



***PROPOSAL TO SPLIT  
ATLAS COPCO INTO TWO  
LISTED COMPANIES IN 2018***

Stockholm, Sweden, January 16, 2017



# ***PROPOSAL TO SPLIT THE GROUP***

## **One industrial and one mining/civil engineering company**

### *Atlas Copco AB: Industrial*

- Compressor Technique
- Vacuum Technique
- Industrial Technique
- Portable Energy division and related service
- Specialty Rental division

### *NewCo AB: Mining/civil engineering*

- Mining and Rock Excavation Technique
- Construction Tools division and related service

Note: NewCo AB is a working name only.  
Atlas Copco will establish a new company name for the mining/civil engineering part

# ***STRATEGIC RATIONALE AND BUSINESS BENEFITS***

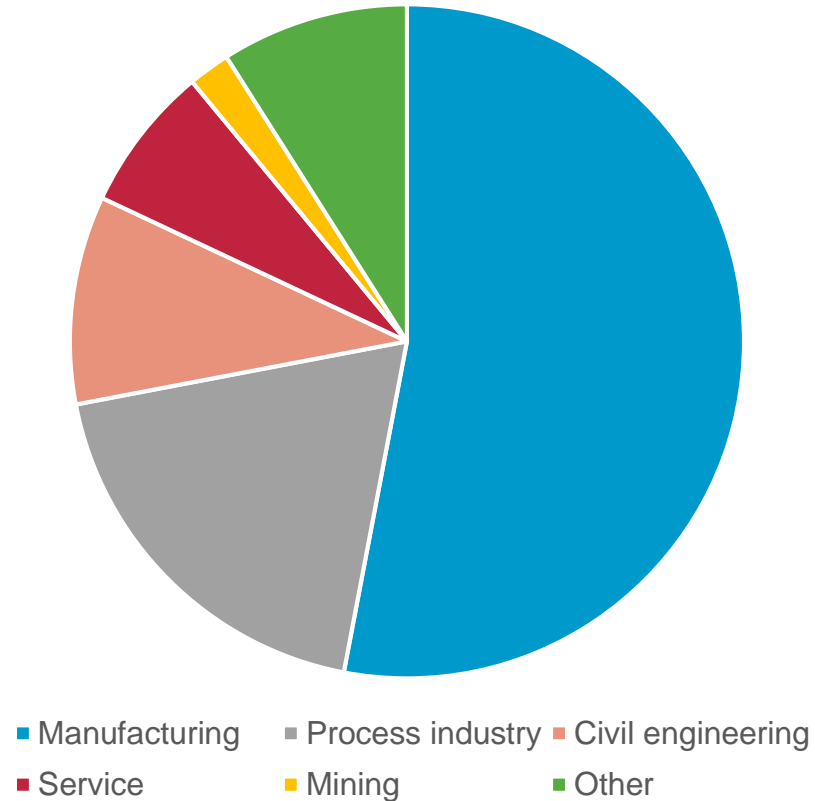
## **One industrial and one mining/civil engineering company**

- Both businesses are global leaders in their respective areas
- The businesses have different end-markets and different demand drivers
- The businesses have different demand patterns; more stability vs. high volatility
- A fully focused, dedicated management can
  - serve customers even better
  - drive growth and profitability
- The synergies between the two businesses are limited
- A separation into two world-leading listed companies will facilitate a fair valuation on the stock market

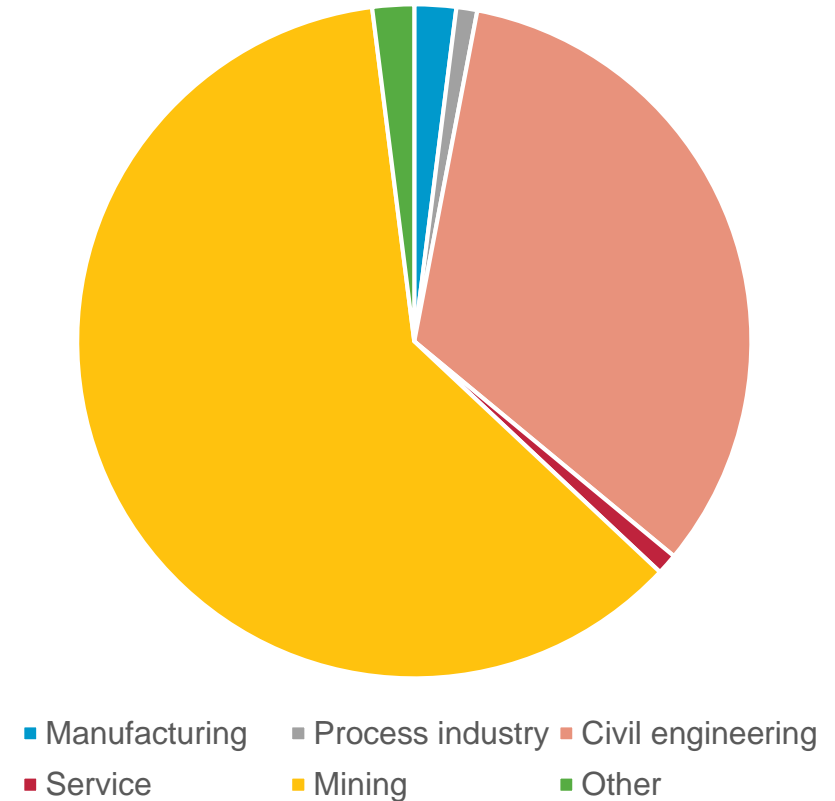
# DIFFERENT END CUSTOMERS

Both businesses are global leaders in their respective areas

*Atlas Copco AB: Industrial*



*NewCo AB: Mining/civil engineering*



# REVENUES, PROFIT AND EMPLOYEES

Both businesses are global leaders in their respective areas

Q3 2016 last 12 months (BSEK), pro forma	Atlas Copco AB*)	NewCo AB
Revenues	74	28
Operating profit margin	20%	16%
Number of employees end-2016	33 000	12 000

\*) Including Leybold and CSK pro-forma, 12 months

# ***PROPOSAL TO DISTRIBUTE NEWCO TO SHAREHOLDERS***

**Provided the shareholders decide in favor of the proposal**

## *Atlas Copco AB: Industrial*

- Will stay listed on Nasdaq Stockholm, Sweden
- Headquarters in Sickla, Sweden
- The President and CEO of Atlas Copco stays in the position

## *NewCo AB: Mining/civil engineering*

- Distribution of NewCo to the shareholders
  - Atlas Copco's shareholders will receive shares in NewCo AB, in proportion to their existing shareholding in Atlas Copco AB
- List NewCo AB on Nasdaq Stockholm, Sweden during Q2, 2018
- Headquarters in Sickla, Sweden
- A President and CEO for NewCo AB will be appointed

# ***WHAT WILL HAPPEN WITH THE BRANDS?***

## **Two brands are overlapping**

- Atlas Copco and CP - Chicago Pneumatic are overlapping and used across the Group
- Atlas Copco AB will stay owner of the Atlas Copco and the CP brands
- NewCo AB will have a license agreement to use these two brands
- Atlas Copco will establish a new company name for NewCo AB



## ***THE TIME PLAN\*)***

### **Split of Atlas Copco AB into two separate listed companies**

<b>Date</b>	<b>What</b>	<b>How</b>
Jan 16, 2017	Atlas Copco announces proposal to split the Group into two separate listed companies; Atlas Copco AB (industrial) and NewCo AB (mining/civil engineering)	Press release and press conference
Apr 26, 2017	Update/brief information only	Annual General Meeting 2017
During 2017	Legal NewCo AB will be created	
Apr 24, 2018	Decision to distribute the shares of NewCo AB to the shareholders of Atlas Copco AB through a tax-free spin-off for Swedish shareholders (Lex Asea)	Annual General Meeting 2018
Q2, 2018	NewCo AB listed as a separate company	Nasdaq Stockholm, Sweden

\*) Subject to changes



***COMMITTED TO  
SUSTAINABLE PRODUCTIVITY.***



*Atlas Copco*

