



# Atlas Copco Group

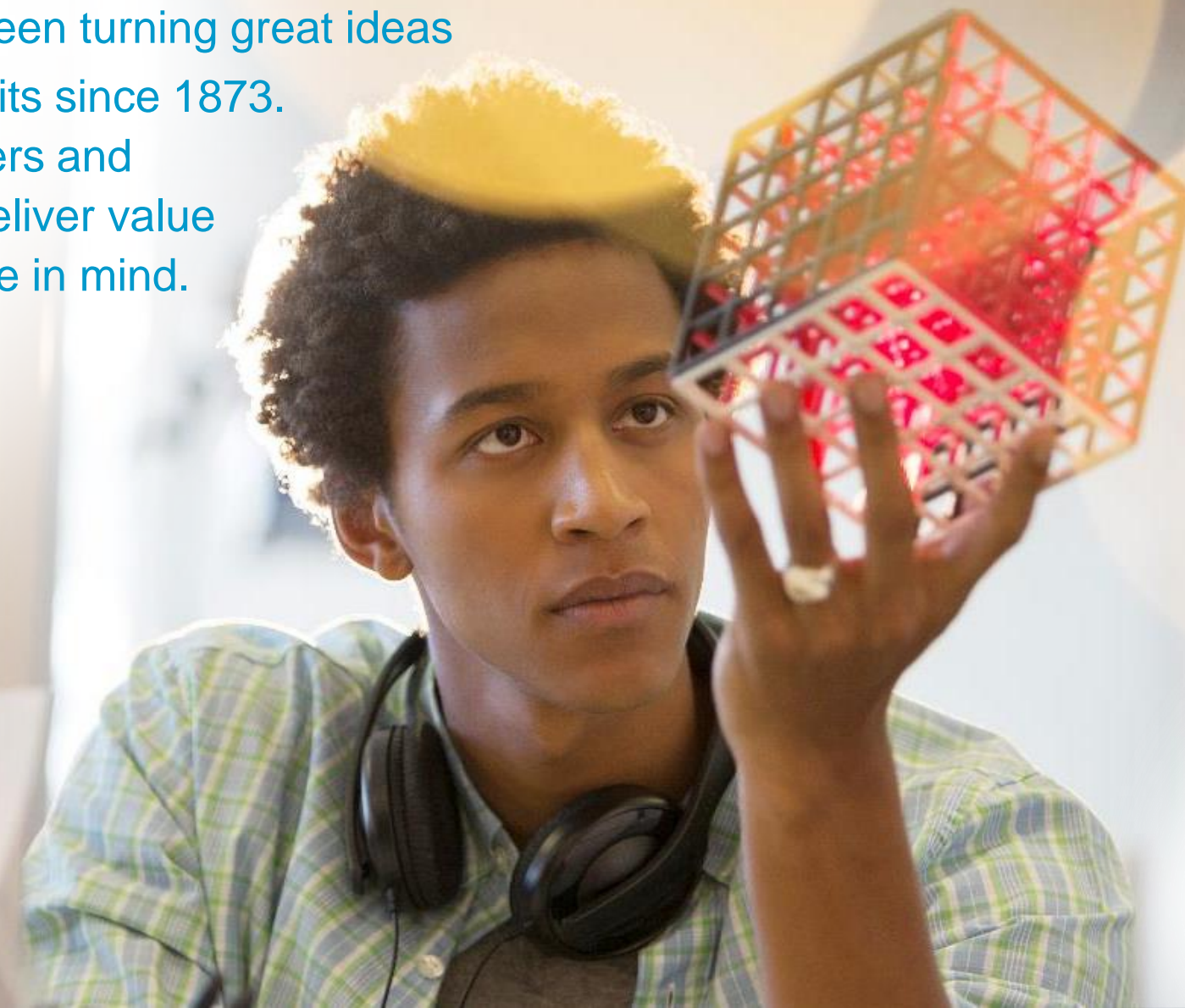
Capital Markets Day 2018

Stockholm, Sweden

# Great ideas drive development.

At Atlas Copco, we have been turning great ideas into business-critical benefits since 1873.

By listening to our customers and knowing their needs, we deliver value and innovate with the future in mind.



The Atlas Copco logo is displayed in white text on a blue rectangular background in the top right corner of the image.A technical drawing of a mechanical component is overlaid on a blue triangular graphic on the left side of the image. The drawing includes various dimensions and labels such as '1380 (64.9)', '1630 (64.2)', 'C-C (1-3)', 'Ø10', 'Ø72', '0.8', '10.5', '30.8', '16.5', and '4.8'.

# Power Technique

Andrew Walker, Business Area President

Capital Markets Day 2018



# Agenda

- 1 Facts in brief
- 2 Trends and driving forces
- 3 Focus and priorities
- 4 Innovation in reality
- 5 Summary



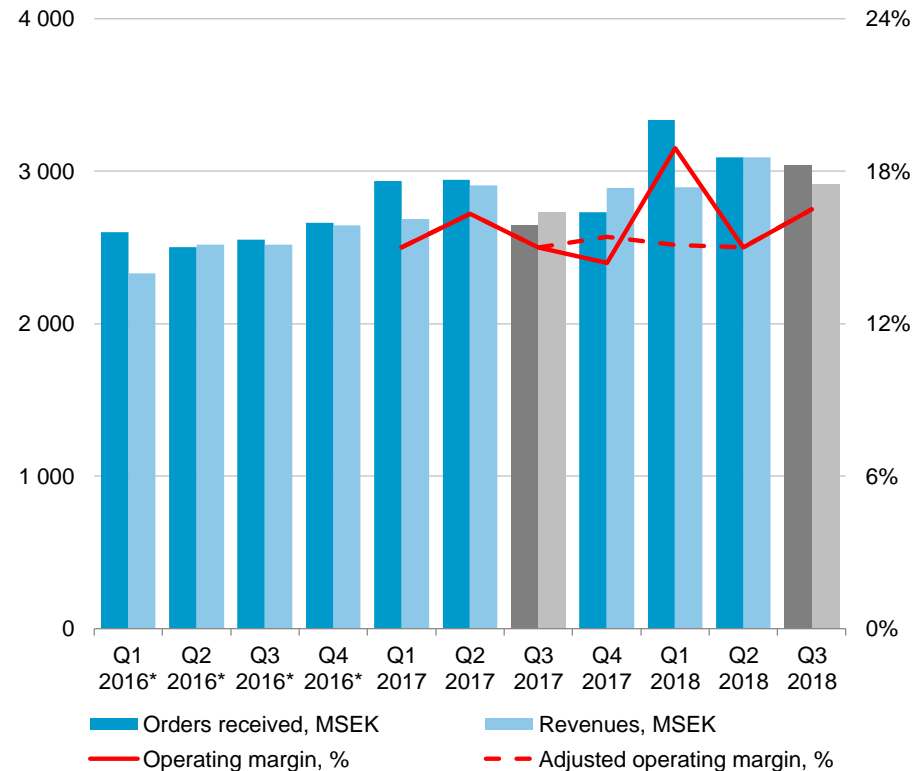
# Power Technique

## Growth drivers

- Increased infrastructure investments
- Localization of our products to meet local legislations
- Innovation in equipment
- Expanding the service offer
- Strengthen market position in pumps, generators and light towers
- Develop a service network for indirect channels
- Environmental regulations



ORDERS, REVENUES AND OPERATING MARGIN



\*2016 quarterly figures shows best estimated numbers, as effects of the split of the Group and restatements for IFRS 15, are not fully reconciled.

# Orders received – local currency Q3 2018

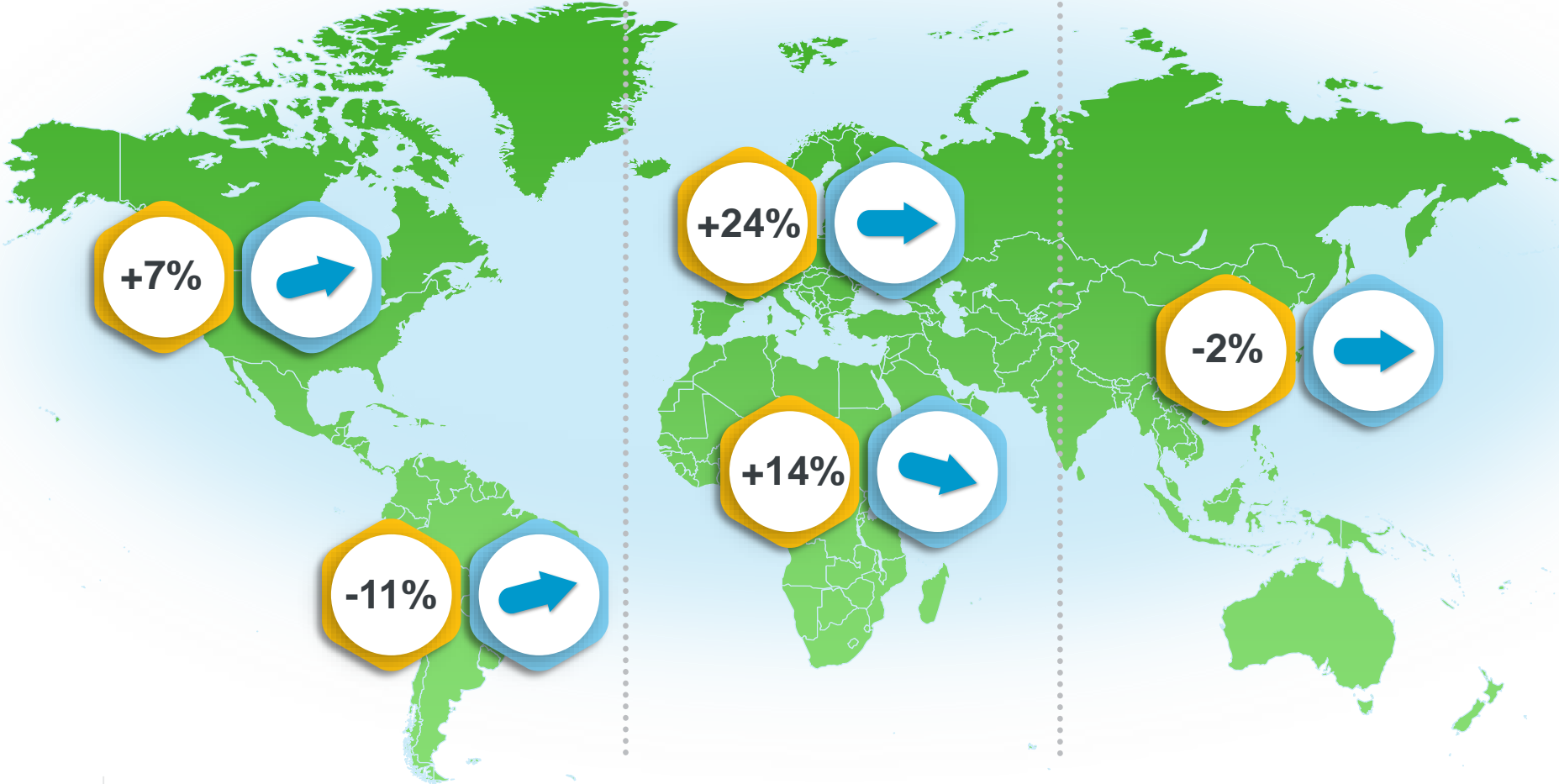
YoY      Q3 vs. Q2

SHARE OF ORDERS RECEIVED YEAR TO DATE:

29%

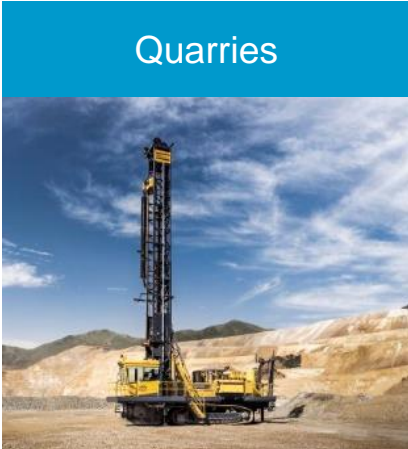
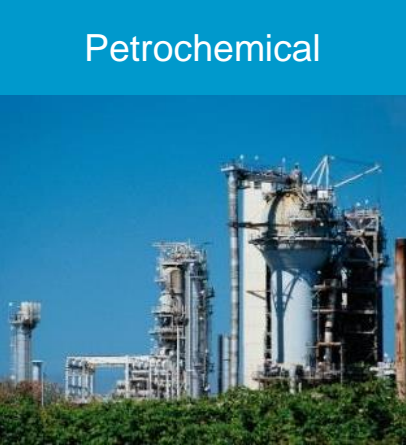
51%

20%



# Focused on construction and so much more...

Industries served include:



# Power Technique divisions

Portable Air  
Inc. Tools



Power  
and Flow



Power Technique  
Service



Specialty Rental

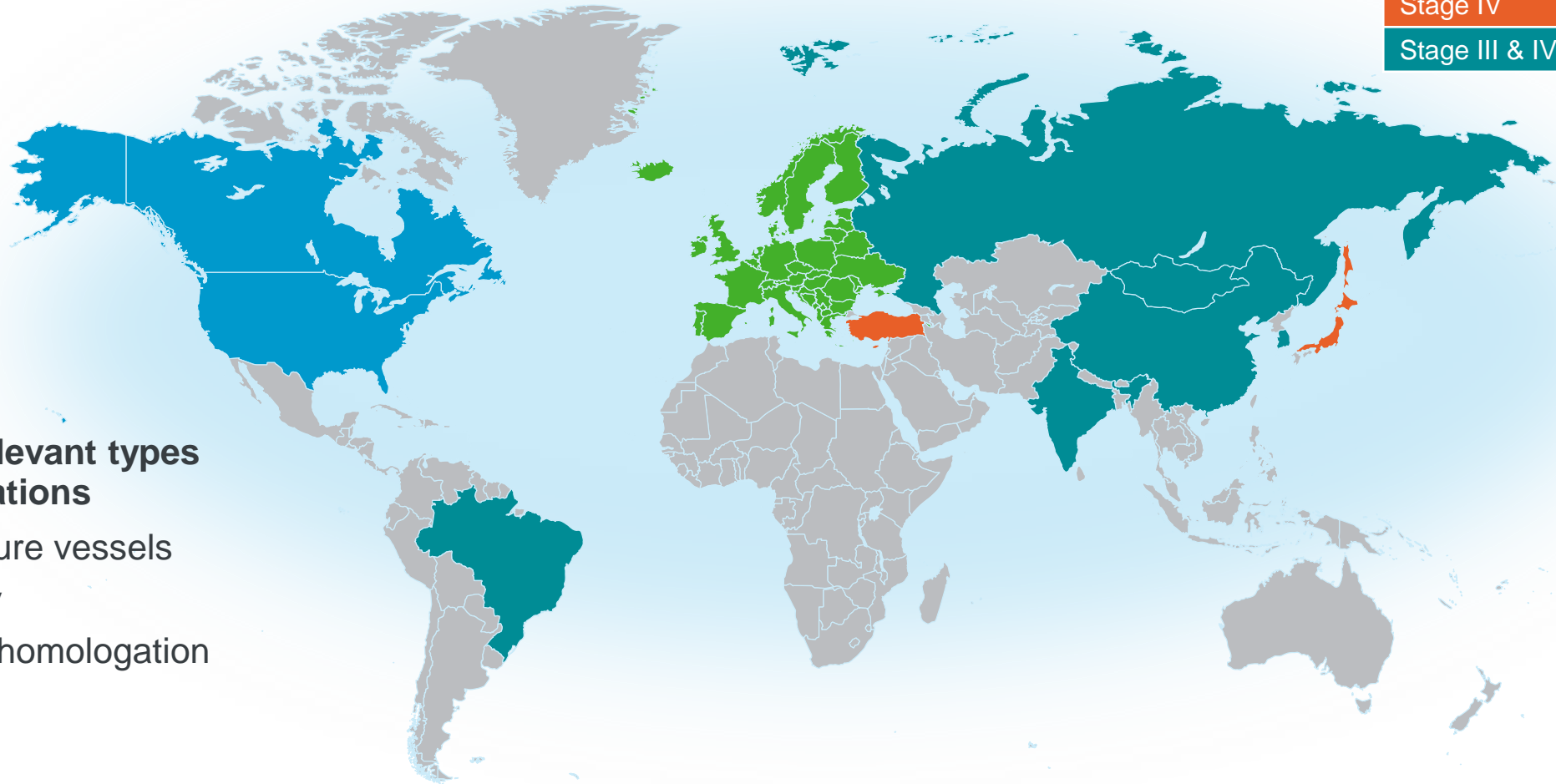
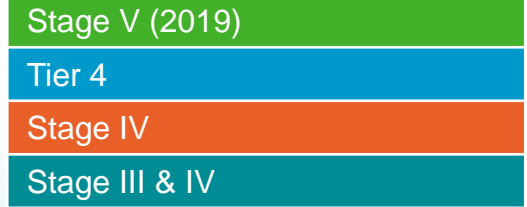




# Trends and driving forces

## Global regulations

Diesel emission regulations  
(particles / nox exhaust)



### Other relevant types of regulations

- Pressure vessels
- Safety
- Road homologation
- Noise
- ....

# Trends and driving forces

## Investments



Oil & Gas



Construction



Mining



Manufacturing



### Global trends

- Government investments in infrastructure drive
- Consolidation rental market
- Increased demand for service (focus on their core)
- Digitalization

# Summary of strategic focus areas



Channel management



Portable air and handheld tools



Recurring business



Market coverage



Developing generator and pump market



Digitalizing customer experience

# Channel management

## Three main segments

Dealers



Rental companies



Direct to end-users



# Recurring business

## 2 service divisions

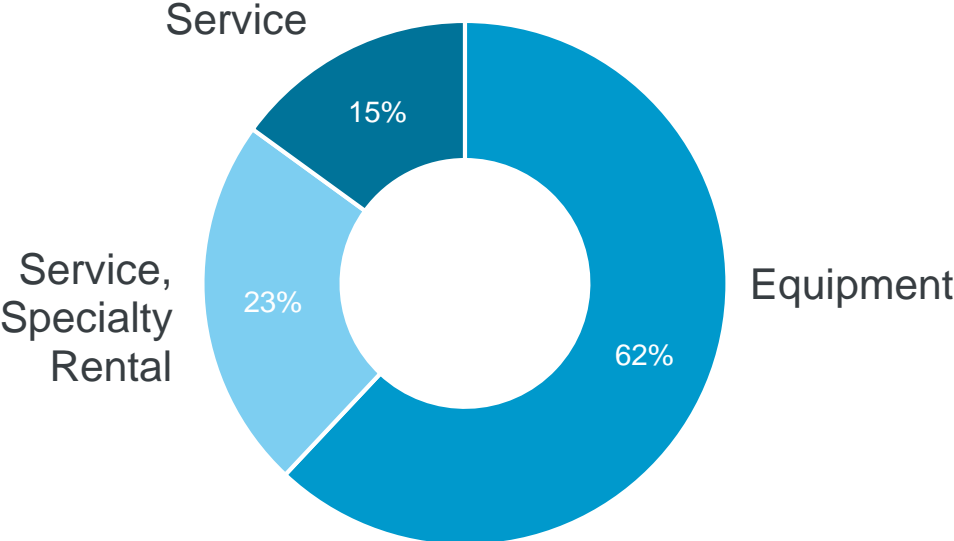


Power  
Technique  
Service



Specialty  
Rental

SHARE OF REVENUES 2017



# Developing generator and pump market

## Profitable niches



Innovate to grow market share in generators



Significant player in flow  
Develop service business in selected niches pumps  
Selected acquisitions to develop market share



Become market leader in light towers

# Portable air and handheld tools

Consolidate our number 1 position for portable air compressors

The logo for E-Air, featuring a stylized 'E' with a blue plug icon integrated into it, followed by the word 'Air' in a bold, black sans-serif font.

Develop complete  
electric compressor  
portfolio



Regionalized product  
offering for local needs  
and legislation

Dealer management tools

Focus on handheld tools



Using boosters  
to focus on  
oil & gas segment  
Roll out Stage V

# Market coverage

Geographic footprint gives increased versatility



Generators  
Light Towers  
Submersible Pumps



Air compressors and breakers  
Boosters  
Oil free portables



Surface pumps



Air compressors  
Generators  
Pumps



Air compressors  
Generators



Air compressors  
Generators  
Light towers  
Pumps  
Breakers



Air compressors  
Generators  
Light towers  
Pumps

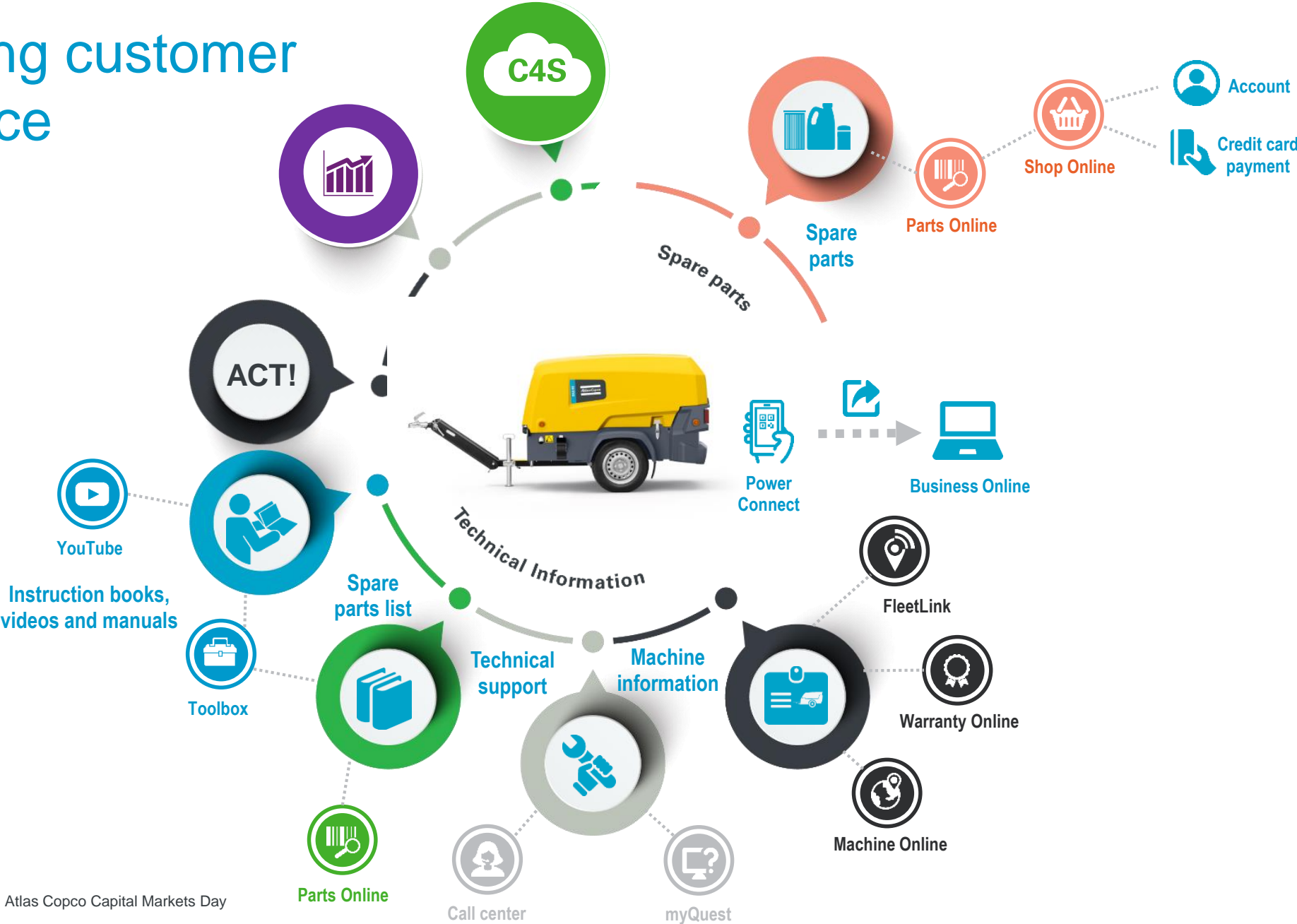


Air compressors  
Generators  
Pumps





# Digitalizing customer experience



# Innovation for growth

New portable efficient electric compressors



Containerized efficient Twin-engine generator for Europe



Battery technology in light towers



Extended high-flow pump range



Full range of compact utility compressors



Variable speed generator (QAS VSG)



**Monitoring control**  
As standard on select new units retrofitting field units



Oil-free rental compressor



# Innovation in reality

# Innovation: portable electric air compressor range

**ZERO%**  
EMISSION

**1/2**  
NOISE



## **E-Air 250**

Electric motor driven

Free air delivery:  
247 cfm – 117 l/s

Pressure:  
174 psig – 12 bar



# Summary

Significant player in selected flow segments  
– Pumps

Consolidate our number 1 position in portable air compressors

Become market leader in light towers

Grow rental business in adjacent segments

Increase product innovation to grow organically in generators

Develop service business in selected product segments

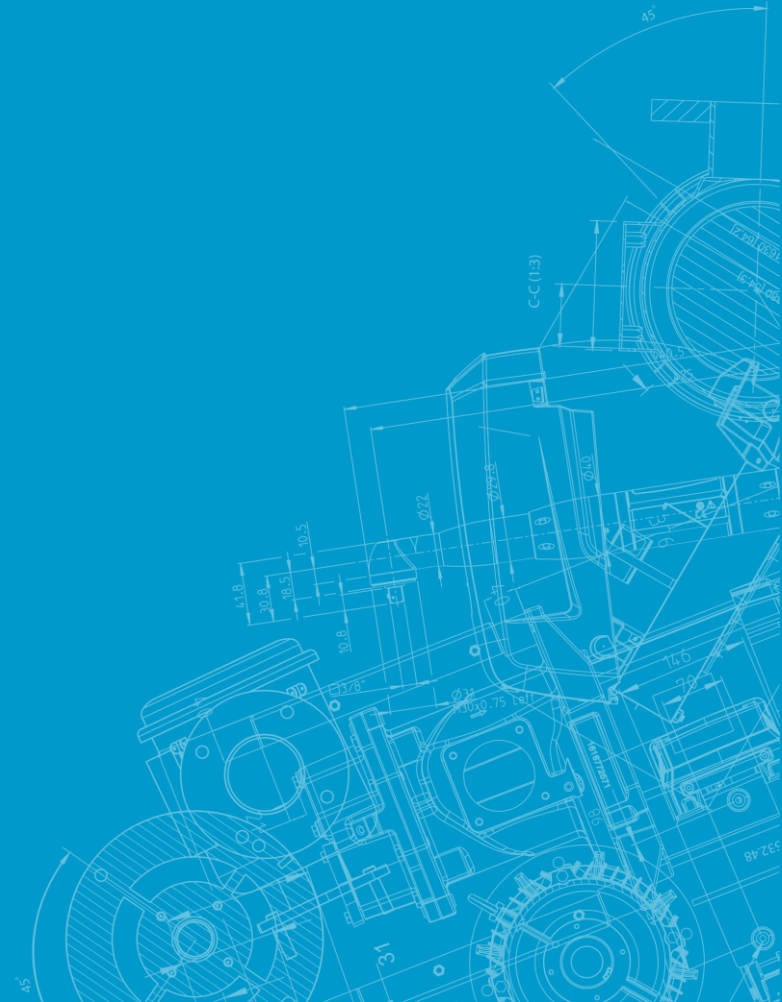
- Pumps
- Generators
- Light towers

Selected acquisitions to develop flow business



*Atlas Copco*

[www.atlascopcogroup.com](http://www.atlascopcogroup.com)



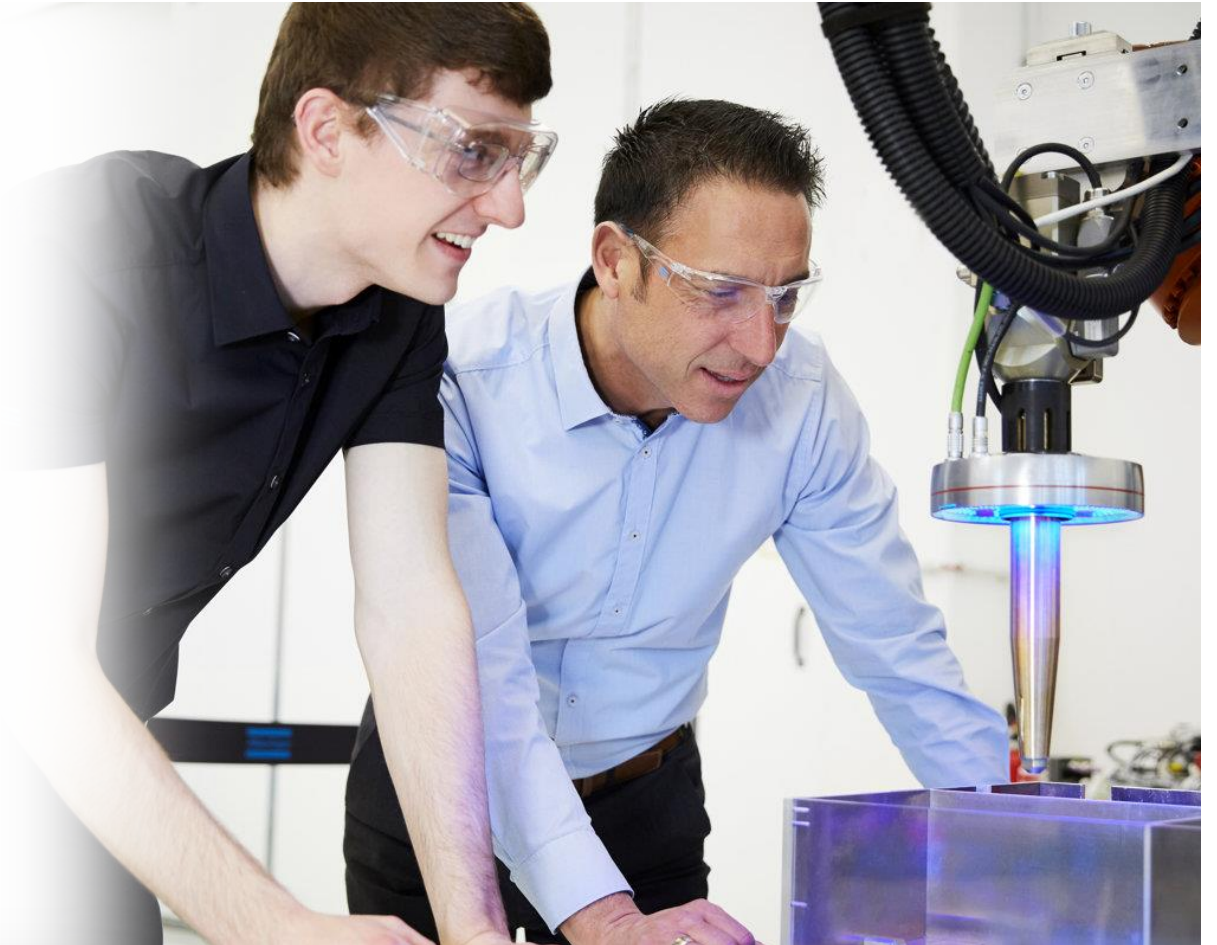
The Atlas Copco logo is located in the top right corner of the image. It consists of the company name "Atlas Copco" in a white, serif font, centered within a blue rectangular box that has two white horizontal bars above and below the text.The background of the slide features a large, orange industrial robot arm, likely an Atlas Copco model, positioned in a factory or exhibition setting. The robot arm is the central focus, with its various joints, cables, and a tool holder at the end. The tool holder contains several black pneumatic tools. The robot is positioned over a metal tray containing several rectangular metal components. The background shows a clean, industrial environment with white walls and other equipment.

# Industrial Technique

Henrik Elmin, Business Area President  
Capital Markets Day 2018

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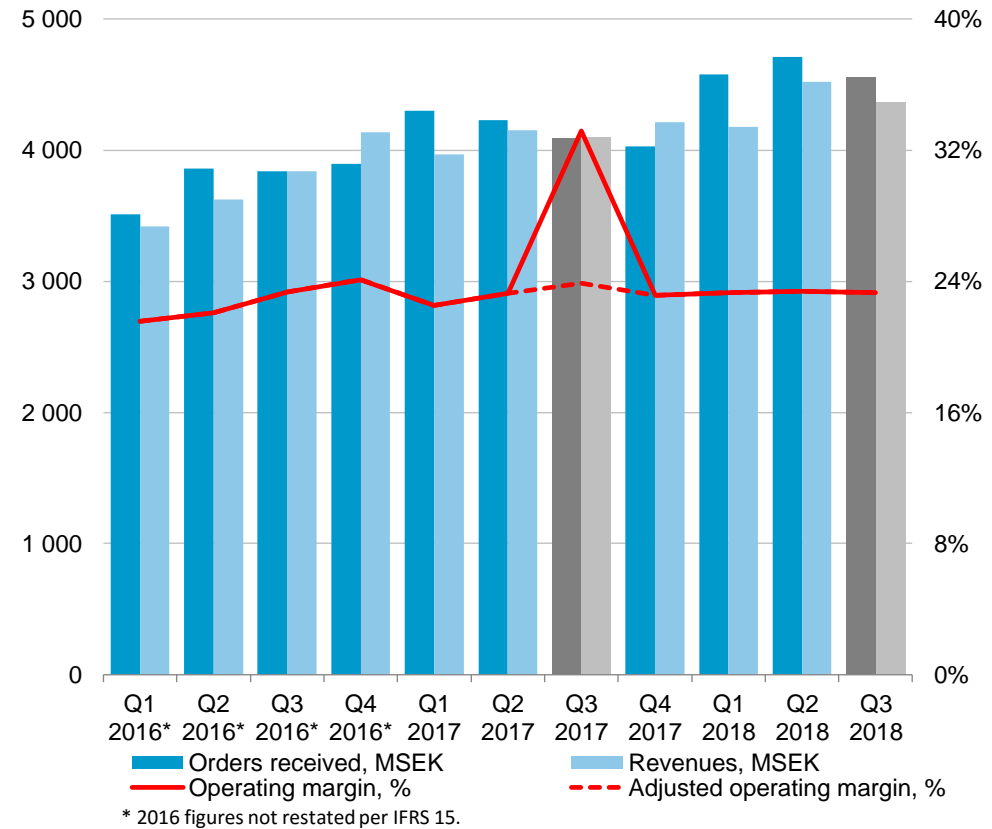
# Industrial Technique

## Growth drivers

- Global offer in selected assembly technologies
- Transformation towards Industry 4.0
- New product development
- Acceleration in service



ORDERS, REVENUES AND OPERATING MARGIN



# Orders received – local currency Q3 2018

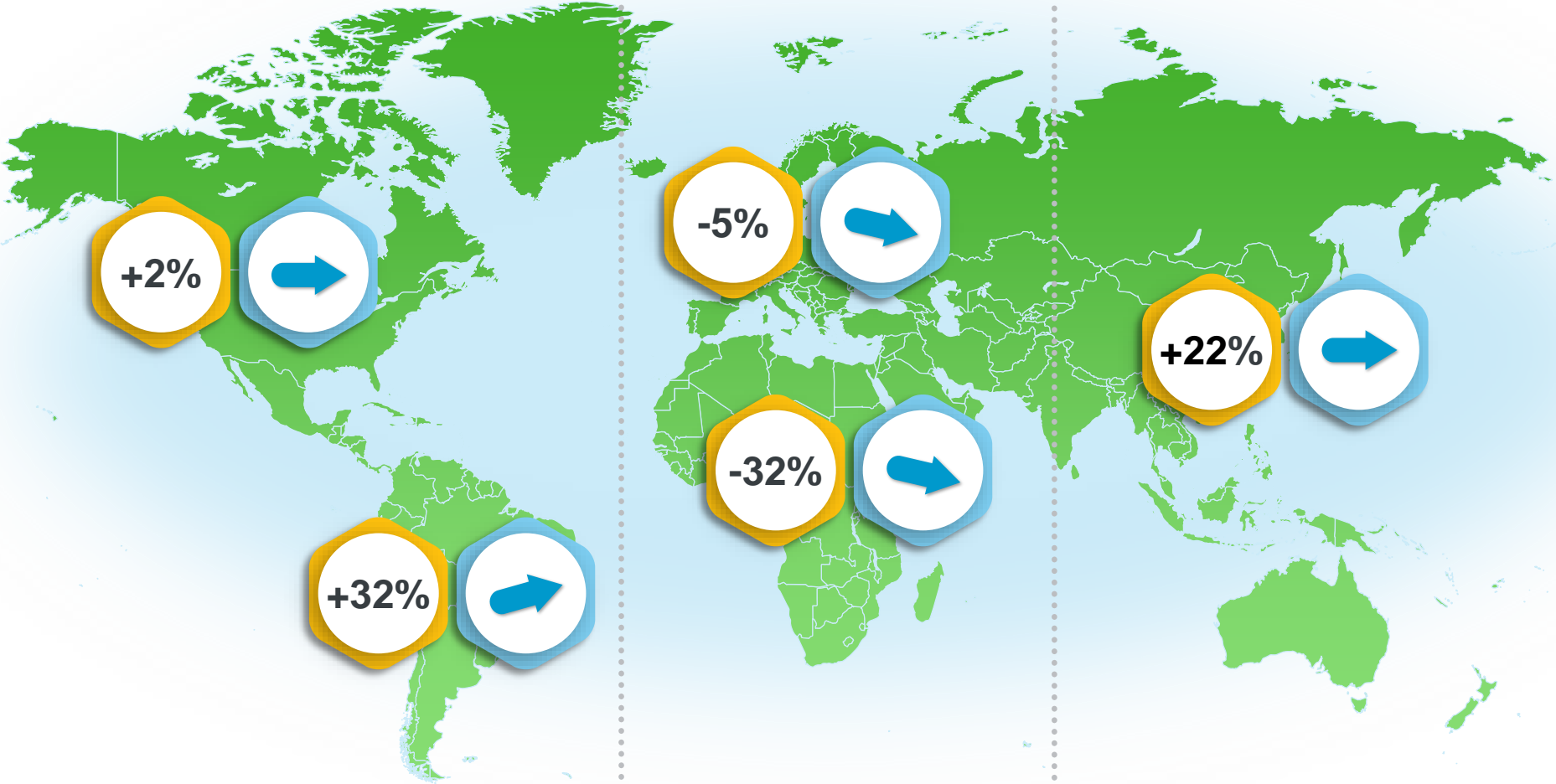
SHARE OF ORDERS RECEIVED YEAR TO DATE:

**35%**











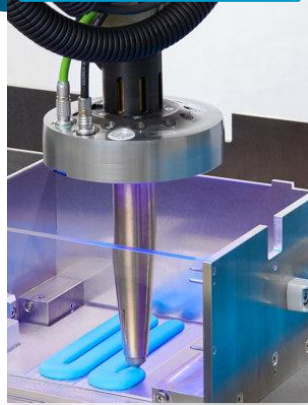

**37%**

**28%**

YoY **Q3 vs. Q2**



# Broad offer

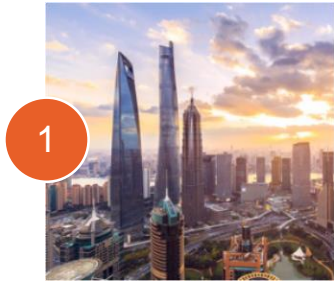
Multiple industries 	Aerospace 	Metal fabrication 	Automotive 	Automotive 	Automotive 
<b>TIGHTENING</b>	<b>DRILLING</b>	<b>MATERIAL REMOVAL</b>	<b>SELF-PIERCE RIVETING</b>	<b>ADHESIVE DISPENSING</b>	<b>FLOW DRILL FASTENING</b>
					

# Diverse customer base



# Trends

## GENERAL



China

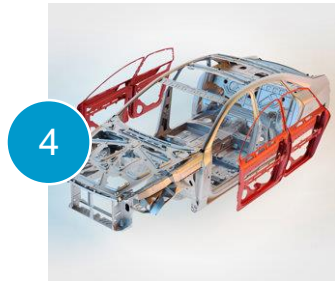


Quality, ergonomics & safety

## CUSTOMER PRODUCTS



Electric vehicles & battery



Light-weighting



Growth of Electronics

## SMART PRODUCTION



Connectivity



Flexible automation



Big data & Artificial Intelligence

# Summary of strategic focus areas

## MOTOR VEHICLE INDUSTRY

- Expanding within assembly technologies
- Dedicated products for industrial automation
- Solutions for in-line quality control
- Transformation in Asia
- Data driven service

## GENERAL INDUSTRY

- Segment focused approach
- Smart Connected Assembly
- Dedicated products for industrial automation
- Coverage and transformation in Asia
- Data driven service

# Expanding within assembly technologies

New materials



New applications

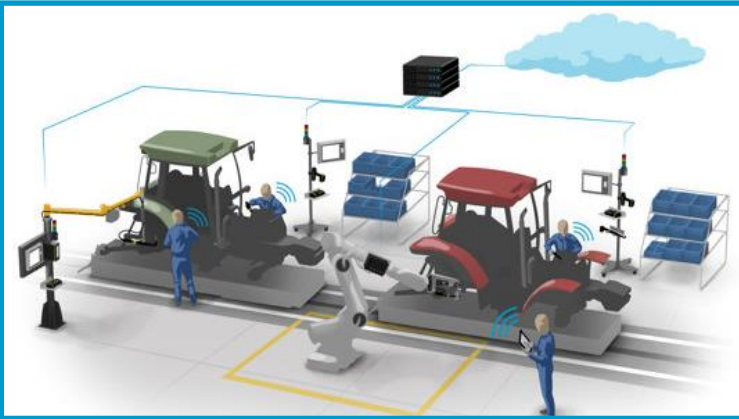


New joining technologies

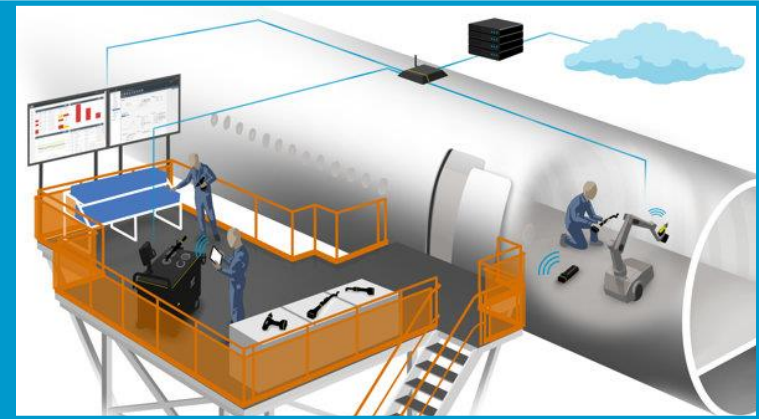


# Transformation in General Industry

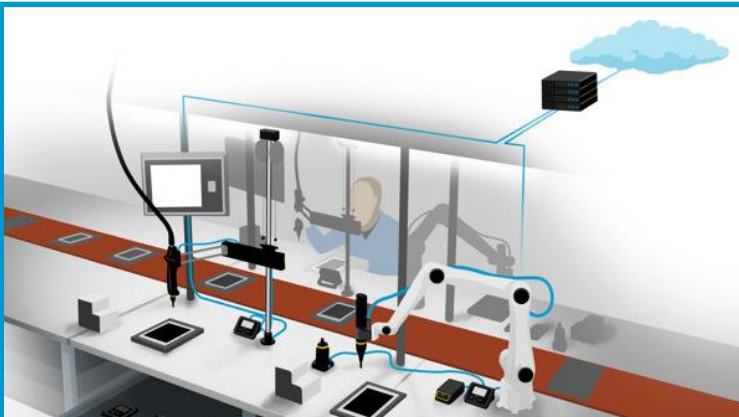
Smart  
Connected  
Offroad



Smart  
Connected  
Aerospace



Smart  
Connected  
Electronics



Smart  
Connected  
Bolting





# Dedicated products for industrial automation

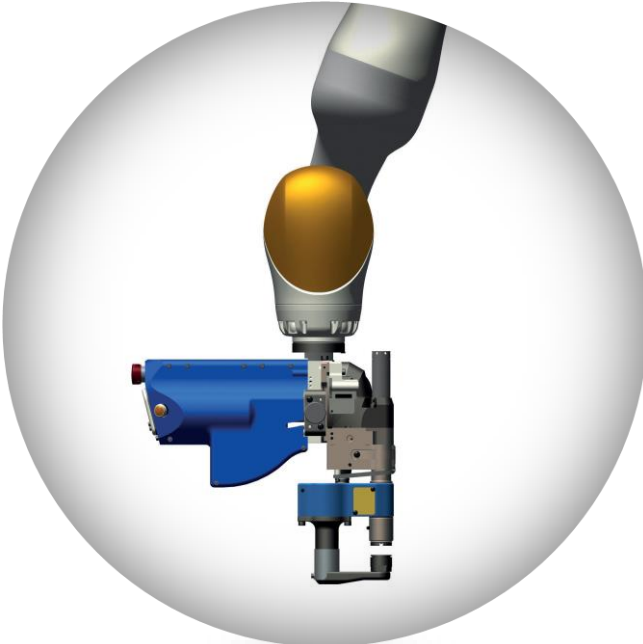
Automotive



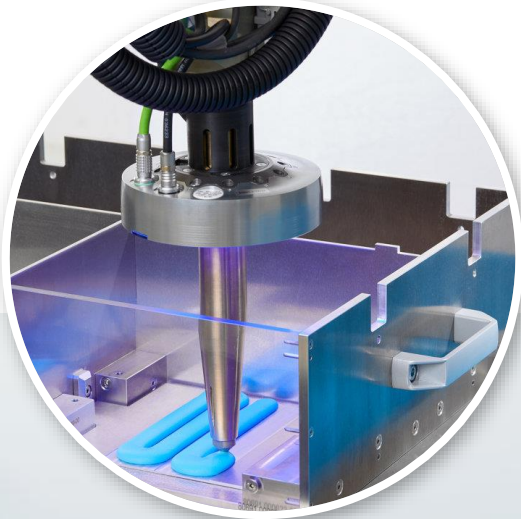
Electronics



Aerospace



# Solutions for in-line quality control



BODY SHOP



FINAL ASSEMBLY



# Innovation for growth

TBP & SRB battery tools



MicroTorque electric screwdriver



Enso system



Synatec SQS



Henrob Flex system



FlexDrive





## *Spare parts*



## *Break-down repairs*



## *Preventive service*



## *Tool management center*

# Tool Management Center

## Tool Management Center

Atlas Copco



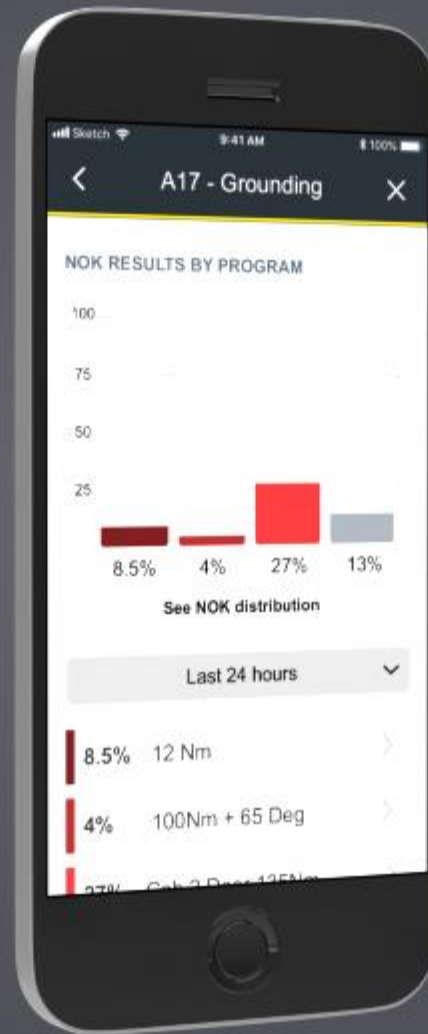


*ToolsNet*

**50 000**

# Data analysis

*Analysis of real time production data*



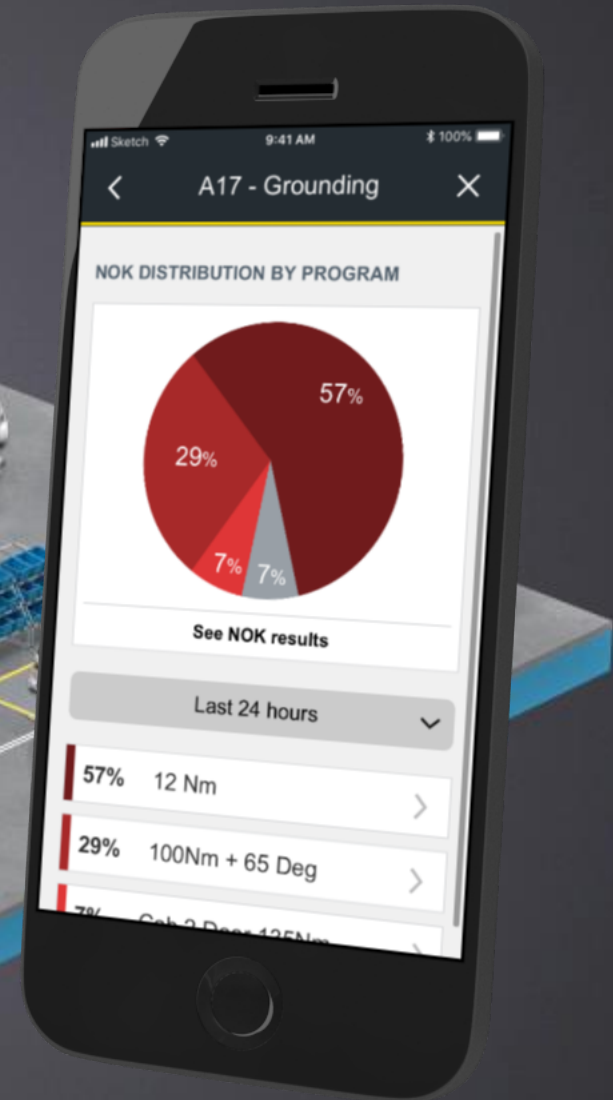
# Data driven service

*As production lines become more flexible, Atlas Copco will help customer to proactively improve quality and uptime.*

Notifications

Optimized maintenance

Process improvements





# Strategic approach to acquisitions

**SCA** 2011

Adhesive systems and metering technology

**SEITEX** 2011

Drilling equipment

**SYNATEC** 2013

Quality control solutions

**SALTUS** 2013

Mechanical and electrical wrenches

**RAPID-TORC** 2013

Hydraulic torque wrenches and pumps

**Tentec** 2013

High torque bolting solutions

## Innovation in reality

**Henrob** 2014

Self-pierce riveting

**TITAN** 2014

Hydraulic torque wrenches and pumps

**PIVOTWARE** 2015

Process control solutions

**BONDTECH** 2016

Adhesive dispensing equipment

**KLINGEL GmbH** 2018

Flow drill fastening

**QUISS** 2018

Quality inspection

# Innovation in reality

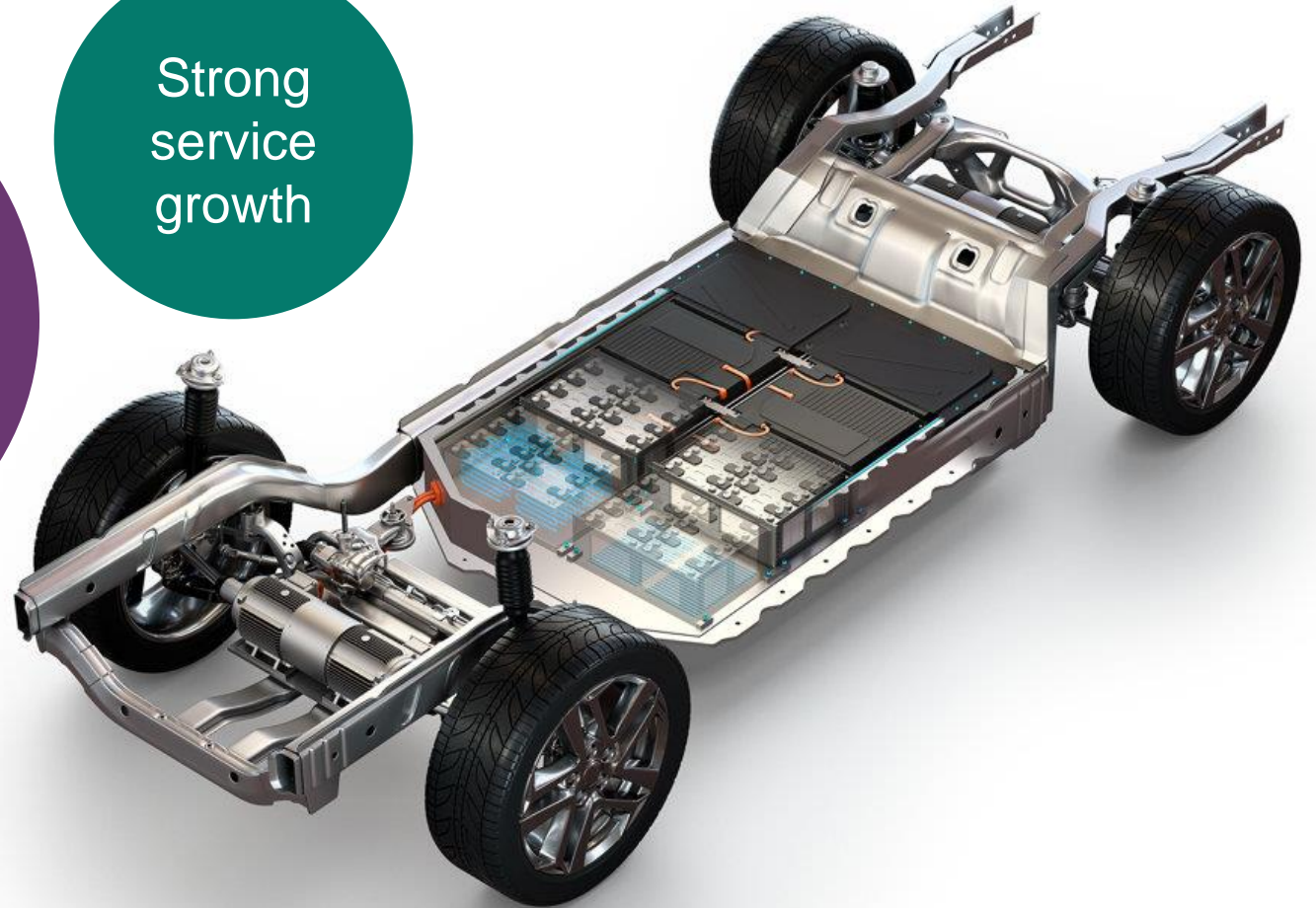
# Summary

Electric vehicles and light-weighting drive growth

Sustainable business model in Motor Vehicle and General Industries

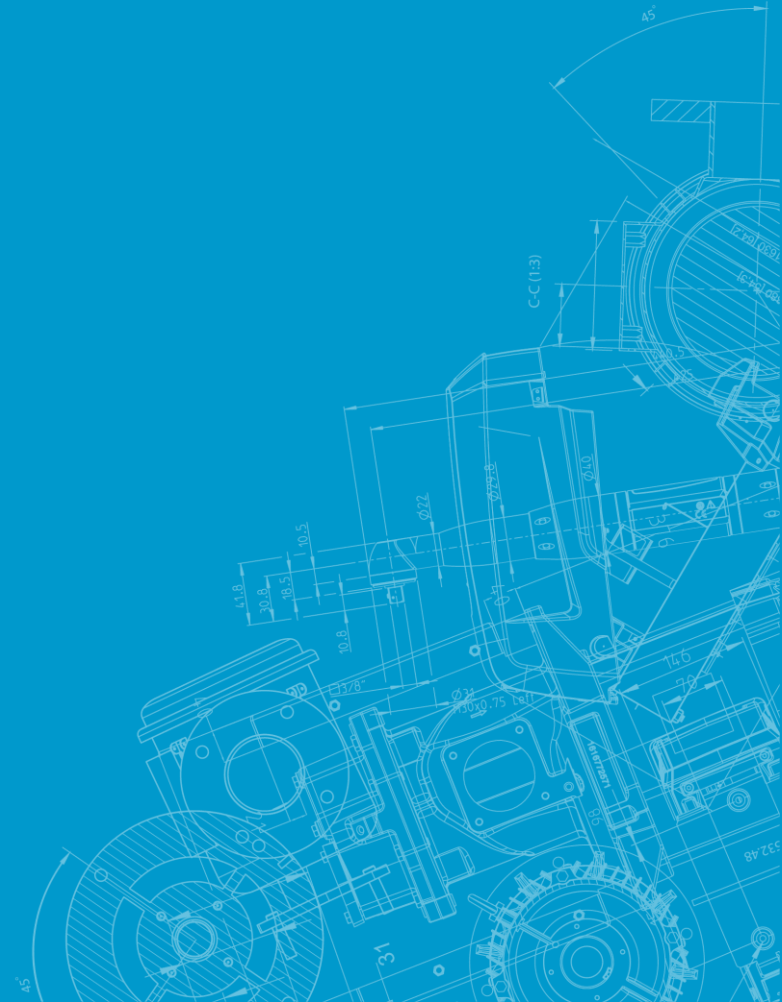
Focus on Industry 4.0

Strong service growth



The Atlas Copco logo is centered on the page. It consists of the brand name "Atlas Copco" written in a white, elegant, cursive script. The text is framed by two thick, white horizontal bars, one positioned above and one below the script.

[www.atlascopcogroup.com](http://www.atlascopcogroup.com)



The Atlas Copco logo is located in the top right corner of the image. It consists of the company name "Atlas Copco" in a white, serif font, centered within a blue rectangular box that has two horizontal white lines above and below the text.A large, semi-transparent blue triangular graphic is overlaid on the left side of the image. It contains a white technical drawing of a mechanical component, likely a vacuum pump or valve, with various dimensions and labels. The drawing includes circular patterns, lines, and text such as "1300 (64.9)", "1630 (64.2)", "C-C (1-3)", "Ø12", "Ø10", "0.8", "16.5", "30.8", "10.5", "4.8", and "VACUUM PUMP".

# Vacuum Technique

Geert Follens, Business Area President  
Capital Markets Day 2018



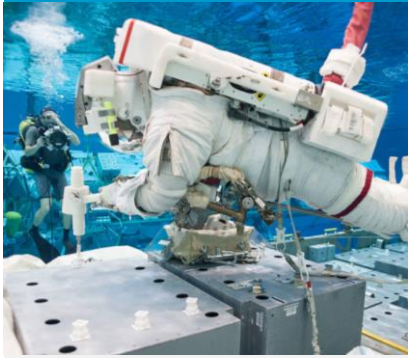
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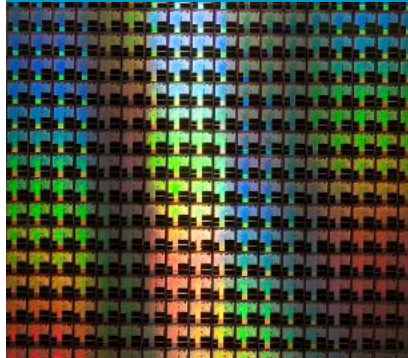


# Vacuum is everywhere!

Space Simulation



Semiconductor



Flat panel displays



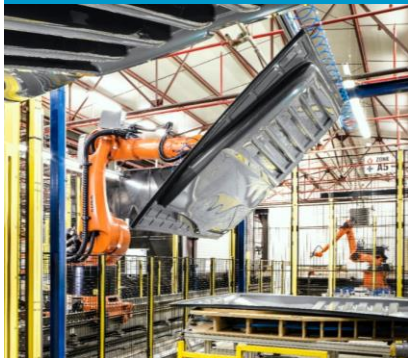
Metallurgy



Electric Vehicles



Conveying



Food & Beverages



Packaging



Forming & Shaping



Coating



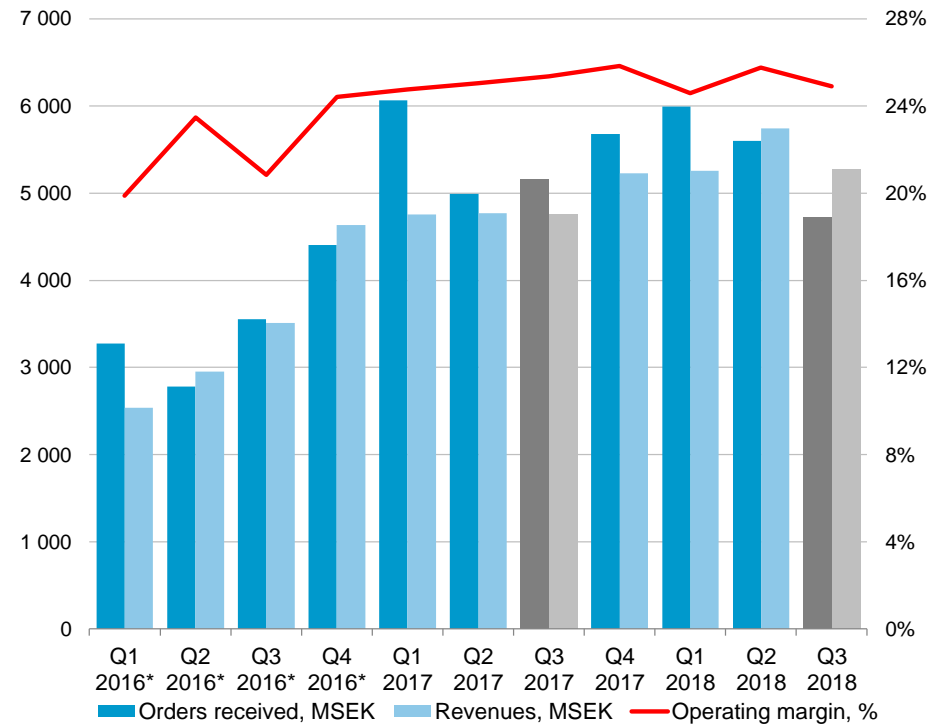
# Vacuum Technique

## Growth drivers

- Successful integration of acquisitions
- Embedding of decentralized organizational structure
- China focus
- Leverage synergies with other business areas and the Group
- Innovation and Digitalization



ORDERS, REVENUES AND OPERATING MARGIN



\* 2016 figures not restated per IFRS 15.



# Orders received – local currency Q3 2018

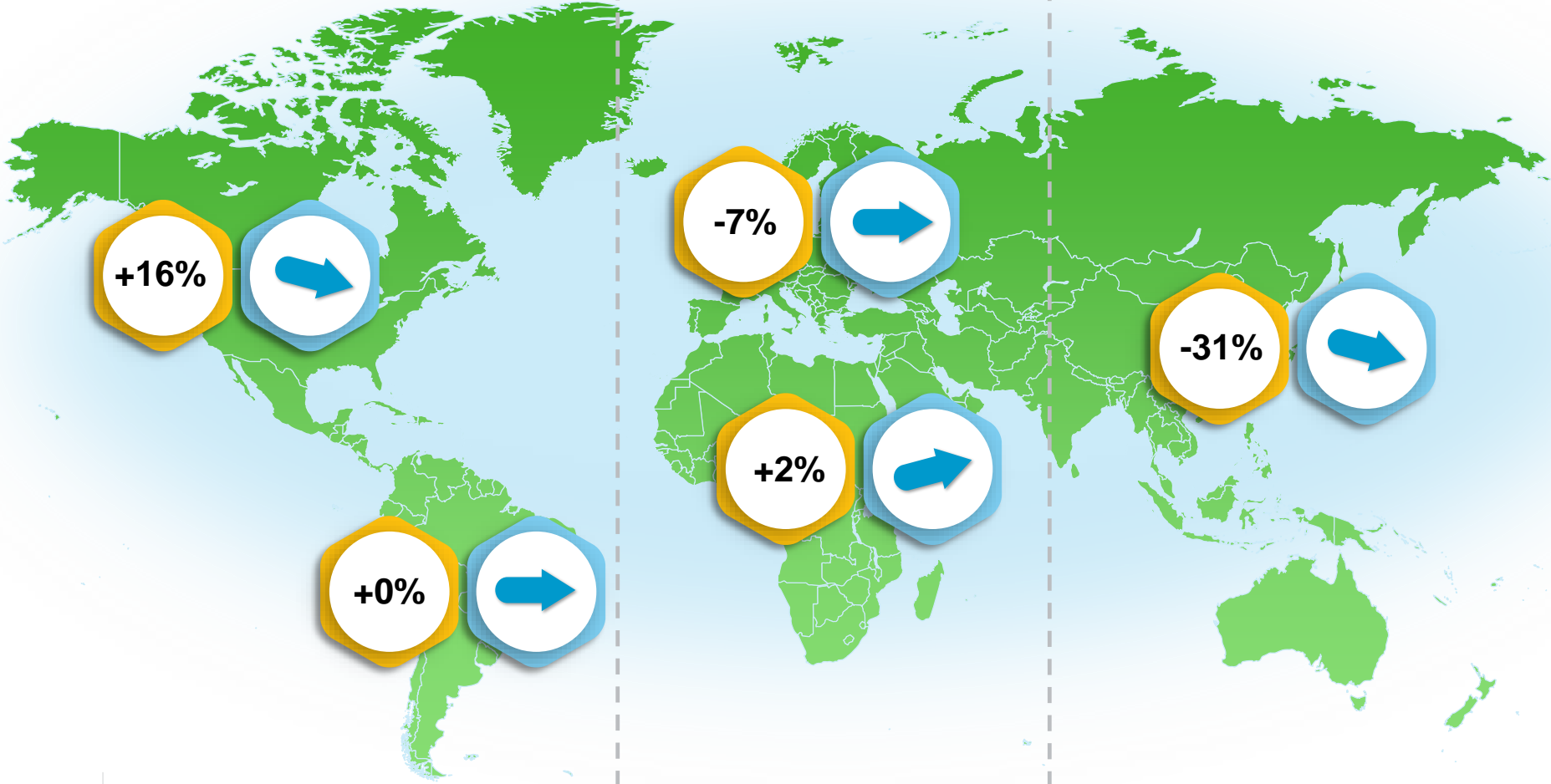
SHARE OF ORDERS RECEIVED YEAR TO DATE:

26%

19%

55%

YoY Q3 vs. Q2



# What is sustainable profitable growth?

## Growth Drivers

### Macro Factors:

- Climate change
- Miniaturization
- Digitalization
- Urbanization

### Micro Factors:

- China Investment
- Internet of Things
- High demand for increasing process efficiency













## Vacuum & Abatement Technology

- Technology Leadership
- Application know-how
- Speed to market

## Market Leadership

- World-class Key Account Management
- Application based solutions delivered through technology leadership
- Extensive Aftermarket
- Lean hi-tech manufacturing close to our customer base

# Impact of growth drivers

Division	Key Drivers of Change	Short Term Growth	Mid-Long Term Growth
Semiconductor	Miniaturization, Legislation, China, Global Data Use, IoT		
High Vacuum	Application Technology Leadership, Broader Product Portfolio, Digitalization		
Industrial Vacuum	New Vacuum Applications, Energy Efficiency and Dry Pumps		
Semiconductor Service	Global Manufacturing Capacity, Digitalization, Legislation		
Vacuum Technique Service	Digitalization, Brand Management		

# Summary focus, priorities and strategy

Agility and  
resilience



Growth in  
industrial  
vacuum



Technology  
leadership



Opportunities  
in China



Integration of  
cryogenics  
business



Service

# Agility and resilience

## Structure built for agility

Flexible and agile cost structure.

Additional 200 MUSD of cryo business with low overheads.

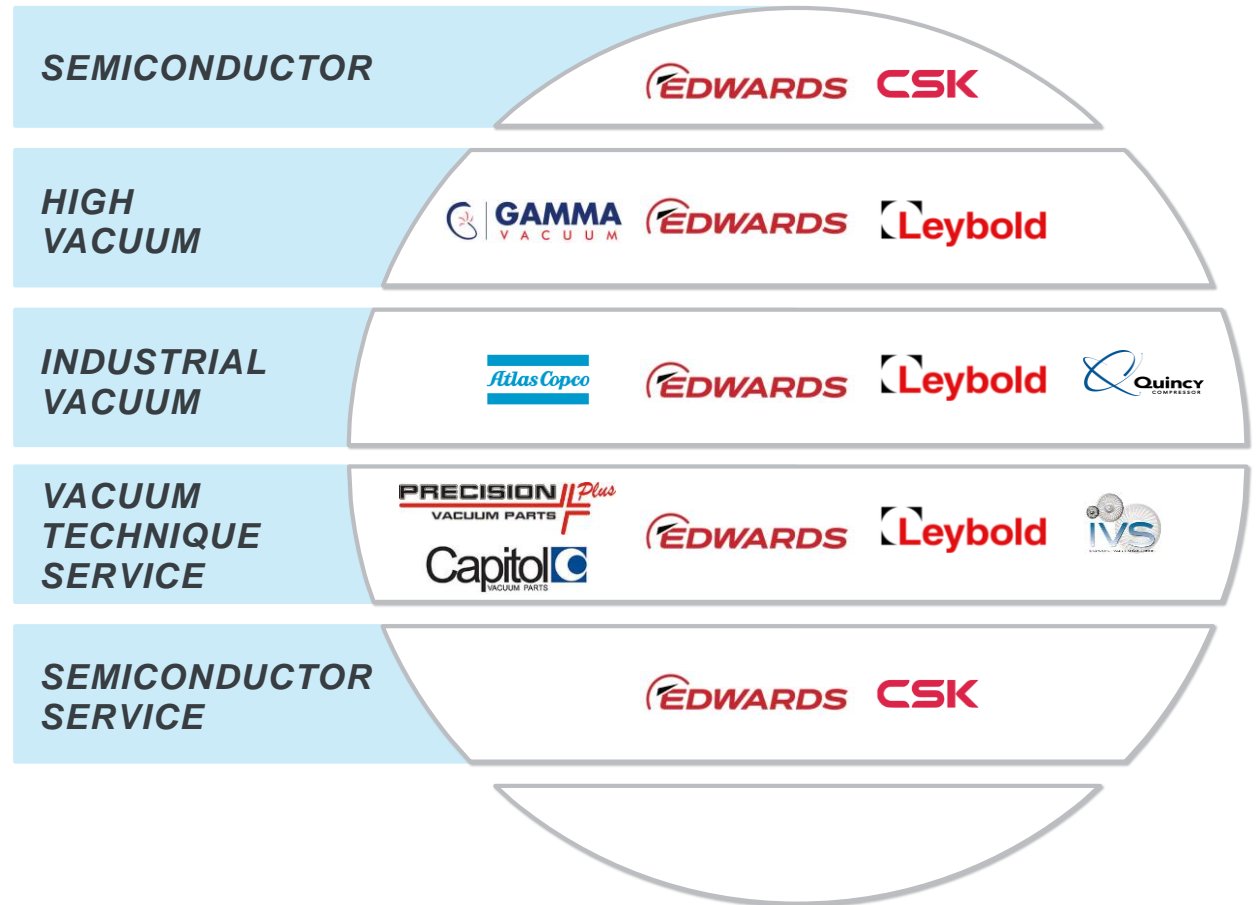
Adaptable workforce >20% temporary roles.

Agile supply chain.

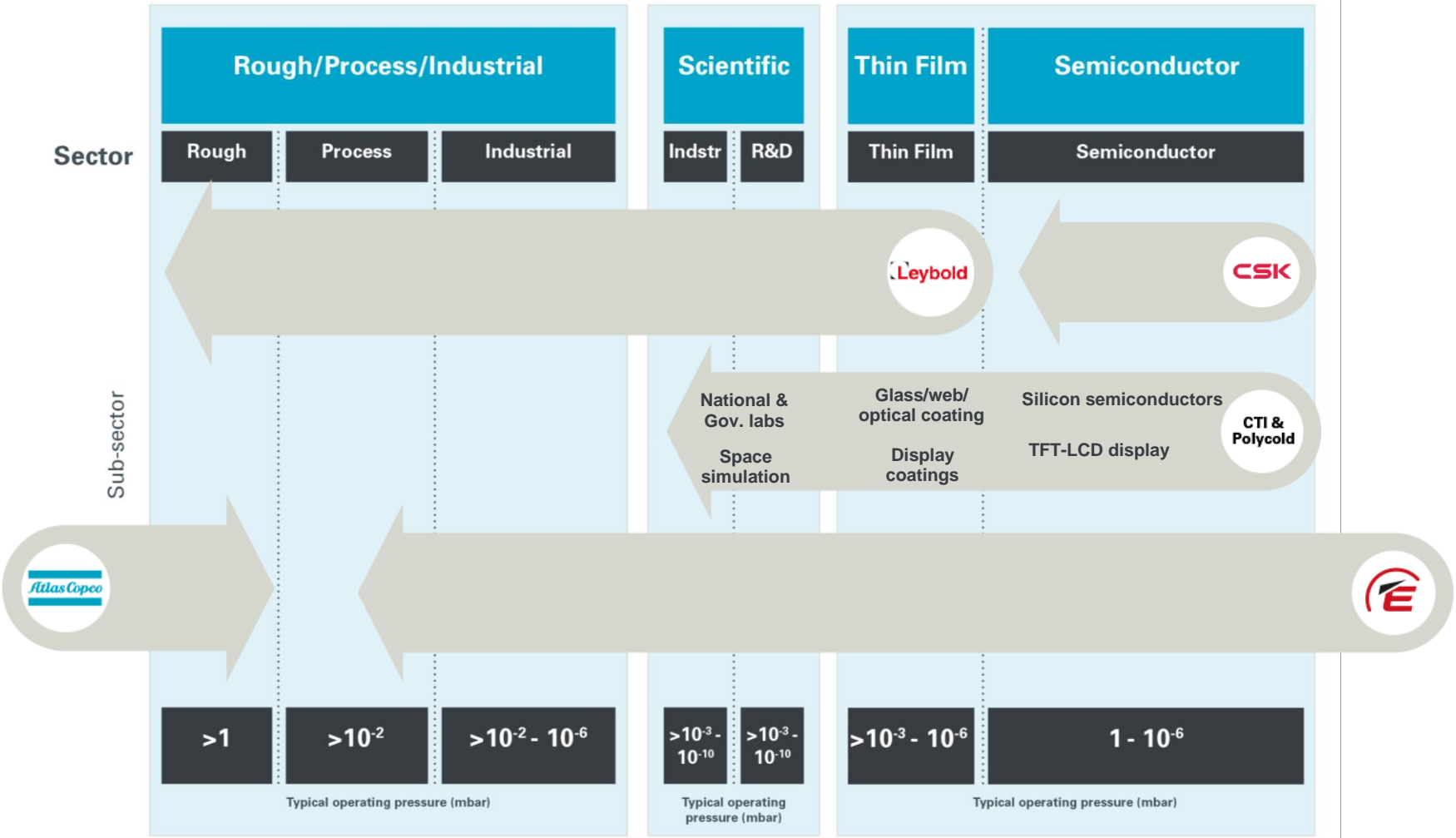
Move from sellers to buyers market.

Strong development in both service divisions.

Agility without compromising strategy.



# Becoming the undisputed leader in vacuum technology



# Brooks Cryogenic Business

Leader in high value cryogenics solutions under two leading brands – CTI and Polycold

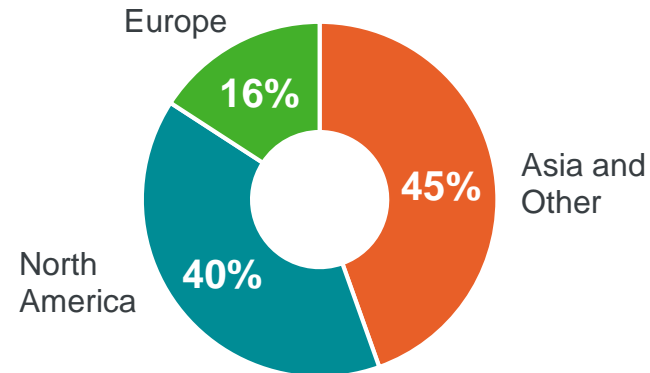
Extensive track record – 85,000+ CTI Cryopumps and 20,000+ Polycold chillers installed globally.

Market leader in Semiconductor – critical products in deposition and ion implant processes.

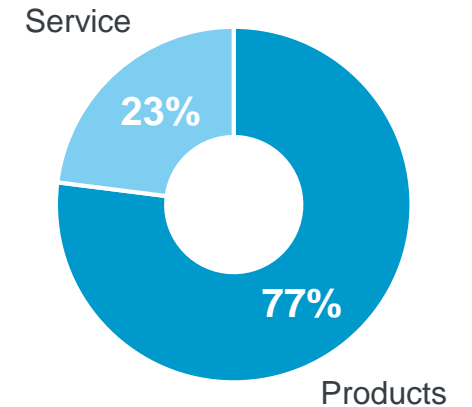
Used in a wide range of thin film and scientific applications.

50/50 JV with Ulvac Inc which produces cryopumps for flat panel display market.

REVENUE  
BY REGION

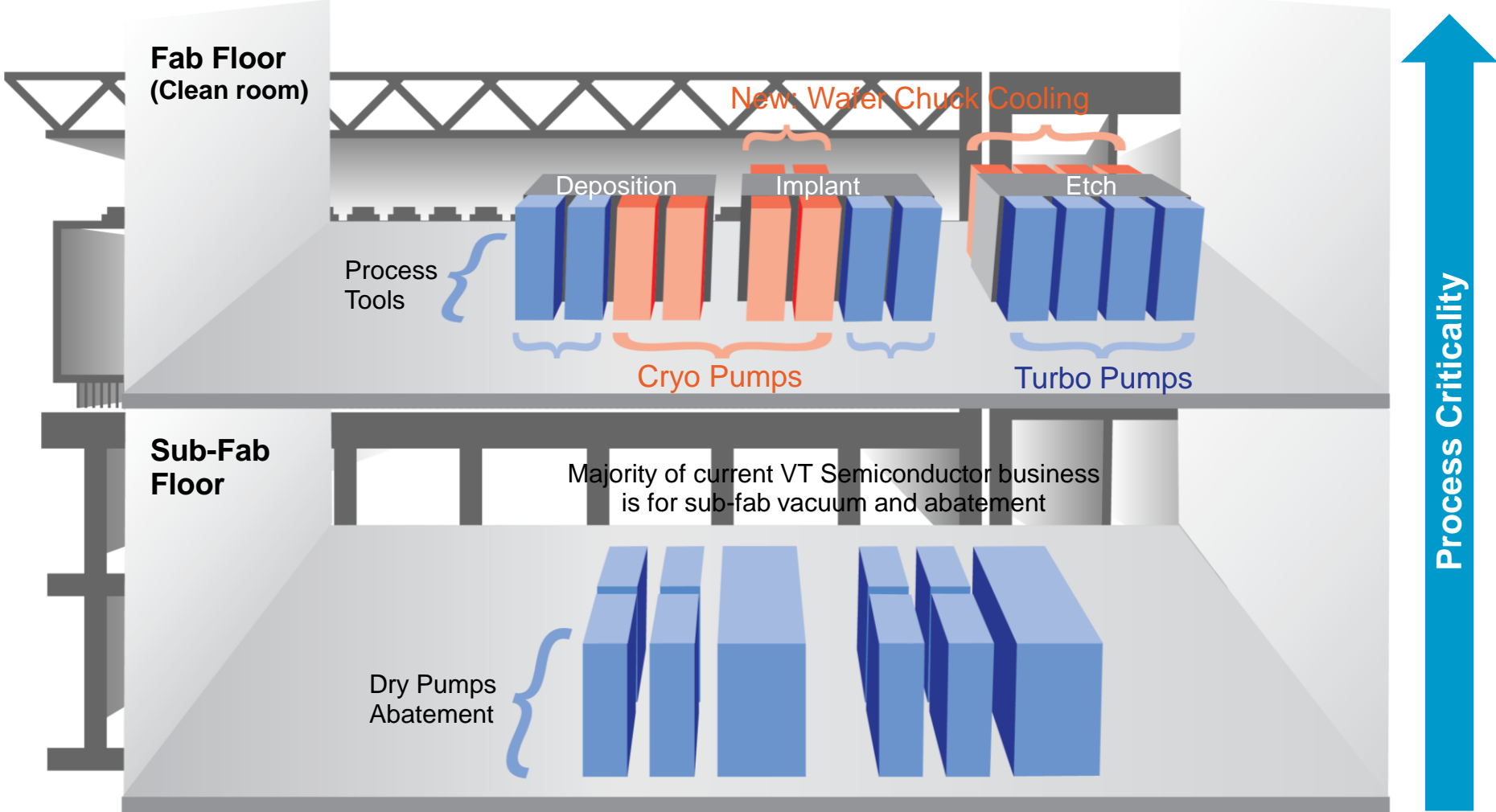


REVENUE  
BY BUSINESS TYPE



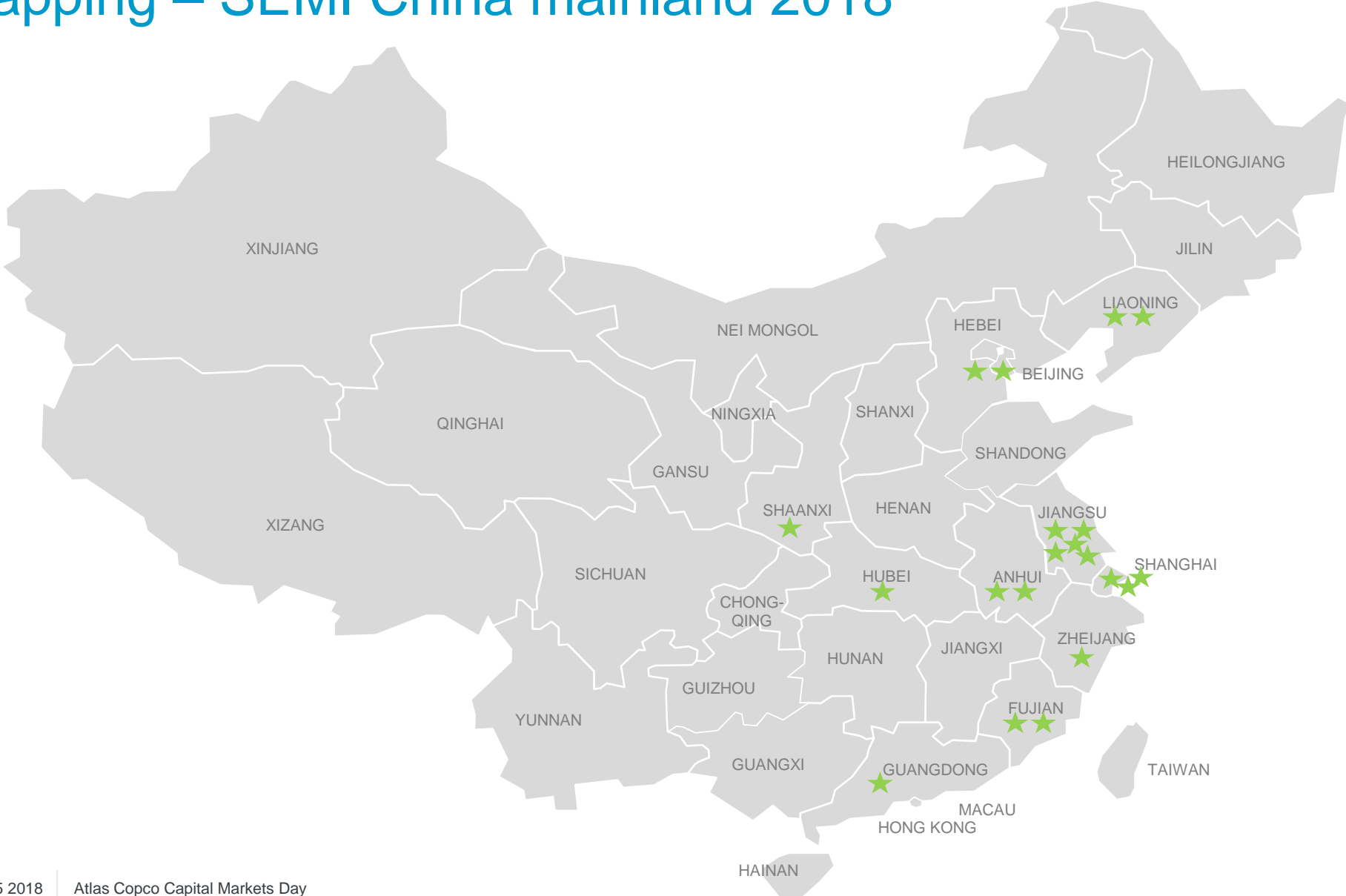
# Cryo Technology: Increasing footprint on Process Tool Chambers

## Inside the Fab and Sub-Fab

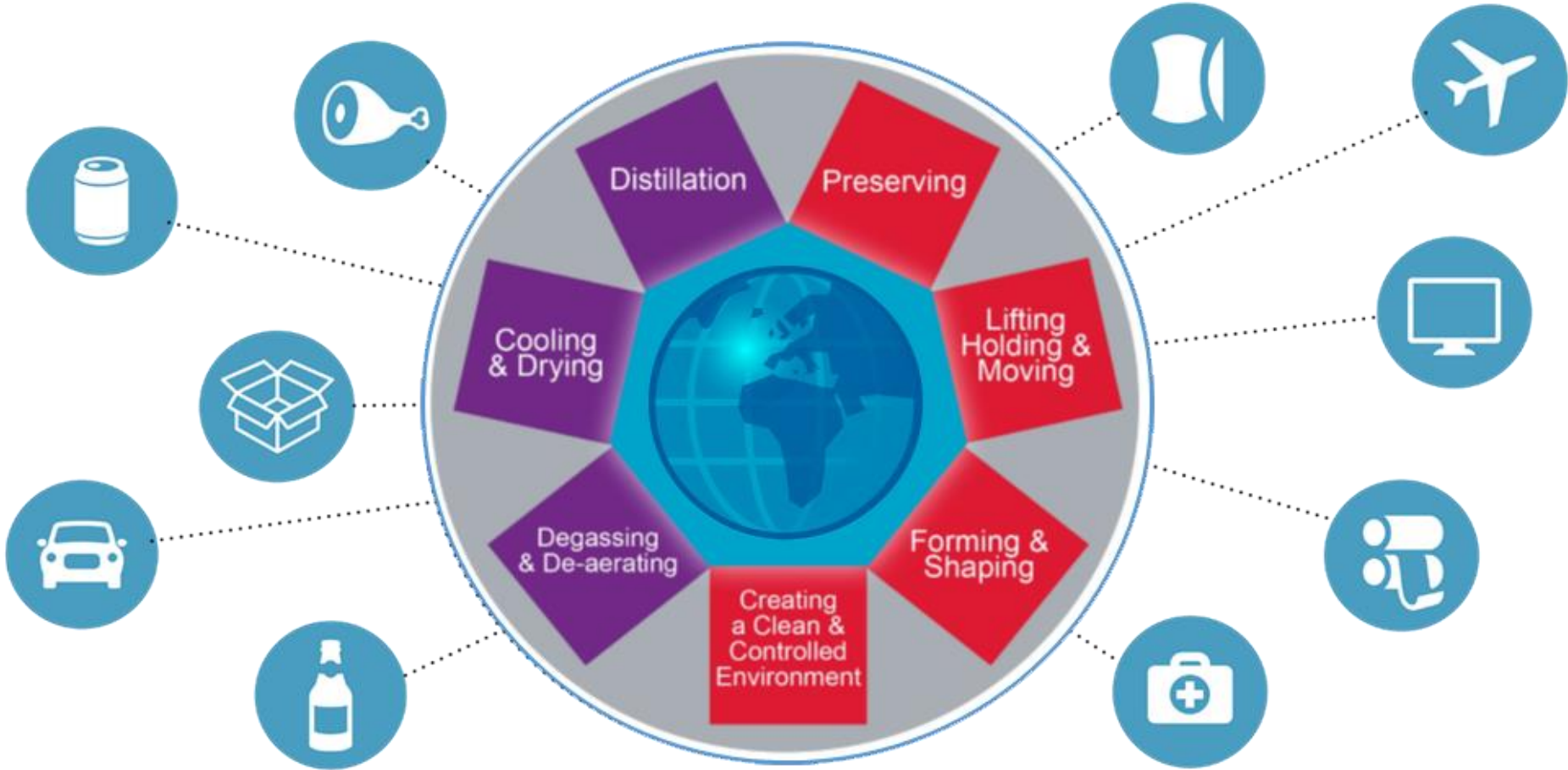




# Fab Mapping – SEMI China mainland 2018



# Industrial Vacuum



# Industrial Vacuum

New technologies market      Traditional markets (old products, traditional users)



*Introduce disruptive innovations in a traditional market*



# Service

Two stable and growing service businesses

## Vacuum Technique Service



Share growth potential  
Investing in presence  
Merged Leybold and Edwards hubs; Plan to merge Cryo business hubs  
Develop a Product Portfolio for proactive Service offerings

## Semiconductor Service



Ongoing high fab utilization  
Benefiting from huge growth of install base over last 5-years  
Customer presence with >1,000 on-site service personnel

# Innovative products to be launched in the coming months

## Innovation in vane technology



- Easy operation – clean exhaust
- Easy integration – compact
- Comfortable operation – low noise level

## Next generation dry vacuum pump for harsh processes

- Harsher process capability
- Lower power
- Smaller footprint



iXH Mk2

## DHS VSD+



New dry screw vacuum pumps

## Revolution in liquid ring vacuum technology

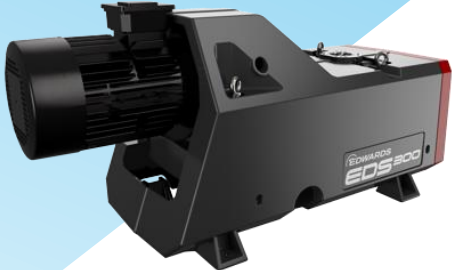


LRP VSD+

## Atlas Mk4



Next generation abatement system



Extended range EDS dry screw pump technology

# Innovation in reality







# Summary

Market share gain.

Growth through breakthrough innovative new products.

Very strong service growth through utilization and presence.

An integrated sustainable strategy.

Excellence in Brand Portfolio management.

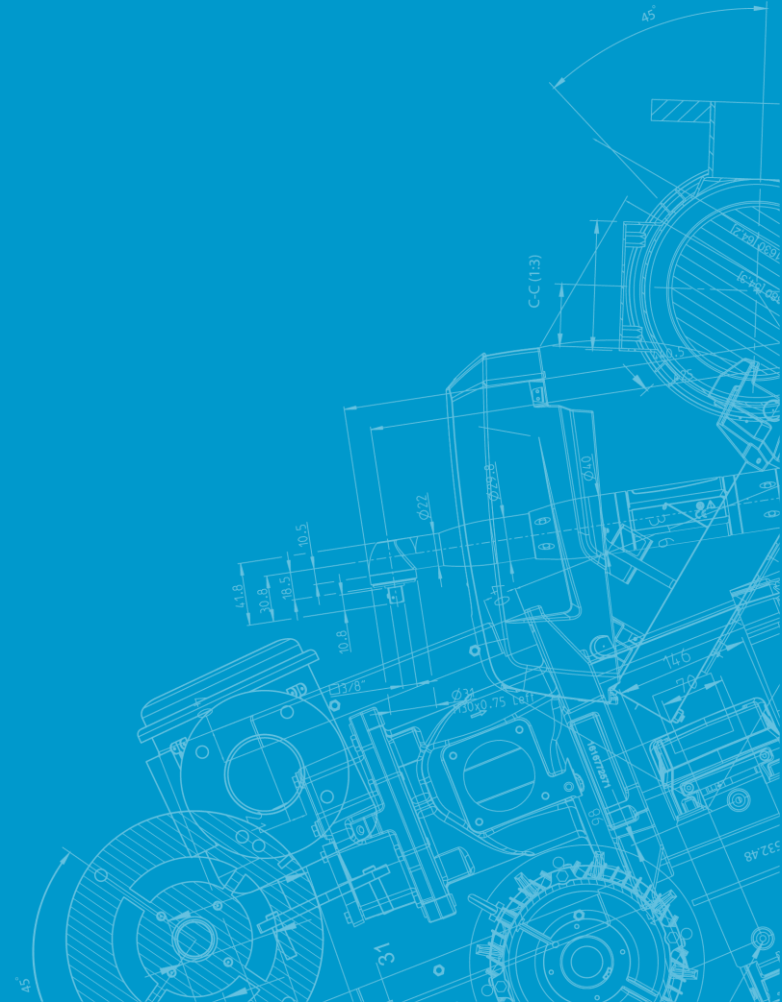
Clear divisional roadmaps driving towards strategic convergence and Sustainable Profitable Growth.

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*Atlas Copco*

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[www.atlascopcogroup.com](http://www.atlascopcogroup.com)



A large, semi-transparent blue graphic on the left side of the slide features a technical drawing of a compressor. The drawing includes various dimensions and labels such as "1380 (64.9)", "1630 (64.2)", "C-C (1-3)", "Ø72", "Ø79", "10.8", "16.5", "30.8", "10.5", and "4.8".

# Compressor Technique

Vagner Rego, Business Area President

Capital Markets Day 2018

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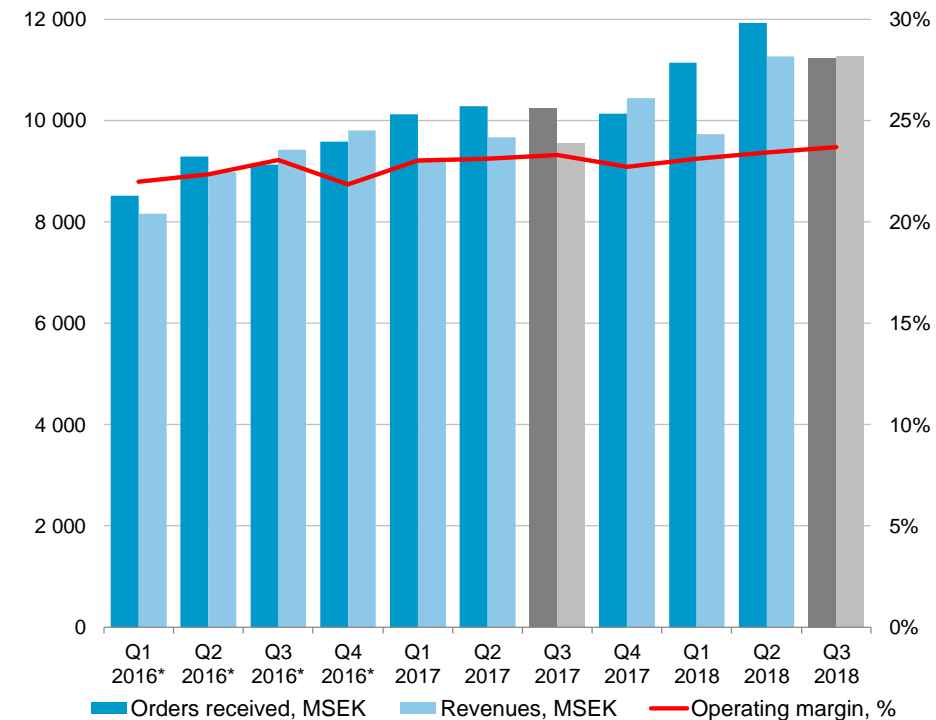
# Compressor Technique

## Growth drivers

- Innovation
- Leverage investments in presence
- Service offer
- Further expand the core organically and with acquisitions
- Digital value creation
- People development

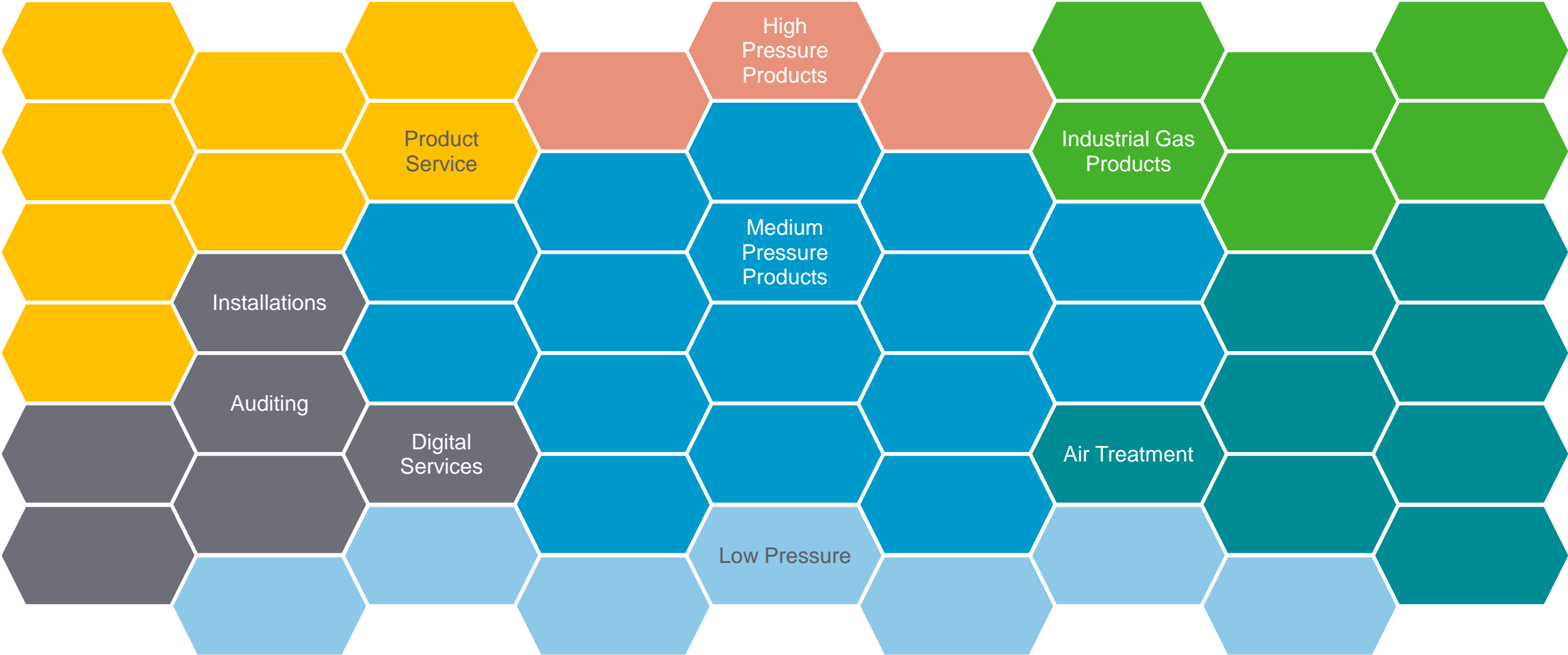


ORDERS, REVENUES AND OPERATING MARGIN



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# Compressor Technique growth opportunities



# Orders received – local currency Q3 2018

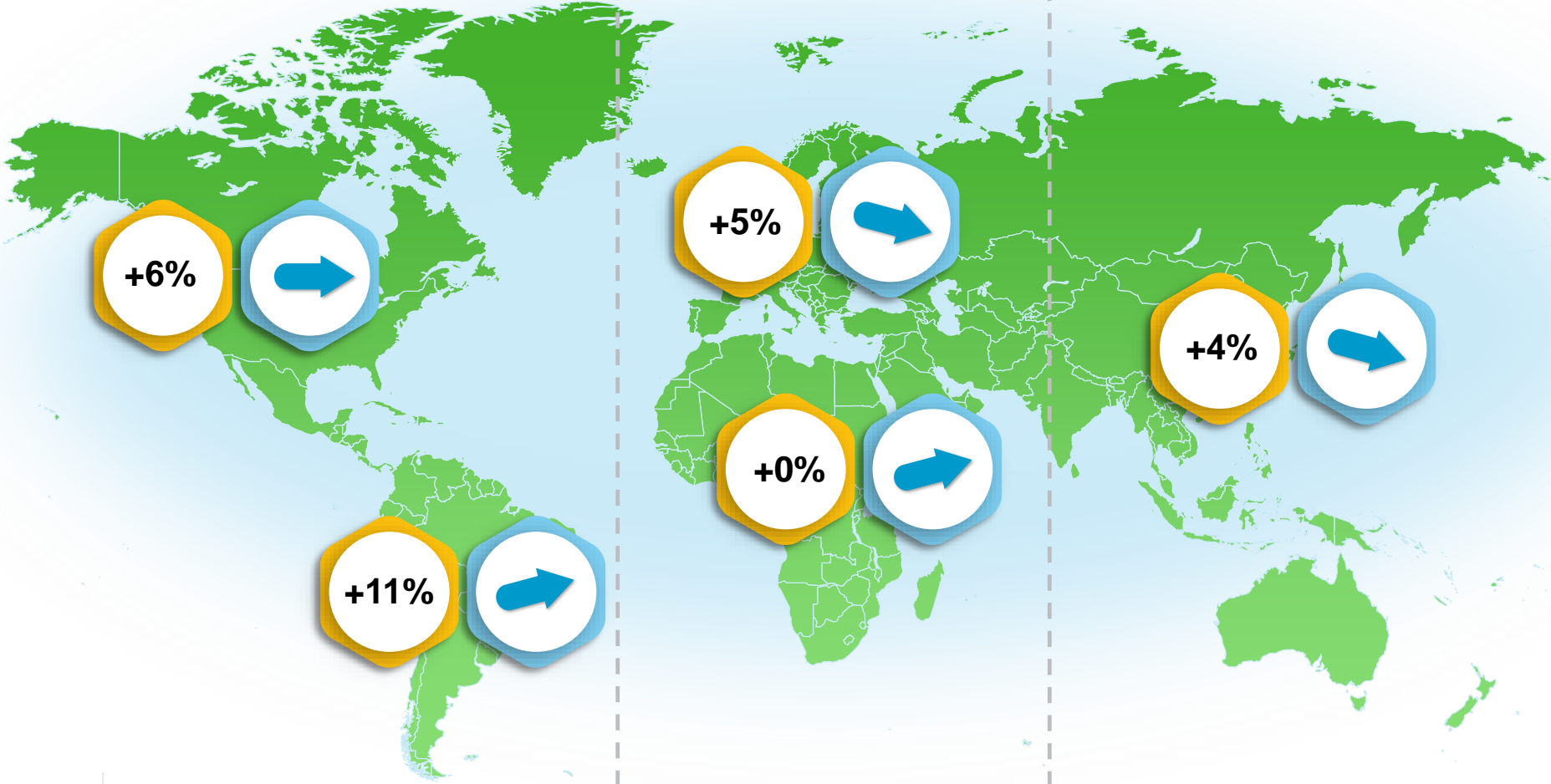
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YoY      Q3 vs. Q2



# Compressor Technique – The People We Serve





# Compressor Technique – The Segments We Serve



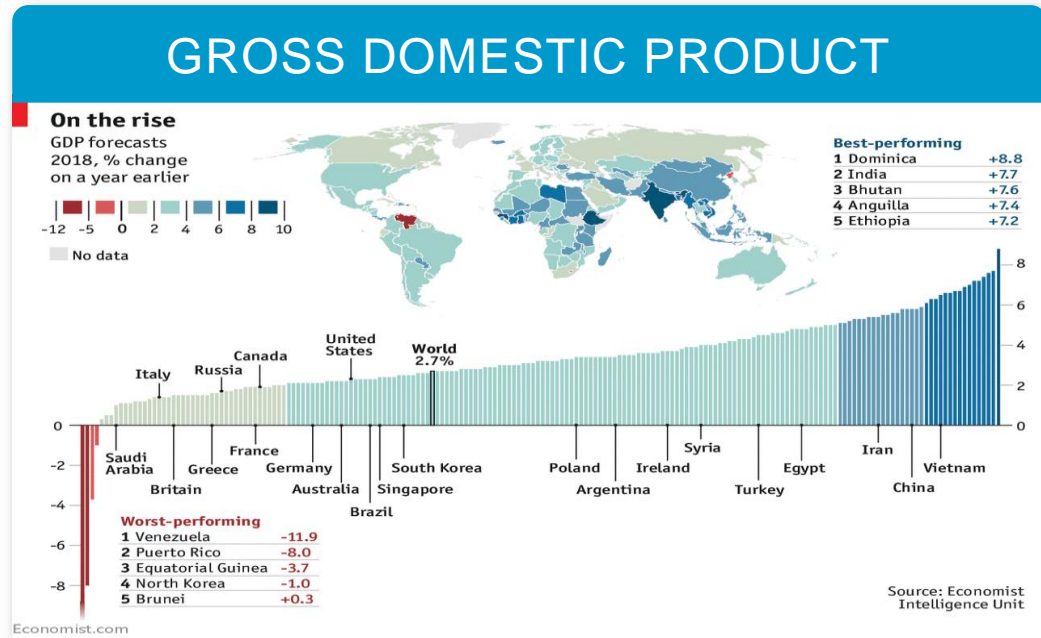
# Compressor Technique – The Applications We Serve



# Compressor Technique – The Solutions We Provide



# Trends and driving forces



## STANDARDS AND LEGISLATION

European Commission

ENERGY.GOV

ISO

HSE

中国能效标识  
CHINA ENERGY LABEL  
等级: 1  
能效效率 (cd/W): 1.05

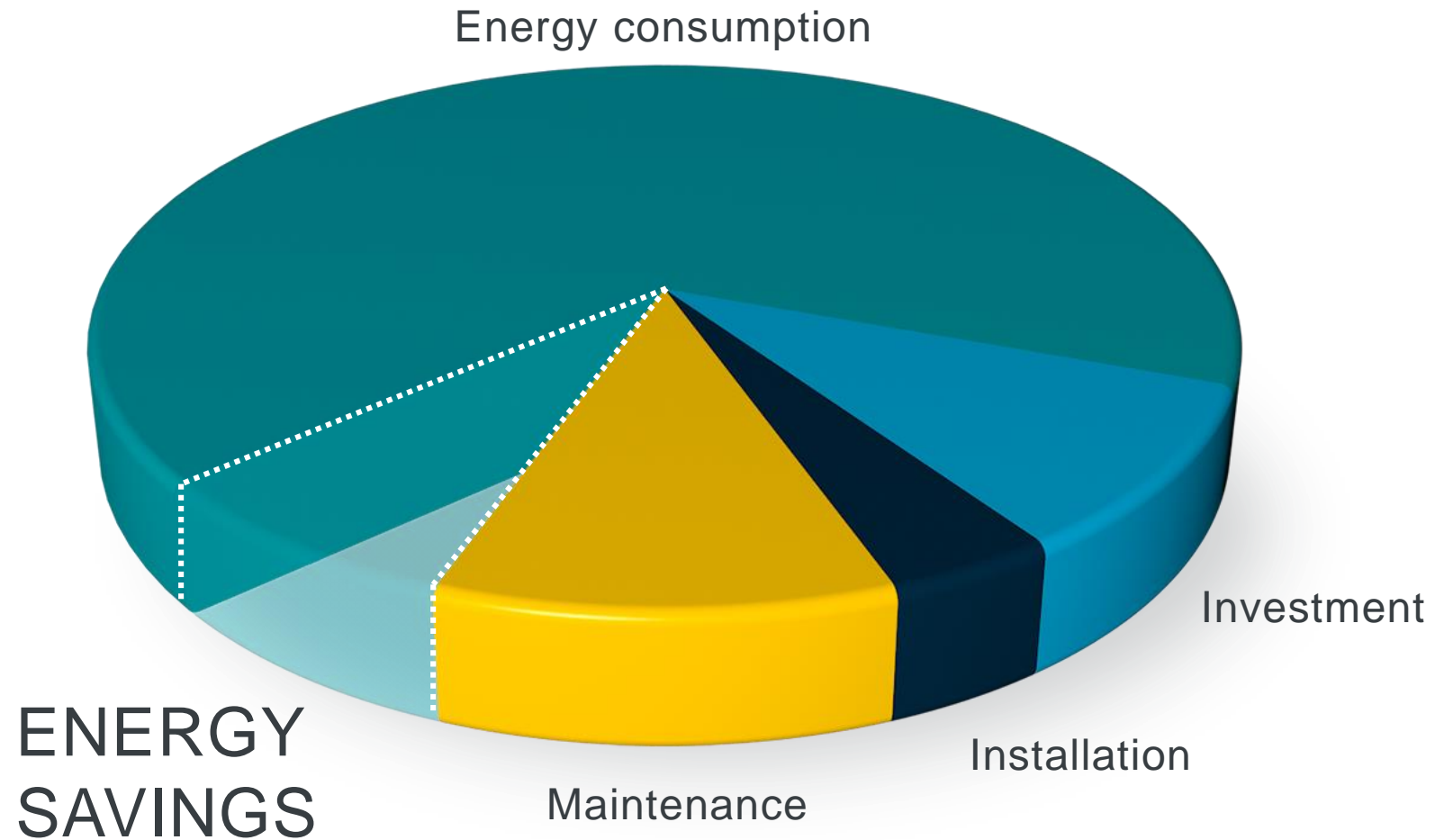
中国能效标识  
CHINA ENERGY LABEL  
等级: 2  
能效效率 (cd/W): 0.85

中国能效标识  
CHINA ENERGY LABEL  
等级: 3  
能效效率 (cd/W): 0.55

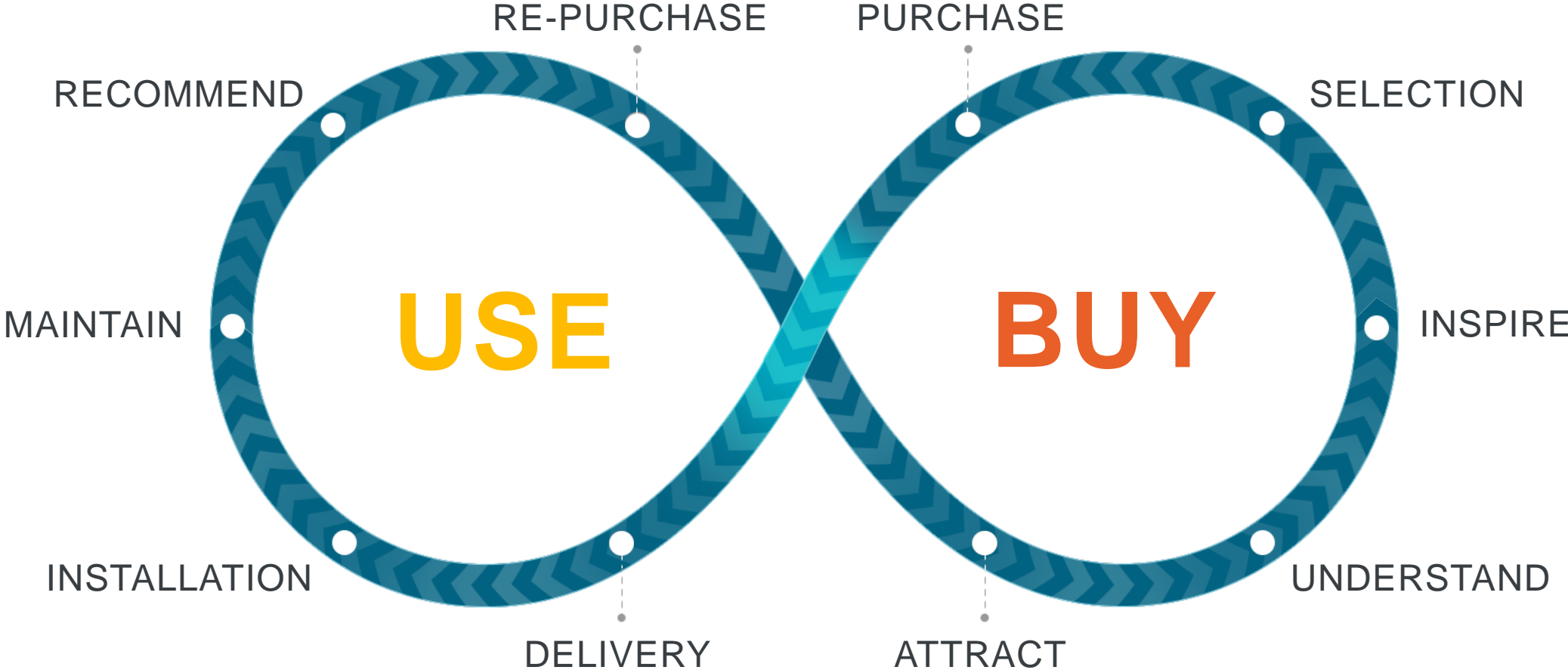
CAGI  
Compressed Air & Gas Institute

pneurop

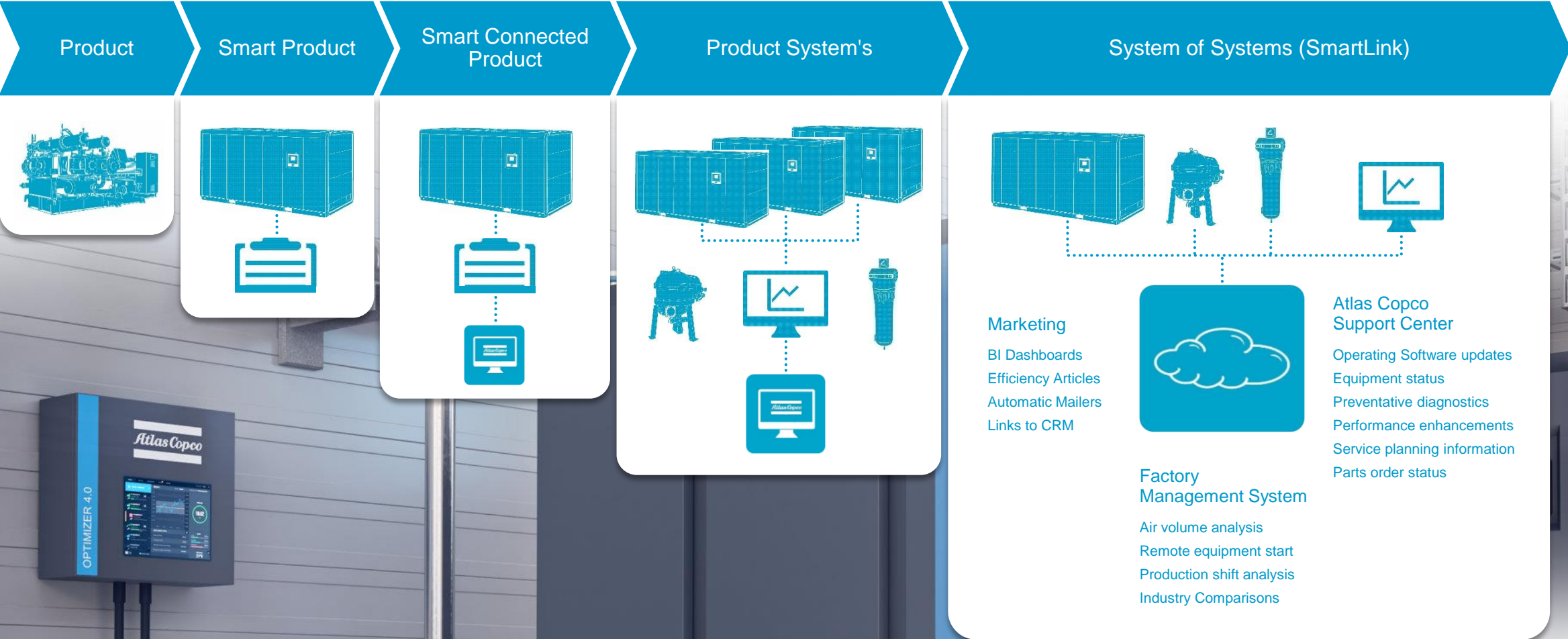
# Trends and driving forces



# Focus and priorities

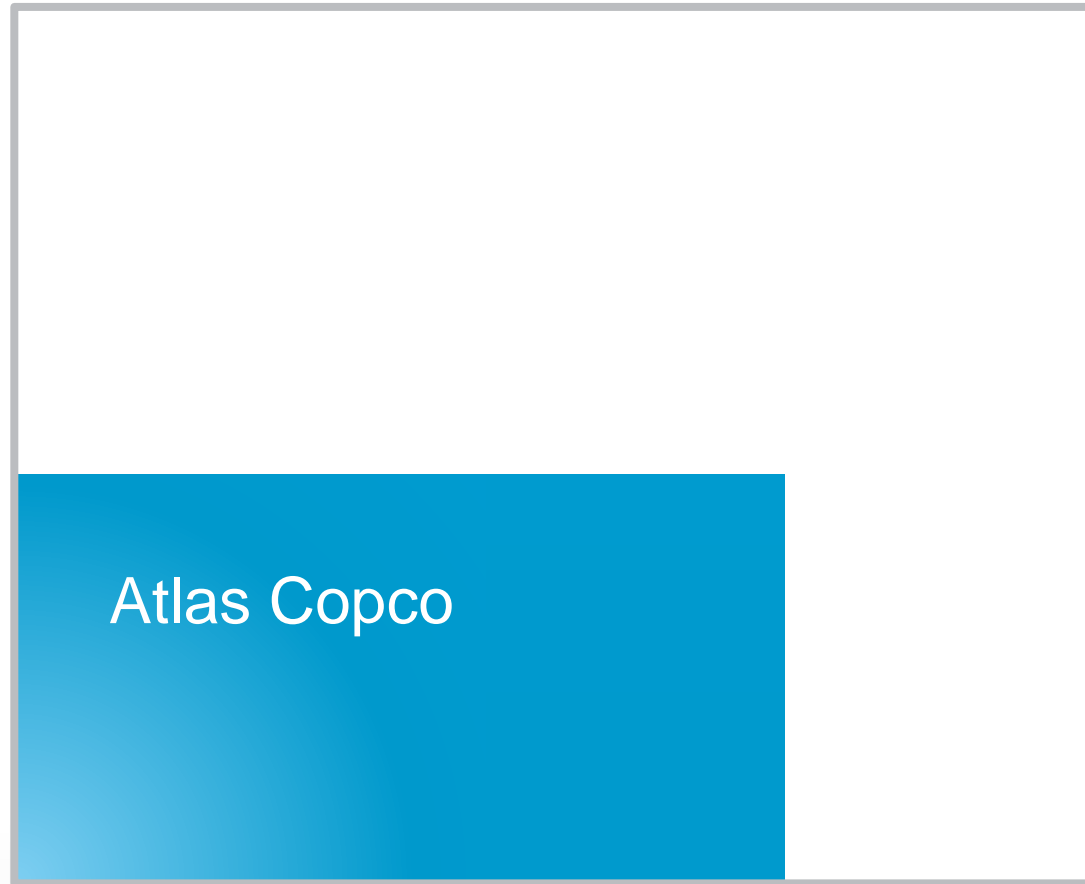


# System Digitalization Industry 4.0



# Market opportunity

  
*Presence*



*Hit rate* 



# Product Developments

## New Ranges

Piston Compressors



Low Pressure Blowers



-40 °C Drum Type Dryers



System Controllers



Medium Pressure Centrifugal



High Pressure Pistons



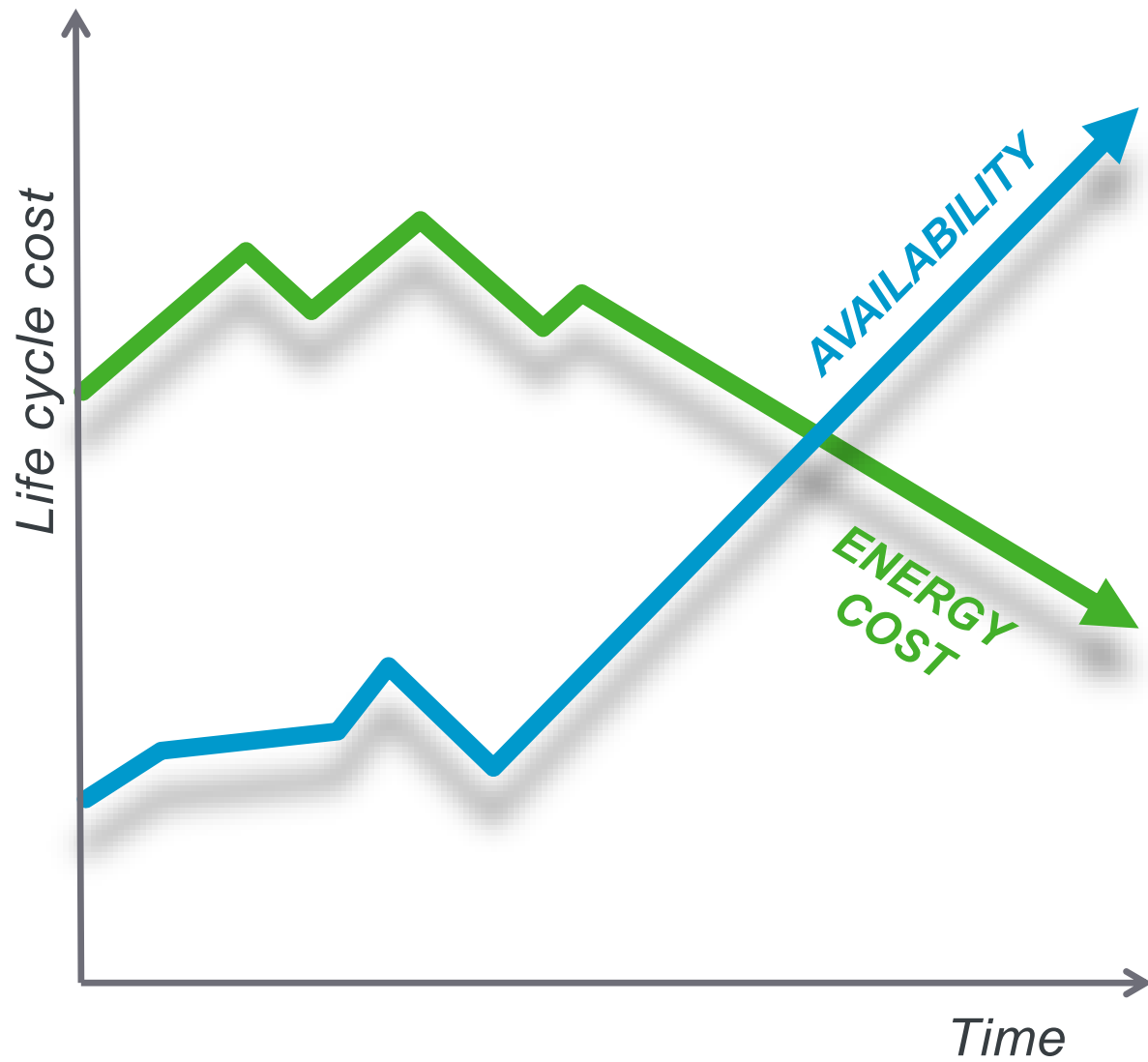
Medium Pressure Oil Free Screw



Medium Pressure Oil Injected Screw



# Innovation in reality



## ZR90-160 VSD+

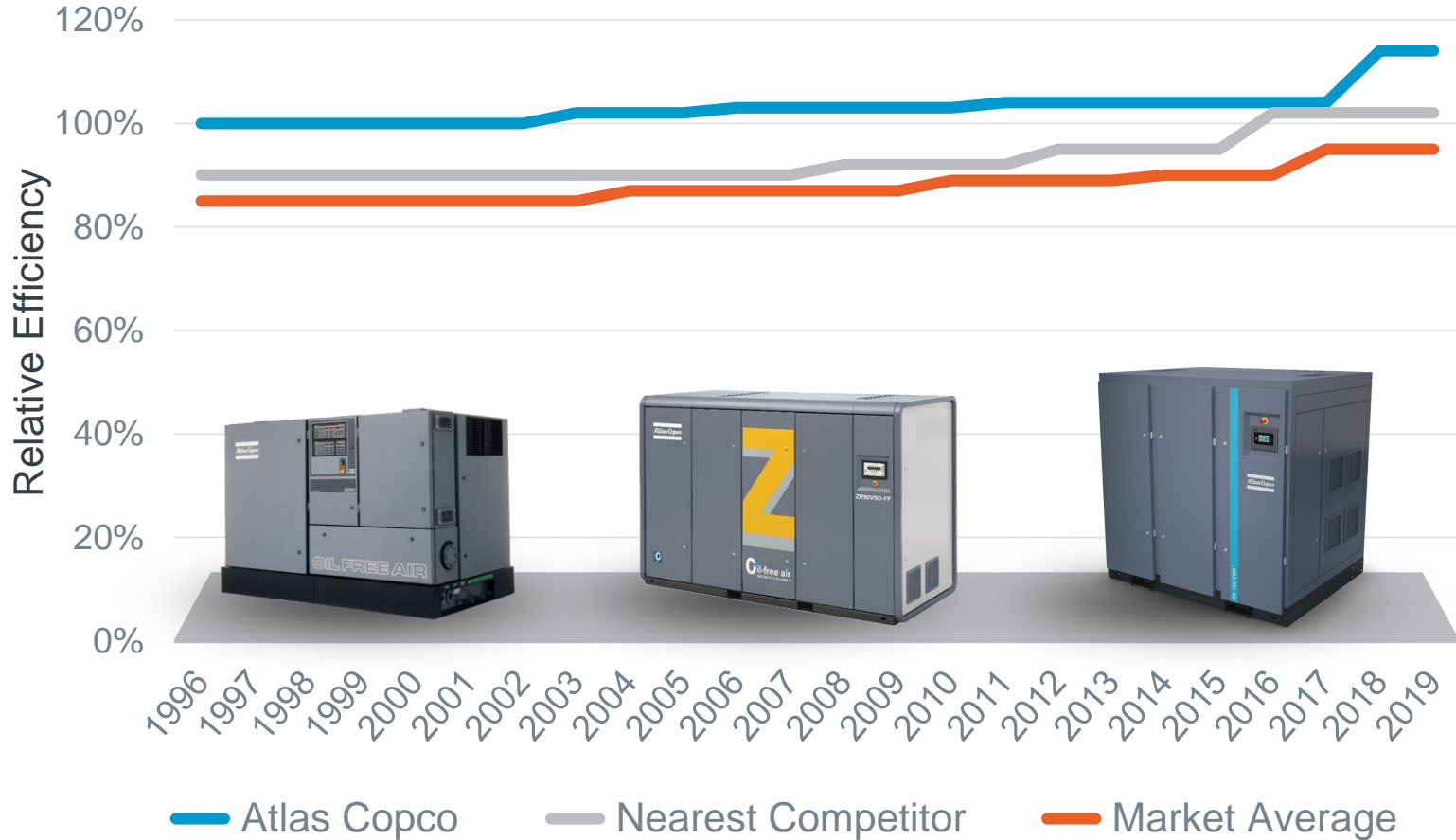


# Product Developments

## KEY FOCUS AREAS

- Increased Energy Efficiency
- Increased Control
- Increased Reliability
- Easier To Install
- Easier to Service
- Improved Monitoring

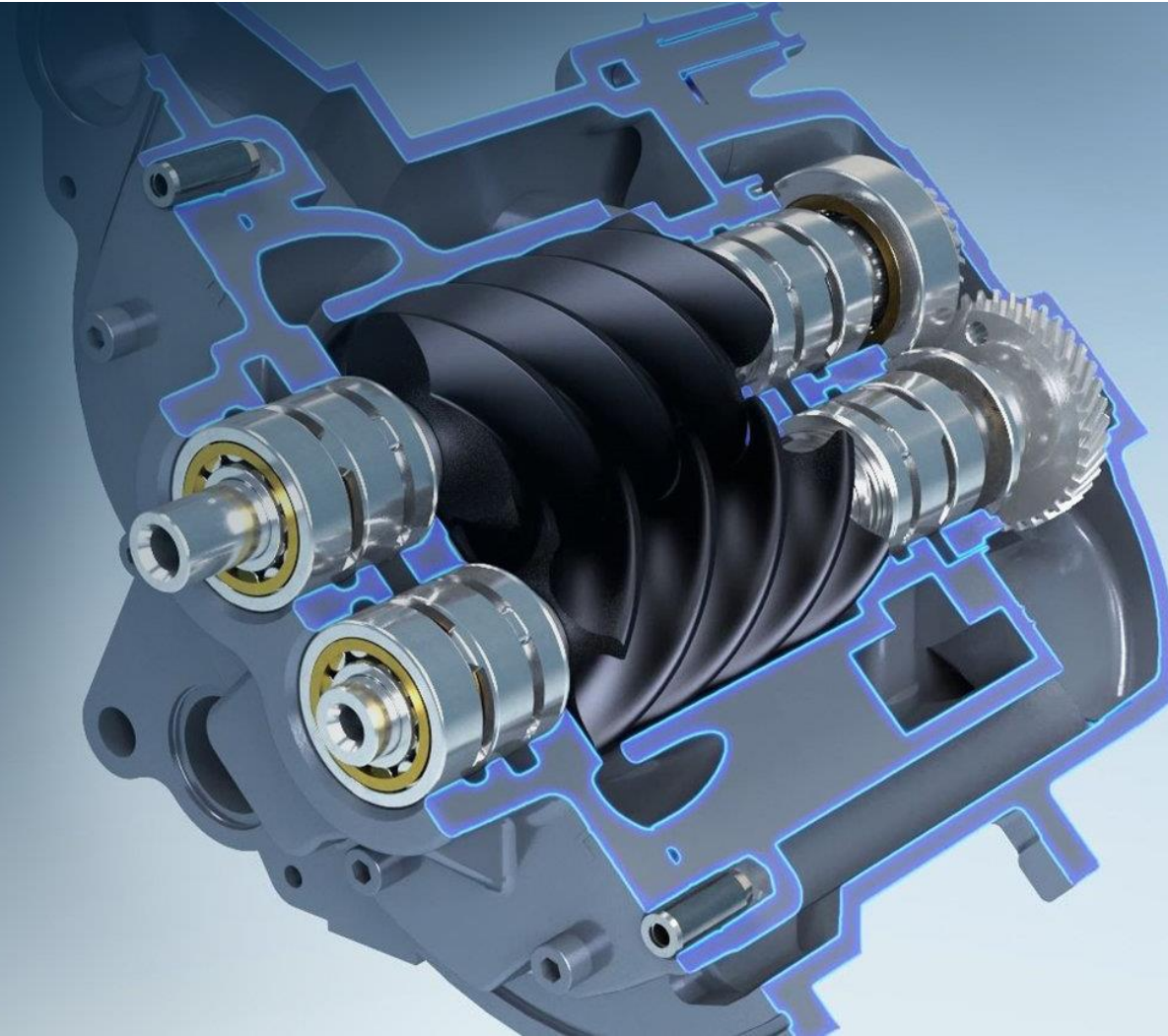
## ZR90-160 VSD+



# New element

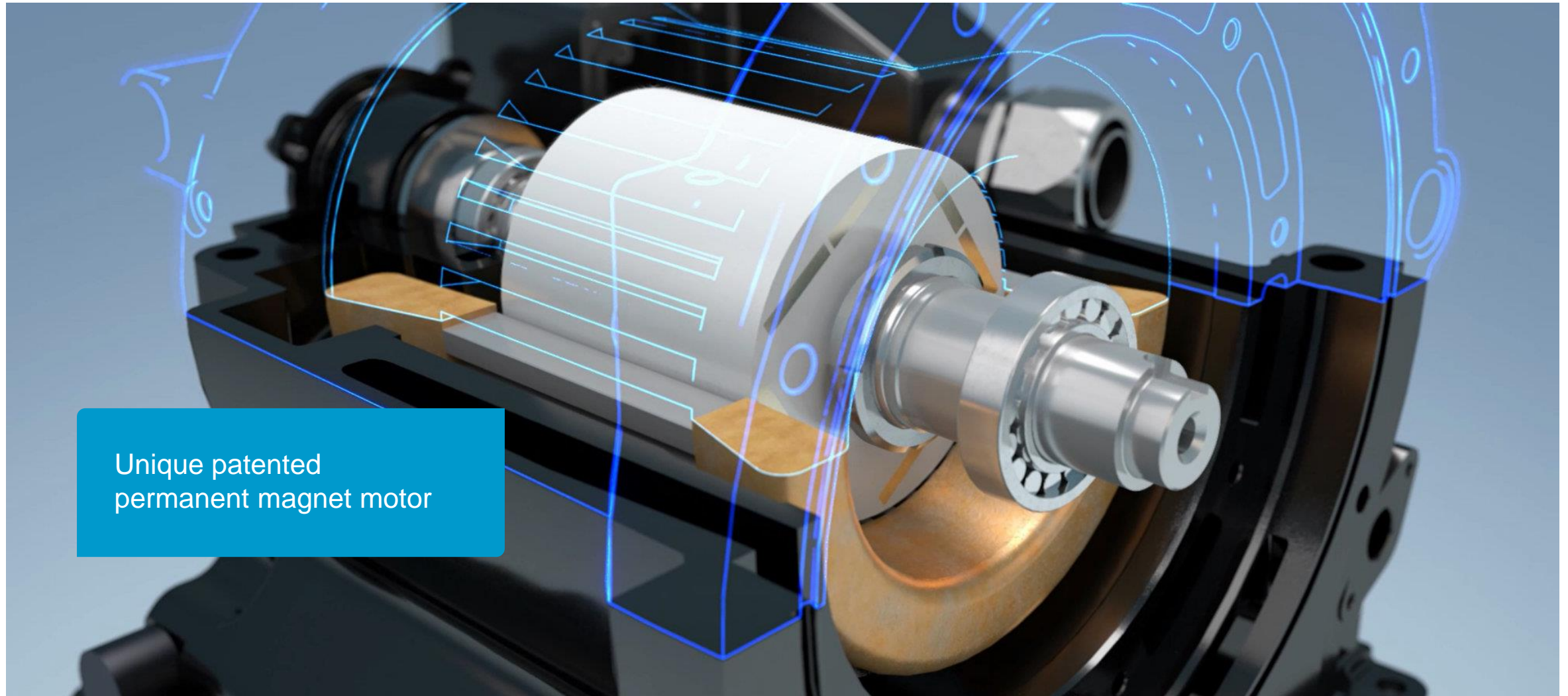
Most efficient oil-free screw element on the market

Unique patented coating and element design



Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load

# Permanent magnet motor



Unique patented  
permanent magnet motor

Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load

# Two Neos drives



Dual Inverter Drive with  
smart control algorithms

Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load

# ZR 90 – 160 VSD

10% energy reduction

Saving **6,720** euro per annum

VSD 35% reduction compared to  
fixed speed compressors

TOTAL **45%**

Saving **30,240** euro per annum  
compared to old fixed speed range



Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load

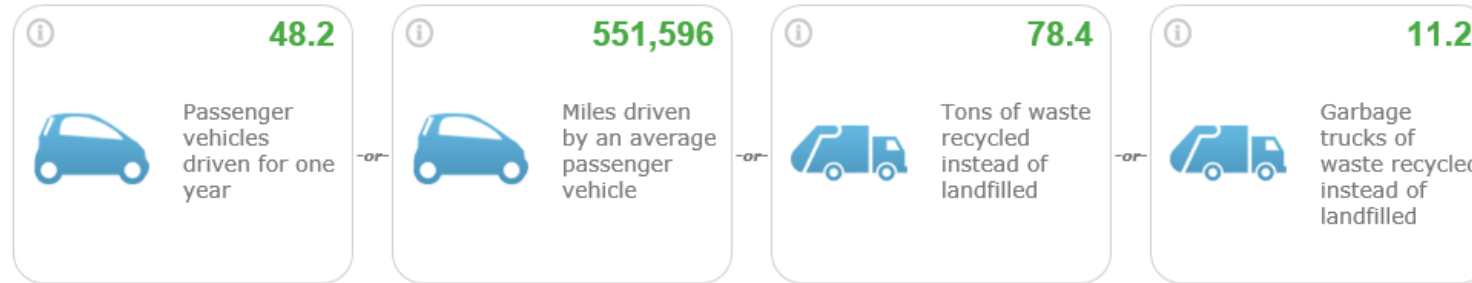


# Environmental savings

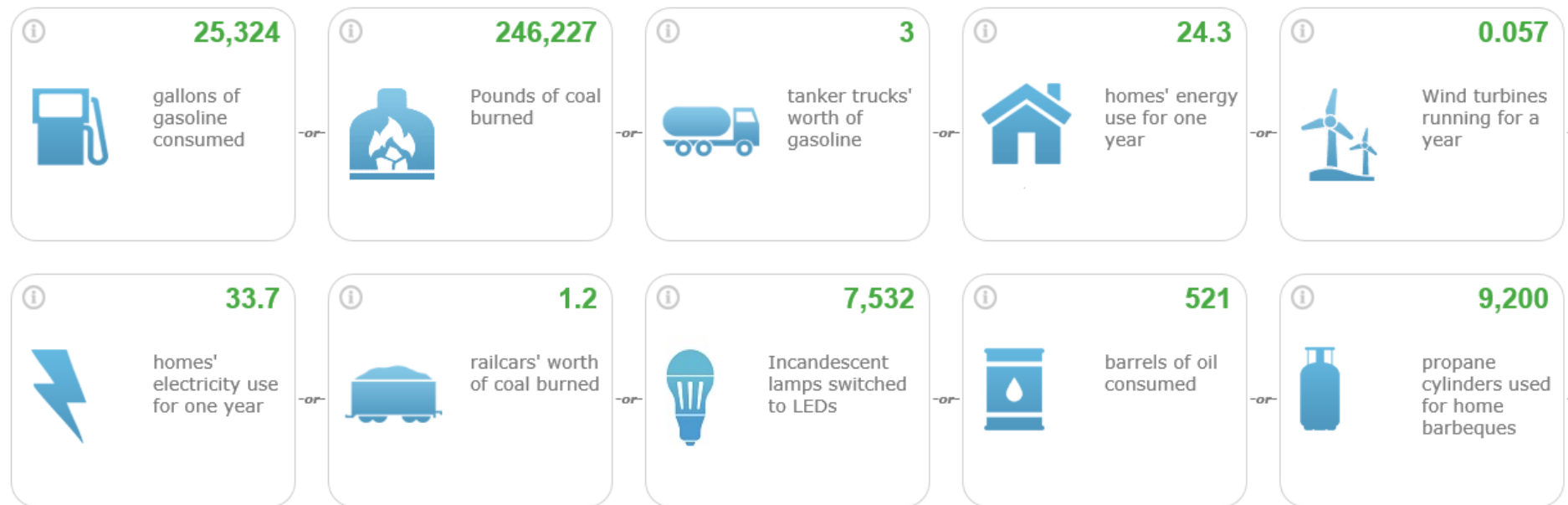


**45%**  
energy saving =  
**302,400 kWh**  
of electricity or  
carbon dioxide  
reduction of  
**225 metric tons**

## Greenhouse gas emissions from



## CO<sub>2</sub> emissions from



Calculation based on 160 Kw, 8000 Operating Hours, Electrical Cost 0.1 Euro, working 70% average load

# Summary – Compressor Technique

Diversified  
market place

Growing number  
of applications

Broad product  
portfolio

Focus on  
innovation

Complete solution  
provider

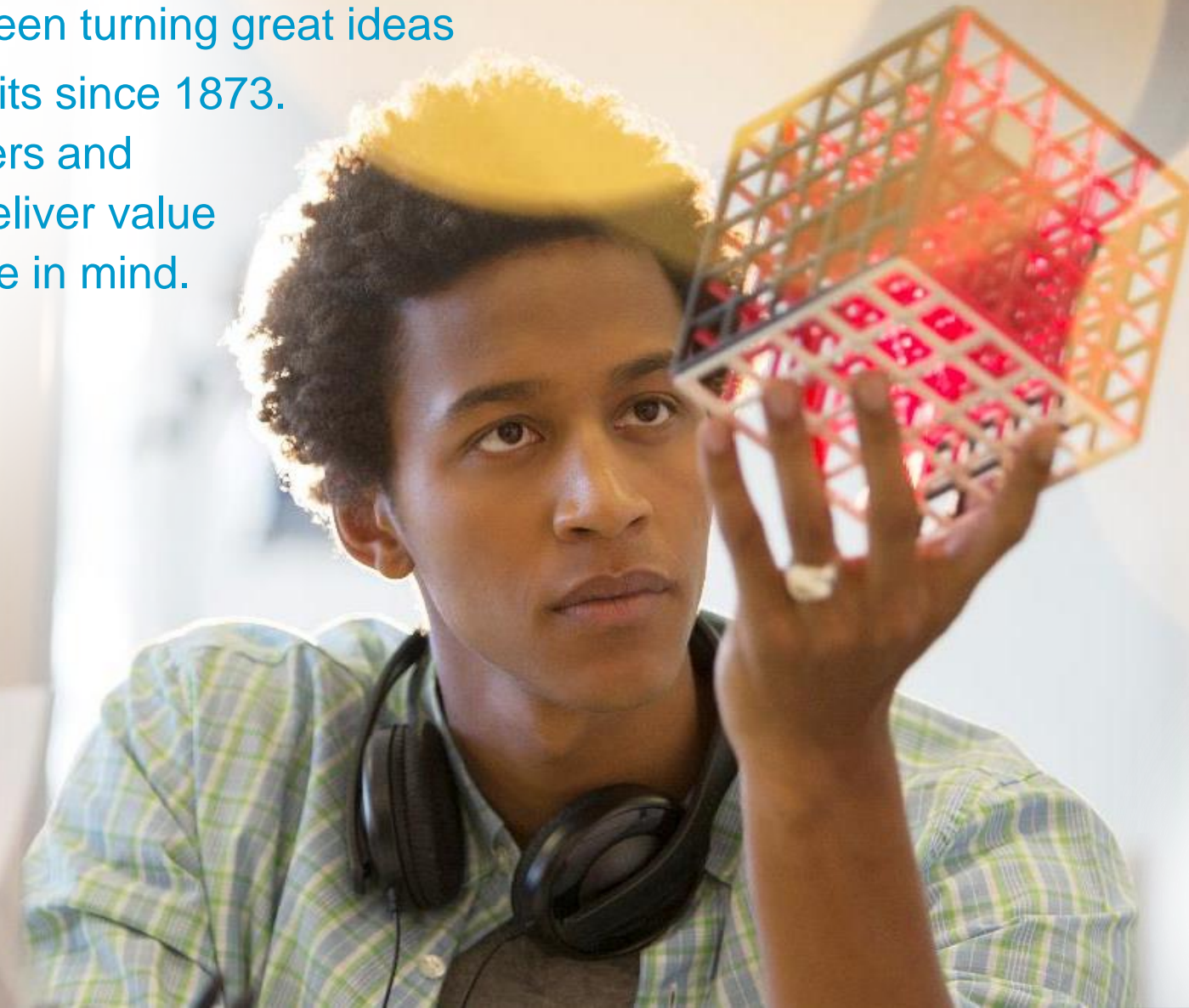




# Great ideas drive development.

At Atlas Copco, we have been turning great ideas into business-critical benefits since 1873.

By listening to our customers and knowing their needs, we deliver value and innovate with the future in mind.



# Agenda

- 1 Atlas Copco – One Group
- 2 Performance review
- 3 How we create value and grow
- 4 Summary



# Agenda

1 Atlas Copco – One Group

2 Performance review

3 How we create value and grow

4 Summary

# The Atlas Copco Group – Brand

The home of industrial ideas  
for tangible customer values



COMMITMENT



INNOVATION



INTERACTION

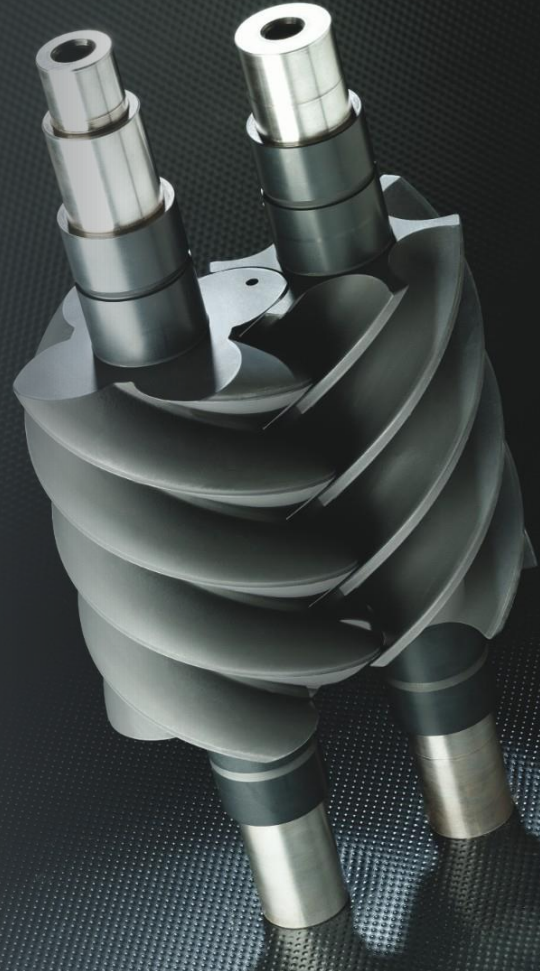


# The Atlas Copco Group – Customers





# The Atlas Copco Group – Technology



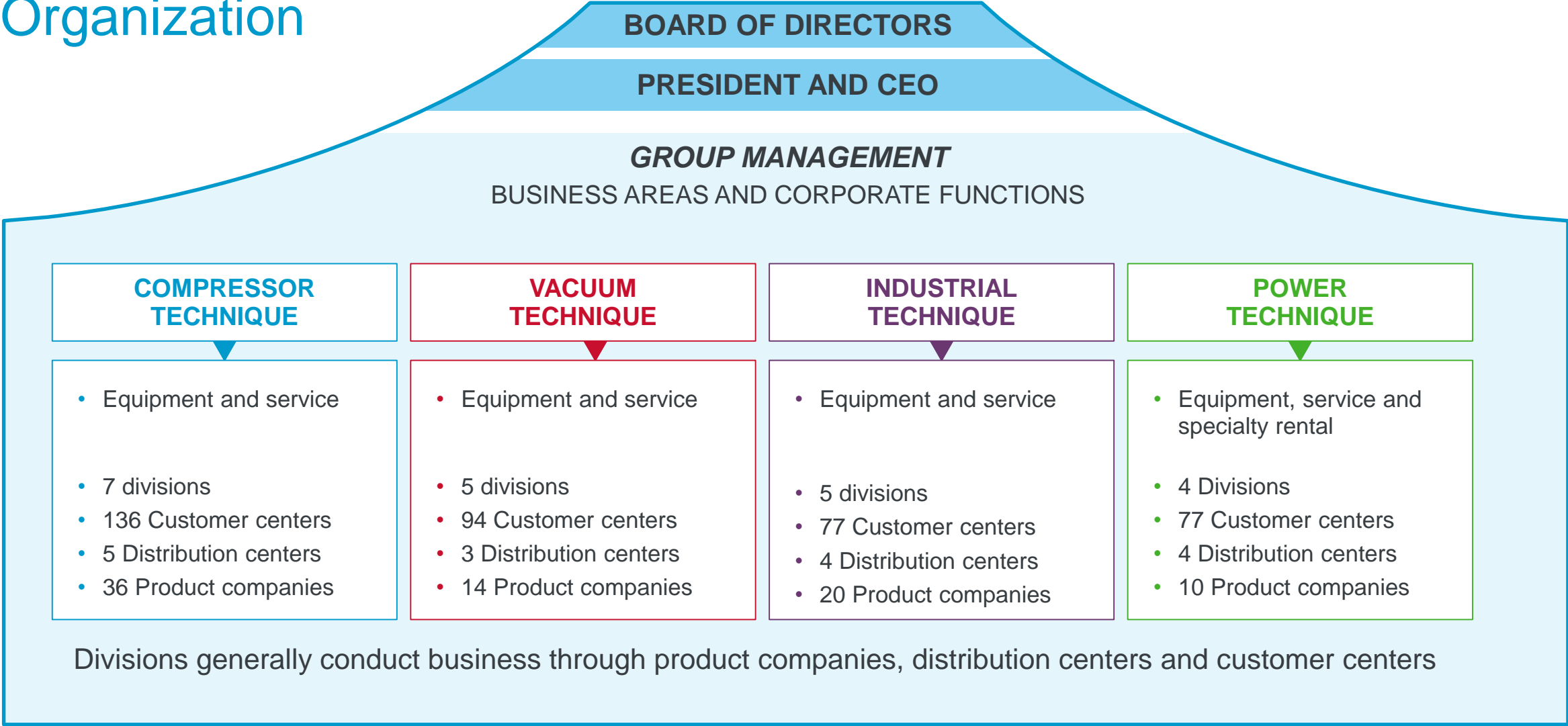
# The Atlas Copco Group – Culture



# The Atlas Copco Group – Leadership

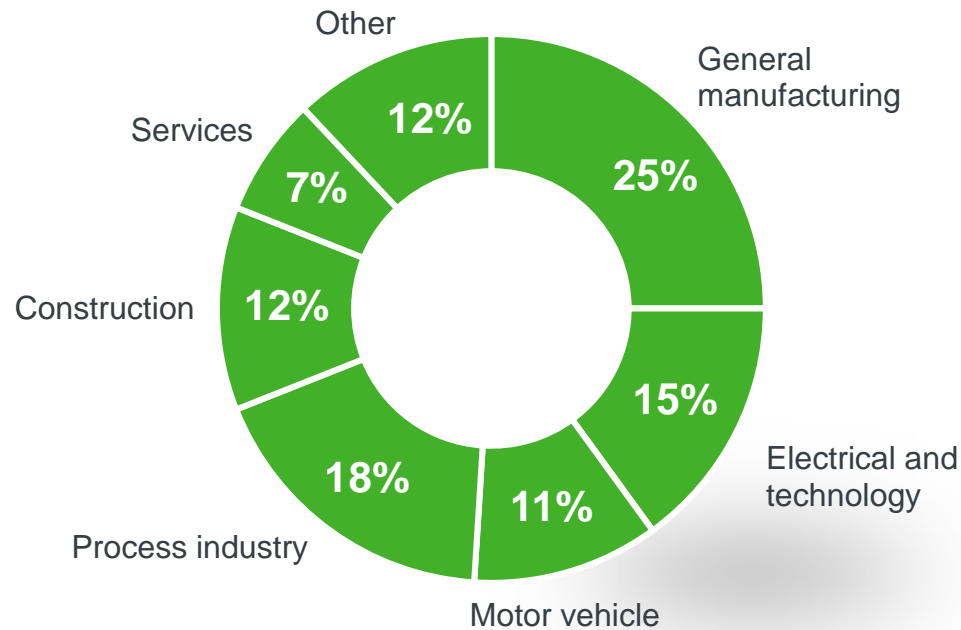
In Atlas Copco  
Leadership is defined as  
***the ability to create  
lasting results***

# Organization

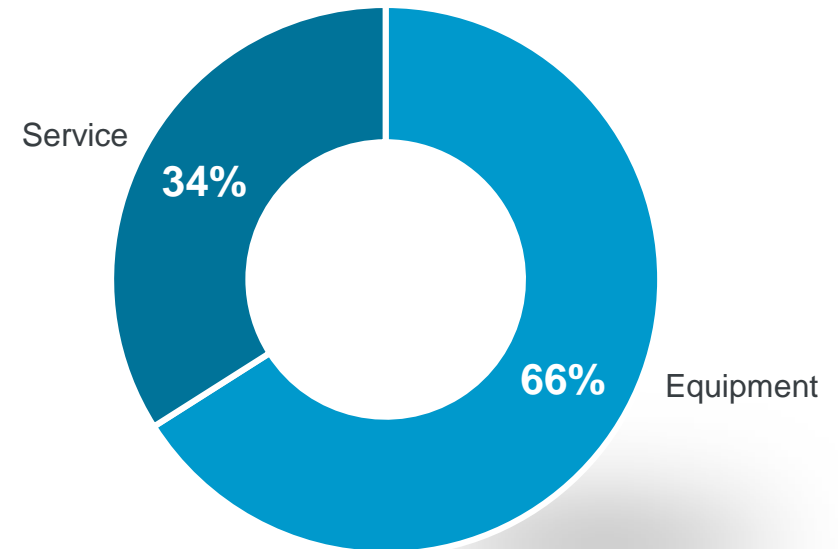


# A diversified business

*ORDERS RECEIVED BY CUSTOMER CATEGORY*



*REVENUES BY BUSINESS TYPE*



12 months ending September 2018

# Agenda

1 Atlas Copco – One Group

2 Performance review

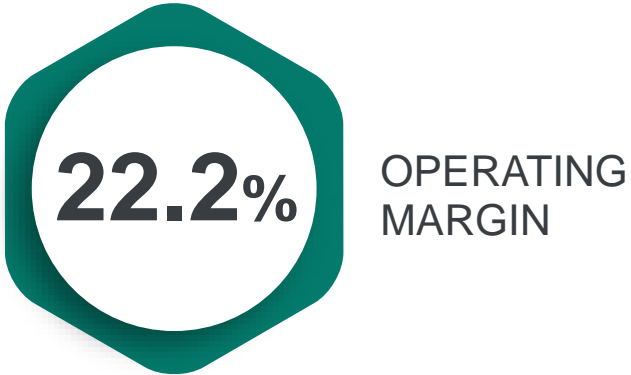
3 How we create value and grow

4 Summary

# January – September in brief

- Solid order growth
  - Particularly strong growth in North America and Europe
  - Firm organic growth for Compressor Technique, Industrial Technique and Power Technique
  - Vacuum Technique down due to lower semiconductor investments
- Good profitability in all business areas
- Steady operating cash flow, in spite of growth
- Successful spin-off of Epiroc

# Q3 2018





# Orders received – local currency Q3 2018

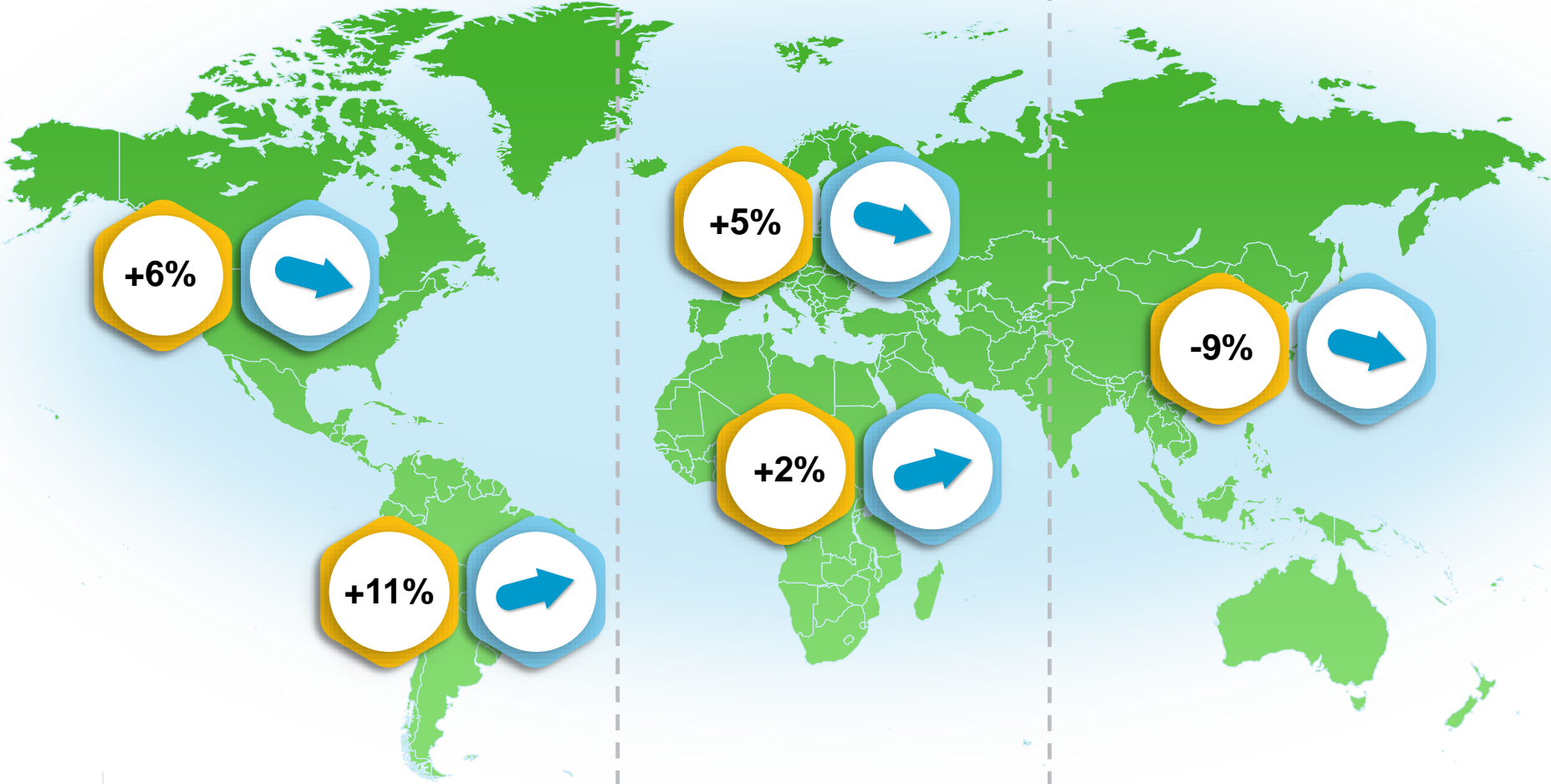
SHARE OF ORDERS RECEIVED YEAR TO DATE:

29%

37%

34%

YoY Q3 vs. Q2



# Near-term outlook

The customer demand is expected to be somewhat lower, mainly due to the semiconductor and automotive industries.

# Agenda

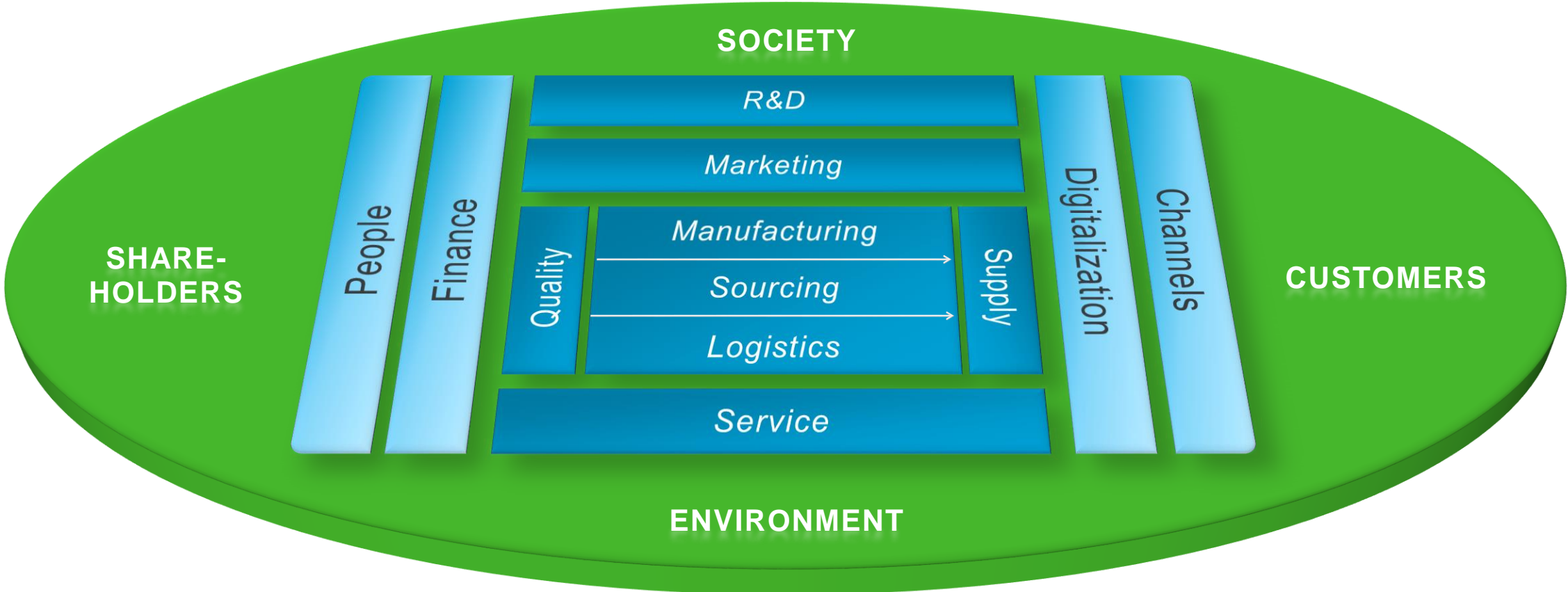
1 Atlas Copco – One Group

2 Performance review

3 How we create value and grow

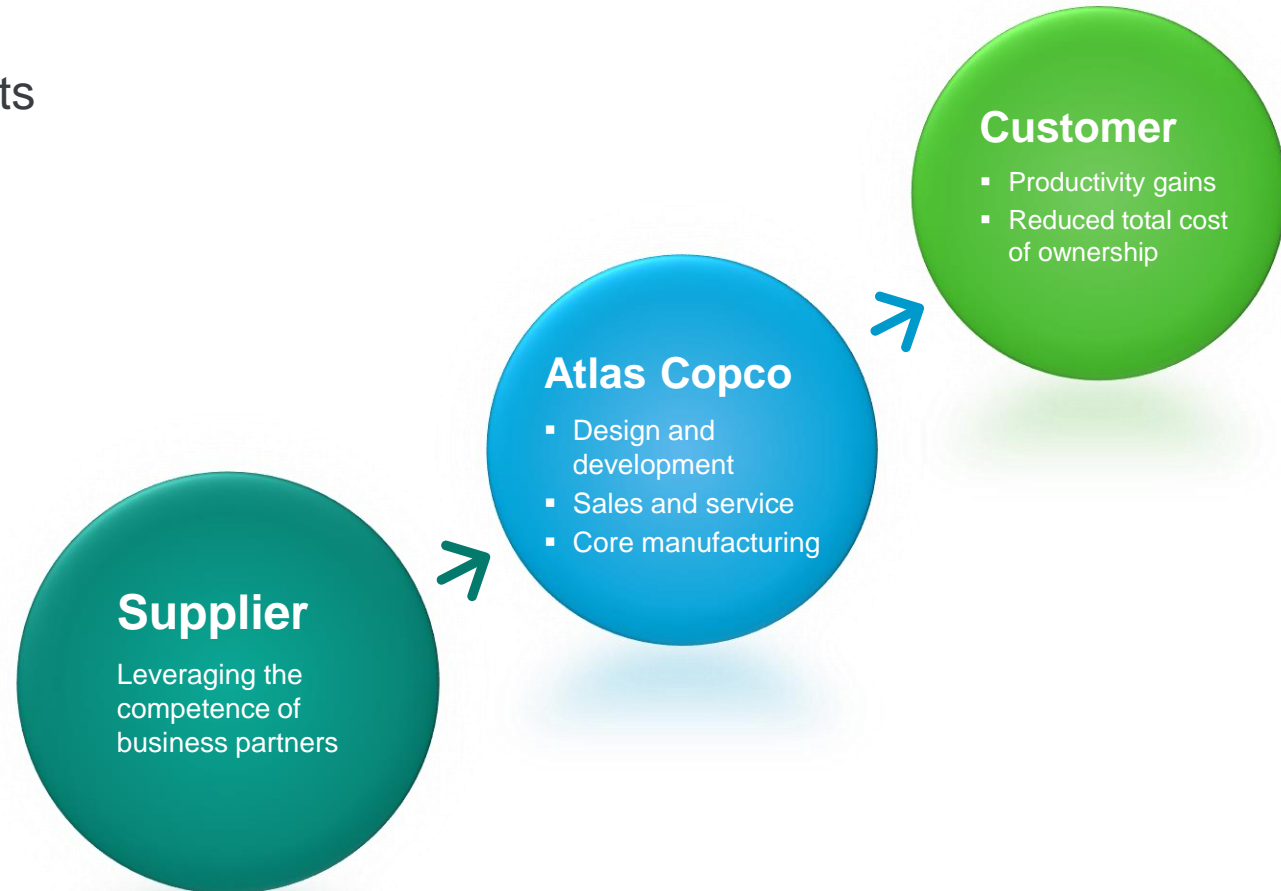
4 Summary

# Value for all stakeholders

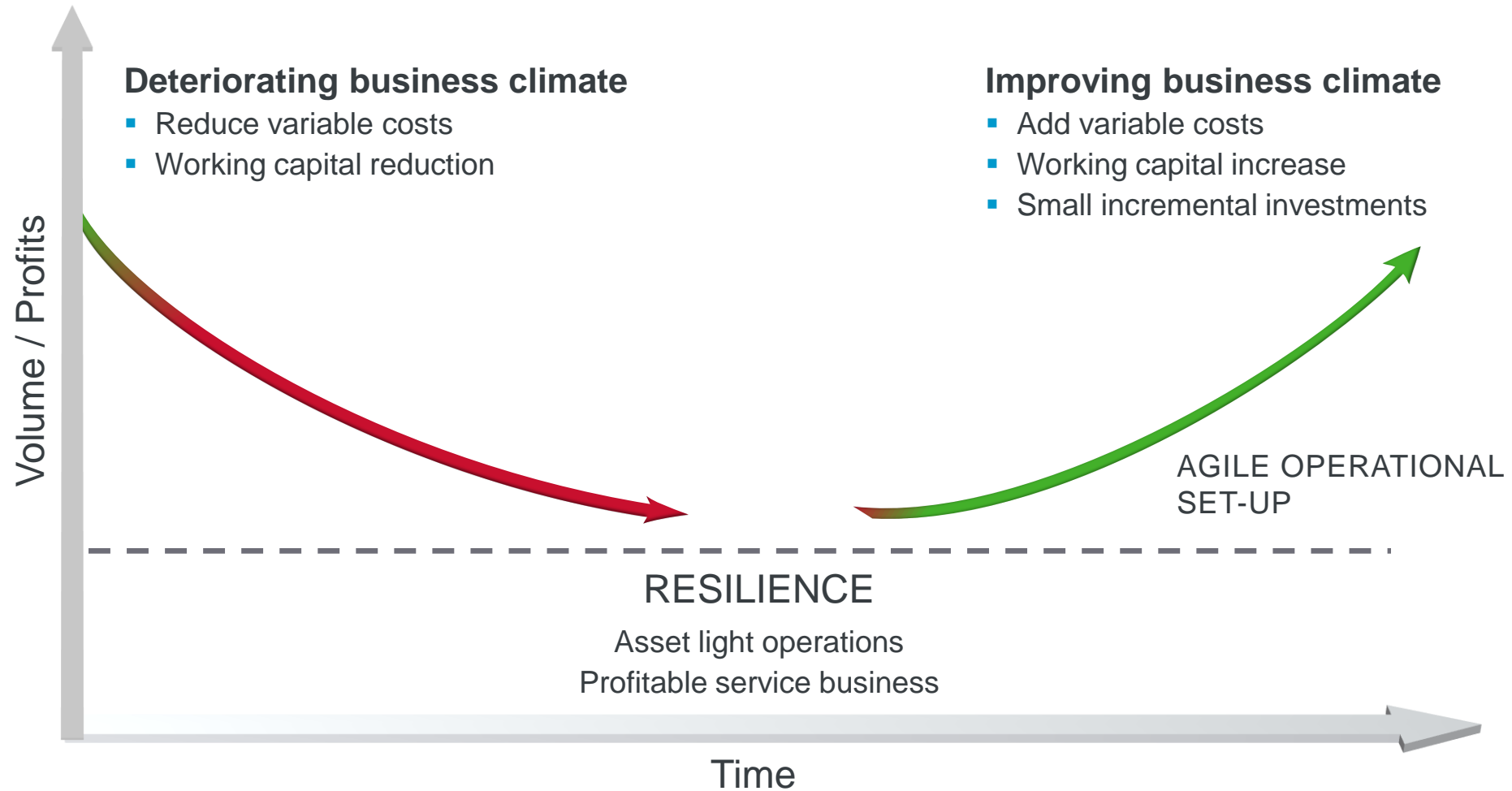


# How we do business – Innovation across the value chain

- Leading positions in our defined markets
- Leading, differentiated technology
- Key products in customers' operations
- Smaller part of customers' investment
- Healthy service potential
- Balance sheet agility



# Agility and resilience



# People are key



# Passionate people create exceptional things

Clarity in mission and expectations creates freedom to develop and implement our visions and strategies

Ownership and clarity in roles and responsibilities

Freedom with accountability

The one closest to the problem, is the one closest to the solution



# Our management team



Mats Rahmström



Vagner Rego



Geert Follens



Henrik Elmin



Andrew Walker



Cecilia Sandberg



Håkan Osvald



Gisela Lindstrand



Hans Ola Meyer

Strong international  
experience

Internal and  
external expertise

Be the Atlas Copco  
culture in all aspect

IN TOTAL:

**47** years  
of international experience

**79** years  
of external experience  
in diverse businesses

**190** years  
in Atlas Copco

# Presence

- Develop local competences
- Direct, indirect, and digital presence
- Create high brand awareness



# Digitalization



# Proactive service



# Our targets

## PROFIT

### ► Revenues

8% average growth per year over a business cycle

### ► Returns

Sustained high return on capital employed (ROCE)

### ► Cash dividend

50% of net profit in annual dividend

## PEOPLE



## PLANET



Energy consumption



Transport and CO<sub>2</sub>



Water consumption



% renewable energy



Reused, recycled and recovered waste

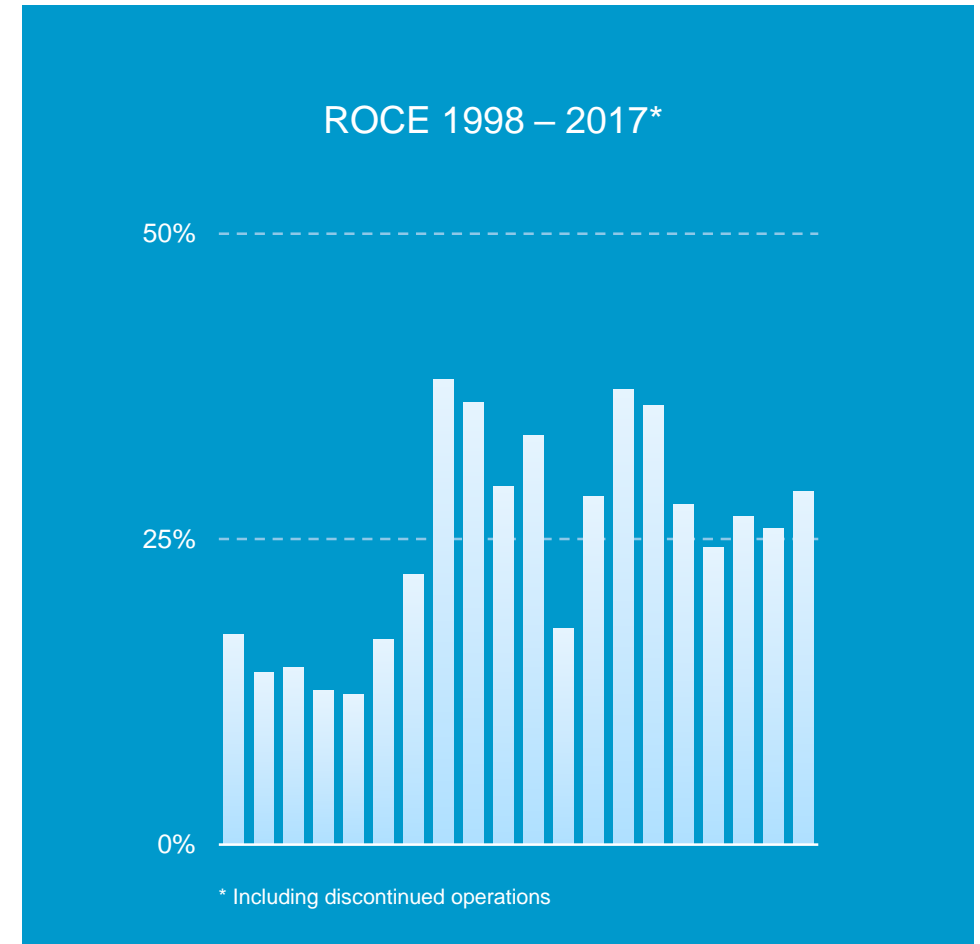
# Foundation for continuous growth

- Market leader with a strong portfolio of businesses and products
- Commitment to innovation
- Top organization, world-class people, and top execution
- Strong service offering
- Capacity for strategic acquisitions
- Digitalization embedded in everything

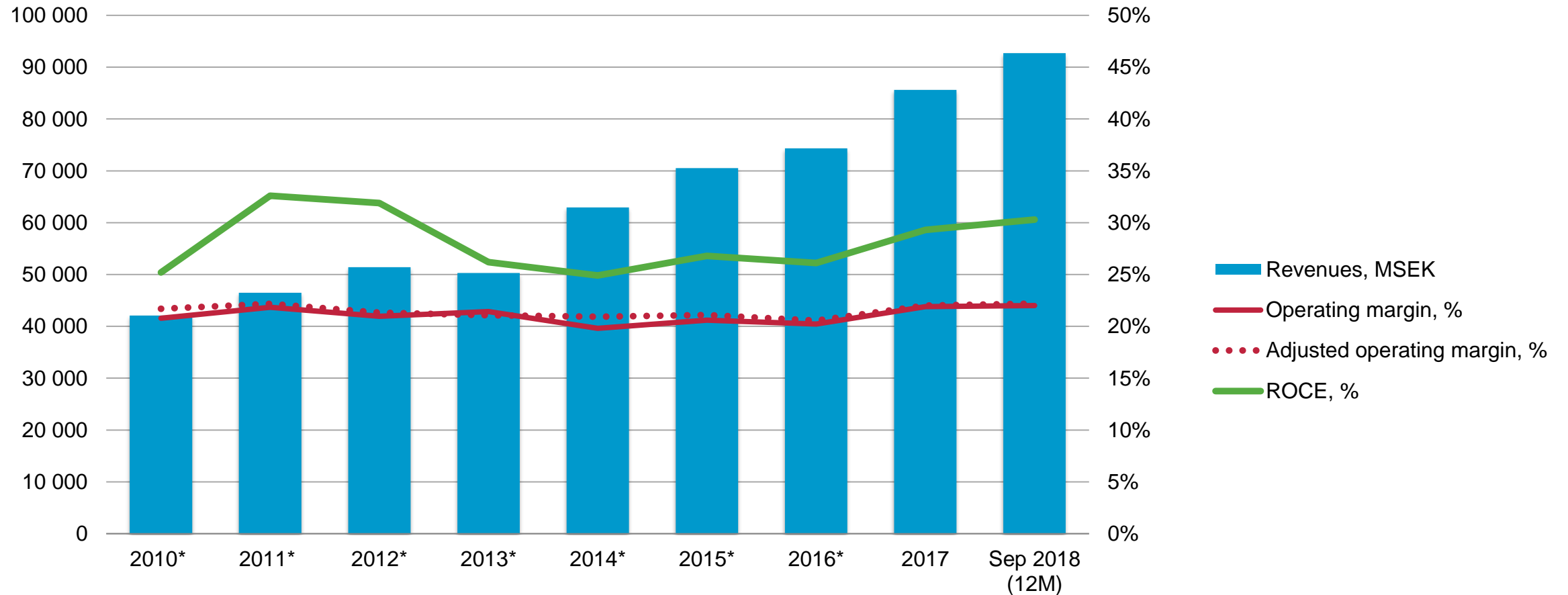


# Foundation for continuous high return on capital employed

- Standardization and efficient flow
- Asset light operations
- Variable cost structure
- Strong service business
- Digitalization embedded in everything



# Growth and strong profitability



\*Revenues not adjusted for intercompany sales between Atlas Copco and Epiroc.

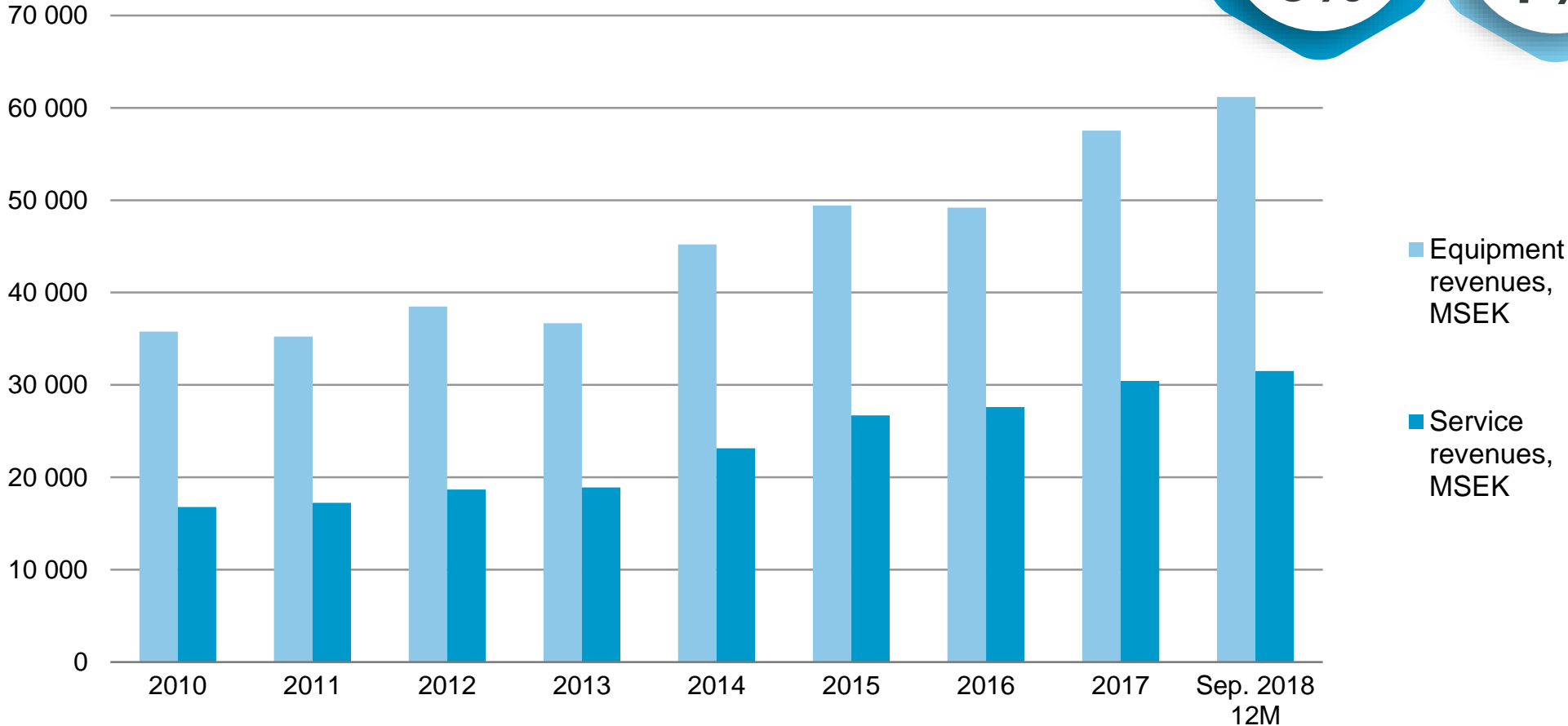
Operating margin and ROCE are estimated excluding the Mining and Rock Excavation Business Area and Road Construction Equipment division.



# Growth and resilience – Service business

CAGR Service  
**8%**

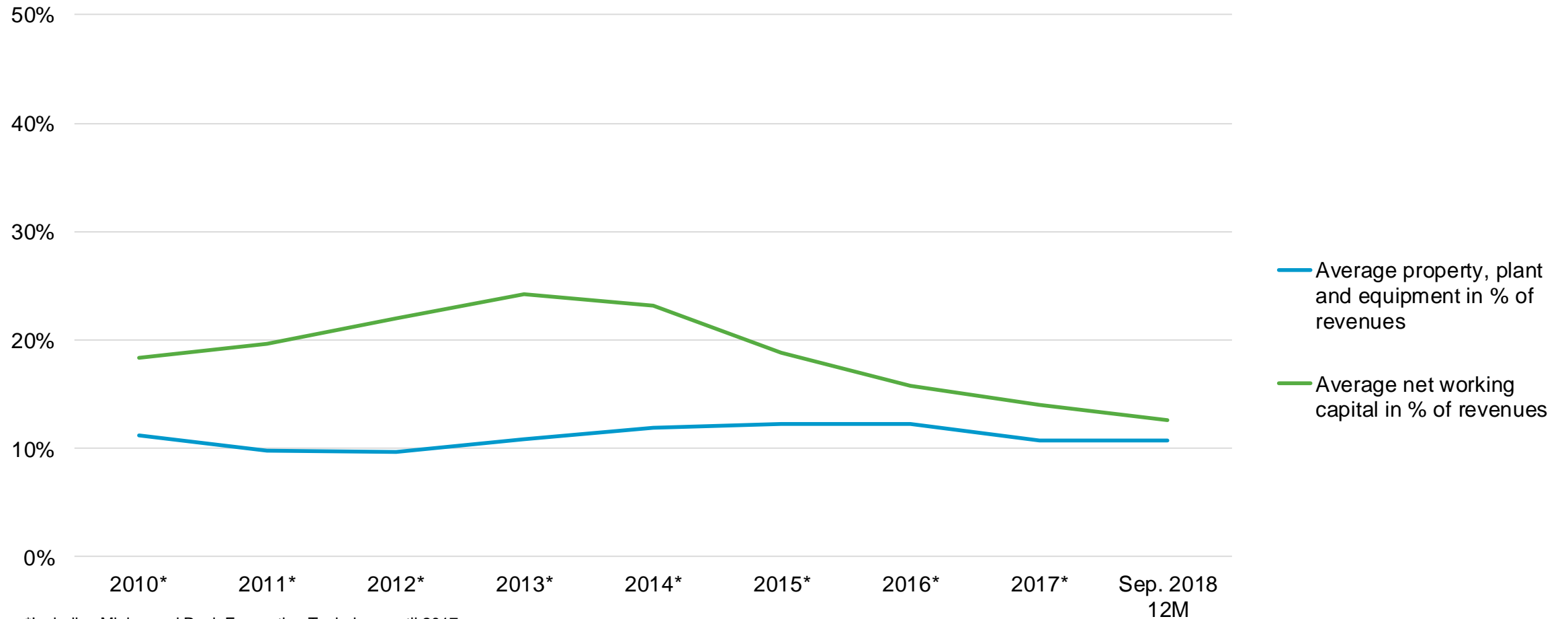
CAGR Equipment  
**7%**



Revenues excluding Mining and Rock Excavation Technique until 2017.



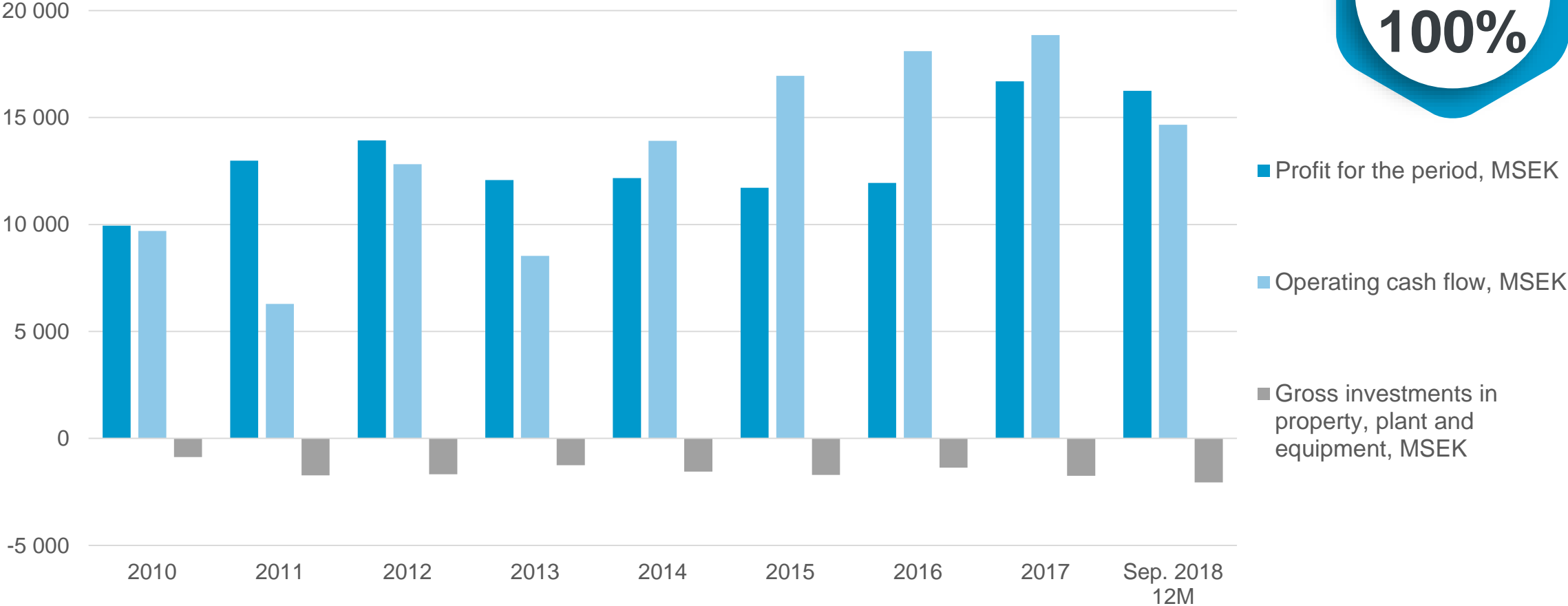
# Growth and resilience – Asset light



\*Including Mining and Rock Excavation Technique until 2017.

# Growth and resilience – Cash generation

Average cash conversion  
**100%**

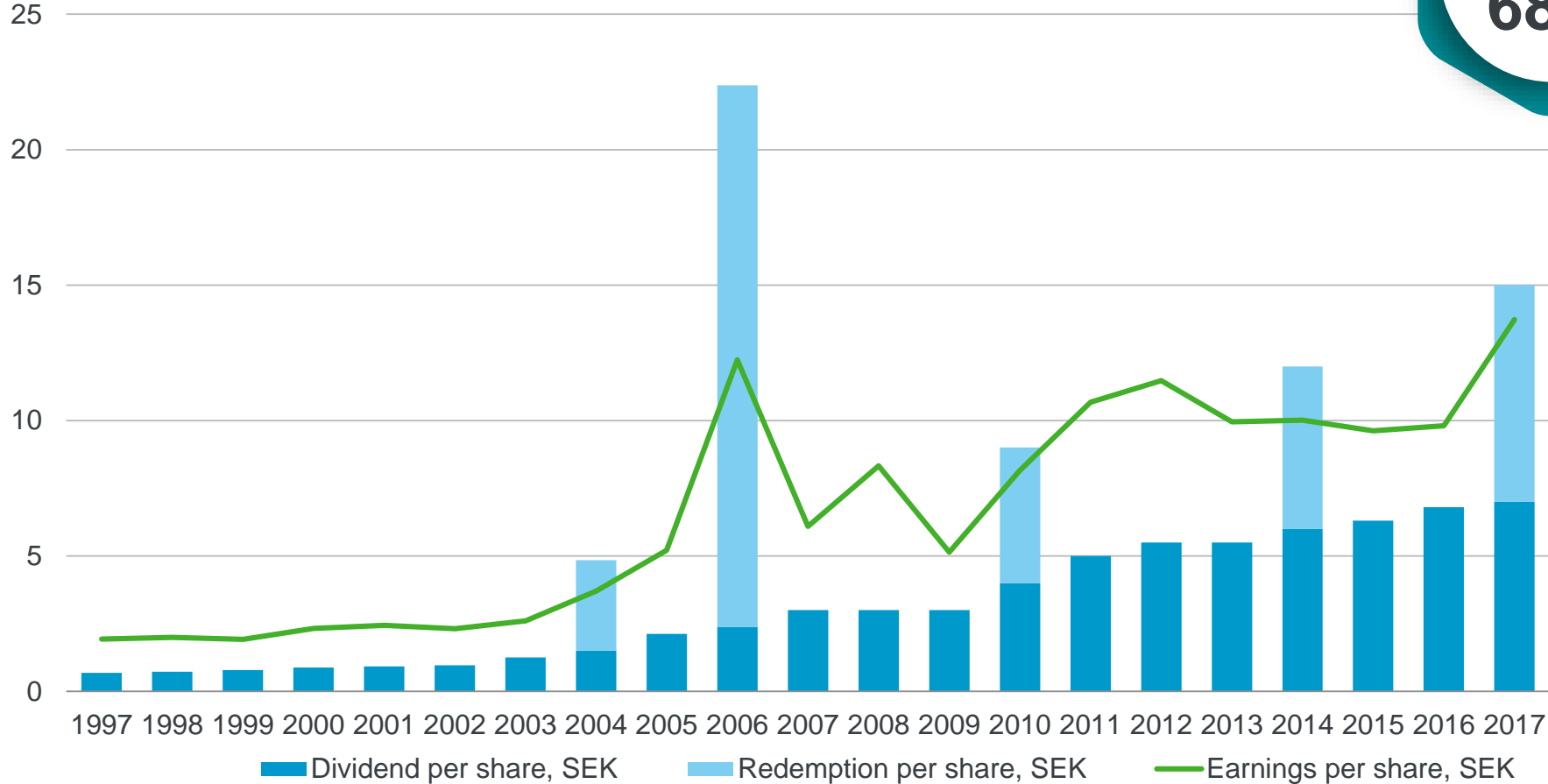


Including discontinued operations. Profit for the period "Sep. 2018 12M" is excluding the capital gain related to the distribution of Epiroc.

# Growth and resilience – Cash distribution

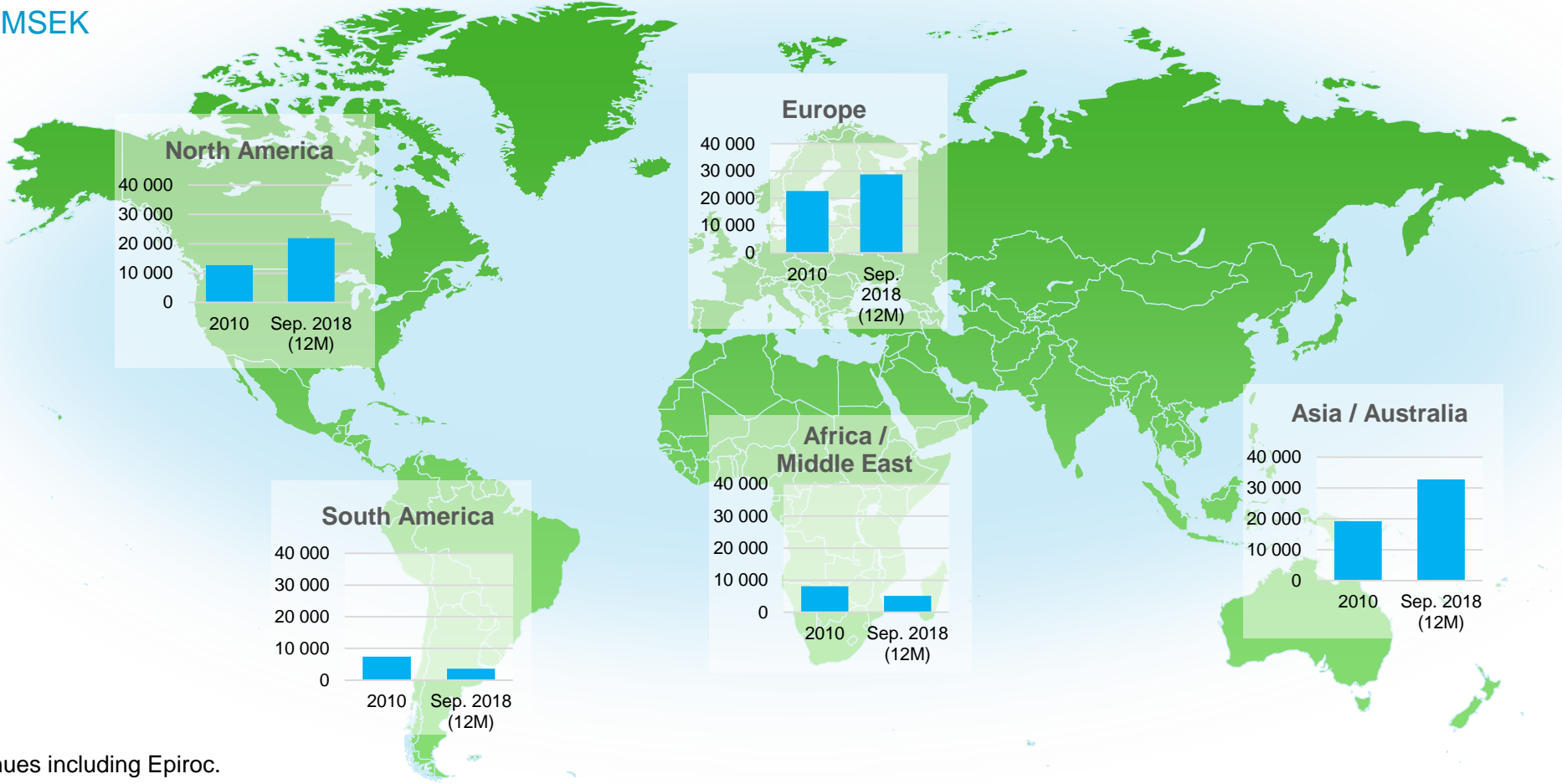
Average payout ratio  
**68%**

Average yield  
**5%**



# Regional growth development – from 70 to 93 BSEK

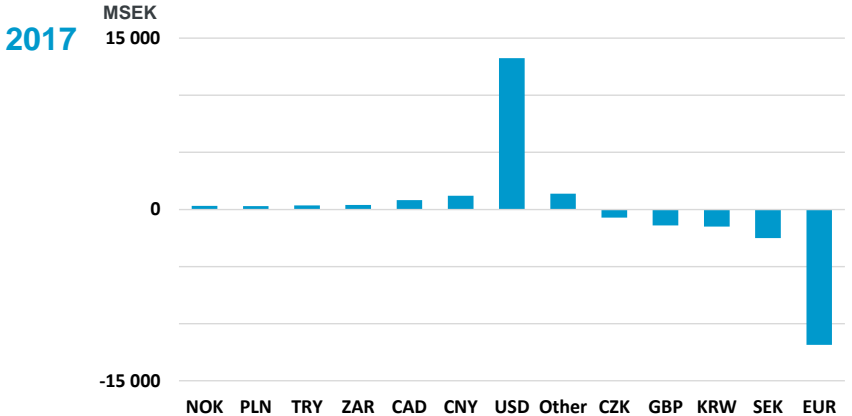
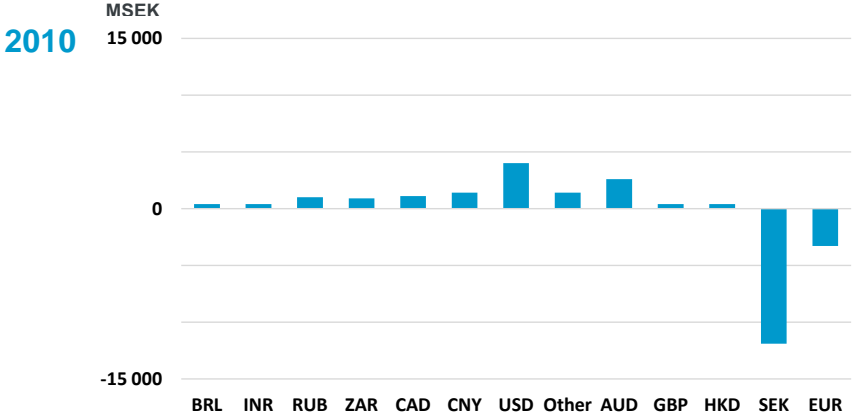
REVENUES MSEK



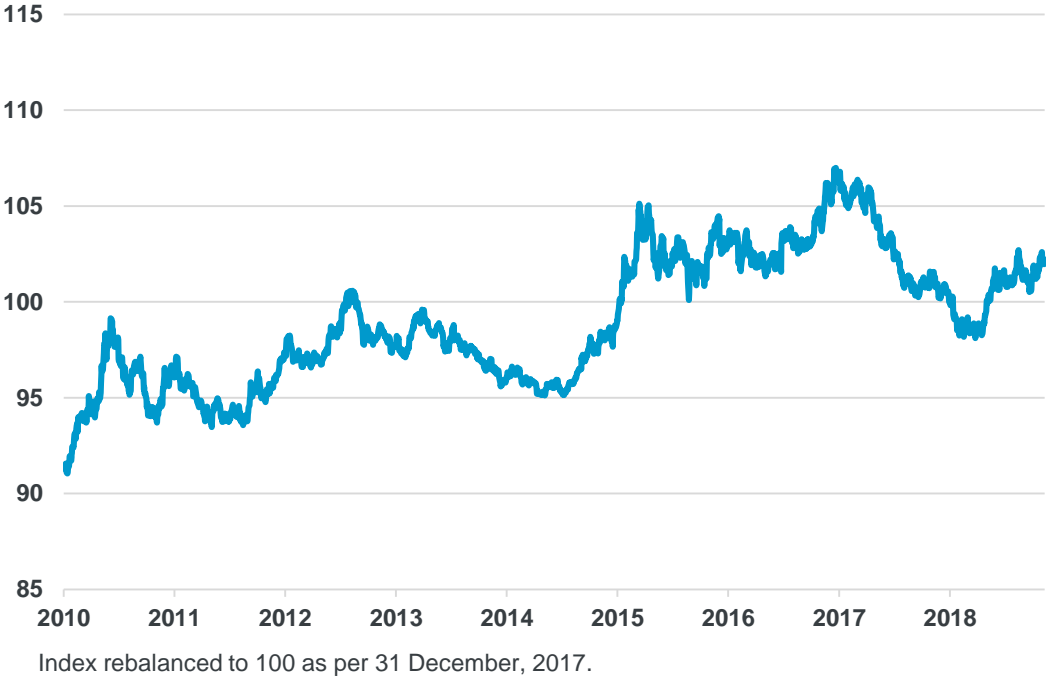
Note: 2010 Revenues including Epiroc.

# Currency

ESTIMATED OPERATIONAL TRANSACTION EXPOSURE



CURRENCY INDEX



# Impact of tariffs

**Estimated cost impact:  
MUSD 15 per year**

- Majority of impact is on supply from Atlas Copco China to Atlas Copco US
- The main mitigating actions include changed sourcing countries and price increases

# Impact of “hard” Brexit

**Estimated cost impact:  
MUSD 13 per year**

- The direct cost impact is mainly related to tariffs on goods moving in and out of the UK
- Other costs relate to:
  - One to two days longer lead time due to border controls
  - Additional personnel resources to handle issues with VAT, trade compliance, and logistics
  - Build up of safety stocks
- Over time a slower GDP growth in the UK is expected



# Agenda

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3 How we create value and grow

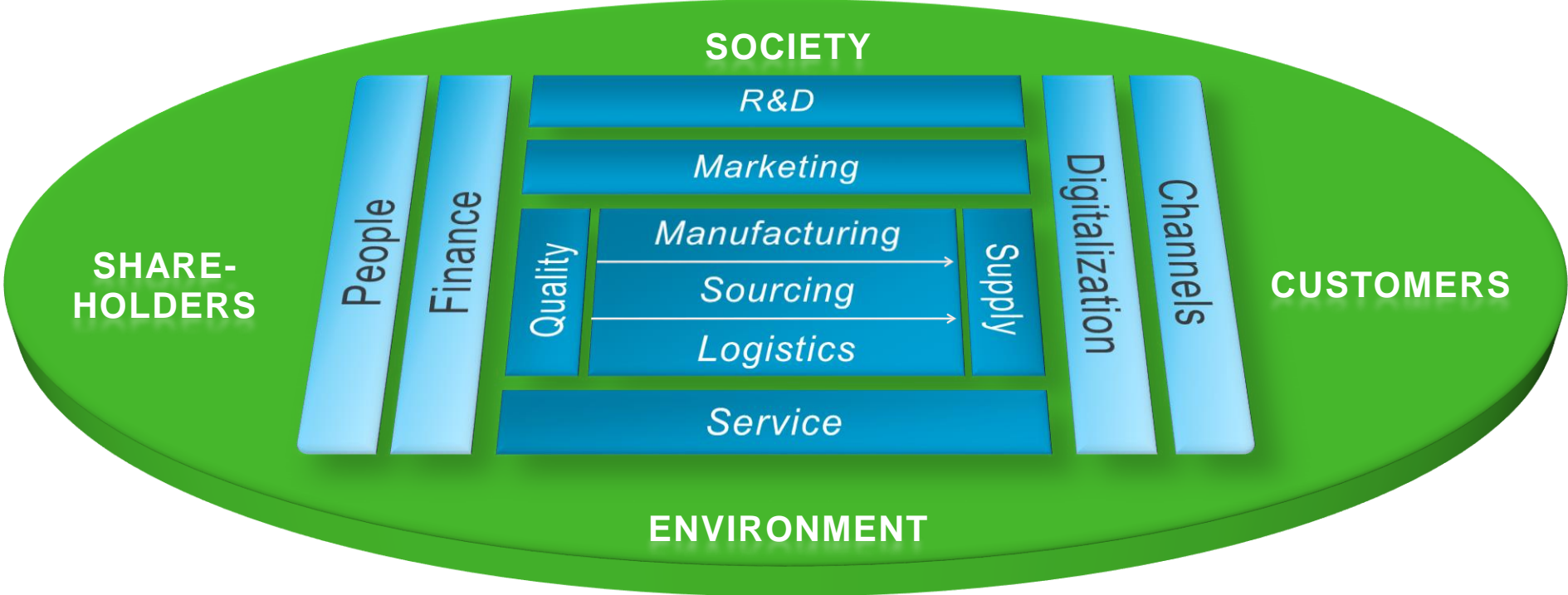
4 Summary

# Value for all stakeholders

Identify and “own” profitable niches

Use our core competencies to develop the niches

Top execution through a decentralized leadership model





# 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.”