2017 – RECORD YEAR IN MANY ASPECTS

BROAD-BASED MARKET RECOVERY

Orders +15% and revenues +10%
All segments and business areas in growth

OPERATIONAL AND STRUCTURAL IMPROVEMENTS

Group and SMT decentralization
Progress in portfolio consolidation
Footprint program finalized
Deleveraged balance sheet
Net working capital record low at 22%
Focused capex spend at historically low <4%

RECORD HIGH ADJUSTED EARNINGS

Savings initiatives*
5 units closed in 2017
355 MSEK y/y savings

*Includes only externally announced savings programs
SUMMARY Q4

ROBUST DEMAND
- ORDER INTAKE +15%
- LARGE ORDER RECEIVED IN SMT
- POSITIVE DEVELOPMENT IN ALL BUSINESS AREAS, REGIONS AND SEGMENTS

STRONG ADJUSTED EARNINGS AND MARGIN
- SUPPORTED PRIMARILY BY STRONG REVENUE GROWTH

ADDITIONAL STRENGTH TO BALANCE SHEET FROM DISPOSAL
- NET GEARING AT LOW LEVEL OF 0.33
- RECORD-HIGH FREE CASH FLOW AT 5.1 BILLION SEK
- DIVESTMENT OF SPS GENERATED 4.7 BILLION SEK IN CASH FLOW

DIVIDEND PROPOSAL: 3.5 SEK
## MARKET DEVELOPMENT

### Y/Y UNDERLYING DEMAND TRENDS

<table>
<thead>
<tr>
<th>Segment</th>
<th>% of Group Revenue FY17</th>
<th>Y/Y Order Intake</th>
<th>Sequential Underlying Demand Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUROPE</td>
<td>39%</td>
<td>+16%</td>
<td><img src="#" alt="Increase" /></td>
</tr>
<tr>
<td>NORTH AMERICA</td>
<td>21%</td>
<td>+17%</td>
<td><img src="#" alt="Increase" /></td>
</tr>
<tr>
<td>ASIA</td>
<td>20%</td>
<td>+12%</td>
<td><img src="#" alt="Increase" /></td>
</tr>
<tr>
<td>AFRICA/MIDDLE EAST</td>
<td>9%</td>
<td>-2%</td>
<td><img src="#" alt="Decrease" /></td>
</tr>
<tr>
<td>SOUTH AMERICA</td>
<td>5%</td>
<td>+19%</td>
<td><img src="#" alt="Increase" /></td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>6%</td>
<td>+32%</td>
<td><img src="#" alt="Increase" /></td>
</tr>
</tbody>
</table>

*Comments and numbers refer to continuing operations unless otherwise stated.*
ORDER INTAKE
ORDER GROWTH IN ALL SEGMENTS AND ACROSS BA:S

REPORTED P/V
24 106 15%

MSEK
25 000
20 000
15 000
15 000 20 000 25 000
2013 2014 2015 2016 2017

Organic order intake, 12M rolling
Order intake, reported

REVENUES
DOUBLE DIGIT GROWTH IN ALL BA:S

REPORTED P/V
23 936 15%

MSEK
25 000
20 000
15 000
15 000 20 000 25 000
2013 2014 2015 2016 2017

Organic revenues, 12M rolling
Revenues, reported

Comments and numbers refer to continuing operations unless otherwise stated
EBIT DEVELOPMENT

EBIT ADJUSTED

• 36% EBIT GROWTH EXCLUDING FX AND METALS

• SUPPORTED BY STRONG REVENUE GROWTH

EBIT ADJUSTED
4 066
MSEK

ADJUSTED EBIT %
17.0

Comments and numbers refer to continuing operations unless otherwise stated

*Adjusted for items affecting comparability
SANDVIK MACHINING SOLUTIONS

STRONG UNDERLYING GROWTH
- Negative working day effect of -1.5%
- Large orders PBT +1%
- Positive development in all segments
- Strong development in all regions

RECORD-HIGH EARNINGS
- 29% earnings growth excluding negative FX
- Support from revenue growth and structural efficiency measures

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORDER INTAKE</td>
<td>8 688</td>
<td>9 424</td>
<td>+12%*</td>
</tr>
<tr>
<td>REVENUES</td>
<td>8 734</td>
<td>9 310</td>
<td>+10%*</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>1 883</td>
<td>2 282</td>
<td>+21%</td>
</tr>
<tr>
<td>% OF REVENUES</td>
<td>21.6%</td>
<td>24.5%</td>
<td></td>
</tr>
</tbody>
</table>

*At fixed exchange rates for comparable units

EBIT & ROCE DEVELOPMENT

Comments and numbers refer to continuing operations unless otherwise stated
SANDVIK MINING AND ROCK TECHNOLOGY

STRONG UNDERLYING MARKET SENTIMENT
- Strong development in replacement equipment, both underground and surface
- Strong growth in aftermarket business
- Signs of improvement in coal

SIGNIFICANT EARNINGS AND MARGIN GROWTH
- Earnings primarily supported by significant revenue growth and efficiency measures
- Previous year period impacted by some costs related to the merger of Sandvik Mining and Sandvik Construction

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORDER INTAKE</td>
<td>9 145</td>
<td>9 586</td>
<td>+10%*</td>
</tr>
<tr>
<td>REVENUES</td>
<td>8 418</td>
<td>9 732</td>
<td>+21%*</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>986</td>
<td>1 575</td>
<td>+60%</td>
</tr>
<tr>
<td>% OF REVENUES</td>
<td>11.7%</td>
<td>16.2%</td>
<td></td>
</tr>
</tbody>
</table>

+1% Adjusted for items affecting comparability
²ROCE: EBIT adj. annualized, CE 1Q avg.
INCREASED ORDERS ALBEIT UNFAVORABLE MIX

- Large order for O&G of 630 MSEK
- Increased demand for short-cycle standard offering

MIX DETERIORATION IMPACT OPERATING PROFIT

- Unfavorable product mix, less advanced (high value) products
- Unfavorable mix in core- and standard tubular offering
- Provision for staff reductions, -0.9%-pts. impact on margin

NEW BUSINESS AREA PRESIDENT

SHARE OF REVENUES 2017

15%

EBIT & ROCE DEVELOPMENT

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORDER INTAKE</td>
<td>2,943</td>
<td>3,964</td>
<td>+38%*</td>
</tr>
<tr>
<td>REVENUES</td>
<td>3,366</td>
<td>3,633</td>
<td>+10%*</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>404</td>
<td>270</td>
<td>-33%</td>
</tr>
</tbody>
</table>

% OF REVENUES

- UNDERLYING MARGIN¹⁻²⁻³

1Adjusted for items affecting comparability
2ROCE: EBIT adj, annualized, CE 1Q avg.
3EBIT adj. for items affecting comparability and metal prices

Comments and numbers refer to continuing operations unless otherwise stated.
CONSOLIDATION OF BUSINESS PORTFOLIO

~10% OF GROUP REVENUES

~4% OF GROUP EBIT

MINING SYSTEMS
HYPERION
PROCESS SYSTEMS
WELDING WIRE

CLOSED
CLOSED
CLOSED
ANNOUNCED BUYER IN Q1 2018

Including Mining Systems reported in discontinued operations
Comments and numbers refer to continuing operations unless otherwise stated
### FINANCIAL SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>MSEK</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>CHANGE %</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>CHANGE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORDER INTAKE</td>
<td></td>
<td>21 993</td>
<td>24 106</td>
<td>+15¹</td>
<td>81 861</td>
<td>95 444</td>
<td>+15¹</td>
</tr>
<tr>
<td>REVENUES</td>
<td></td>
<td>21 817</td>
<td>23 936</td>
<td>+15¹</td>
<td>81 553</td>
<td>90 905</td>
<td>+10¹</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td></td>
<td>3 277</td>
<td>7 976</td>
<td>n/a</td>
<td>11 018</td>
<td>18 098</td>
<td>+64</td>
</tr>
<tr>
<td>% OF REVENUES</td>
<td></td>
<td>15.0</td>
<td>33.3</td>
<td></td>
<td>13.5</td>
<td>19.9</td>
<td></td>
</tr>
<tr>
<td>ADJ. OPERATING PROFIT²</td>
<td></td>
<td>3 277</td>
<td>4 066</td>
<td>+24</td>
<td>11 018</td>
<td>14 638</td>
<td>+33</td>
</tr>
<tr>
<td>% OF REVENUES</td>
<td></td>
<td>15.0</td>
<td>17.0</td>
<td></td>
<td>13.5</td>
<td>16.1</td>
<td></td>
</tr>
<tr>
<td>NWC %³</td>
<td></td>
<td>24.7</td>
<td>22.0</td>
<td></td>
<td>27.1</td>
<td>23.6</td>
<td></td>
</tr>
<tr>
<td>CASH FLOW⁴</td>
<td></td>
<td>4 100</td>
<td>5 085</td>
<td>+24</td>
<td>12 409</td>
<td>15 095</td>
<td>+22</td>
</tr>
<tr>
<td>ROCE %³</td>
<td></td>
<td>17.1</td>
<td>22.4</td>
<td></td>
<td>14.7</td>
<td>19.4</td>
<td></td>
</tr>
<tr>
<td>EPS ADJ. CONT. OPS., SEK</td>
<td></td>
<td>1.68</td>
<td>2.35</td>
<td>+40</td>
<td>5.48</td>
<td>8.05</td>
<td>+47</td>
</tr>
<tr>
<td>EPS ADJ. GROUP TOTAL, SEK</td>
<td></td>
<td>1.48</td>
<td>2.27</td>
<td>+53</td>
<td>4.39</td>
<td>8.01</td>
<td>+82</td>
</tr>
</tbody>
</table>

¹ At fixed exchange rates for comparable units
² Profit adjusted for items affecting comparability of -450 million SEK in Q2 2017 and +3 910 million SEK in Q4 2017
³ Quarterly calculation i.e. annualized adj. EBIT or revenues and 1Q average CE or NWC
⁴ Cash flow before acquisitions and disposals, financial items and taxes
BRIDGE ANALYSIS

SANDVIK GROUP

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q4 2016</th>
<th>PRICE/ VOLUME/ PRODUCTIVITY</th>
<th>CURRENCY</th>
<th>STRUCTURE ONE-OFFS*</th>
<th>Q4 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>21 817</td>
<td>3 197</td>
<td>-896</td>
<td>-182</td>
<td>23 936</td>
</tr>
<tr>
<td>ADJUSTED EBIT</td>
<td>3 277</td>
<td>1 231</td>
<td>-375</td>
<td>-67</td>
<td>4 066</td>
</tr>
<tr>
<td>ADJUSTED EBIT MARGIN</td>
<td>15.0%</td>
<td>39%</td>
<td>-</td>
<td>-</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

**MARGIN ACCRETION / DILUTION**

- **+3.0%**
- **-0.8%**
- **-0.2%**

• Includes metal price effects within Sandvik Materials Technology of +57 MSEK in alloy surcharges on revenues and -8 MSEK in metal price effect on EBIT (+109 Q4 2016 vs. +101 Q4 2017). Structure -224 MSEK topline for SPS and -60MSEK on EBIT, Structure SMT -15MSEK on topline and +1MSEK on EBIT.

SANDVIK: Interim Report on the fourth quarter 2017

Comments and numbers refer to continuing operations unless otherwise stated
## BRIDGE ANALYSIS

### SANDVIK GROUP FULL YEAR

<table>
<thead>
<tr>
<th>MSEK</th>
<th>2016</th>
<th>PRICE/ VOLUME/ PRODUCTIVITY</th>
<th>CURRENCY</th>
<th>STRUCTURE ONE-OFFS*</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>81 553</td>
<td>8 059</td>
<td>+1 065</td>
<td>+228</td>
<td>90 905</td>
</tr>
<tr>
<td>ADJUSTED EBIT</td>
<td>11 018</td>
<td>3 585</td>
<td>+45</td>
<td>-10</td>
<td>14 638</td>
</tr>
<tr>
<td>ADJUSTED EBIT MARGIN</td>
<td>13.5%</td>
<td>44%</td>
<td>-</td>
<td>-</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

### MARGIN ACCRETION / DILUTION

- +2.8%
- -0.15%
- -0.05%

* Includes metal price effects within Sandvik Materials Technology of +47 MSEK in alloy surcharges on revenues and +49 MSEK in metal price effect on EBIT (+64 2016 vs +113 2017). Structure -224 MSEK topline for SPS and -60MSEK on EBIT, Structure SMT -15MSEK on topline and +1MSEK on EBIT and for SMS 20MSEK on topline and 0on EBIT.

Comments and numbers refer to continuing operations unless otherwise stated.
NET WORKING CAPITAL
RECORD-LOW

RELATIVE NWC BY BA

MSEK

NWC (continuing operations)
NWC % of revenues (continuing operations)

2013 2014 2015 2016 2017

Sandvik Machining Solutions
Sandvik Mining & Rock Technology
Sandvik Materials Technology
Other Operations

SANDVIK: Interim Report on the fourth quarter 2017
Comments and numbers refer to continuing operations unless otherwise stated
**FREE OPERATING CASH FLOW**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA + non cash</td>
<td>4 386</td>
<td>5 227</td>
<td>+841</td>
</tr>
<tr>
<td>NWC change</td>
<td>968</td>
<td>1 212</td>
<td>+244</td>
</tr>
<tr>
<td>Capex*</td>
<td>-1 254</td>
<td>-1 354</td>
<td>-100</td>
</tr>
<tr>
<td>FOCF**</td>
<td>4 100</td>
<td>5 085</td>
<td>+985</td>
</tr>
</tbody>
</table>

*Including investments and disposals in rental, tangible and intangible assets
**Cash flow before acquisitions and disposals, financial items and taxes

*Adjusted for items affecting comparability

Comments and numbers refer to continuing operations unless otherwise stated
S&P CREDIT RATING UPGRADE
  - FROM BBB TO BBB+

NET GEARING 0.33
  - SUPPORTED BY SPS DIVESTMENT
## REPORTED AND UNDERLYING TAX RATE

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q1-4 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORTED</td>
<td>16.7</td>
<td>22.3</td>
</tr>
<tr>
<td>EXCL. CAPITAL GAIN SPS</td>
<td>22.3</td>
<td>25.5</td>
</tr>
<tr>
<td>EXCL. SPS AND US TAX REFORM</td>
<td>27.3</td>
<td>27.0</td>
</tr>
</tbody>
</table>

**TAX RATE 26-28% STILL VALID FOR 2018**
OUTCOME AND GUIDANCE

Q4 2017
Underlying currency effect (MSEK): -403 (-450)
Total currency effect (MSEK): -375
Metal price effect in quarter (MSEK): +101 (~0)

Q1 2018
Underlying currency effect (MSEK): -250*
Metal price effect in quarter (MSEK): +100**

FULL YEAR 2018
Capex (BSEK): ~4 (FY17: 3.6)
Net financial items (BSEK): ~1 (FY17: 1.1)
Tax rate (%): 26-28 (FY17: 27 underlying)

*Based on currency rates end of January 2018
**Based on currency rates, stock levels and metal prices at the end of January 2018

Comments and numbers refer to continuing operations unless otherwise stated
SANDVIK: Interim Report on the fourth quarter 2017

**Comments and numbers refer to continuing operations unless otherwise stated.**

### Payout ratio %

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>140</td>
<td>63</td>
<td>33</td>
</tr>
<tr>
<td>Adjusted</td>
<td>57</td>
<td>63</td>
<td>44</td>
</tr>
</tbody>
</table>

*Proposed dividend

*Dividend* *EPS Reported* *EPS adjusted*

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
<th>EPS Reported</th>
<th>EPS Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>2,75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>3,50*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Proposed dividend
LOOKING FORWARD

FOCUS ON GROWTH – ORGANIC AND M&A

M&A MOST LIKELY IN SMS

GRADUAL SMT IMPROVEMENT

IMPLEMENTATION OF TURNAROUND ACTIONS

CONTINUOUS EFFICIENCY IMPROVEMENTS

NEW PRODUCTS

PERFOMAX® DRILL SECO TOOLS
RANGER DXI SURFACE TOP HAMMER DRILL
TITANIUM POWDER DEVELOPMENT
BACK-UP SLIDES
MINING (31%)

ENERGY (11%)

GENERAL ENGINEERING (24%)

CONSTRUCTION (11%)

AUTOMOTIVE (13%)

AEROSPACE (6%)

END-CUSTOMER SEGMENTS

(% of group revenues 2017 excl. Mining systems; Other e.g. consumer goods, electronics, chemical and miscellaneous was 4%)

Comments and numbers refer to continuing operations unless otherwise stated
REACHING THE TARGETS AHEAD OF PLAN

ABSOLUTE EBIT GROWTH

≥7%

ROCE IMPROVEMENT

≥3% pts

NET DEBT/EQUITY RATIO

<0.8

DIVIDEND PAYOUT RATIO

50%

BSEK

+15.8%

10.4
13.9

~14%
~19%

CONTINUING OPERATIONS

Payout reported EPS

Payout adj. EPS

SANDVIK: Interim Report on the fourth quarter 2017

Comments and numbers refer to continuing operations unless otherwise stated
SANDVIK: Interim Report on the fourth quarter 2017

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## BRIDGE ANALYSIS

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<thead>
<tr>
<th>MSEK</th>
<th>Q4 2016</th>
<th>PRICE/ VOLUME/ PRODUCTIVITY</th>
<th>CURRENCY</th>
<th>STRUCTURE ONE-OFFS*</th>
<th>Q4 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MACHINING SOLUTIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUES</td>
<td>8 734</td>
<td>863</td>
<td>-287</td>
<td>-</td>
<td>9 310</td>
</tr>
<tr>
<td>EBIT</td>
<td>1 883</td>
<td>552</td>
<td>-153</td>
<td>-</td>
<td>2 282</td>
</tr>
<tr>
<td>EBIT MARGIN</td>
<td>21.6%</td>
<td>+64%</td>
<td>-</td>
<td>-</td>
<td>24.5%</td>
</tr>
<tr>
<td><strong>MINING AND ROCK TECHNOLOGY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUES</td>
<td>8 418</td>
<td>1 801</td>
<td>-487</td>
<td>-</td>
<td>9 732</td>
</tr>
<tr>
<td>EBIT</td>
<td>986</td>
<td>785</td>
<td>-196</td>
<td>-</td>
<td>1 575</td>
</tr>
<tr>
<td>EBIT MARGIN</td>
<td>11.7%</td>
<td>44%</td>
<td>-</td>
<td>-</td>
<td>16.2%</td>
</tr>
<tr>
<td><strong>MATERIALS TECHNOLOGY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUES</td>
<td>3 366</td>
<td>294</td>
<td>-69</td>
<td>42</td>
<td>3 633</td>
</tr>
<tr>
<td>ADJUSTED EBIT</td>
<td>404</td>
<td>-100</td>
<td>-27</td>
<td>-7</td>
<td>270</td>
</tr>
<tr>
<td>ADJUSTED EBIT MARGIN</td>
<td>12.0%</td>
<td>n/a</td>
<td>-</td>
<td>-</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

* Includes metal price effects in SMT, bottom line: +109 in Q4 2016 vs. +101 in Q4 2017, alloy surcharges topline: +57MSEK and structure -15 MSEK topline and +1 bottomline

Comments and numbers refer to continuing operations unless otherwise stated.
**ALL PROGRAMS COMPLETED 93% DELIVERED**

**SAVINGS ANNUAL RUN-RATE (MSEK) VS. LAST YEAR AND TOTAL**

<table>
<thead>
<tr>
<th>SUPPLY CHAIN OPTIMIZATION</th>
<th>SANDVIK MACHINING SOLUTIONS</th>
<th>SANDVIK MINING AND ROCK TECHNOLOGY</th>
<th>SANDVIK MATERIALS TECHNOLOGY</th>
<th>GROUP ACTIVITIES</th>
<th>TOTAL ANNUAL RUN-RATE VS. LAST YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADJUST OF COST BASE/RIGHT SIZING</td>
<td>71</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>75</td>
</tr>
<tr>
<td>TOTAL</td>
<td>121</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>125</td>
</tr>
</tbody>
</table>

*SMRT supply chain phase I did not deliver according to target (90 MSEK less) and SMT did not deliver according to target in Supply chain phase III (65 MSEK less)*

**TARGET 2.1 BSEK**

- **SAVINGS ANNUAL RUN-RATE**
  - **TOTAL** 1 180 (1 333)
  - **SANDVIK MACHINING SOLUTIONS** 761 (762)
  - **SANDVIK MINING AND ROCK TECHNOLOGY** 1 940 (2 095)

SANDVIK: Interim Report on the fourth quarter 2017

*Comments and numbers refer to continuing operations unless otherwise stated*
ALL PROGRAMS FINALIZED – 23 SITES CLOSED

SUPPLY CHAIN OPTIMIZATION PROGRAM
CONTINUING OPERATIONS

FIRST PHASE (10)
FINALIZED AT END Q4 2015
RUN-RATE SAVINGS
600 MSEK END OF Q4
(out of 690 MSEK target)

SECOND PHASE (8)
FINALIZED AT END Q4 2017
(LAST UNIT CLOSED Q4 2017)
RUN-RATE SAVINGS OF 320 MSEK
(320 MSEK target)

THIRD PHASE (5)
FINALIZED AT END OF Q4 2017
(LAST UNIT CLOSED Q4 2017)
RUN-RATE SAVINGS OF 260 MSEK
(out of 323 MSEK target)

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OTHER OPERATIONS
NON-STRATEGIC ASSETS

CLOSURE OF SPS DIVESTMENT 1 DEC 2017
• Resulted in 3.9 BSEK capital gain

DISPOSAL OF HYPERION
• Carve-out process progressing according to plan, closure expected during H1 2018

ADJUSTED EARNINGS IMPACTED BY TRANSACTION RELATED COSTS
• Earnings growth off-set by about -25MSEK in transaction related costs
• Underlying margin at 13.8%
OTHER OPERATIONS
NON-STRATEGIC ASSETS

ORDER INTAKE
1 133 MSEK

REVENUES
1 261 MSEK

EBIT ADJUSTED
149 MSEK

ROCE
18%

¹Adjusted for items affecting comparability
²ROCE: EBIT adj. annualized, CE 1Q avg.
## Loan and Duration Profile

### Long Term

- **US Private Placement**: 4,796 MSEK, 3 years
- **Fin institutions, EIB, NIB**: 1,408 MSEK, 6 years
- **Swedish MTN**: 5,647 MSEK, 3 years
- **European MTN**: 10,821 MSEK, 8 years
- **Bank loans**: 169 MSEK, 1 year
- **Share swap**: -

### Short Term

- **US Private Placement**: 0 MSEK, 0 month
- **Fin institutions, EIB, NIB**: 352 MSEK, 10 months
- **Swedish MTN**: 576 MSEK, 3 months
- **Bank loans**: 55 MSEK, 0 month
- **Share swap**: 3 MSEK, 0 month

### Total

- **Total Amount**: 23,828 MSEK
- **Average Duration**: 6 years

### Cash Position and Revolving Credit Facilities

- **Cash position**: 12,724 MSEK
- **Revolving Credit facilities**: 9,100 MSEK

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## GUIDANCE

<table>
<thead>
<tr>
<th>CAPEX</th>
<th>Estimated at about 4 BSEK for 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENCY EFFECTS</strong></td>
<td>Given currency rates at end of January 2018 the effect on operating profit from transaction and translation would be -250 MSEK for Q1 2018</td>
</tr>
<tr>
<td><strong>METAL PRICE EFFECTS</strong></td>
<td>Given currency rates, stock levels and metal prices at the end of January 2018, it is estimated that effect on operating profit in Q1 2018 will be +100 MSEK</td>
</tr>
<tr>
<td><strong>NET FINANCIAL ITEMS</strong></td>
<td>Net financial items is estimated to be about 1 BSEK for 2018</td>
</tr>
<tr>
<td><strong>TAX RATE</strong></td>
<td>The tax rate is estimated to about 26–28% for 2018</td>
</tr>
</tbody>
</table>

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“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.”