

## Mining and Rock Excavation Technique



Capital Markets Day, November 20, 2013  
Johan Halling, Business Area President

*Sustainable Productivity*



## Agenda

- 1 Market overview
- 2 Business overview
- 3 The strategic pillars for profitable growth
- 4 Summary



# Market overview

Segments and outlook / trends



# Mining

Underground mining	Surface mining	Exploration



## Outlook / trends

### Mining

- Development of emerging markets drive demand for minerals
- Demand for service and consumables still high
- Focus on total cost of operation



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## Civil engineering / construction

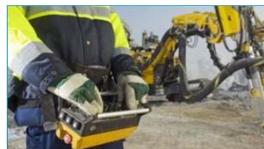
### Underground civil engineering



### Quarrying



### Surface civil engineering



### Crushing and screening



### Ground engineering



### Waterwell Oil & Gas



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### Outlook / trends

Civil engineering / Infrastructure

- Investments in infrastructure
- Total cost of ownership and optimization of full value chain
- Mechanization



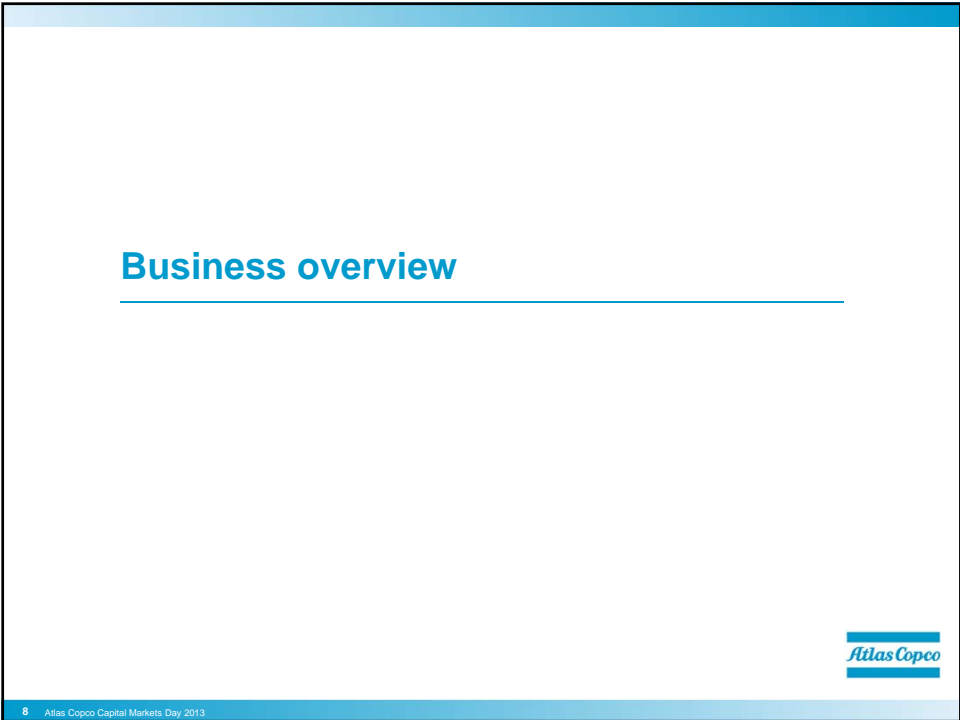
The image shows a large-scale infrastructure project. On the left, a dam with multiple spillways is visible, with water flowing through them. To the right, a large tunnel is under construction, with several yellow Atlas Copco machines, including wheel loaders and haul trucks, operating on the site. The background shows a forested area.

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### Business overview

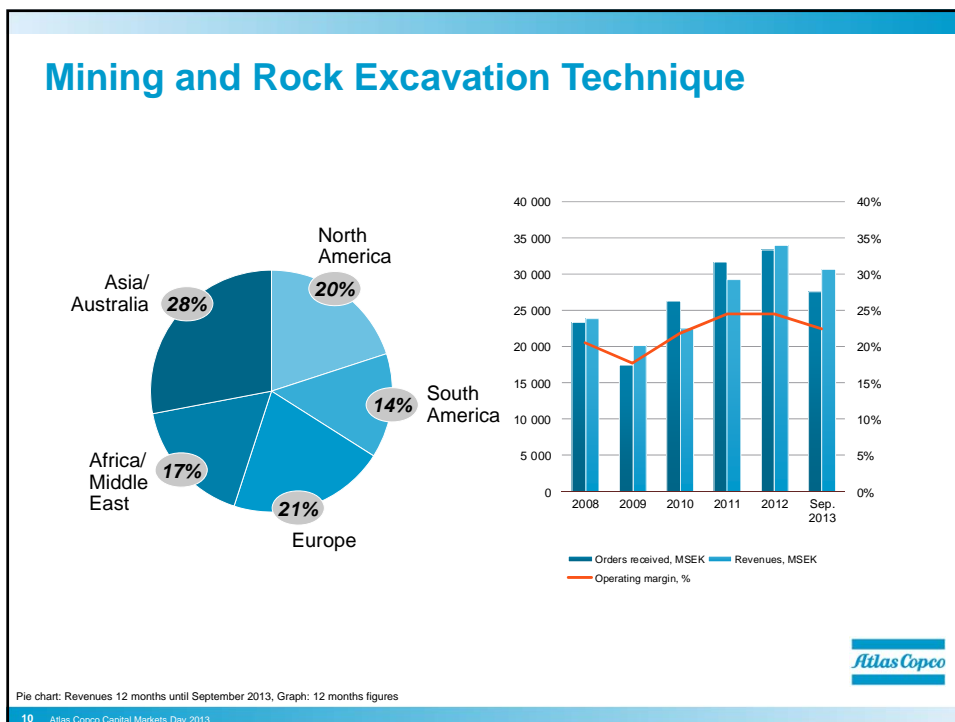
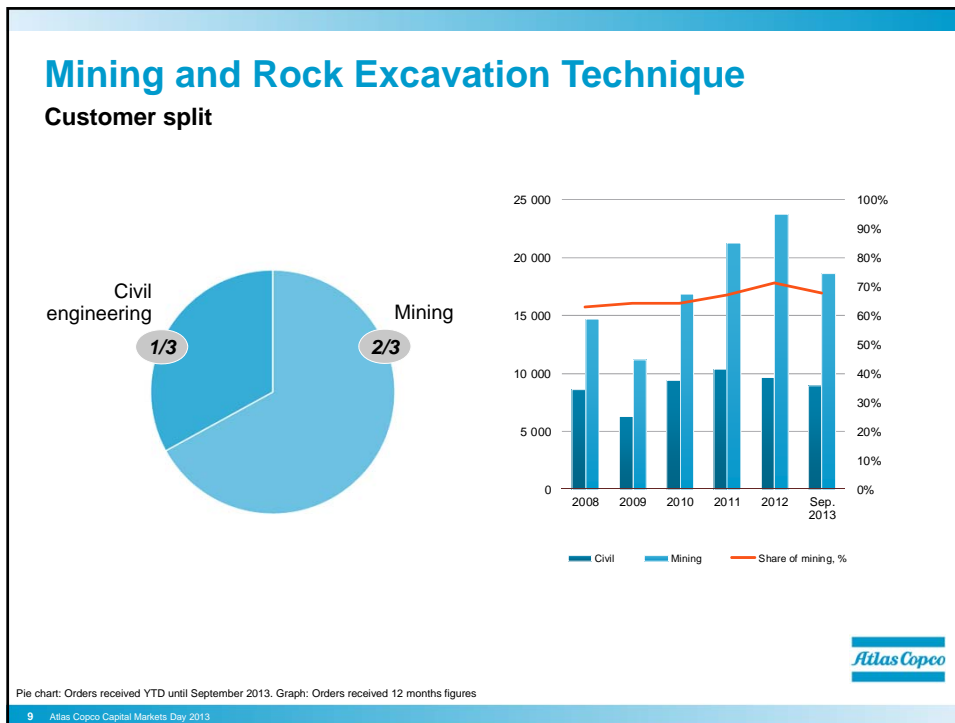
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The slide is mostly blank, with the title 'Business overview' and a horizontal line below it. The Atlas Copco logo is in the bottom right corner.

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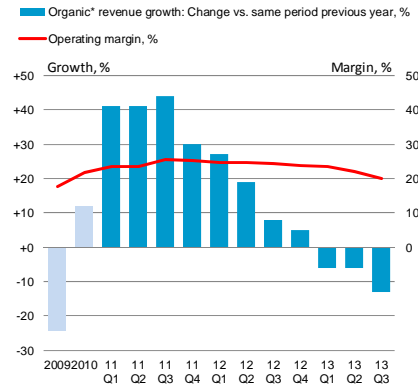
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## Mining and Rock Excavation Technique

### Q3

- 17% organic order decline
- Operating margin at 20.8% (24.6)
- Acquisition of oil and gas service business
- Johan Halling new Business Area President

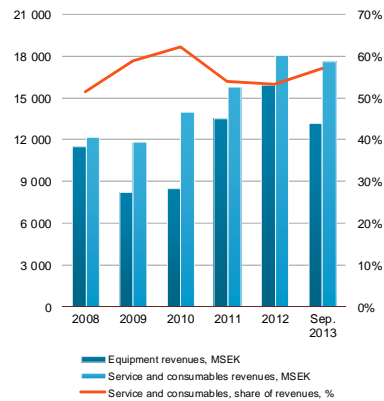
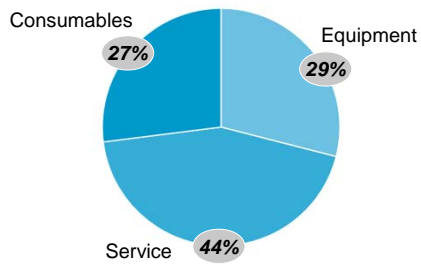


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## Mining and Rock Excavation Technique

- Orders received Q3 2013

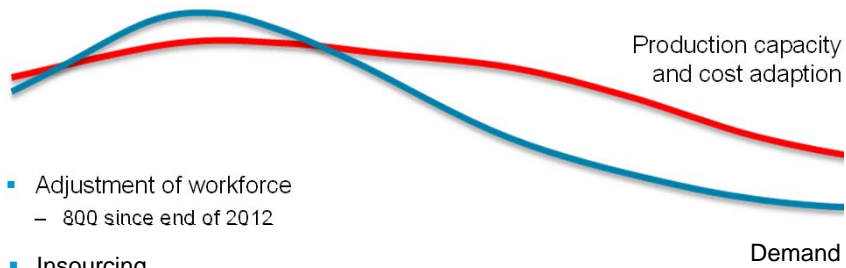


Pie chart: Orders received Q3 2013, including cancellations. Graph: Revenues 12 months figures

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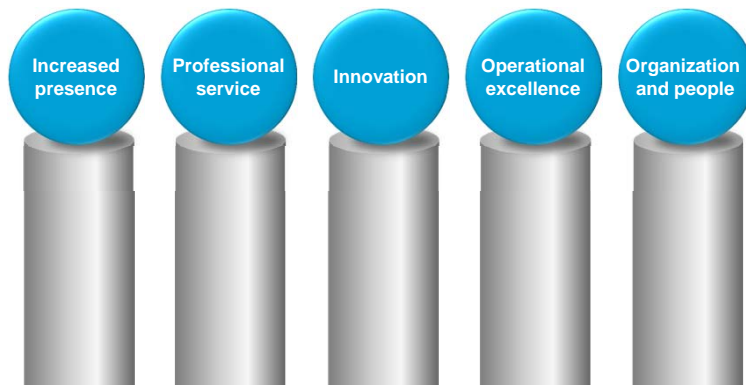
## Capacity adjustments



- Adjustment of workforce
  - 800 since end of 2012
- Insourcing
- Further adjustments are being carried out



## The strategic pillars for profitable growth



## Service – success factors

Professional service

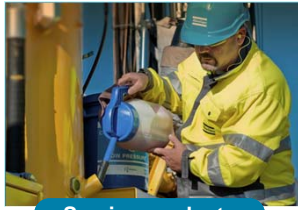
Parts availability



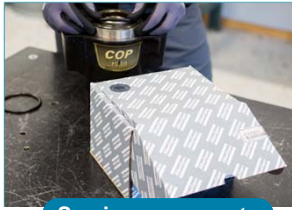
Training



Service products



Service agreements



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## Consumables – success factors

Professional service

- A global dedicated sales and service force close to the customer
- Performance contracts
- Availability
- Logistics / supply chain
- New innovative products
- Continuous product cost reduction

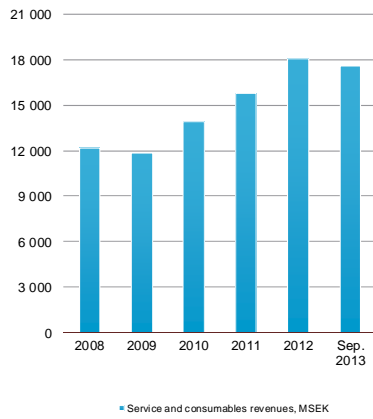


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## Focus on service and consumables



- Resilient business
- >70% of current order intake
- Organic growth YTD 2013 approx. +2%



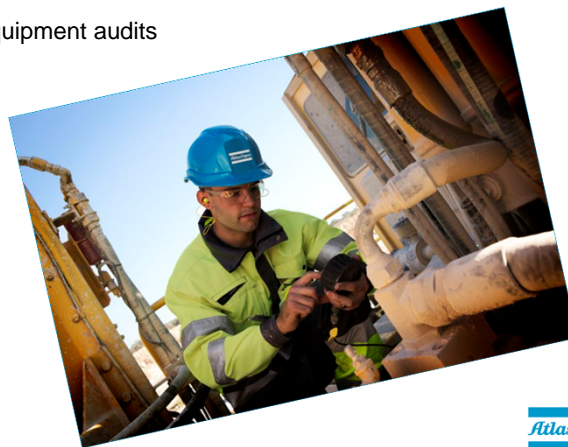
Service and consumables 12 months figures

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## Innovation: RigScan




- Sophisticated equipment health check that detects if a part is approaching failure
- A new standard in equipment audits



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### Innovation: Automation



<i>Safer work environment</i>	<i>Lower operational costs</i>
<i>Higher equipment utilization</i>	<i>Fewer operators required</i>

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### Innovation: Electric loader

- Reduced energy consumption by up to 70%
- Minimized CO<sub>2</sub> emissions



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## Innovation: 40kW rock drill

- For tunnelling applications
- 20–30% faster than the nearest contender and optimized for hard rock conditions



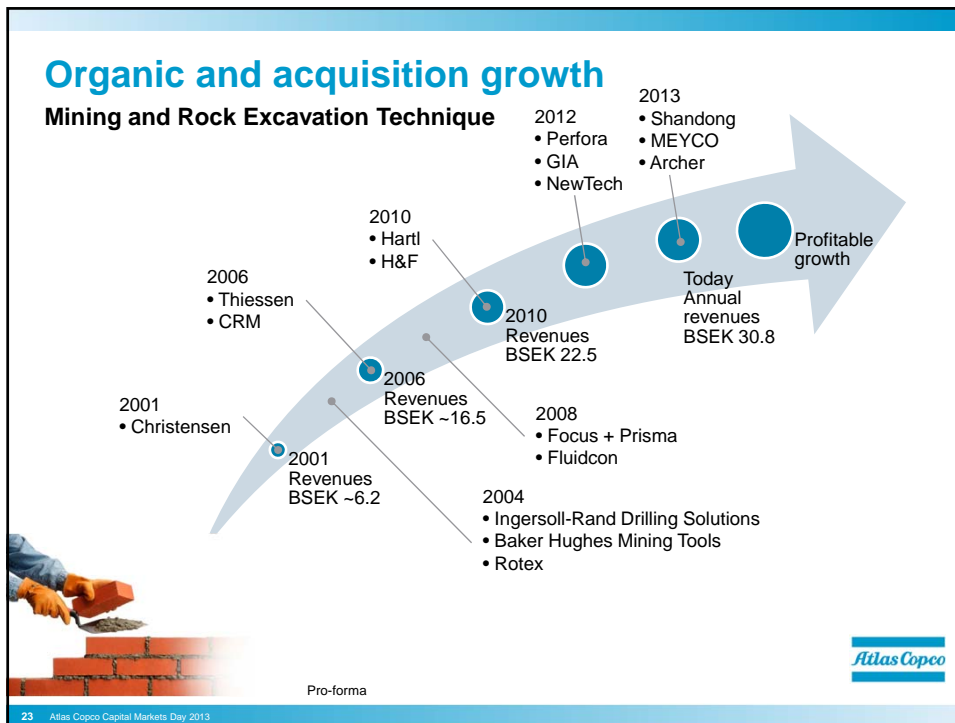
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## Innovation: PowerROC T25

- Powerful surface drill rig with differentiated value proposition
- Low fuel consumption



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### Summary

- Short 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
- High ambition for continuous organic growth and acquisitions

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**Committed to  
sustainable productivity.**



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A large version of the Atlas Copco logo, featuring the company name in a blue, italicized serif font, centered between two thick horizontal blue bars.