Q1 results

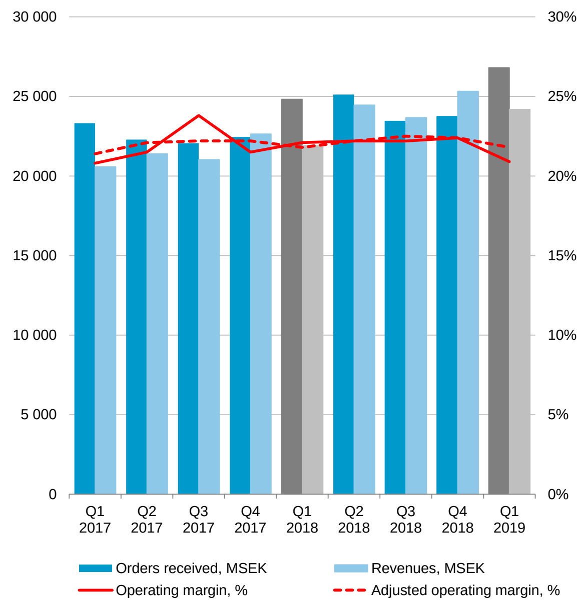
April 25, 2019

Q1 in brief

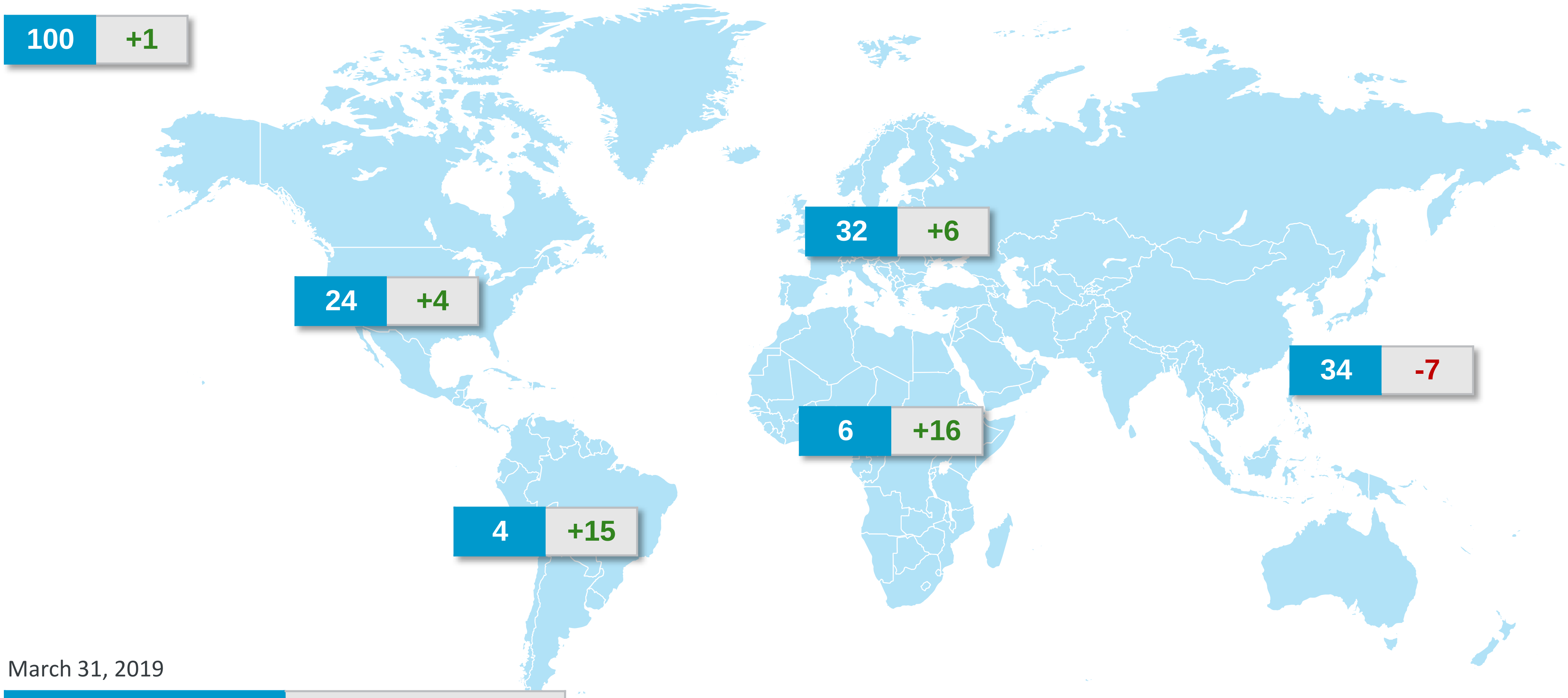
- Strong order intake, despite mixed end-markets
  - New record for orders received
  - Strong quarter for larger compressors and power equipment
  - Lower demand from semiconductor and automotive industries
- Continued solid growth for service in all business areas
- Year-on-year growth in all regions except Asia

Q1 figures in summary

- Orders received were MSEK 26 812 (24 829)
  - Organic growth of 1% to a new record level
- Revenues were MSEK 24 181 (21 906), organic growth of 4%
- Adjusted operating profit at MSEK 5 262 (4 779), margin at 21.8% (21.8)
  - Reported operating profit increased 4% to MSEK 5 048 (4 833), margin at 20.9% (22.1)
  - Items affecting comparability of MSEK -214 (54)
- Profit for the period was MSEK 3 703 (3 340)
- Basic earnings per share were SEK 3.05 (2.75)
- Operating cash flow was MSEK 2 529 (approx. 2 400 for continuing operations)
- Return on capital employed was 33% (29)



Orders received – local currency

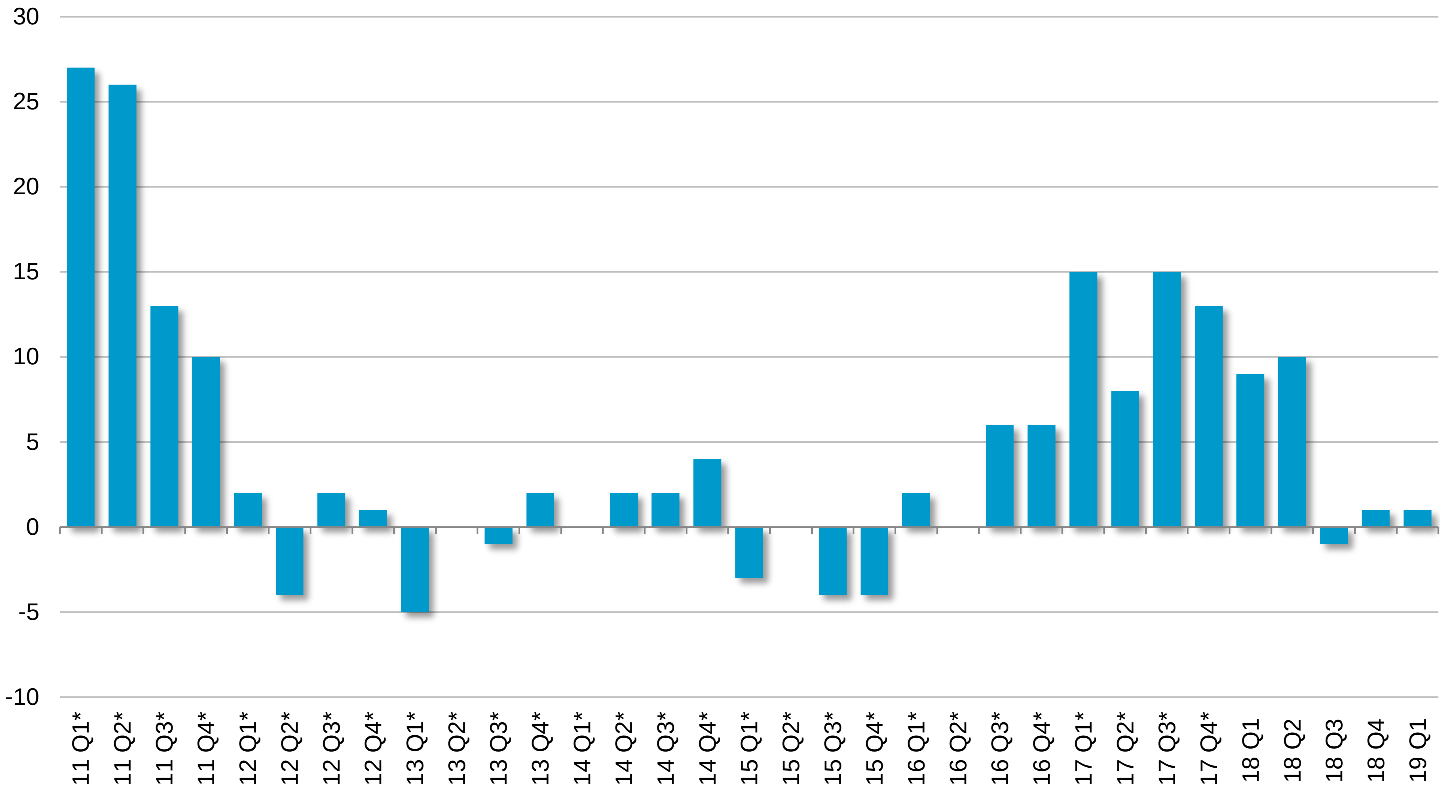


March 31, 2019

Share of orders received, year-to-date, %	Year-to-date vs. previous year, %

Order growth per quarter

Organic growth, %



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

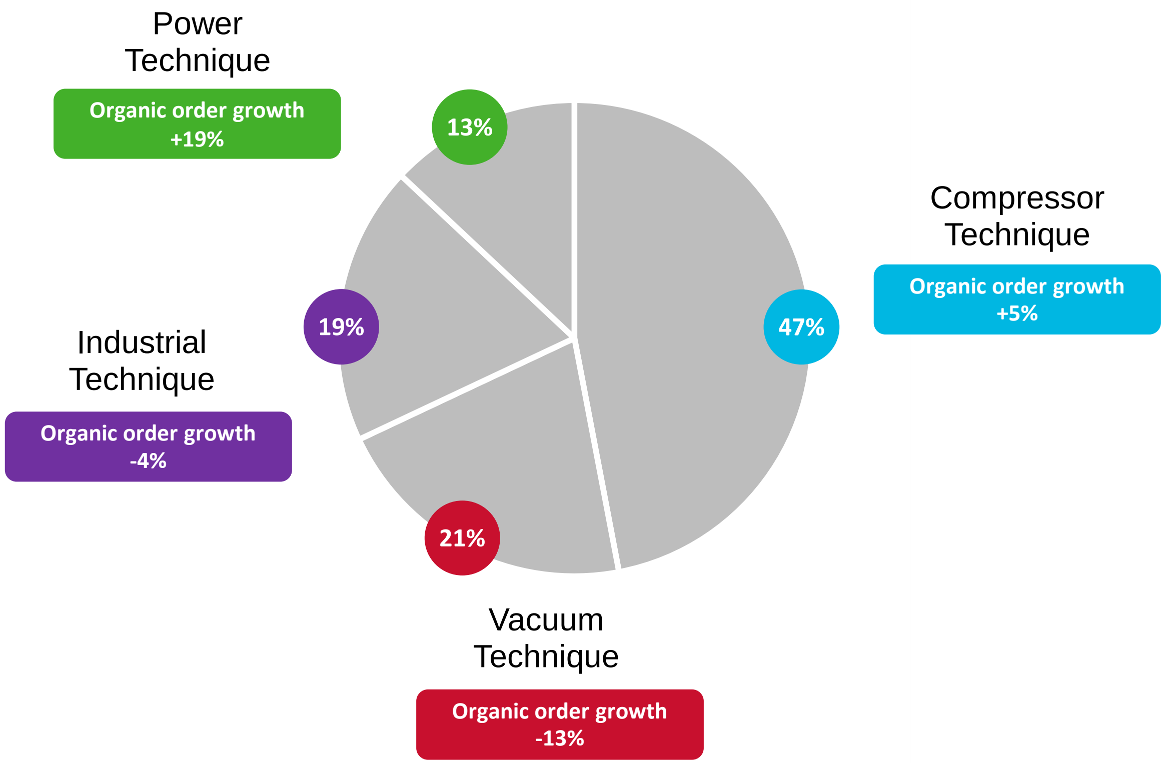
Sales bridge

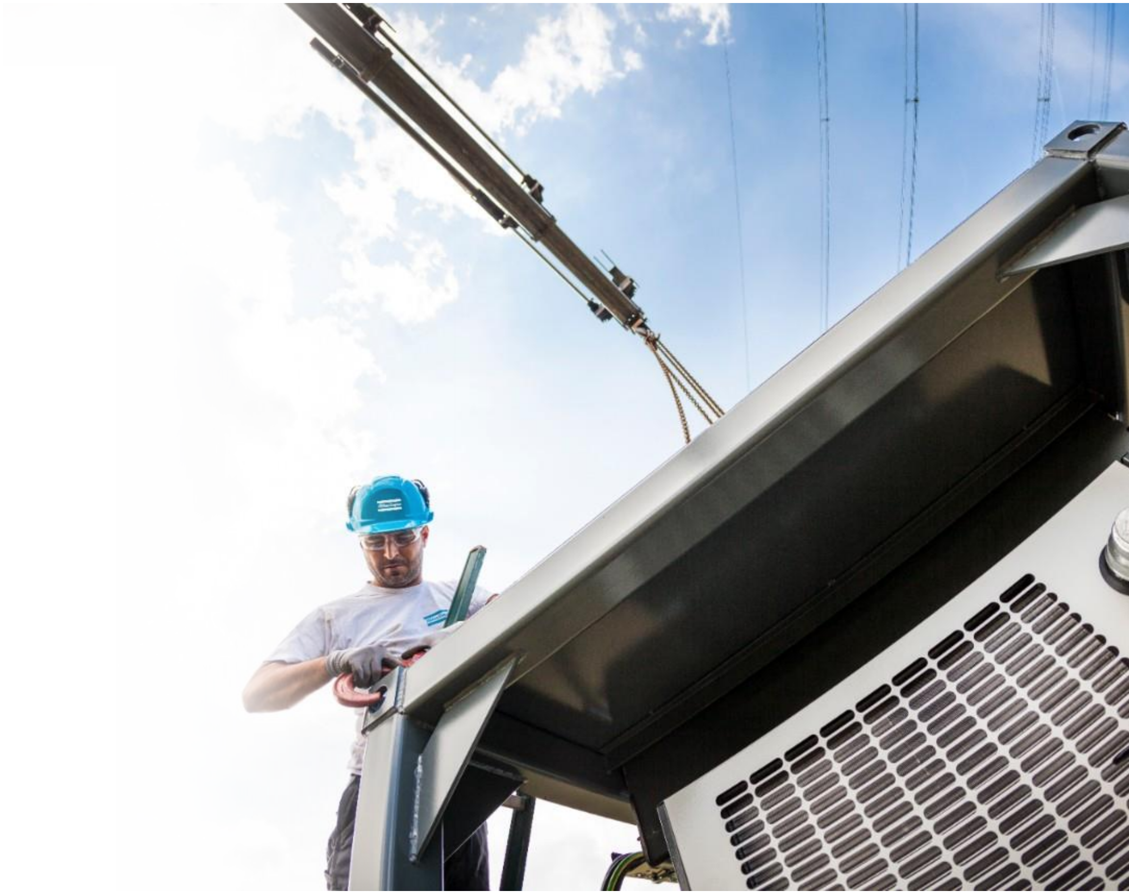
	January - March	
MSEK	Orders received	Revenues
2018	24 829	21 906
Structural change, %	+0	+0
Currency, %	+7	+6
Organic*, %	+1	+4
Total, %	+8	+10
2019	26 812	24 181

*Volume, price and mix

Atlas Copco Group

*Orders by business area and organic order growth**

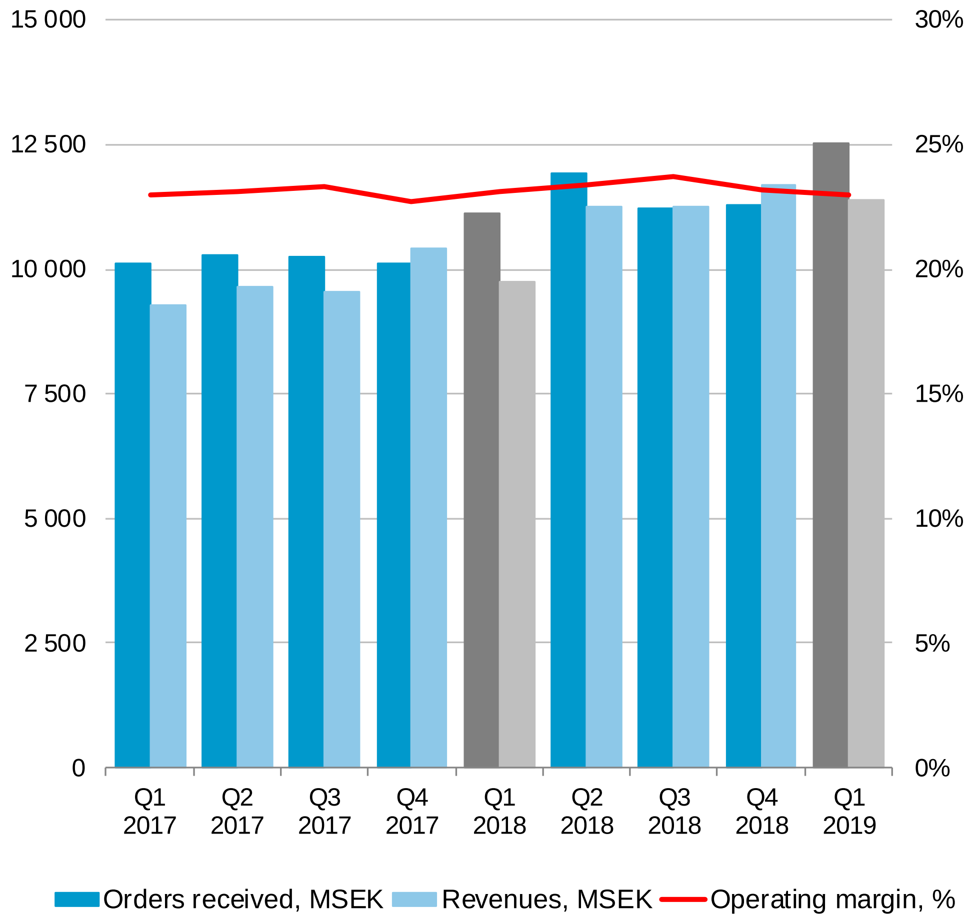




* Share of Group orders received 12 months ending March 2019.
3 month organic order growth compared to previous year.

Compressor Technique

- Record orders, organic growth of +5%
  - Strong growth for larger compressors
  - Continued growth for service
- Revenues +10% organically
- Operating margin at 23.0% (23.1)
- Return on capital employed was 105% (94)



Innovation:

A new digital platform for the medical sector providing 24/7 presence and a full equipment management solution for customers.

Acquisitions:

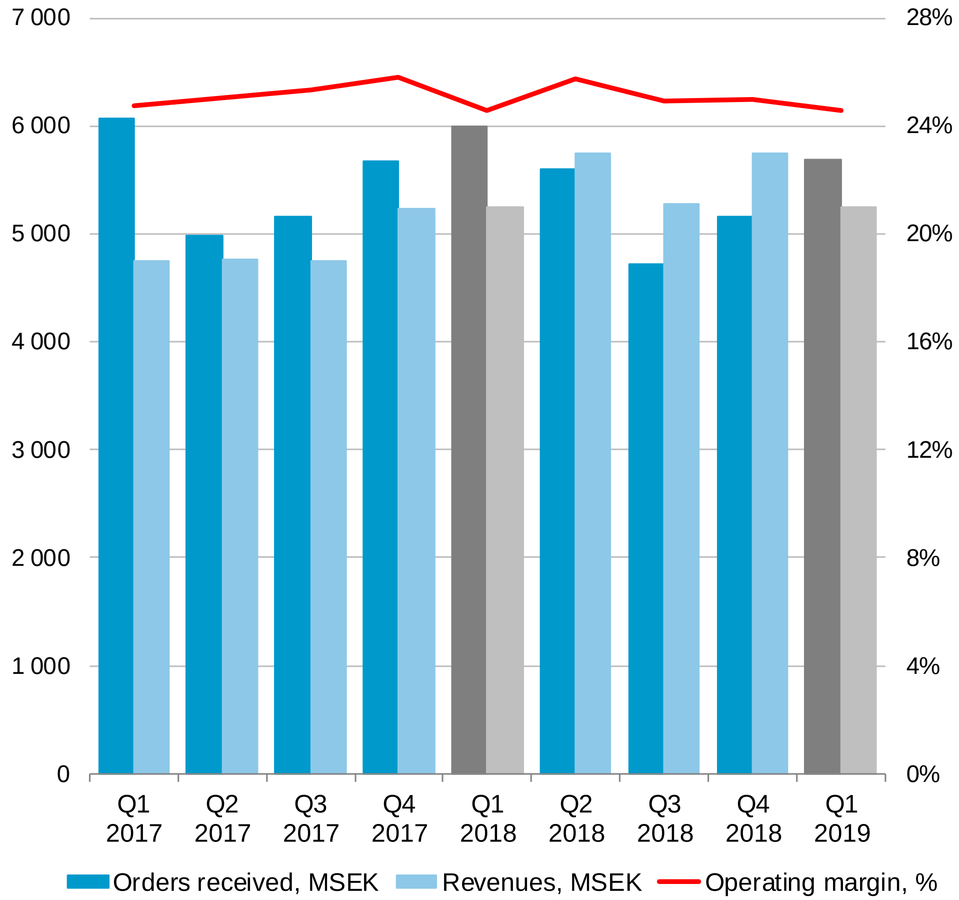
- Appleton, a US distributor of compressors and complimentary equipment
- Woodward Compressor Sales, a US distributor focused on compressor service and parts
- Class 1 Incorporated, a Canadian full-service supplier in medical gas solutions

Vacuum Technique

- Organic order decline of -13%
  - Lower equipment demand, primarily due to semicon in Asia
  - Strong growth for service, both industrial and semicon
- Revenues -8% organically
- Operating margin at 24.6% (24.6)
- Return on capital employed was 26% (26)

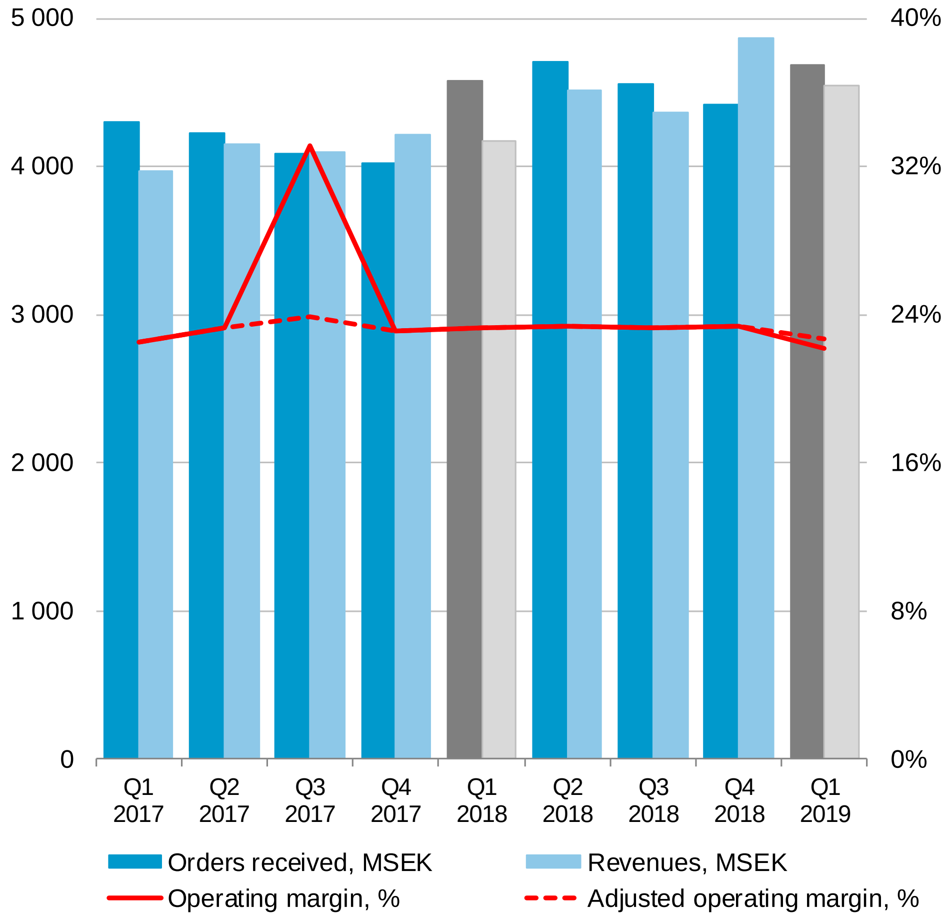
Innovation:

A new improved abatement system for semiconductor customers providing reduced total cost of ownership and environmental impact.



Industrial Technique

- Organic order decline of -4%
  - Lower equipment demand from motor vehicle industry
  - General industry flat
  - Continued growth for service
- Revenues +3% organically
- Adjusted operating profit margin at 22.7% (23.3 reported)
- Return on capital employed was 39% (44)



Innovation:

A new tool location system for handheld power tools providing a cost-efficient solution to reduce human errors and increase flexibility in production.

Power Technique

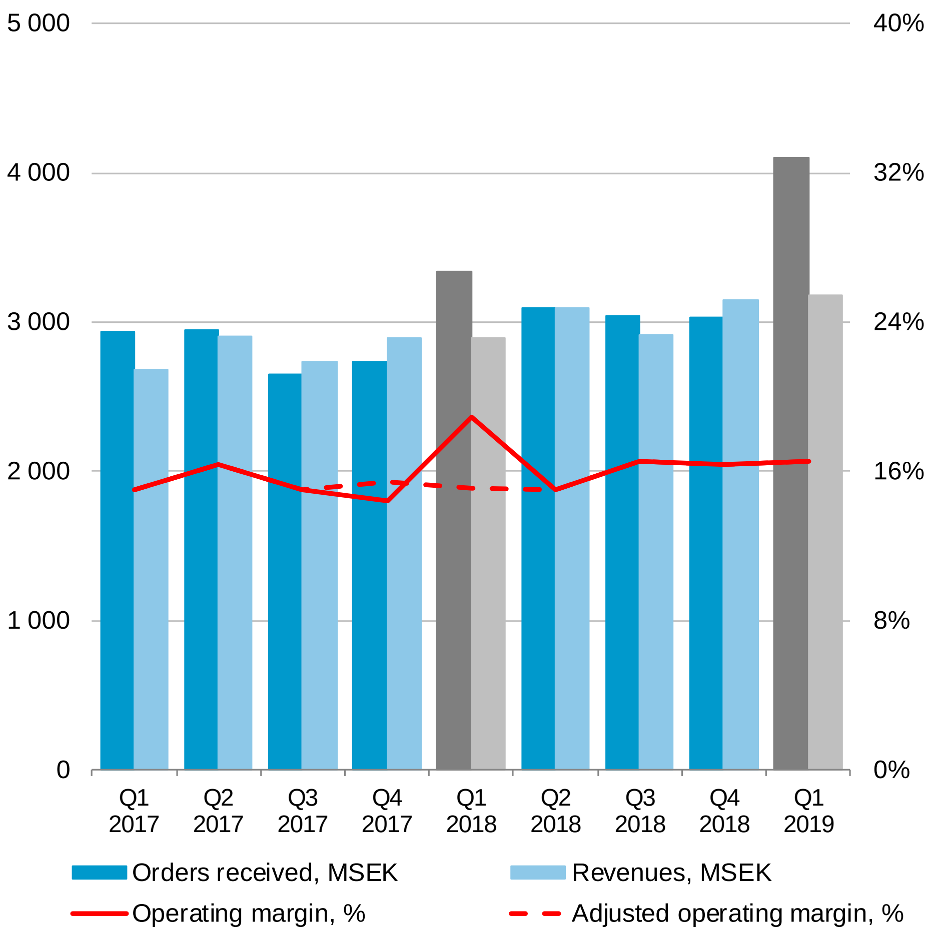
- Record order intake, organic growth of 19%
  - Strong demand from equipment rental companies
  - Strong growth for specialty rental
  - Growth for service
- Record revenues, +8% organically
- Operating margin at 16.5% (15.1, adjusted for capital gain)
- Return on capital employed was 30% (21)

Innovation:

A new stage V compliant diesel engine and smart air controller for portable compressors, providing enhanced fuel efficiency, improved performance and lower total cost of ownership.

Acquisitions:

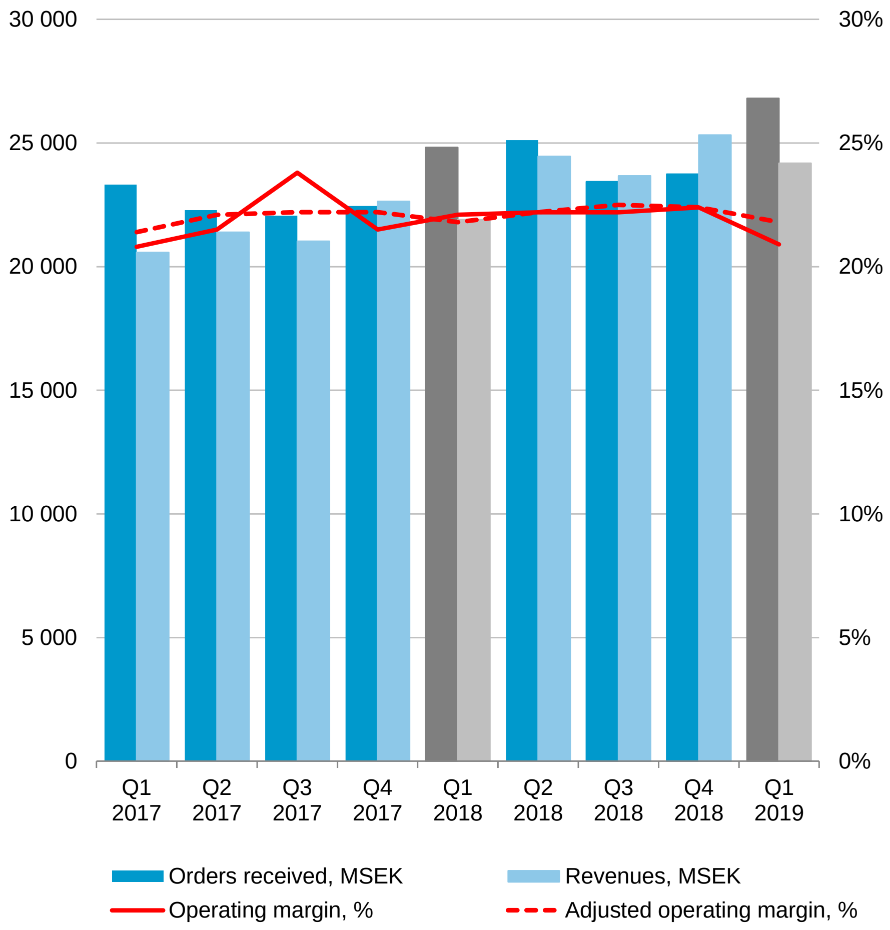
- Industrie Pumpen Vertriebs GmbH, a German distributor of industrial pumps



Group total

January – March 2019 vs. 2018

MSEK	January - March 2019	2018	
Orders received	**26 812**	**24 829**	**8%**
Revenues	**24 181**	**21 906**	**10%**
Operating profit	**5 048**	**4 833**	**4%**
– as a percentage of revenues	*20.9*	*22.1*	
Profit before tax	**4 907**	**4 513**	**9%**
– as a percentage of revenues	*20.3*	*20.6*	
Income tax expense	**-1 204**	**-1 173**	**3%**
– as a percentage of profit before tax	*24.5*	*26.0*	
Profit for the period from continuing operations	**3 703**	**3 340**	**11%**
Basic earnings per share, SEK	**3.05**	**2.75**	
Return on capital employed, %	**33**	**29**	



Profit bridge

January – March 2019 vs. 2018

MSEK	Q1 2019	Volume, price, mix and other	Currency	Items affecting comparability and acquisitions	Share-based LTI* programs	Q1 2018
Atlas Copco Group						
Revenues	24 181	800	1 445	30		21 906
Operating profit	5 048	-149	660	-120	-176	4 833
	20.9%	*NA*				*22.1%*

**LTI = Long term incentive*

Profit bridge – by business area

January – March 2019 vs. 2018

MSEK	Q1 2019	Volume, price, mix and other	Currency	Items affecting comparability acquisitions	Q1 2018
Compressor Technique					
Revenues	11 397	937	605	120	9 735
Operating profit	2 618	134	220	15	2 249
	23.0%	*14%*			*23.1%*
Vacuum Technique					
Revenues	5 253	-432	430	0	5 255
Operating profit	1 292	-250	250	0	1 292
	24.6%	*58%*			*24.6%*
Industrial Technique					
Revenues	4 547	94	260	15	4 178
Operating profit	1 008	-61	130	-35	974
	22.2%	*NA*			*23.3%*
Power Technique					
Revenues	3 177	228	160	-105	2 894
Operating profit	524	82	35	-140	547
	16.5%	*36%*			*18.9%*

Balance sheet

MSEK	Mar. 31, 2019	Mar. 31, 2018*	Dec. 31, 2018	Jan. 1, 2019**
Intangible assets	30 886	28 993	30 025	30 025
Fixed assets and other non-current assets	16 966	12 541	12 907	16 199
Inventories	14 006	12 054	12 718	12 718
Receivables	26 207	23 503	24 503	24 485
Cash and current financial assets	13 593	23 335	16 517	16 524
Assets classified as held for sale	-	34 202	-	-
Total assets	**101 658**	**134 628**	**96 670**	**99 951**
Total equity	47 456	67 591	42 472	42 472
Interest-bearing liabilities	22 117	25 900	23 218	26 502
Non-interest-bearing liabilities	32 085	31 195	30 980	30 977
Liabilities directly associated with assets classified as held for sale	-	9 942	-	-
Total equity and liabilities	**101 658**	**134 628**	**96 670**	**99 951**

** Including assets and liabilities related to Epiroc reported as discontinued operations.*

*** Including effect of IFRS 16 (leases).*

Cash flow

Previous year includes discontinued operations

	January - March	
MSEK	2019	2018
Operating cash surplus	6 234	7 467
of which depreciation added back	*1 079*	*1 094*
Net financial items	-365	393
Taxes paid	-1 014	-1 344
Pension funding	-77	-102
Change in working capital	-1 469	-1 708
Increase in rental equipment, net	-246	-327
Cash flows from operating activities	**3 063**	**4 379**
Investments of property, plant & eq., net	-359	-442
Other investments, net	-258	-378
Cash flow from investments	**-617**	**-820**
Adjustment, currency hedges of loans	83	-835
Operating cash flow	**2 529**	**2 724**
Company acquisitions/ divestments	-185	-669

Near-term outlook

The demand for Atlas Copco’s products and services is expected to stay at current level.

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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.”