

## Atlas Copco Group



Atlas Copco Capital Markets Day, November 29, 2011

Ronnie Leten, President and CEO

*Sustainable Productivity*



## Atlas Copco

### Quick facts

- Established 1873 in Stockholm, Sweden
- Four focused business areas (as from July 1, 2011)
  - Compressor Technique
  - Industrial Technique
  - Mining and Rock Excavation Technique
  - Construction Technique
- Global presence In more than 170 countries
- Employees <sup>1)</sup> 36 638
- Annual revenues <sup>2)</sup> MSEK 78 314 (BEUR 8.5) (BUSD 11.4)
- Operating margin <sup>2)</sup> 21.7%

Listed on NASDAQ OMX Stockholm and available as ADR in the United States

#### Symbols and Tickers

	A share	B share
NASDAQ OMX	ATCO A	ATCO B
ISIN code	SE0000101032	SE0000122467
Reuters	ATCOa.ST	ATCOb.ST
Bloomberg	ATCOA SS	ATCOB SS
ADR (USA)	ATLKY.OTC	ATLCY.OTC



<sup>1)</sup> As of September 30, 2011

<sup>2)</sup> 12 months ending September 30, 2011  
SEK/USD 6.85 SEK/EUR 9.26 as of September 30, 2011

## Atlas Copco

- A leading provider of industrial productivity solutions, with four focused business areas
- Diversified sources of revenues and earnings: Worldwide presence and customer diversification.
- Consistent strategy
- Strong and stable service business
- Asset-light business model with focus on capital efficiency
- Strong value creation track record and well positioned for the future
  - Resilience in profit and cash flow
- Fit for more!



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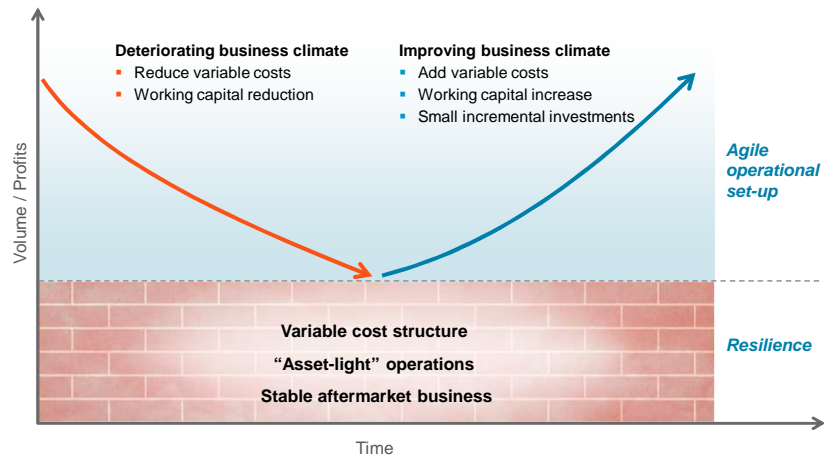
## Our business model

- Direct sales/specialist distribution
- Direct service
- Application knowledge
- Focused businesses
- Commonality in process, quality and service
- Flexible organization
- Strong corporate culture



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## Our business model – agile and resilient



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## Swedes say...

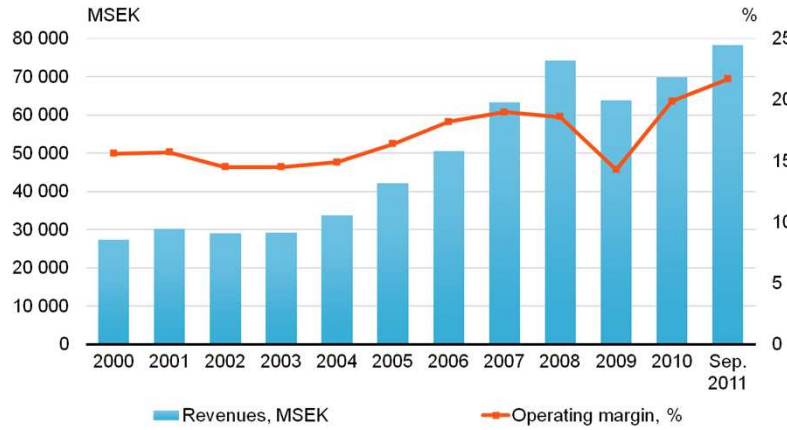
- ... there is no such thing as bad weather, only bad clothing

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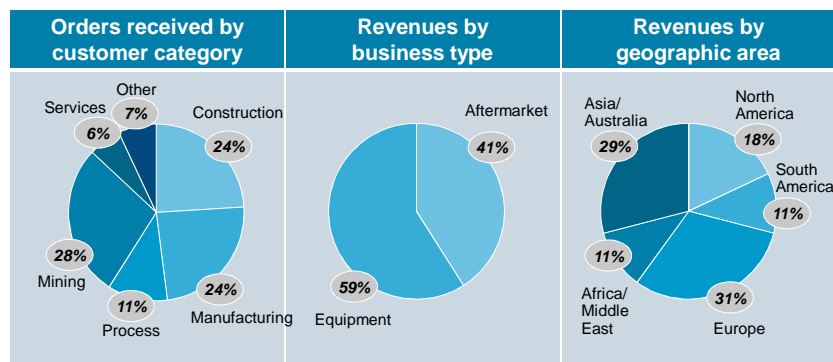
## Revenues and operating margin



Continuing operations, excl. divested operations in rental service and professional electric tools. 12 month figures.

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## Diversified businesses

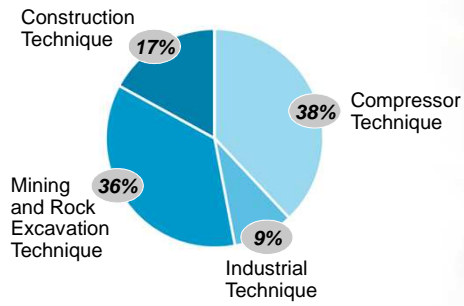


YTD September 2011 pro-forma

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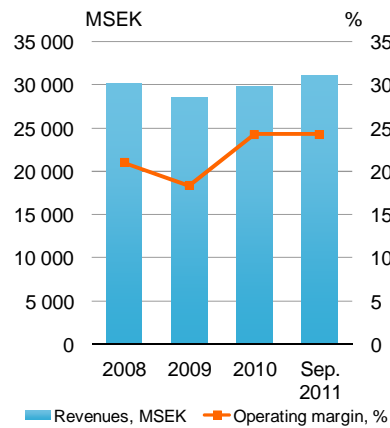
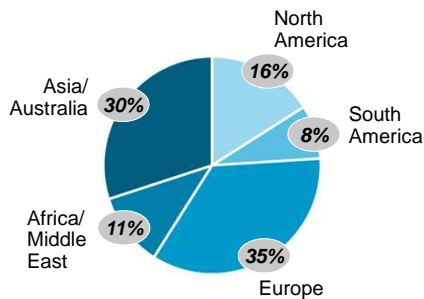
## Revenues per business area



Pie chart: Revenues YTD September 2011,

# Compressor Technique

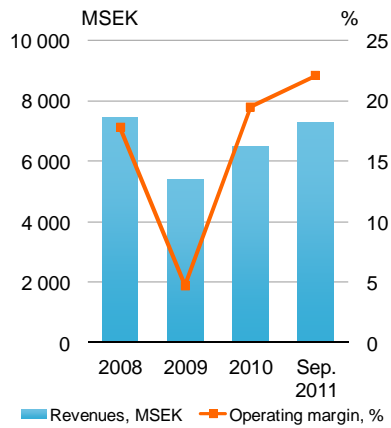
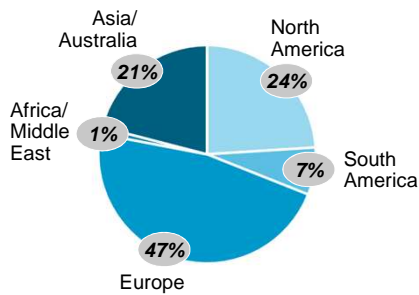
- Develop Atlas Copco's leading position in the field of compressed air and gas



Pie chart: Revenues YTD September 2011, Graph: 12 months figures pro-forma

## Industrial Technique

- Develop Atlas Copco's leading position in industrial power tools, assembly systems, quality assurance products, software and services



Pie chart: Revenues YTD September 2011, Graph: 12 months figures

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## Industrial Technique

### Trends

- Growing demand
- Sustainable productivity
  - Increased environmental concern
  - Higher expectations on quality and traceability
  - Improved ergonomics for the operator
  - Extending the service offer



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## Industrial Technique

### Priorities

- Support customers to improve quality and productivity
- Extending the offer
- More feet on the street
- Improve the resilience



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## Industrial Technique

### Product development

- Advanced pneumatic drill for the aerospace industry
- Assembly system for tightening in safety-critical applications
- Standard industrial tools



Assembly tools and system

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## Industrial Technique

### Acquisition – SCA Schucker

- Advanced “new” assembly technology
- Fast growing segment driven by assembly trends in automotive
- Opportunity to expand in new segments



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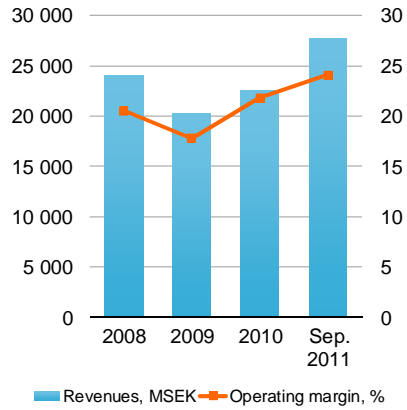
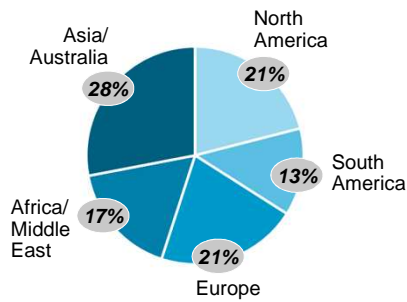
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**SCA**  
**SCHUCKER**  
Lockstitch seam



## Mining and Rock Excavation Technique

- Develop Atlas Copco's leading position in rock excavation for mining and civil engineering applications

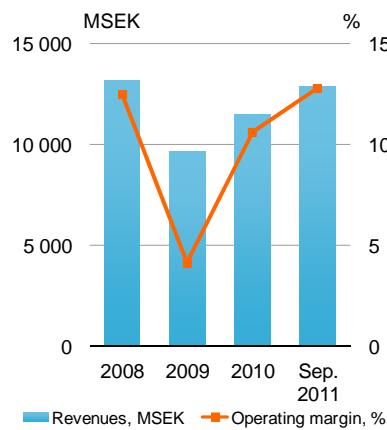
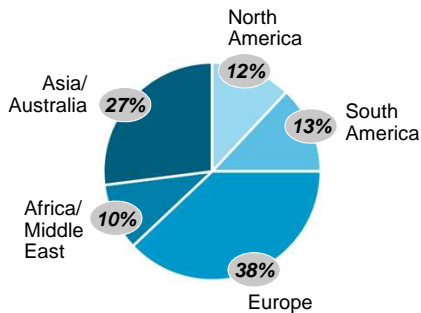


Pie chart: Revenues YTD September 2011, Graph: 12 months figures pro-forma

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## Construction Technique

- Develop Atlas Copco's position in portable energy, construction and demolition tools, and road construction equipment



Pie chart: Revenues YTD September 2011, Graph: 12 months figures pro-forma

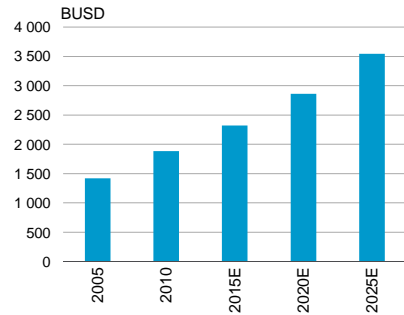
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## Construction Technique

### Trends

- Growing demand
  - Urbanization
  - Emerging markets
  - Roads and transport
- Sustainable productivity
  - Increased environmental concern
  - Improved ergonomics and safety for the operator
  - Extending the service offer

Capital expenditure - nonresidential infrastructure



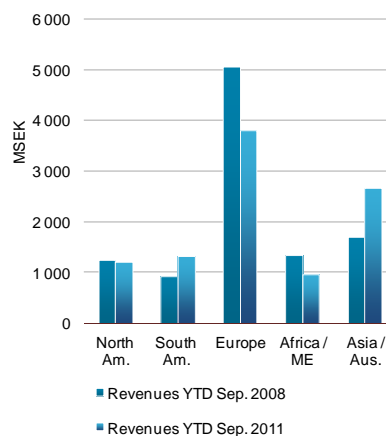
Capital expenditure estimates for nonresidential infrastructure  
 USD billions, real terms (2005)  
 Source: IHS – Sept. 2011



## Construction Technique

### Priorities

- Extending the offer
- More feet on the street
- Develop service
- Increase operational efficiency



Revenues pro-forma



## Construction Technique

### Portable Energy product strategy

 <b>Air</b> On-site compressors	 <b>Power</b> On-site generators	 <b>Water</b> On-Site Pumps	 <b>Light</b> On-Site Light	 <b>Used Equipment and accessories</b>
 	 	 	 	 

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## Construction Technique

### Product development

- Demolition and compaction equipment
- Road construction equipment
- Portable compressors and generators



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## Construction Technique

### Acquisition – GESAN

- Extending the offer
- Presence in more markets / segments
- Critical mass for product development

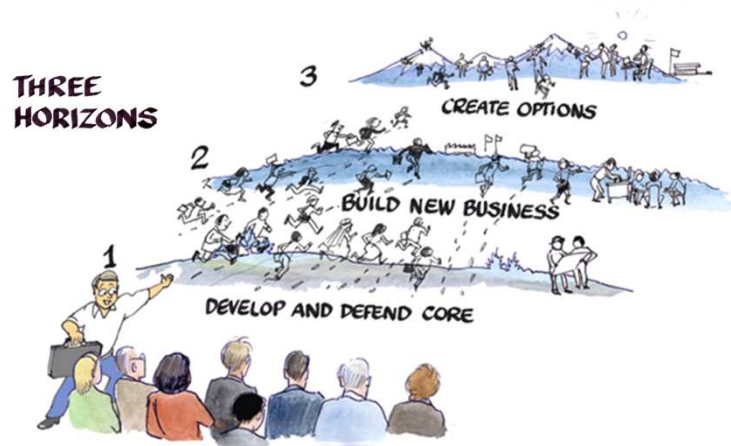


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## Long term and vision driven

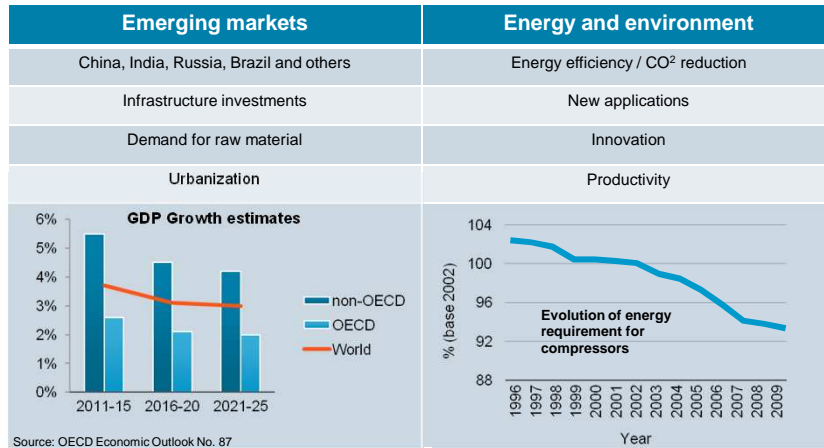
TO BECOME AND REMAIN  
**FIRST IN MIND - FIRST IN CHOICE**



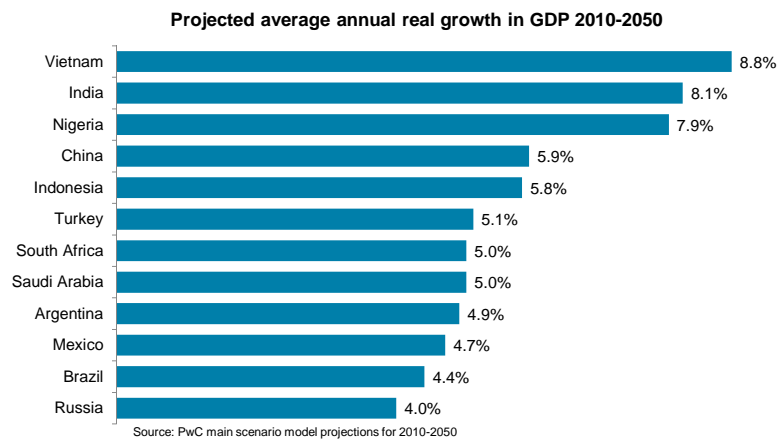
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## Major trends



## Major trends



## Priorities

### Profitable growth

Presence in growth markets

Developing our service business

Continued innovation

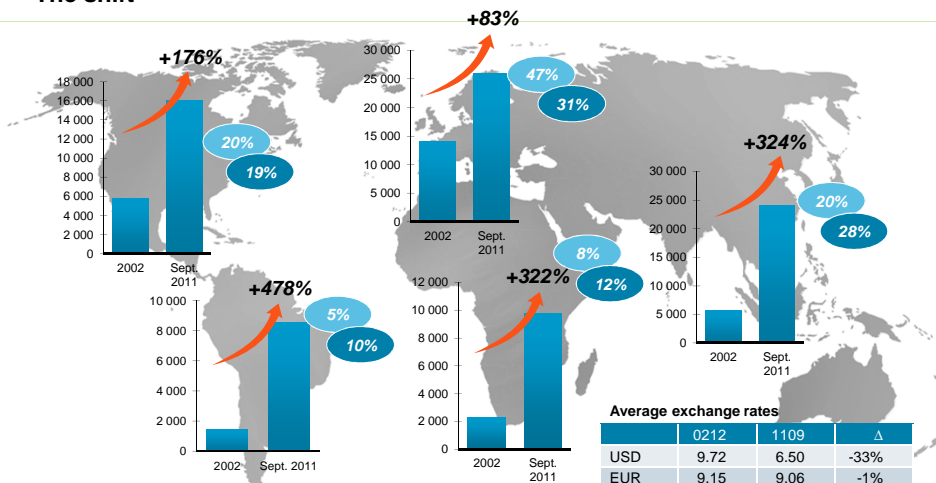
Operational excellence



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## Worldwide presence 2002 vs Sept. 2011

### The shift



Average exchange rates

	0212	1109	Δ
USD	9.72	6.50	-33%
EUR	9.15	9.06	-1%

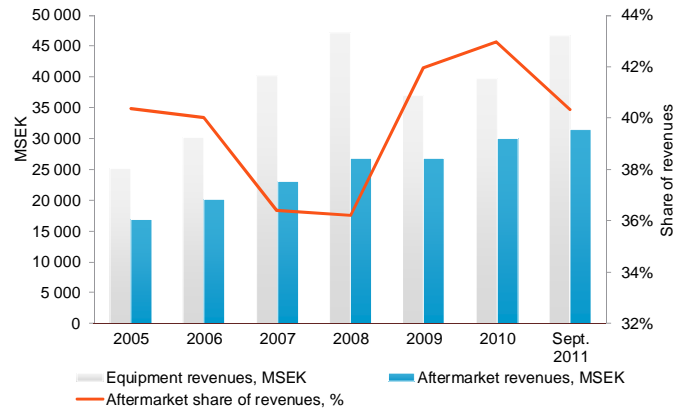
● Share of orders received 2002 (continuing operations)  
 ● Share of orders received 12 months until September 30, 2011



MSEK.

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## Aftermarket growth



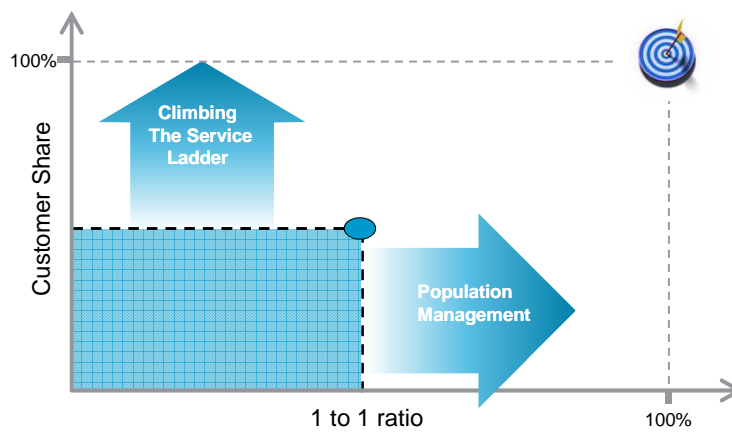
12 month revenues. Aftermarket includes consumables and rental

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## Aftermarket

### Increasing penetration



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## Service divisions in all business areas

### Dedicated organizations



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## Product development / innovations

Energy recovery unit for rotary screw compressors



Dynapac asphalt paver



Controller for electric nutrunner and screwdriver



Minetruck

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## Product development in Asia

- Differentiated offer fit for the local need
- To have an offer for various segments



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## Operational excellence

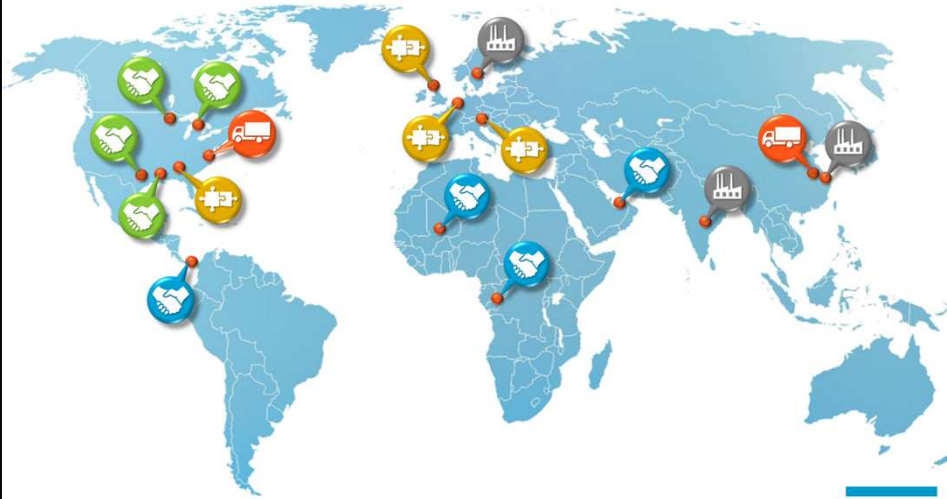
- Improving the flows
  - Information
  - Cash
  - Material/goods



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## Investments for sustainable profitable growth

New companies, new markets, increased capacity



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## Compressor manufacturing in China



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## Increase capacity in Fagersta, Sweden



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## Distributor/competence center in USA



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## Customer Center in Mali



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## Organic growth and acquisitions



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## Summary

- Agile and resilient
- Fit for more!



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**Committed to  
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.”



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