First US Sale
Sandvik moves to Fair Lawn, NJ
Mining & Construction created
Acquire Walter Tools
Acquire Diamond Innovation
Acquire Varel

1876
Sandvik at Philadelphia Exhibition

1877

1919
Sandvik opens office in Manhattan

1955

1970
Tube production and wire drawing opens in Scranton, PA

1997

1999
Advanced material and opens in Stafford TX

2002

2005
$150 MUSD expansion of Westminster insert production

2007

2010
Coromant US reaches #1 in Market share

2014
SANDVIK USA EXPOSURE

SHARE OF GROUP INVOICING

NORTH AMERICA

USA 18%

• More than 4,200 employees
• All 5 business areas, plus common support organization
• Growth driven both organically and through M&A

BUSINESS AREAS

Pie chart representing share of invoicing 2013, adjusted to include Varel

Machining Solutions 42%
Materials Technology 27%
Construction 8%
Venture 13%
Mining 9%
USA EXPOSURE BY SEGMENT

INVOICING & INVOICING GROWTH

CUSTOMER SEGMENTS

Pie chart representing share of invoicing 2013 adjusted to include Varel
EXTERNAL INVOICING - % CHANGE BY BA*

- **Invoicing up 20% in Q3**
  - Organic +9%
  - Demand rising for all Business area except Mining
  - Stable demand in Mining

- **Order Intake up 16% in Q3**
  - Organic +6%

- **ISM Expanding**
CURRENT BUSINESS CLIMATE

Positive forces
✓ Oil & Gas markets remain active
✓ Automotive sustained growth
✓ Heavy Truck growing
✓ Commercial aerospace growing
✓ Construction activity increasing
✓ Mining contractor activity is increasing

Negative forces
✓ Short term perspective persists
✓ Metal prices are declining
✓ Slower growth globally
✓ Mixed Export growth
✓ Power Generation investment at low level
SANDVIK USA

Production Sales, or Service Location
U.S. Head Office
2013 Annual Sales = $1.7 BUSD
2013 U.S. Employees = 4,030
Map created September 2014
OUR WAY FORWARD IN USA

DELIVER ON PROMISES

FLEXIBLE AND AGILE

EMPHASIS ON FAST GROWING SEGMENTS
  • Energy – Oil & Gas
  • Aerospace
  • Automotive

EXPAND OUR AFTERMARKET BUSINESS
  • Mining
  • Construction

PEOPLE DEVELOPMENT

M&A
  • Continue to evaluate acquisition opportunities
DISCLAIMER 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 affected by other factors for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialisation and technological difficulties, supply disturbances, and the major customer credit losses."