

A hot air balloon with the Atlas Copco logo is floating in the sky over a city at dusk. The balloon is blue with white stripes and the text "Atlas Copco" in white. The city below is illuminated with lights, and a large industrial facility with a tall chimney is visible in the distance.

# ***COMMITTED TO SUSTAINABLE PRODUCTIVITY***

Q4 2015 results

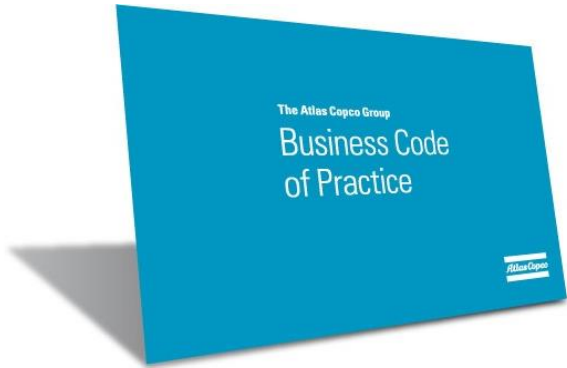
January 28, 2016

The Atlas Copco logo, consisting of the company name in a white serif font between two horizontal white bars.

*Atlas Copco*

# ATLAS COPCO RECOGNIZED FOR SUSTAINABILITY

- Recognized as one of the world's most sustainable companies for the tenth time by the prestigious annual Global 100 list
- Ranked top sustainable machinery company



## Q4 IN BRIEF

- Solid profitability and record cash flow in tough market conditions
- Robust service business in all business areas
- Lower order intake for equipment
- Agreement to acquire Leybold Vacuum
- Tax provision following European Commission's decision on Belgium's tax rulings
- The Board of Directors proposes a dividend of SEK 6.30 (6.00) per share, paid in two installments

## Q4 FIGURES IN SUMMARY

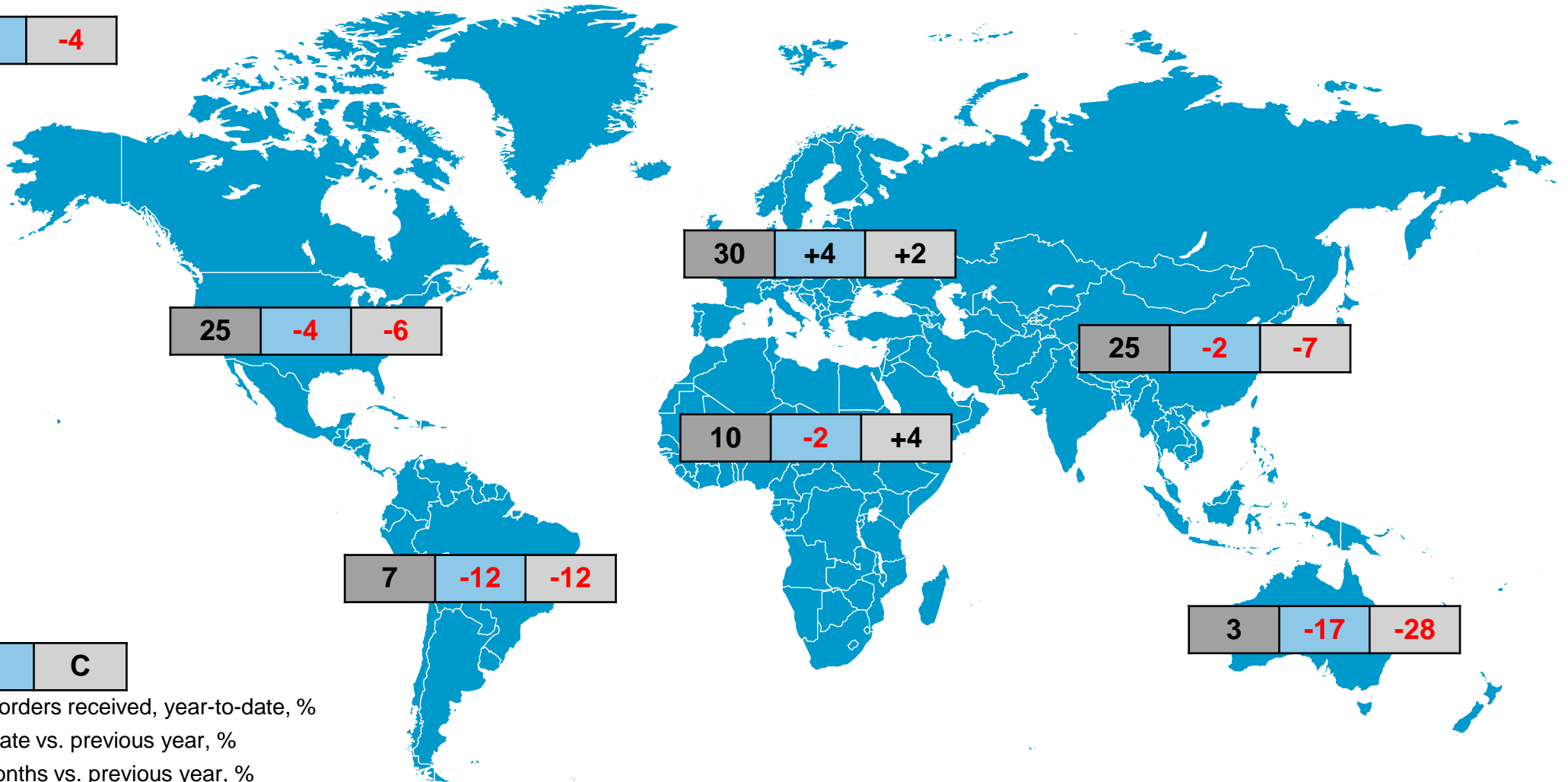
- Orders received decreased 2% to MSEK 23 847, organic decline of 5%
- Revenues increased 1% to MSEK 25 582, organic decline of 2%
- Adjusted operating profit of MSEK 4 919 (4 886), margin at 19.2% (19.3)
  - Items affecting comparability of MSEK -95 (-115)
  - Reported operating profit of MSEK 4 824 (4 771), margin at 18.9% (18.8)
- Adjusted profit for the period of MSEK 3 832 (3 335), excluding tax provision of MSEK 2 802
- Adjusted basic earnings per share SEK 3.15 (2.74)
  - Reported basic earnings per share, including tax provision SEK 0.85
- Operating cash flow at MSEK 5 355 (4 876)

## 2015 FIGURES IN SUMMARY

- Orders received increased 7% to a record of MSEK 100 241 (93 873)
  - Growth in service
  - Tough market conditions for equipment
  - Strong development for industrial tools and assembly solutions
- Record revenues, operating profit and operating cash flow
  - Revenues of MSEK 102 161 (93 721)
  - Operating margin of 19.3% (18.2)
  - Operating cash flow at MSEK 16 955 (13 916)
- Adjusted basic earnings per share SEK 11.92 (10.01)
  - Reported basic earnings per share, including tax provision of MSEK 2 802, SEK 9.62
- The Board of Directors proposes a dividend of SEK 6.30 (6.00)

# ORDERS RECEIVED - LOCAL CURRENCY

100	-2	-4
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December 2015

A	B	C
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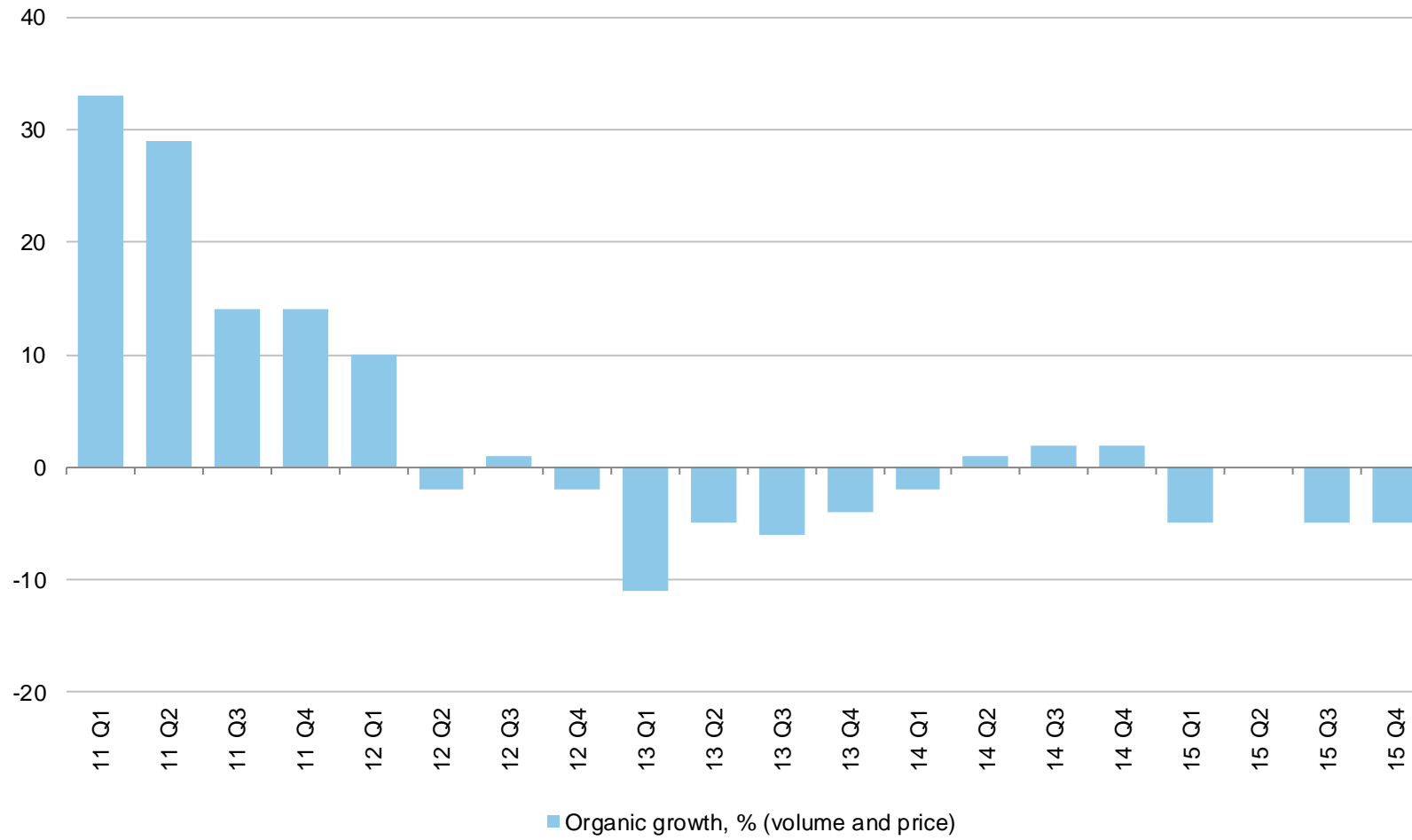
A = Share of orders received, year-to-date, %

B = Year-to-date vs. previous year, %

C = Last 3 months vs. previous year, %

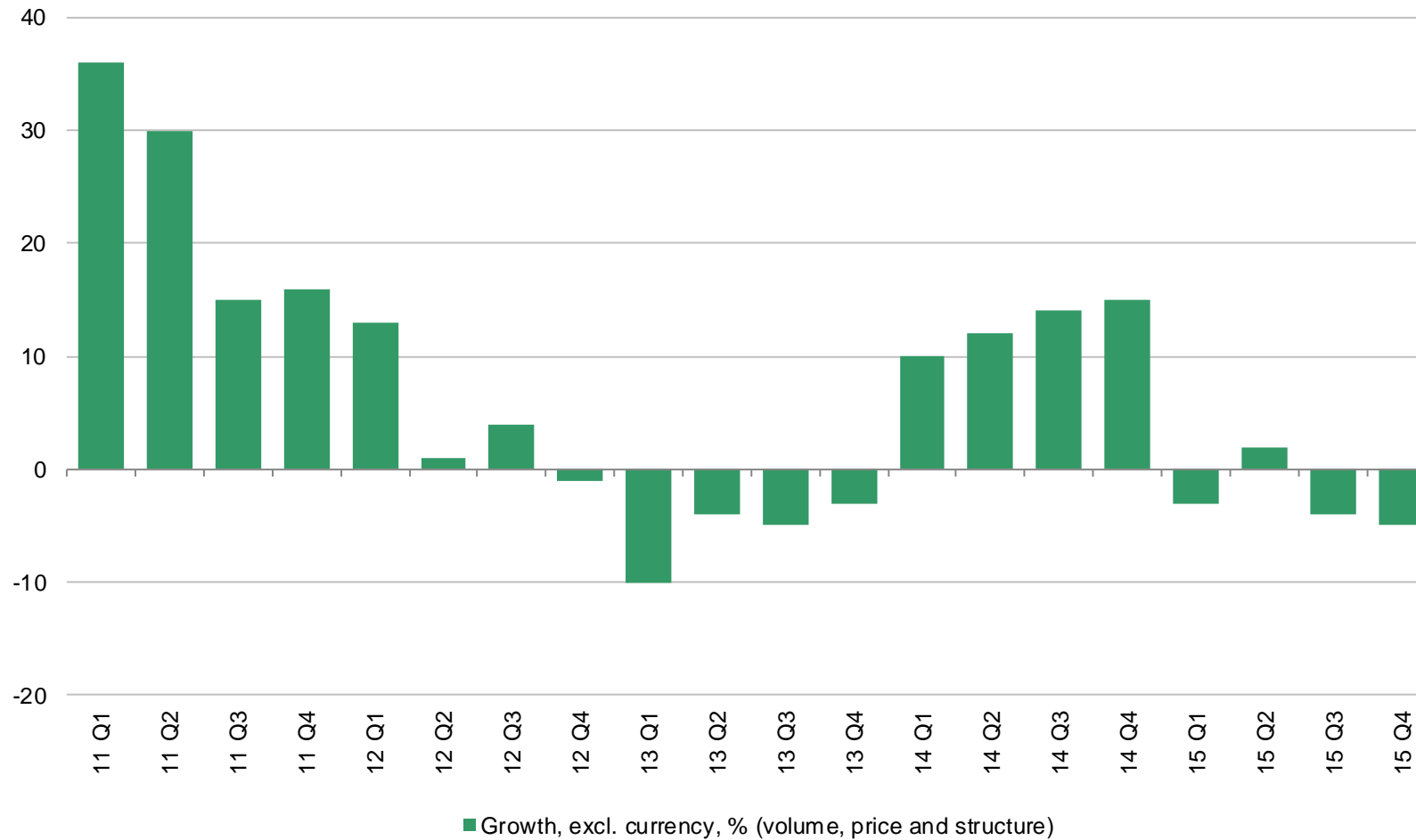
# ORDER GROWTH PER QUARTER

## Organic growth



# ORDER GROWTH PER QUARTER

Growth excl. currency



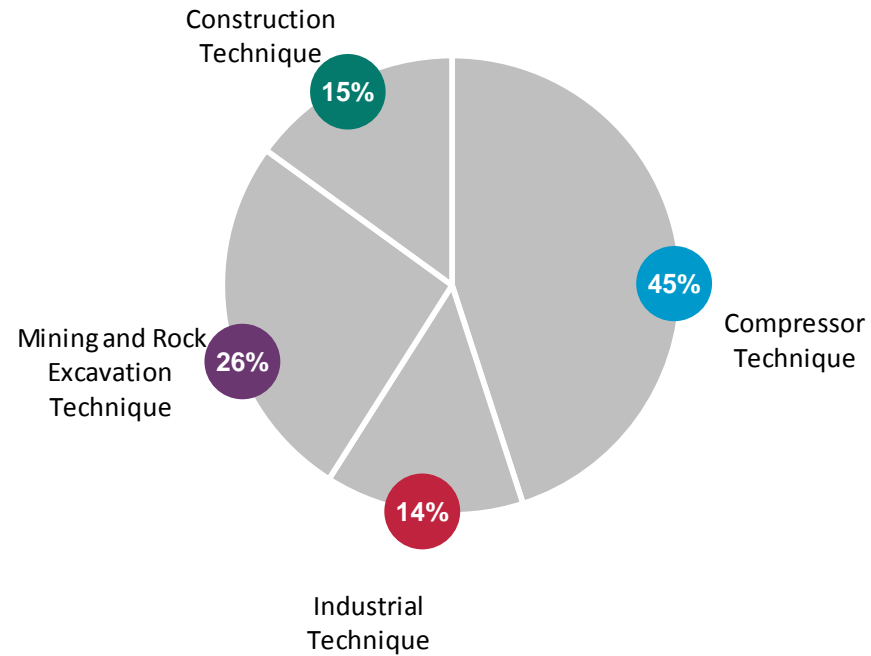


# SALES BRIDGE

MSEK	October - December		January - December	
	Orders received	Revenues	Orders received	Revenues
2014	24 375	25 360	93 873	93 721
Structural change, %	+0	+0	+2	+2
Currency, %	+3	+3	+9	+9
Price, %	+0	+0	+0	+0
Volume, %	-5	-2	-4	-2
Total, %	-2	+1	+7	+9
2015	23 847	25 582	100 241	102 161

# ATLAS COPCO GROUP

## Revenues by business area



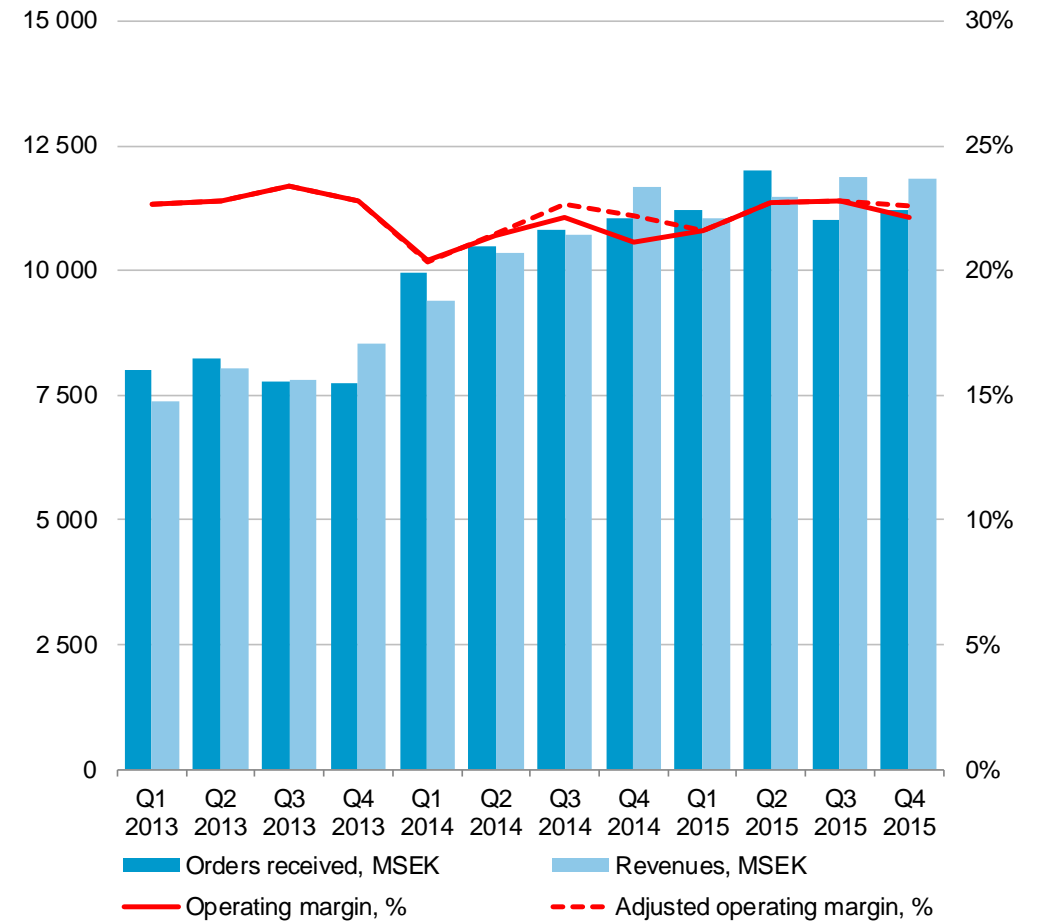
12 months until December 2015



# COMPRESSOR TECHNIQUE

- Growth in service
- Lower order intake for compressors
- Solid order intake for vacuum solutions
- Agreement to acquire Leybold Vacuum and FIAC
- Adjusted operating margin at 22.6% (22.2)

Industrial vacuum pump with best-in-class pumping speeds and low running costs

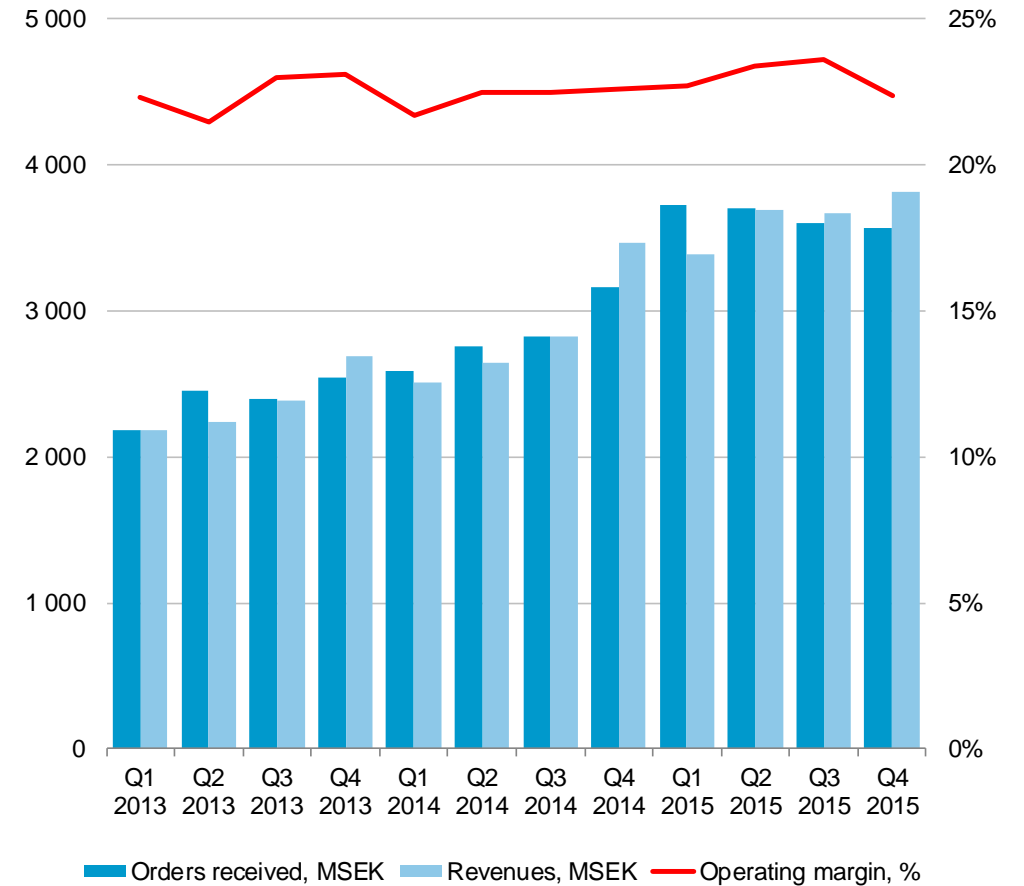


# INDUSTRIAL TECHNIQUE

- Strong demand from motor vehicle, aerospace and electronics industries
- Strong growth in service
- Record revenues
- Operating margin at 22.4% (22.6)



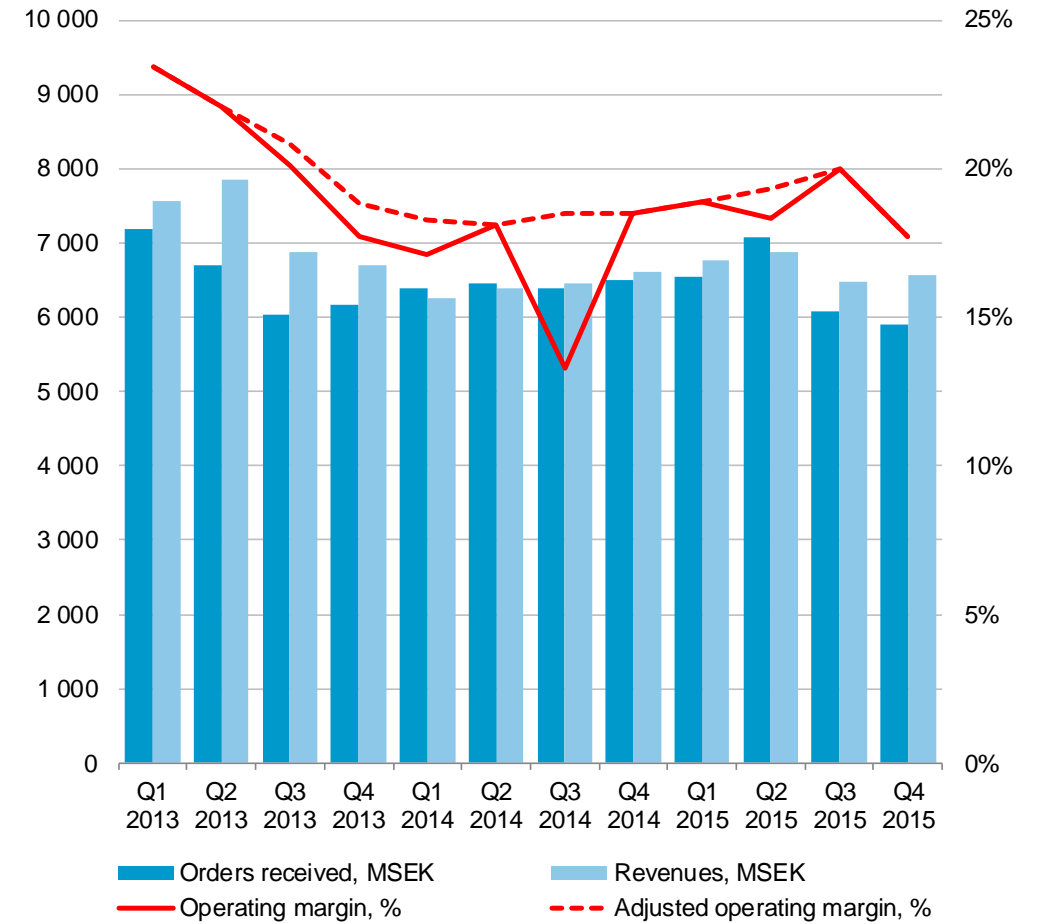
Advanced electric drilling unit for demanding aerospace applications



# MINING AND ROCK EXCAVATION TECHNIQUE

- Growth in service and parts
- Consumables volumes decreased somewhat
- Continued weak demand for equipment
- Operating margin at 17.7% (18.5), negatively impacted by currency

Exploration drilling rig with automatic drilling and rod handling, features that increase operator safety and productivity

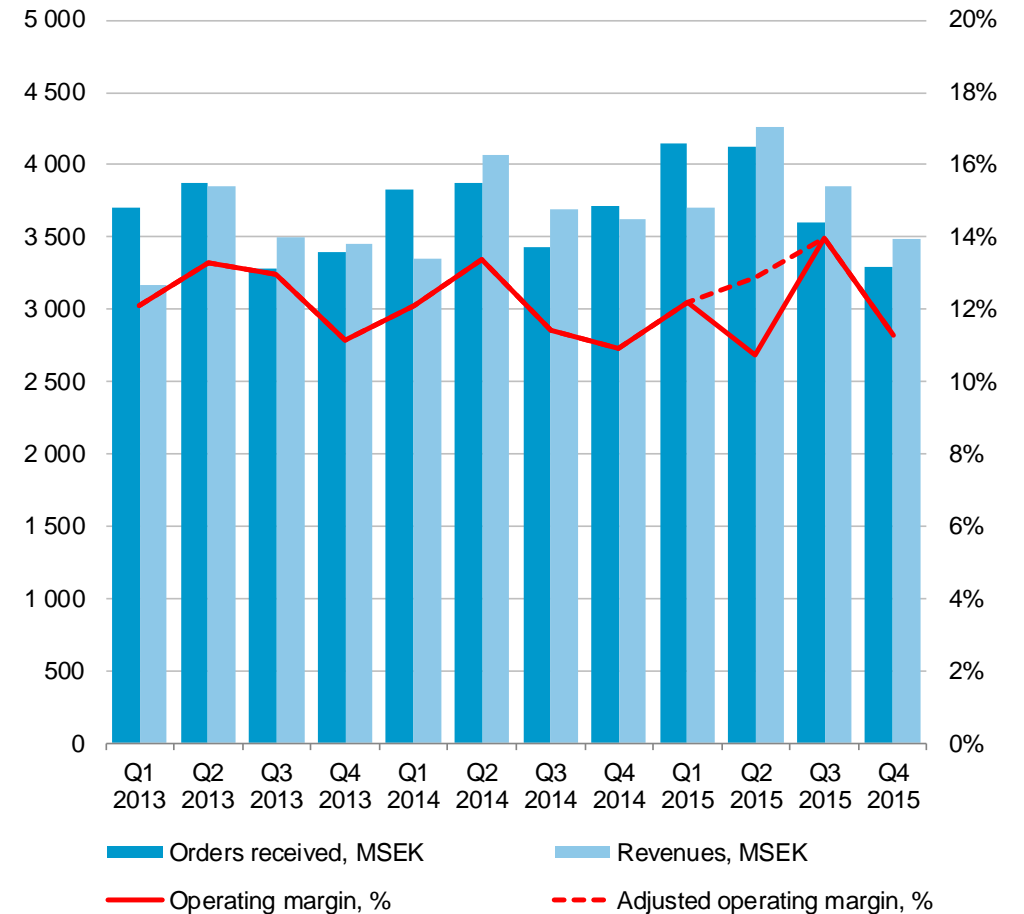


# CONSTRUCTION TECHNIQUE

- Lower order intake for equipment
- Good development for service and specialty rental
- Acquisition of Varisco, an Italian pump manufacturer
- Operating margin at 11.3% (10.9)



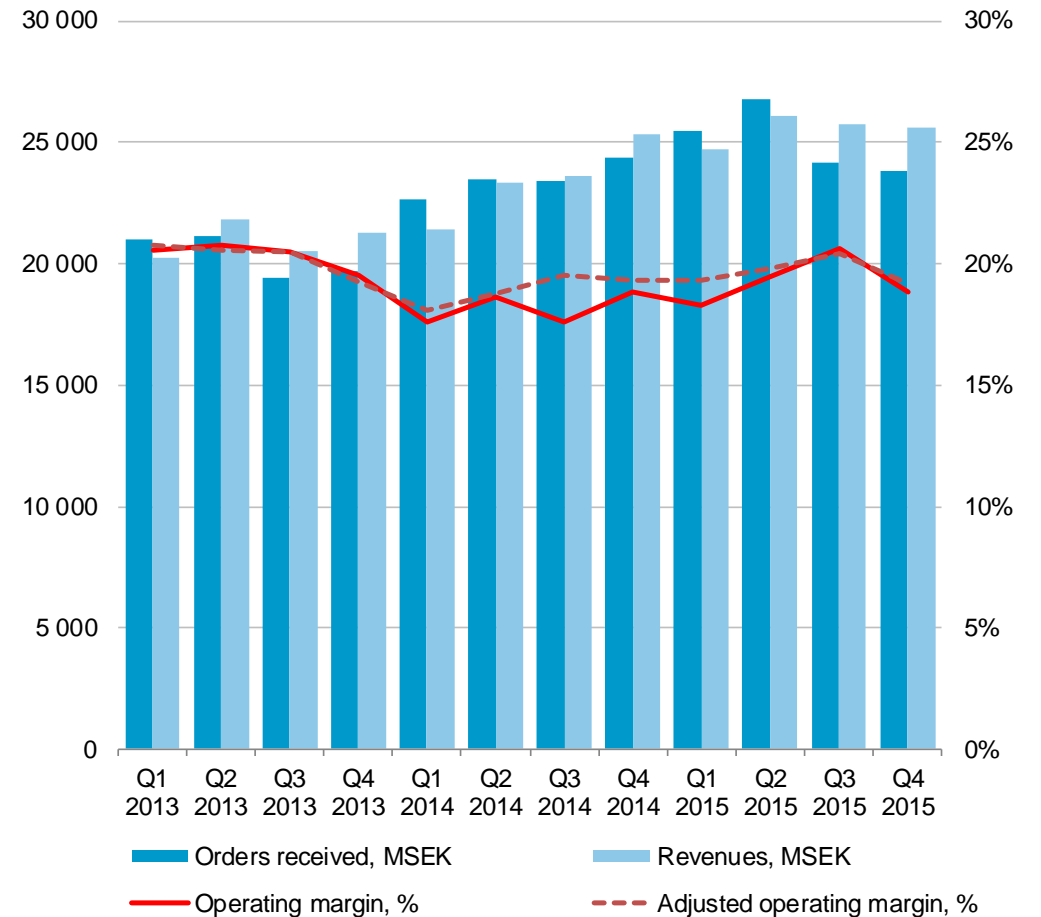
A portable 100% oil-free compressor for specialty rental applications, equipped with an engine that conform to the latest emission standards



# GROUP TOTAL

## October – December 2015 vs. 2014

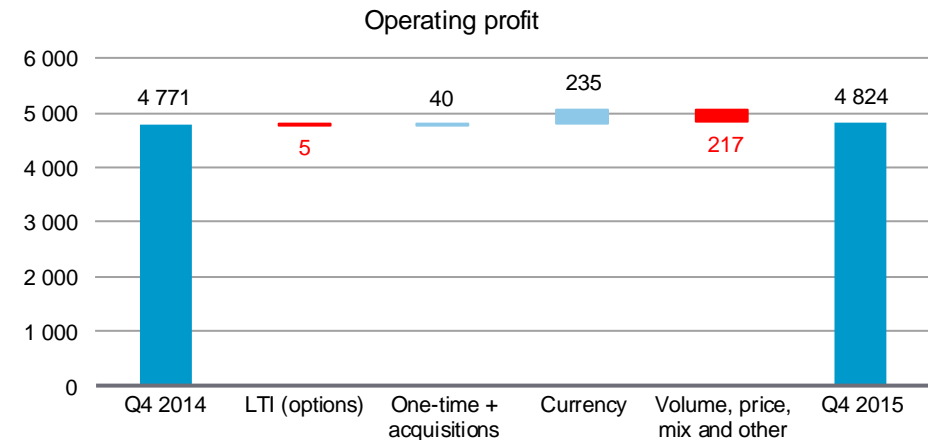
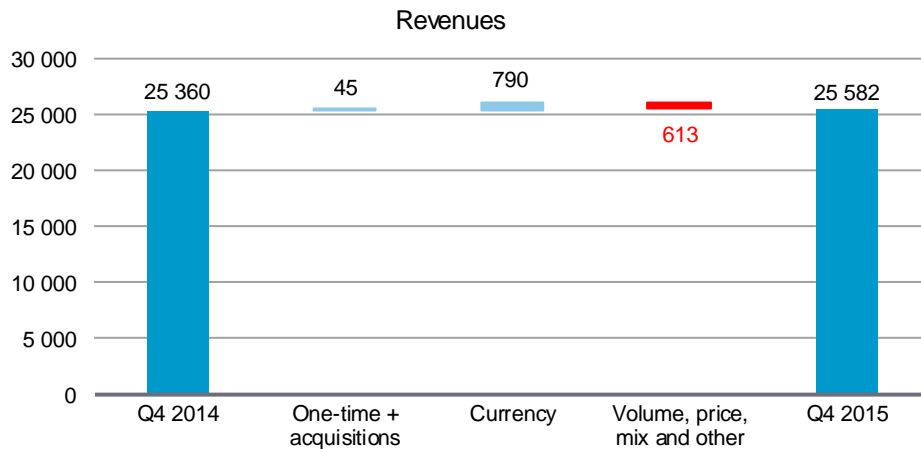
MSEK	October - December		
	2015	2014	%
Orders received	23 847	24 375	-2%
Revenues	25 582	25 360	1%
Operating profit	4 824	4 771	1%
– as a percentage of revenues	18.9	18.8	
Profit before tax	4 644	4 436	5%
– as a percentage of revenues	18.2	17.5	
Income tax expense	-3 614	-1 101	228%
Profit for the period	1 030	3 335	-69%
Basic earnings per share, SEK	0.85	2.74	
Adjusted basic earnings per share, SEK	3.15	2.74	15%
Return on capital employed, %	27	24	



# PROFIT BRIDGE

## October – December 2015 vs. 2014

MSEK	Q4 2015	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q4 2014
<b>Atlas Copco Group</b>						
Revenues	25 582	-613	790	45		25 360
Operating profit	4 824	-217	235	40	-5	4 771
%	18.9%	35.4%				18.8%





# PROFIT BRIDGE – BY BUSINESS AREA

October – December 2015 vs. 2014

MSEK	Q4 2015	Volume, price, mix and other	Currency	One-time items Acquisitions	Q4 2014
<b>Compressor Technique</b>					
Revenues	11 851	-434	585	15	11 685
Operating profit	2 620	-146	220	75	2 471
%	22.1%	33.6%			21.1%
<b>Industrial Technique</b>					
Revenues	3 819	141	195	15	3 468
Operating profit	854	61	15	-5	783
%	22.4%	43.3%			22.6%
<b>Mining and Rock Excavation Technique</b>					
Revenues	6 558	-19	-45	0	6 622
Operating profit	1 163	-32	-30	0	1 225
%	17.7%	168.4%			18.5%
<b>Construction Technique</b>					
Revenues	3 491	-204	55	15	3 625
Operating profit	394	-36	30	5	395
%	11.3%	17.6%			10.9%

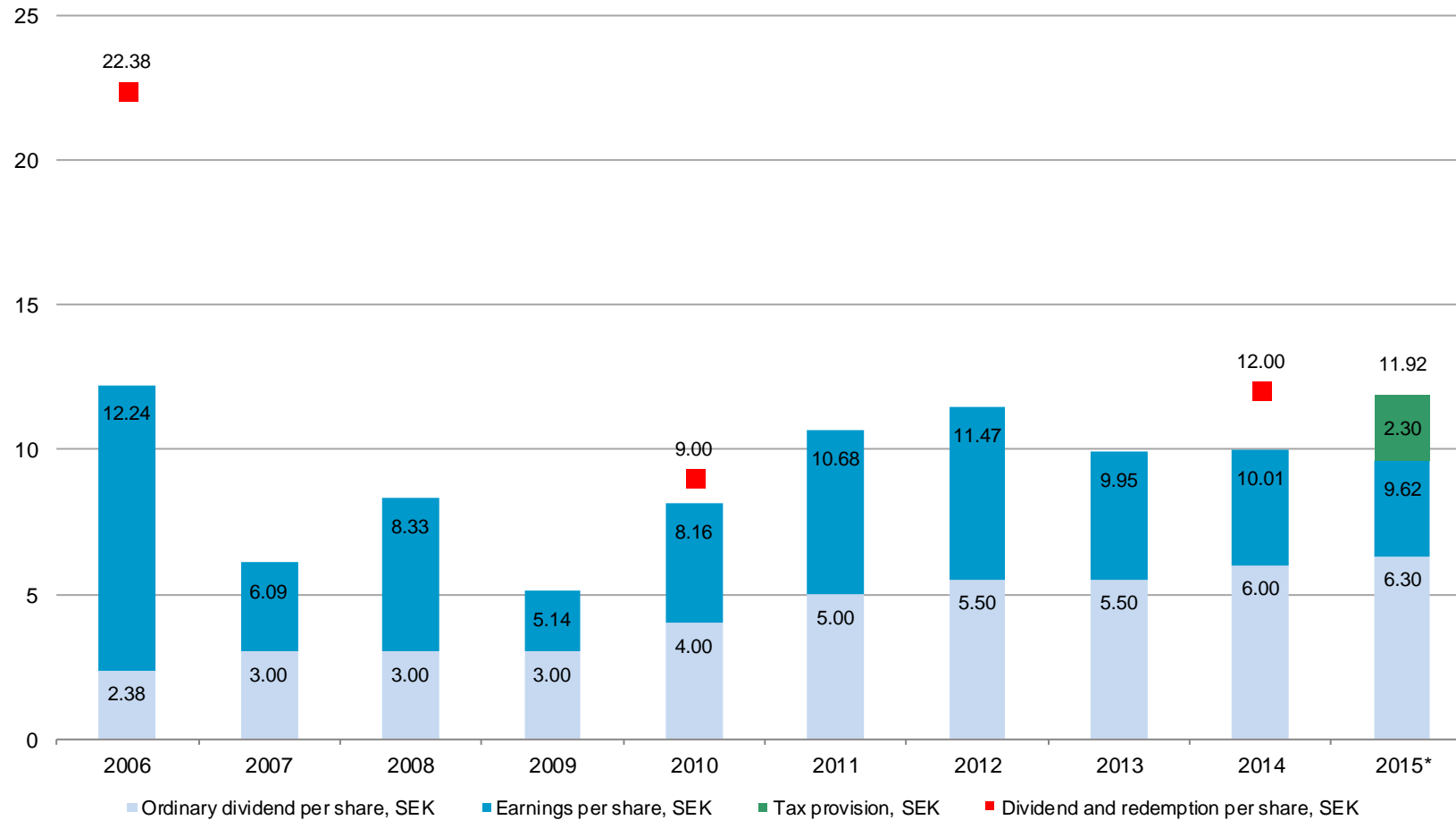
# BALANCE SHEET

MSEK	Dec. 31, 2015		Dec. 31, 2014	
Intangible assets	33 520	33%	33 197	32%
Rental equipment	3 076	3%	3 177	3%
Other property, plant and equipment	8 947	9%	9 433	9%
Other non-current assets	4 128	4%	3 530	3%
Inventories	16 906	16%	18 364	17%
Receivables	25 985	25%	26 015	25%
Current financial assets	1 576	2%	2 150	2%
Cash and cash equivalents	8 861	9%	9 404	9%
Assets classified as held for sale	11	0%	11	0%
<b>TOTAL ASSETS</b>	<b>103 010</b>		<b>105 281</b>	
Total equity	46 750	45%	50 753	48%
Interest-bearing liabilities	25 214	24%	26 997	26%
Non-interest-bearing liabilities	31 046	30%	27 531	26%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>103 010</b>		<b>105 281</b>	

# CASH FLOW

MSEK	October - December		January - December	
	2015	2014	2015	2014
Operating cash surplus	5 914	5 707	23 547	20 426
<i>of which depreciation added back</i>	1 105	1 009	4 347	3 709
Net financial items	-855	102	-2 037	-849
Taxes paid	-801	-674	-4 238	-3 828
Pension funding	12	-71	78	-115
Change in working capital	1 381	1 179	1 599	2 056
Increase in rental equipment, net	-221	-224	-837	-1 303
<b>Cash flows from operating activities</b>	<b>5 430</b>	<b>6 019</b>	<b>18 112</b>	<b>16 387</b>
Investments of property, plant & eq., net	-424	-503	-1 525	-1 462
Other investments, net	-272	-433	-954	-1 056
Cash flow from investments	-696	-936	-2 479	-2 518
Adjustment, currency hedges of loans	621	-207	1 322	47
<b>Operating cash flow</b>	<b>5 355</b>	<b>4 876</b>	<b>16 955</b>	<b>13 916</b>
Company acquisitions/ divestments	-65	-35	-1 794	-8 415

# EARNINGS AND DIVIDENDS



\*Dividend for 2015 as proposed by the Board of Directors

## ***DIVIDEND OF SEK 6.30\* – PAYMENT IN TWO INSTALLMENTS***

<b>Proposed preliminary dates for dividend</b>	<b>Amount</b>	<b>Ex-dividend date</b>	<b>Record date</b>	<b>Payment</b>
First dividend payment	SEK 3.15*	April 27, 2016	April 28, 2016	May 3, 2016
Second dividend payment	SEK 3.15*	October 28, 2016	October 31, 2016	November 3, 2016

\*Dividend for 2015 as proposed by the Board of Directors

# *NEAR-TERM OUTLOOK*

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

***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.”