



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

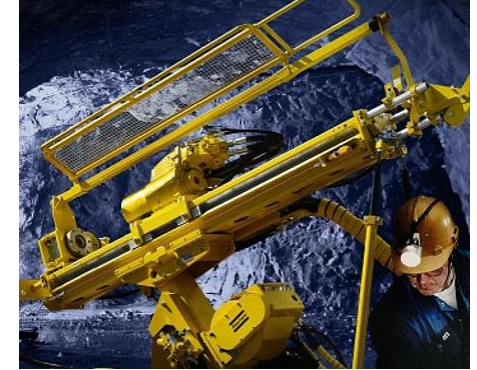
Underground mining



Surface mining



Exploration



Civil engineering



Quarrying



Ground engineering



Water well, oil & gas



MINING AND ROCK EXCAVATION TECHNIQUE

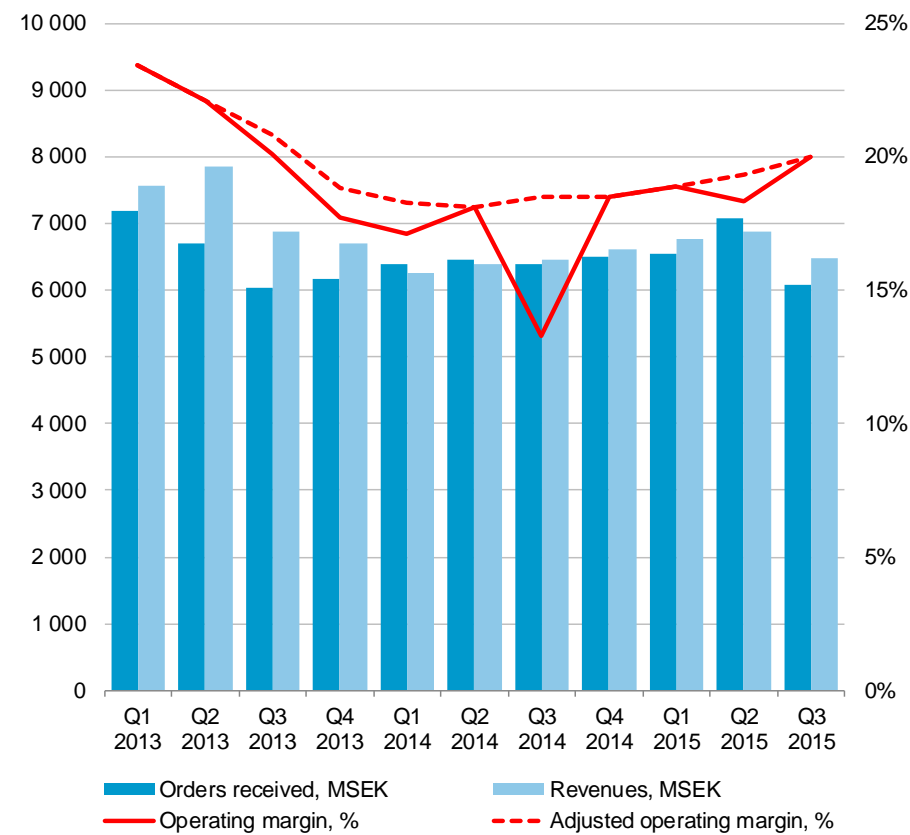
In Brief

- 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)

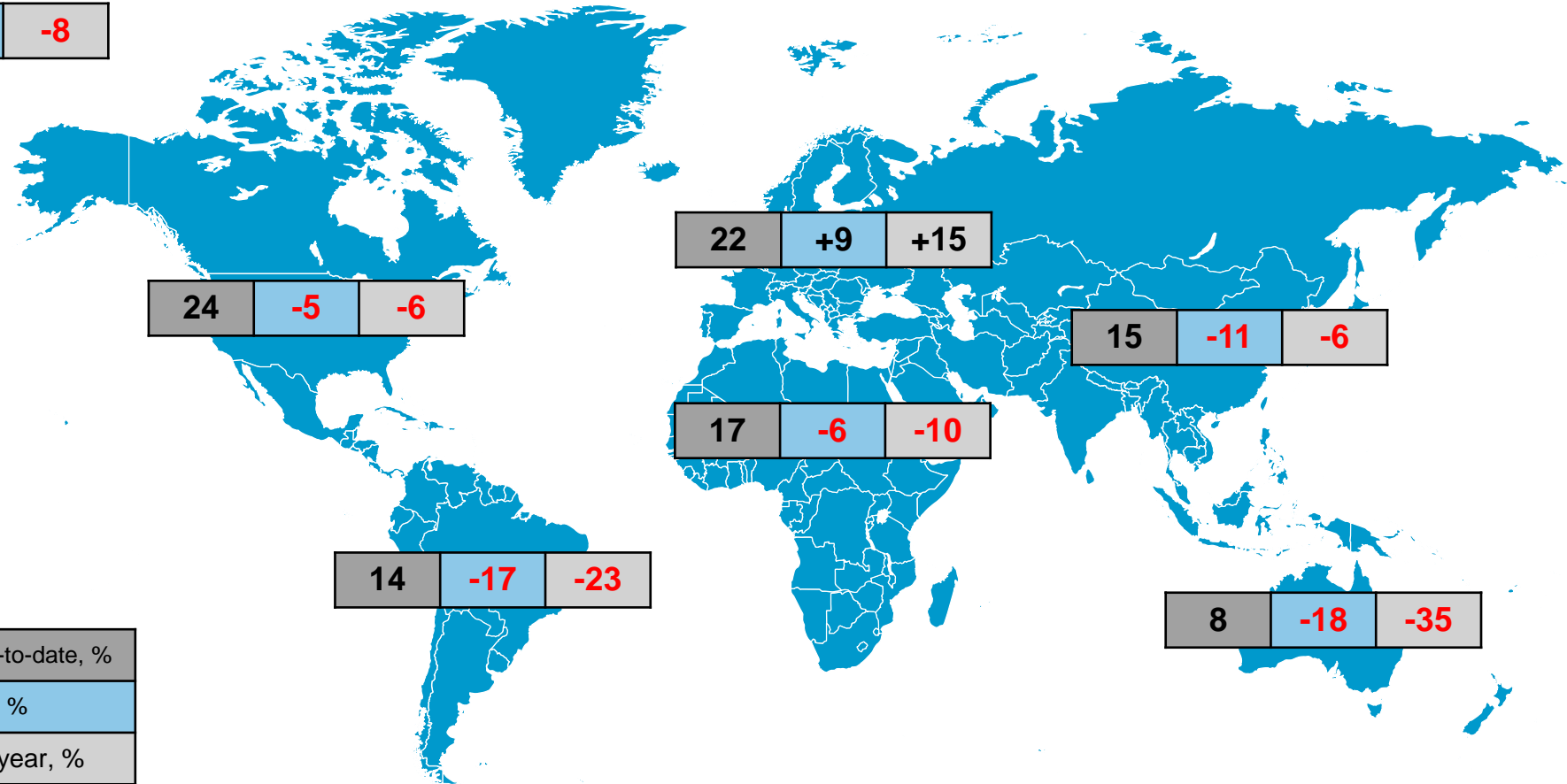
Orders, revenues and operating margin



ROCE
34%

ORDERS RECEIVED - LOCAL CURRENCY

Mining and Rock Excavation Technique



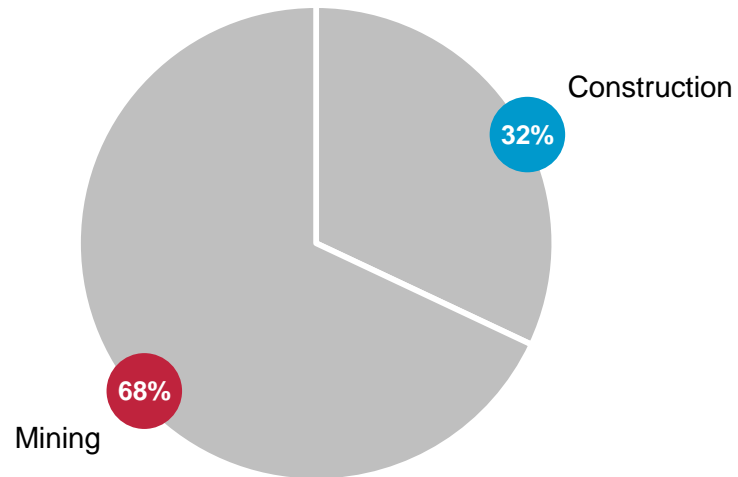
September 2015

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

MINING AND ROCK EXCAVATION TECHNIQUE

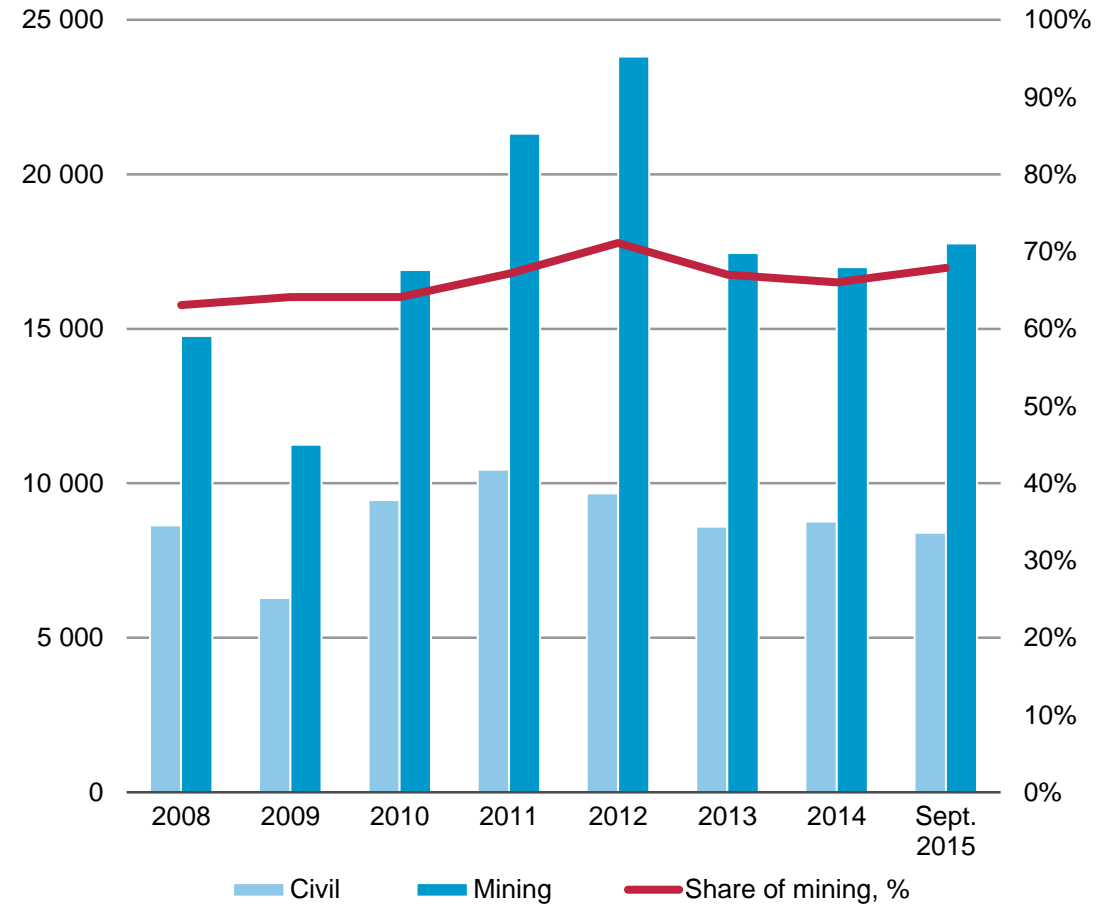
Customer split

Orders received by customer category



Pie chart: Orders received 12 months until September 2015

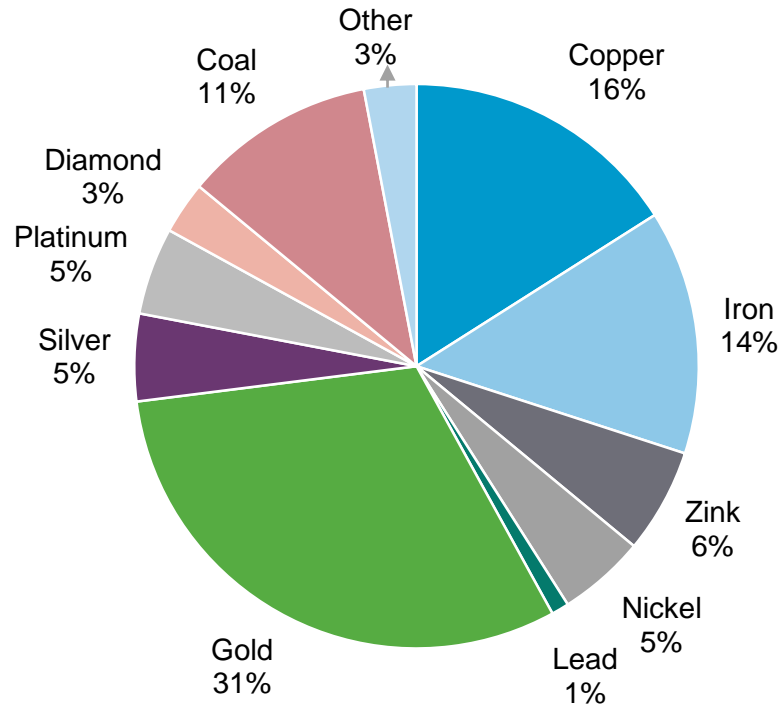
Graph: Orders received 12 months figures



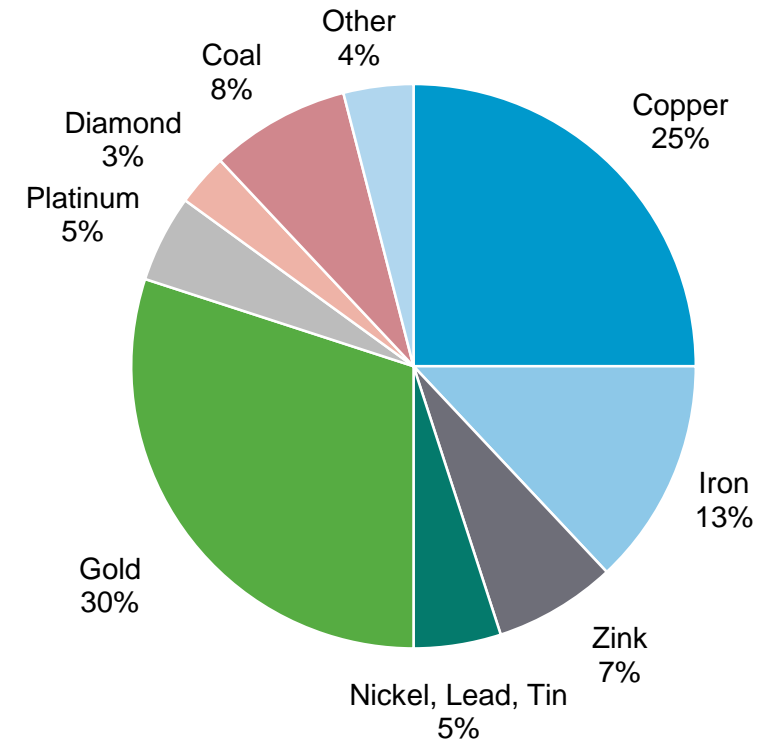
MINING

Estimated exposure to minerals

March 2012

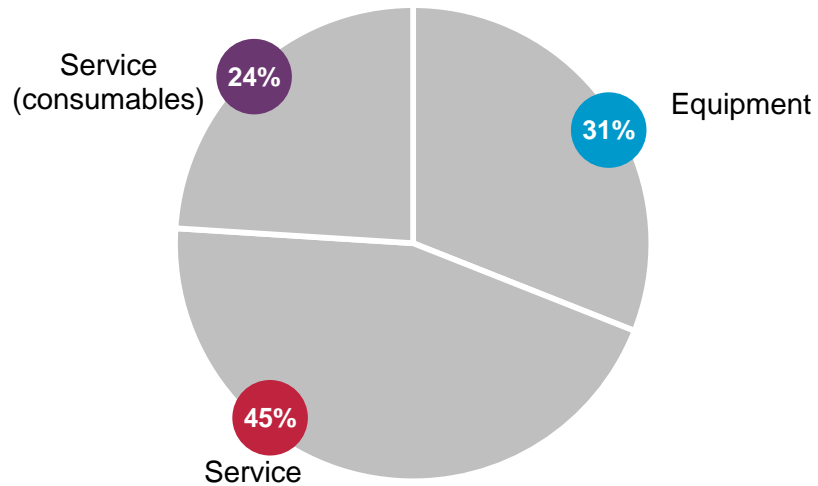


June 2015

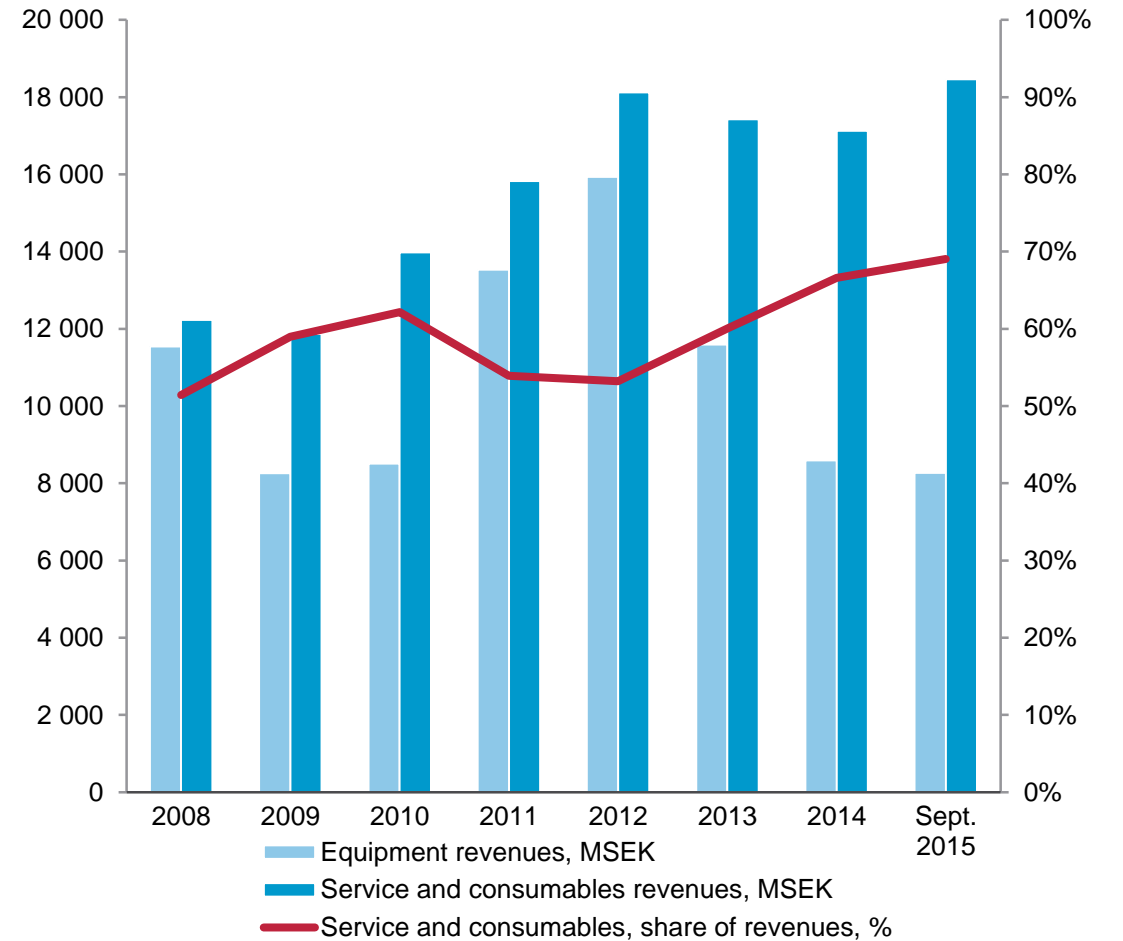


MINING AND ROCK EXCAVATION TECHNIQUE

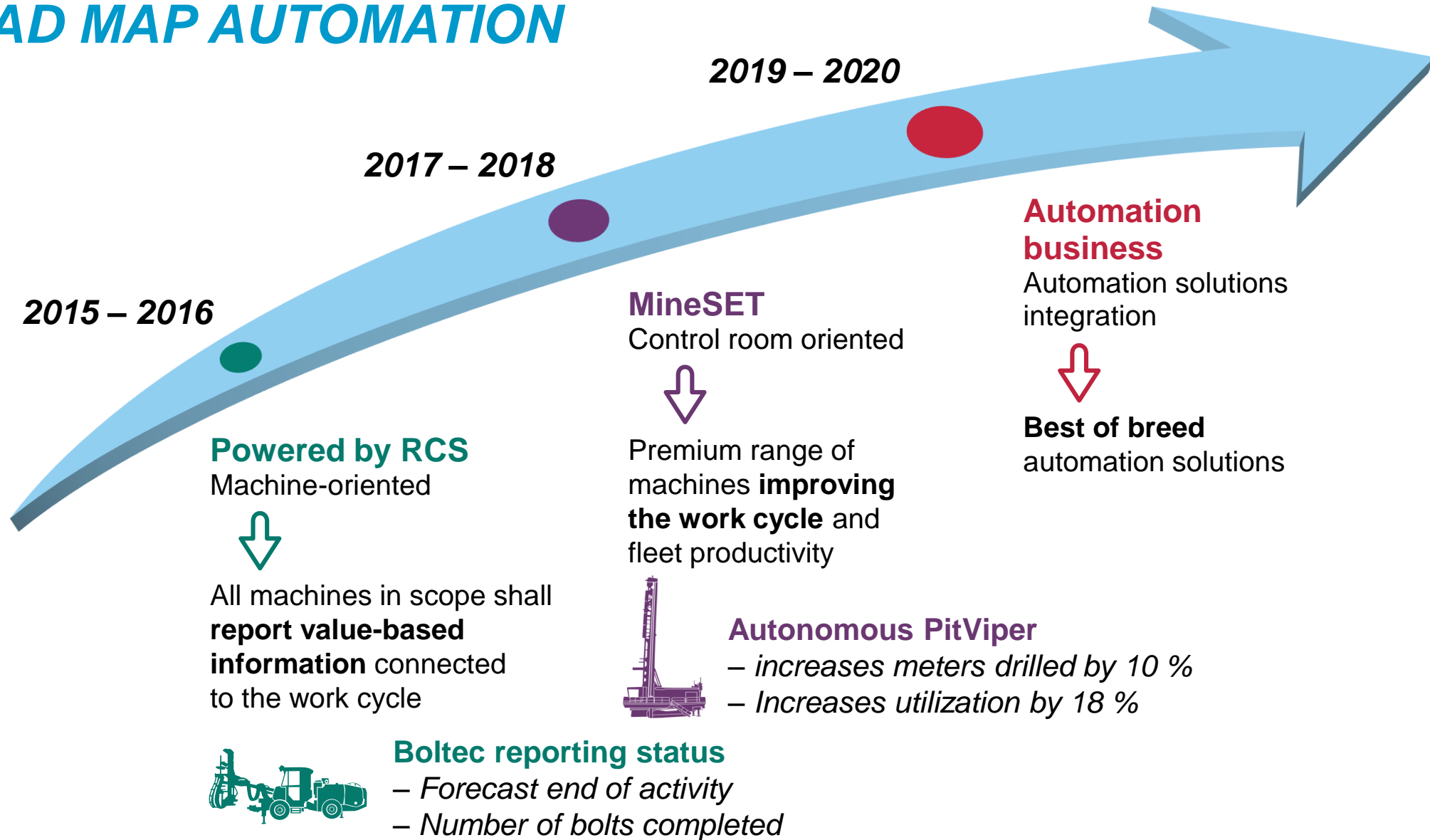
Revenues by business type



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



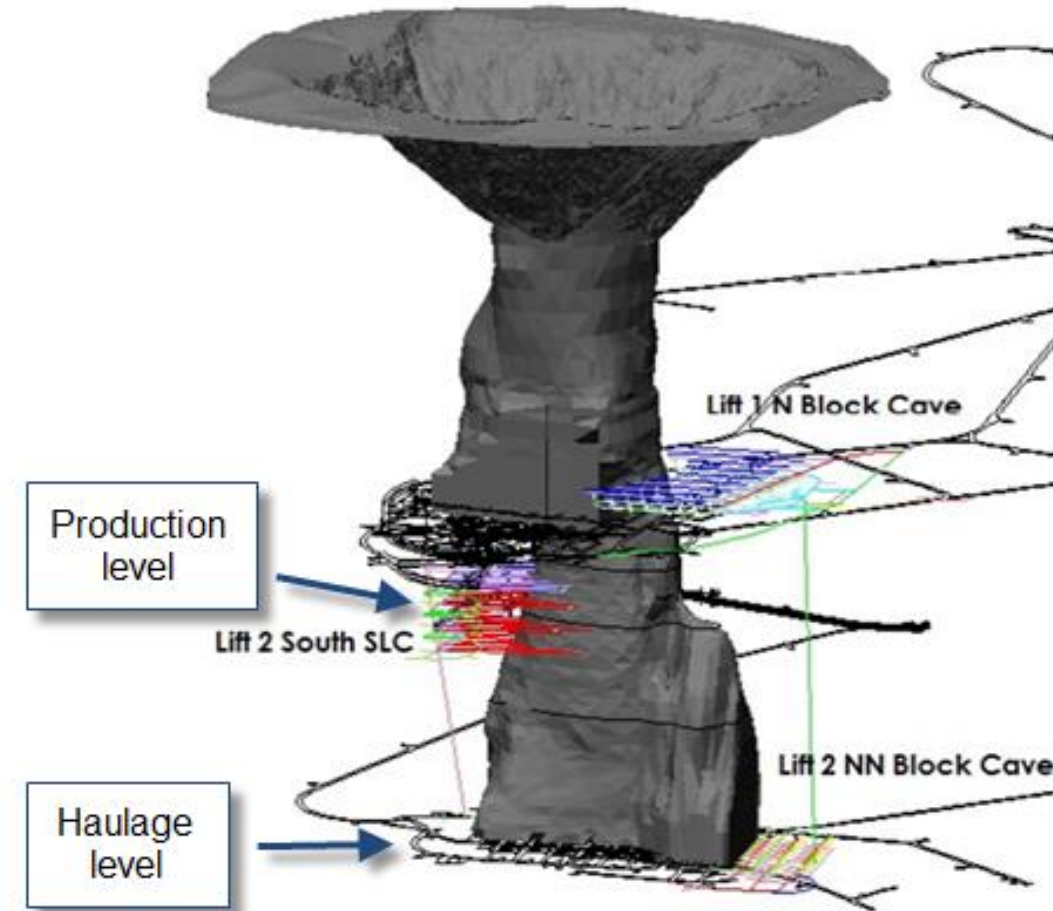
Multi equipment operations



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

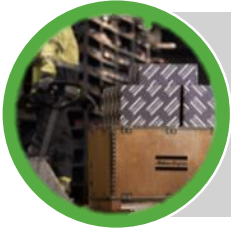
Rock Drilling Tools

Providing rock drilling tools to our customers



MINING AND ROCK EXCAVATION SERVICE

Service offer



Replacement parts and kits



Service products



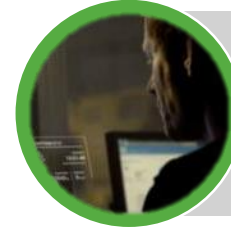
Service tools



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.



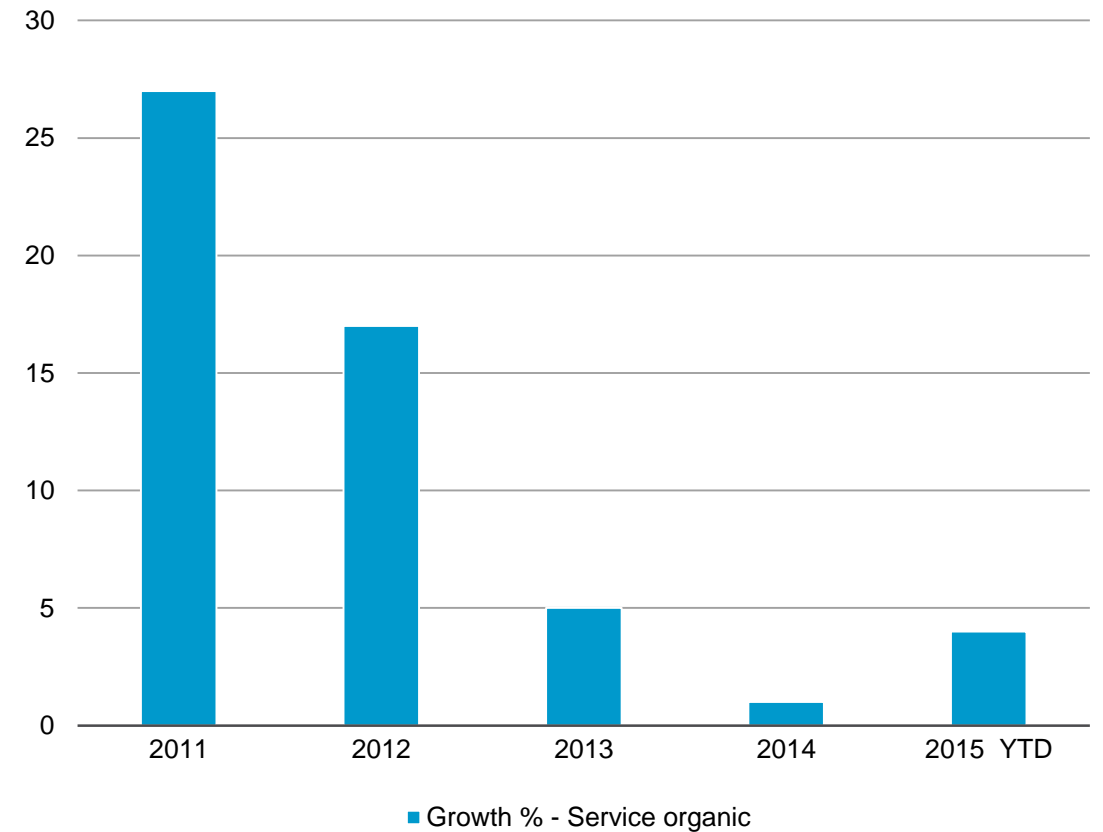
FOCUS ON PROFITABLE GROWTH IN SERVICE

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



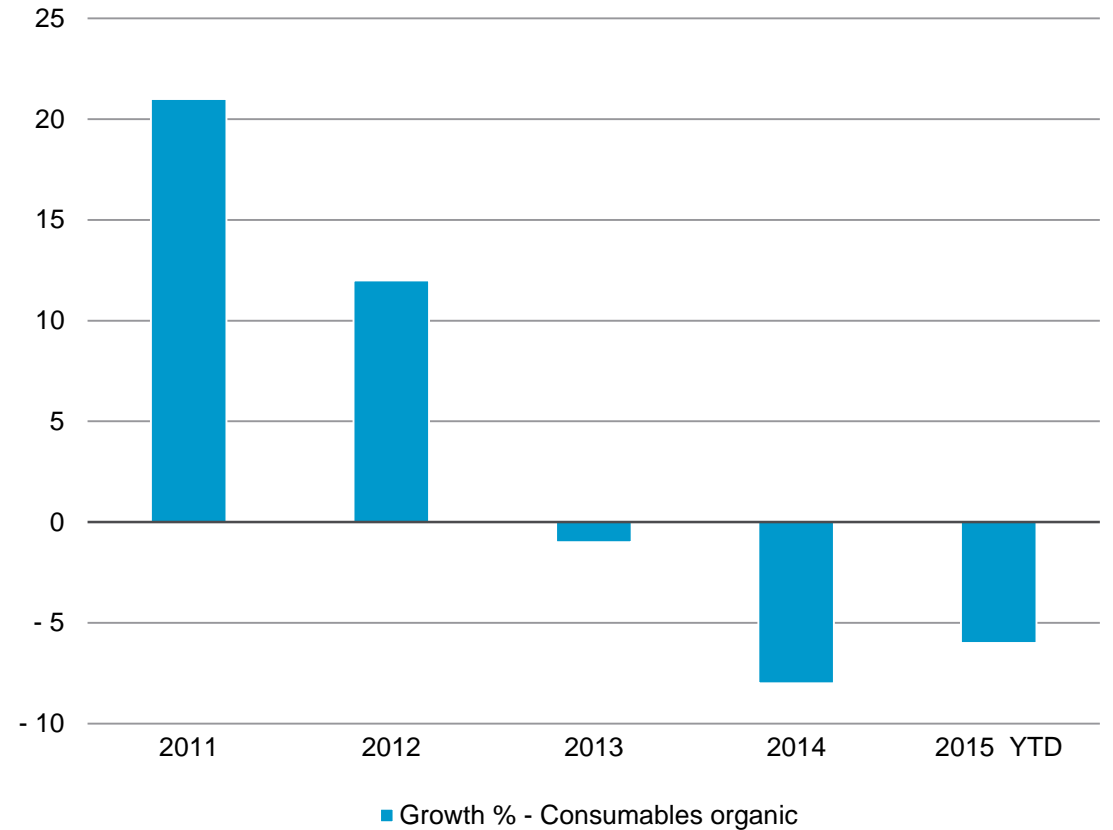
FOCUS ON PROFITABLE GROWTH IN CONSUMABLES

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

