

A technical drawing of a mechanical part, likely a compressor head, overlaid on a blue triangular graphic. The drawing includes various dimensions and labels such as 390, 1390, 1630, C-C (1:3), and various diameters and lengths.

Q4 results 2020

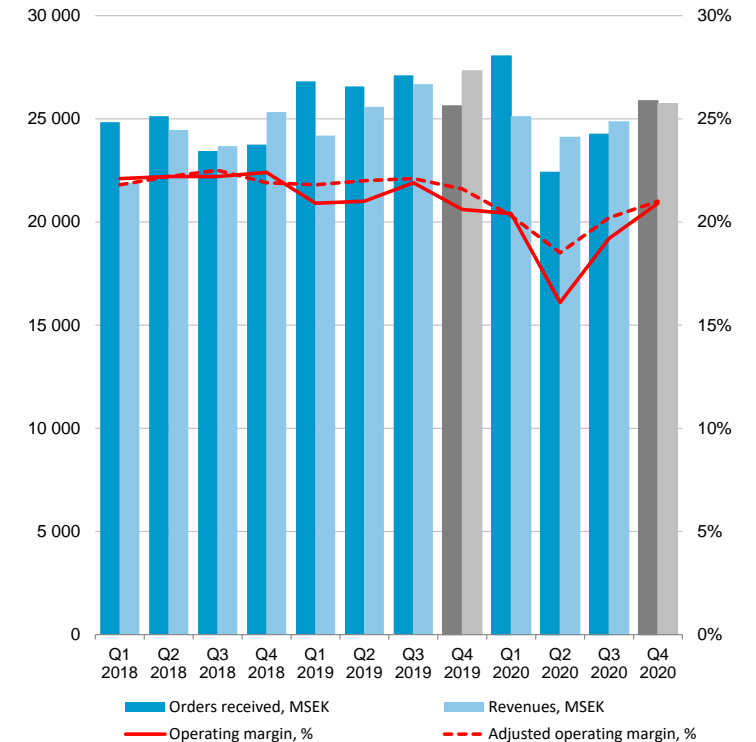
January 29, 2021

Q4 in brief

- Solid finish to a challenging year
- Organic order growth, year-on-year and sequentially
- Primarily driven by Vacuum and Compressor Technique
- Operating margin at pre-pandemic level
- Strong operating cash flow

Q4 financials

- Orders received were MSEK 25 868 (25 625), organic growth of 7%
- Revenues were MSEK 25 738 (27 319), organically flat
- Operating profit was MSEK 5 373 (5 627), margin at 20.9% (20.6)
 - Adjusted operating profit at MSEK 5 402 (5 913), margin of 21.0% (21.6)
- Profit for the period was MSEK 4 196 (4 331)
- Basic earnings per share were SEK 3.45 (3.55)
- Operating cash flow increased to MSEK 6 459 (5 084)
- Return on capital employed was 23% (30)

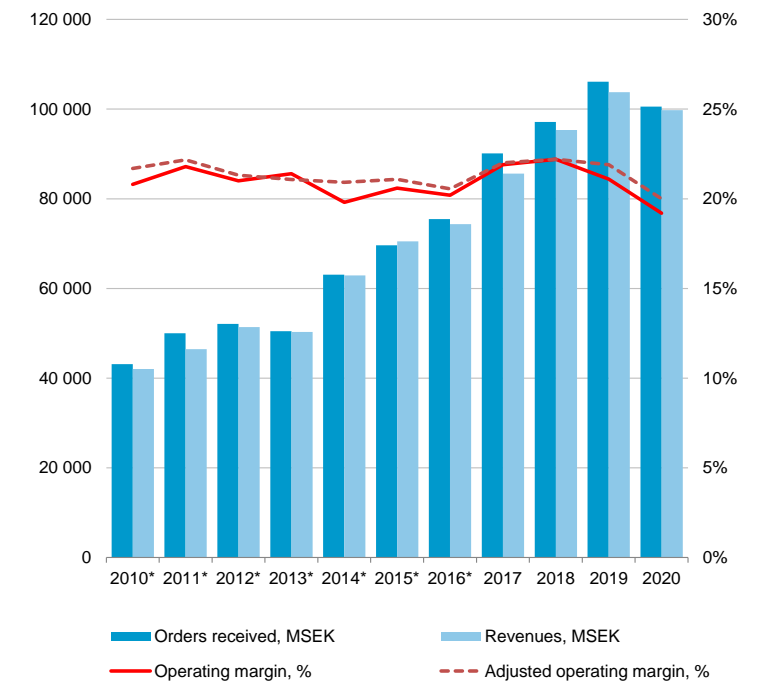


The Covid-19 year 2020

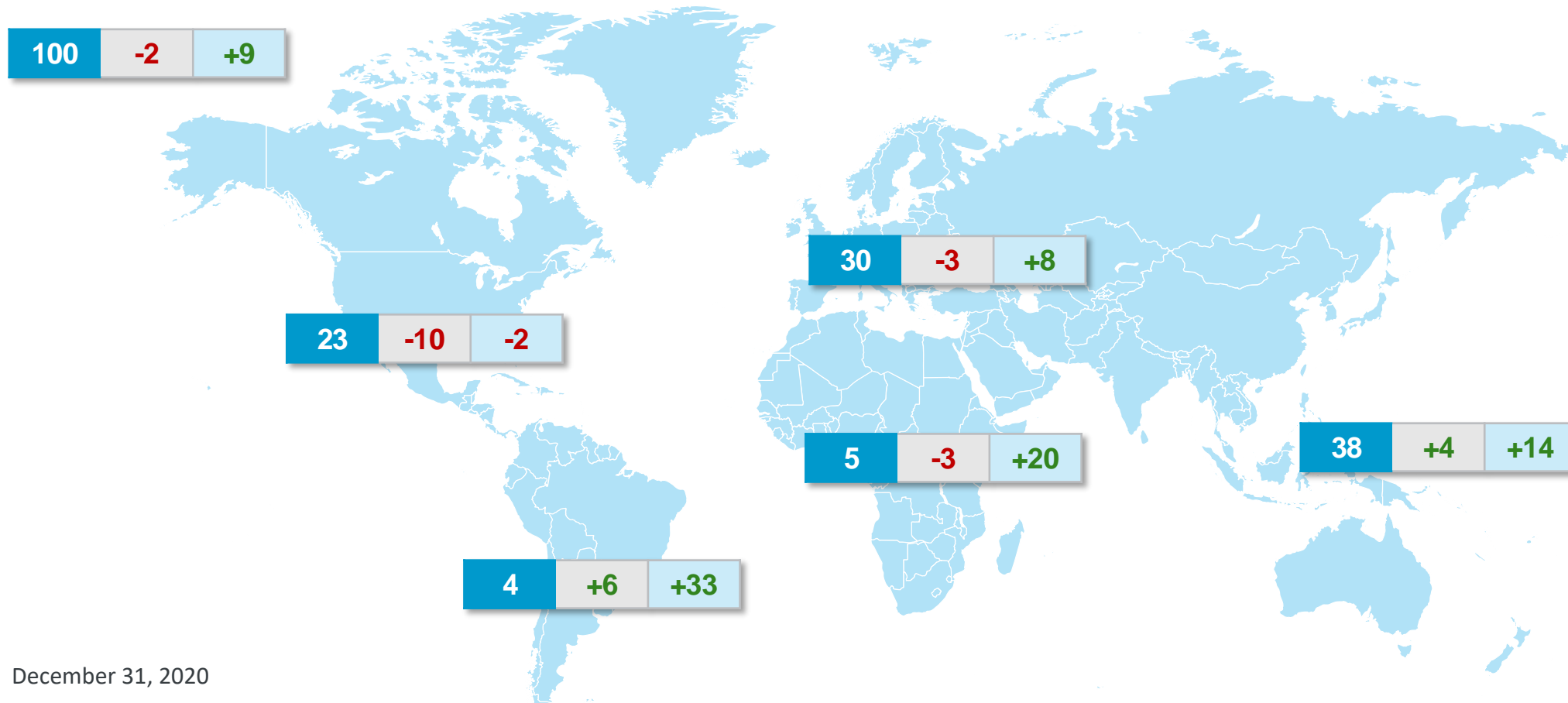
- The pandemic affected everything
 - Employees, business partners and societies
- Equipment demand suffered significantly
 - Exception was Vacuum Technique, supported by increased demand from the semiconductor industry
- Service orders flat, despite negative effects of lock-downs
- 12 acquisitions completed
- 12% reduction of CO2 emissions from energy in operations and transport in relation to cost of sales
- Proposed dividend of SEK 7.30 per share to be paid in two installments

Full year 2020 financials

- Orders received decreased 5% to MSEK 100 554 (106 104), organic decline of 5%
- Revenues decreased 4% to MSEK 99 787 (103 756), organic decline of 3%
- Operating profit decreased 13% to MSEK 19 146 (21 897), margin at 19.2% (21.1)
 - Adjusted operating margin of 20.0% (21.9)
- Operating cash flow increased 29% to MSEK 18 910 (14 625)
- Basic earnings per share, SEK 12.16 (13.60)



Orders received – local currency

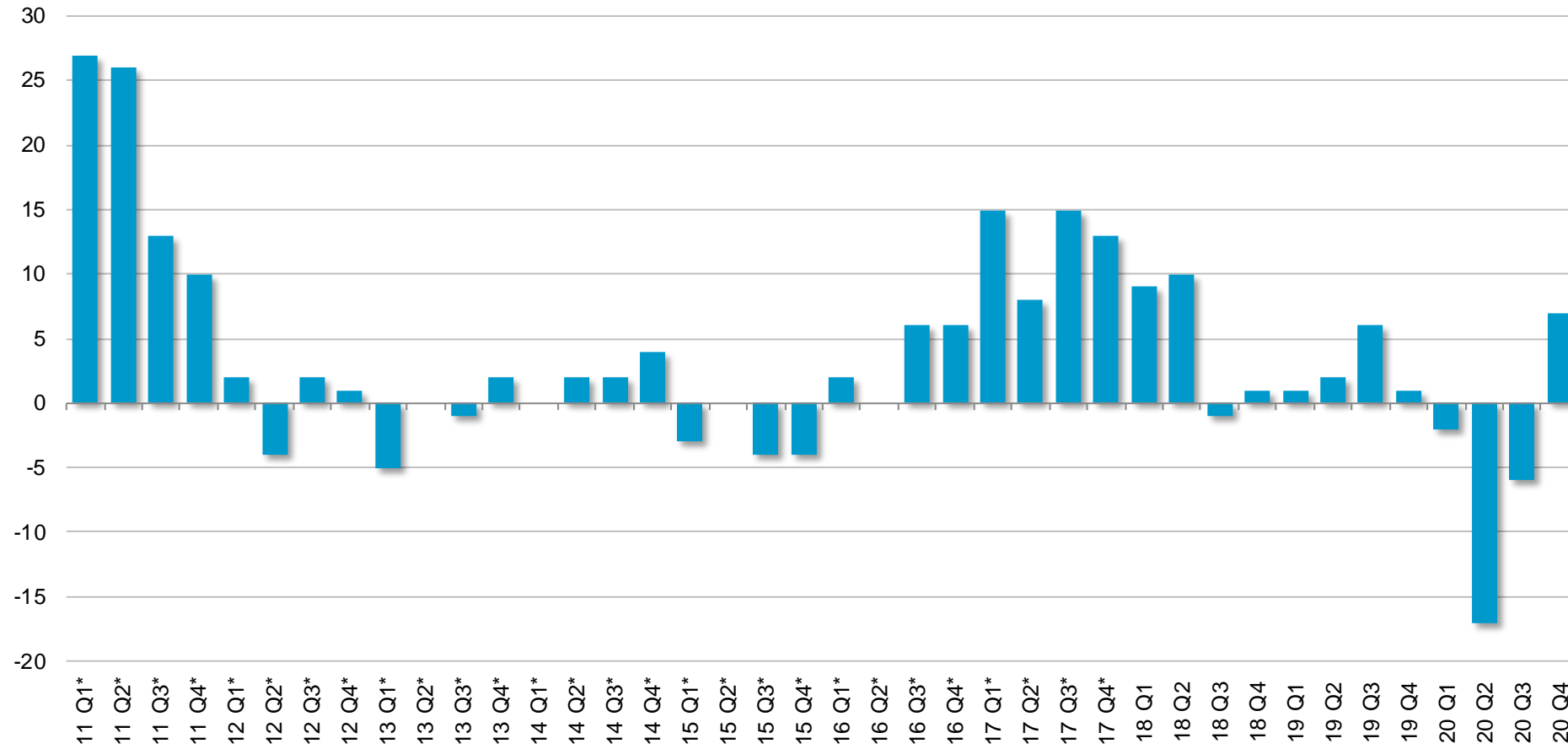


December 31, 2020

Share of orders received, year-to-date, %	Year-to-date vs. previous year, %	Last 3 months vs. previous year, %
---	-----------------------------------	------------------------------------

Order growth per quarter

Organic growth, %



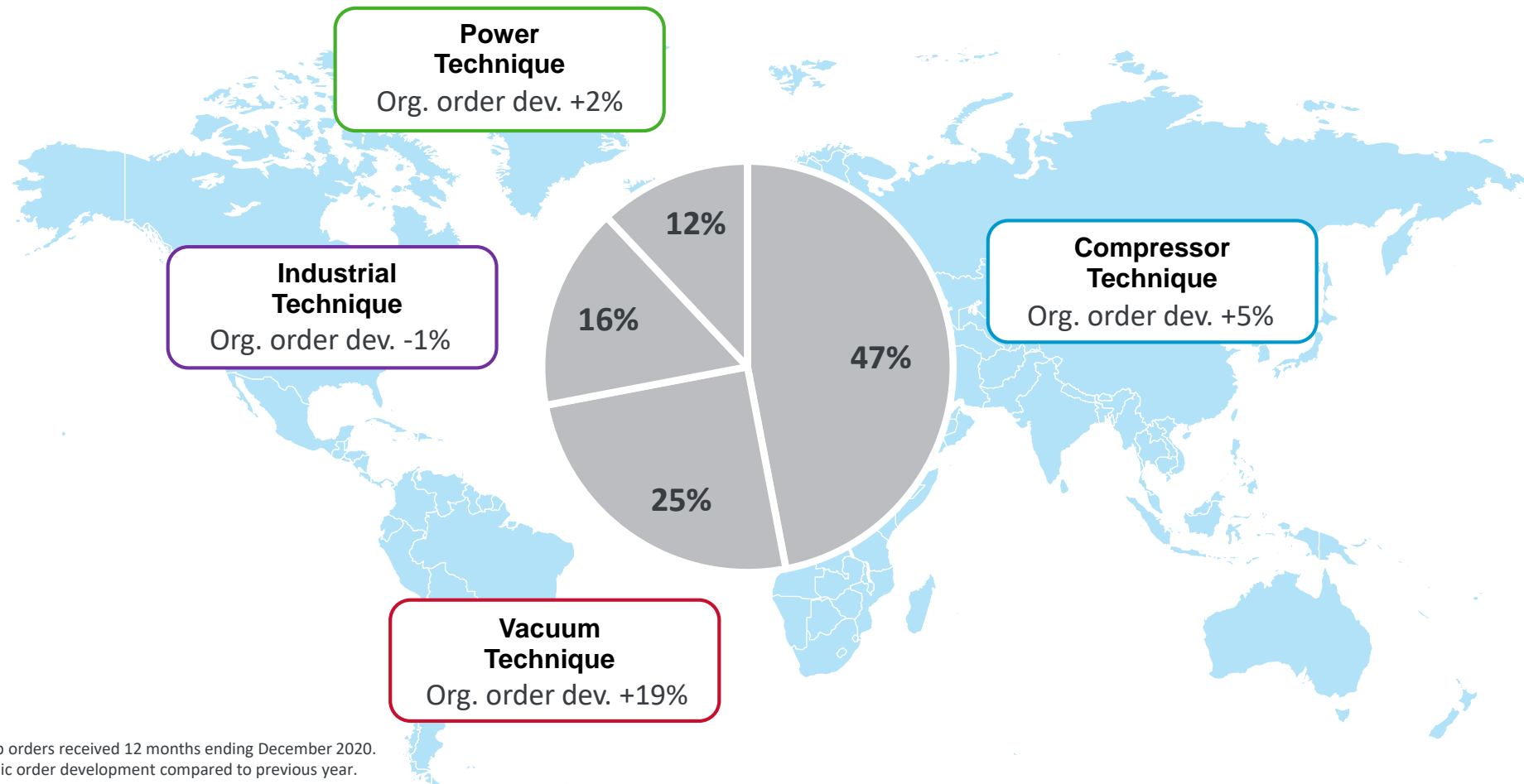
*2011-2017 excluding Mining and Rock Excavation Technique business area (now part of Epiroc AB).

Sales bridge

MSEK	October - December		January - December	
	Orders received	Revenues	Orders received	Revenues
2019	25 625	27 319	106 104	103 756
Structural change, %	+2	+2	+3	+3
Currency, %	-8	-8	-3	-4
Organic*, %	+7	+0	-5	-3
Total, %	+1	-6	-5	-4
2020	25 868	25 738	100 554	99 787

*Volume, price and mix.

Orders by business area and organic order development*



* Share of Group orders received 12 months ending December 2020.
3 month organic order development compared to previous year.

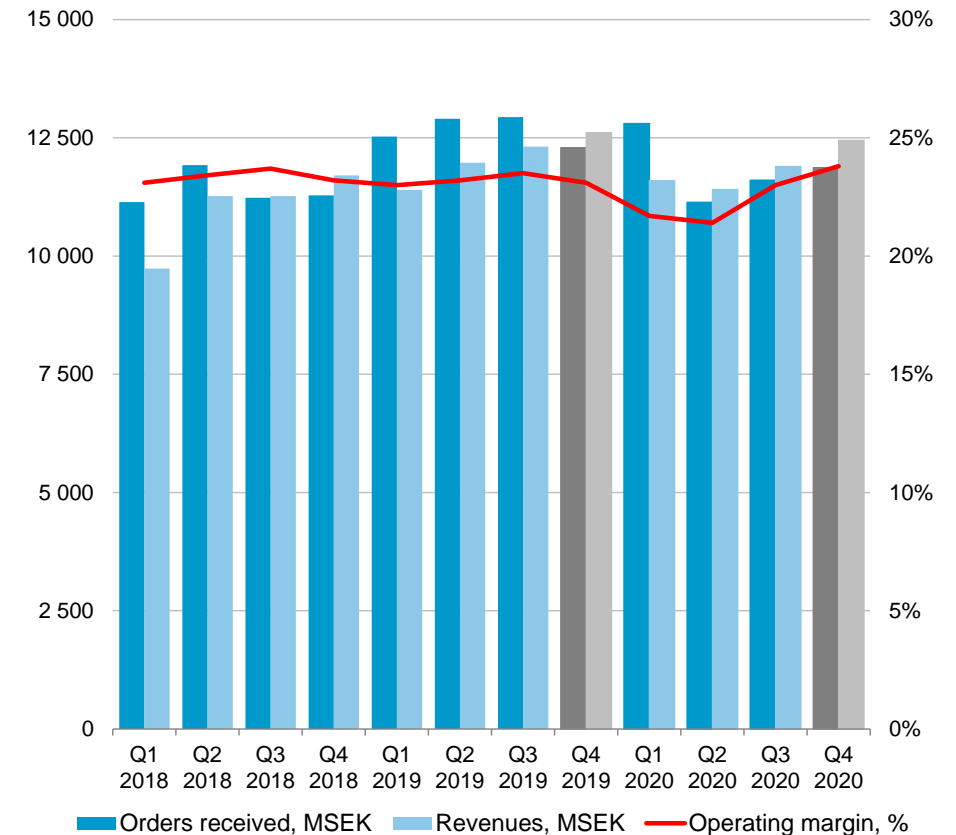
Compressor Technique

- Orders up 5% organically
 - Growth for all type of compressors, except gas and process compressors
 - Continued growth for service
- Revenue increase of 7% organically
- Operating profit margin increased to 23.8% (23.1)
 - Negative currency effect
- ROCE at 79% (87)



Innovation:

A new oil-free gas screw compressor for marine propulsion supporting transition of combustion of heavy fuel oil to the more environmentally friendly LNG for cargo transports at sea.



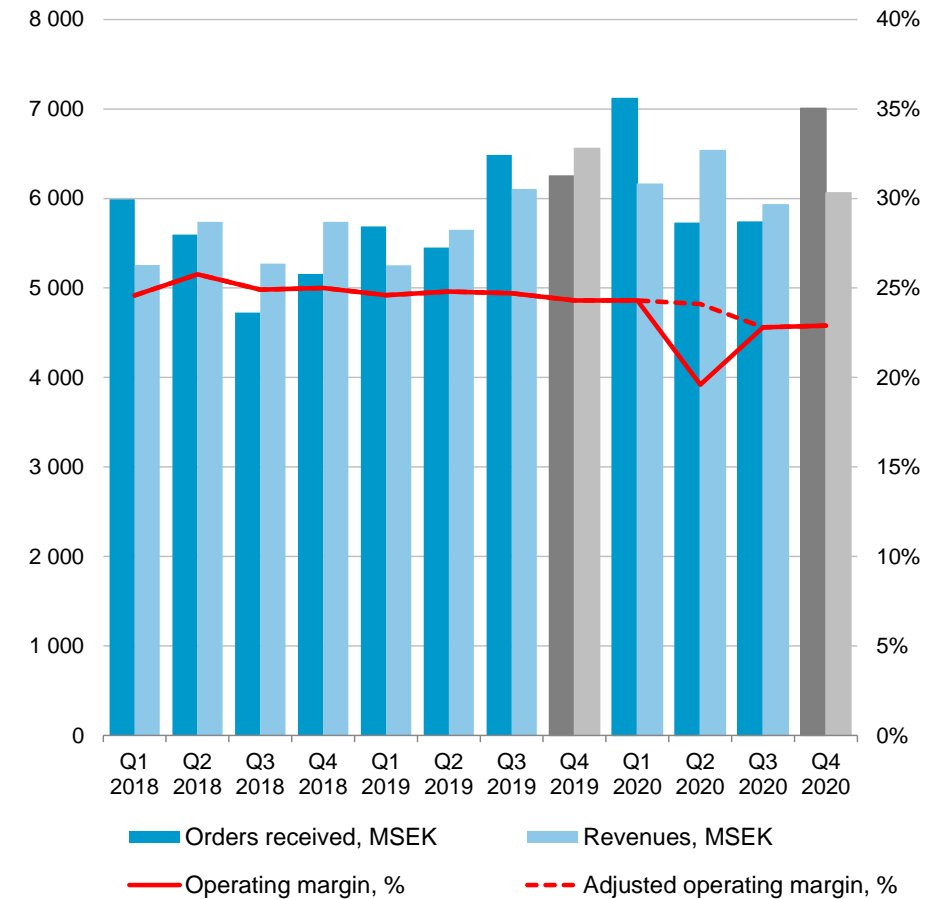
Vacuum Technique

- 19% order growth organically
 - Record quarter for semi equipment
 - Industrial vacuum equipment and service business also up year-on-year
- Revenues down 2% organically
- Operating profit margin at 22.9% (24.3)
 - Lower revenue volumes, investments in the organization and dilution from acquisitions
- ROCE at 19% (22)



Innovation:

MaxCool 2000, a new cryogenic chiller offering increased productivity, advanced communication options, and reduced environmental impact of about 25% vs. comparable products.



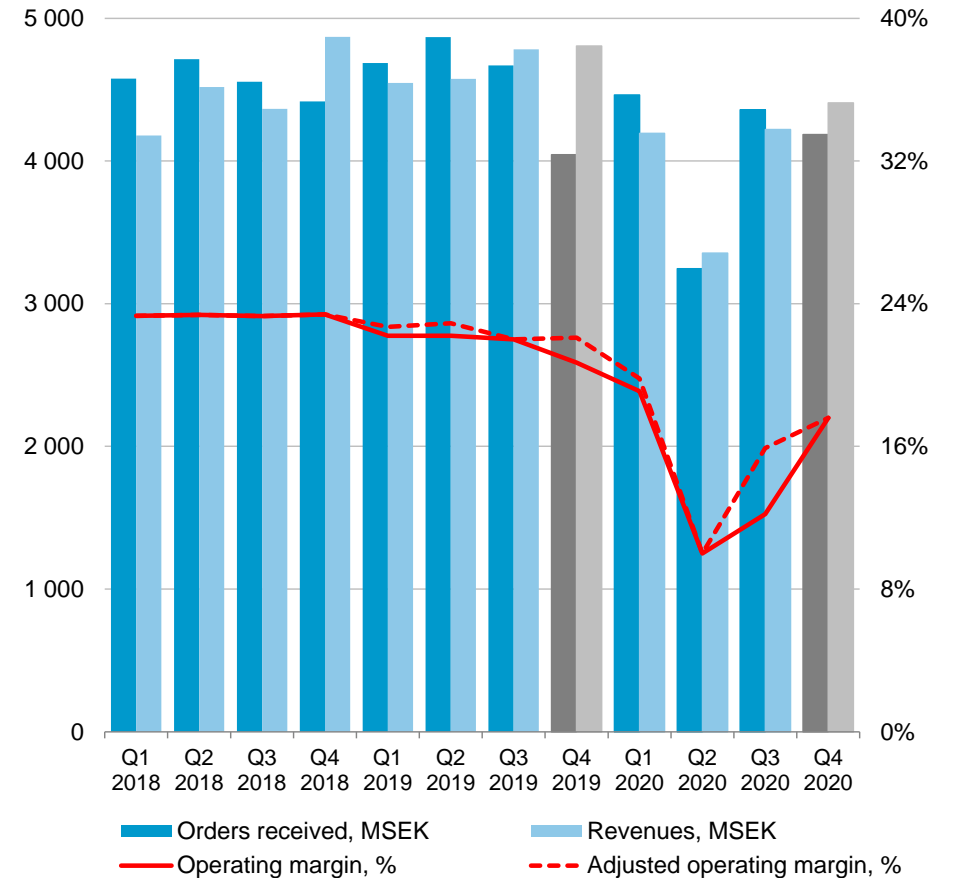
Industrial Technique

- Order decline of 1% organically
 - Orders for automotive applications grew but general industry decreased
 - Service orders down
- Revenues down 12% organically
- Operating profit margin at 17.6% (20.7)
 - Lower volumes and dilution from acquisitions
- ROCE at 13% (35)
 - Lower profit and recent acquisitions



Innovation:

The EFBC, electric wireless assembly tool for robot applications, especially designed for cobot integration, and with easy connectivity generating flexibility at customers production line.



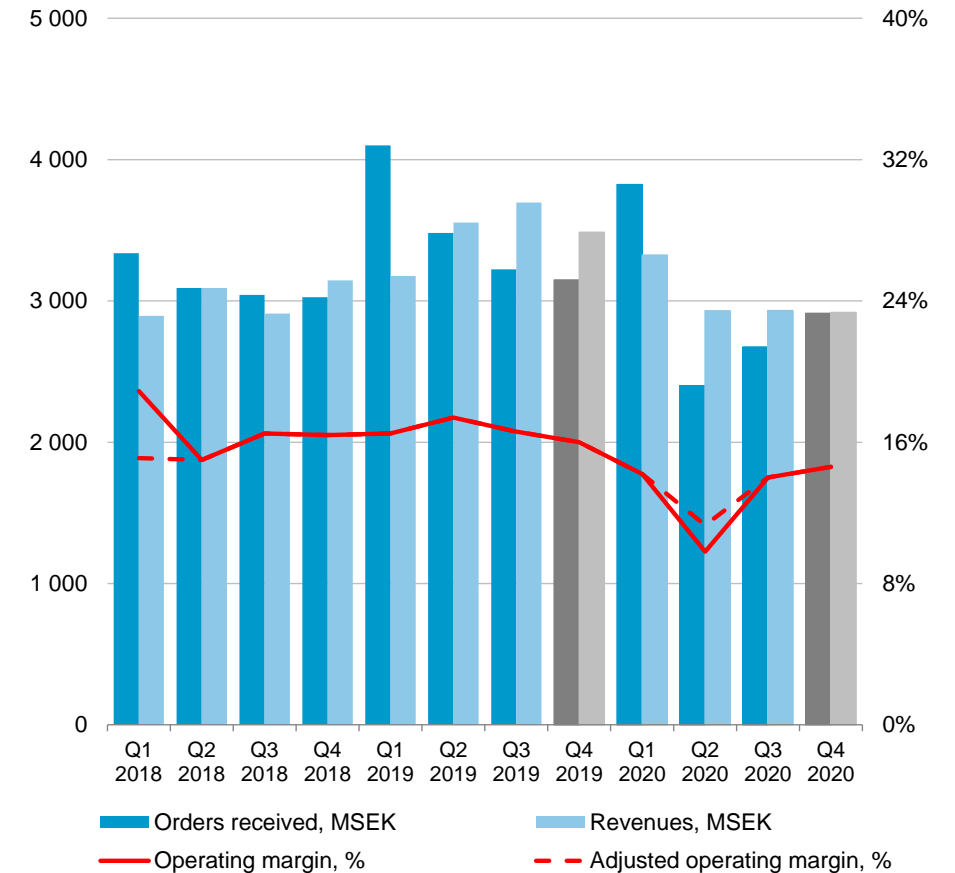
Power Technique

- Order growth of 2% organically
 - Equipment and service orders up
 - Specialty rental still below previous year's level
- Revenues decreased 7% organically
- Operating profit margin at 14.6% (16.0)
 - Lower volumes and negative sales mix
- ROCE at 18% (28)



Innovation:

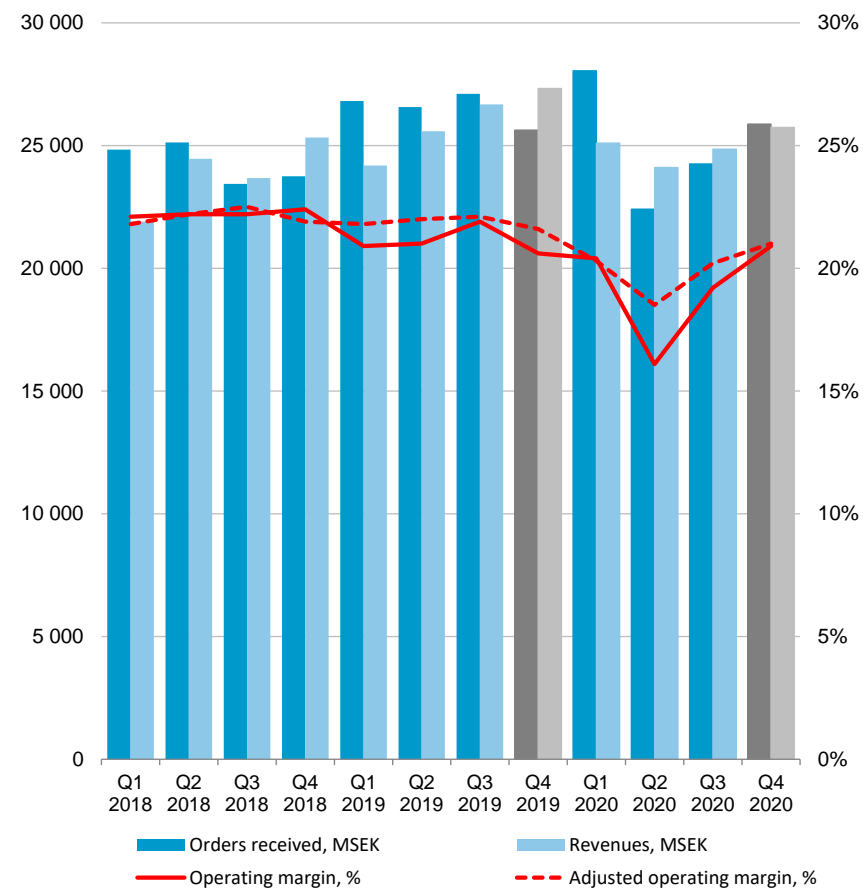
Several new models of the XAS range portable compressor with low weight, lowered emission levels, digital control and ability to run various applications with different pressure levels.



Group total

October – December 2020 vs. 2019

MSEK	October - December		
	2020	2019	
Orders received	25 868	25 625	1%
Revenues	25 738	27 319	-6%
Operating profit	5 373	5 627	-5%
– as a percentage of revenues	20.9	20.6	
Net financial items	-80	-55	
Profit before tax	5 293	5 572	-5%
– as a percentage of revenues	20.6	20.4	
Income tax expense	-1 097	-1 241	-12%
– as a percentage of profit before tax	20.7	22.3	
Profit for the period	4 196	4 331	-3%
Basic earnings per share, SEK	3.45	3.55	
Return on capital employed, %	23	30	
Return on equity, 12 month values, %	27	35	



Profit bridge

October – December 2020 vs. 2019

MSEK	Q4 2020	Volume, price, mix and other	Currency	Items affecting comparability and acquisitions	Share-based LTI* programs	Q4 2019
Atlas Copco Group						
Revenues	25 738	-56	-2 080	555		27 319
Operating profit	5 373	89	-590	55	192	5 627
	20.9%					20.6%

*LTI = Long term incentive

Profit bridge – by business area

October – December 2020 vs. 2019

MSEK	Q4 2020	Volume, price, mix and other	Currency	Items affecting comparability and acquisitions	Q4 2019
Compressor Technique					
Revenues	12 446	845	-1 060	60	12 601
Operating profit	2 965	390	-325	-10	2 910
	23.8%				23.1%
Vacuum Technique					
Revenues	6 063	-107	-425	35	6 560
Operating profit	1 390	-101	-90	-10	1 591
	22.9%				24.3%
Industrial Technique					
Revenues	4 407	-559	-300	460	4 806
Operating profit	776	-183	-110	75	994
	17.6%				20.7%
Power Technique					
Revenues	2 919	-267	-300	0	3 486
Operating profit	425	-69	-65	0	559
	14.6%				16.0%

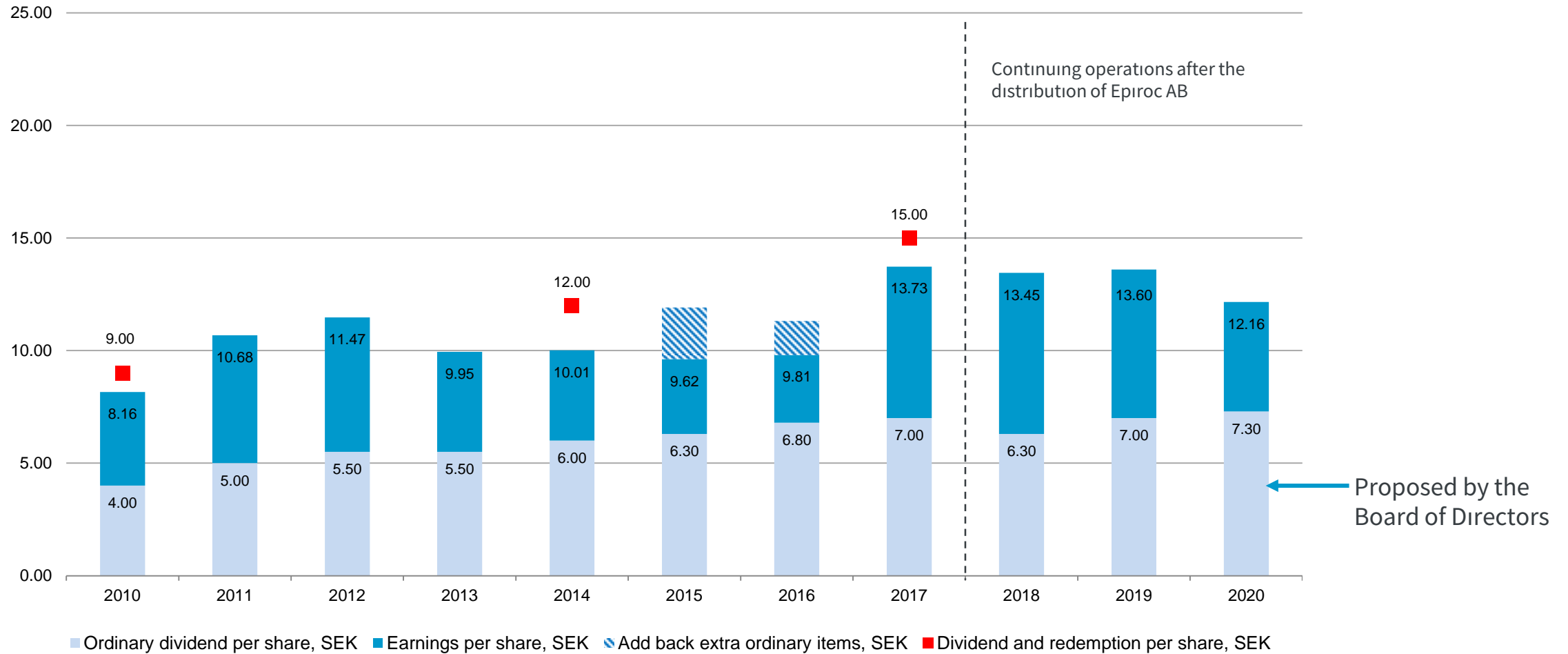
Balance sheet

MSEK	Dec. 31, 2020	Dec. 31, 2019
Intangible assets	45 840	36 549
Fixed assets and other non-current assets	16 581	17 680
Inventories	13 450	14 501
Receivables	25 777	27 861
Cash and current financial assets	11 718	15 131
Total assets	113 366	111 722
Total equity	53 534	53 290
Interest-bearing liabilities	28 134	27 143
Non-interest-bearing liabilities	31 698	31 289
Total equity and liabilities	113 366	111 722

Cash flow

MSEK	October - December		January - December	
	2020	2019	2020	2019
Operating cash surplus	6 858	6 684	25 081	26 696
<i>of which depreciation added back</i>	<i>1 312</i>	<i>1 248</i>	<i>5 189</i>	<i>4 700</i>
Net financial items	176	28	244	-610
Taxes paid	-626	-1 155	-4 531	-5 501
Pension funding	-104	-112	-340	-376
Change in working capital	1 182	199	2 166	-2 971
Increase in rental equipment, net	-89	-267	-416	-1 087
Cash flows from operating activities	7 397	5 377	22 204	16 151
Investments of property, plant & eq., net	-373	-88	-1 420	-944
Other investments, net	-345	-283	-1 283	-1 033
Cash flow from investments	-718	-371	-2 703	-1 977
Adjustment, currency hedges of loans	-220	78	-591	451
Operating cash flow	6 459	5 084	18 910	14 625
Company acquisitions/ divestments	-662	-179	-13 583	-7 706

Earnings and dividends



Near-term outlook

Although the world's economic development remains uncertain, Atlas Copco expects that the demand for the Group's products and services will remain at current level.

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.”