

A technical drawing of a mechanical part is overlaid on a blue triangular background in the bottom left corner. The drawing includes various dimensions and labels such as '390', '1390', '1630', 'C-C(1:3)', and 'Ø72'.

# Q3 results

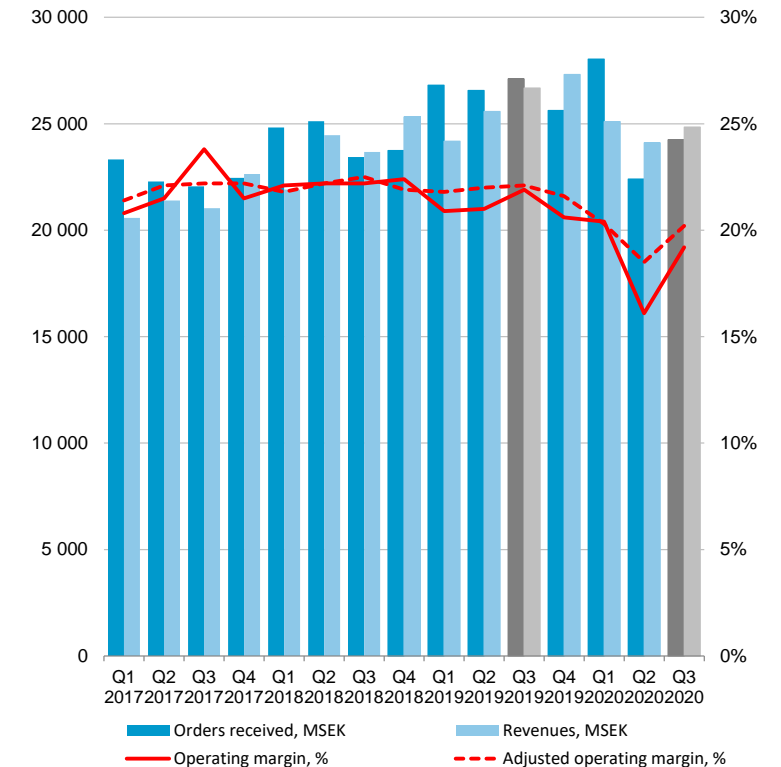
October 22, 2020

# Q3 in brief

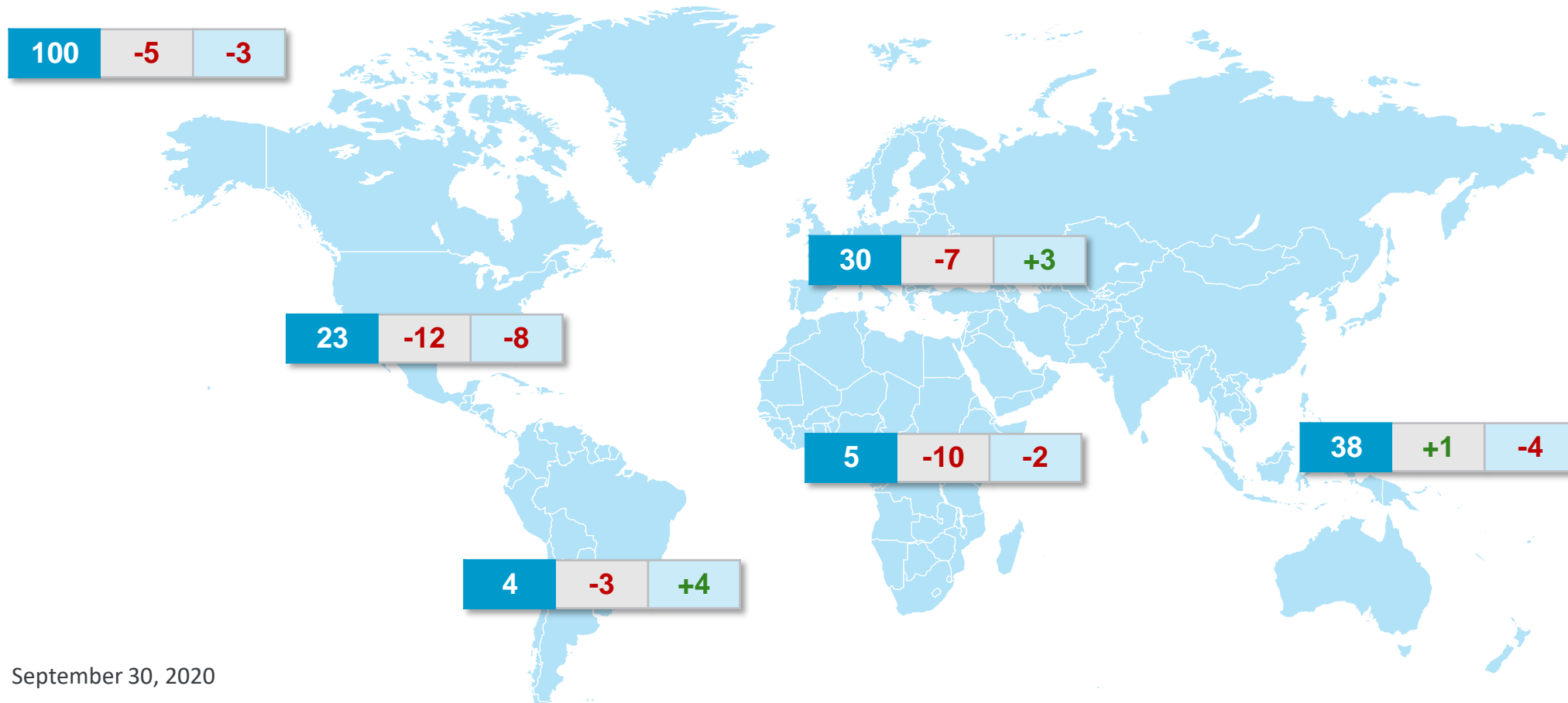
- Year-on-year order decline
  - Still impacted by COVID-19
- Sequential demand recovery
  - Both for service and equipment
- Healthy operating profit level, given market conditions
- Strong operating cash flow
- Proposed dividend of SEK 3.50 per share to be paid in Q4

# Q3 figures in summary

- Orders received were 24 246 (27 102), organic decline of 6%
- Revenues were MSEK 24 849 (26 676), organic decline of 2%
- Adjusted operating profit at MSEK 5 021 (5 880), margin of 20.2% (22.0)
  - Items affecting comparability of MSEK -261 (-37)
  - Reported operating profit decreased to MSEK 4 760 (5 843), margin of 19.2% (21.9)
- Profit for the period was MSEK 3 618 (4 424)
- Basic earnings per share were SEK 2.98 (3.64)
- Operating cash flow was MSEK 5 143 (4 643)
- Return on capital employed was 24% (32)



# Orders received – local currency

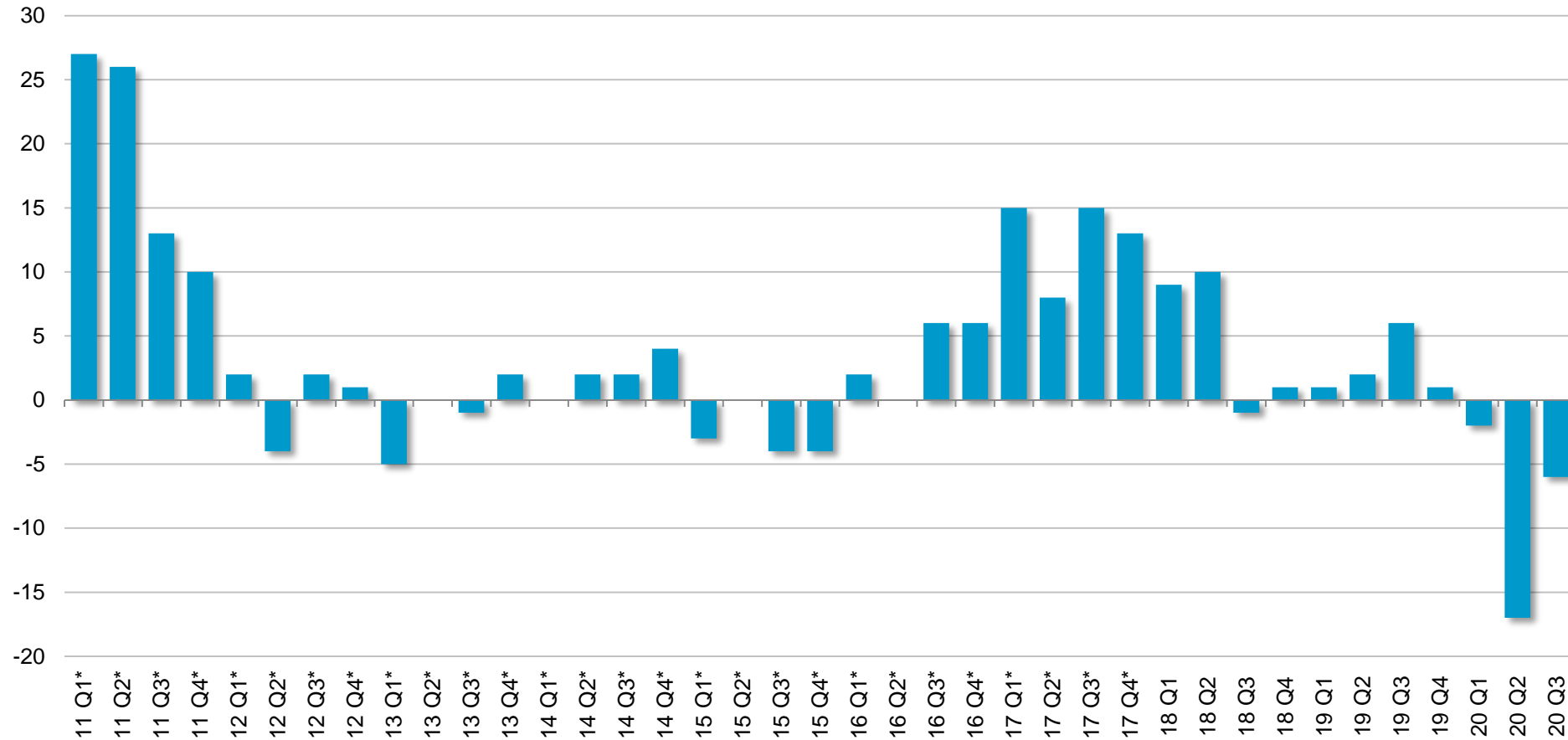


September 30, 2020

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, %



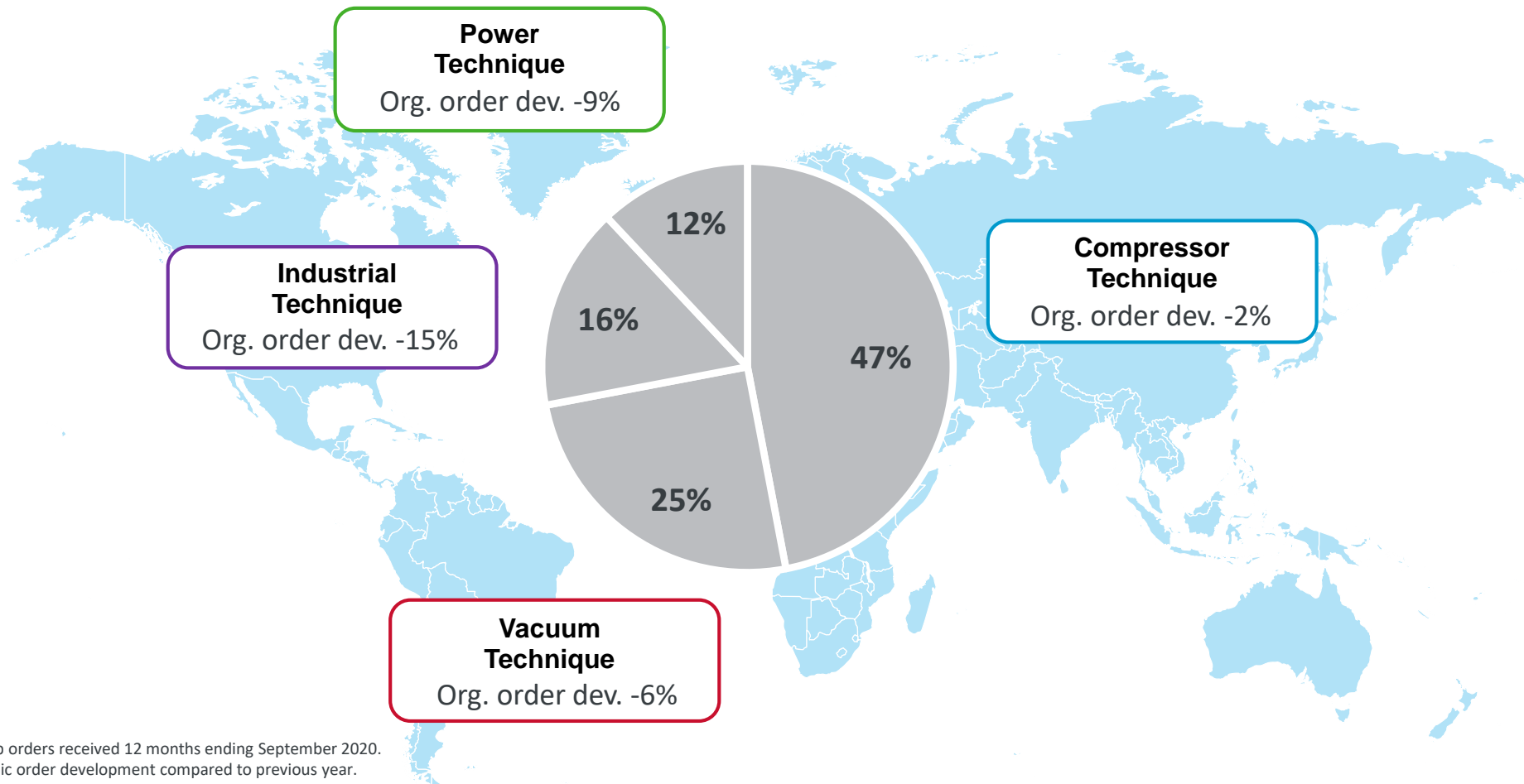
\*2011-2017 excluding Mining and Rock Excavation Technique business area (now part of Epiroc AB).

# Sales bridge

MSEK	July - September		January - September	
	Orders received	Revenues	Orders received	Revenues
2019	27 102	26 676	80 479	76 437
Structural change, %	+3	+2	+3	+3
Currency, %	-8	-7	-2	-2
Organic*, %	-6	-2	-8	-4
Total, %	-11	-7	-7	-3
2020	24 246	24 849	74 686	74 049

\*Volume, price and mix.

# Orders by business area and organic order development\*



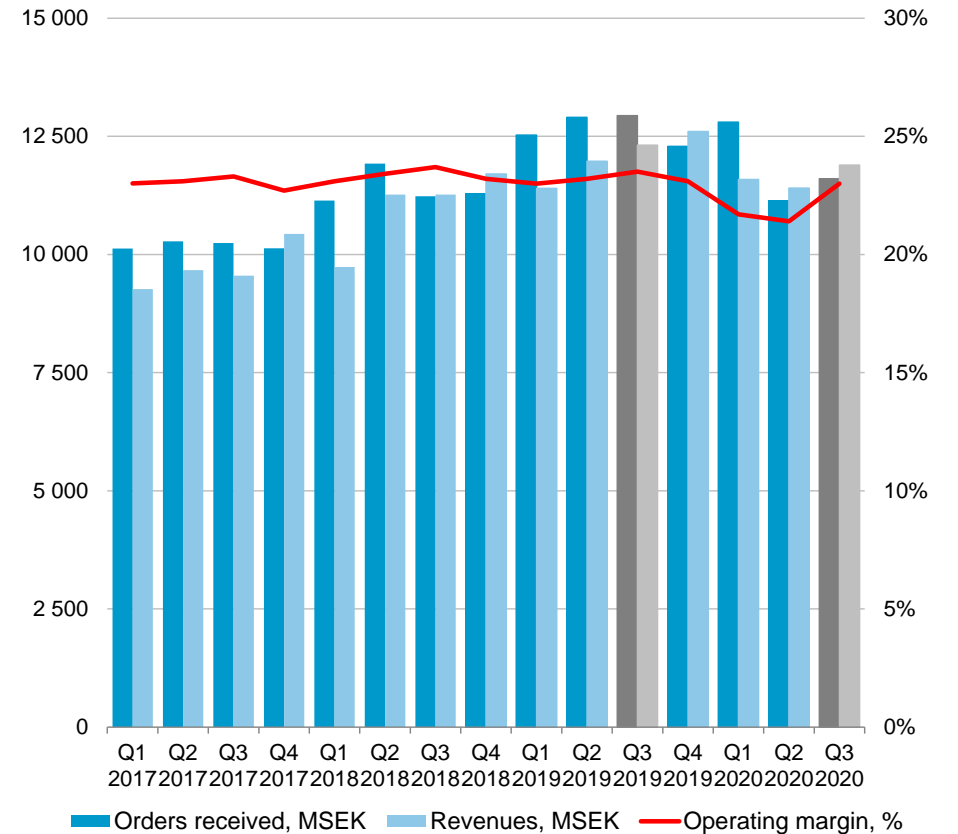
\* Share of Group orders received 12 months ending September 2020.  
3 month organic order development compared to previous year.

# Compressor Technique

- Orders down 2% organically vs. previous year
  - Large compressors down – smaller increased organically
  - Growth for service
- Sequential order increase in all areas
- Revenues increased 4% organically year-on-year
- Operating profit margin at 23.0% (23.5)
  - Negative sales mix
- ROCE at 75% (93)



Innovation:  
 CD+ 20-335, the first compressed air dryer with solid desiccant, providing reduced energy consumption and health and environmental benefits compared to conventional dryers.



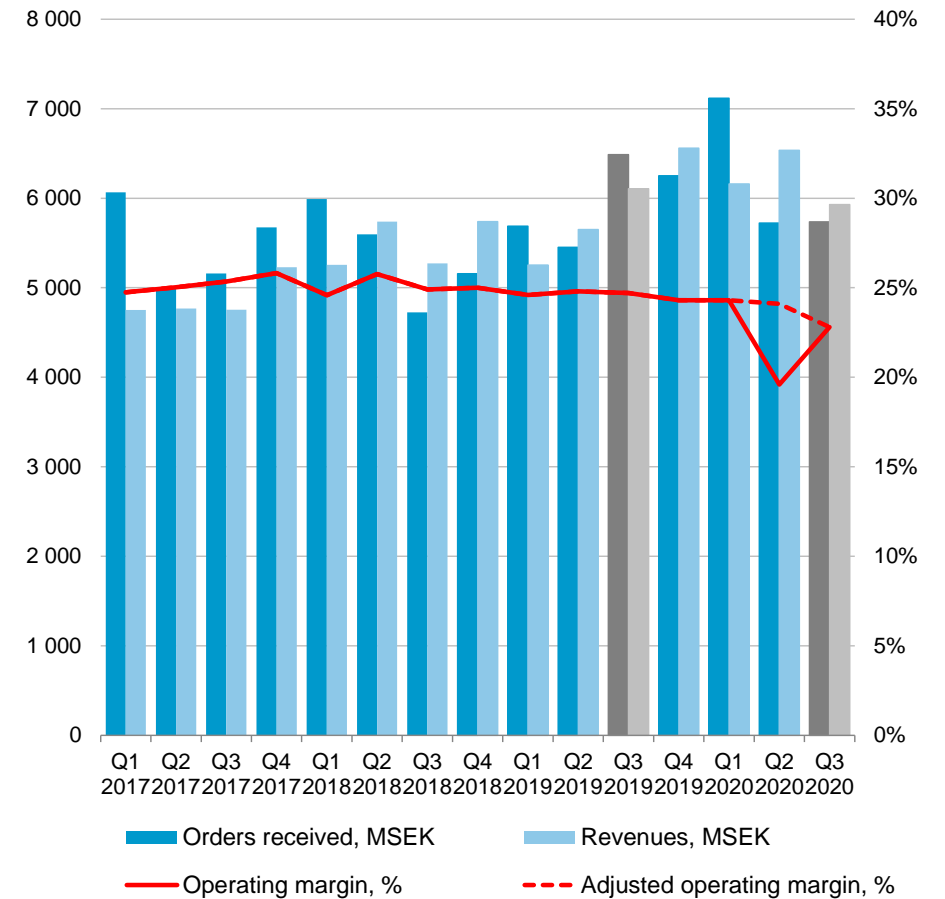


# Vacuum Technique

- Orders down 6% organically vs. high level in Q3 2019
  - Semi equipment down – industrial equipment up
  - Double-digit growth in service
- Sequential order growth
- Revenues up 3% organically year-on-year
- Operating profit margin at 22.8% (24.7)
  - Negative currency
- ROCE at 19% (23)



Innovation:  
nEXT730 and EXT930 turbomolecular pumps offering customer high pumping speed flexible installation and intelligent monitoring and control options.

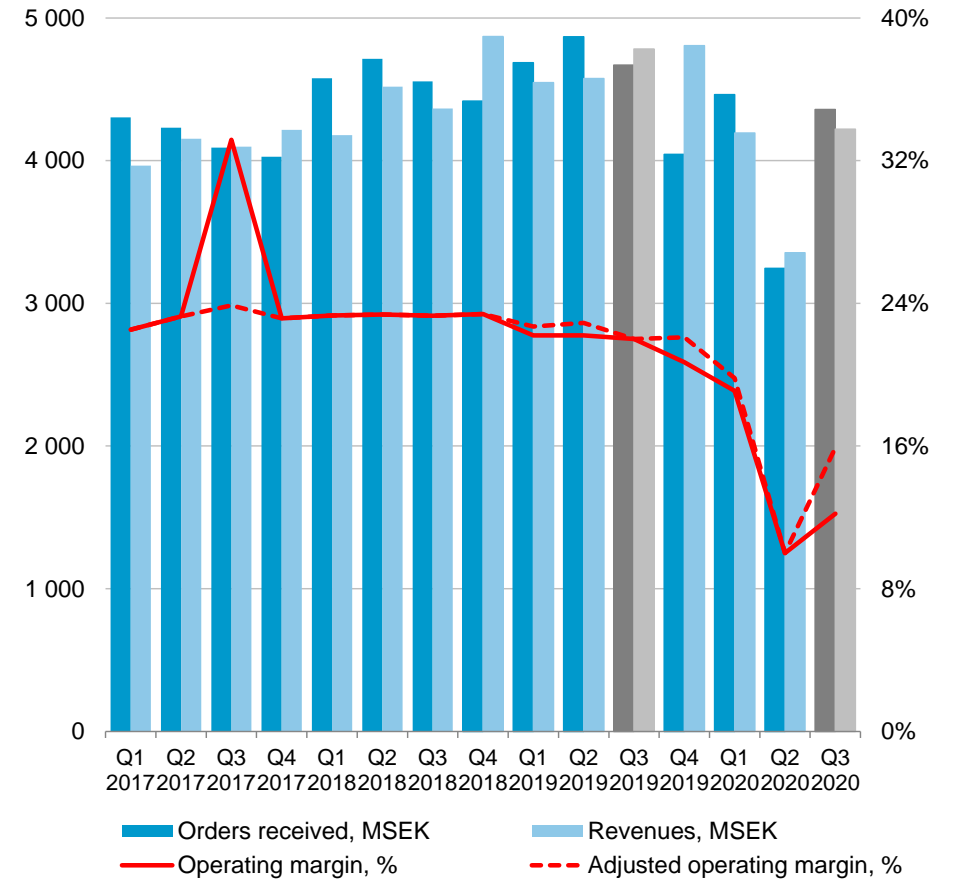


# Industrial Technique

- Order intake down 15% organically vs. previous year
  - Lower demand across most customer segments
  - Service orders down
- Sequential improvement vs. low second quarter
- Revenue decline of 17% organically year-on-year
- Adjusted operating profit margin at 15.9% (22.0)
  - Large volume drop and dilution from acquisitions
- ROCE at 16% (36)



Innovation:  
Smart.Adjust, a new product that combines visual bead inspection and industrial dispensing optimizing in the application process in battery production.

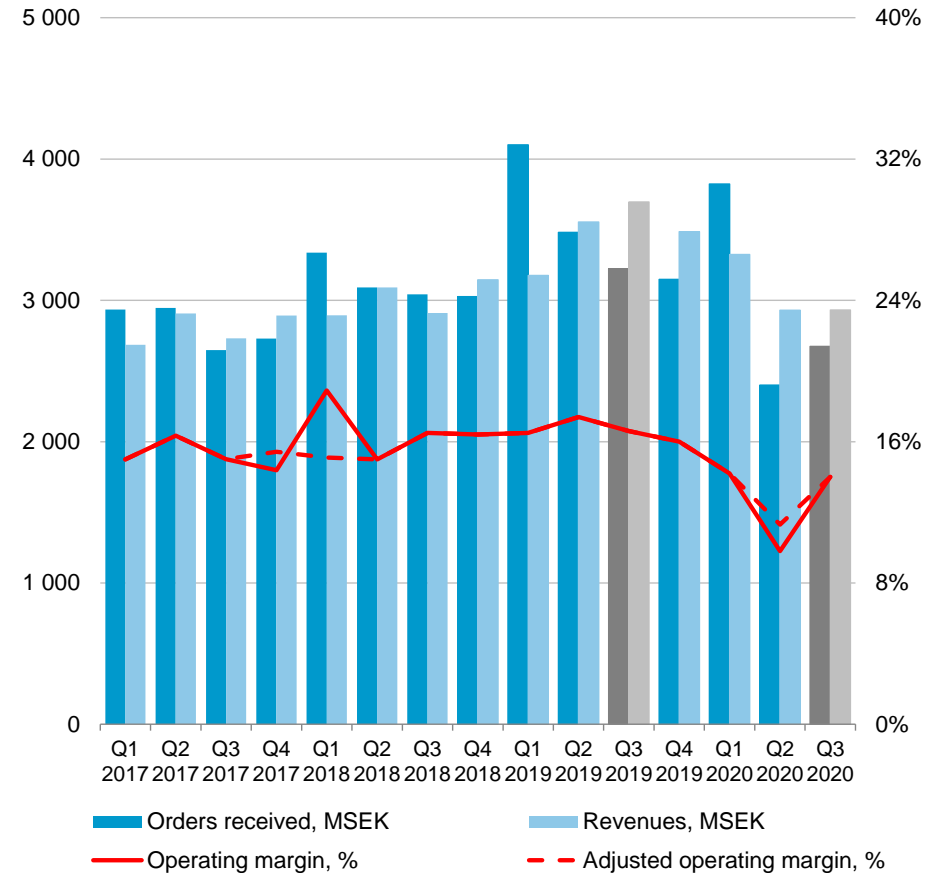


# Power Technique

- 9% organic order decrease year-on-year
  - Equipment, specialty rental and service all remained below previous year's level
- Sequential order growth vs. low second quarter
- Revenues decreased 13% organically
- Operating profit margin at 14.0% (16.4)
- ROCE at 19% (29)



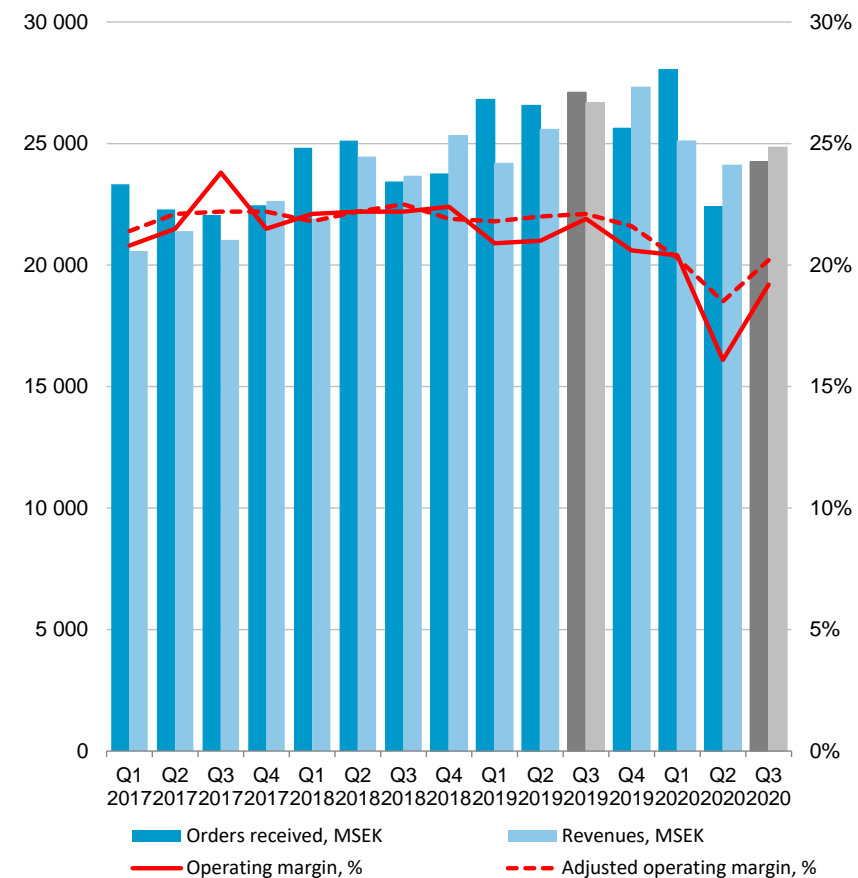
Innovation:  
HiLight H6+, a new light tower with the lowest noise level on the market, and next generation LED lights to ensure low operational costs for customer.



# Group total

July – September 2020 vs. 2019

MSEK	July - September		
	2020	2019	
<b>Orders received</b>	<b>24 246</b>	<b>27 102</b>	<b>-11%</b>
<b>Revenues</b>	<b>24 849</b>	<b>26 676</b>	<b>-7%</b>
<b>Operating profit</b>	<b>4 760</b>	<b>5 843</b>	<b>-19%</b>
– as a percentage of revenues	19.2	21.9	
Net financial items	-64	-65	
<b>Profit before tax</b>	<b>4 696</b>	<b>5 778</b>	<b>-19%</b>
– as a percentage of revenues	18.9	21.7	
<b>Income tax expense</b>	<b>-1 078</b>	<b>-1 354</b>	<b>-20%</b>
– as a percentage of profit before tax	23.0	23.4	
<b>Profit for the period</b>	<b>3 618</b>	<b>4 424</b>	<b>-18%</b>
<b>Basic earnings per share, SEK</b>	<b>2.98</b>	<b>3.64</b>	
<b>Return on capital employed, %</b>	<b>24</b>	<b>32</b>	
<b>Return on equity, 12 month values, %</b>	<b>27</b>	<b>39</b>	



# Profit bridge

July – September 2020 vs. 2019

MSEK	Q3 2020	Volume, price, mix and other	Currency	Items affecting comparability and acquisitions	Share-based LTI* programs	Q3 2019
<b>Atlas Copco Group</b>						
Revenues	24 849	-542	-1 955	670		26 676
Operating profit	4 760	-184	-660	-175	-64	5 843
	19.2%					21.9%

\*LTI = Long term incentive

# Profit bridge – by business area

July – September 2020 vs. 2019

MSEK	Q3 2020	Volume, price, mix and other	Currency	Items affecting comparability and acquisitions	Q3 2019
<b>Compressor Technique</b>					
Revenues	11 890	486	-985	75	12 314
Operating profit	2 729	122	-280	-10	2 897
	23.0%				23.5%
<b>Vacuum Technique</b>					
Revenues	5 928	186	-415	50	6 107
Operating profit	1 354	81	-230	-5	1 508
	22.8%				24.7%
<b>Industrial Technique</b>					
Revenues	4 221	-822	-285	545	4 783
Operating profit	513	-283	-95	-160	1 051
	12.2%				22.0%
<b>Power Technique</b>					
Revenues	2 932	-490	-275	0	3 697
Operating profit	410	-141	-55	0	606
	14.0%				16.4%

# Balance sheet

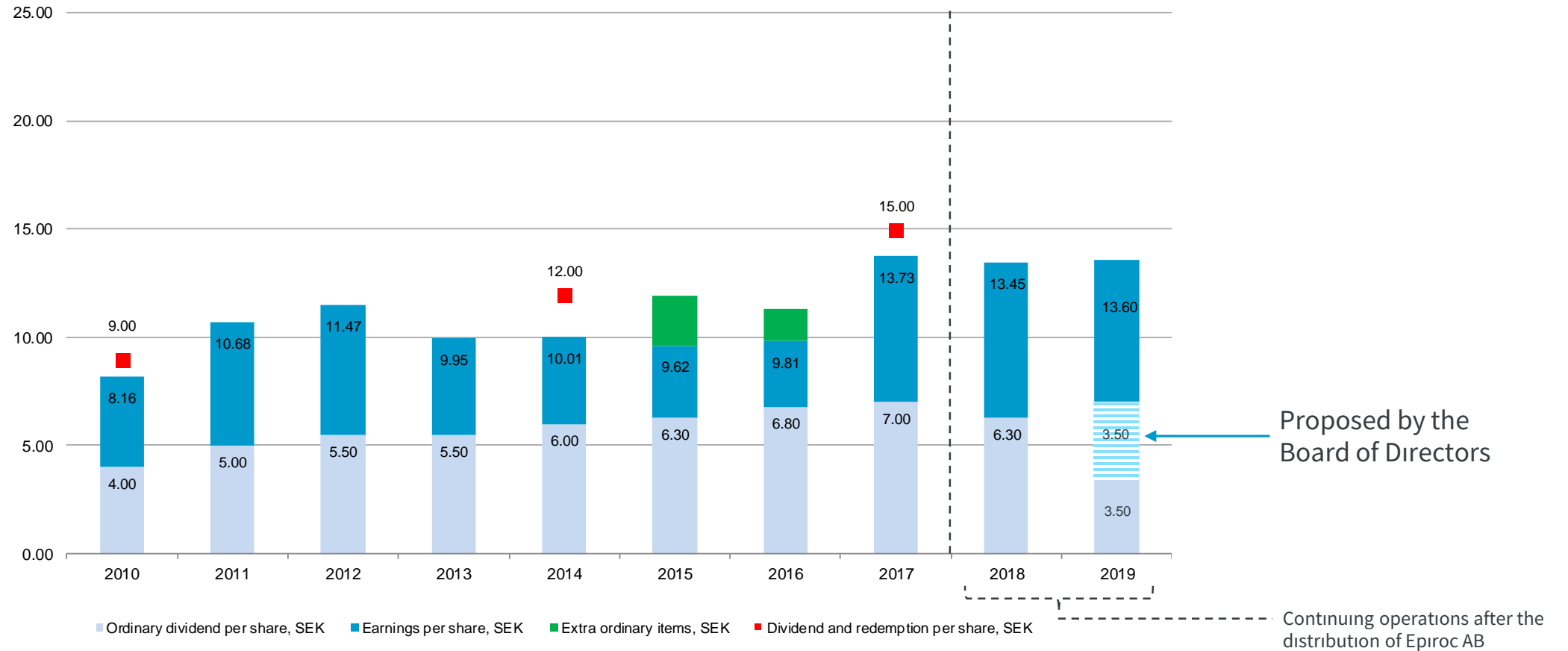
MSEK	Sep. 30, 2020	Sep. 30, 2019	Dec. 31, 2019
Intangible assets	48 795	37 956	36 549
Fixed assets and other non-current assets	17 576	18 765	17 680
Inventories	14 704	15 446	14 501
Receivables	27 464	28 504	27 861
Cash and current financial assets	10 394	13 859	15 131
<b>Total assets</b>	<b>118 933</b>	<b>114 530</b>	<b>111 722</b>
Total equity	57 073	50 582	53 290
Interest-bearing liabilities	29 051	27 063	27 143
Non-interest-bearing liabilities	32 809	36 885	31 289
<b>Total equity and liabilities</b>	<b>118 933</b>	<b>114 530</b>	<b>111 722</b>

# Cash flow

MSEK	July - September		January - September	
	2020	2019	2020	2019
Operating cash surplus	6 023	6 798	18 223	20 012
<i>of which depreciation added back</i>	<i>1 300</i>	<i>1 240</i>	<i>3 877</i>	<i>3 452</i>
Net financial items	310	-60	68	-638
Taxes paid	-1 729	-1 510	-3 905	-4 346
Pension funding	-78	-103	-236	-264
Change in working capital	1 707	237	984	-3 170
Increase in rental equipment, net	-59	-336	-327	-820
<b>Cash flows from operating activities</b>	<b>6 174</b>	<b>5 026</b>	<b>14 807</b>	<b>10 774</b>
Investments of property, plant & eq., net	-333	-176	-1 047	-856
Other investments, net	-362	-229	-938	-750
<b>Cash flow from investments</b>	<b>-695</b>	<b>-405</b>	<b>-1 985</b>	<b>-1 606</b>
Adjustment, currency hedges of loans	-336	22	-371	373
<b>Operating cash flow</b>	<b>5 143</b>	<b>4 643</b>	<b>12 451</b>	<b>9 541</b>
Company acquisitions/ divestments	-123	-6 525	-12 921	-7 527



# 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.



*Atlas Copco*



[atlas-copco.com](https://atlas-copco.com)



# 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.”