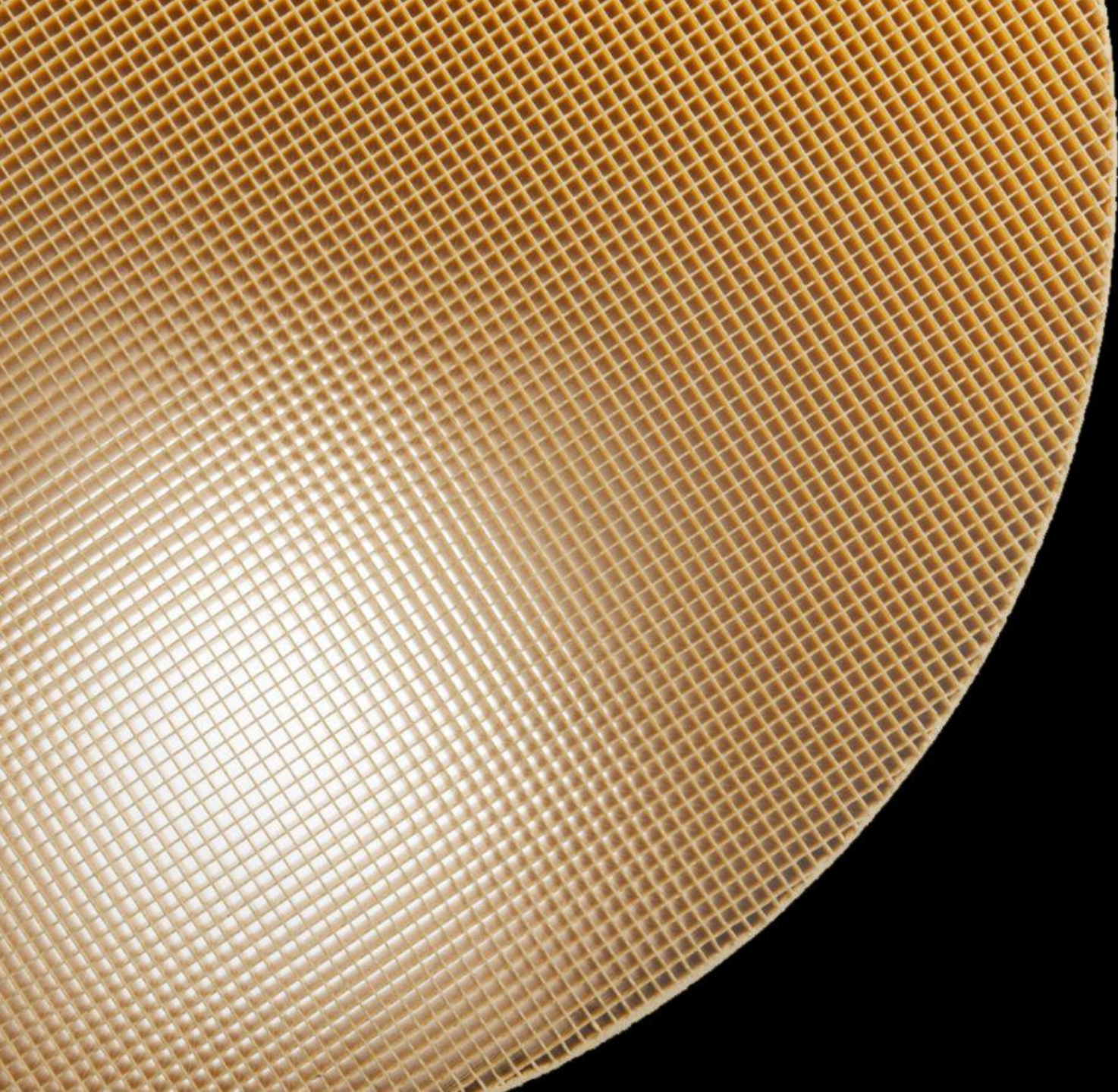
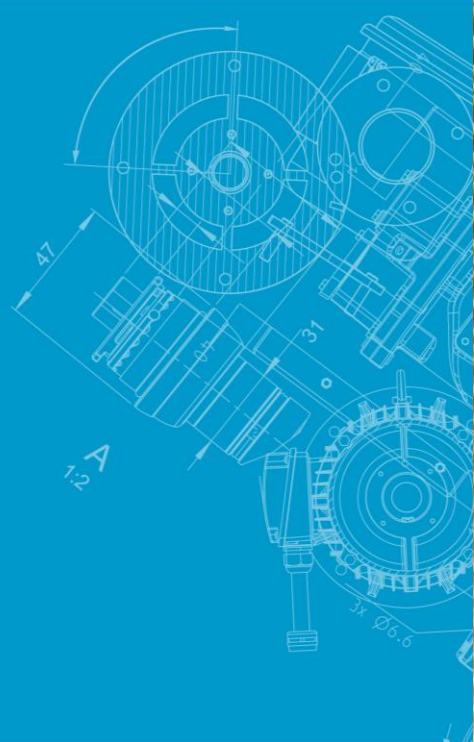
2017

>30

2016

>25





# Cerades™

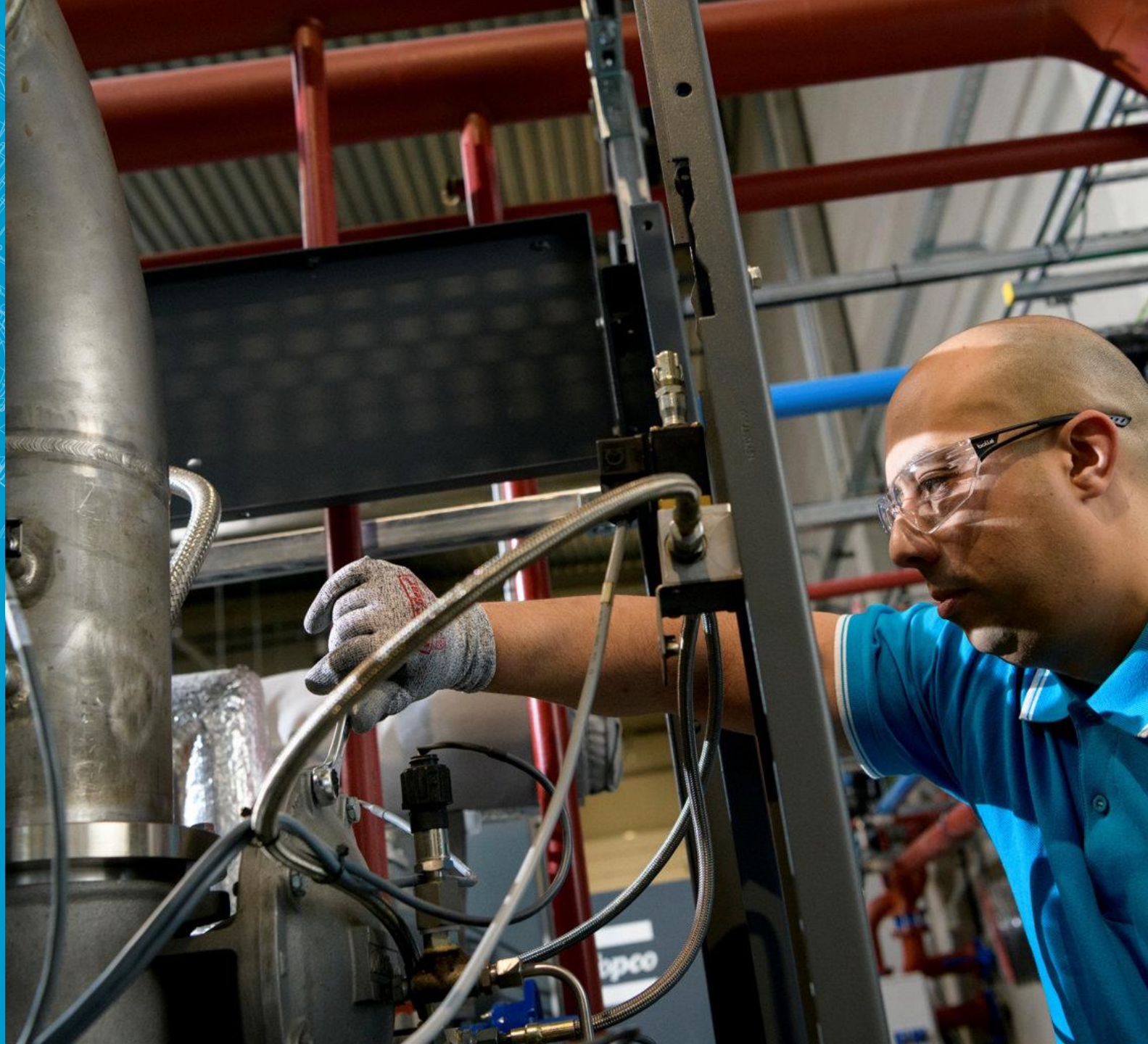
A revolution in dessicant  
dryer technology

**A revolution in desiccant  
dryer technology  
by Atlas Copco**

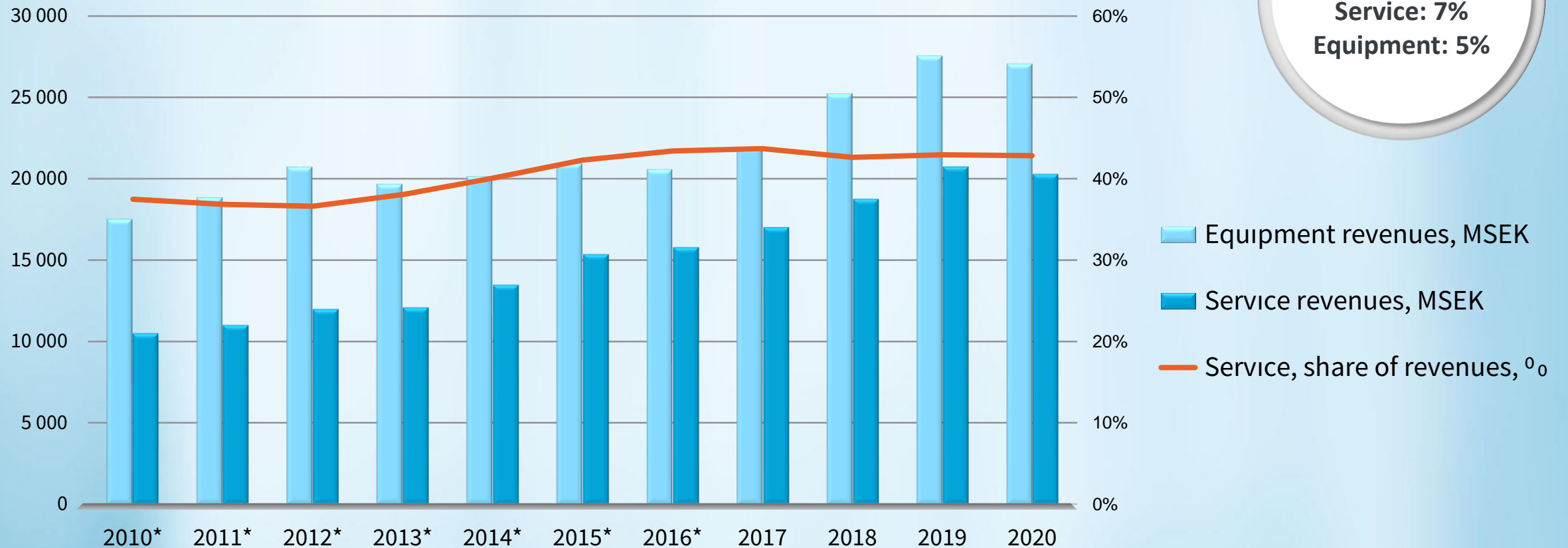


# Service

Connecting you to  
an easier life



# Compressor Technique – Service



**Average yearly growth:**  
**Service: 7%**  
**Equipment: 5%**

\* Figures for the years 2010-2016 are best estimated numbers, as the restatements for IFRS15 are not fully reconciled.

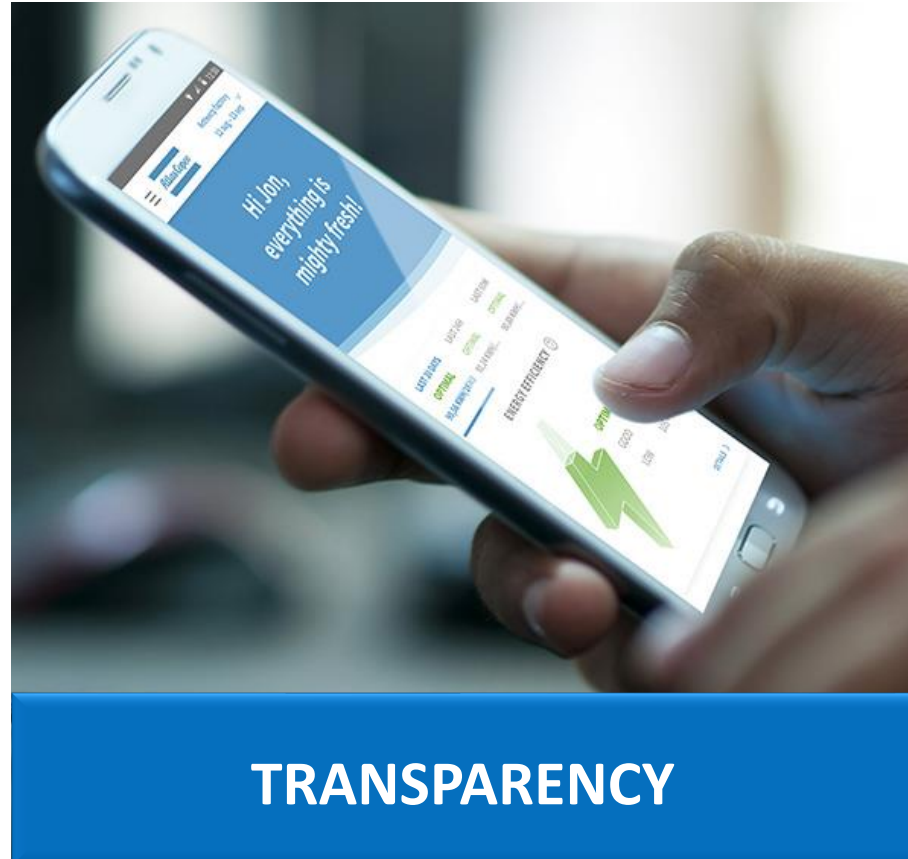
# Customer Requirements

## INCREASED PRODUCTIVITY

Maximum Uptime  
Performance increase

## ELIMINATE RISKS

Guaranteed Air Quality  
Service Agreements



## REDUCED OPERATING COST

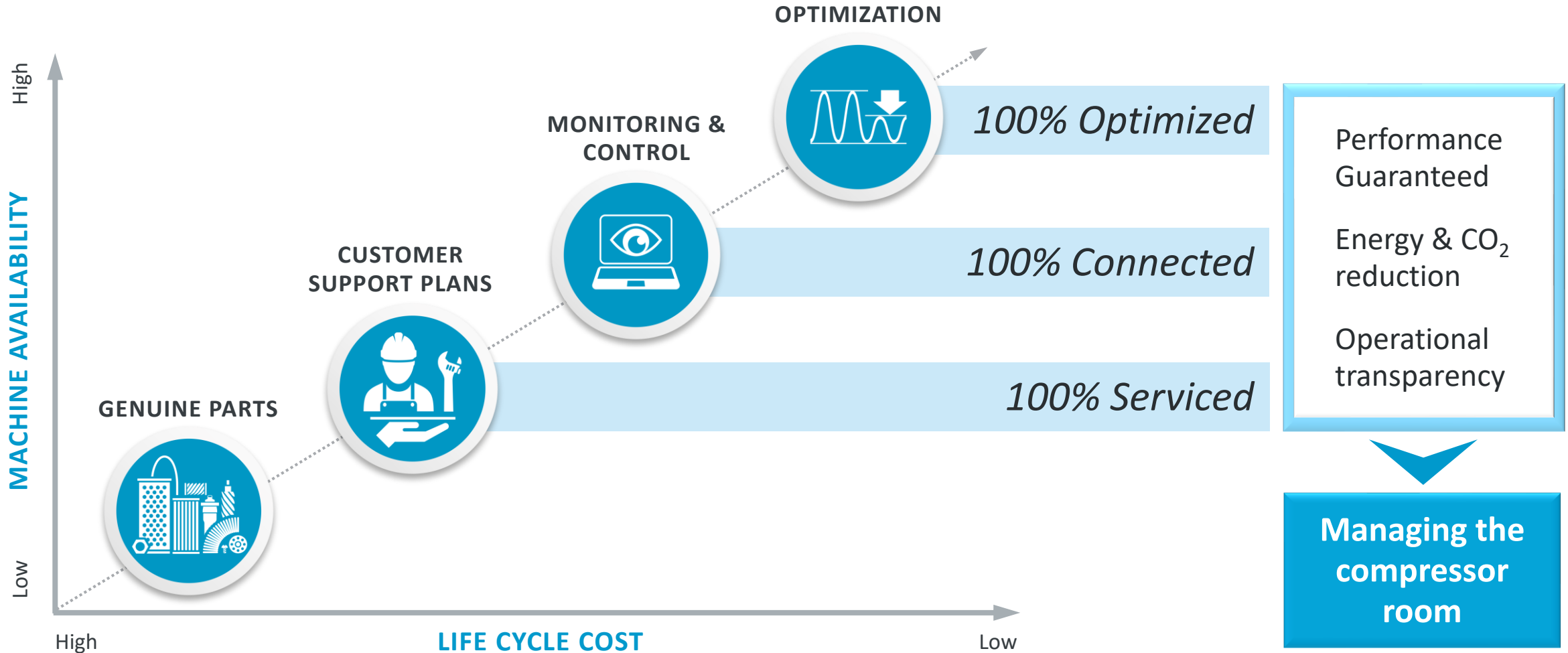
Energy Savings  
Eliminate Breakdown Cost

## PROTECT ENVIRONMENT

Energy Savings  
Environmental footprint

# Strategy for profitable growth – Service

## Our Service Offering



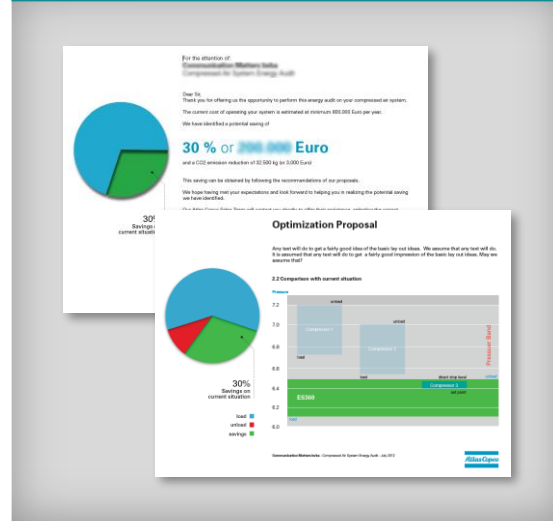
# Optimization

## AIRSCAN



Leak Detection  
Energy Audit  
Air Quality

## REPORTING



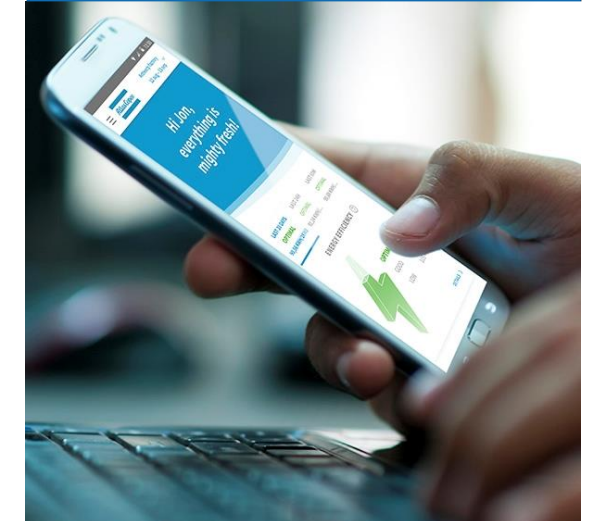
Comprehensive report  
identifying potential  
energy savings

## SAVINGS



Central Controllers  
Product Upgrades  
Energy Recovery

## FOLLOW UP



Monitor the savings  
On-line recommendations

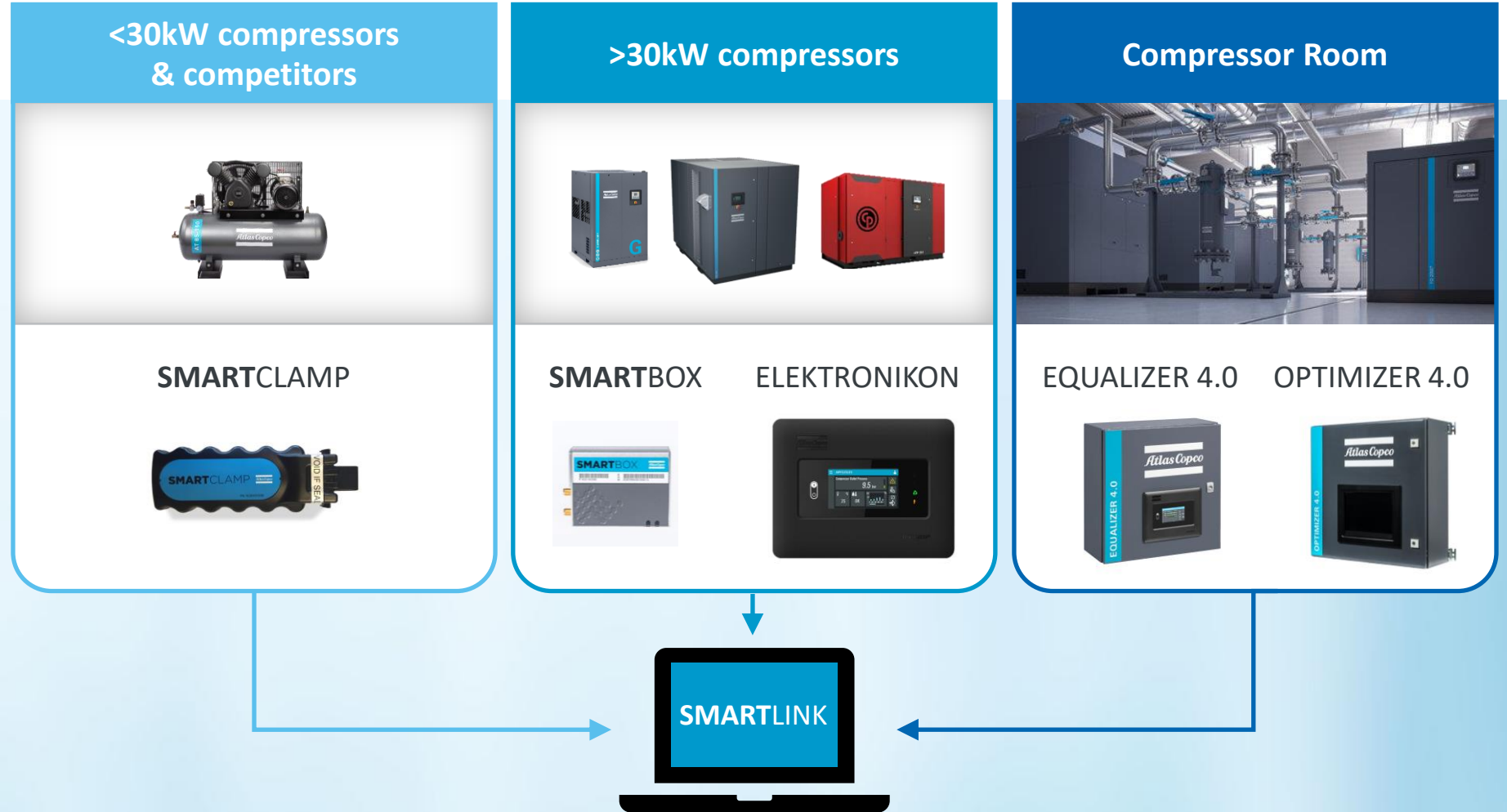


# Connectivity

## SMARTLINK



>200.000  
CONNECTIONS



# Connectivity

## Benefits



### CUSTOMER

Transparency on  
compressor operation

Recommendations  
(efficiency improvements)

### ATLAS COPCO

Operational Efficiency

Sales Leads

Increased number of  
Service Contracts

- ➔ Data enabled service offering (Performance Guaranteed)
- ➔ Remote Diagnostics
- ➔ Improved machine design and reliability



# Operational Efficiency

Smart Factories –  
Industry Connect





# People Development

## Talent & Acquisition pipeline

**Diversity & Inclusion network**  
target: 30% women by 2030

**Master in Marketing & Sales**

## Leadership

**Talent pipeline** for future  
Presidents and Managers

**Coaching for performance**



## Learning Organization

**Digital learning** to reduce  
time to competence

**Never Stop Learning**

## Employee Engagement

**Performance enablement**

Employee **well-being** is priority

**Safety comes first**



## Summary – Compressor Technique

- Diversified market place
- Growing number of applications
- Broad product portfolio
- Focus on innovation
- Complete solution provider
- People are key



*Atlas Copco*





# Forward-looking statements

“Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer credit losses.”