



# ***ATLAS COPCO MINING AND ROCK EXCAVATION TECHNIQUE***

Capital Markets Day – Focus on Service  
November 17, 2015

Johan Halling, Business Area President

*Atlas Copco*

# SAFETY FIRST

In everything we do



- Our goal – zero accidents
- Creating a sustainable safety culture
- Global campaigns to create awareness
- Preventive actions and activity plans
- Enhanced safety program for service technicians



# AGENDA

1. Facts in Brief
2. Automation – Mechanical Rock Excavation
3. Two distinctive service businesses
  - Mining and Rock Excavation Service
  - Rock Drilling Tools
4. Summary



# MINING AND ROCK EXCAVATION TECHNIQUE

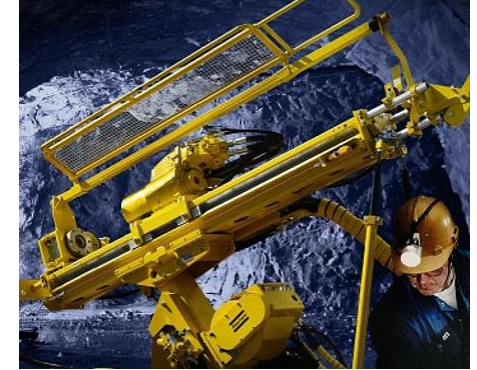
Underground mining



Surface mining



Exploration



Civil engineering



Quarrying



Ground engineering



Water well, oil & gas





# MINING AND ROCK EXCAVATION TECHNIQUE

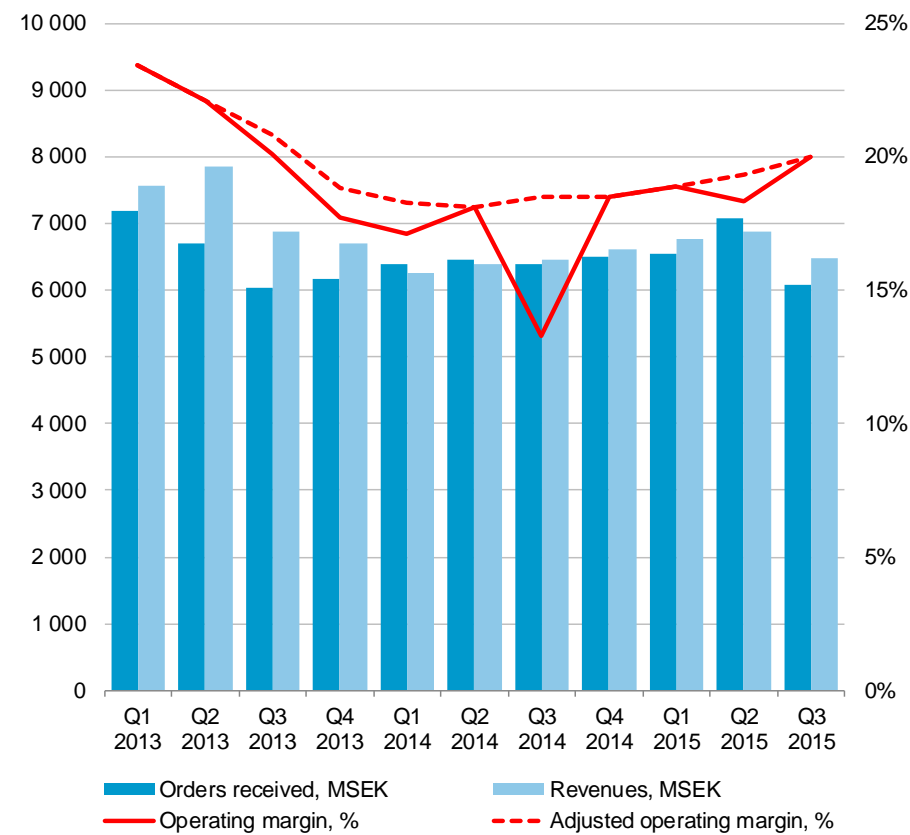
## In Brief

- Innovation and automation is key
- Strengthen the agility and resilience
- High focus on service and consumables
- Customers' focus is on total cost of operations

## Q3 2015

- Growth in service and parts
- Lower order intake for equipment
- Operating margin at 20.0% (18.5 adjusted)

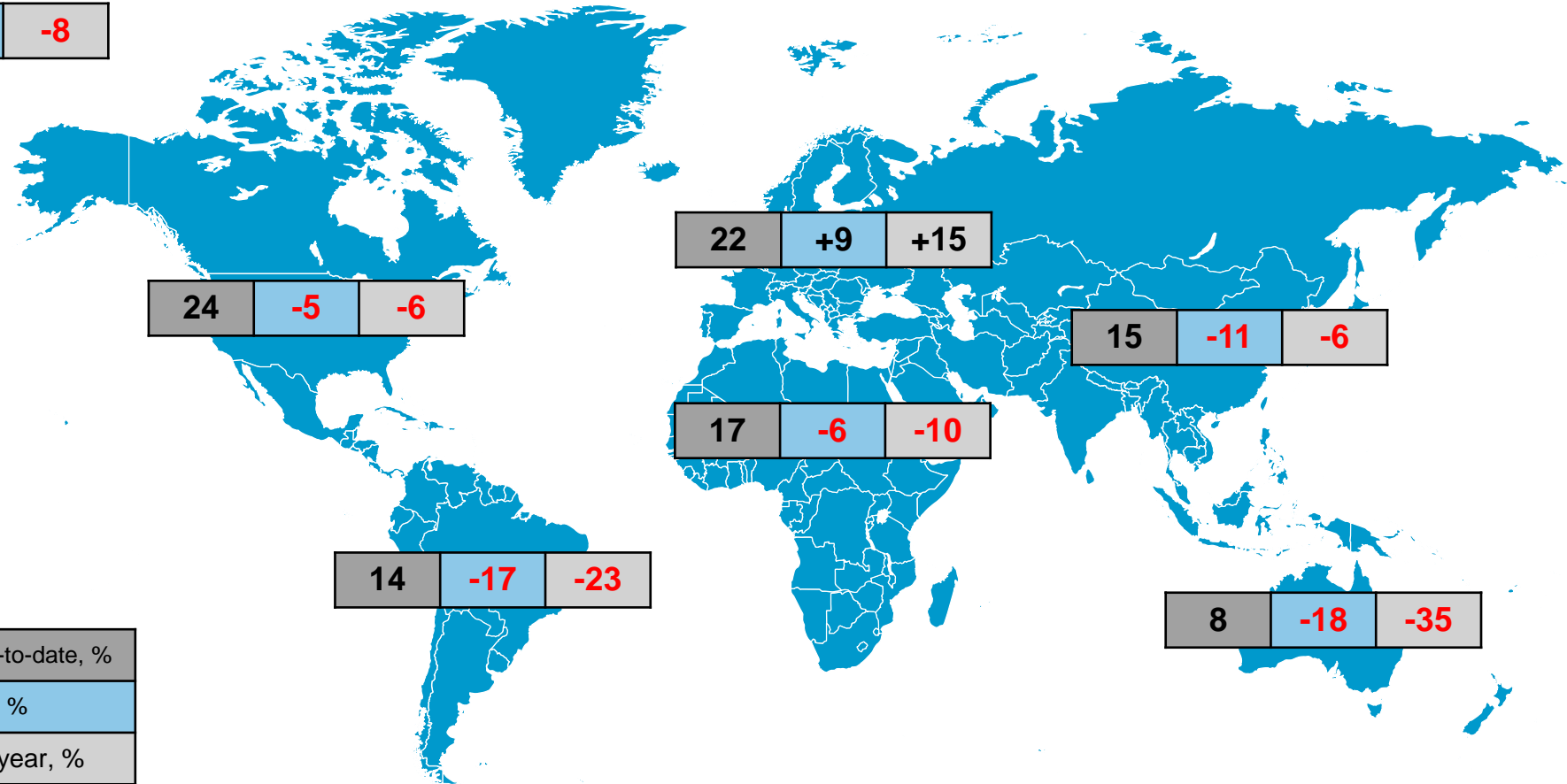
## Orders, revenues and operating margin



ROCE  
34%

# ORDERS RECEIVED - LOCAL CURRENCY

## Mining and Rock Excavation Technique



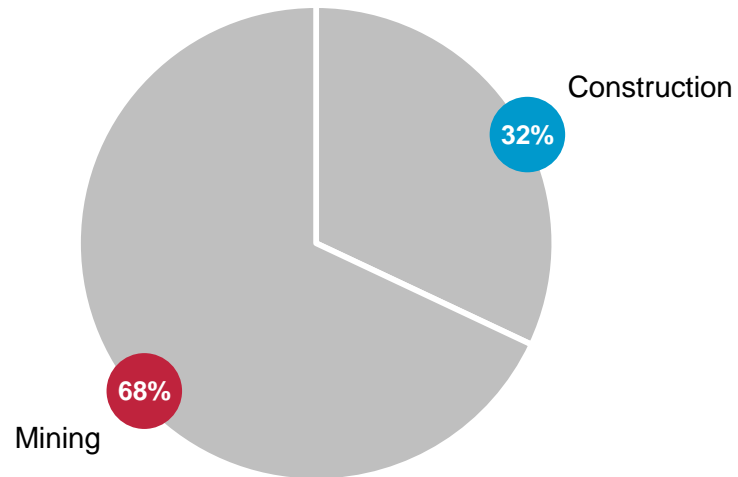
September 2015

<b>A</b>	Share of orders received, year-to-date, %
<b>B</b>	Year-to-date vs. previous year, %
<b>C</b>	Last 3 months vs. previous year, %

# MINING AND ROCK EXCAVATION TECHNIQUE

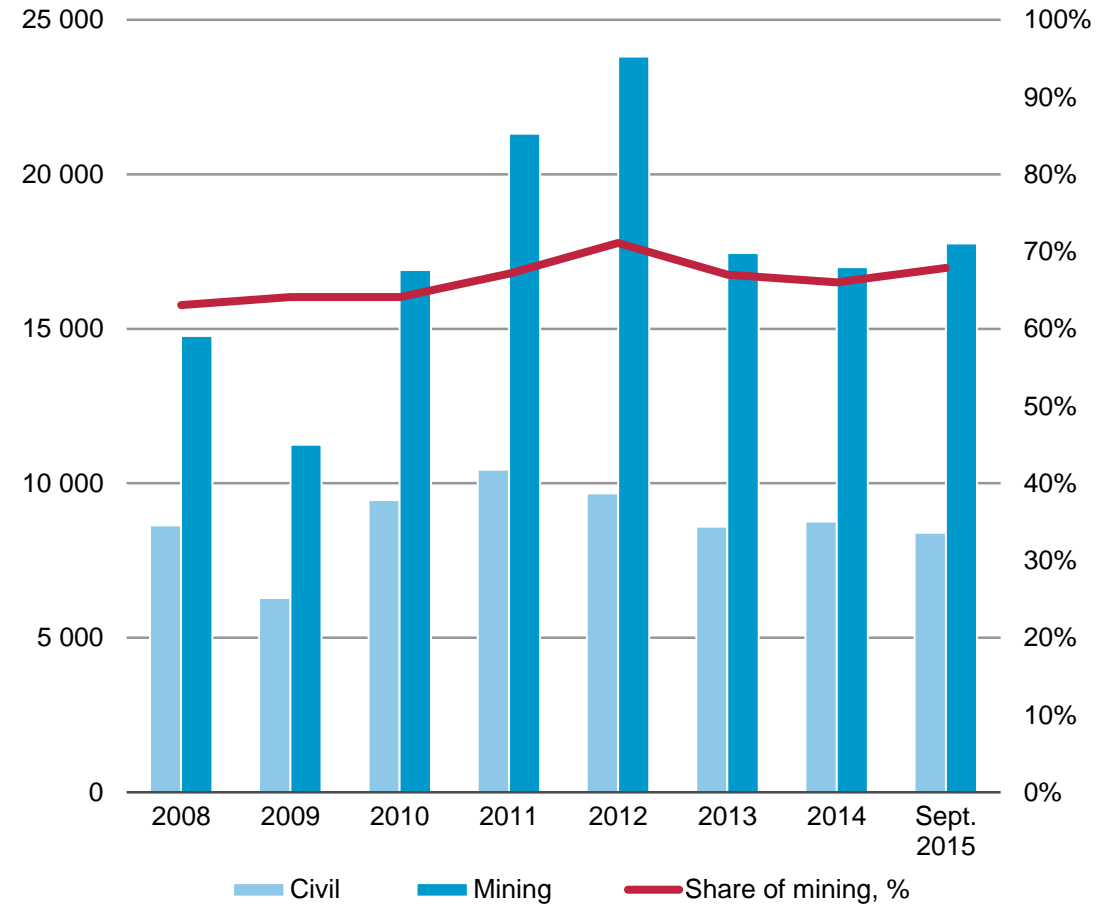
## Customer split

*Orders received by customer category*



Pie chart: Orders received 12 months until September 2015

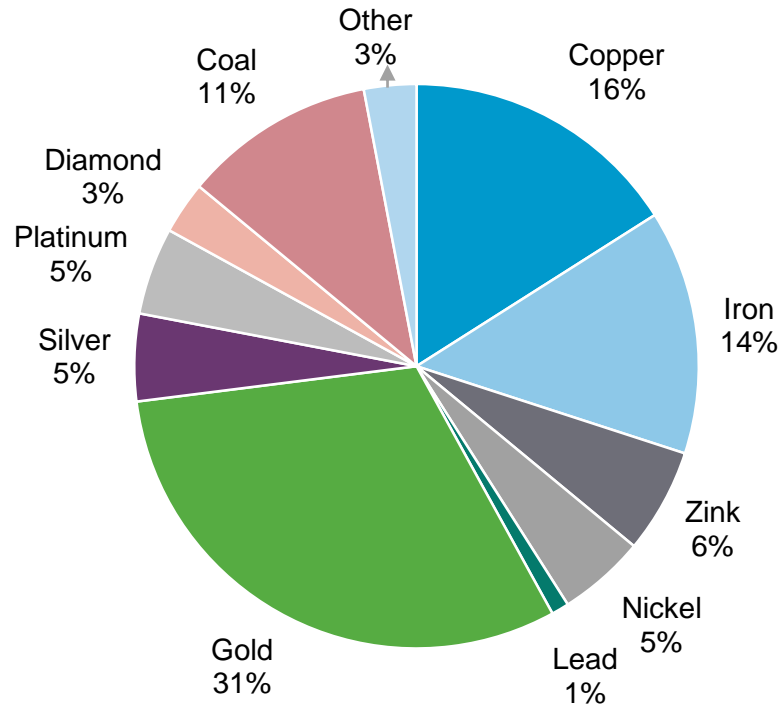
Graph: Orders received 12 months figures



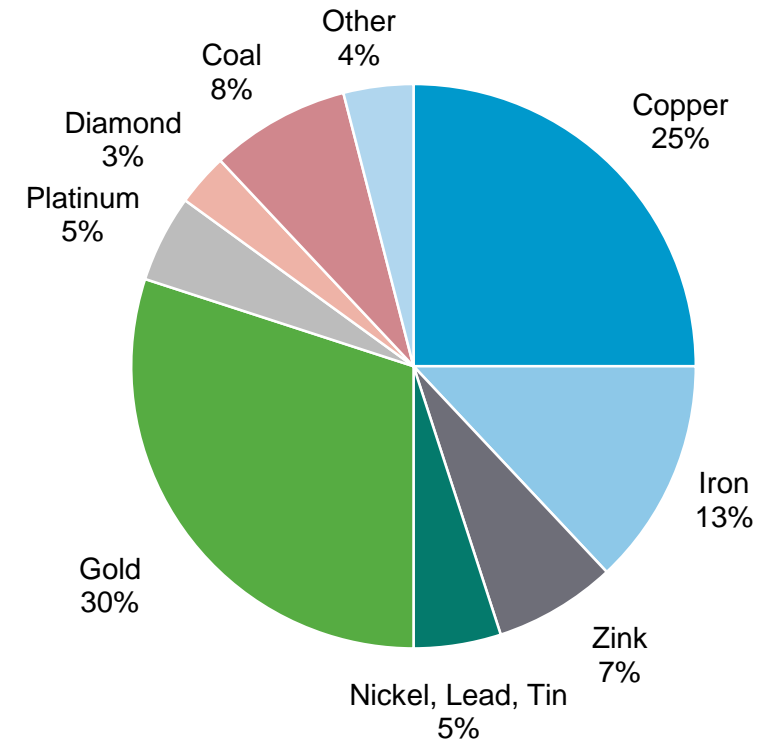
# MINING

## Estimated exposure to minerals

March 2012



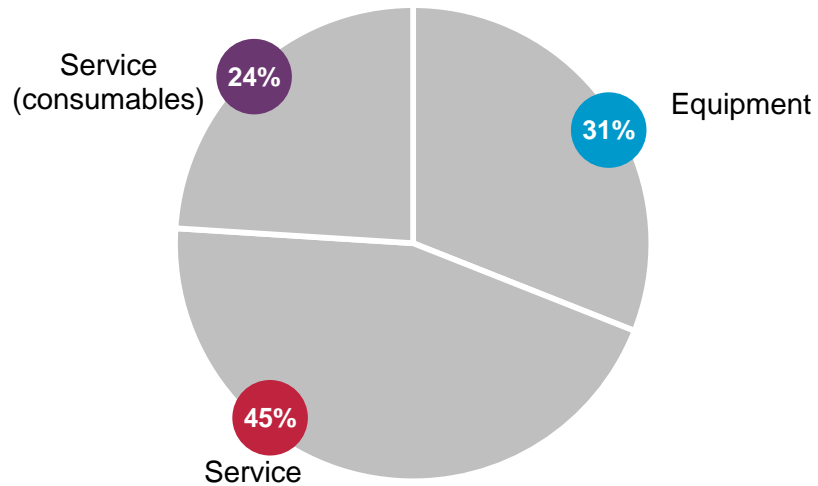
June 2015



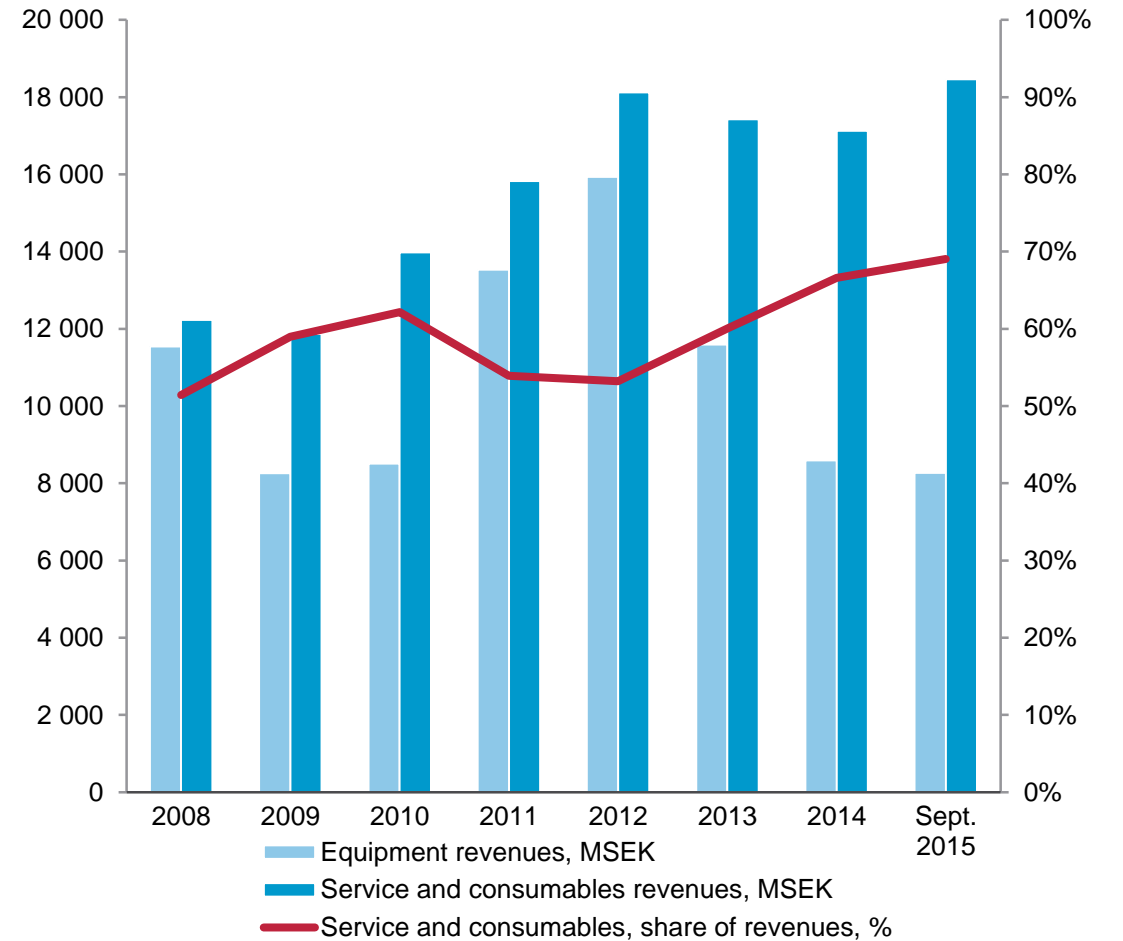


# MINING AND ROCK EXCAVATION TECHNIQUE

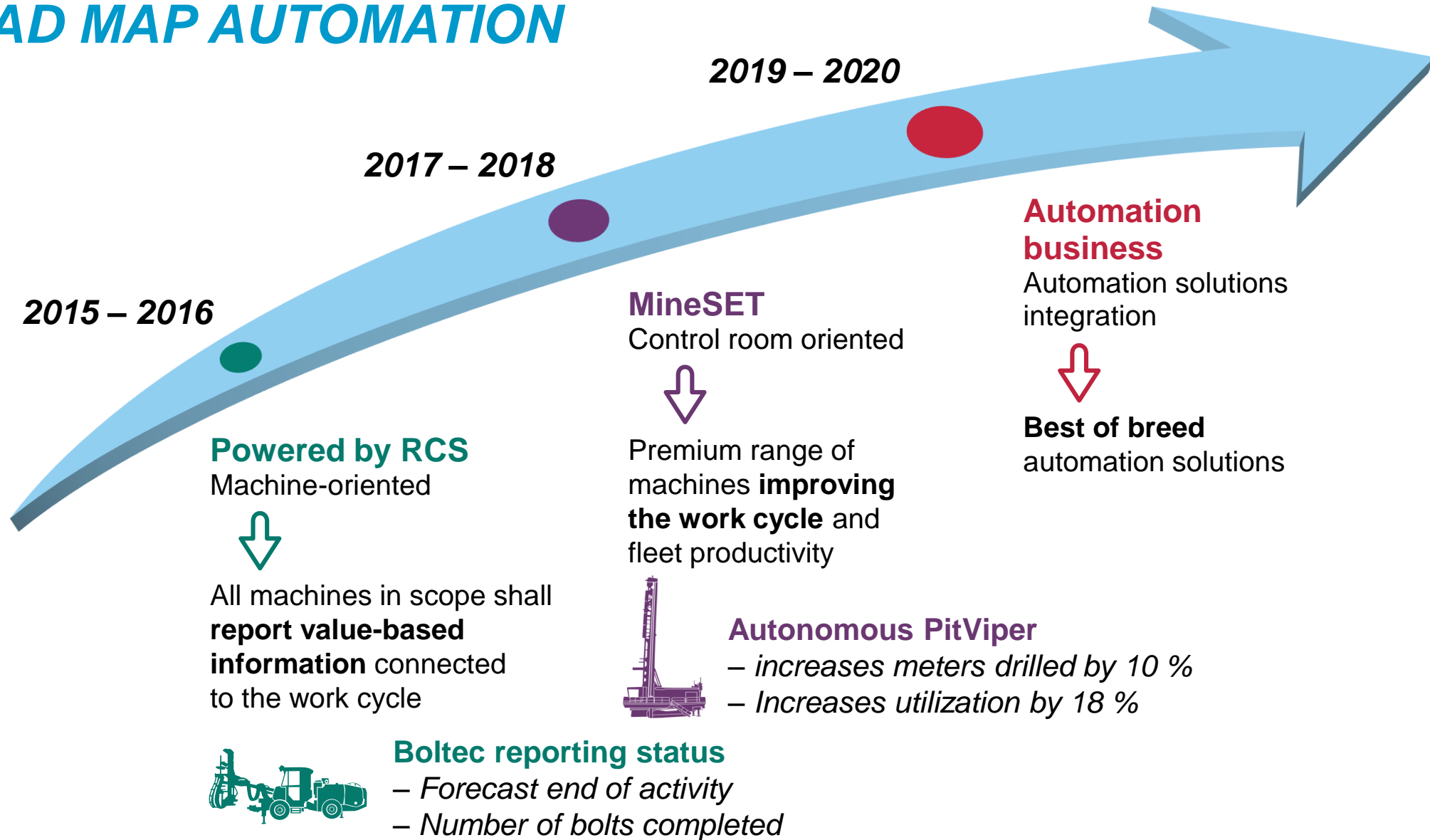
Revenues by business type



Pie chart: Revenues, Sept. 2015, 12 months figures  
 Graph: Revenues 12 months figures



# ROAD MAP AUTOMATION



# AUTONOMOUS SURFACE DRILLING



**First Tele-remote in South America**



**Multi equipment operations**

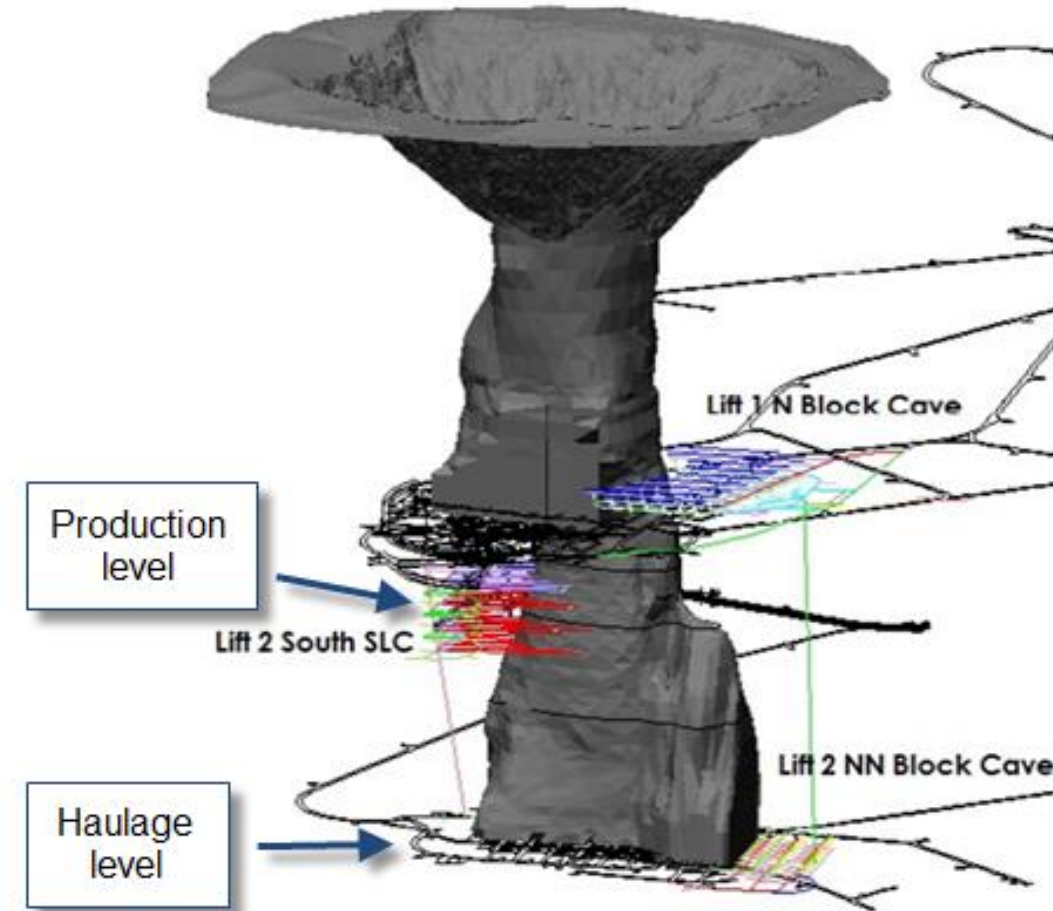


**Fully autonomous testing in July**



# AUTONOMOUS UNDERGROUND

- Equipment scope
  - All machines on the production level operated from a control room
- Loader automation development project
  - Production system to dispatch and monitor loading and haulage equipment
  - Auto loading
  - Proximity and collision avoidance



# MECHANICAL ROCK EXCAVATION



Mobile miner

Reef miner



# TWO DISTINCTIVE SERVICE BUSINESSES



## Mining and Rock Excavation Service

Providing service solutions to our customers

> 4000  
Service engineers

> 550  
Sales engineers

## Rock Drilling Tools

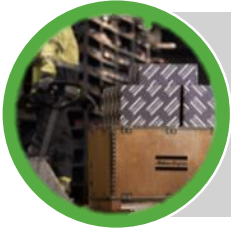
Providing rock drilling tools to our customers





# MINING AND ROCK EXCAVATION SERVICE

## Service offer



Replacement parts and kits



Service products



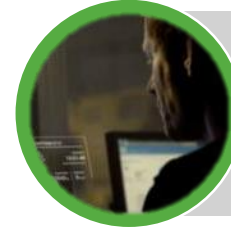
Service tools



Rock drills and rotation units



Custom engineered solutions



Certiq



Reman solutions



Upgrades



Training products

# REPLACEMENT PARTS AND KITS

## ⊕ Features

- Readily available
- Complies with Atlas Copco quality standards
- Packaged for safe and efficient transport

## ⊕ Benefits

- Ensures safety features are properly functioning
- Promotes maintenance in the safest way possible
- Reduces time searching for the right parts
- Assures parts available at the time of service



# ***SERVICE PRODUCTS***

## **CARE Agreements – Your security for up time**

### **⊕ Features**

- Preventive maintenance
- Scheduled inspections and audits
- Inspection and overhaul protocols
- Extended warranty

### **⊕ Benefits**

- Consistent machine performance
- Records for service and action needed
- Protection against unplanned extra cost





# SERVICE PRODUCTS

## RigScan

### ⊞ Features

- Fast, convenient, minimally invasive audit technology
- Combining visual inspections and performance analysis tools
- Global audit protocols

### + Benefits

- Increased productivity and improved safety through predictability
- Faster troubleshooting reducing maintenance costs
- Comprehensive performance analysis lowering operational cost



# CERTIQ

## Telematics solution

### ⊞ Features

- Telematics solution that gathers, compares and communicates vital equipment information
- Online 24-7 monitoring
- Intuitive graphics user interface
- Fleet overview

### + Benefits

- Let your machines do the talking
- One step ahead of everything
- Evaluate. Encourage. Excel.



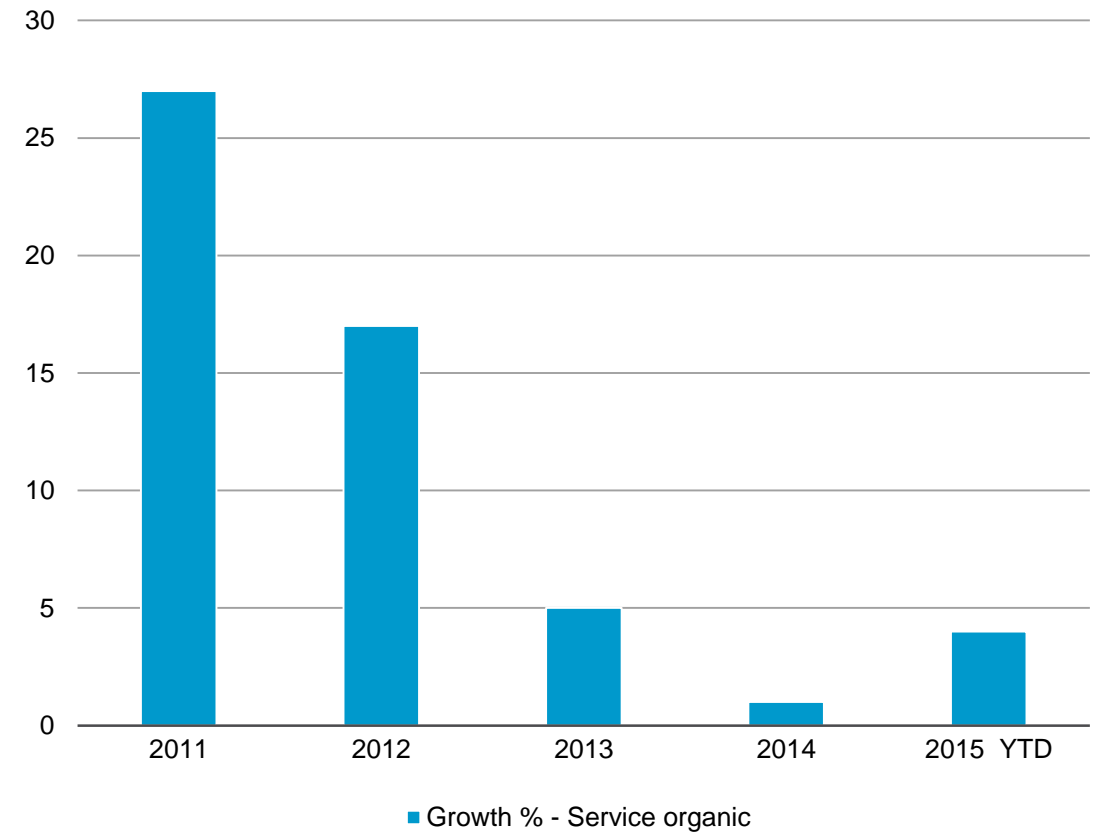
# FOCUS ON PROFITABLE GROWTH IN SERVICE

## Mining and Rock Excavation Technique

### Strategy

- Increase market and customer share by offering the right value proposition
- Improve parts availability and stock visibility
- Operational efficiency in service operations and workshop footprint
- Price and cost management

### Organic growth



# CONSUMABLES – ROCK DRILLING TOOLS

## Product portfolio

Top hammer



Down-the-hole



Rotary



Raise boring



Exploration



Fixed cutter bits



Handheld



Geotechnical drilling



Ground support





# ***BUSINESS CONCEPT – ROCK DRILLING TOOLS***

- A complete drill string
- Partnership - long term
- Value oriented contracts
  - Guaranteed performance / cost per meter
  - Supply and inventory management
  - Including service / reconditioning
  - Technical service / training
- Common goal – Customer's success



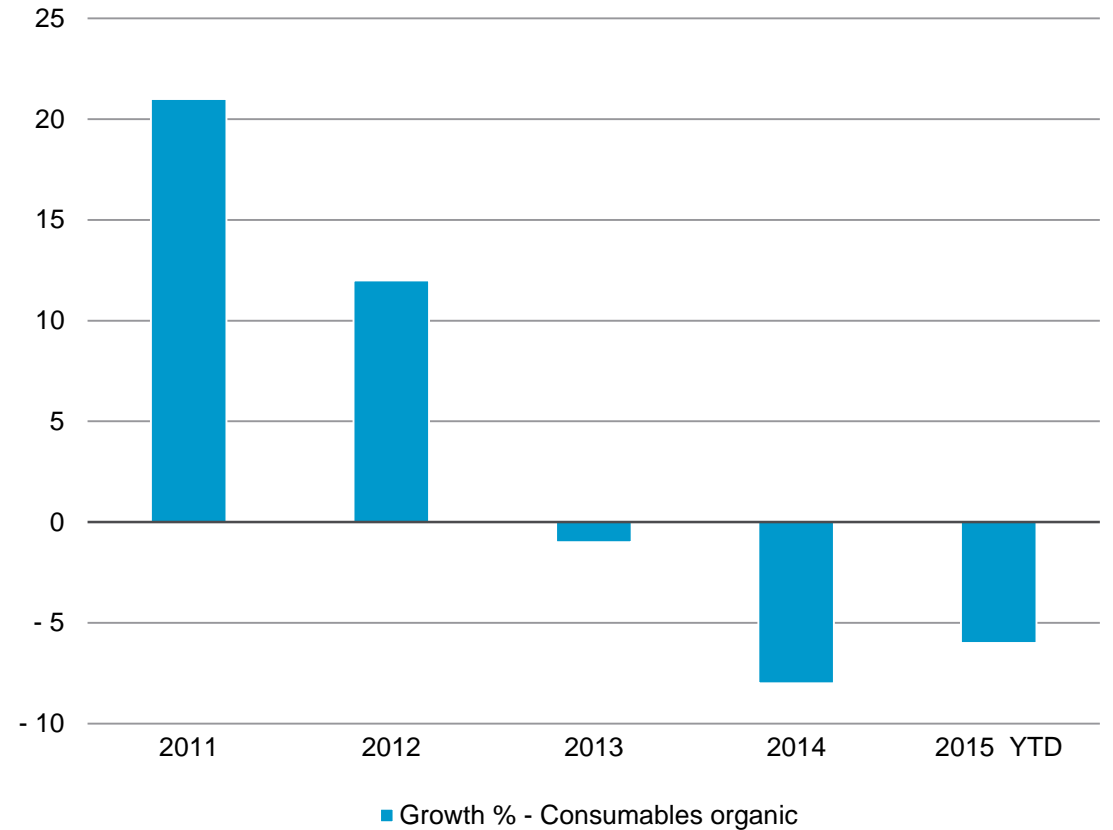
# FOCUS ON PROFITABLE GROWTH IN CONSUMABLES

## Mining and Rock Excavation Technique

### Strategy

- Increase market and customer share by offering new innovative products and the right value proposition
- An efficient distribution (supply chain)
- Operational efficiency
- Price and cost management

### Organic growth



# SUMMARY

## *Business*

- Short and medium term, the market for mining equipment is depressed
- Actions to adapt to the current environment
- Resilient profitability due to high share of revenues from service and consumables
- Long term, the market for Mining and Rock Excavation Technique is good

## *Innovation*

- Innovation, automation and autonomous solutions are key
- More productive and efficient equipment, services and consumables
- Efficiency and time to market
- Growth opportunities

***Reduce customers' total cost of operations***

***COMMITTED TO  
SUSTAINABLE PRODUCTIVITY.***





*Atlas Copco*

