

# ***ATLAS COPCO COMPRESSOR TECHNIQUE***

Capital Markets Day – Focus on Service  
November 17, 2015

Nico Delvaux, Business Area President



# AGENDA

1. Facts in Brief
2. Vacuum Solutions  
- Status update
3. Innovation
4. Service
5. Summary

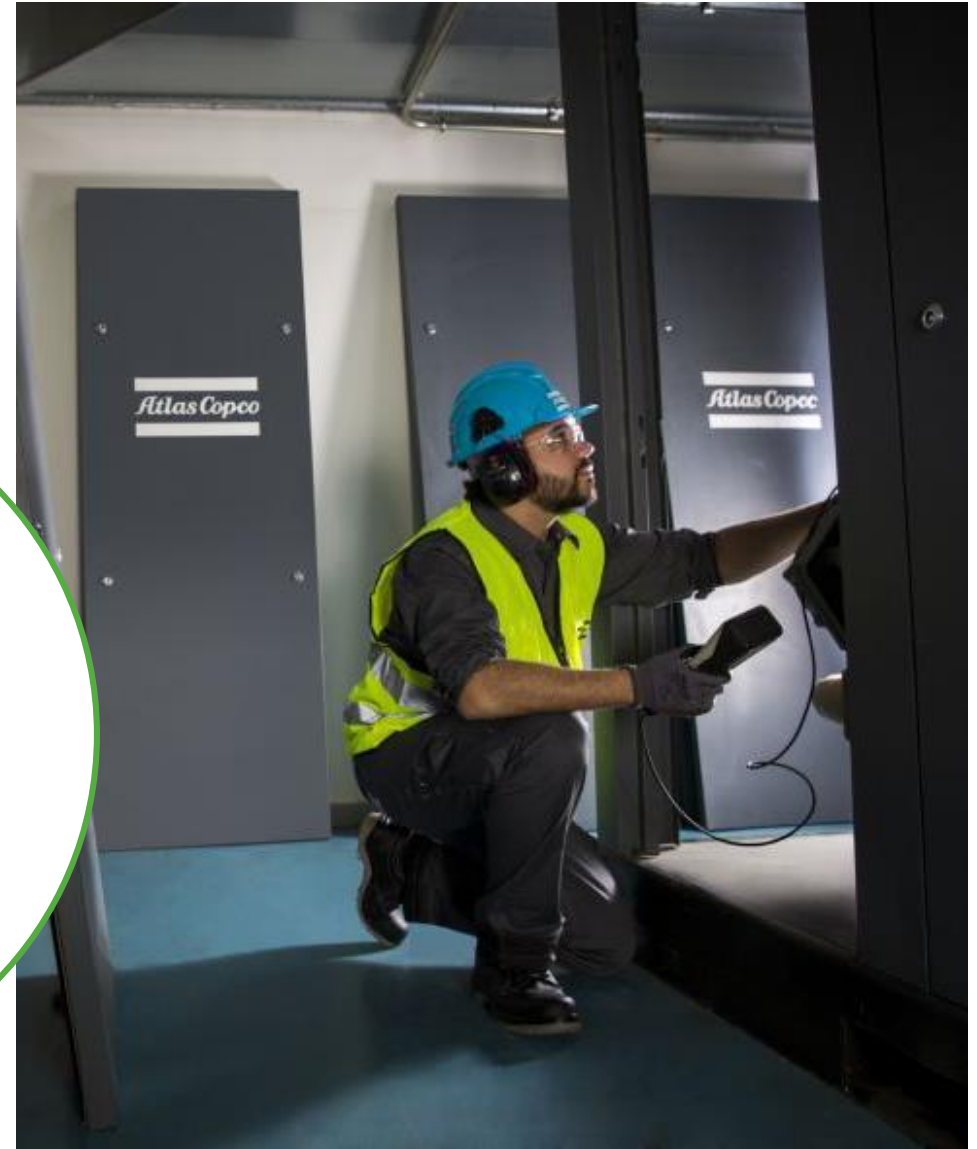


# ***FACTS IN BRIEF***

# COMPRESSOR TECHNIQUE

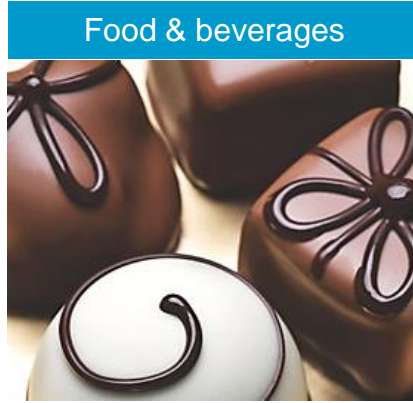
Global leader providing innovative compressed air, air and gas treatment and vacuum solutions for sustainable productivity

Profitable growth with asset light and agile organization

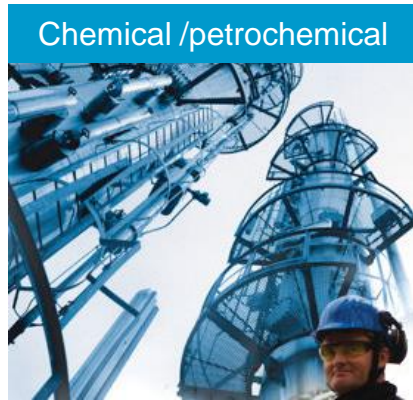


# COMPRESSOR TECHNIQUE

## Compressors & vacuum pumps



## Medical gas solutions & air treatment



# COMPRESSOR TECHNIQUE

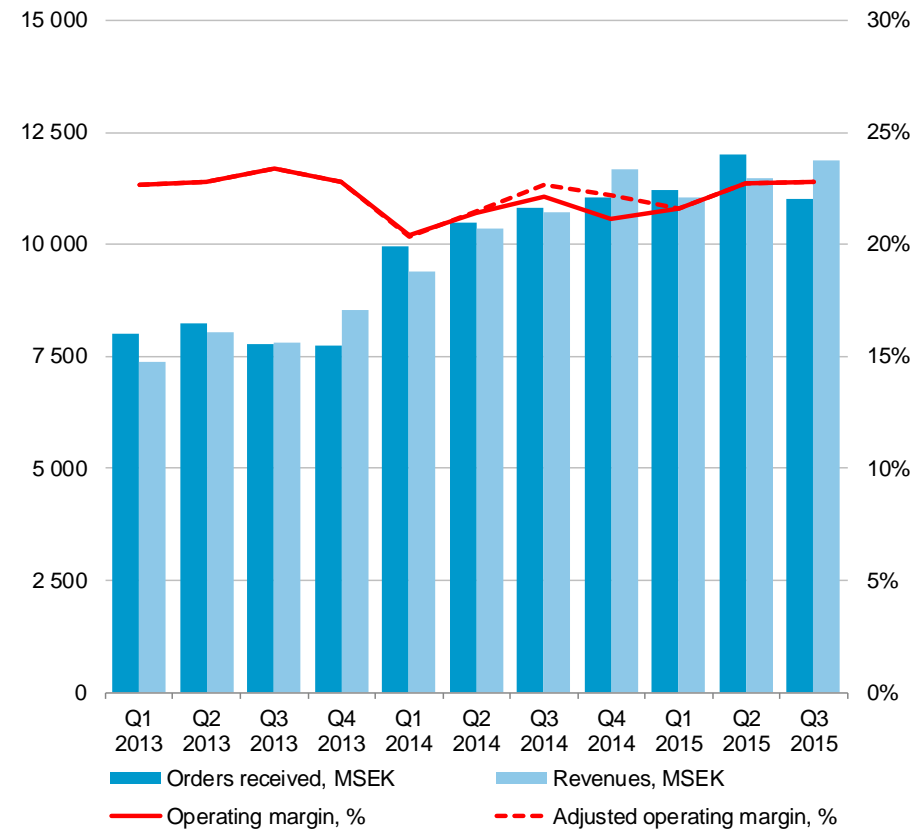
## In Brief

- Leverage investments in presence and innovation
- Grow market share and customer share
- Grow the vacuum solutions business
- Strengthen service platform and extend service offer
- Support organic growth with more acquisitions

## Q3 2015

- Growth in service
- Weak order intake for equipment
- Record revenues and operating profit
  - Operating margin at 22.8% (22.1)

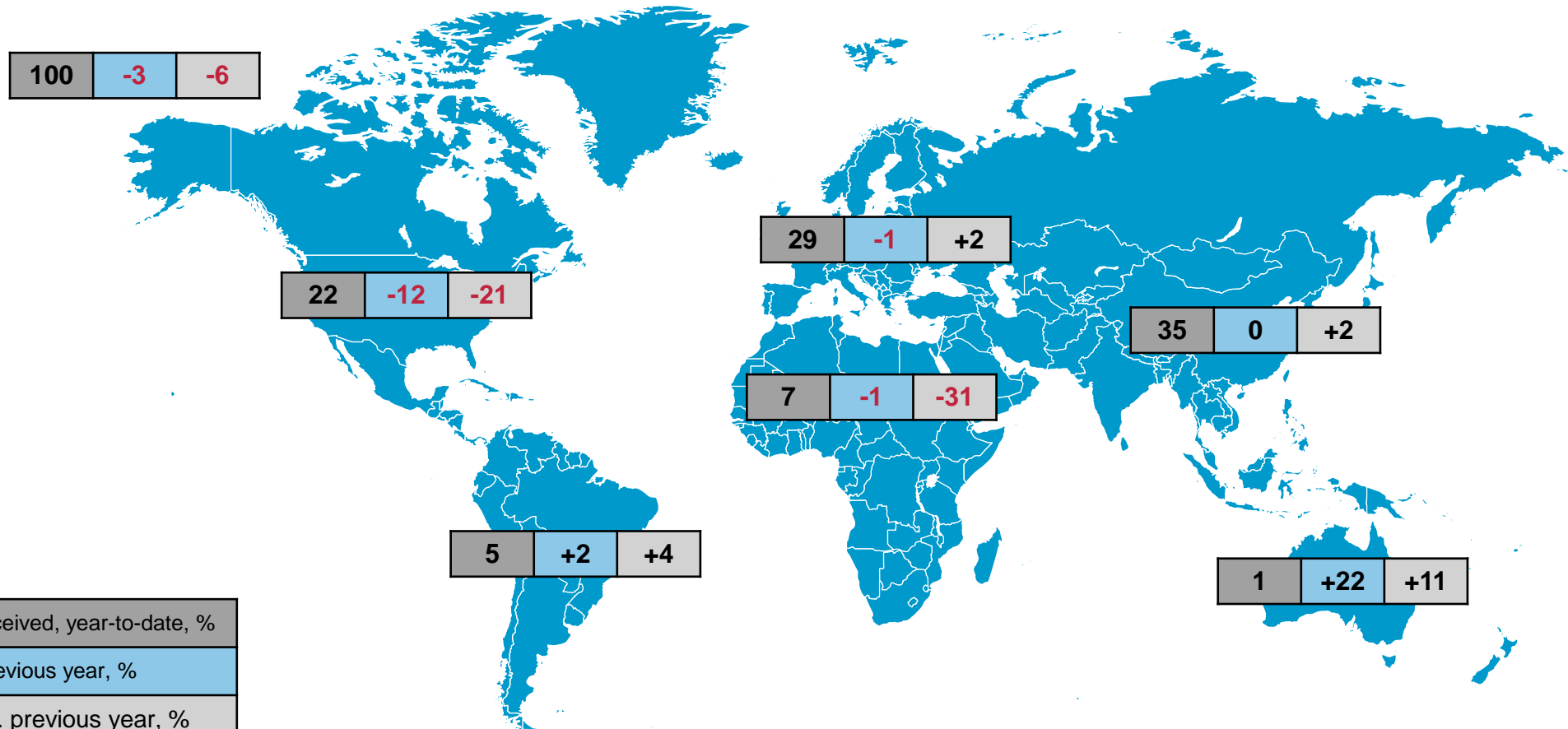
## Orders, revenues and operating margin



ROCE  
38%

# ORDERS RECEIVED - LOCAL CURRENCY

## Compressor Technique



September 2015

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

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

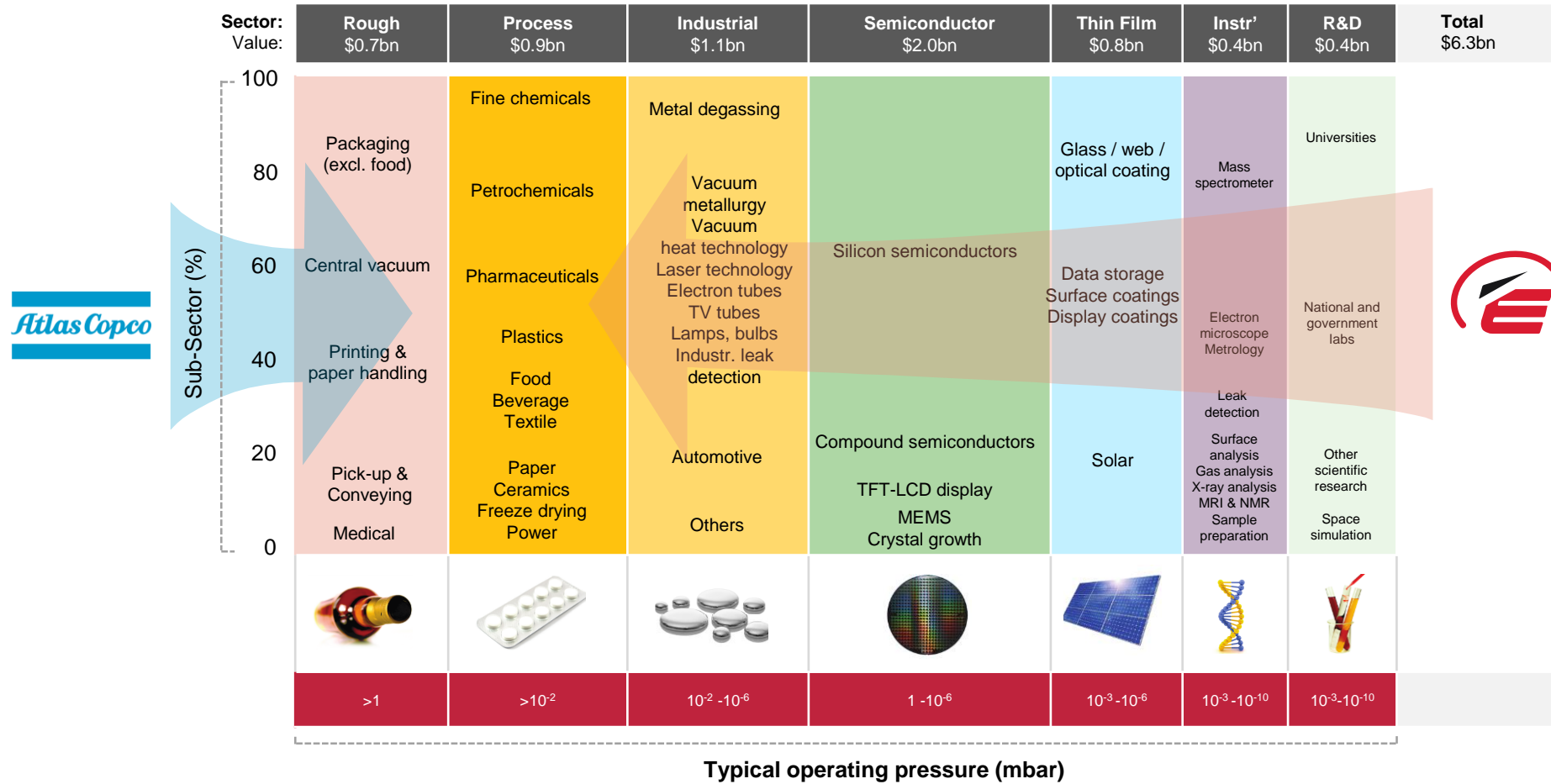
**C** Last 3 months vs. previous year, %

# *VACUUM SOLUTIONS*

Status update



# VACUUM SOLUTIONS



# VACUUM SOLUTIONS

## Update



### Synergies identified

- Sales and service synergies between vacuum and compressed air
  - Leverage customer relationships of Atlas Copco and Edwards to supply more compressors and vacuum systems
  - Leverage Atlas Copco's geographical footprint with Edwards product offering
- Cross-breeding of similar technologies
- Cost and efficiency synergies
- Grow service offering

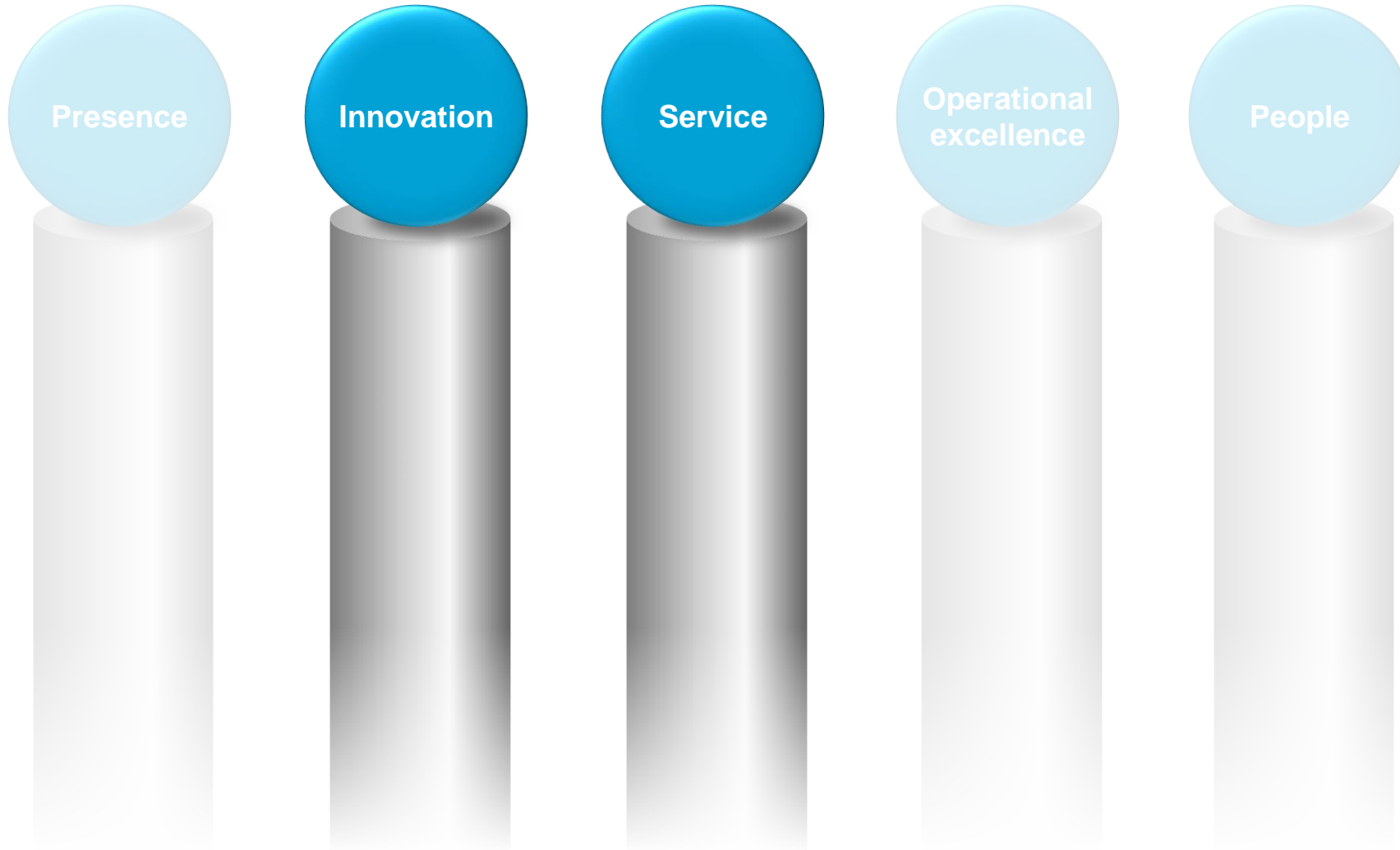


### Achievements

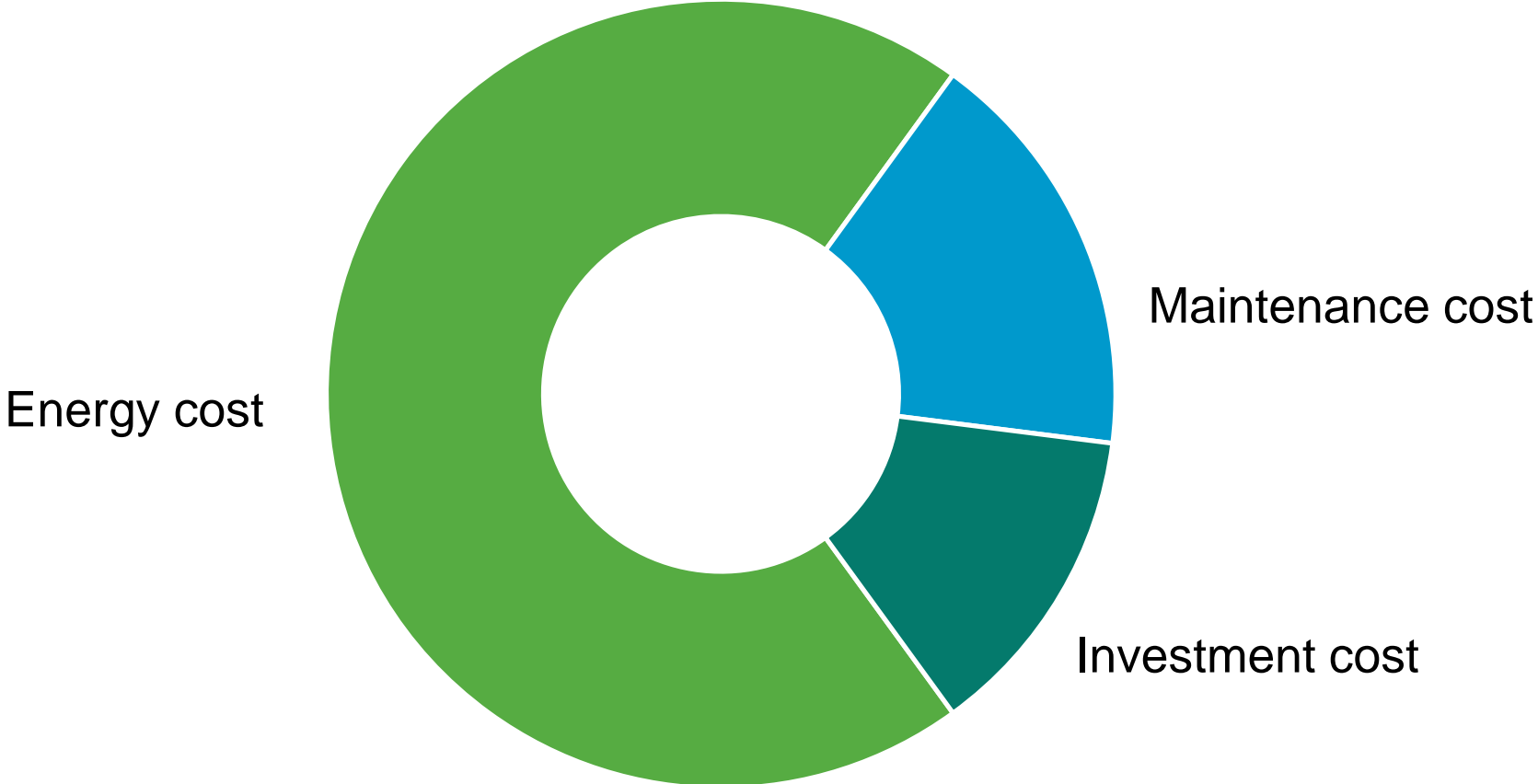
- Innovation – new products
- Strengthened position in semiconductor
- Investments in capacity close to customer
- Investments in Atlas Copco's market organization
- Growth in utility vacuum
- Strengthened position in industrial vacuum
- Accelerated service growth

# *INNOVATION*

# *THE STRATEGIC PILLARS FOR PROFITABLE GROWTH*



# LIFE CYCLE COST COMPRESSOR / VACUUM INSTALLATION



# NEW GA45-75VSD+

- Extension of break-trough concept
- Industry-leading performance
  - Specific Energy Requirement: -50%
  - Free Air Delivery: +5%
- Very low noise level: 67 d(B)A
- Compact and smart design
  - Easy service
  - Footprint: - 50%



# GHS VSD+ VACUUM PUMPS

- Atlas Copco state of the art oil injected screw elements
  - Breakthrough efficient variable speed drive vacuum pumps
- Superior alternative to the traditional oil injected vane pumps:
  - Reduction in energy consumption – on average 50%
  - Silent technology, best in class noise levels
  - Clean operation: insignificant oil emissions
  - Compact all-in-one package with advanced controls
- Game changer in the utility vacuum segment
- Patented designs
- Extension to higher capacities



***SERVICE***



# GLOBAL SERVICE SUPPORT – 24 HOUR OPERATIONS



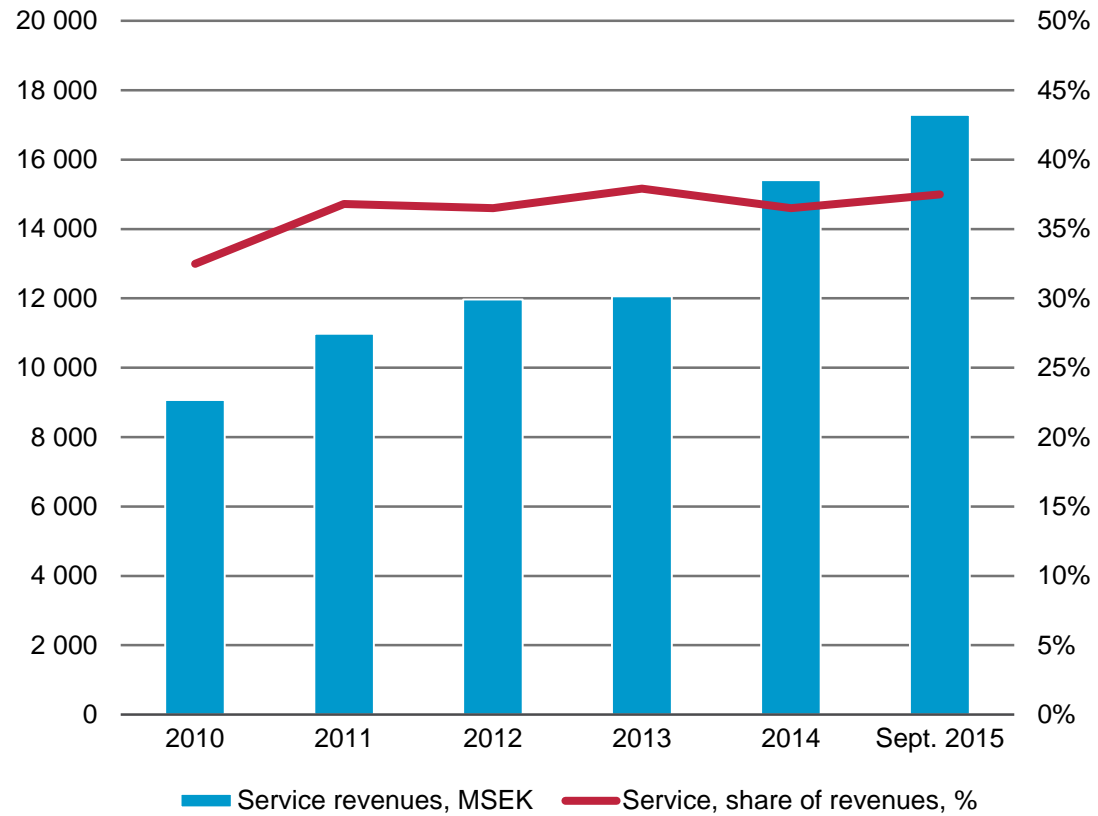
- Pro-active support anywhere at anytime
- Energy management & air optimization
- Superior solutions to reduce operational cost and increase up-time
- Committed, trained and experienced people
- Close, long-term customer relationships
- More than 8 600 people in service



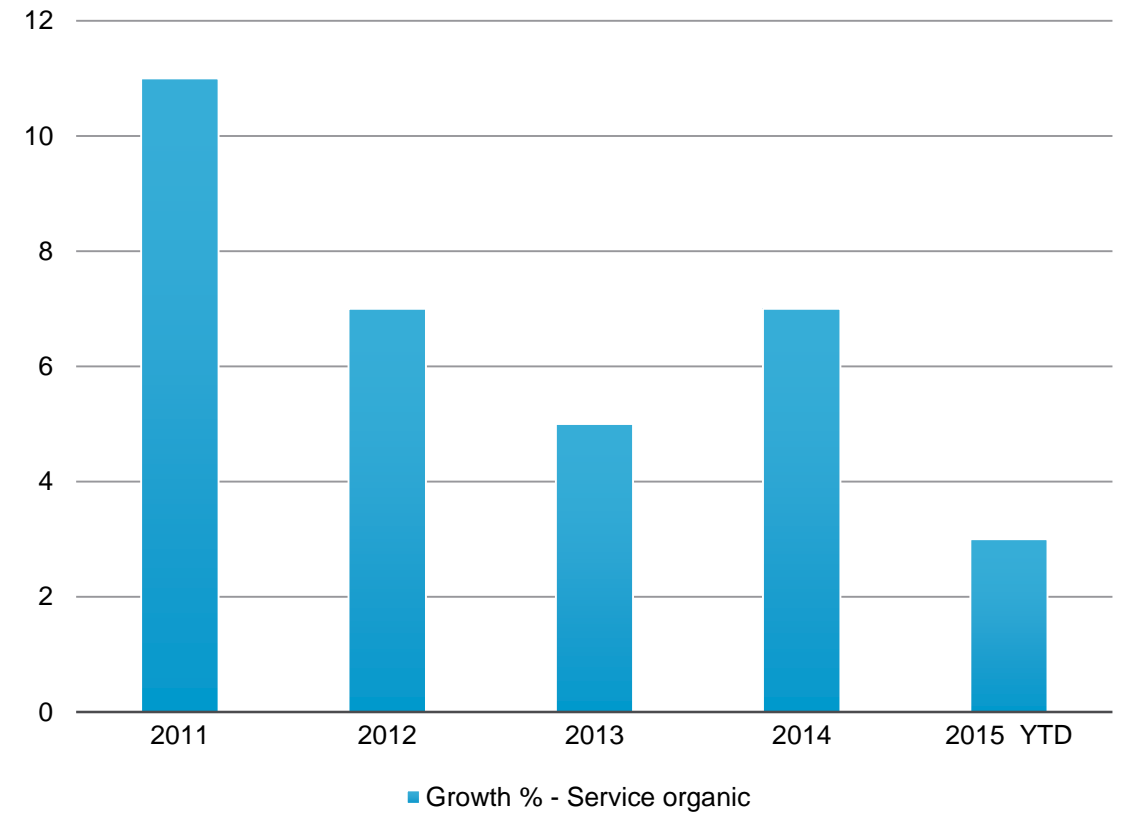
*“A complete lifecycle offering”*

# COMPRESSOR TECHNIQUE SERVICE

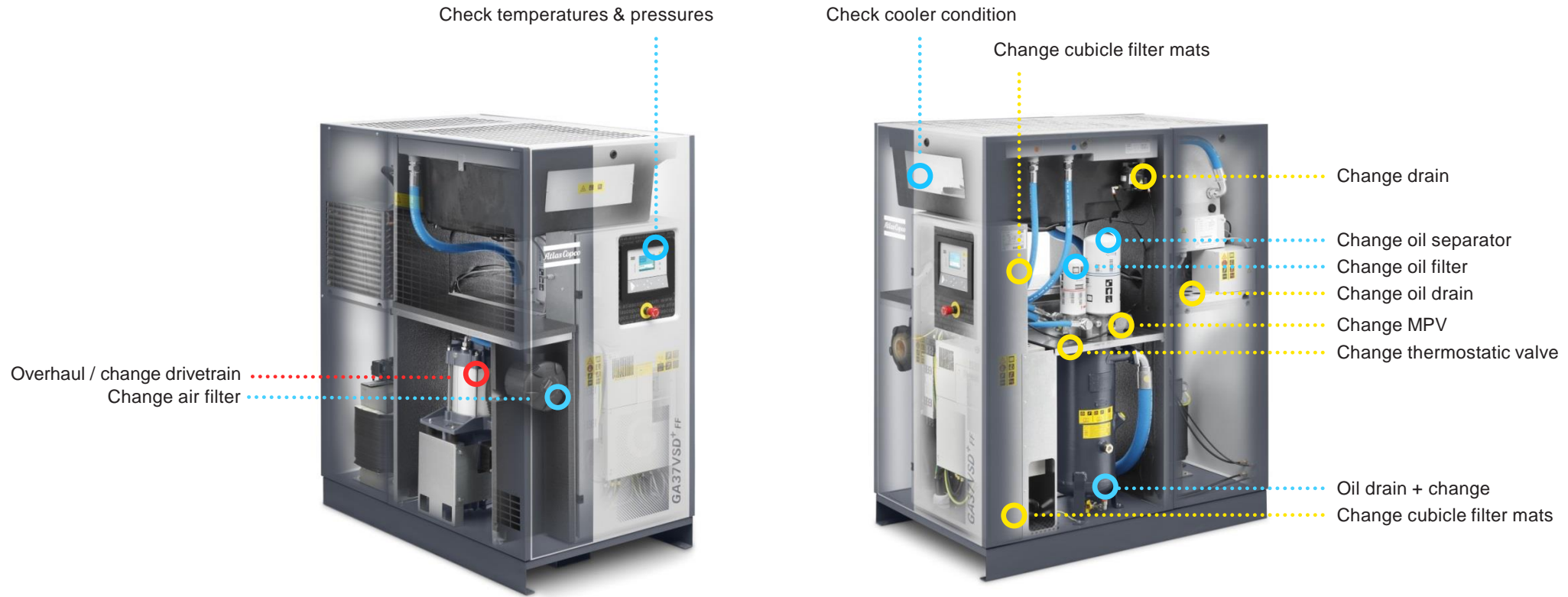
## Service revenues



## Organic growth



# MAINTENANCE ACTIVITY LIST GA7-37VSD+



○ **A visit**    
 ○ **B visit** – covers A visit activities    
 ○ **D visit** – covers B visit activities

# SERVICE EXCELLENCE

## PLANNING



Forward Planning

Breakdown

- Forward Planning for Service Plan
- Urgent response to Breakdown
- Technician allocation based on competence and travel optimization

## LOGISTICS



Voice Picking

Night Delivery



Direct Delivery

- Logistic centers across the world
- Voice picking for quality control
- Overnight delivery in Service Van
- Direct Delivery to customers worldwide

## SERVICE ACTIVITY



Service Job Allocation

Connected Navigation

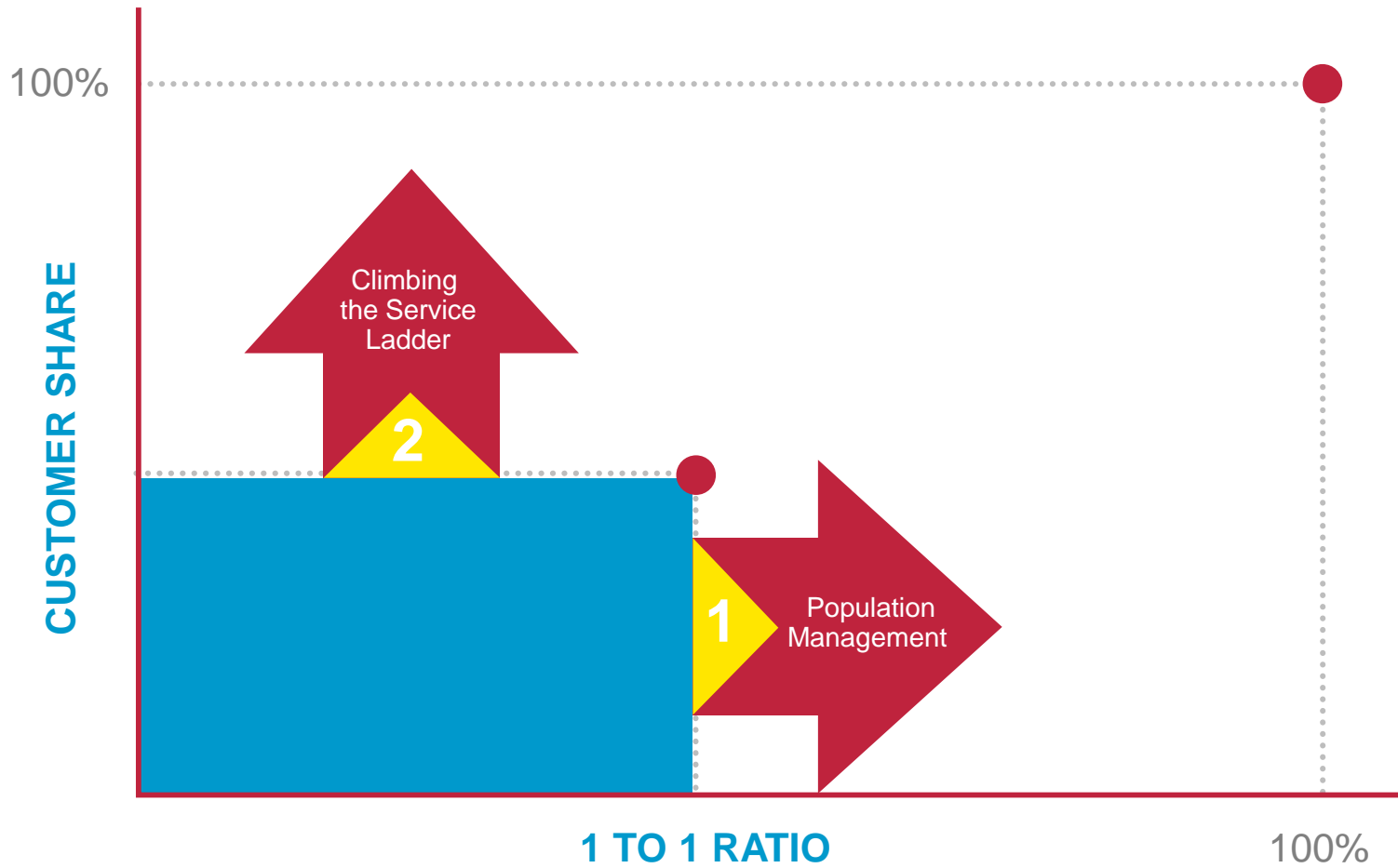
Service Job Execution

Service Job Reporting

- All Service Job information communicated to technician on mobile devices
- Connected Navigation for travel optimization
- Breakdown jobs communicated through connected navigation
- Service job includes activity list and required parts
- Complete Service Job reporting, Customer signature, Visit Report once the Service Job is finished

**Correct Service at the Right Time in an Efficient way**

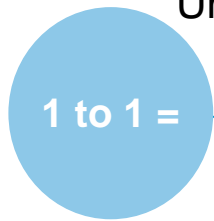
# STRATEGY FOR GROWTH



# FROM INFORMATION TO ACTIONS

## Traffic light concept

1 to 1 ratio

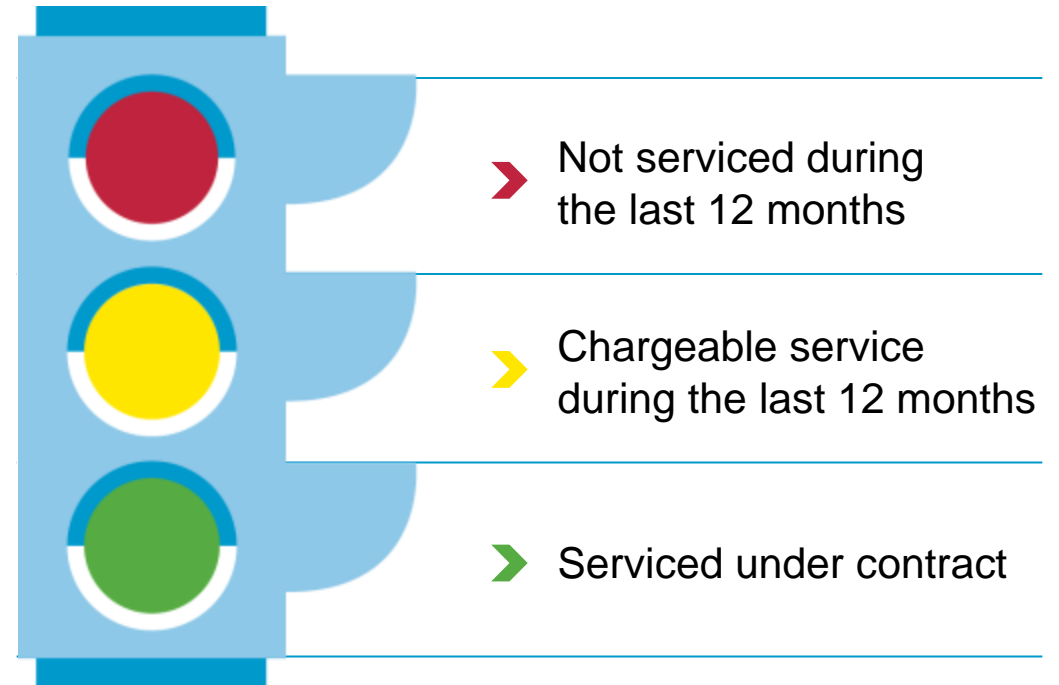


Units under direct service  
in the last 12 months

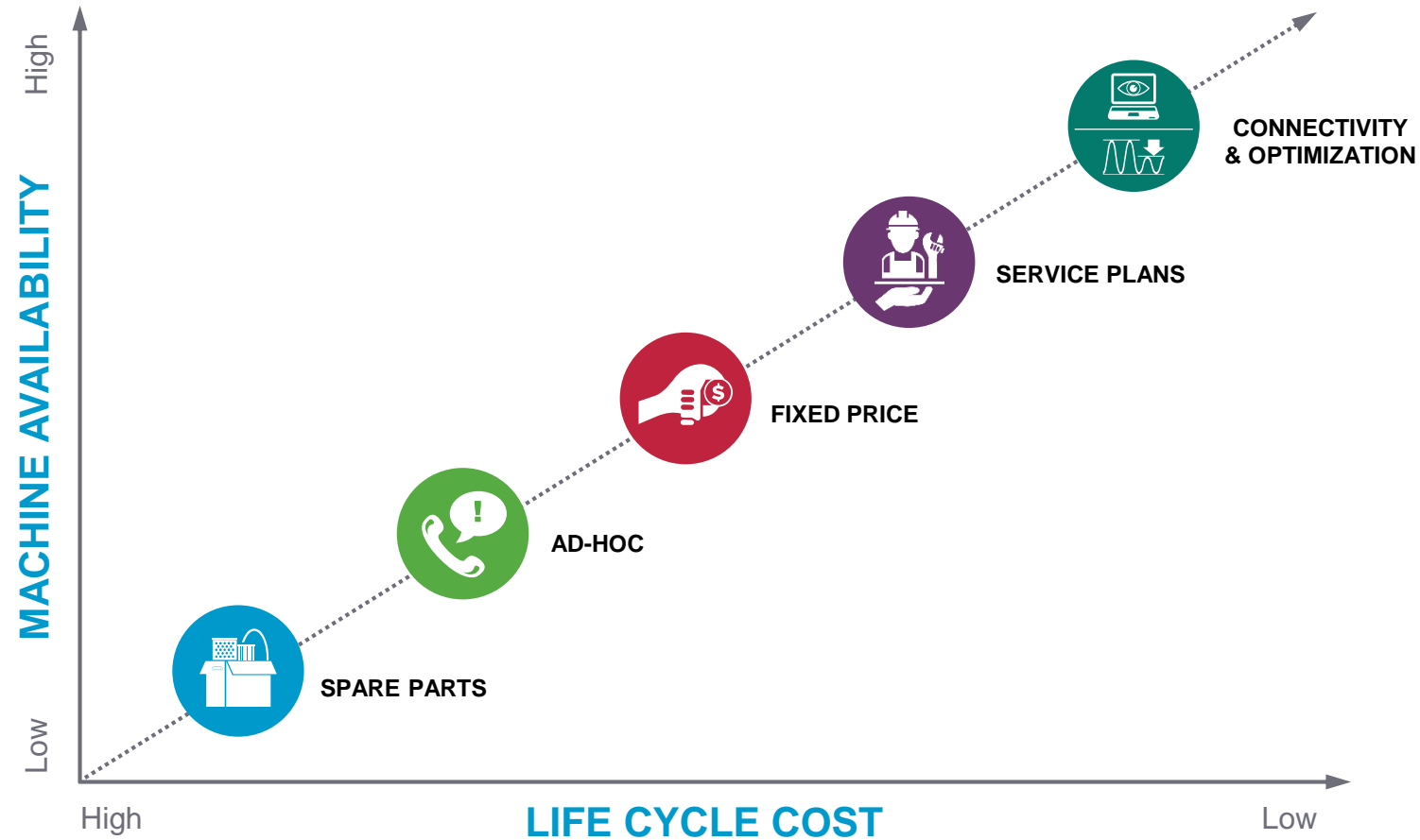
Total units available  
for direct service

Every unit requires at least one service  
intervention per year – every machine should  
get a minimum of one quote per year

Traffic lights



# MAXIMUM EQUIPMENT AVAILABILITY AT MINIMUM TOTAL OPERATING COST



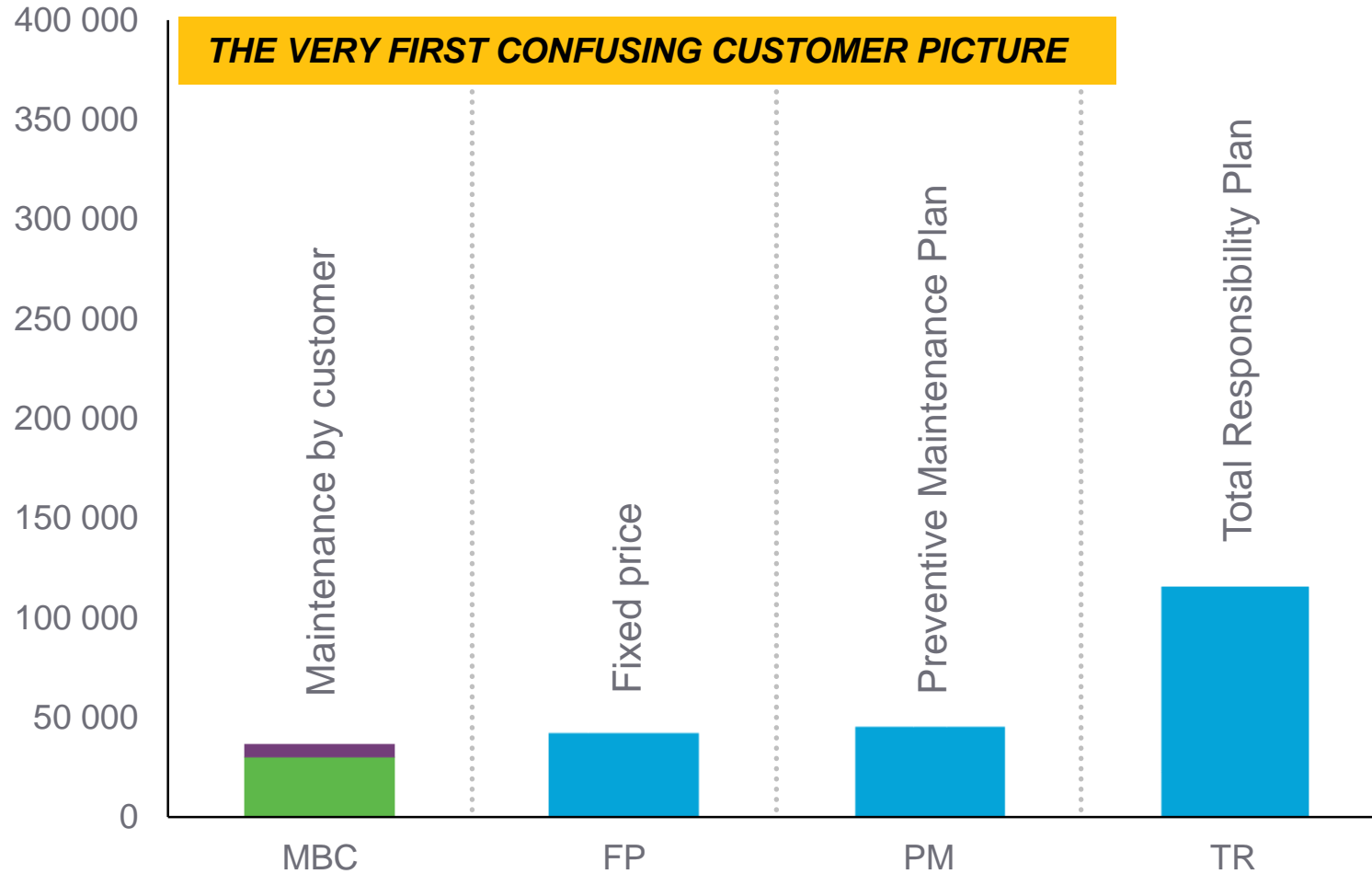
# SERVICE PLAN - SCOPE OF SUPPLY



	PERIODIC INSPECTION	PARTS FOR MAINTENANCE	MAINTENANCE LABOR	WARRANTY	OVERHAUL	ECB
INSPECTION PLAN	×					
PARTS PLAN		×				
MAINTENANCE PLAN	×	×	×			
EXTENDED WARRANTY+	×	×	×	×		
TOTAL RESPONSIBILITY	×	×	×	×	×	×

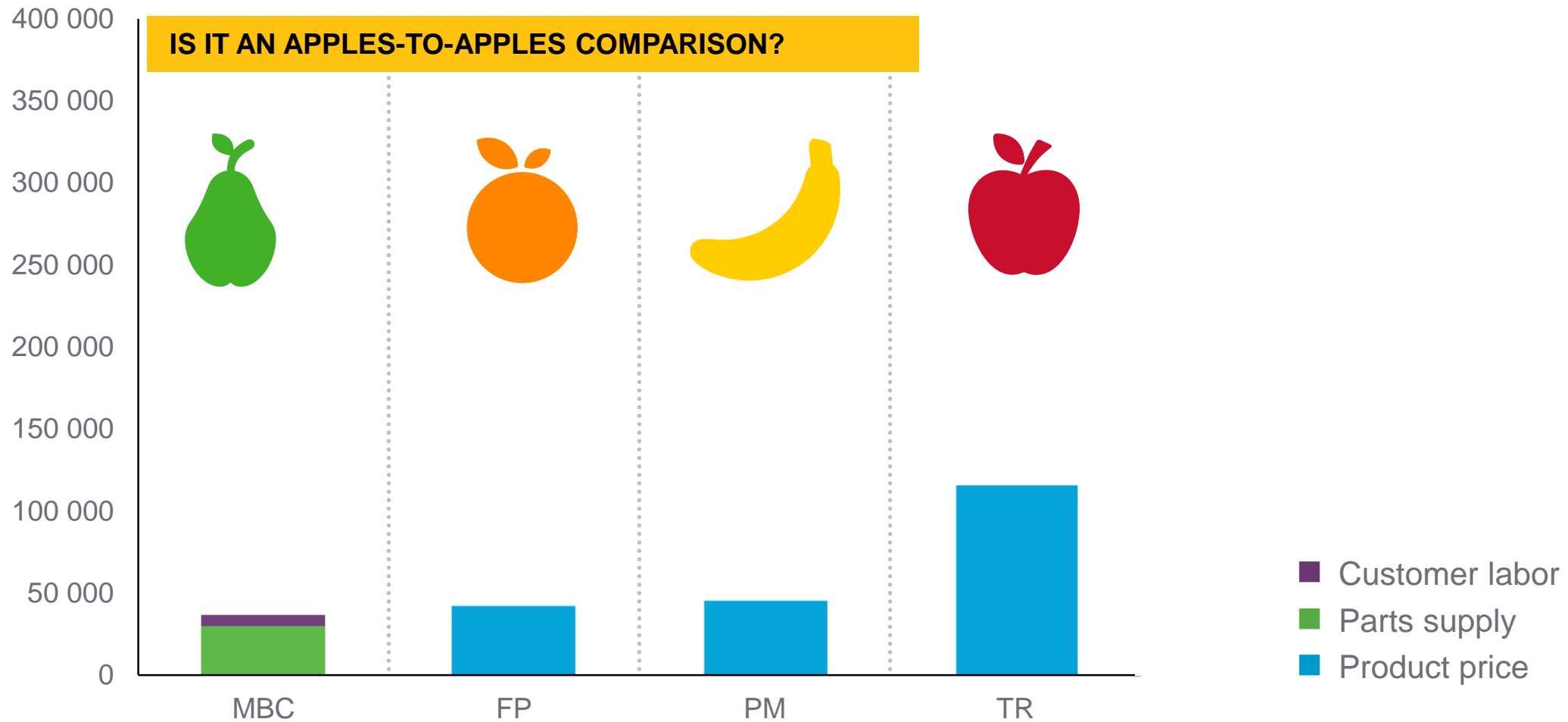


# MAINTENANCE-RELATED COSTS – EXAMPLE

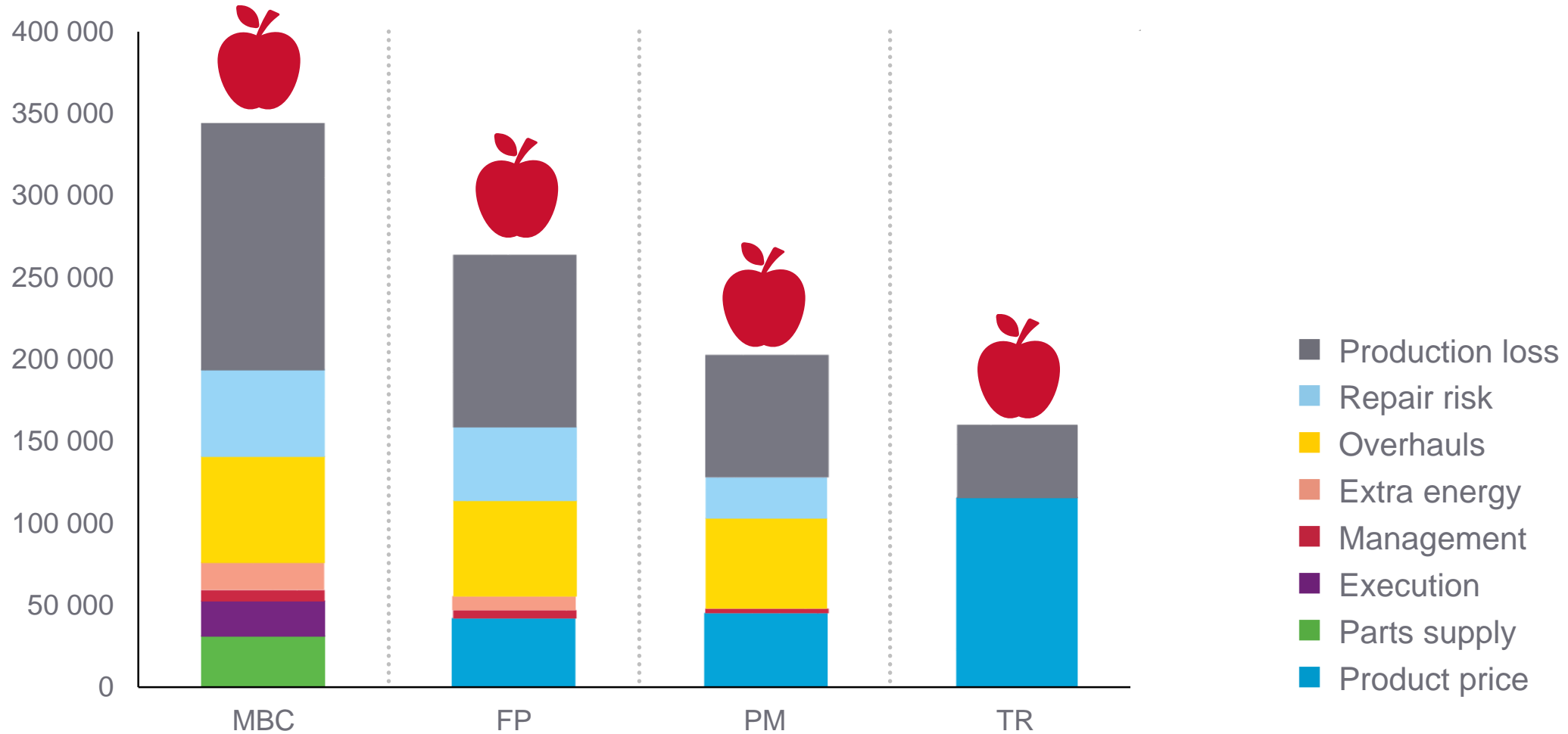


- Customer labor
- Parts supply
- Product price

# MAINTENANCE-RELATED COSTS – EXAMPLE



# MAINTENANCE-RELATED COSTS – EXAMPLE



# CONNECTIVITY: SMARTLINK

## Operational Efficiency

- Service visits planned on actual running hours
- Pro-active service response towards customers



## Customer Benefits

- Service on time
- SMS/E-mail warnings
- Energy consumption analysis



Maximum Productivity

Minimum Operating Cost



## Product Development

- Running conditions and machine behavior identifies areas for product improvement

# ***SUMMARY***

# SUMMARY

## Compressor Technique

- Leverage investments in presence and innovation
- Grow market share and customer share
- Grow the vacuum solutions business
- Strengthen the service platform and extend the service offer
- Support organic growth with acquisitions
- The organization is strong and “fit for more”



***COMMITTED TO  
SUSTAINABLE PRODUCTIVITY.***



*Atlas Copco*

