

A blue triangular graphic overlay is positioned in the bottom left corner. It contains a white technical drawing of a mechanical part, showing various dimensions and labels such as "12.7 (0.51)", "16.5 (0.65)", "C.C. (1.9)", and "Ø72".

**Q4 results**

January 28, 2020

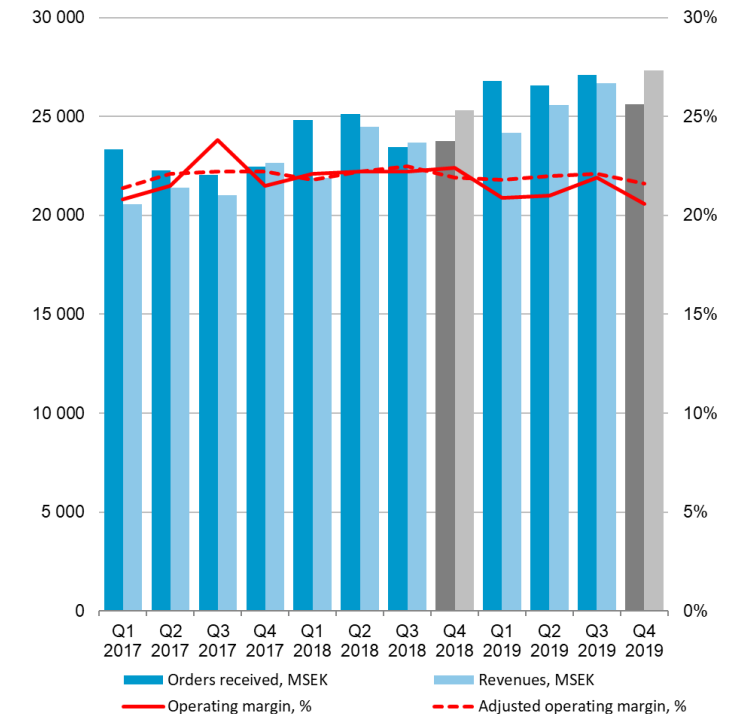


# Q4 in brief

- Order growth despite lower activity level in most end markets
- Mixed equipment demand
  - Vacuum equipment and large compressors equipment increased
  - Equipment to the automotive industry decreased
- Service continued to grow
- Revenue growth, solid profitability and cash flow

# Q4 figures in summary

- Orders received at MSEK 25 625 (23 743), organic growth of 1%
- Revenues at MSEK 27 319 (25 321), organic growth of 1%
- Reported operating profit was MSEK 5 627 (5 661), margin at 20.6% (22.4)
  - Adjusted operating profit increased to MSEK 5 913 (5 549), margin at 21.6% (21.9)
- Profit for the period, MSEK 4 331 (5 203)
  - Excluding items affecting comparability, MSEK 4 553 (approx. 4 156)
- Basic earnings per share, SEK 3.55 (4.29)
  - Excluding items affecting comparability, SEK 3. 74 (3.42)
- Operating cash flow, MSEK 5 084 (4 970)
- Return on capital employed, 30% (33)



# Full year 2019 in brief

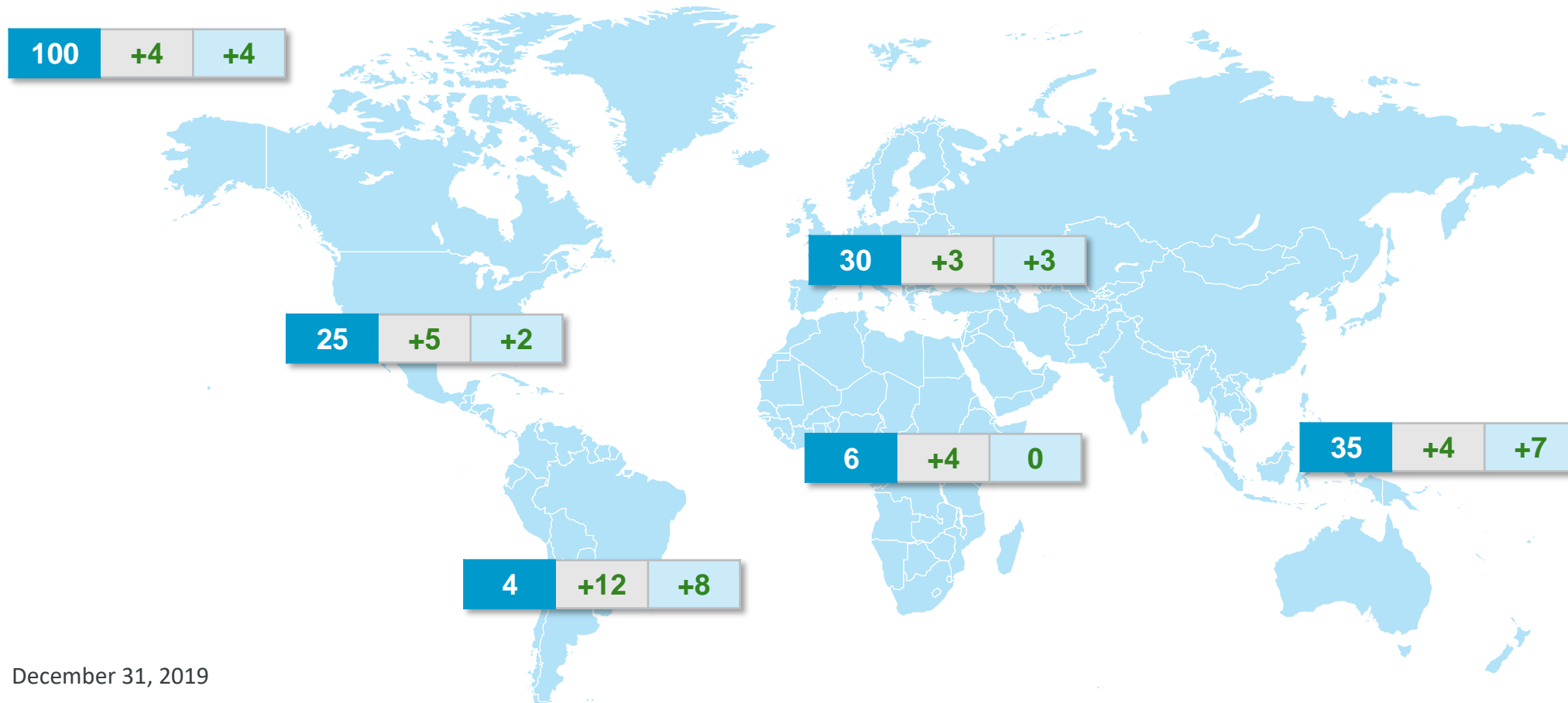
- Record orders, revenues and profit
- Order growth for Compressor Technique, Vacuum Technique and Power Technique
- Industrial Technique flat, affected by weakened demand from the automotive industry
- Continued growth for service
- 18 acquisitions completed
- Proposed dividend of SEK 7.00 per share to be paid in two installments

# Full year 2019 figures in summary

## A record year

- Orders received increased 9% to MSEK 106 104 (97 132), organic growth of 3%
- Revenues increased 9% to MSEK 103 756 (95 363), organic growth of 2%
- Operating profit reached MSEK 21 897 (21 187)
  - Adjusted operating margin of 21.9% (22.2)
- Operating cash flow at MSEK 14 625 (approx. 13 500)
- Basic earnings per share, SEK 13.60 (13.45)
  - Adjusted earnings per share, 14.09 (12.63)

# Orders received – local currency

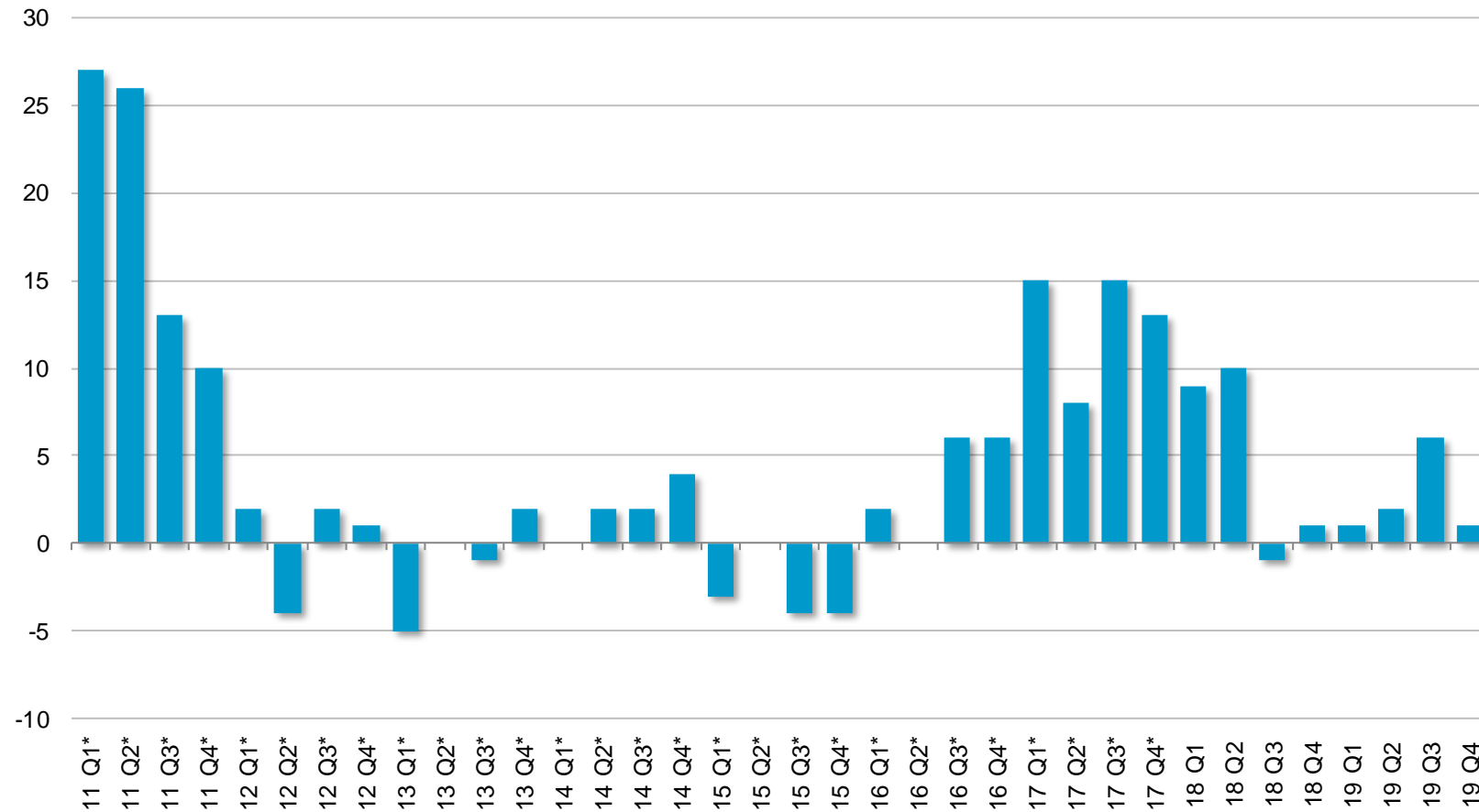


December 31, 2019

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).

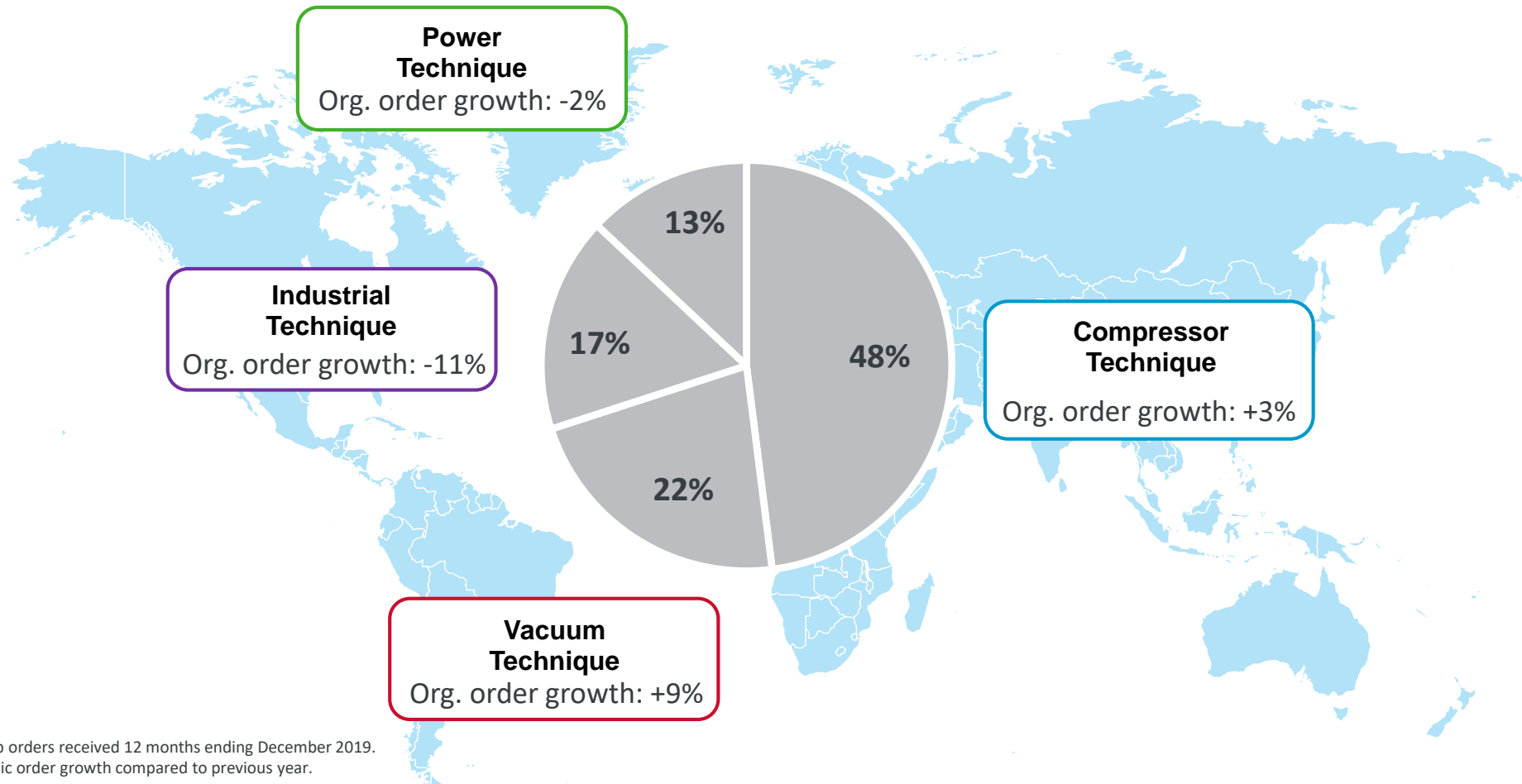
# Sales bridge

MSEK	October - December		January - December	
	Orders received	Revenues	Orders received	Revenues
2018	23 743	25 321	97 132	95 363
Structural change, %	+3	+3	+1	+2
Currency, %	+4	+4	+5	+5
Organic*, %	+1	+1	+3	+2
Total, %	+8	+8	+9	+9
2019	25 625	27 319	106 104	103 756

\*Volume, price and mix.



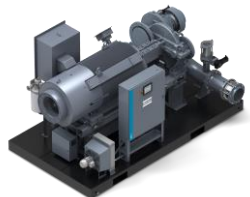
# Orders by business area and organic order growth\*



\* Share of Group orders received 12 months ending December 2019.  
3 month organic order growth compared to previous year.

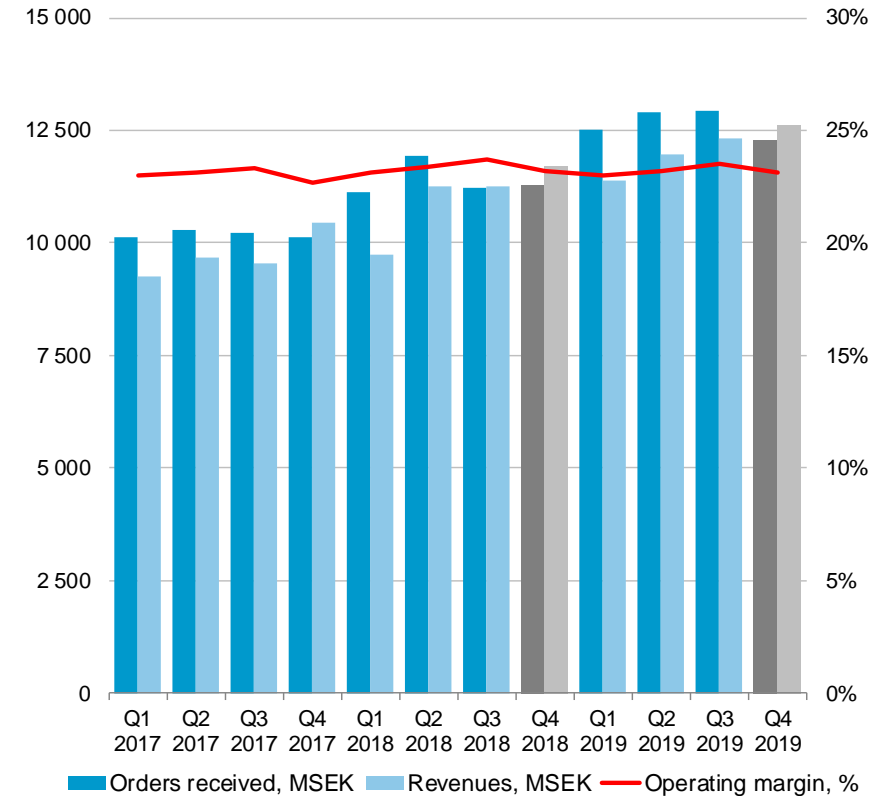
# Compressor Technique

- Orders up 3% organically
  - Solid growth for larger compressors, supported by new products and increased market presence
  - Lower demand for small and medium-sized compressors
  - Continued growth for service
- Revenue growth of 2% organically
- Operating profit margin at 23.1% (23.1), ROCE at 87% (107)



## Innovation:

A new oil-free turbo compressor combining high flow, low energy consumption, and a configurable design that can be modified to fit specific customer needs.



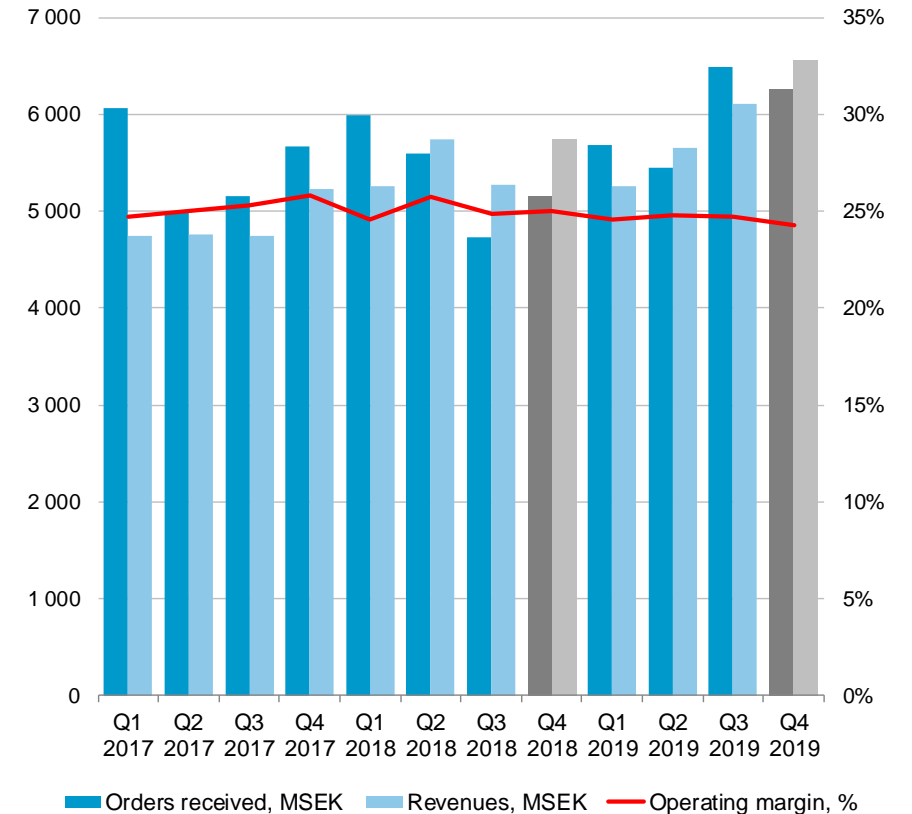
# Vacuum Technique

- Orders up 9% organically
  - Solid growth for semiconductor equipment, driven by China
  - Industrial vacuum equipment also grew
  - Service continued to grow
- Revenues up 3% organically
- Operating profit margin at 24.3% (25.0), ROCE at 22% (27)



### Innovation:

A new oil-free vacuum pump with variable speed drive for industrial use offering more efficiency and lower space requirement than comparable products.



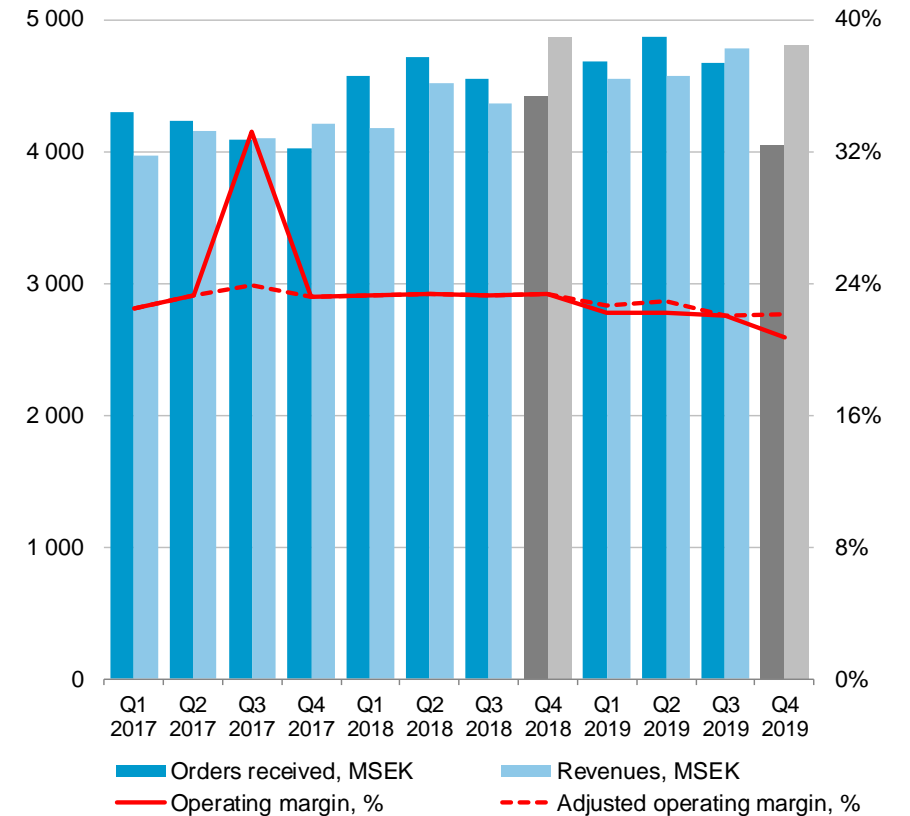
# Industrial Technique

- Orders decreased 11% organically
  - Significantly lower demand from the motor vehicle industry
  - General industry also down in most customer segments
  - Service flat
- Revenues down 5% organically
- Operating profit margin at 20.7% (23.4)
  - Adjusted operating profit margin at 22.0% (23.4)
- ROCE at 35% (40)



## Innovation:

A new dispensing unit based on intelligent and dynamic dispense technology for automated sealing in the automotive industry.



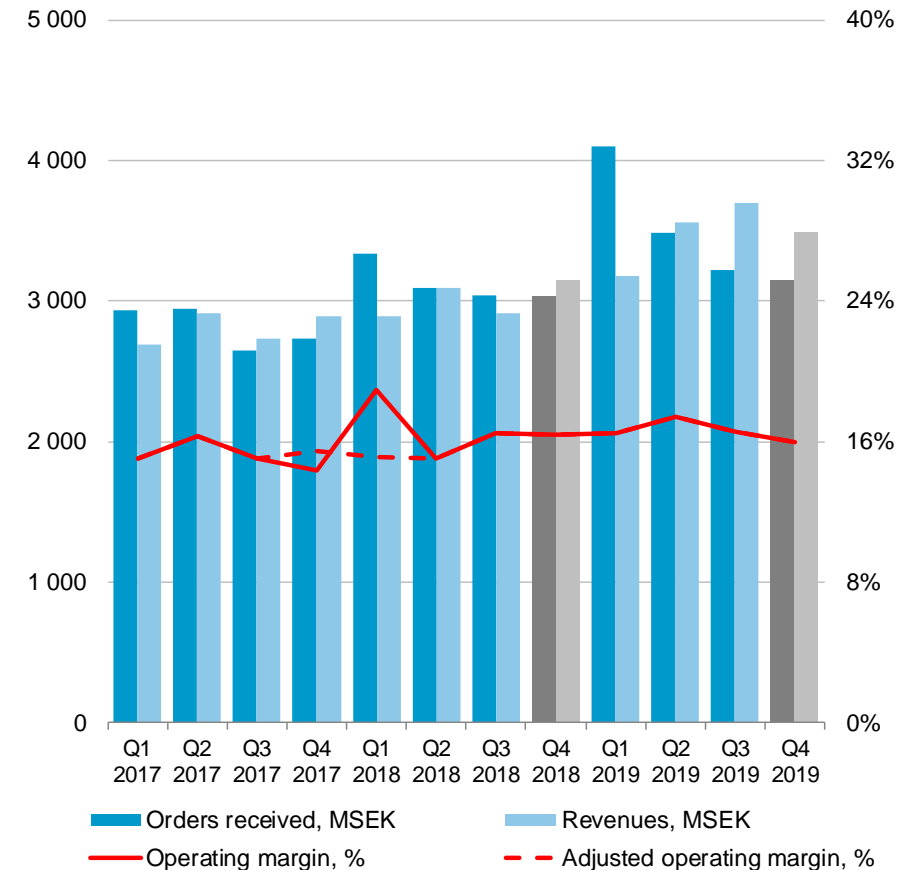
# Power Technique

- Orders down 2% organically
  - Weaker equipment demand
  - Solid growth for specialty rental
  - Service flat
- Revenues up 4% organically
- Operating profit margin at 16.0% (16.4), ROCE at 28% (28)



### Innovation:

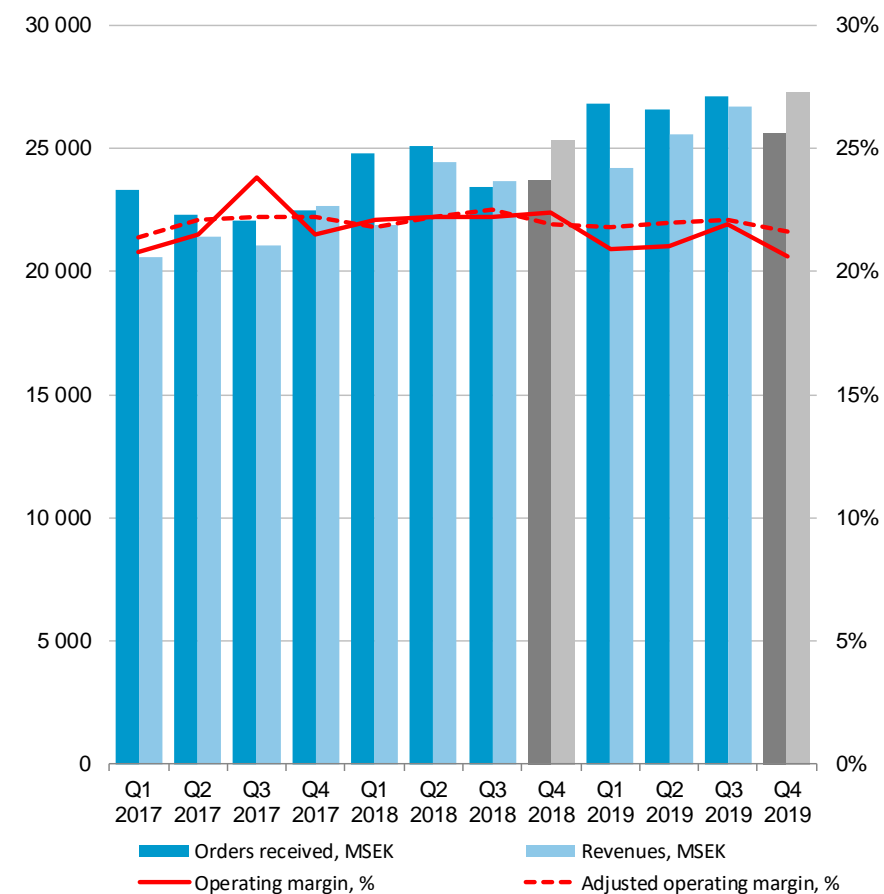
A new ergonomic handheld pneumatic rock drill providing high performance and reducing vibration by up to 50%.



# Group total

October – December 2019 vs. 2018

MSEK	October - December		
	2019	2018	
<b>Orders received</b>	<b>25 625</b>	<b>23 743</b>	<b>8%</b>
<b>Revenues</b>	<b>27 319</b>	<b>25 321</b>	<b>8%</b>
<b>Operating profit</b>	<b>5 627</b>	<b>5 661</b>	<b>-1%</b>
– as a percentage of revenues	20.6	22.4	
<b>Profit before tax</b>	<b>5 572</b>	<b>5 934</b>	<b>-6%</b>
– as a percentage of revenues	20.4	23.4	
<b>Income tax expense</b>	<b>-1 241</b>	<b>-731</b>	<b>70%</b>
– as a percentage of profit before tax	22.3	12.3	
<b>Profit for the period from continuing operations</b>	<b>4 331</b>	<b>5 203</b>	<b>-17%</b>
<b>Basic earnings per share, SEK</b>	<b>3.55</b>	<b>4.29</b>	
<b>Return on capital employed, %</b>	<b>30</b>	<b>33</b>	
<b>Return on equity, 12 month values, %</b>	<b>35</b>	<b>34</b>	



# Profit bridge

October – December 2019 vs. 2018

<b>MSEK</b>	<b>Q4 2019</b>	<b>Volume, price, mix and other</b>	<b>Currency</b>	<b>Items affecting comparability and acquisitions</b>	<b>Share-based LTI* programs</b>	<b>Q4 2018</b>
<b>Atlas Copco Group</b>						
Revenues	27 319	303	1 020	675		25 321
Operating profit	5 627	144	165	-10	-333	5 661
	20.6%					22.4%

\*LTI = Long term incentive

# Profit bridge – by business area

October – December 2019 vs. 2018

MSEK	Q4 2019	Volume, price, mix and other	Currency	Items affecting comparability and acquisitions	Q4 2018
<b>Compressor Technique</b>					
Revenues	12 601	239	440	220	11 702
Operating profit	2 910	106	105	-10	2 709
	23.1%				23.1%
<b>Vacuum Technique</b>					
Revenues	6 560	169	295	355	5 740
Operating profit	1 591	105	-10	60	1 436
	24.3%				25.0%
<b>Industrial Technique</b>					
Revenues	4 806	-240	175	0	4 871
Operating profit	994	-121	40	-65	1 140
	20.7%				23.4%
<b>Power Technique</b>					
Revenues	3 486	125	115	100	3 146
Operating profit	559	14	25	5	515
	16.0%				16.4%



# Balance sheet

MSEK	Dec. 31, 2019	Dec. 31, 2018	Jan. 1, 2019*
Intangible assets	36 549	30 025	30 025
Fixed assets and other non-current assets	17 680	12 907	16 199
Inventories	14 501	12 718	12 718
Receivables	27 861	24 503	24 485
Cash and current financial assets	15 131	16 517	16 524
<b>Total assets</b>	<b>111 722</b>	<b>96 670</b>	<b>99 951</b>
Total equity	53 290	42 472	42 472
Interest-bearing liabilities	27 143	23 218	26 502
Non-interest-bearing liabilities	31 289	30 980	30 977
<b>Total equity and liabilities</b>	<b>111 722</b>	<b>96 670</b>	<b>99 951</b>

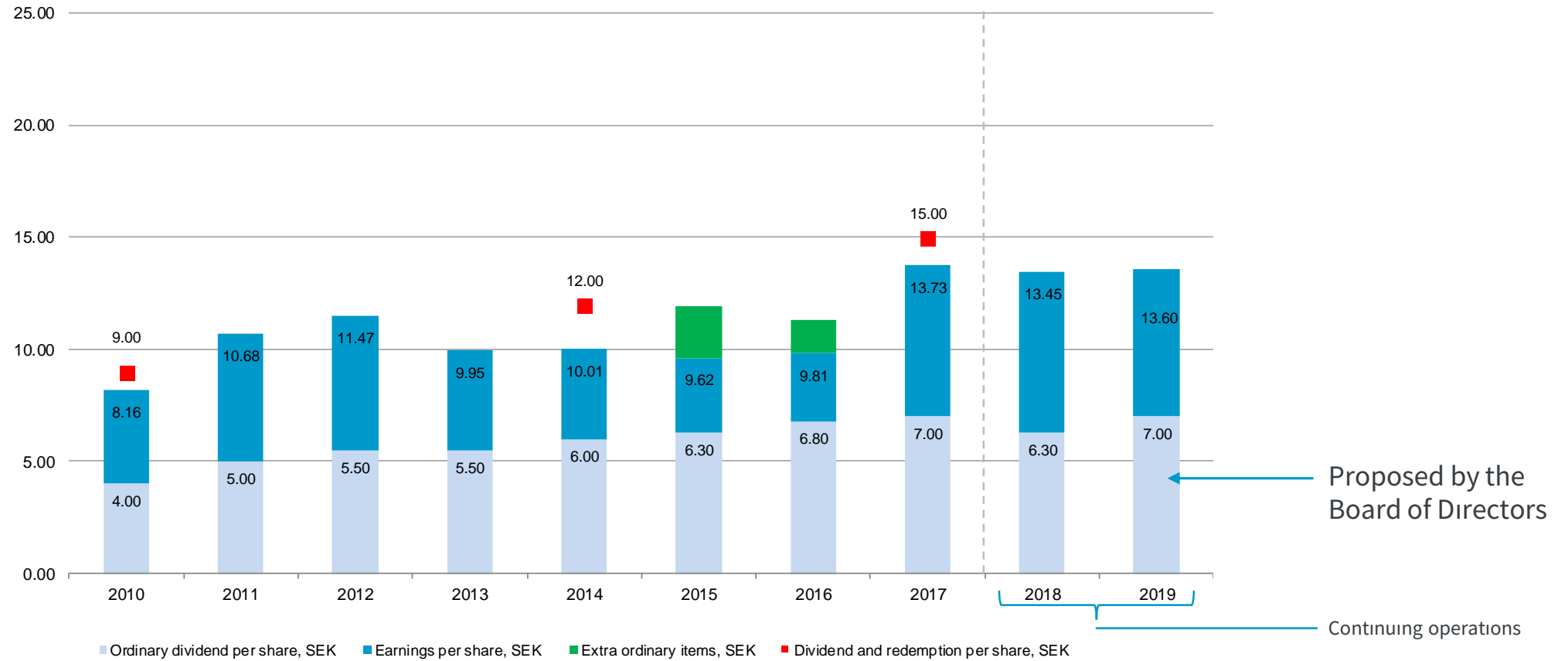
\* Including effect of IFRS 16 (leases).

# Cash flow

MSEK	October - December		January - December	
	2019	2018	2019	2018*
Operating cash surplus	6 684	6 496	26 696	28 444
<i>of which depreciation added back</i>	<i>1 248</i>	<i>868</i>	<i>4 700</i>	<i>3 922</i>
Net financial items	28	-267	-610	-675
Taxes paid	-1 155	-972	-5 501	-5 896
Pension funding	-112	-118	-376	-392
Change in working capital	199	503	-2 971	-3 391
Increase in rental equipment, net	-267	-248	-1 087	-1 276
<b>Cash flows from operating activities</b>	<b>5 377</b>	<b>5 394</b>	<b>16 151</b>	<b>16 814</b>
Investments of property, plant & eq., net	-88	-505	-944	-1 922
Other investments, net	-283	-190	-1 033	-970
<b>Cash flow from investments</b>	<b>-371</b>	<b>-695</b>	<b>-1 977</b>	<b>-2 892</b>
Adjustment, currency hedges of loans	78	271	451	211
<b>Operating cash flow</b>	<b>5 084</b>	<b>4 970</b>	<b>14 625</b>	<b>14 133</b>
Company acquisitions/ divestments	-179	-8	-7 706	-1 409

\*Including discontinued operations.

# Earnings and dividends



# Near-term outlook

The demand for Atlas Copco's products and services is expected to be somewhat lower than the level in the fourth quarter.



# 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, 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.”