



***Committed to  
sustainable  
productivity***

Q2 2017 results

July 17, 2017

GA 160

*Atlas Copco*

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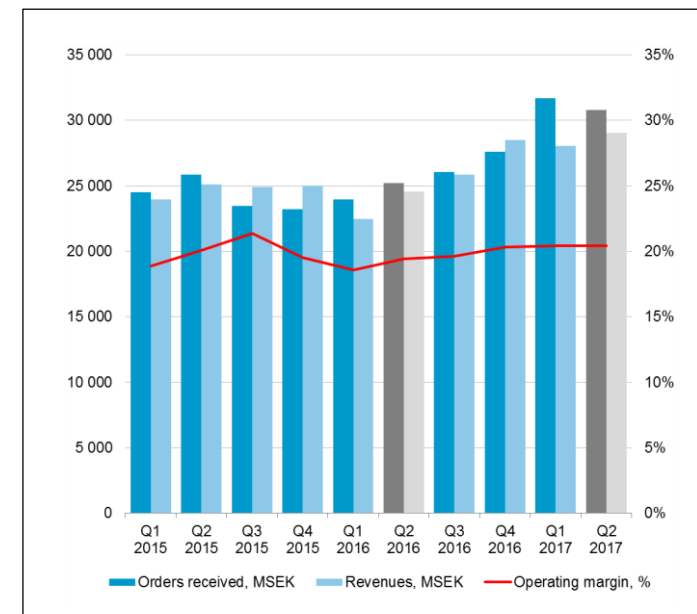
## *Q2 in brief*

- Strong order growth and record profit
  - Particularly strong growth for vacuum and mining
- All business areas growing with solid profitability
- Healthy operating cash flow
  - Improved working capital efficiency

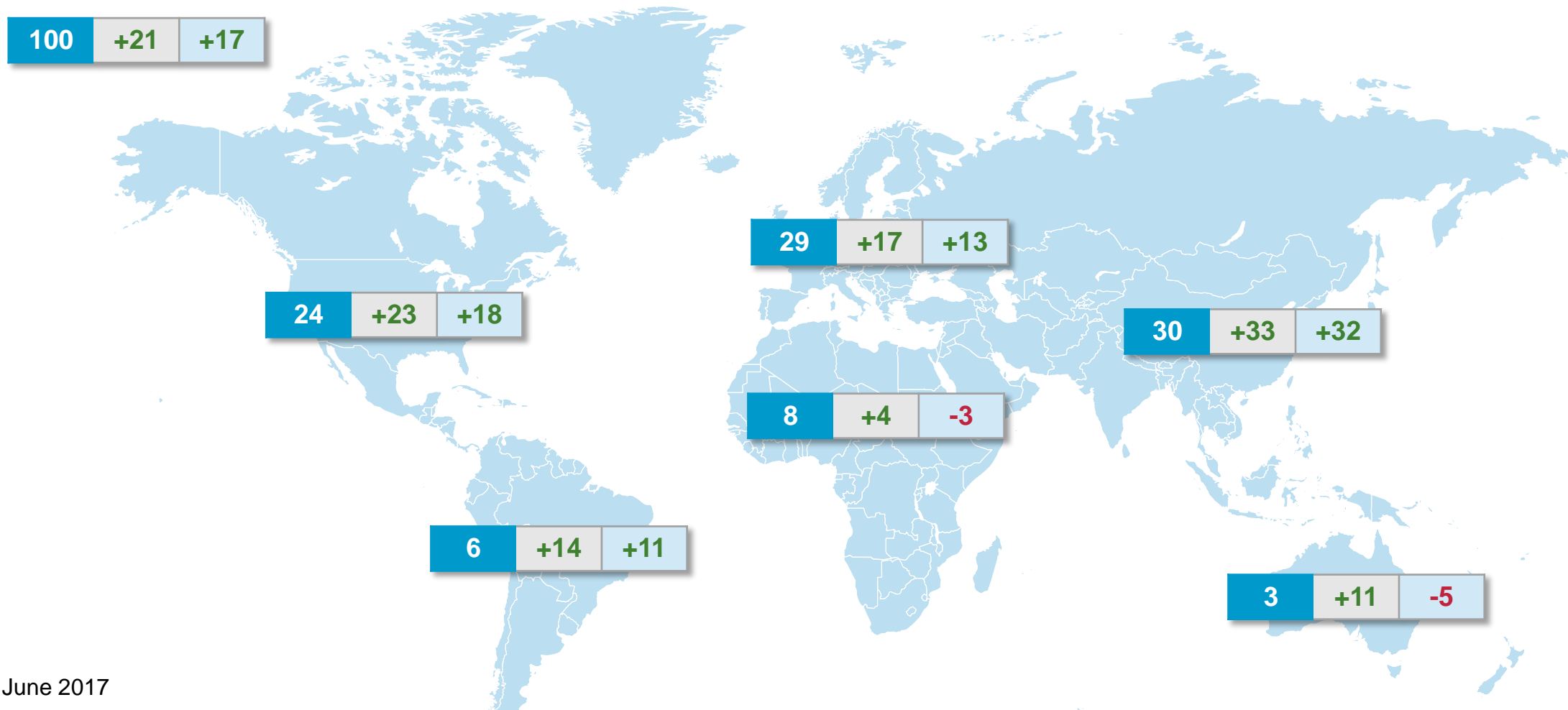
## Q2 figures in summary – continuing operations

- Orders received were MSEK 30 797, organic growth of 11%
- Revenues were MSEK 29 030, organic growth of 7%
- Reported operating profit up 26% to MSEK 5 988 (4 769), margin at 20.6% (19.4)
- Adjusted operating profit was MSEK 6 244 (4 816), margin at 21.5% (19.6)
  - Items affecting comparability of MSEK -256 (-47)
- Profit for the period was MSEK 4 084 (3 198)
- Basic earnings per share were SEK 3.36 (2.63)
- Operating cash flow\* was MSEK 4 838 (3 487)

\*Including discontinued operations



# Orders received – local currency



June 2017

Share of orders received,  
year-to-date, %

Year-to-date vs.  
previous year, %

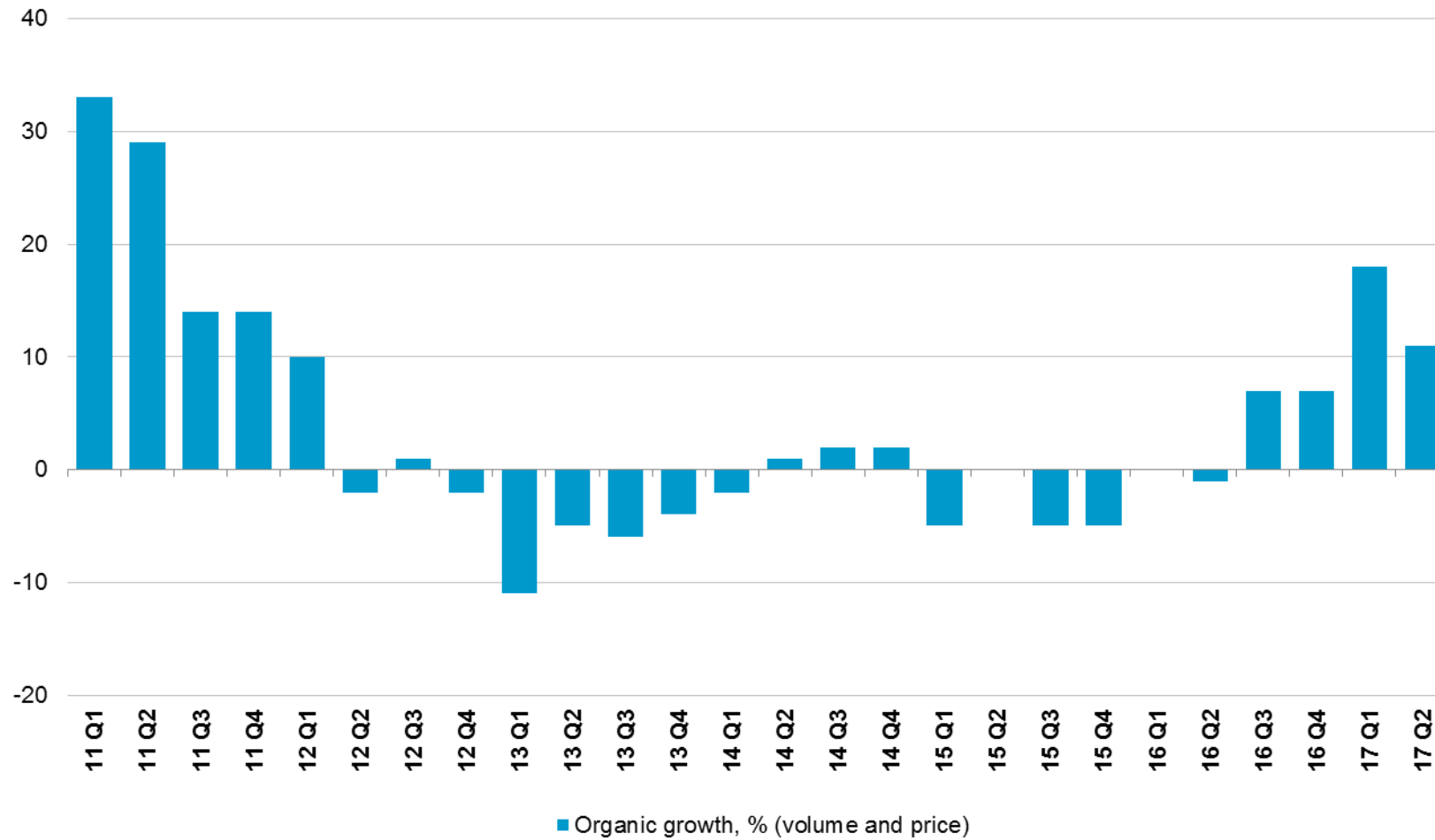
Last 3 months vs.  
previous year, %

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# Order growth per quarter

## Organic growth

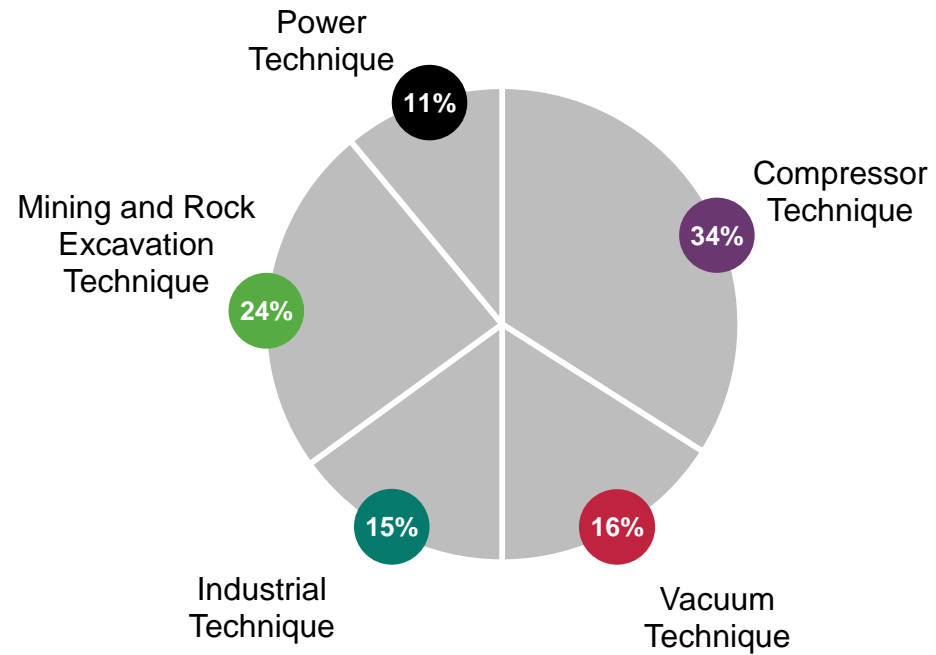


# Sales bridge

MSEK	April - June		January - June	
	Orders received	Revenues	Orders received	Revenues
2016	25 207	24 565	49 157	47 018
Structural change, %	+6	+6	+7	+7
Currency, %	+5	+5	+6	+5
Price, %	+0	+0	+0	+0
Volume, %	+11	+7	+14	+9
Total, %	+22	+18	+27	+21
2017	30 797	29 030	62 507	57 057

# Atlas Copco Group

## Revenues by business area



12 months ending June 2017

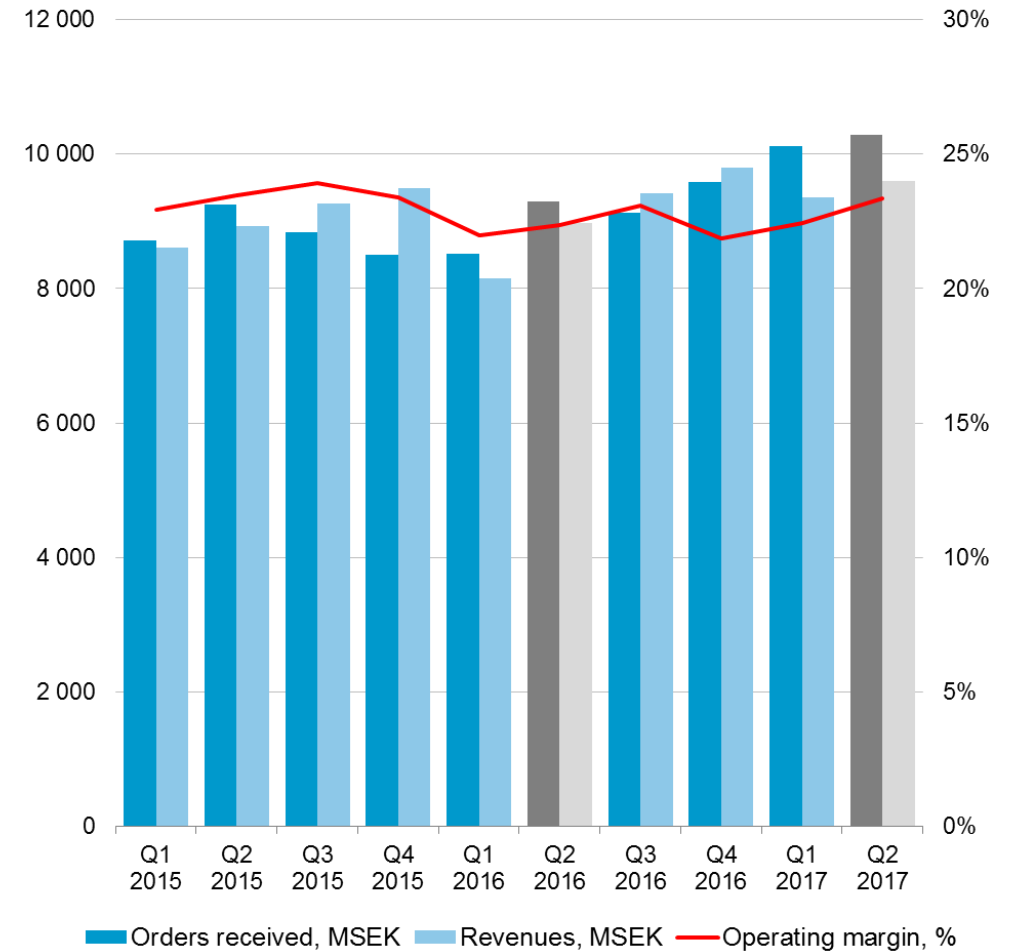


# Compressor Technique

- Record order intake, organic growth of 5%
  - Continued solid growth for service
  - Healthy growth for industrial compressors
  - Asia main driver for the growth
- Operating margin at 23.4% (22.4)



New range of air dryers that provide minimized pressure drop, low energy cost and low noise level.



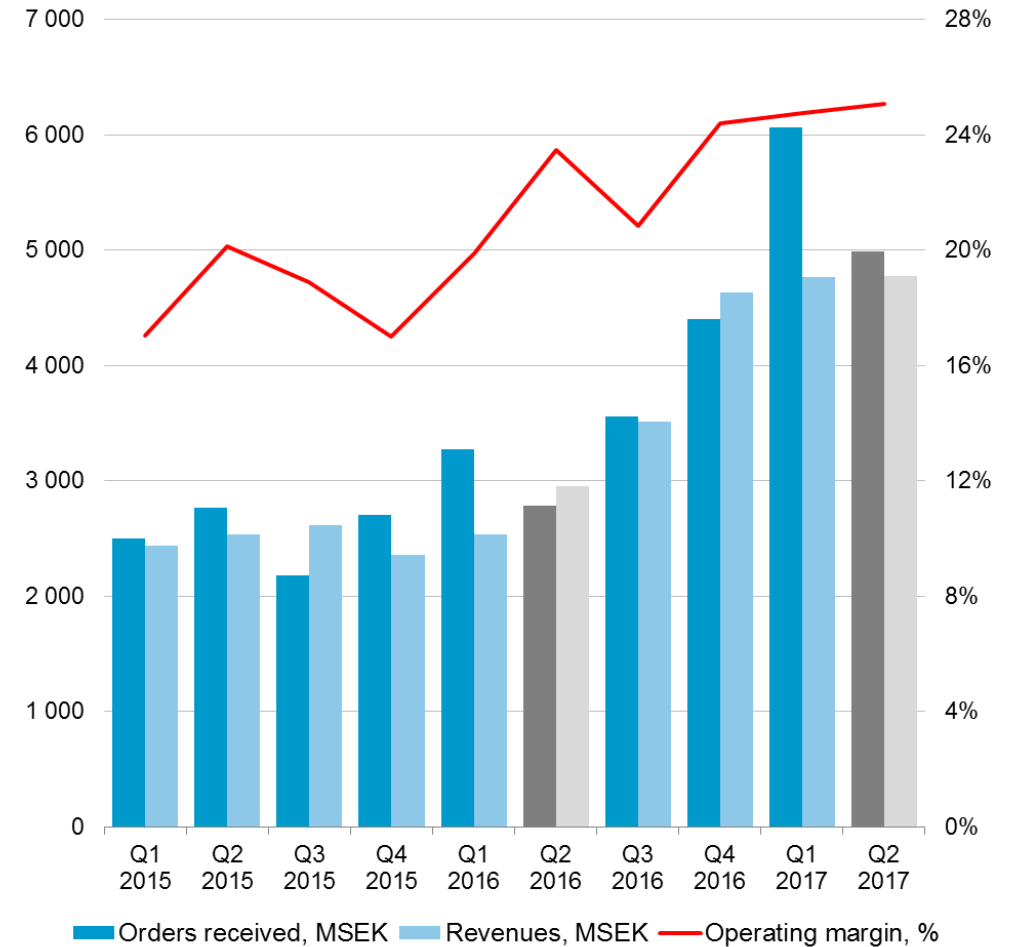


# Vacuum Technique

- Organic order growth of 25%
  - Growth for all major customer segments
- Record revenues and profit
- Operating margin at 25.1% (23.5)
  - Supported by volume and currency



A new abatement system that eliminates potential harmful gases from semiconductor manufacturing process exhaust.

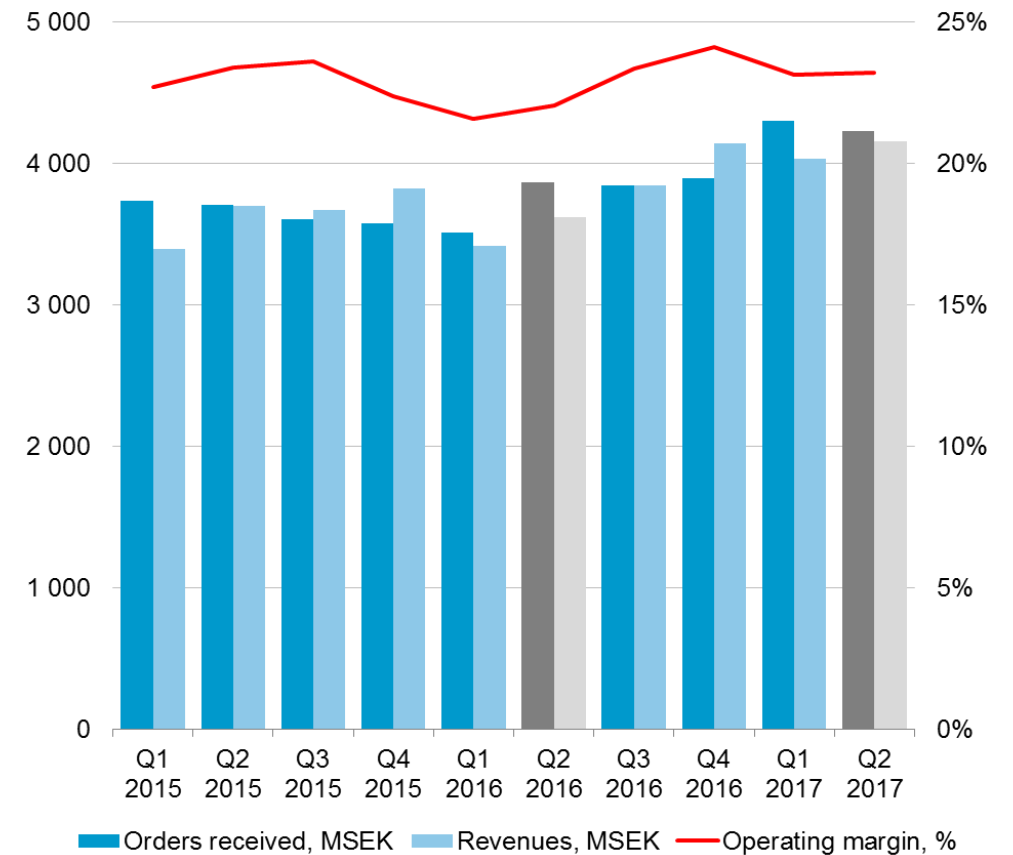


# Industrial Technique

- Organic order growth of 5%
  - High demand from motor vehicle industry
  - Continued growth for service
- Record revenues and solid profit
- Operating margin at 23.2% (22.1)



New system for fixtured tightening processes that support the rebalancing of production lines and can be mounted on robots.

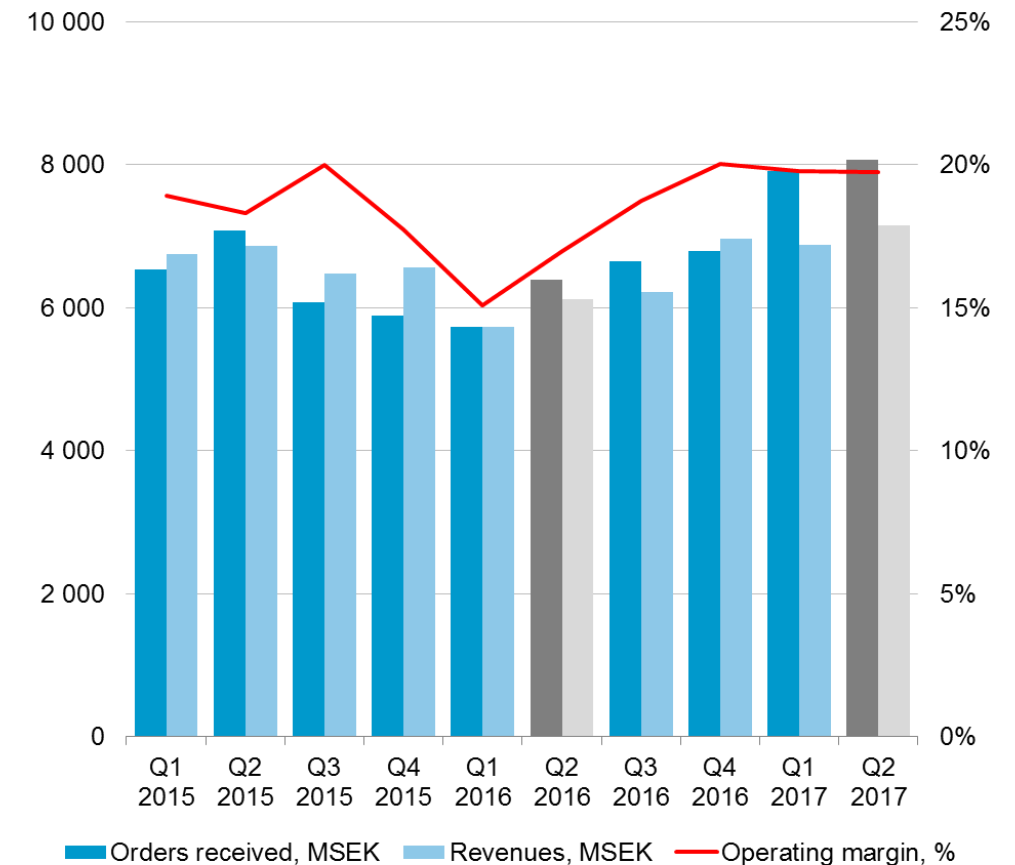


# Mining and Rock Excavation Technique

- Strong organic order growth of 20%
  - Equipment growth in both mining and civil engineering
  - Continued growth for service and consumables
- Operating margin at 19.8% (17.0)
  - Supported by volume and currency



New power bit range that provides improved wear resistance and increased productivity.

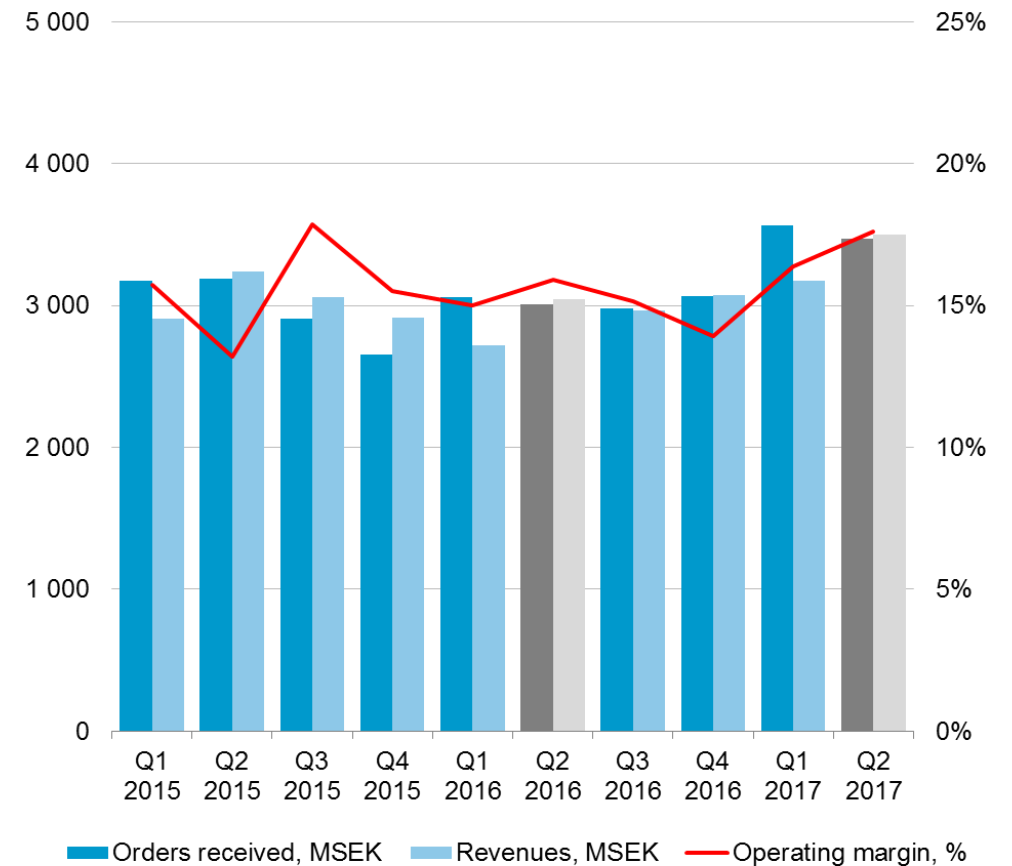


# Power Technique\*

- Organic order growth of 9%
  - Driven by portable compressors and specialty rental
  - Flat service development
- Operating margin at 17.6% (15.9)
- New name of the business area: Power Technique
  - Better reflecting current products and segments



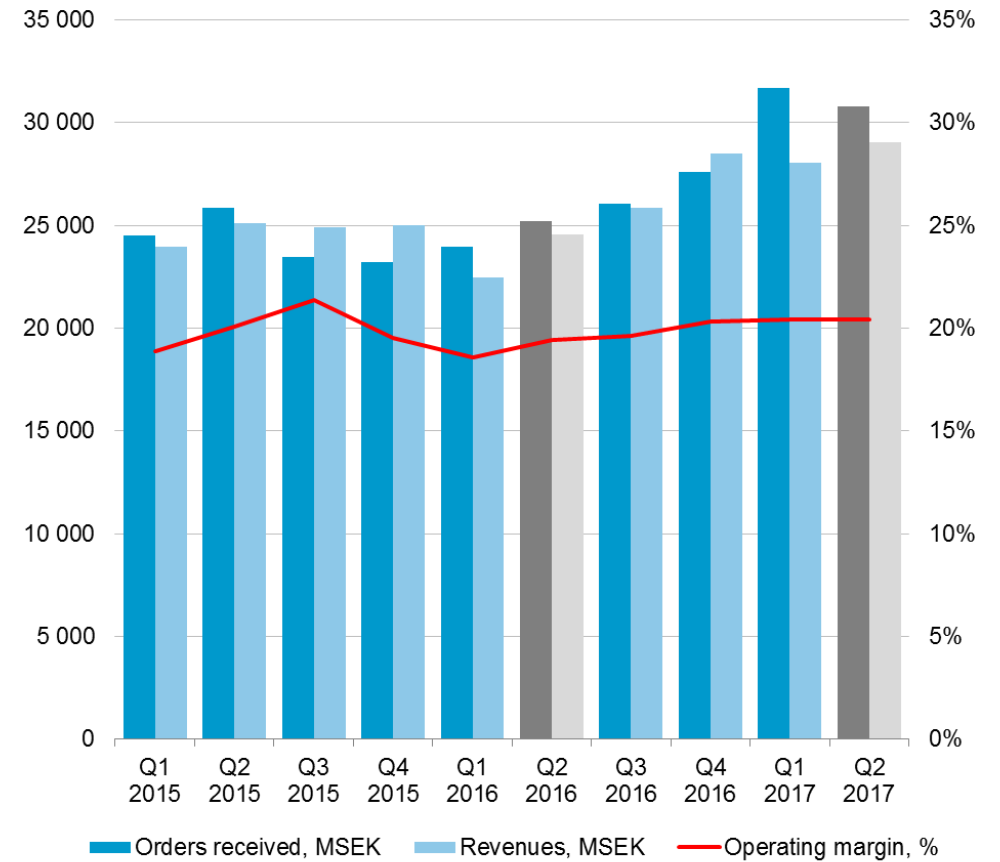
New range of LED light towers with high performance and robust design.



# Group total

## April – June 2017 vs. 2016

Continuing operations MSEK	April - June		
	2017	2016	%
<b>Orders received</b>	<b>30 797</b>	<b>25 207</b>	<b>22%</b>
<b>Revenues</b>	<b>29 030</b>	<b>24 565</b>	<b>18%</b>
<b>Operating profit</b>	<b>5 988</b>	<b>4 769</b>	<b>26%</b>
– as a percentage of revenues	20.6	19.4	
<b>Profit before tax</b>	<b>5 620</b>	<b>4 428</b>	<b>27%</b>
– as a percentage of revenues	19.4	18.0	
<b>Income tax expense</b>	<b>-1 536</b>	<b>-1 230</b>	<b>25%</b>
<b>Profit for the period from continuing operations</b>	<b>4 084</b>	<b>3 198</b>	<b>28%</b>
<b>Basic earnings per share, SEK</b>	<b>3.36</b>	<b>2.63</b>	
<b>Return on capital employed, %</b>	<b>29</b>	<b>28</b>	



# Revenues and operating profit bridge

April – June 2017 vs. 2016

MSEK	Q2 2017	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs*	Q2 2016
<b>Atlas Copco Group</b>						
Revenues	29 030	1 770	1 125	1 570		24 565
Operating profit	5 988	698	500	160	-139	4 769
%	20.6%	39.4%				19.4%

\*LTI = Long Term Incentive

# Profit bridge – by business area

April – June 2017 vs. 2016

MSEK	Q2 2017	Volume, price, mix and other	Currency	One-time items Acquisitions	Q2 2016
<b>Compressor Technique</b>					
Revenues	9 597	116	340	165	8 976
Operating profit	2 242	70	180	-15	2 007
%	23.4%	60.3%			22.4%
<b>Vacuum Technique</b>					
Revenues	4 777	324	160	1 340	2 953
Operating profit	1 198	205	65	235	693
%	25.1%	63.3%			23.5%
<b>Industrial Technique</b>					
Revenues	4 154	382	135	15	3 622
Operating profit	964	130	35	0	799
%	23.2%	34.0%			22.1%
<b>Mining and Rock Excavation Technique</b>					
Revenues	7 157	673	350	10	6 124
Operating profit	1 414	188	185	0	1 041
%	19.8%	27.9%			17.0%
<b>Power Technique</b>					
Revenues	3 496	269	145	40	3 042
Operating profit	616	102	20	10	484
%	17.6%	37.9%			15.9%

# Balance sheet

MSEK	Jun. 30, 2017		Jun. 30, 2016*		Dec. 31, 2016	
Intangible assets	36 295	30%	34 451	32%	37 828	33%
Rental equipment	2 892	2%	2 993	3%	3 095	3%
Other property, plant and equipment	9 450	8%	9 037	8%	9 793	8%
Other non-current assets	3 903	3%	3 905	4%	4 175	4%
Inventories	18 033	15%	18 297	17%	16 912	15%
Receivables	28 941	24%	27 021	25%	27 685	24%
Current financial assets	1 754	1%	2 170	2%	2 455	2%
Cash and cash equivalents	14 550	12%	8 891	8%	11 458	10%
Assets classified as held for sale	3 231	3%	10	0%	2 491	2%
<b>TOTAL ASSETS</b>	<b>119 049</b>		<b>106 775</b>		<b>115 892</b>	
Total equity	51 792	44%	46 220	43%	53 177	46%
Interest-bearing liabilities	28 516	24%	26 383	25%	28 629	25%
Non-interest-bearing liabilities	37 863	32%	34 172	32%	33 275	29%
Liabilities directly associated with assets classified as held for sale	878	1%	-	-	811	1%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>119 049</b>		<b>106 775</b>		<b>115 892</b>	



# Cash flow\*

MSEK	April - June		January - June	
	2017	2016	2017	2016
Operating cash surplus	7 528	5 665	14 689	10 943
<i>of which depreciation added back</i>	1 138	1 042	2 296	2 077
Net financial items	608	82	-215	91
Taxes paid	-2 616	-3 609	-4 436	-4 999
Pension funding	-885	-36	-994	-37
Change in working capital	346	441	-179	554
Increase in rental equipment, net	-246	-196	-391	-309
<b>Cash flows from operating activities</b>	<b>4 735</b>	<b>2 347</b>	<b>8 474</b>	<b>6 243</b>
Investments of property, plant & eq., net	-329	-292	-677	-555
Other investments, net	-197	-391	-438	-720
Cash flow from investments	-526	-683	-1 115	-1 275
Adjustment, pensions	772		772	
Adjustment, currency hedges of loans	-798	-427	-438	-604
Adjustment, tax payment in Belgium	655	2 250	655	2 250
<b>Operating cash flow</b>	<b>4 838</b>	<b>3 487</b>	<b>8 348</b>	<b>6 614</b>
Company acquisitions/ divestments	-124	-357	-185	-964

\* Including discontinued operations

## *Near-term outlook*

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

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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.”