



Epiroc



Welcome to Epiroc Capital Markets Day 2018

Ingrid Östhols, Vice President Investor Relations



Agenda

- This is Epiroc
 - Break
- Mining equipment – intelligent mining
- Infrastructure equipment – productivity and efficiency
- Service and tools – the future aftermarket
 - Lunch
- Innovation tour at Epiroc Örebro facility



Epiroc slo-mo video





This is Epiroc

Per Lindberg, President and CEO
Anders Lindén, CFO



Epiroc in brief



A leading provider of solutions for rock drilling and rock excavation, demolition and recycling

- Epiroc's heritage dates back to **1873**
- Serving customers in selected niches of the global mining, natural resources and infrastructure industries
- Annual revenues 2017 of SEK **31.4** billion
- Operating profit of SEK **5.9** billion
- **~13,000** passionate people supporting and collaborating with customers in more than **150** countries

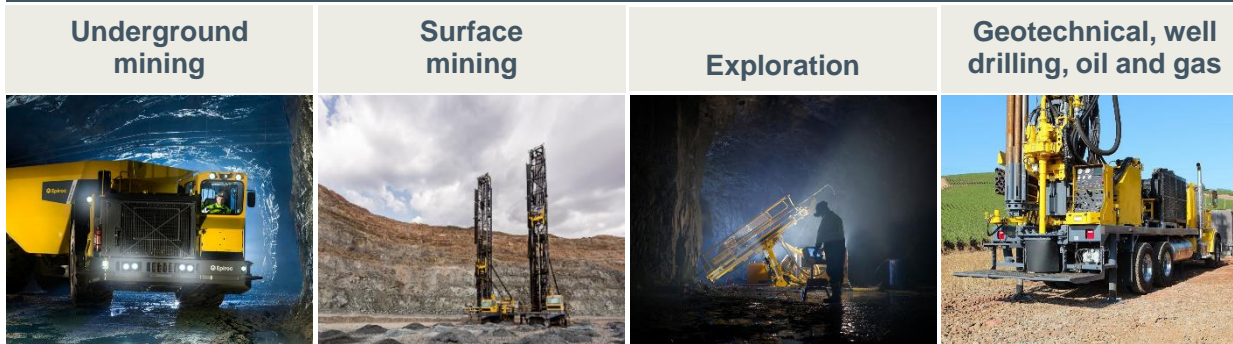


Epiroc's key application areas



A leading provider of solutions for rock drilling and rock excavation, demolition and recycling

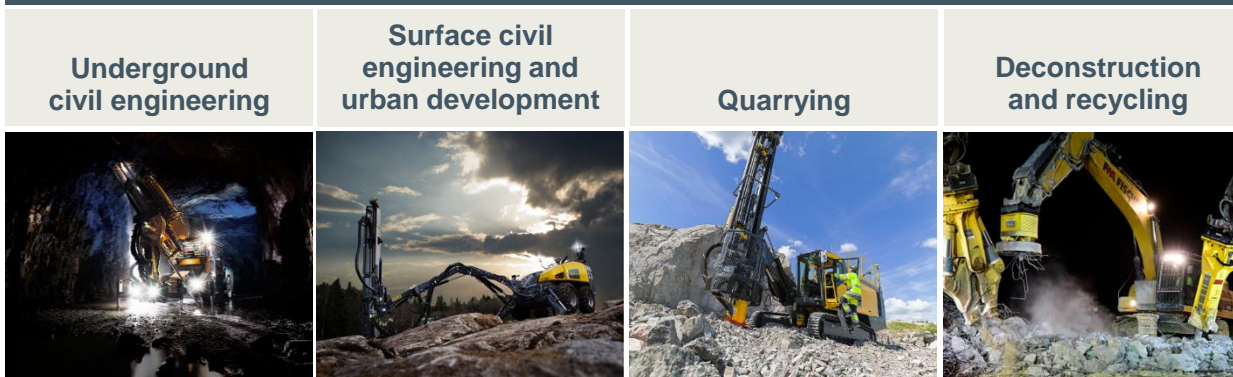
Mining and natural resources



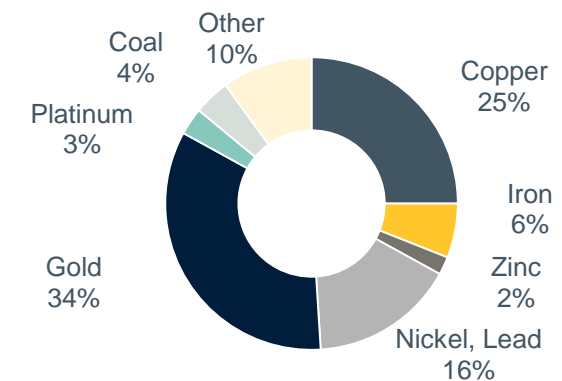
Orders received by customer category¹⁾



Infrastructure



Mining orders received by commodity¹⁾




1) 2017 reported

Rationale for spin-off

Create long-term shareholder value

- Both Atlas Copco and Epiroc are global leaders in their respective areas
- The businesses have different end-markets and different demand drivers
- The synergies between Epiroc and Atlas Copco are limited
- The split will increase focus, customer value and development opportunities
- Both companies will be better positioned to meet challenges and demand drivers





epi in Greek:
at, close, upon

epi + roc

rocca in Latin:
rock

Epiroc means “at rock,” reflecting our **focus on mining, rock excavation and natural resources, proximity to customers** and the **strength of our partnerships.**

Epiroc's key strengths



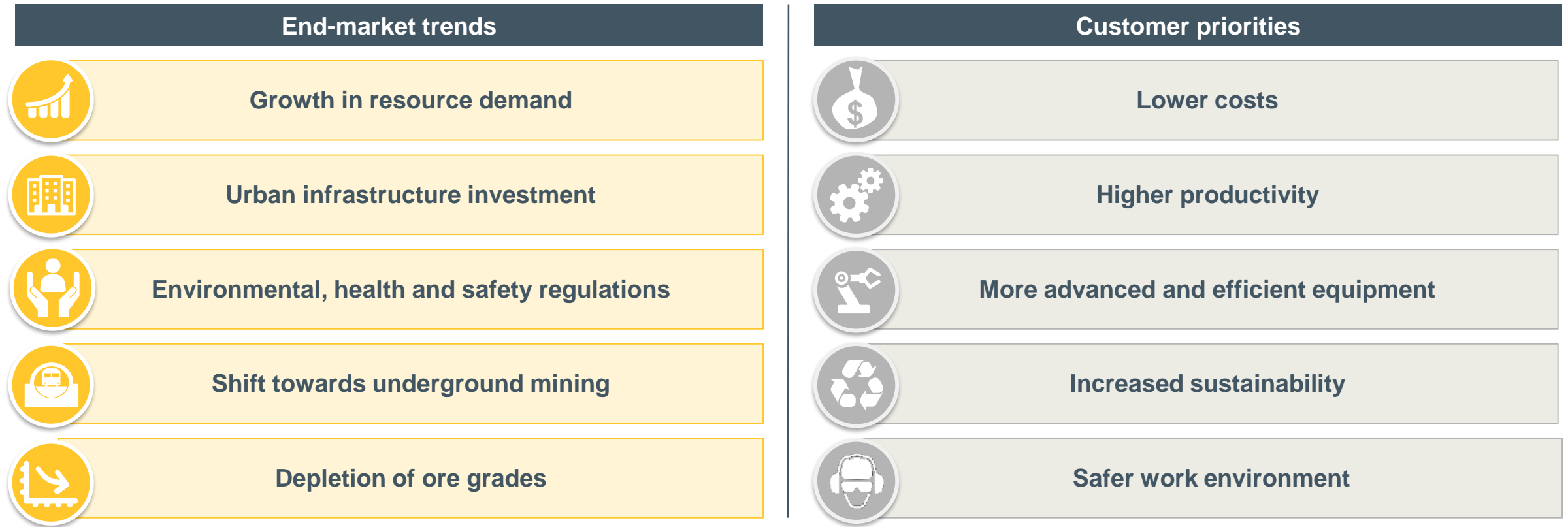
Epiroc demonstrates a unique value proposition

- 1 Leadership in attractive, structural growth niches in the mining and infrastructure markets
- 2 Strong and proven operating model
- 3 Resilience driven by high aftermarket exposure
- 4 Driving the future in intelligent mining and infrastructure
- 5 Value creation potential as a standalone company



Characteristics of Epiroc's addressed markets

Driving growth through solving our customers' key challenges



Characteristics of Epiroc's addressed markets

Addressing attractive niches of the mining and infrastructure markets

Key characteristics of addressed markets



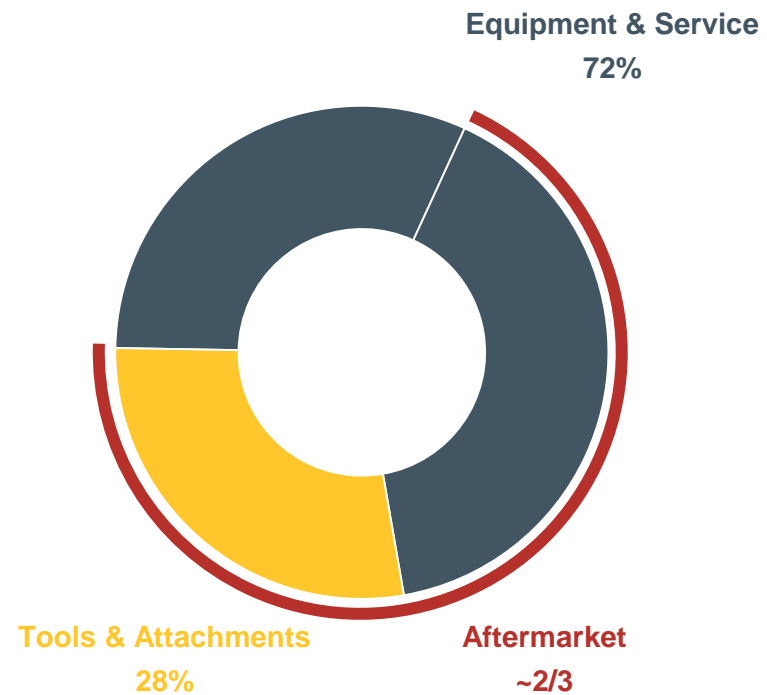
Equipment market characteristics	Performance-critical technology	✓
	High productivity impact relative to customers' expenditures	✓
Aftermarket characteristics	Requirement for customer closeness	✓
	Significant service requirements over equipment lifecycle	✓

Impact on productivity and performance



Products and services

World-class offering to improve customer productivity



Note: 2017 reported











Epiroc Capital Markets Day 2018

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Focused and decentralized businesses

Segments and divisions

Equipment & Service

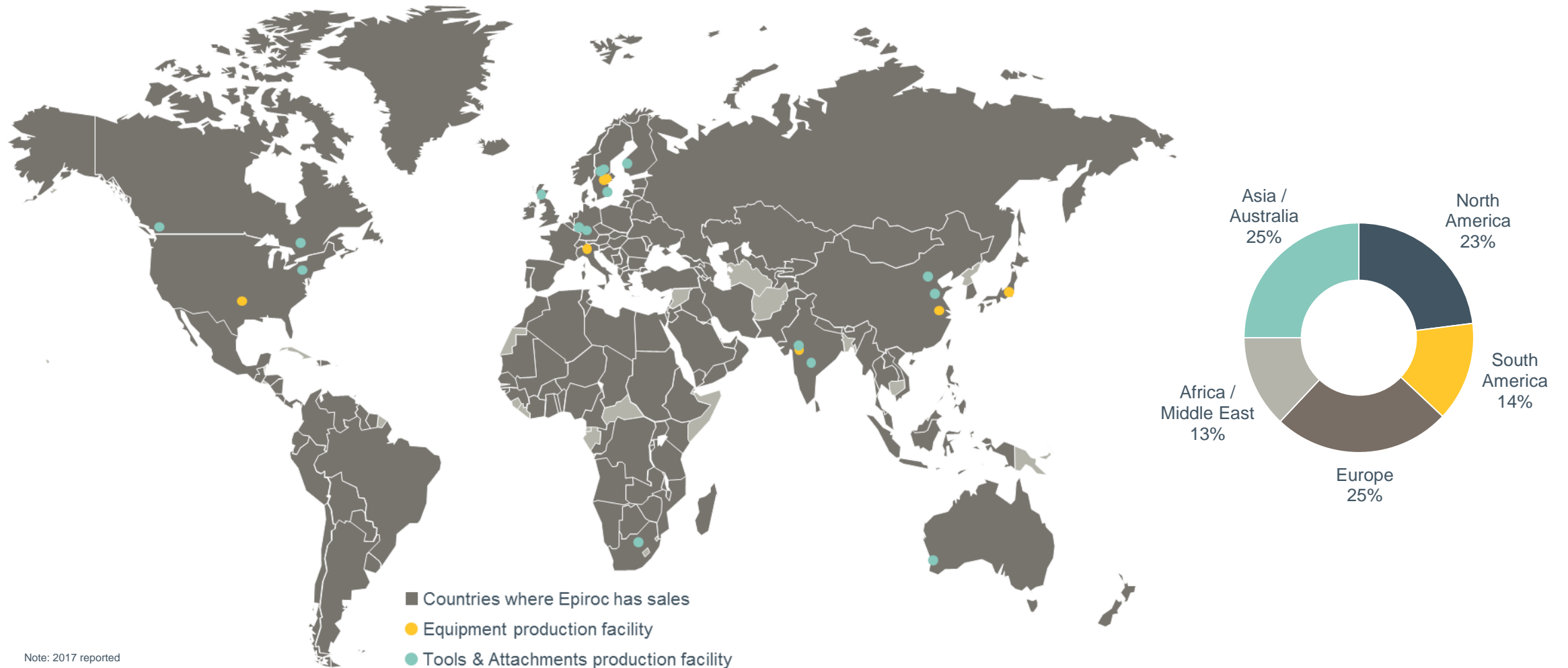
Drilling Solutions	Surface and Exploration Drilling	Underground Rock Excavation	Rocktec	Mining and Rock Excavation Service
				
 Jose Sanchez	 Brian Doffing	 Andreas Nordbrandt	 Jonas Albertsson	 Jess Kindler

Tools & Attachments

Rock Drilling Tools	Hydraulic Attachment Tools
	
 Arunkumar Govindarajan	 Goran Popovski

Global footprint

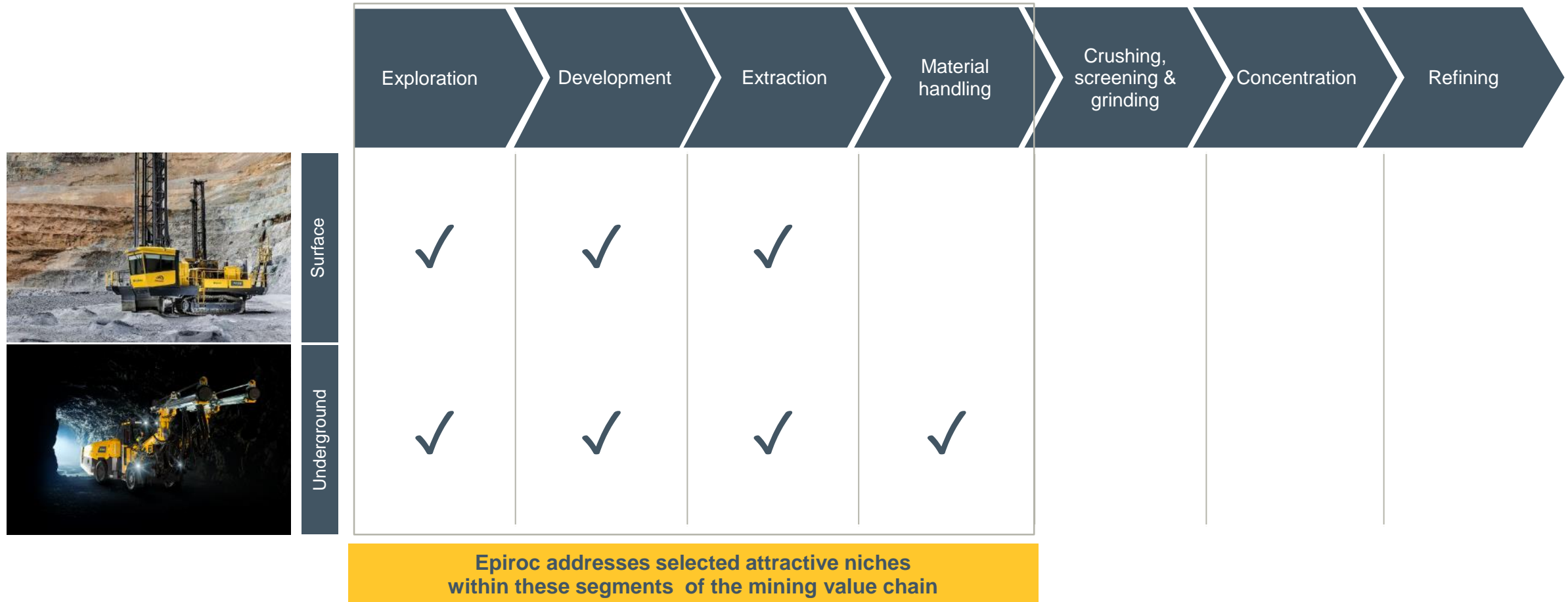
Global sales and service presence close to customers



Note: 2017 reported

Epiroc within the mining value chain

Addressing selected attractive niches within the mining value chain



Epiroc within the infrastructure industry

Key drivers – addressing selected attractive niches

Urbanization



Infrastructure development

- Infrastructure investments
- Recycling

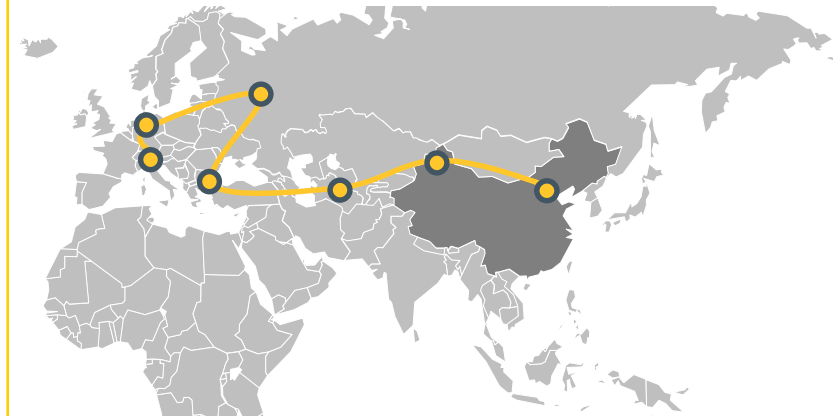
Tunneling



Road, railway, hydropower, etc.

- Substantial market growing at fast pace
 - €86bn tunneling market size growing at 7% annually¹

Infrastructure “mega projects”



Economic Belt route

- Long-term growth opportunity
- Government projects

1) International Tunneling and Underground Space Association (“ITA”) (Tunnel Market Survey 2016), July 2017

Strong and proven operational model

Focused business with ability to adapt quickly and effectively to changes in demand

High degree of direct sales and services



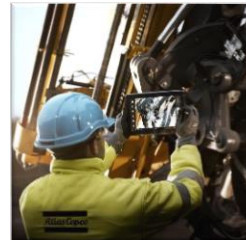
Close and collaborative productivity partnerships with customers

Sharp focus on innovation



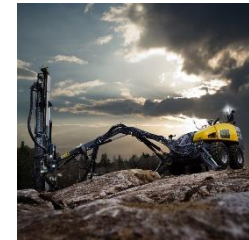
Solutions closely targeted to address customer challenges

Strong services business



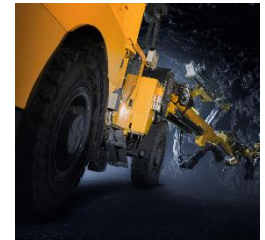
Approximately two thirds of revenues driven by resilient aftermarket

Flexible manufacturing philosophy



Ability to quickly adapt to changes in demand

Focused and decentralized businesses



Agility through quick and efficient decision-making

Innovations targeted to address key customer priorities

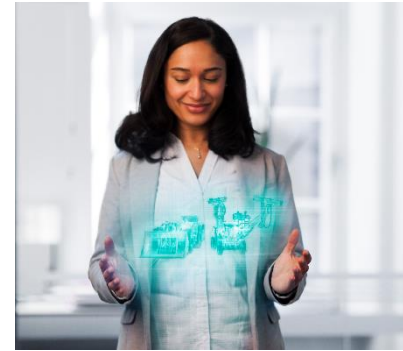


Driving the future in intelligent mining and infrastructure



Fossil free mine

- Battery-operated equipment driving better environmental conditions for employees and lower costs through fuel and ventilation savings



Digitalization

- Increased connectivity, enabling predictive maintenance, real-time asset positioning and higher degree of process control
- Leadership through collaboration



Interoperability & automation

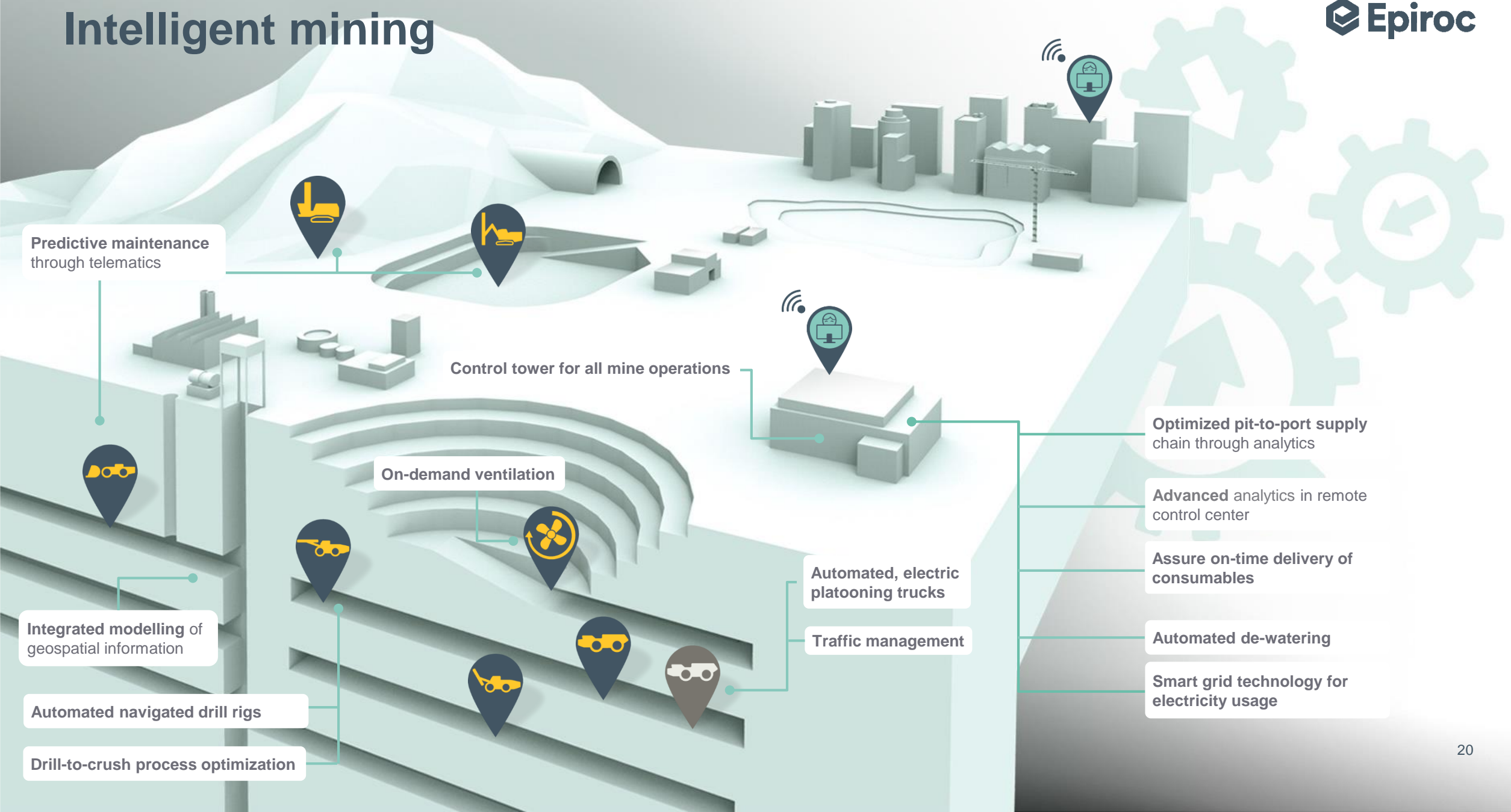
- Automated equipment increases safety, productivity and reliability with greater process control



Mechanical rock excavation

- Advancing continuous mining technology for safer and more efficient operations

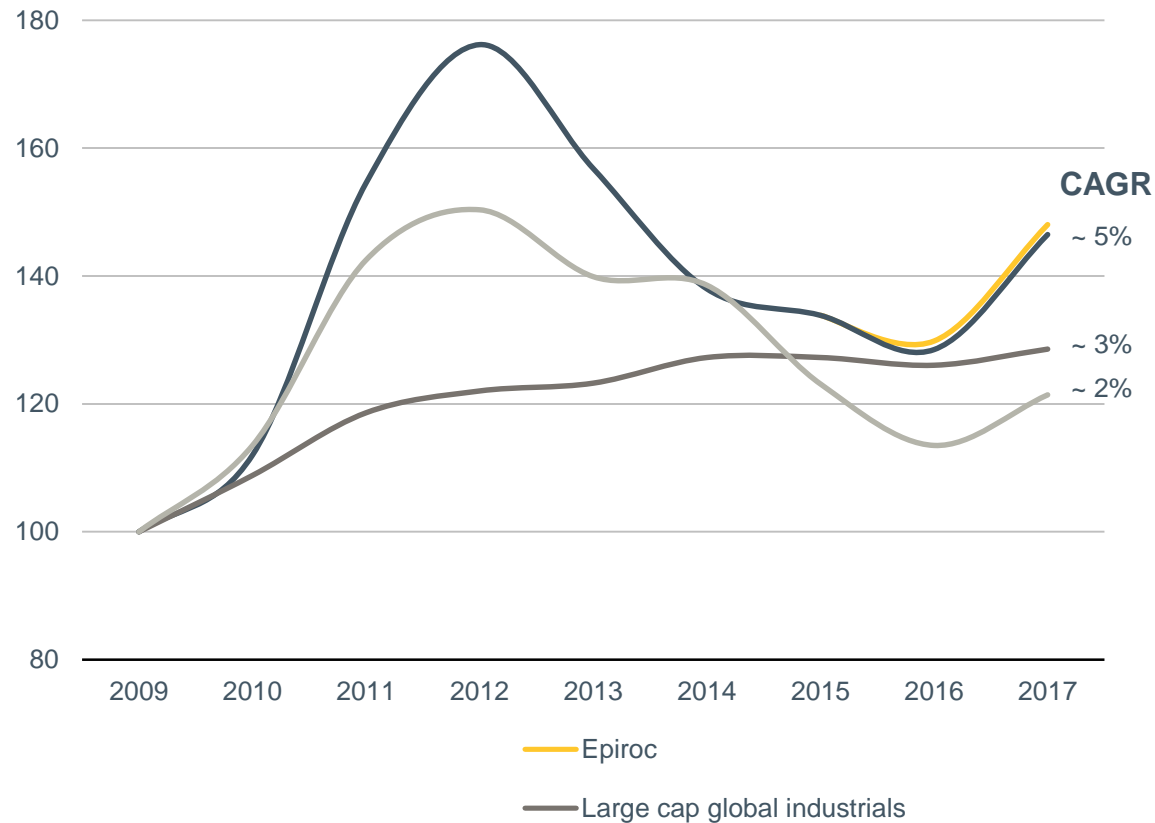
Intelligent mining



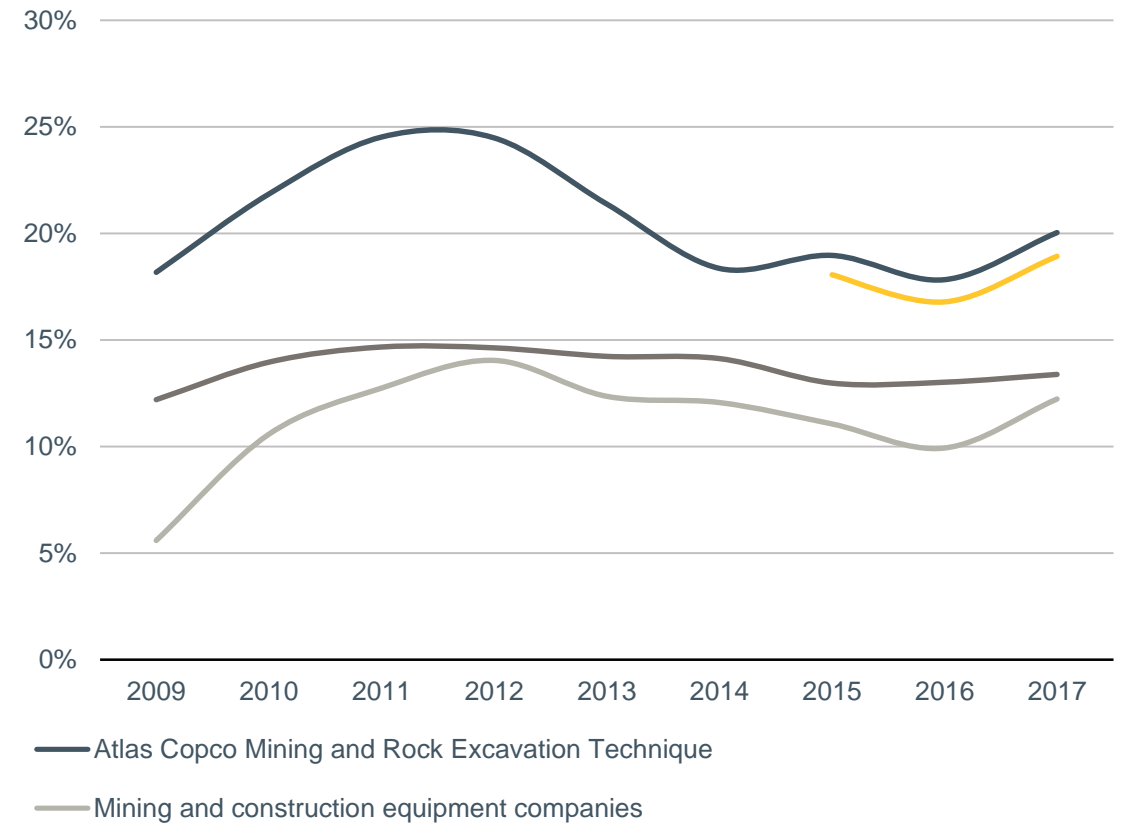
Long-term financial performance

Proven “over-the-cycle” growth with resilient margins

Strong organic revenue growth¹



Resilient operating margins²



Note: Mining and Rock Excavation Technique (“MR”) is the main part of Epiroc and accounted for 92.8 % of Epiroc’s revenues and 98.2% of Epiroc’s operating profit in 2017

Large cap global multi industrials: 3M, ABB, Alfa Laval, Assa Abloy, Caterpillar, Danaher, Deere, Dover, Eaton, Emerson, Geberit, General Electric, Graco, Hitachi (only adjusted EBIT margin), Honeywell, Illinois Tool Works, Komatsu (only adjusted EBIT margin), Kone, Legrand, Mitsubishi Heavy Industries (only adjusted EBIT margin), Nordson, Parker-Hannifin, Rockwell Automation, Rolls-Royce, Roper Technologies, Sandvik, Schindler, Schneider Electric, Siemens, SKF, Smiths Group, Trelleborg, United Technologies, Volvo, Wärsilä, Weir and Xylem

Mining and construction equipment companies: Caterpillar, Komatsu, Metso, Sandvik and Weir.

The benchmarking figures for large cap global industrials and mining and construction equipment companies represent the median of the companies in the respective group.

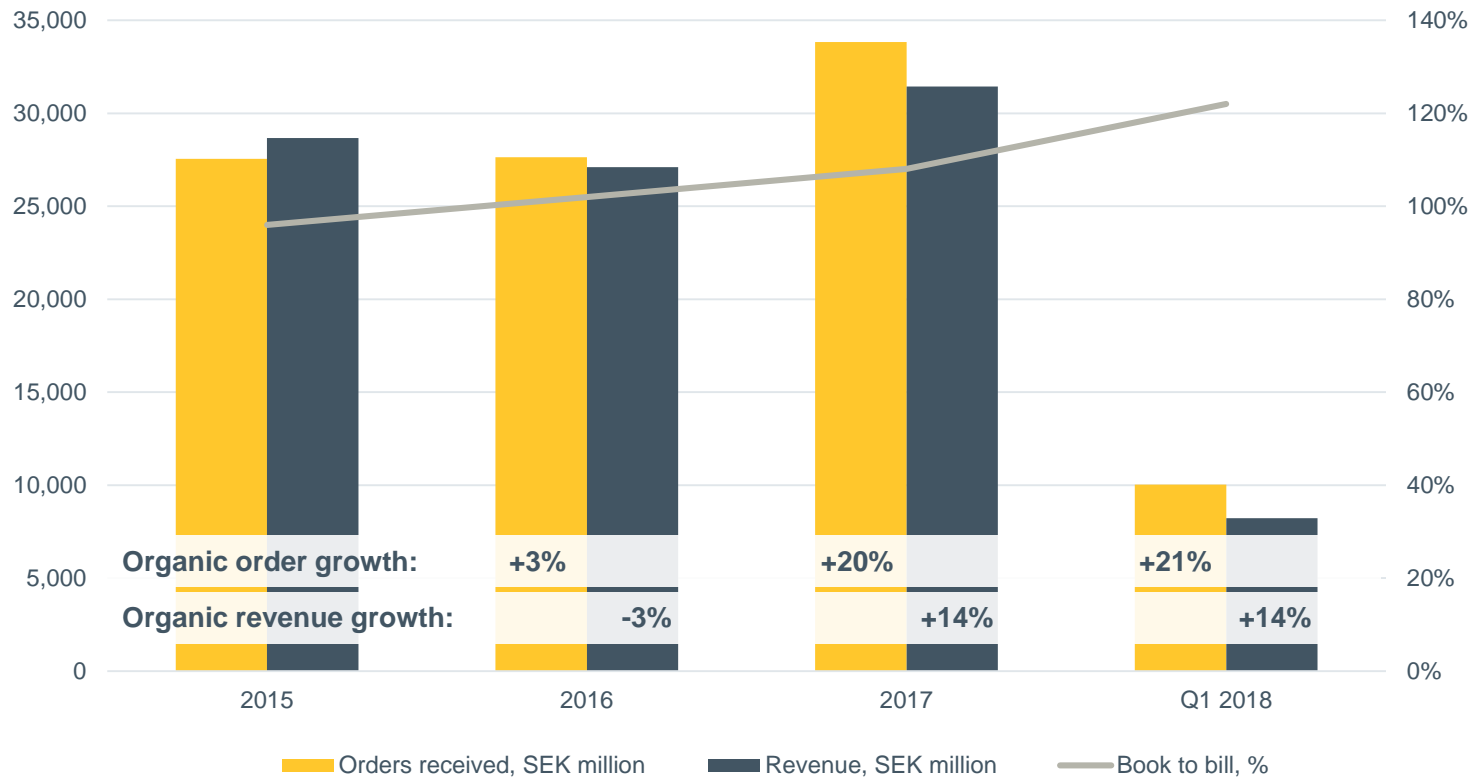
1) Indexed numbers starting year 2009 = 100. Epiroc’s starting point is aligned with Atlas Copco Mining and Rock Excavation Technique 2015

2) Adjusted EBIT margin benchmark. Epiroc’s figures correspond to operating margin – no adjustments have been made

Growth in orders received and revenues

Strong end-market conditions reflected in Epiroc's performance...

Orders received, revenues¹ and book-to-bill²



Recent performance

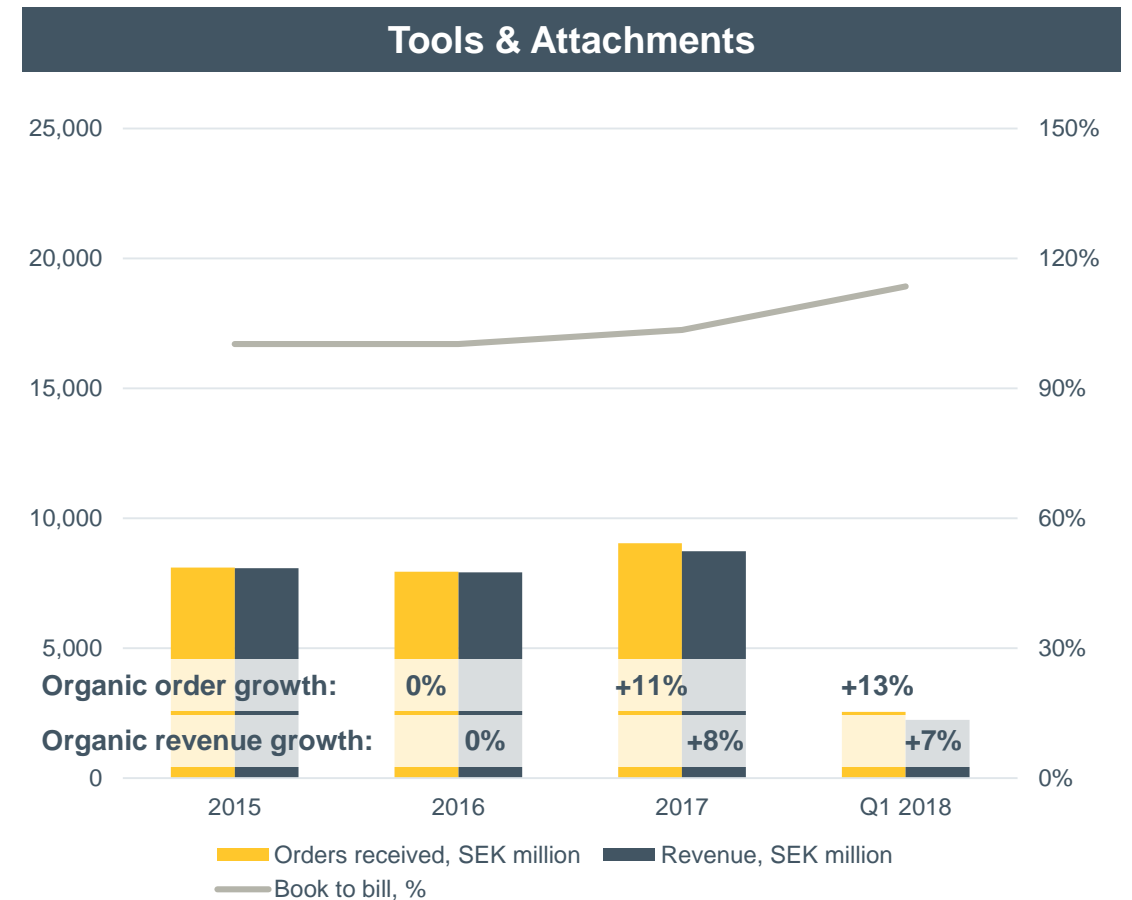
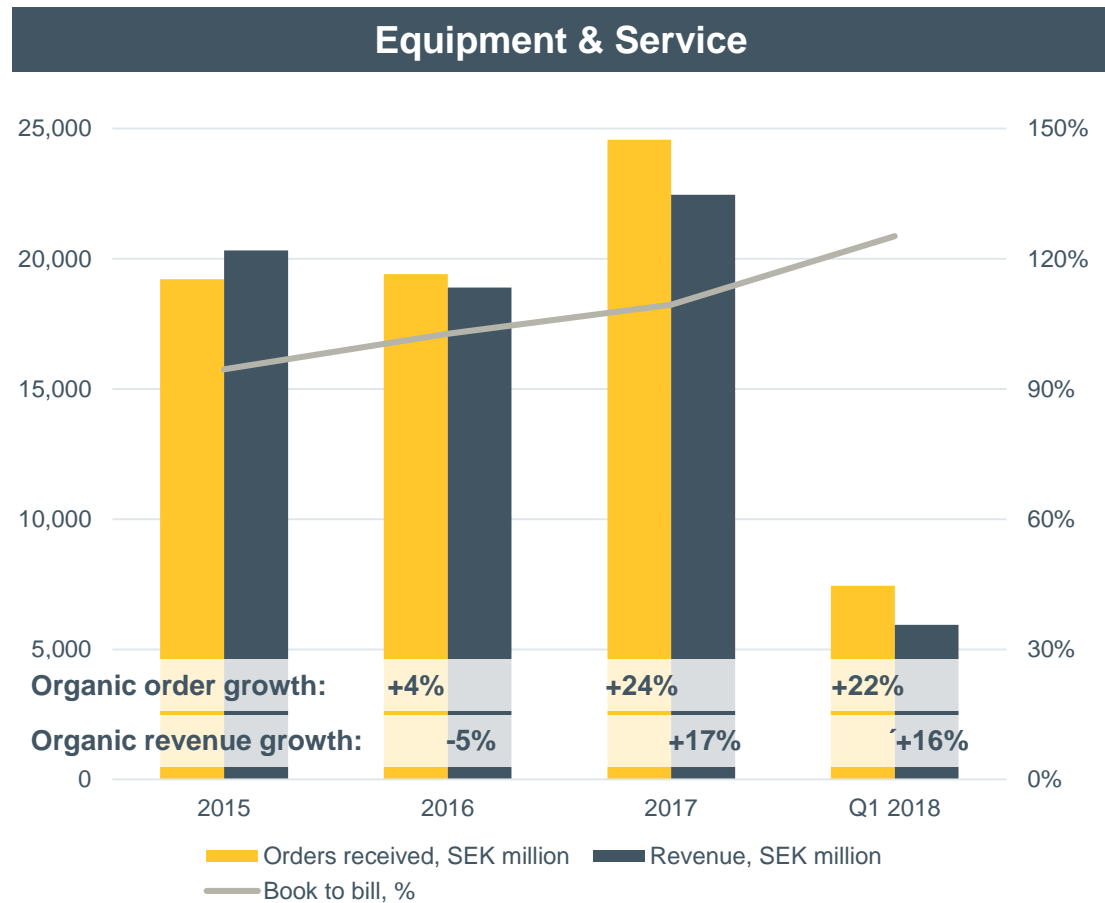
- Orders received above SEK 10 billion in Q1 2018
 - Increased customer demand for equipment and services in all geographic regions
 - Expansion investments in existing mines
 - Healthy activity in the infrastructure industry
- Book-to-bill at 122% in Q1 2018

1) Q1 2018 and Q1 2017 revenues are in accordance with the new revenue recognition standards in IFRS 15, applicable from January 1, 2018

2) Book-to-bill defined as orders received divided by revenues

Growth in orders received and revenues

...across both segments

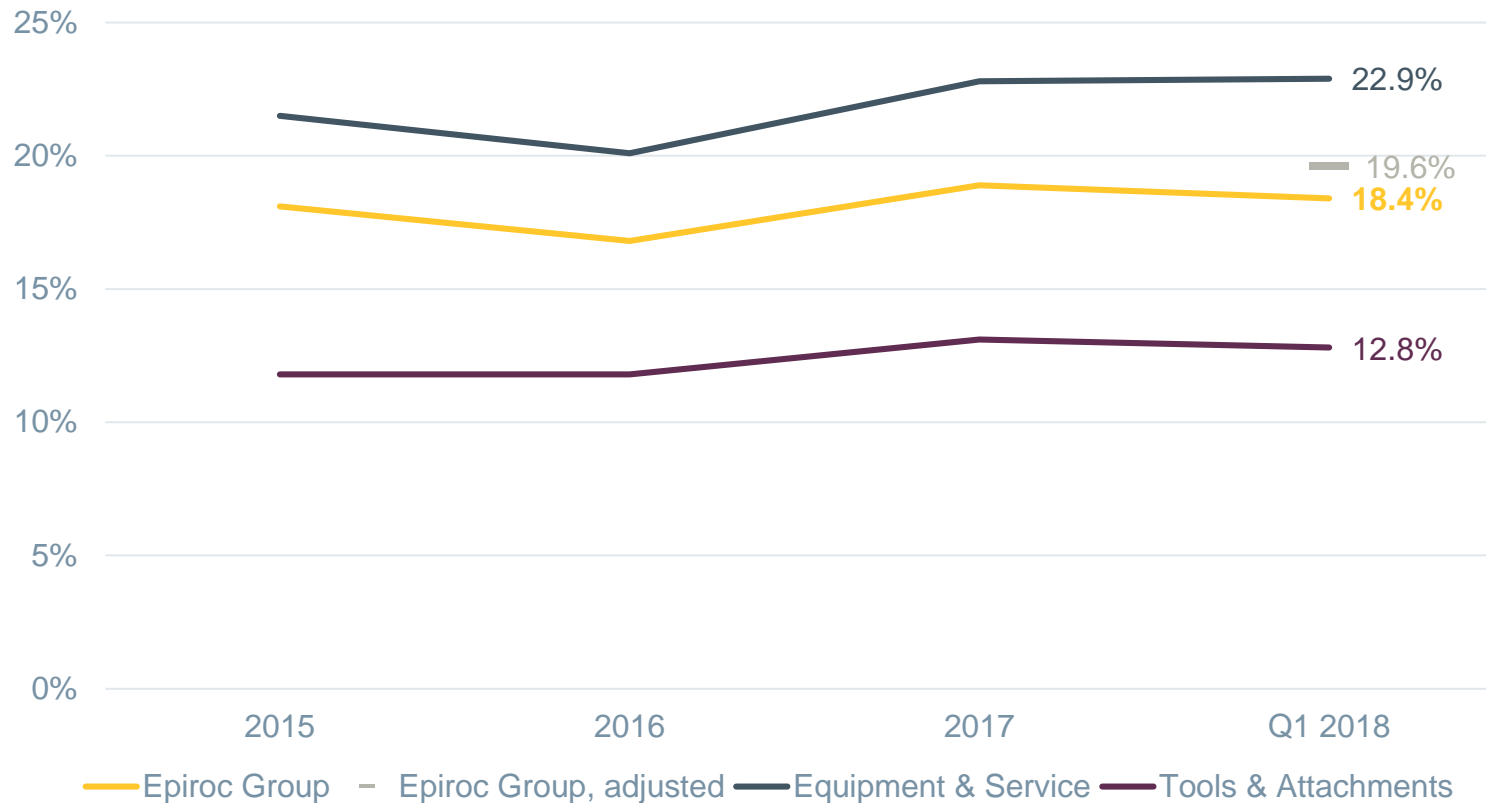


Strong and robust profitability

High margins reflect business model strengths



Epiroc Group and segment operating margins



Recent performance

- Increase in Group profitability since 2016 primarily driven by volume growth
 - Operating margin impacted by change in provisions for LTI-program
 - Group Functions established
- Increase in Administration, Marketing and R&D costs since 2016 reflects higher activity and investment in future technologies
- Q1 2018 negatively impacted by currency and SEK 95 million one-off costs related to the split.
 - One-off costs corresponds to 1.2 percentage points

Strong and robust profitability

Bridge from operating to net profit

SEK million	Quarter ended March 31		Year ended December 31		
	2018	2017	2017	2016	2015
Operating profit	1,515	1,414	5,949	4,548	5,175
As % of revenue	18.4%	19.1%	18.9%	16.8%	18.1%
Net financial items	(57)	(23)	(136)	(137)	(220)
Profit before tax	1,458	1,391	5,813	4,411	4,955
As % of revenue	17.7%	18.8%	18.5%	16.3%	17.3%
Income tax expense	(377)	(342)	(1,500)	(1,180)	(1,384)
Effective tax rate	25.9%	24.6%	25.8%	26.8%	27.9%
Net profit	1,081	1,049	4,313	3,231	3,571
Basic earnings per share (SEK)	0.89	0.87	3.56	2.67	2.95

- Combined financials 2015-2017
 - Below operating profit, the numbers are affected by the fact that Epiroc was not consolidated as a Group
- Epiroc has signed agreements with banks to secure financing as an independent company.
 - In effect from time of listing
- Net financial items in Q1 2018 is not representative for interest net going forward
- Effective tax rate below 26%

High operating cash flows over the cycle

Asset-light business model

SEK million	Quarter ended 31 March		Year ended 31 December		
	2018	2017	2017	2016	2015
Cash flow before change in working capital	1,546	1,377	5,970	4,798	6,005
Change in working capital	(465)	(79)	(423)	895	417
Net change in rental equipment	(102)	(43)	(371)	(291)	(564)
Net cash from operating activities	979	1,255	5,176	5,402	5,858
Net capital expenditures	(222)	(144)	(643)	(522)	(228)
Acquisition of subsidiaries	(482)	(66)	(137)	-	-
Other net investments	(137)	1,362	6,323 ¹	(1,283)	(2,947)
Net cash from investing activities	(841)	1,152	5,543	(1,805)	(3,175)
Net cash from operating and investing activities	138	2,407	10,719	3,597	2,683
<hr/>					
Operating cash flow²	666	1,111	4,610	4,880	5,630

- Net cash flow from operating activities impacted by higher working capital requirements in 2017 and Q1 2018, driven by increase in inventories to ramp up production
- Capital expenditures
 - Rental equipment, net
 - Limited investments in other property, plant and equipment
 - Intangible assets mainly R&D and IT

1) Mainly related to a reduction of funds placed with the Atlas Copco cash-pool

2) Operating cash flow is cash flow from operations and cash flow from investing activities, excluding company acquisitions/divestments as well as other adjustments. Other adjustments are mainly changes in the cash-pool with Atlas Copco and currency hedges of loans

Strong financial position

Provides flexibility and a strong foundation



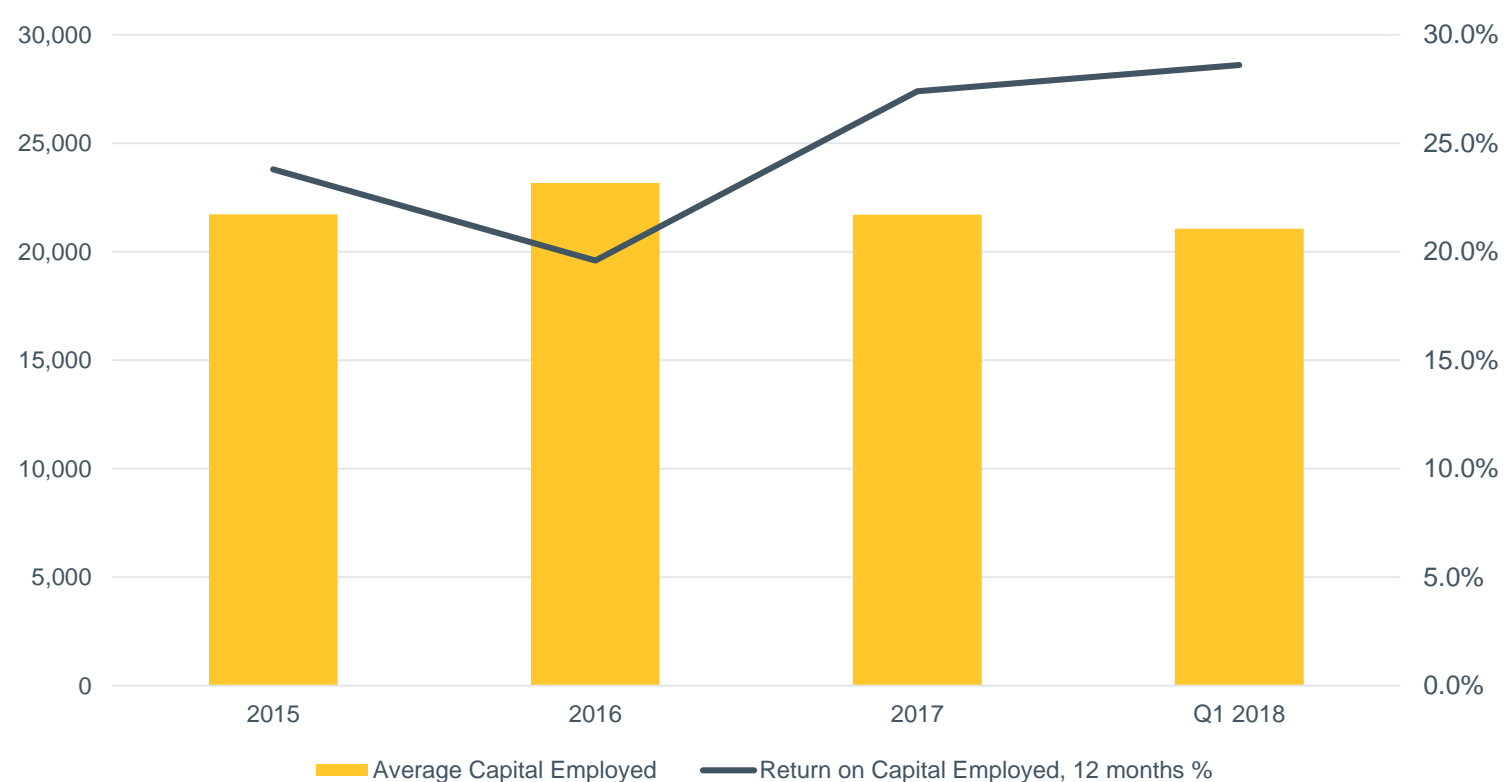
SEK million	Quarter ended March 31, 2018	Year ended December 31, 2017
Interest-bearing loans	4,660	7,058
Post-employment benefits	145	181
Other financial assets	-	7
Cash and cash equivalents	(2,255)	(1,808)
Net debt	2,550	5,423
EBITDA, 12 month trailing	7,284	7,203
Net debt/EBITDA	0.35	0.75
Total equity	16,090	12,108
Net debt/equity	16%	45%

- Net debt¹ as of March 31, 2018 of SEK 2,550 million
 - Net debt/EBITDA 0.35x
 - LTM EBITDA of SEK 7,284 million, EBITDA margin 22.6%
- Financing arrangements
 - SEK 6 billion Bridge facility
 - SEK 4 billion Revolving credit facility
 - SEK 2 billion Commercial paper program to be initiated
- Epiroc plans to hedge the long term incentive program through a repurchase of shares, which will affect cash flow and net debt following the listing

1) Net debt consists of interest-bearing liabilities and post-employment benefits, adjusted for the fair value of interest rate swaps, less cash and cash equivalents and certain other financial receivables.

Efficient operations resulting in high returns

Strong ROCE performance



- Asset light operations
- Variable cost structure
- High margins
- High ROCE

Financial Goals

Superior value creation



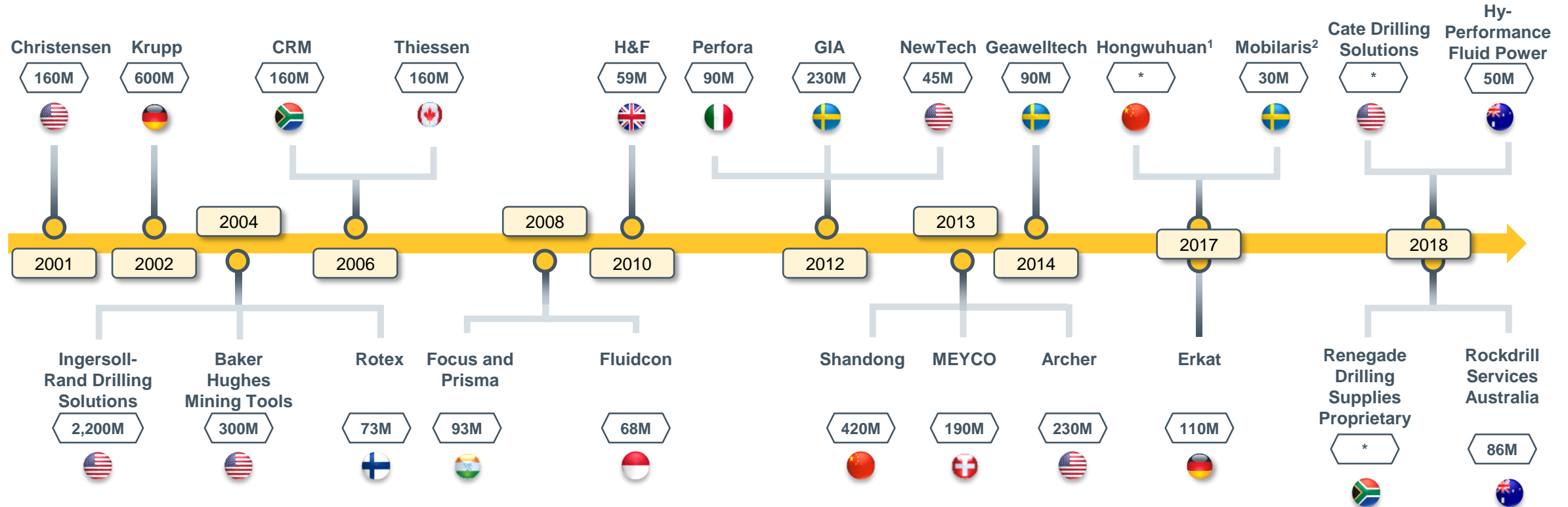
Goal	Description	Epiroc 2015 - 2017
Growth	Epiroc's goal is to achieve an annual revenue growth of 8% over a business cycle, and to grow faster than the market. Growth will be organic and supported by selective acquisitions.	4.7% (Revenue CAGR ¹)
Profitability	Epiroc's goal is to have an industry-best operating margin , with strong resilience over the cycle.	17.9% (Avg. operating margin)
Capital efficiency	Epiroc's goal is to improve capital efficiency and resilience . Investments and acquisitions shall create value.	23.6% (Avg. ROCE ²)
Capital structure	Epiroc is to have an efficient capital structure and have the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating .	-
Dividend policy	Epiroc's goal is to provide long-term stable and rising dividends to its shareholders. The dividend should correspond to 50 percent of net profit over the cycle .	-

1) Compounded annual growth rate

2) Return on capital employed ("ROCE") defined as profit before tax plus interest paid and foreign exchange differences as a percentage of average capital employed. The average is an average of the yearly ROCE for 2015-2017

Track record of value-creating acquisitions

As a standalone company, Epiroc will have flexibility to make its own capital allocation decisions, including M&A



1) Two joint ventures
2) Acquisition of 34% of the company

[.]M Target revenues in SEKm in year prior to acquisition
* Revenues not disclosed

Epiroc management



Sharper strategic focus through dedicated management team



Per Lindberg

President and CEO

Previous experience

- CEO BillerudKorsnäs;
CEO Korsnäs



Helena Hedblom

**Senior Executive Vice
President Mining and
Infrastructure**

Previous experience

- SVP Mining and
Infrastructure Atlas
Copco MRET



Anders Lindén

CFO

Previous experience

- VP Business Control
Atlas Copco MRET;
experience as listed
company CFO –
Enlight AB



Mattias Olsson

**Senior Vice President
Corporate
Communications**

Previous experience

- Head of IR Assa
Abloy; VP IR Atlas
Copco



Jörgen Ekelöw

**Senior Vice President
General Counsel**

Previous experience

- General Counsel M&A
and Global Projects
Atlas Copco

Board of Directors



Significant experience from Atlas Copco and relevant industries



Ronnie Leten (COB)
*Former CEO Atlas Copco
COB Ericsson
Board member SKF*



Johan Forssell
*President and CEO Investor
Board member Atlas Copco, Investor, Wärtsilä, Patricia
Industries and EQT*



Ulla Litzén
Board member Alfa Laval, Electrolux, Husqvarna, NCC and Ratos



Jeane Hull
*Board member Interfor Corporation and Cloud Peak Energy
Incorporated*



Lennart Evrell
*President and CEO Boliden (until June 1, 2018)
Board member SCA and the Confederation of Swedish Enterprise*



Anders Ullberg
*COB Boliden and Studsvik
Board member Atlas Copco, Beijer Alma and Valedo Partners*



Astrid Skarheim Onsum
*Chief Digital Officer at Aker Solutions
Previously MD of Aker Engineering & Technology*



Per Lindberg
*President and CEO
Previously CEO of BillerudKorsnäs, CEO of Korsnäs and Vice
President of Kinnevik*



Spin-off timeline



- Announcement of spin-off Jan 16, 2017
 - Prospectus published May 25, 2018
-
- Atlas Copco first day of trading excl. Epiroc June 13, 2018
 - Epiroc first day of trading June 18, 2018
 - Epiroc Q2 report July 19, 2018

Epiroc's key strengths



Epiroc demonstrates a unique value proposition

- 1 Leadership in attractive, structural growth niches in the mining and infrastructure markets
- 2 Strong and proven operating model
- 3 Resilience driven by high aftermarket exposure
- 4 Driving the future in intelligent mining and infrastructure
- 5 Value creation potential as a standalone company





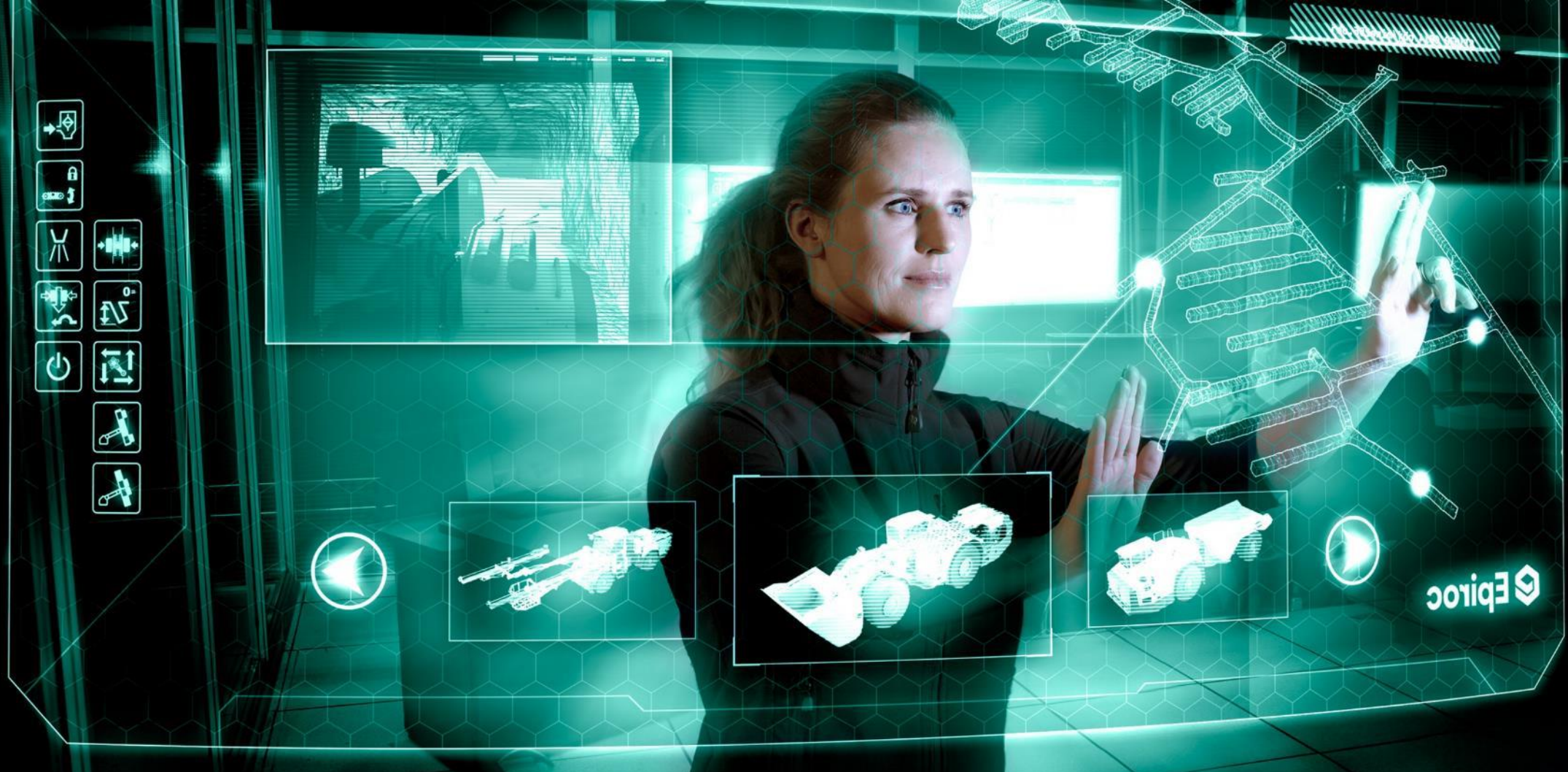
Epiroc

Q&A





Epiroc



Mining equipment – intelligent mining

Per Lindberg, President and CEO

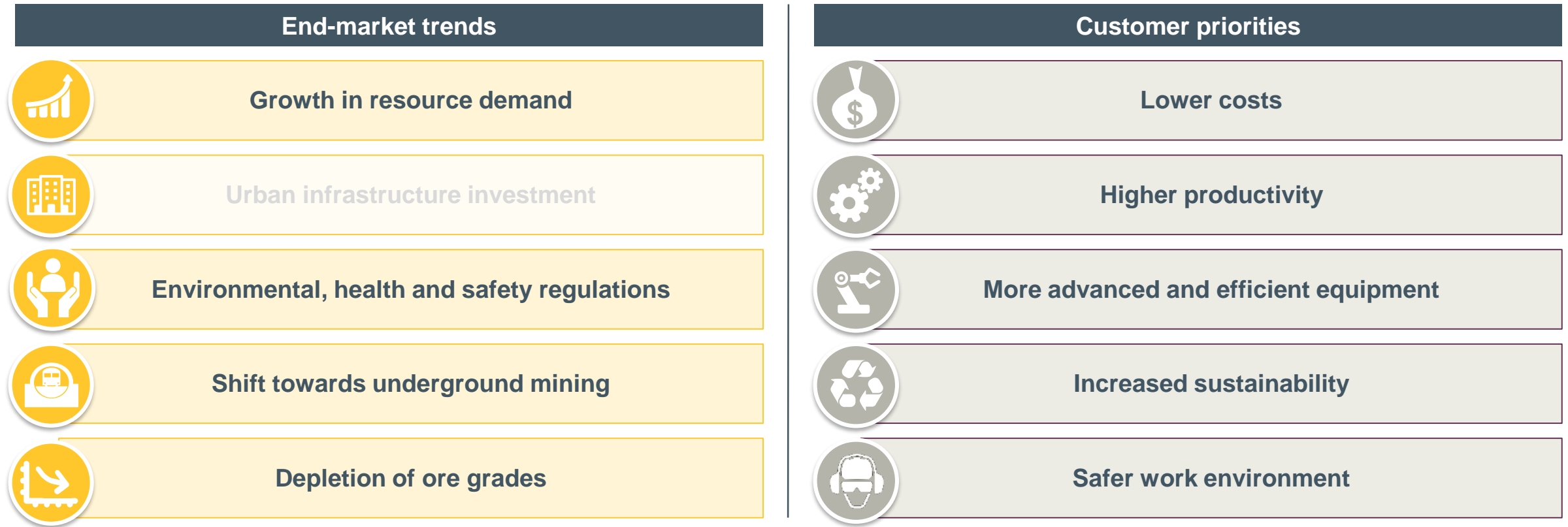
Helena Hedblom, Business Area President, Mining and Infrastructure

Andreas Nordbrandt, Division President, Underground Rock Excavation



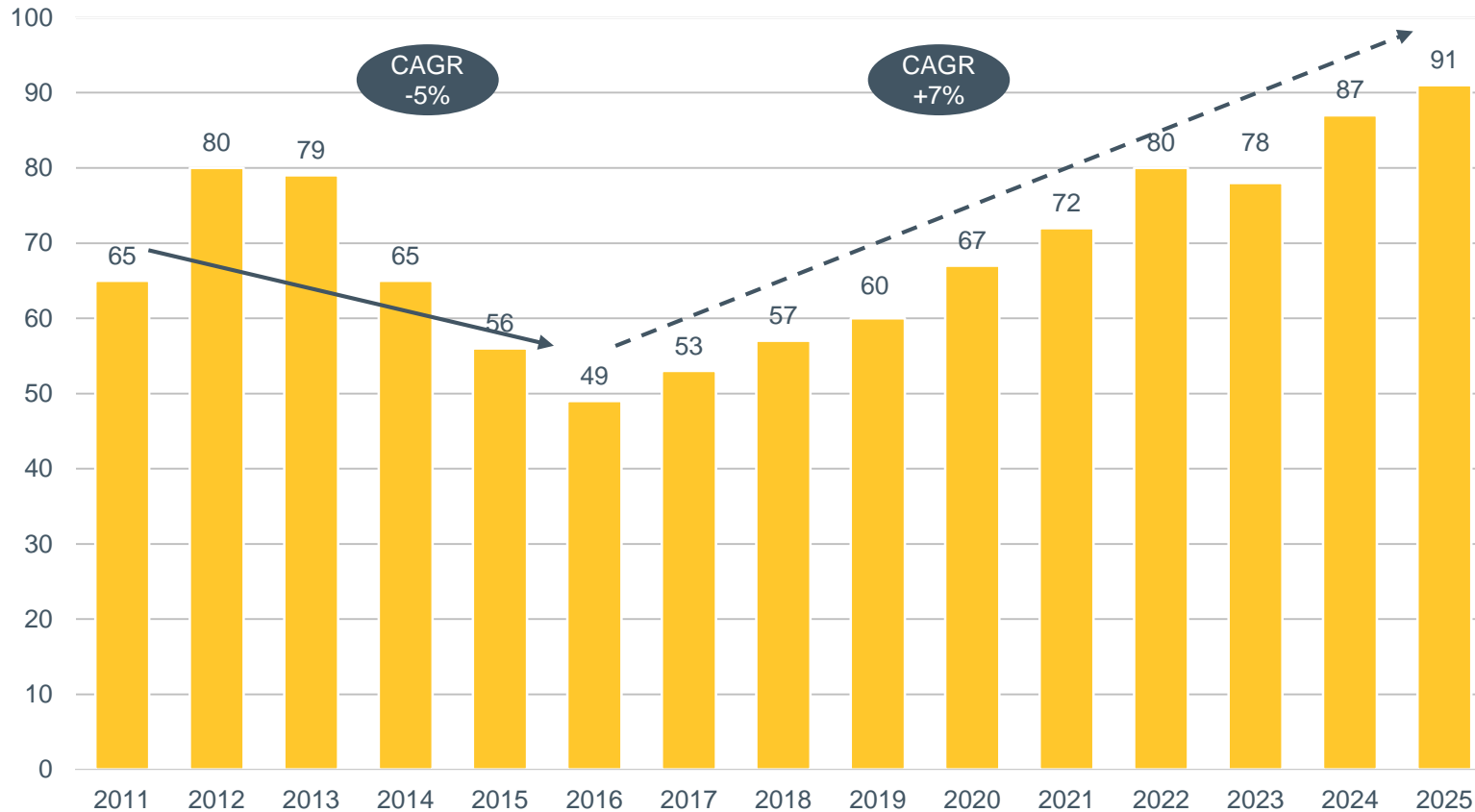
Characteristics of Epiroc's addressed markets

Driving growth through solving our customers' key challenges



Positive outlook in the mining market

Total mining capital expenditure drill-to-mill (USD billions)⁽¹⁾



1) McKinsey (2017)

Comments

- Epiroc focused on selected, attractive niches of the mining market
- Expected increase in commodity production will drive growth in the both mining equipment market and the aftermarket
- Mining capex growth projection of 7% p.a. for the coming years
- Mining aftermarket growth driven by higher commodity production (higher equipment fleet and utilisation)
 - Regular maintenance requirements and replacement of parts and consumables

Epiroc's key application areas



Mining and natural resources

Underground mining



Surface mining



Exploration



Geotechnical, well drilling, oil and gas



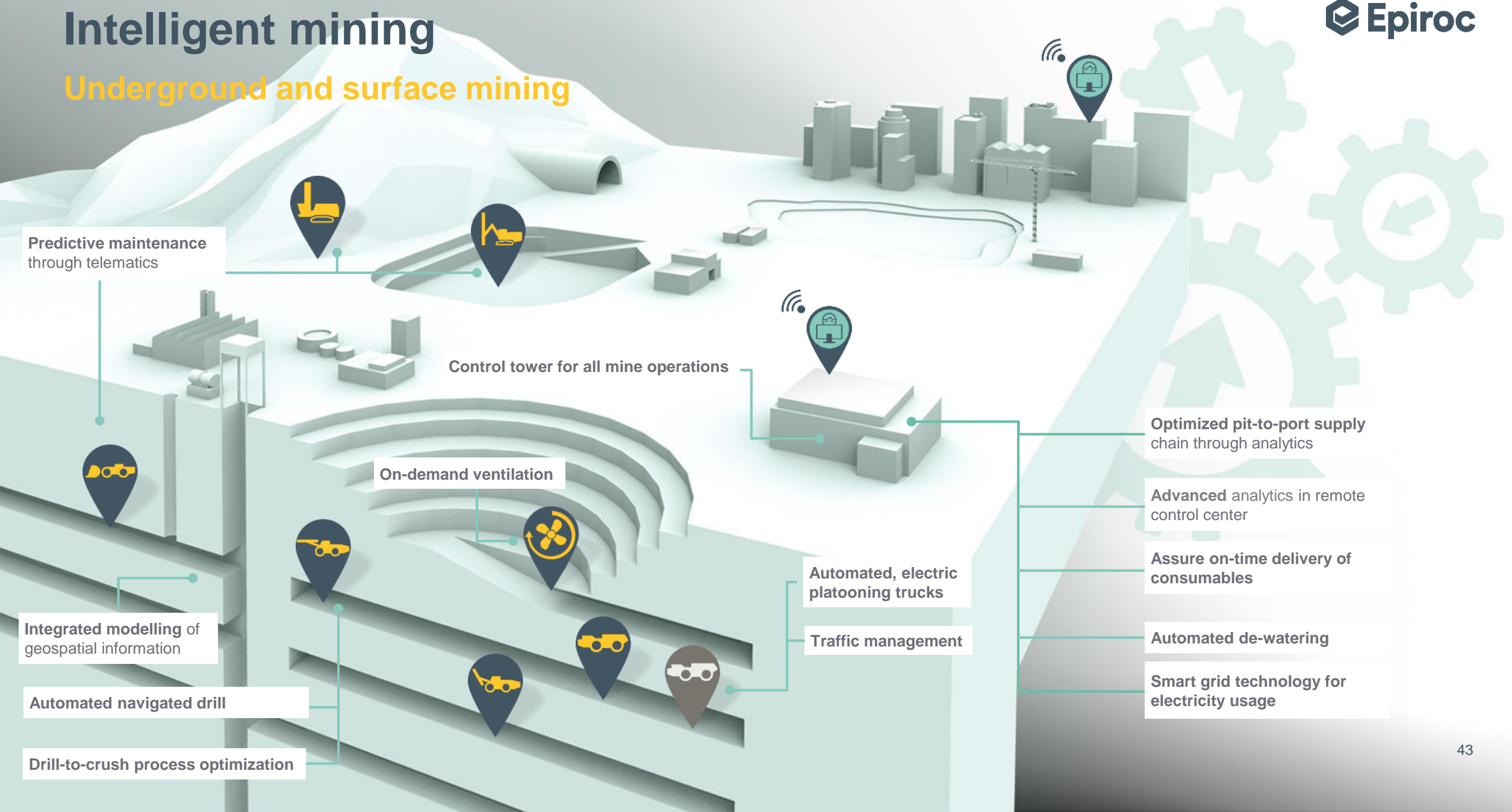
Characteristics of our mining business

- ~ 70% of Epiroc's business
- Large customers
- High expenditure per customer
- Equipment remain in the mine, only moving within the site
- Continuous operations



Intelligent mining

Underground and surface mining



Predictive maintenance
through telematics

Control tower for all mine operations

On-demand ventilation

Integrated modelling of
geospatial information

Automated navigated drill

Drill-to-crush process optimization

Automated, electric
platooning trucks

Traffic management

Optimized pit-to-port supply
chain through analytics

Advanced analytics in remote
control center

Assure on-time delivery of
consumables

Automated de-watering

Smart grid technology for
electricity usage

Today

Tomorrow

Future

Selective mining
electrified

Energy efficiency

Large scale mining electrified
Ventilation on demand

Emission free

Real time
mining

Autonomous
mining

Hard rock
continuous
operation

Maintenance
and consumables
planning

Fleet
management

Connected machines

Interoperability

Autonomous
fleet

High capacity
haulage systems

Mechanical Rock
Excavation

Autonomous production

Automation

High performance rock reinforcement

Rock Excavation

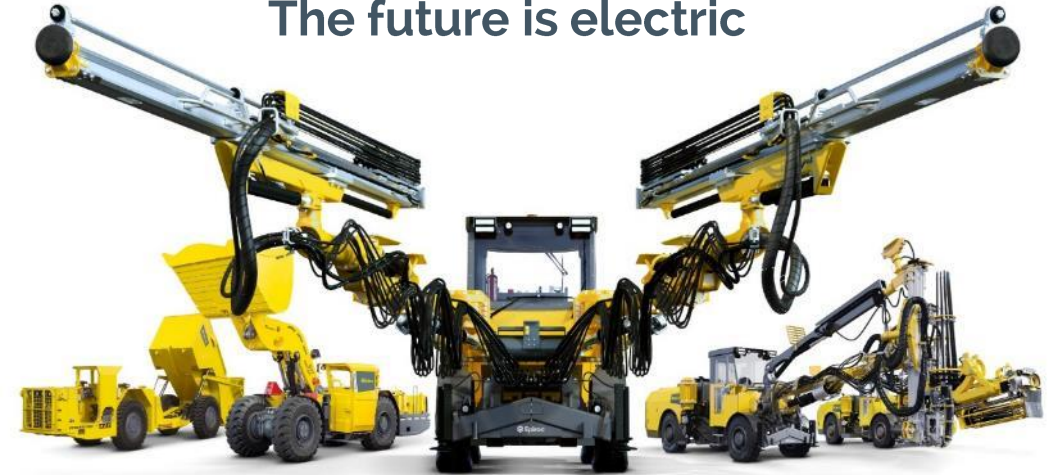
Fossil-free mine

Creating customer value on global trends

Trends

- Mines are getting deeper/going underground, ore grades are deteriorating and mining companies look to improve productivity, safety and reduce environmental impact.
- Electrification and connectivity

The future is electric



Fossil-free mine

Creating customer value on global trends

Customer value of electric

- Reduced cost of mine operations
 - Ventilation
 - Air treatment
 - Logistics
- Cleaner and safer operations
 - 80% less energy vs diesel
 - 100% reduction in CO₂ vs diesel
 - Reduced heat and noise



Fossil-free mine

Creating customer value on global trends

Innovation - ST7 Battery

- Smarter hydraulic system
 - Power saving
- Energy regeneration
- Operator driving behavior
 - Optimize battery life
- Connected machines



Fossil-free mine

Battery technology deep dive

- Current offering four models
- Strong pipeline of new equipment
- Battery strategy
- Significant savings in total cost of ownership
- Ventilation and air treatment savings
 - 20-50%



Interoperability & Automation

Creating customer value on global trends

Trends

- Asset control → process control
- Connected equipment → real time operation
- Supplier → business improvement partner

Customer values

- Increased safety, productivity and reliability
- Reduced production cost
- Higher predictability and reduced variability



Interoperability & Automation

Creating customer value on global trends

Innovation

- Autonomous underground loaders
 - Significant productivity improvement
- Customer case:
 - Line of sight loading – 50 buckets/shift
 - Analysis of usage pattern / Certiq
 - Automating the loader gives usage during breaks and overall higher efficiency
 - New level: 80-100 buckets per shift

80% improved productivity



Interoperability

Deep dive

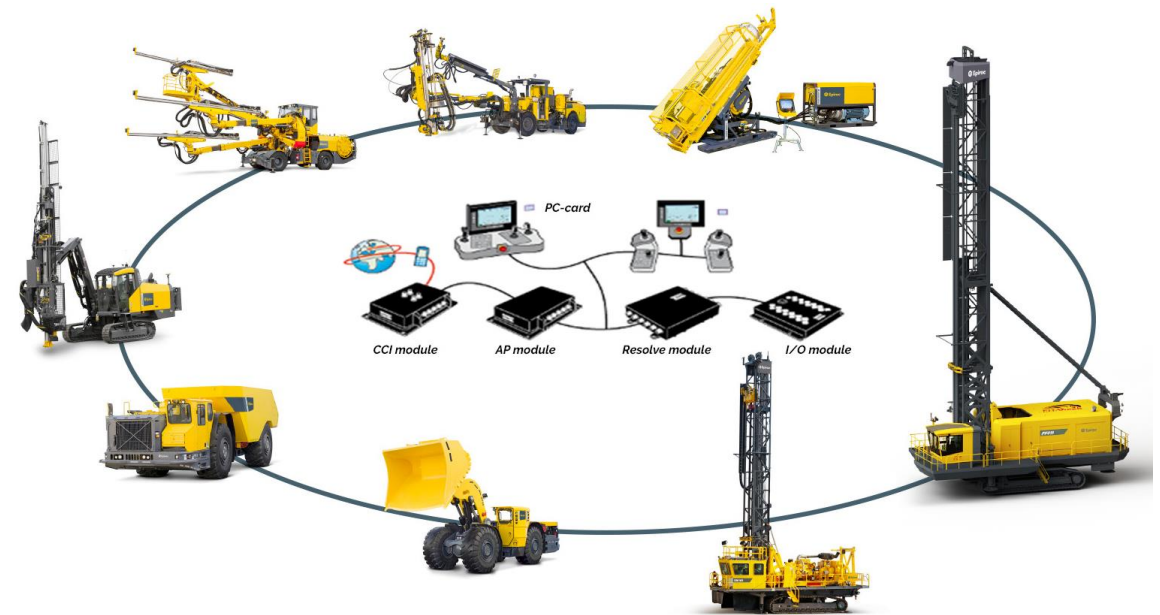
- Interoperability - products or systems work with each other without any restrictions
- Open-system approach – “OEM agnostic”
 - Stand alone offering and
 - Integration solutions offering
- Sixth Sense - Mining Management system
 - Integration platform developed by SAAB
 - Now being applied in Mining ecosystems
- Mobilaris, - asset positioning and tracking
 - Real time decision support



Automation

Deep dive

- RCS - Rig Control System
 - Proven platform for more than 20 years
 - Used across the full Epiroc range
 - RCS based autonomous underground trucking
- Upgrade opportunities



Mechanical Rock Excavation

Creating customer value on global trends

Trends

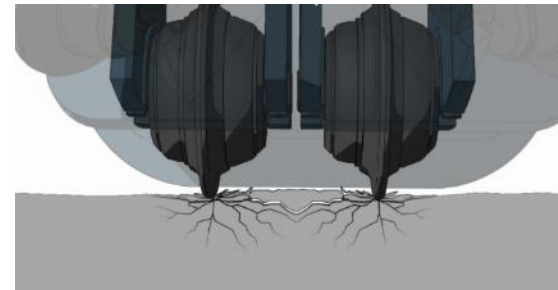
- Safety, sustainability and productivity
- Increasing interest

Customer value

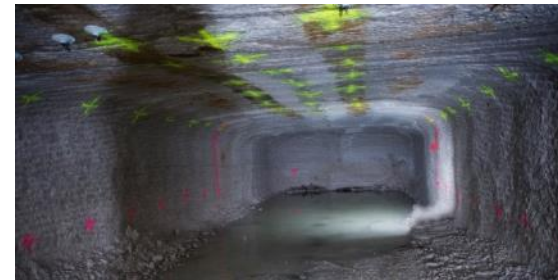
- A continuous tunneling process
- Fully electrically powered / zero emission

Innovation

- Mechanized cutting in all types of hard rock
- Proven technology



Mechanical rock excavation using steel disc cutters



Mobile Miner 22H cutting at Epiroc test center, Sweden

Mechanical Rock Excavation

Deep dive

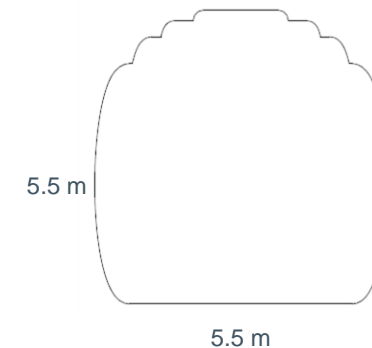
- Certain applications in tunneling and mining
 - Will not replace drill and blast
- Proven technology
 - Adapted to specific requirements
 - Joint development with customers
 - Cuts all types of hard rock
- Global market release in July 2017



Mobile Miner 40V

Mobile Miner 55V

Mobile Miner 22H



Epiroc Hindersmässan video





Epiroc

Mining equipment – intelligent mining



Summary

Intelligent mining

- Fossil free mine
- Interoperability & Automation
- Mechanical rock excavation

Epiroc in mining equipment

- Market leadership in our niches
- Creating customer value through battery technology, automation and interoperability
 - Strong innovation focus
 - Range of battery equipment
 - Driving the future in intelligent mining



Infrastructure equipment – productivity and efficiency

Per Lindberg, President and CEO

Helena Hedblom, Business Area President, Mining and Infrastructure

Goran Popovski, Division President, Hydraulic Attachment Tools



Characteristics of Epiroc's addressed markets

Infrastructure equipment

End-market trends



Growth in resource demand



Urban infrastructure investment



Environmental, health and safety regulations



Shift towards underground mining



Depletion of ore grades

Customer priorities



Lower costs



Higher productivity



More advanced and efficient equipment



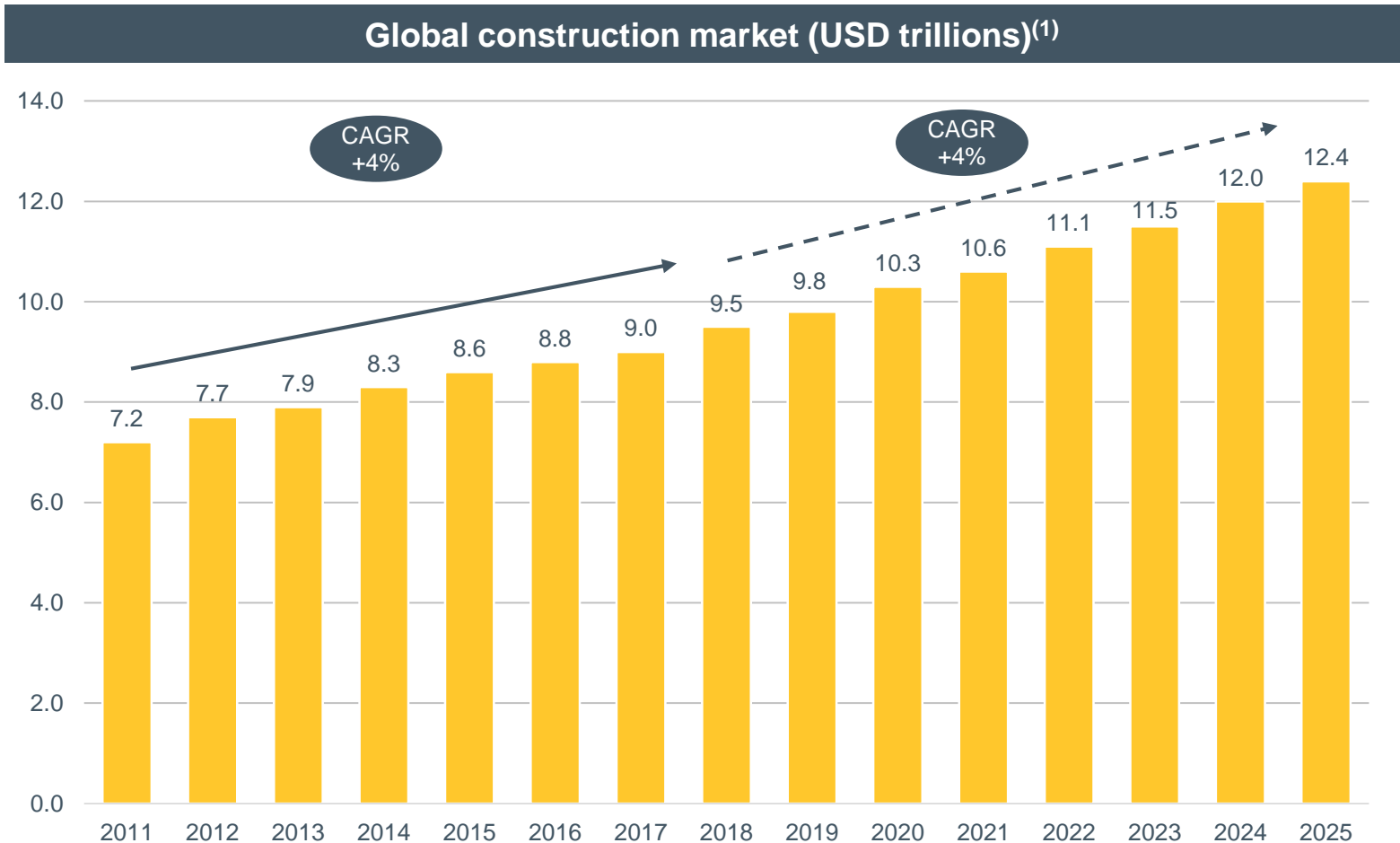
Increased sustainability



Safer work environment

Strong outlook in the infrastructure market

Continuation of the growth trajectory



1) McKinsey (2017)

Comments
<ul style="list-style-type: none">Epiroc primarily exposed to infrastructure applications within construction marketGrowth in infrastructure investment driven by government/private sector focus on future trends<ul style="list-style-type: none">Mobility, population growth and sustainabilitySignificant pipeline of infrastructure projects globallyFocus on high-growth segments such as tunnelling

Epiroc's key application areas

Infrastructure

Underground civil engineering



Surface civil engineering and urban development



Quarrying



Deconstruction and recycling



Characteristics of our infrastructure business

- ~ 30% of Epiroc's business
- Large number of customers
- Lower expenditure per customer
- Equipment moving from worksite to worksite
- More project-based business



Productivity and efficiency

Creating customer value on global trends

Trends

- Infrastructure demand
- Automation

Customer values

- Increased safety, productivity and reliability
- Reduced cost

Innovation

- Face drilling rigs
 - Automation – Rig Control System



Productivity and efficiency

Creating customer value on global trends

Innovation

- SmartRoc
 - Automation – Rig Control System
 - Remote control
 - Silence kit
 - Fuel efficiency increase up to 50%

World champion of fuel efficiency



Hydraulic Attachment Tools

Epiroc HAT video



Hydraulic Attachment Tools

A new division – part of Tools & Attachments segment

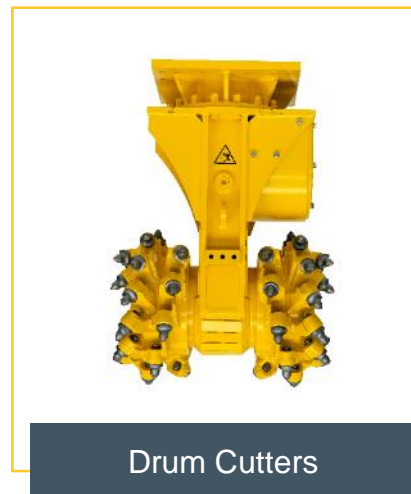
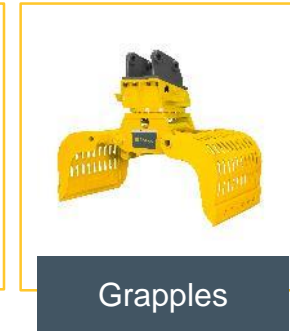
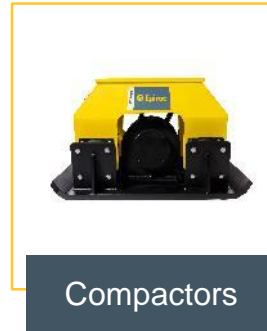


- > 50 years experience in hydraulic breakers
- Synergies with Epiroc
 - Market presence
 - Expertise



Hydraulic Attachment Tools

Products



Related aftermarket and consumables

Did you know?



Every hit of our
HB 10000 breaker
equals the landing
pressure of an A 380
aircraft.
380 times per minute.

Hydraulic Attachment Tools

Applications



Recycling,
deconstruction,
sorting, loading

Demolition, foundation
works, renovation ...



Rock excavation, tunneling,
trenching...



Deconstruction and recycling

Creating customer value on global trends

Trends

- Environmental regulations: EU demands for a recycling quota of 70% for demolition material
- “Urban mining” – mining what is there already

Customer values

- Compliance with rules and regulations
- Productivity and efficiency

Innovation

- Hydraulic attachment tools for deconstruction and recycling



Mining and quarrying

Creating customer value on global trends

Trends

- Environmental, health and safety regulations
- Automation

Customer values

- Safety – compliance with rules and regulations
- Productivity and efficiency

Innovation

- Hydraulic breaker for scaling with integrated water port



Infrastructure equipment – productivity and efficiency



Summary

Productivity and efficiency

- Urbanization, infrastructure demand and sustainability are key growth drivers
- Customers' demand productivity and efficiency as well as safety and sustainability

Epiroc in infrastructure equipment

- Market leadership in our niches
- Creating customer value through automation, more productive solutions and fuel efficiency
 - Strong innovation focus
 - Driving the future in intelligent infrastructure



Service and tools – the future aftermarket

Per Lindberg, President and CEO

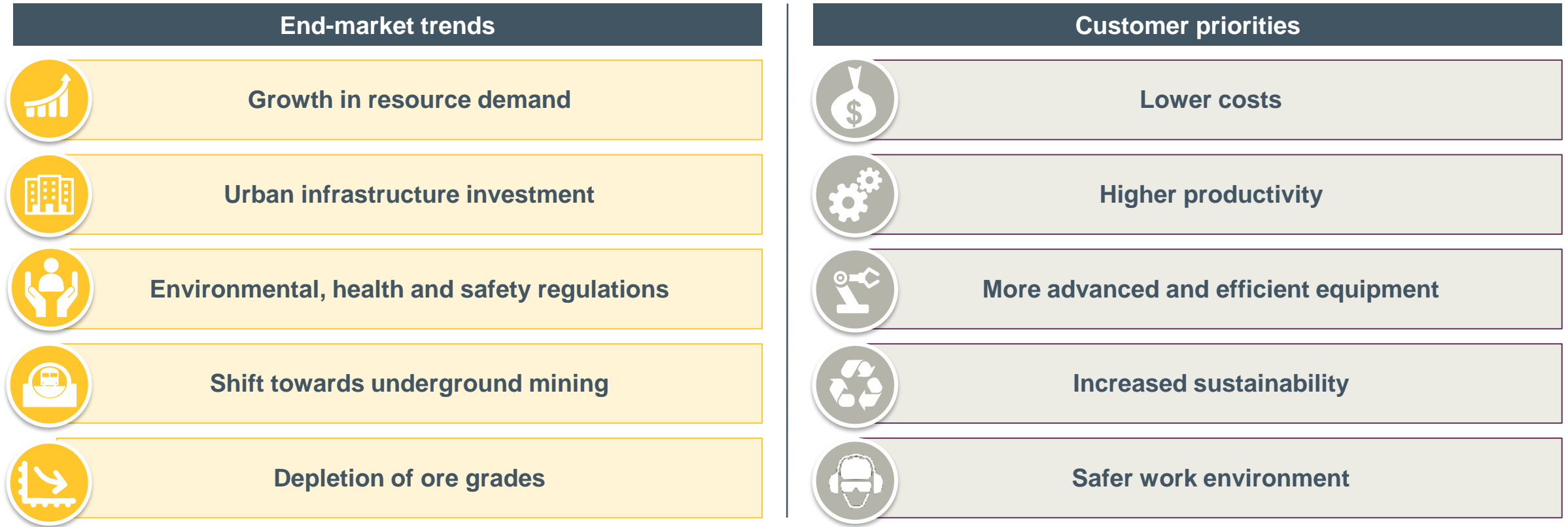
Helena Hedblom, Business Area President, Mining and Infrastructure

Jess Kindler, Division President, Mining and Rock Excavation Service



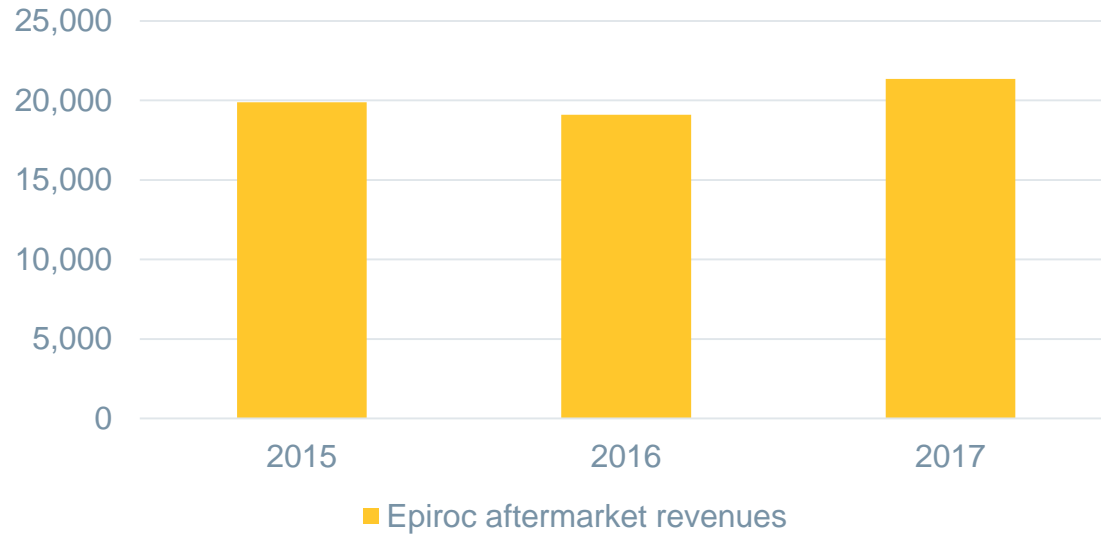
Characteristics of Epiroc's addressed markets

Aftermarket

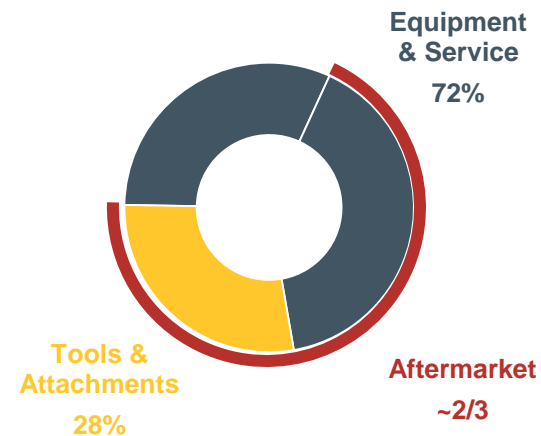


Stable and growing aftermarket business

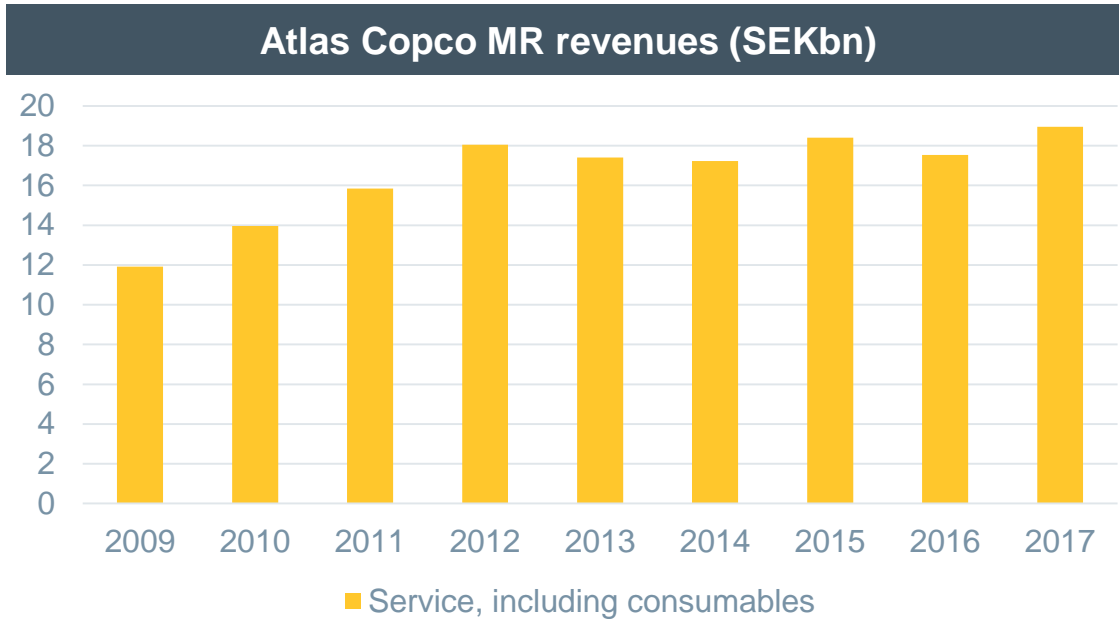
Epiroc aftermarket revenues 2015 – 2017 (SEK million)



- Epiroc aftermarket
 - Service
 - Tools & Attachments
 - >5,100 service technicians



Stable and growing aftermarket business



- Atlas Copco Mining and Rock Excavation Technique
 - Revenues from service, incl. consumables
 - Excl. Hydraulic Attachment Tools

Service and tools

Service



Rock drilling tools



Service and tools

Characteristics and key drivers

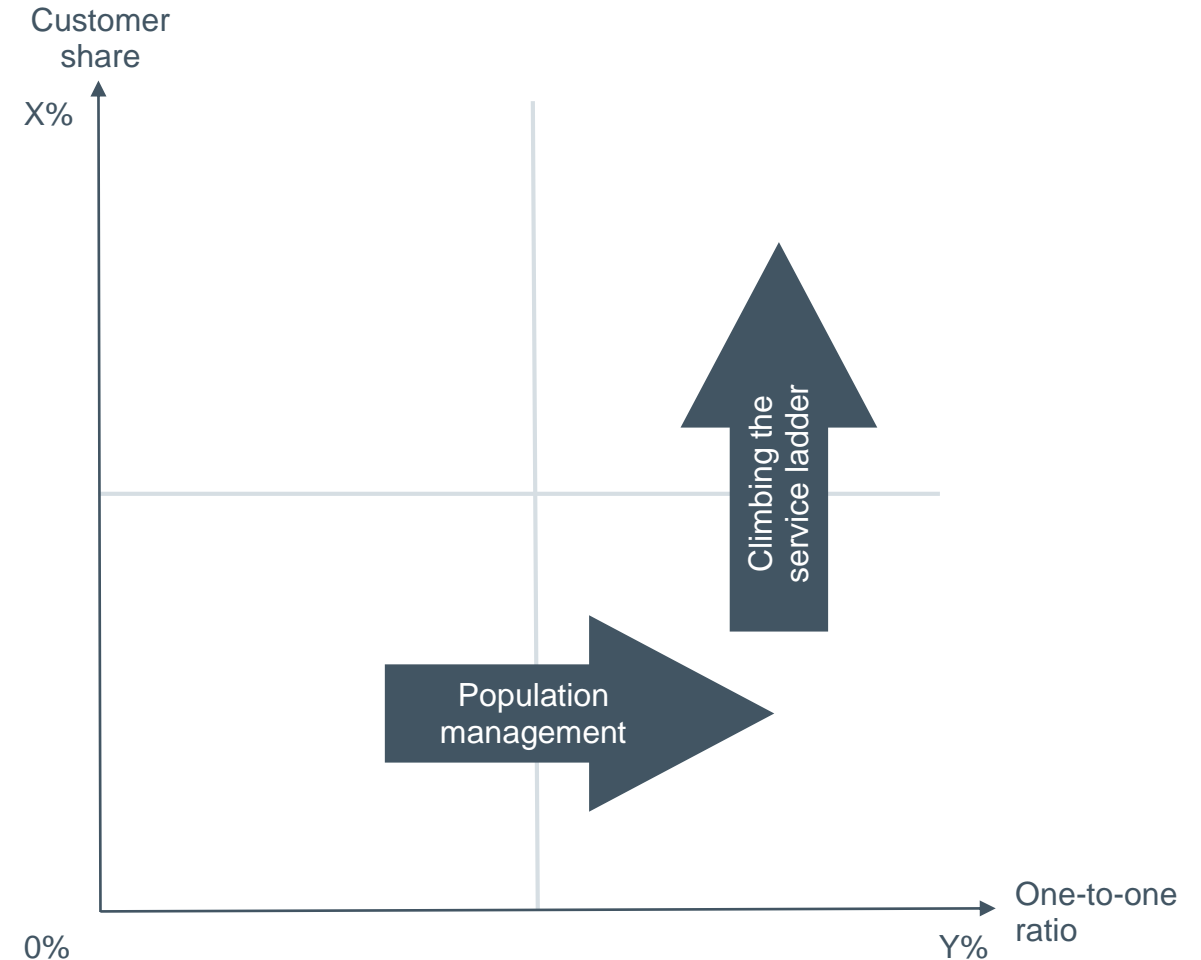
- Fleet of equipment
 - Mining and infrastructure
- Activities in Mining and Infrastructure
 - Our niches: Drilling, exploration, loading, hauling, bolting, shotcreting, scaling, ventilation, demolition
 - New mines / closed mines
 - Infrastructure projects
- Digitalization



Service and tools

Tactical matrix

- Large potential to grow
 - Potential to increase one-to-one ratio and customer share
 - Customer segmentation
 - Increase market presence



Service and tools – the future aftermarket

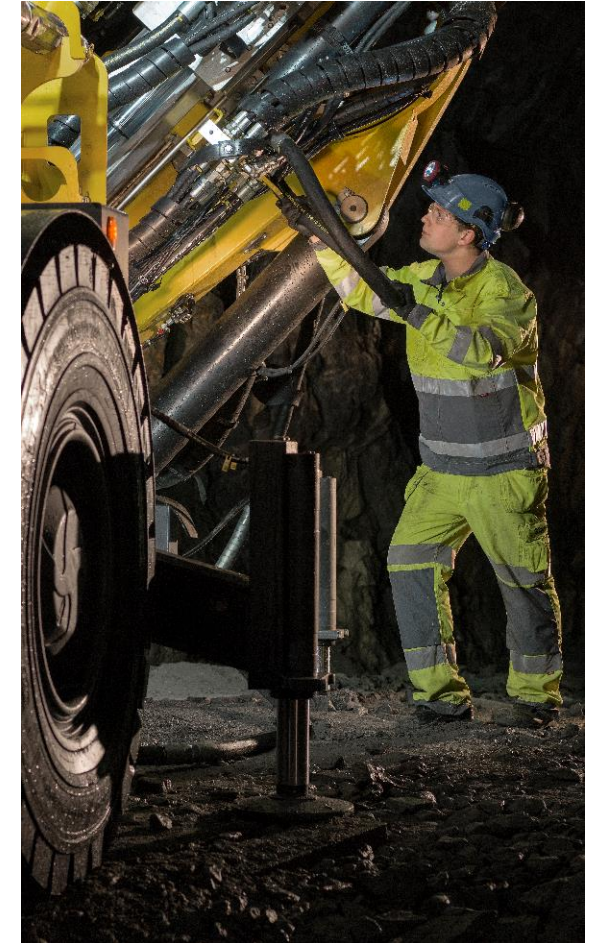
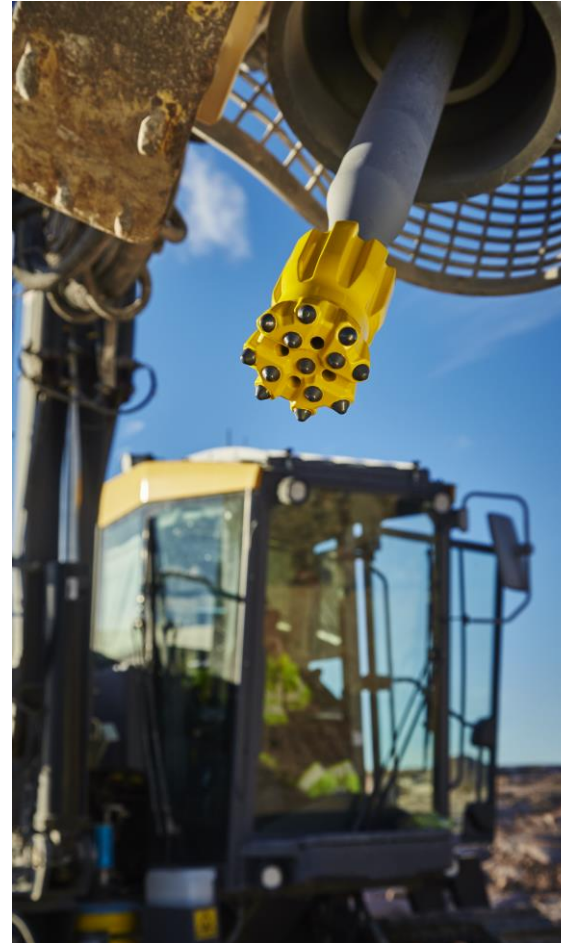
Creating customer value on global trends

Trends in service and rock drilling tools

- Total Cost of Ownership (TCO)
- Limiting waste in the operation and maintenance of the equipment
- Connectivity – digitalization

Customer values

- Productivity and efficiency
- Lower costs



Service and tools – the future aftermarket

Rock drilling tools

- Strategy to deliver the whole drill string
- Cost per meter or supply and service contracts
 - Total cost of operations for rock drilling tools
 - Collect machine/performance data
 - Digital shift report – follow up
 - Business intelligence tool



Service and tools – the future aftermarket

Rock drilling tools

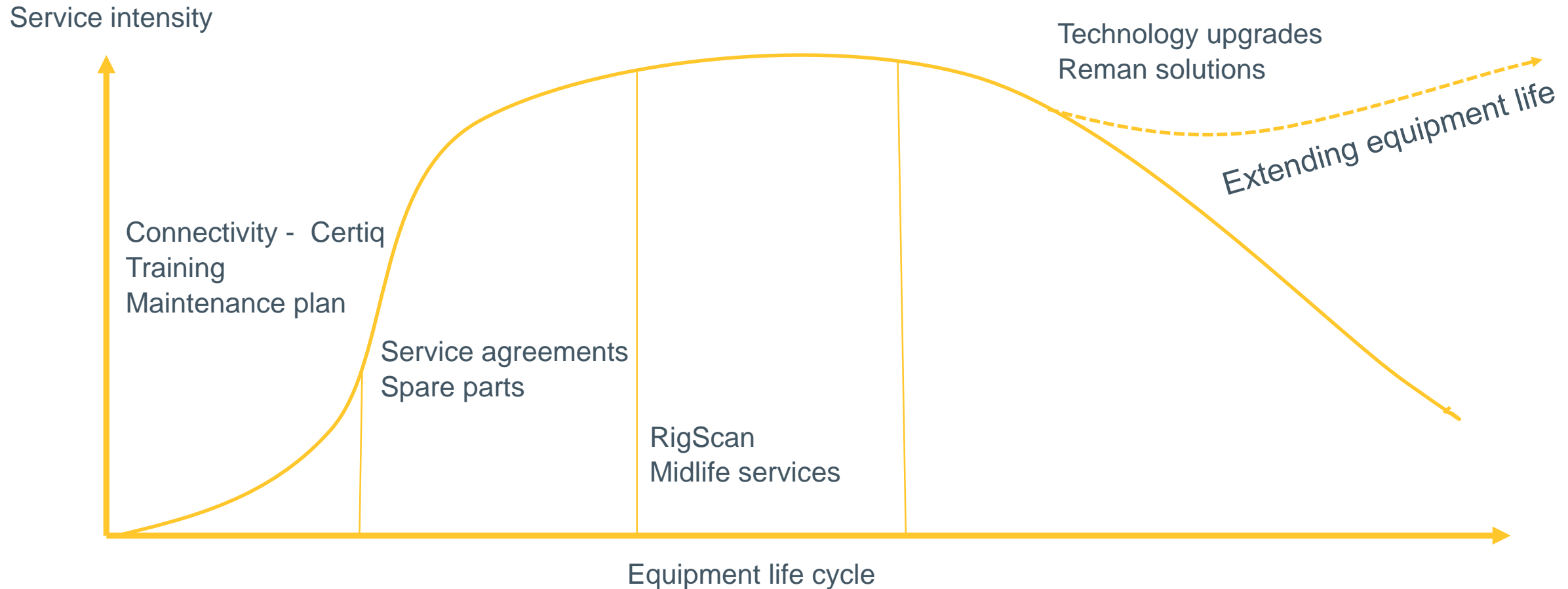
Innovation – PowerBit

- Optimizing the complete system
 - Rock drill and drill string
 - Ground conditions



Equipment life cycle and service offerings

Service – value proposition



Service and tools – the future aftermarket

Service products

- RigScan
- Midlife services
- Reman solutions



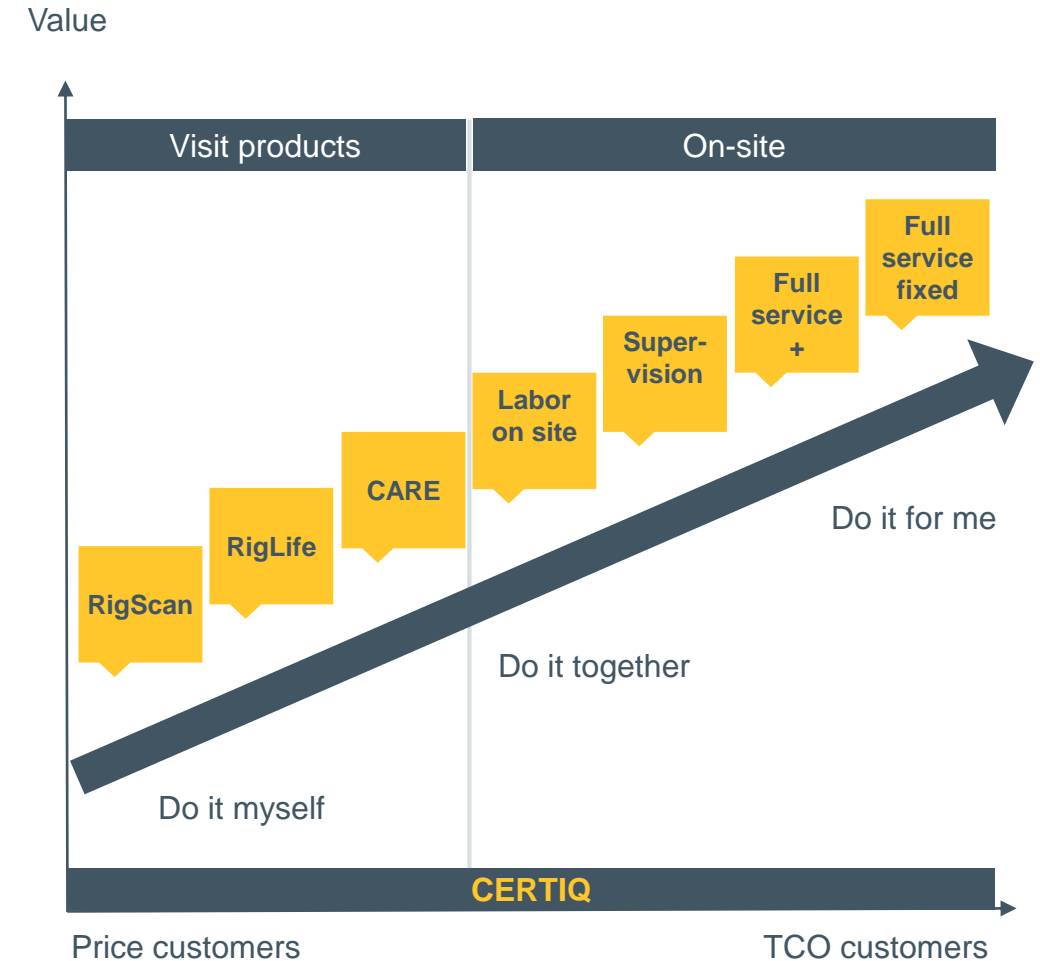
Epiroc Midlife services video



Service and tools – the future aftermarket

Service agreements

- From components-and-labor provider to partner
- Clear service value proposition
- Service agreements for different demands
- Lifecycle management



Service and tools – the future aftermarket

Creating customer value on global trends

Trends

- From pen and paper to digital
- Connectivity
- Data driven performance

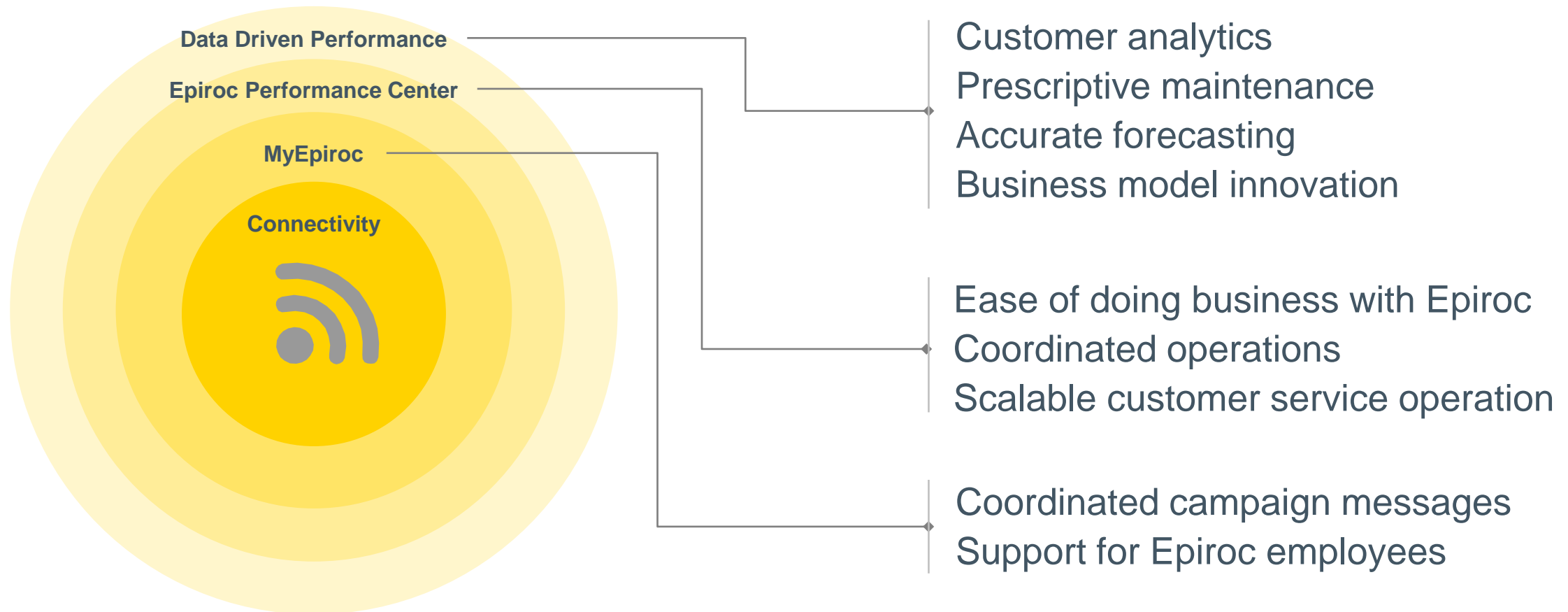
Customer values

- Performance benchmarks globally
- Real time decision support
- Enables process optimization
- Lower costs and higher productivity



Service and tools – the future aftermarket

Connectivity – an enabler for service transformation to data driven service



Service and tools – the future aftermarket

Supply-chain program

- Develop and implement an agile, high-velocity and responsive global supply chain
 - Customer-demand driven
 - Fully integrated – global visibility of inventory, orders and supply
- High delivery service and customer satisfaction
- Reduce costs, e.g. for transport, and reduce capital tied-up in inventories



Service and tools – the future aftermarket

Summary

The future aftermarket

- Fleet of equipment and activity are key drivers
- Connectivity an integrated part in all aftermarket offerings

Epiroc in service and tools

- Market leadership in our niches
 - Connectivity
- Large potential to grow



Summary

Per Lindberg, President and CEO



Epiroc's key strengths



Epiroc demonstrates a unique value proposition

- 1 Leadership in attractive, structural growth niches in the mining and infrastructure markets
- 2 Strong and proven operating model
- 3 Resilience driven by high aftermarket exposure
- 4 Driving the future in intelligent mining and infrastructure
- 5 Value creation potential as a standalone company





Epiroc

Q&A





Epiroc

United. Inspired.

Performance unites us, innovation inspires us,
and commitment drives us to keep moving forward.
Count on Epiroc to deliver the solutions you need
to succeed today and the technology to lead tomorrow.

epiroc.com

