

# Capital Markets Day 2025

Sandvik Group

Stefan Widing  
President and CEO

# Transformed to a stronger Sandvik

Significant business portfolio transformation to enhance growth profile and resilience

Successful strategy execution and delivered on ambitious targets

Strengthened market positions and offering, and leading in digital

Leverage on strong Group platform and financial strength towards 2030



# Successful strategy execution for higher growth and resilience

Revenues divested or  
spun out (2017-24, BSEK)

30

Revenues acquired  
(2020-25 Q1, BSEK)

22



# Increased share of aftermarket, built leading digital platforms

Aftermarket/Recurring revenues  
(share of revenues 2019->2024)

31% → 44%

Digital offering  
(Revenues 2024, BSEK)

5.1







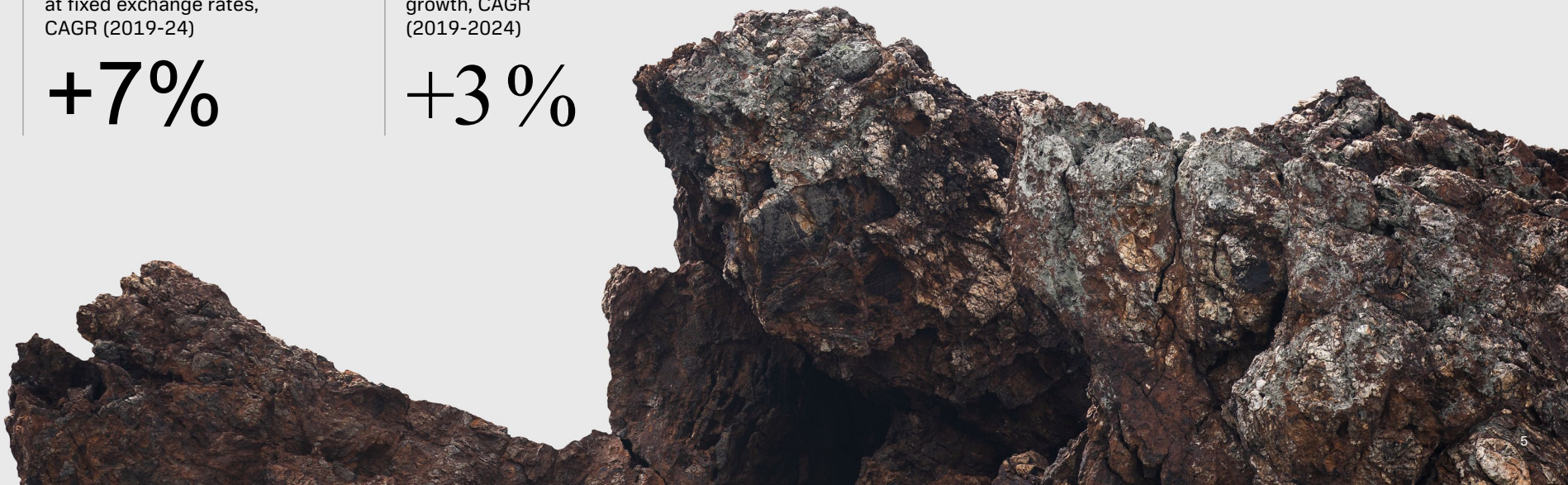
# We have delivered on ambitious financial targets

Revenue growth,  
at fixed exchange rates,  
CAGR (2019-24)

**+7%**

Organic revenue  
growth, CAGR  
(2019-2024)

**+3 %**





# A stronger Sandvik, advancing to 2030



# Updated Group structure as of January 1, 2026

## Mining

A global leading solutions provider with a holistic, innovative and integrated offering of equipment and tools, parts, services, automation and digital solutions towards the mining and infrastructure industries



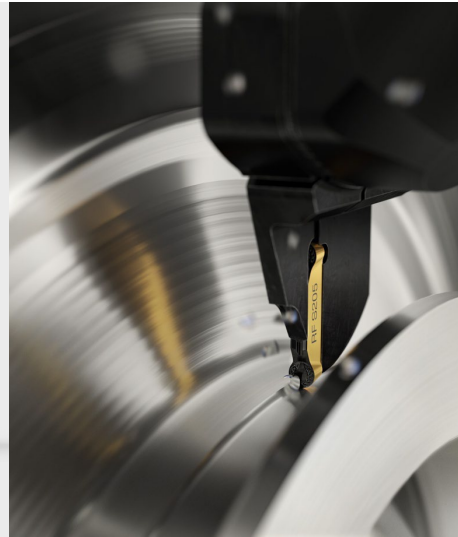
## Rock Processing

A leading supplier of equipment, service and technical solutions for processing rock and minerals in the mining and infrastructure industries



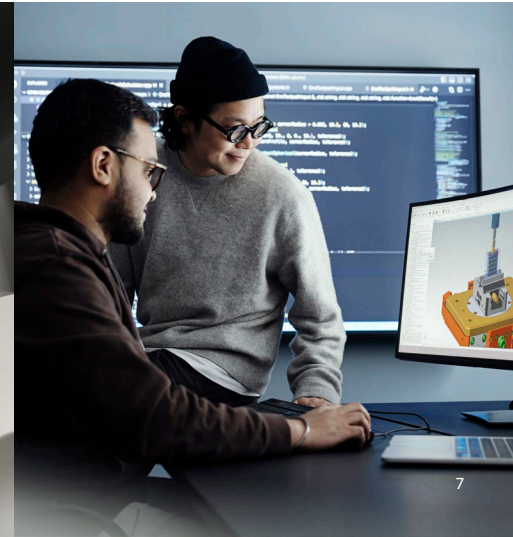
## Machining

A market-leading manufacturer of tools and tooling systems and solutions for advanced metal cutting that optimize machining operations such as turning, milling and drilling



## Intelligent Manufacturing

Provides digital manufacturing and software solutions, with an end-to-end agnostic offering that can automate and connect the component manufacturing value chain





# 23 world-leading businesses

- #1 or #2 market positions
- Close customer relationships, know-how, and broad solution offering
- Industrial technology leaders
- Industry leading margins through value-based pricing and stringent cost focus
- Decentralization and agile mind-set







# Decentralized operating model

- Clear strategic priorities
- Incentivized on targets for growth, profitability, and capital efficiency
- P&L and Balance Sheet accountability
- Collaboration where it makes sense







The Sandvik Group provides a strong platform for our divisions to grow and scale their businesses globally through

- financial strength
- globally recognized brand
- strong performance culture
- large talent pool



# Confirming financial targets

Revenue  
growth

7%

Through a business cycle, organic and through acquisitions, at fixed exchange rates

Adjusted  
EBITA range

20–22%

Through a business cycle

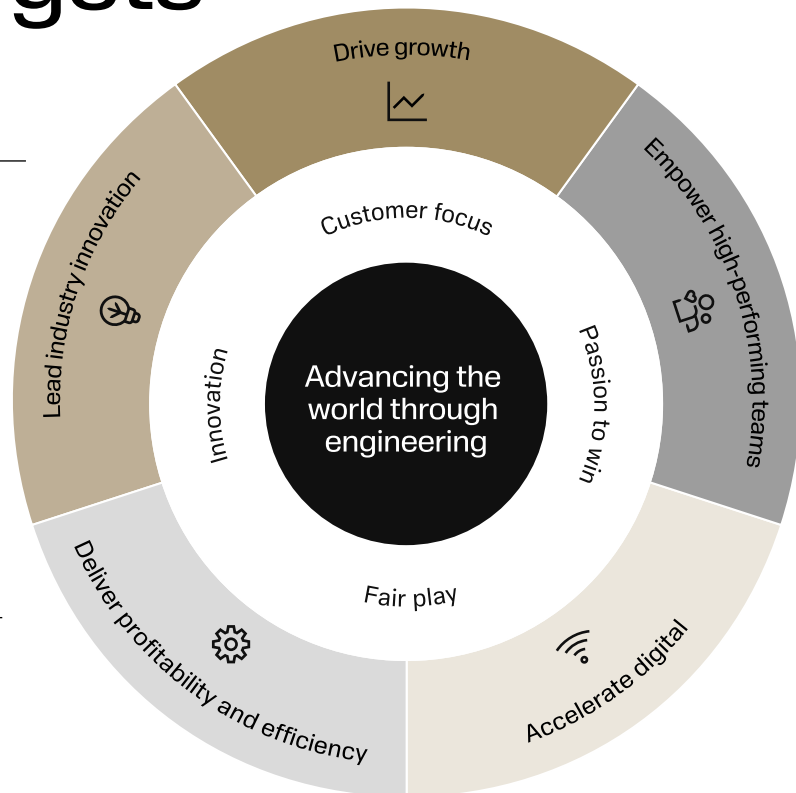
Financial net  
debt/EBITDA

<1.5

Dividend  
payout ratio

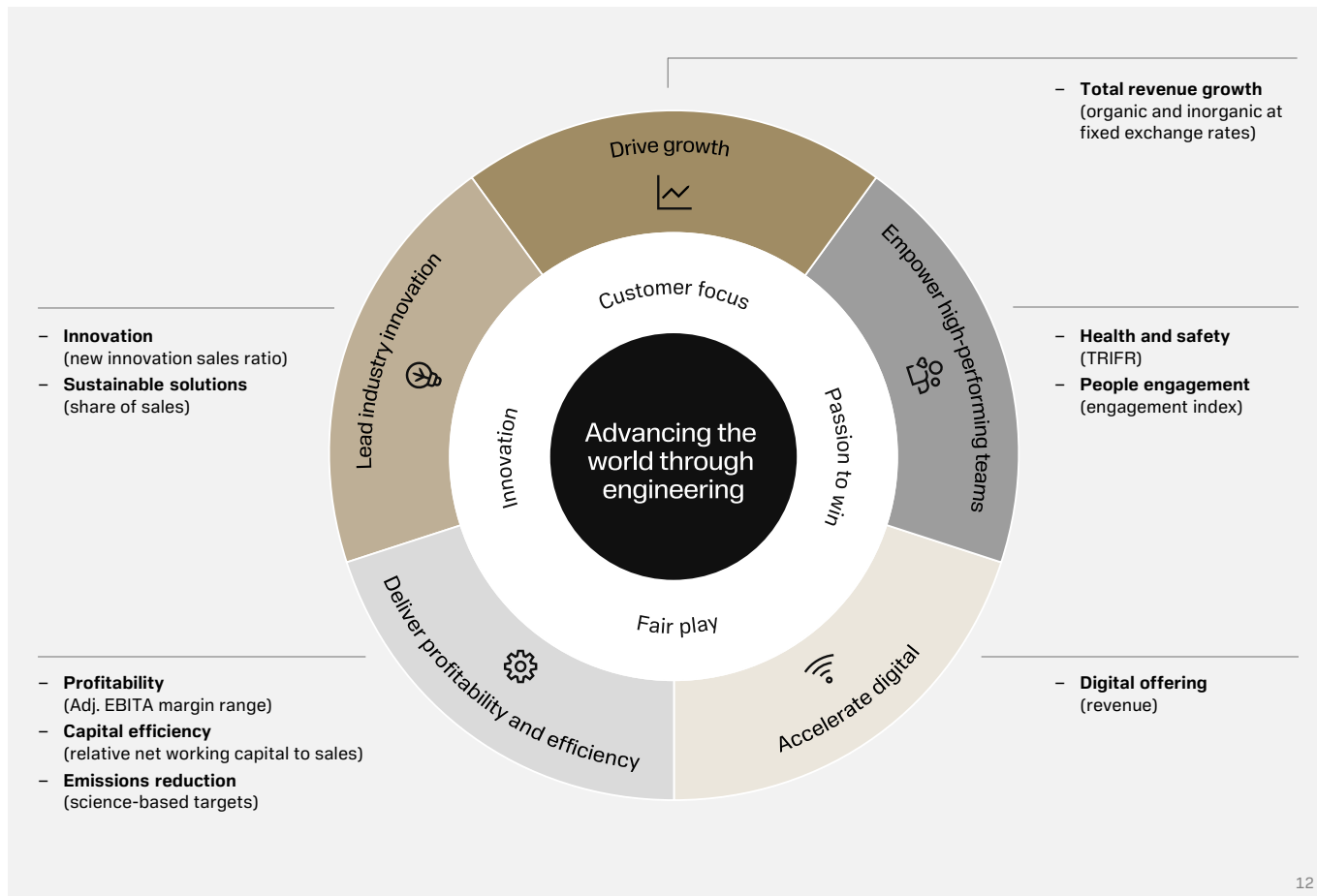
50%

Through a business cycle





# Value-creating strategy





# Innovation at core to drive organic growth

New Sales Ratio  
(products launched within 5 yrs)

24%

R&D to revenues  
(2024)

4%





# Leading digital offering - continued high ambitions

- Leading positions in digital in our industries
- Productivity and sustainability gains
- Leading in end-to-end solutions in mining
- 20+ years of automation innovation in mining
- Leading in CAM software and machining simulation & optimization

Digital offering  
(Revenues 2019 – 2024, BSEK)

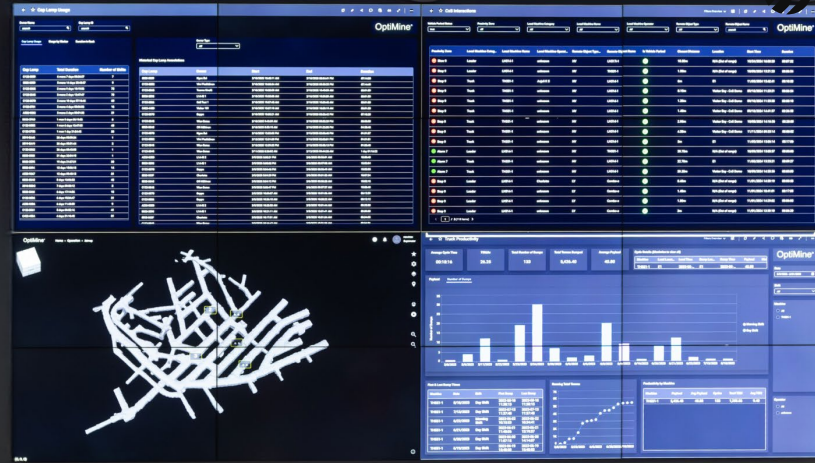
<1 to >5

Towards 2025  
(Revenues, BSEK)

6.5

Advancing to 2030  
(Revenues, BSEK)

13







# In-organic growth priorities

Value-creating bolt-on acquisitions in selected areas



Important regions for expansion: India, China, US

Become clear leader in round tools

Machining

Expanding in faster growing segments such as; aerospace, medical, defense, consumer electronics

Machining

Digital solutions to complement existing platforms

Mining

Intelligent Manufacturing

Niches in downstream mining, demolition and recycling

Rock Processing

# In summary

- Delivered on our strategy and financial targets
- Evolving the Sandvik portfolio
- A growing industrial technology company
- 23 world-leading divisions
- Ambitious targets set towards 2030
- Value-accretive capital allocation



Advancing to 2030

# Financial targets

Cecilia Felton  
CFO



# Financial targets

Revenue growth

**7%**

Through a business cycle, organic and through acquisitions, at fixed exchange rates

Adjusted EBITA margin range

**20–22%**

Through a business cycle

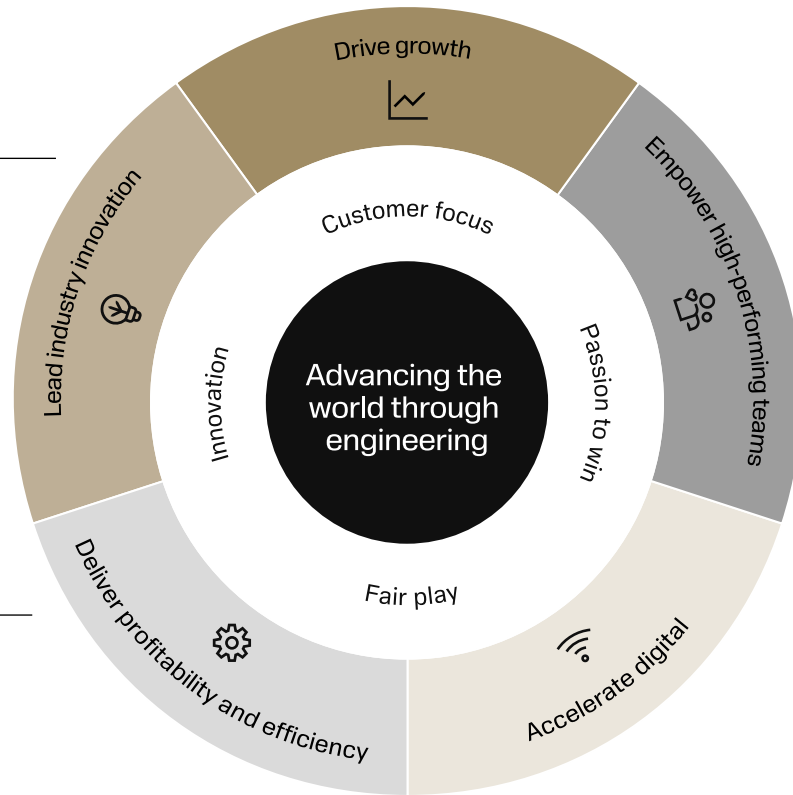
Financial net debt/EBITDA

**<1.5**

Dividend payout ratio

**50%**

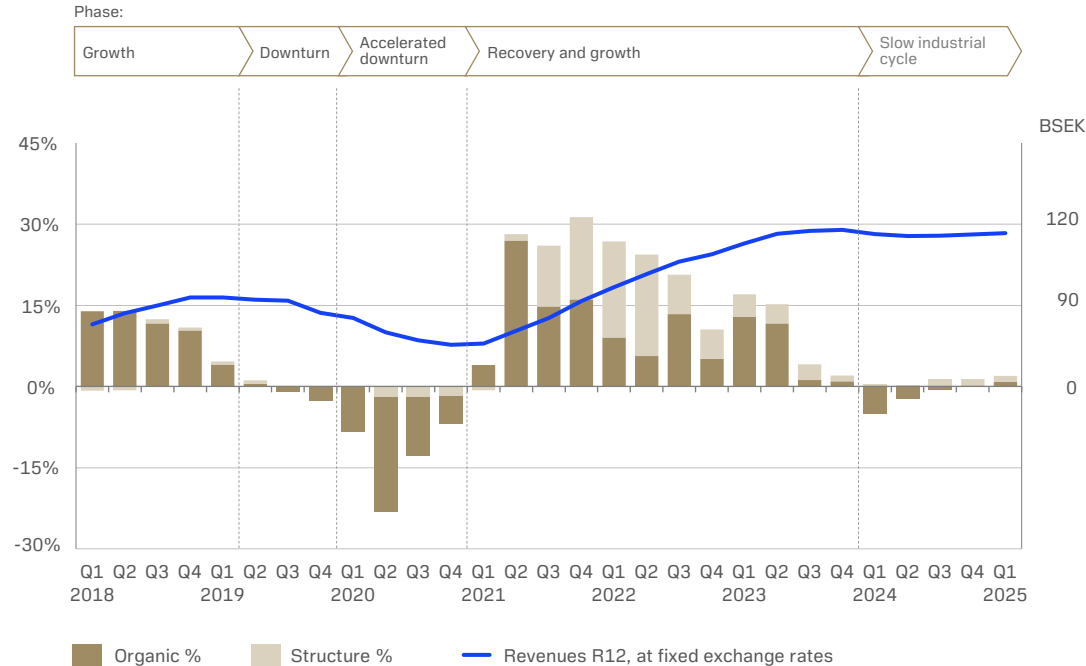
Through a business cycle







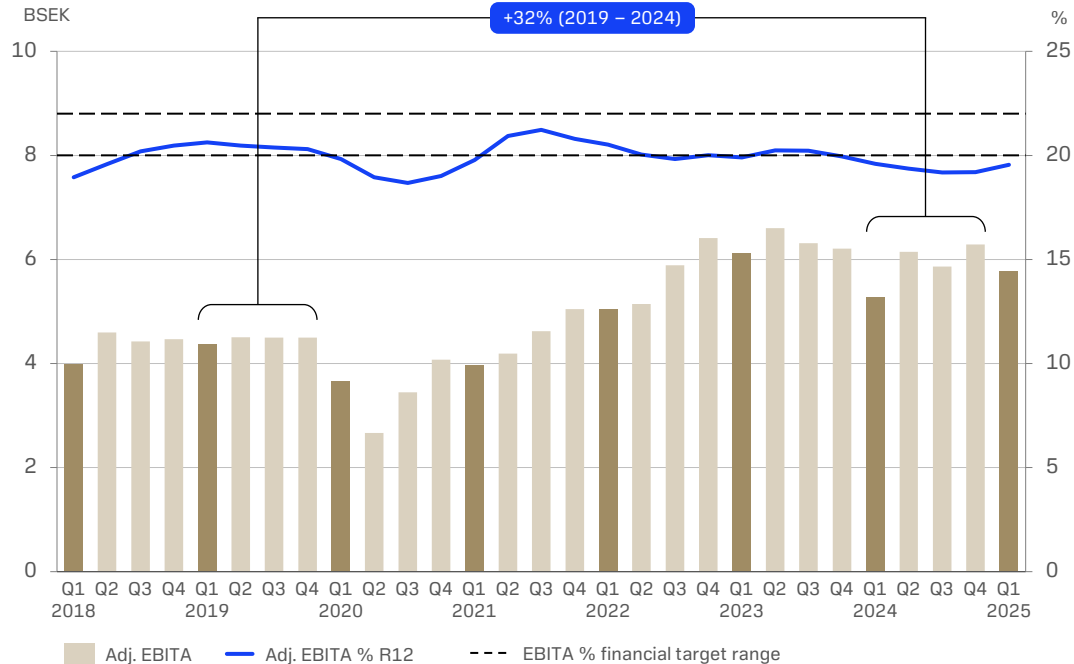
# Strong focus on growth and creating a stronger Sandvik



- Successful strategy execution with focus on profitable growth
- Revenue growth, at fixed exchange rates, CAGR, 7%, 2019 to 2024
  - Organic 3%
  - Acquired growth 4%
- Resilient topline with higher share of recurring software revenues and aftermarket sales
- Organic growth fueled by investing in innovation and new product launches
- 46 acquisitions since 2020, adding SEK 22 billion of annual revenue, repositioning Sandvik
  - Higher structural growth areas
  - Solid digital business platforms
  - Higher share of aftermarket business



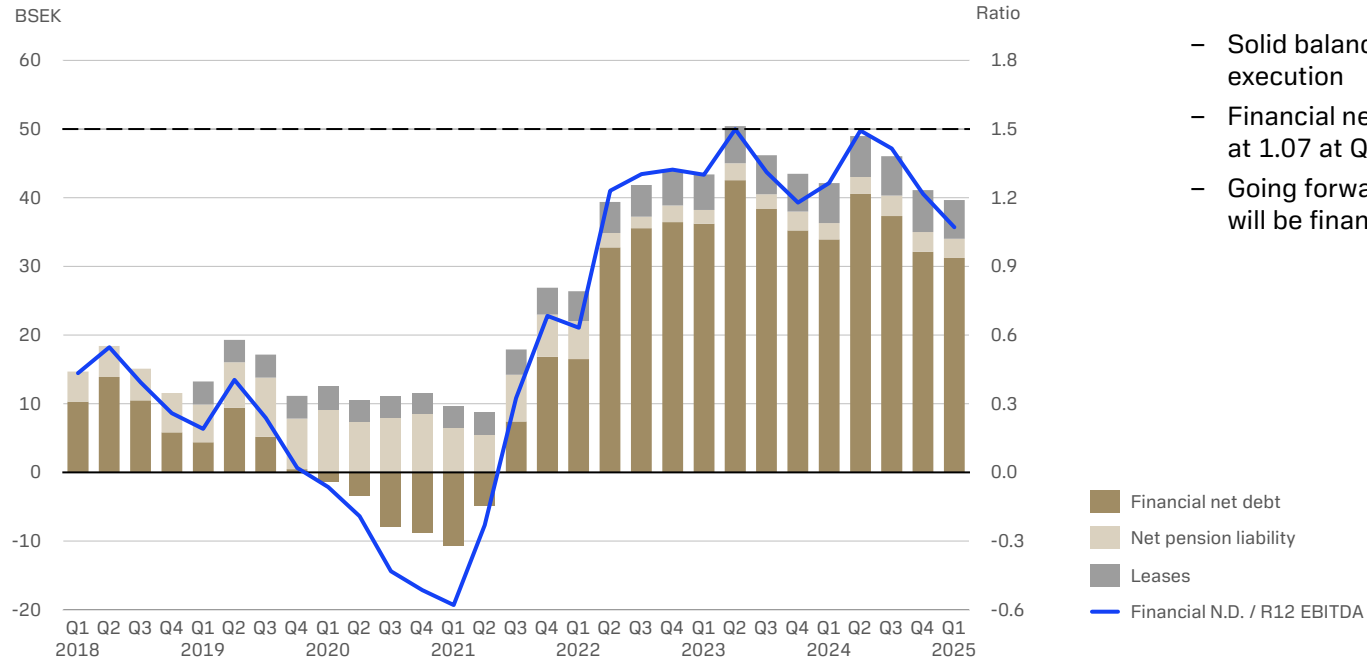
# Industry leading margins and proven resilience



- Continuous efforts on cost optimization, solid execution on 2022 and 2024 saving programs with total run rate savings of SEK 2 billion
- New restructuring initiatives announced in Machining
- Significantly improved margin resilience
  - A more resilient topline
  - Greater cost flexibility through higher share of variable costs
  - Speed and agility through the power of our decentralized organization



# Solid financial position



- Solid balance sheet for growth and strategy execution
- Financial net debt / R12 EBITDA at 1.07 at Q1 2025
- Going forward investments and acquisitions will be financed by generated cash flow



# Capital allocation that drives value creation

Stabilization  
2016-2020

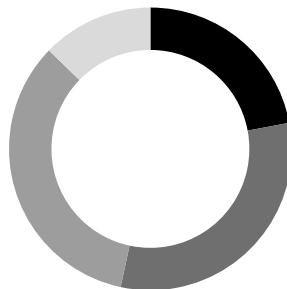


Shift to Growth  
journey 2021-



Acquisitions  
CAPEX  
Dividend  
Debt repayment

M&A spend  
2020 - 2025 Q1



Intelligent Manufacturing: CAD/CAM software and metrology including resellers  
Machining: Roll-up of companies with higher structural growth profile  
Mining: Mine planning and operations software, automation, ground support  
Rock Processing: Attractive niches in downstream mining (screens and feeders) and demolition and recycling

- Strong cashflow supporting growth agenda
- Capital allocation priorities
  - Capex
  - Dividend
  - Debt target
  - M&A
  - Share buy-backs
- Balanced approach for allocating capital between the business areas
  - Each acquisition evaluated on its own merits and return
- Good acquisition pipeline in all business areas



# Shareholders rewarded

5-year average  
payout ratio

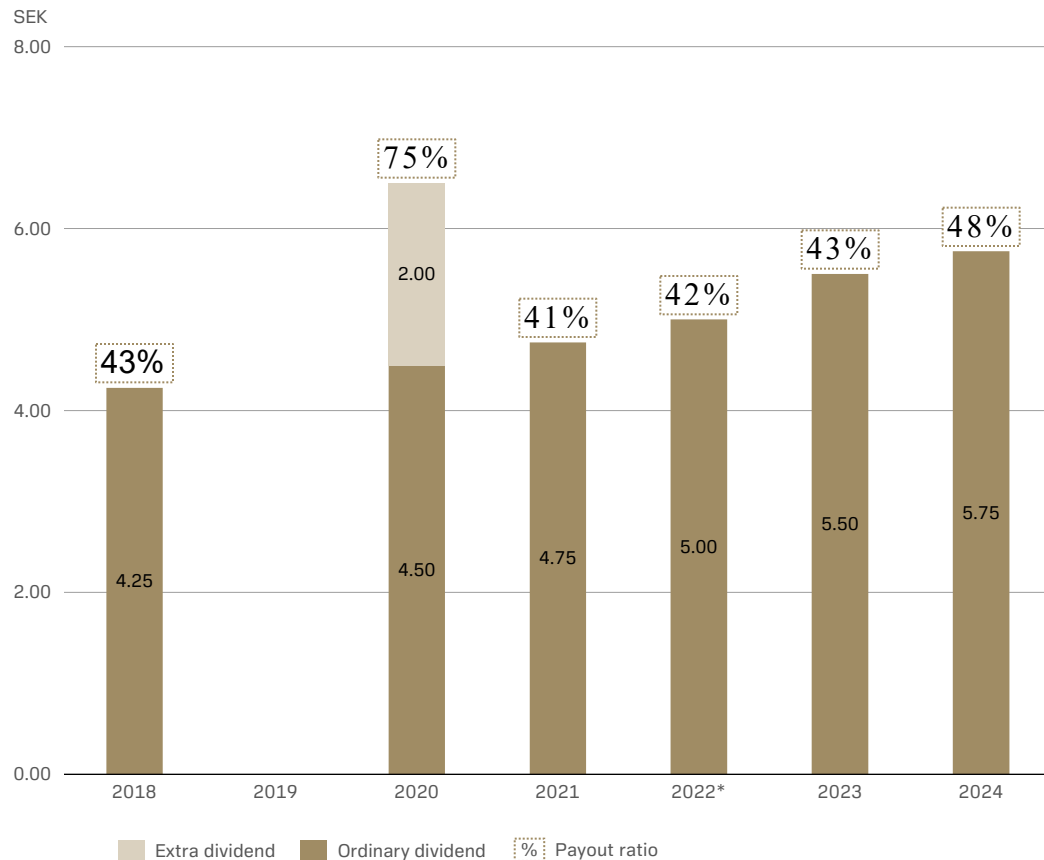
49%

3-year average  
payout ratio

44%

Distributed to  
shareholders

Alleima



\* Excluding the distribution of Alleima to shareholders





# Delivering on our targets

Revenue growth  
(7%)

7%

Revenue growth, at fixed exchange  
rates, CAGR, 2019-2024

Adjusted EBITA  
margin range  
(20-22%)

20.0%

2022

20.0%

2023

19.2%

2024

Financial net  
debt/EBITDA  
(<1.5)

1.3

2022

1.2

2023

1.2

2024

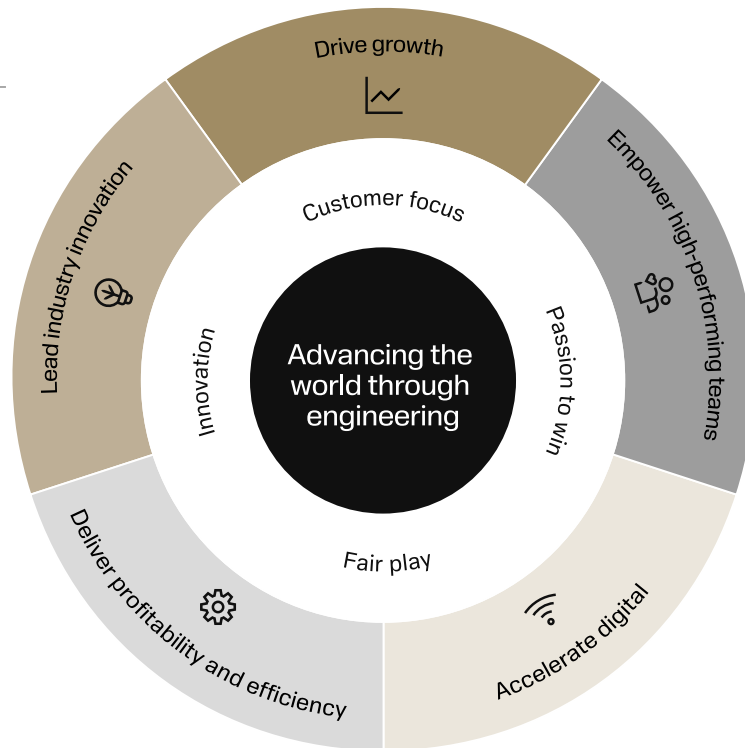
Dividend  
payout ratio  
(50%)

49%

Average 2020-2024

Alleima

Distributed to  
shareholders





# Mining

Mats Eriksson  
President



# Outperforming targets

<2019

Revenue  
<40 BSEK

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Revenue growth at fixed exchange rates, CAGR  
10%

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2019 - 2024

Revenue  
~65 BSEK

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Revenue growth, at fixed exchange rates, CAGR  
11%

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Achievements 2024

Adjusted EBITA margin  
20.4%

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Aftermarket share  
69%

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ROCE (reported EBITA)  
22.5%

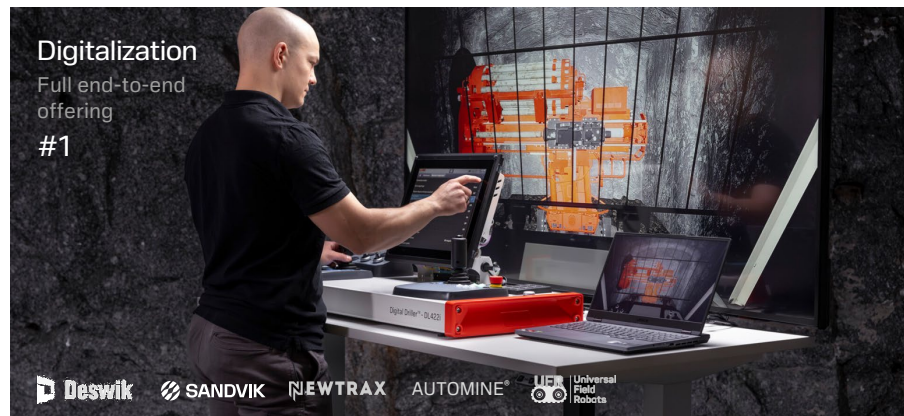
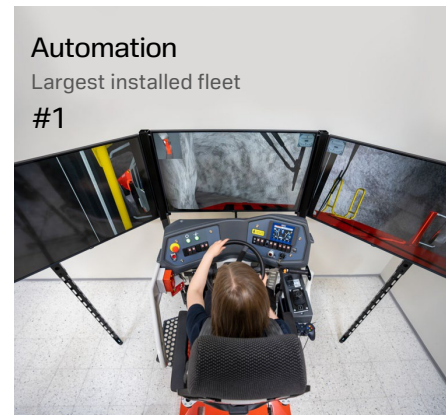
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# Significant strategic achievements

## Strong position for the future

- Automation and software end-to-end offering
- Modular path to electrification
- Proven surface platform in place
- Invested in manufacturing and supply chain
- Significant investments into R&D and innovation

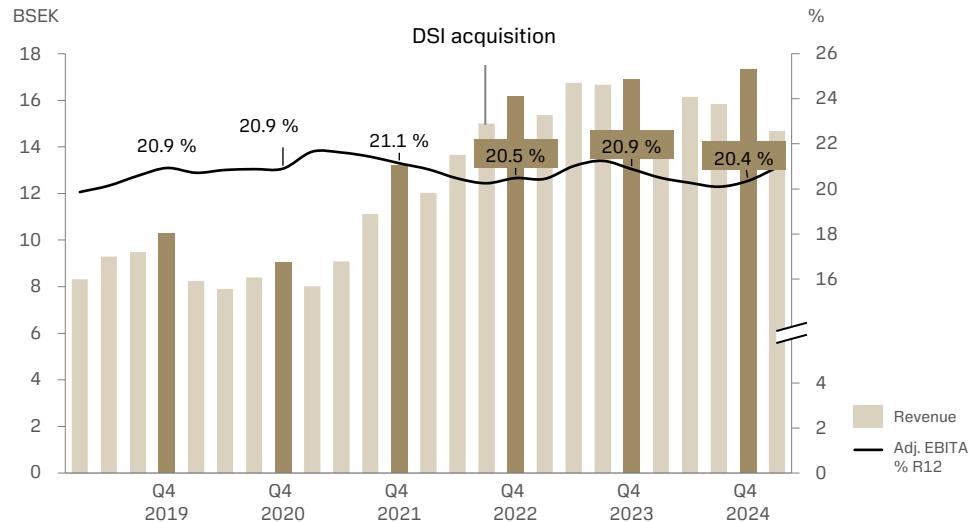






# Profitability journey

## Revenue and Adj. EBITA margin development



Revenue growth, CAGR  
2019 – 2025 Q1

10%

At fixed exchange rates

Adj. EBITA margin R12  
2025 Q1

21.0%

ROCE R12  
2025 Q1

24.1%

Based on reported EBITA

- Adj. EBITA margin target range 20-22%
- Dilution of c. 200 bps from DSI ground support
- Normalized leverage of ~30% on volume changes
- Good margin resilience
  - Increased aftermarket (58% – 72%, 2017-Q1 2025)
  - Recurring software revenues
  - Asset light assembly with outsourced production of components
- High ROCE at 24.1%



# Solid platform for future growth

<2019

Revenue  
<40 BSEK

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Strategic focus  
Focus on core and efficiency

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2019 - 2024

Revenue  
~65 BSEK

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Strategic focus  
Shift to growth – organic and M&A

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2025-2030

Revenue growth, at fixed exchange rates, CAGR  
8%

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Adjusted EBITA margin range  
20-22%

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Strategic focus  
Profitable growth

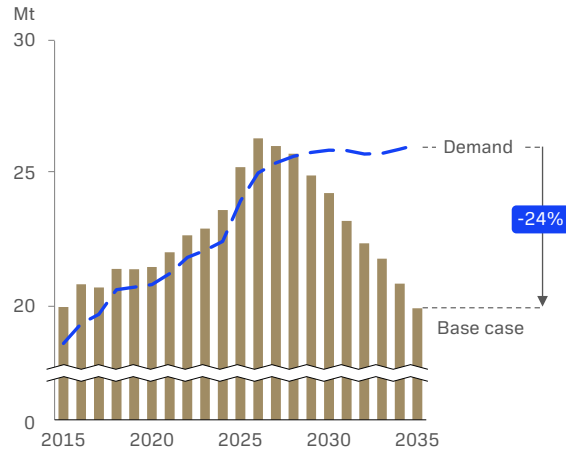
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# Well positioned to support future industry demands

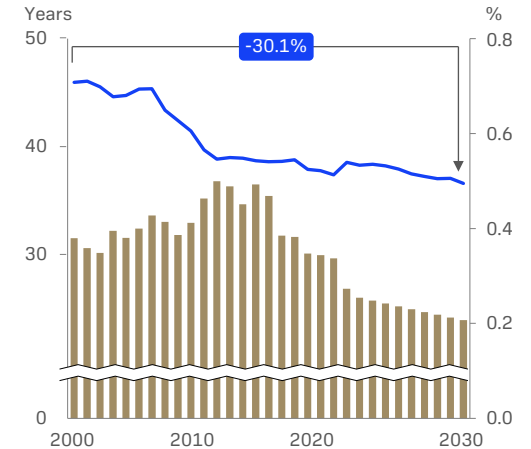
## Future demand driven by growing middle class and energy transition

Copper supply vs demand (Existing assets)



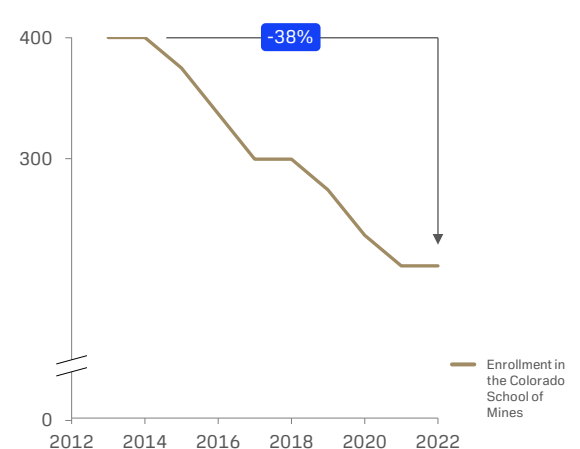
## Shorter mine life with depleting ore grades

Avg. mine life and ore grades (Copper)



## Industry is challenged by shortage of people/skills

Mining engineering students





# Lead the future of mining

Sandvik can make it a reality today

- Safe & sustainable
- Reliable & productive
- Connected and fully autonomous
- Data, AI and analytics powered
- End-to-end optimization
- Electrified





# Lead the future of mining

Bringing the capabilities from underground to surface

Safe & sustainable

Reliable & productive

Connected and fully autonomous

Data, AI and analytics powered

End-to-end optimization

Electrified



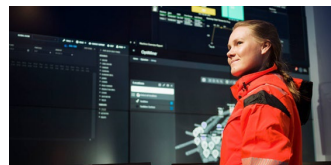


# Strategy for continued profitable growth

## Strategic growth areas



Surface  
drilling  
solutions



Automation  
& mining  
software



Electrification

## Advance our leading position



Aftermarket



Underground  
solutions

## Enabled by

Being customers' first  
productivity partner

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Future-proofing through  
performance excellence

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Our people leading the way

# Strong growth of resilient aftermarket business

## Achievements (2019- 2024)

- Increased fleet and addressable market
- Strong focus on skills and service technicians
- Increased digital recurring revenues
- Increased demand for advanced Ground Support
- Differentiated Rock Tools with unique capabilities

Aftermarket revenue  
(BSEK and %)

22 BSEK

62%

2019

40 BSEK

69%

2024





# Our plan for continued aftermarket success

Revenue growth, at  
fixed exchange rates,  
CAGR, 2024-2030

High single digit



Leverage installed  
equipment base for  
growth

Innovate with industry-  
leading capabilities

Leverage our global  
relevance with strong  
local presence

Continue focus on  
service technicians to  
drive uptime

Increase recurring  
revenue through  
adoption and offering  
expansion





# Customer's first productivity partner for underground solutions

## Achievements

(2019-2024)

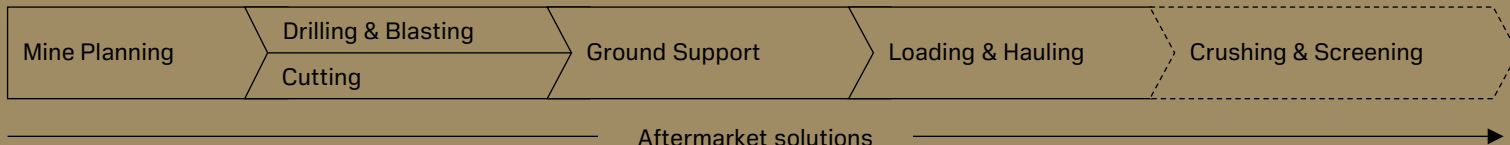
Installed fleet

>45%

Revenue growth with large contractors and miners

>60%

## Value chain presence







# Our plan to advance our leadership in underground

Revenue growth, at  
fixed exchange rates,  
CAGR, 2024-2030

High single digit

Differentiate through  
innovative, integrated  
and holistic solution

Win extensive  
replacement cycle and  
greenfield opportunities

Grow with mine  
owners and excel our  
partnerships with  
contractors

Excel our technology  
and service leadership

Modular portfolio  
for various customer  
needs

# Continued progress in mining electrification

Modular vehicle platform



Diesel	Diesel-Electric	Hybrid	Battery	Trolley	Alternate Fuels
AutoMine™	My Sandvik Productivity		Remote Monitoring Service		
	Electric Driveline				

Installed underground  
BEV development

+30%

2023

2024



# Our digital business is global, leading, growing and profitable

## 2000-2019

Organically developed strong core

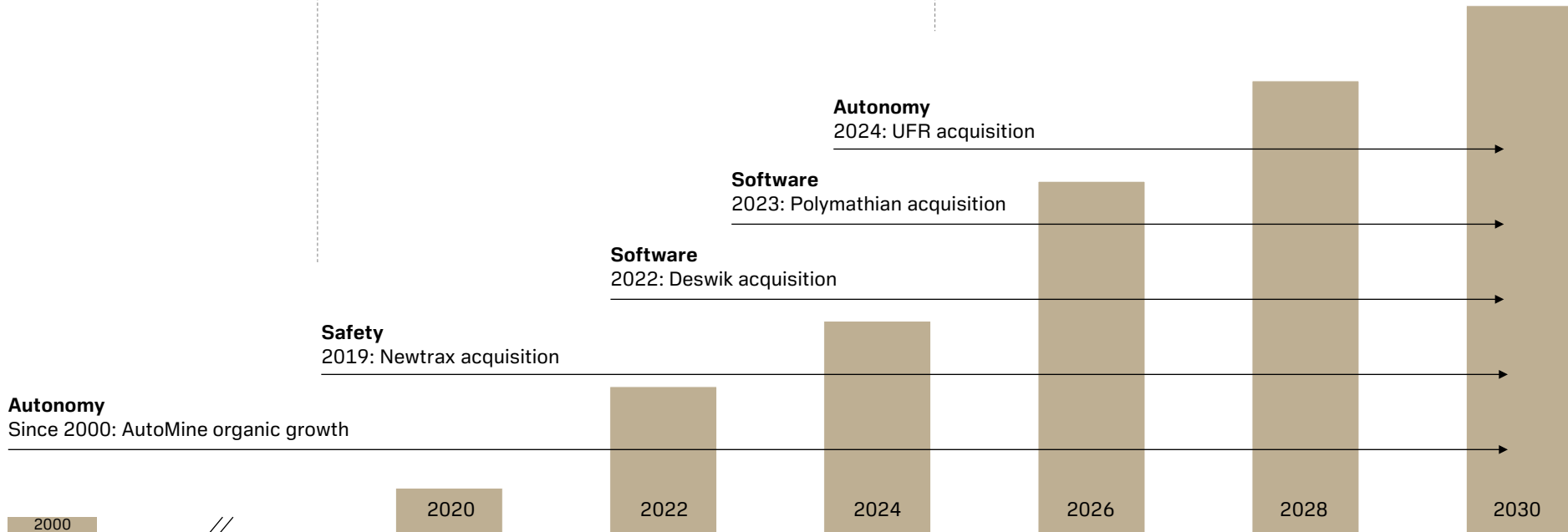
## 2019-2024

M&A expansion to leading digital platform

- >30% revenue CAGR
- ~1000 employees
- Profitable since years back and accretive to Sandvik

## Towards 2030

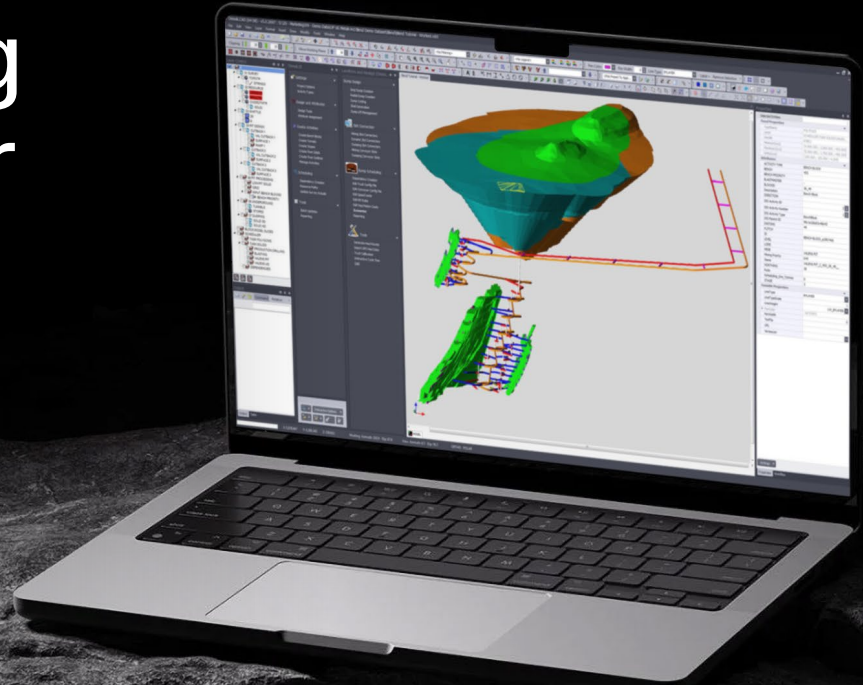
- Double digit growth outlook
- Continued strong profitability development
- Strong leverage for Sandvik equipment and aftermarket





# Software is a strong growth business for Sandvik

- Focus on mining process instead of equipment
- Products for Mine Planning, Scheduling and Optimization
- Subscription based business model (high ARR)
- Market leader in underground mining, expansion to surface mining
- Strong market pull for end-to-end, integrated platforms
- Uniquely positioned for ongoing transition to AI-based applications and business



**Deswik**



# Sandvik has a market leading automation offering

- Comprehensive product range for full autonomy
- 1000+ autonomous units delivered and running
- Scalable offering
- Expansion ongoing to non-Sandvik equipment

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## AutoMine® Codelco El Teniente

- Accumulated AutoMine® orders > 1 BSEK
- Fleet of 48 fully automated loaders and trucks
- Enabled access to 1 million tonnes of new ore



# Surface platform built for expansion

## Achievements (2019 - 2024)

Equipment revenue

2X

Installed fleet

>40%

- Extensive surface platform in place
- Surface test pit fostering customer co-innovation
- Recent wins of strategic surface deals
- Installed fleet market share growth
- Strong future aftermarket opportunity (>3x equipment revenue)





# Our plan to become first choice for surface drilling solutions

Revenue growth, at fixed exchange rates, CAGR, 2024-2030

Double digits

Expand surface offering with optimal aftermarket

Grow with current customer base

Grow infrastructure in selected areas

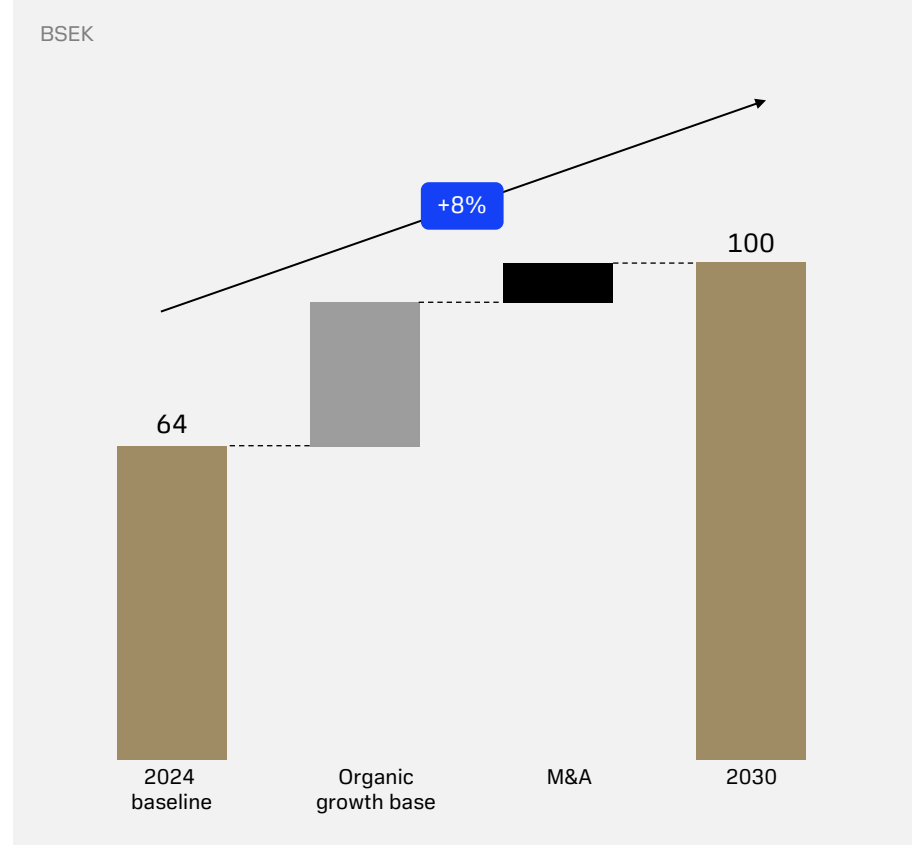
Expand automation and software solutions across value chain





# Towards 100 BSEK

- Strong revenue growth of 8% CAGR over the business cycle
- Advance leading position in underground and aftermarket
- Strategic growth areas
  1. Surface drilling solutions
  2. Automation & mining software and technology
  3. Electrification





# Summary

- Strong long-term market fundamentals
- Global market leading positions
- Innovative and holistic solutions
- Customers first productivity partner
- Safety and sustainability is in our core
- Industry leading margins with high ROCE

Revenue growth, CAGR

**8%** At fixed exchange rates

Adjusted EBITA margin range

**20-22%**

Strategic growth areas

**Double-digit growth**



# Q&A



# Rock Processing

Richard Harris  
President



# Solid strategy execution

## 2019-2024

- Revenue growth, at fixed exchange rates, CAGR 6%
- Expanded in attractive niches in mining
- Increased aftermarket share of revenue
- Wider product offering and geographic presence to deliver eco-efficient rock processing in mining

**2021**

Focus on structure and efficiency



**2022 – 2024**

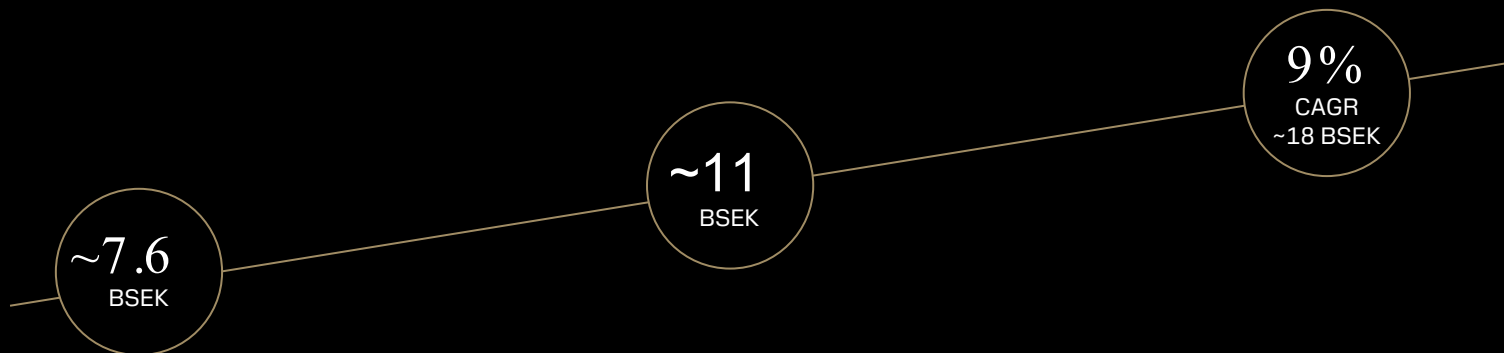
Expand core offering and market presence

schenck process



**2030**

Increase focus on mining and demolition & recycling



\*Signed not closed





# Successful journey with Schenck Process Mining

60

of 150 MEUR in revenue  
synergies realized

34% > 56%

of revenue in Mining

52% > 61%

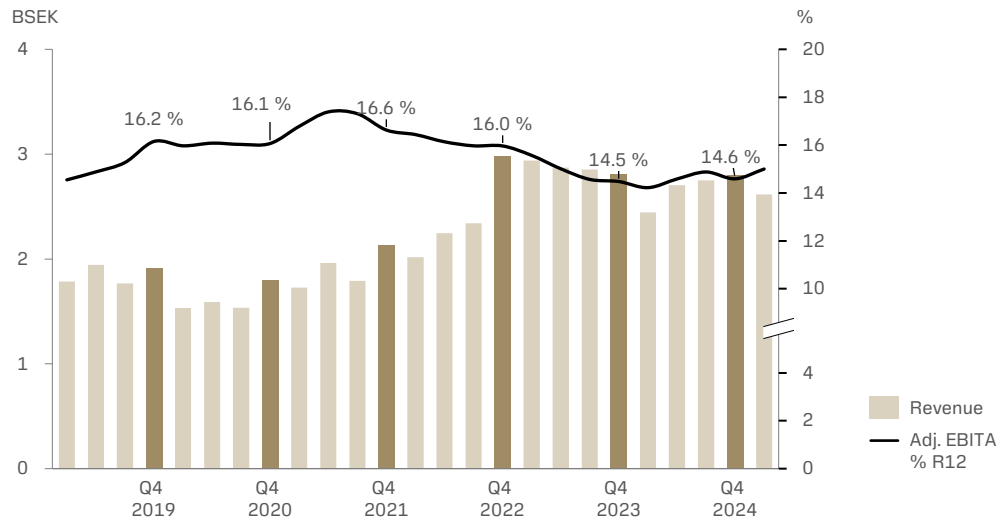
of revenue in Aftermarket





# Profitability journey

## Revenue and Adj. EBITA margin development



Revenue growth, CAGR  
2019 – 2025 Q1

**6%**

At fixed exchange rates

Adj. EBITA margin R12  
2025 Q1

**15.0%**

ROCE R12  
2025 Q1

**12.3%**

Based on reported EBITA

- Adjusted EBITA margin target range of 17-19%
  - Increase share of aftermarket to 65-70%
  - Infrastructure recovery
- EBITA margin in mining segment higher than infrastructure due to share of aftermarket sales
- Normalized leverage of ~25% on volume change
- Demonstrated margin resilience during infrastructure downturn
- ROCE at 12.3% - will improve with Schenck synergy realization, infrastructure recovery and NWC normalization

<sup>1</sup> Excluding currency

<sup>2</sup> ROCE excluding amortization of surplus values



# New targets 2024-2030

Revenue CAGR  
2024-2030

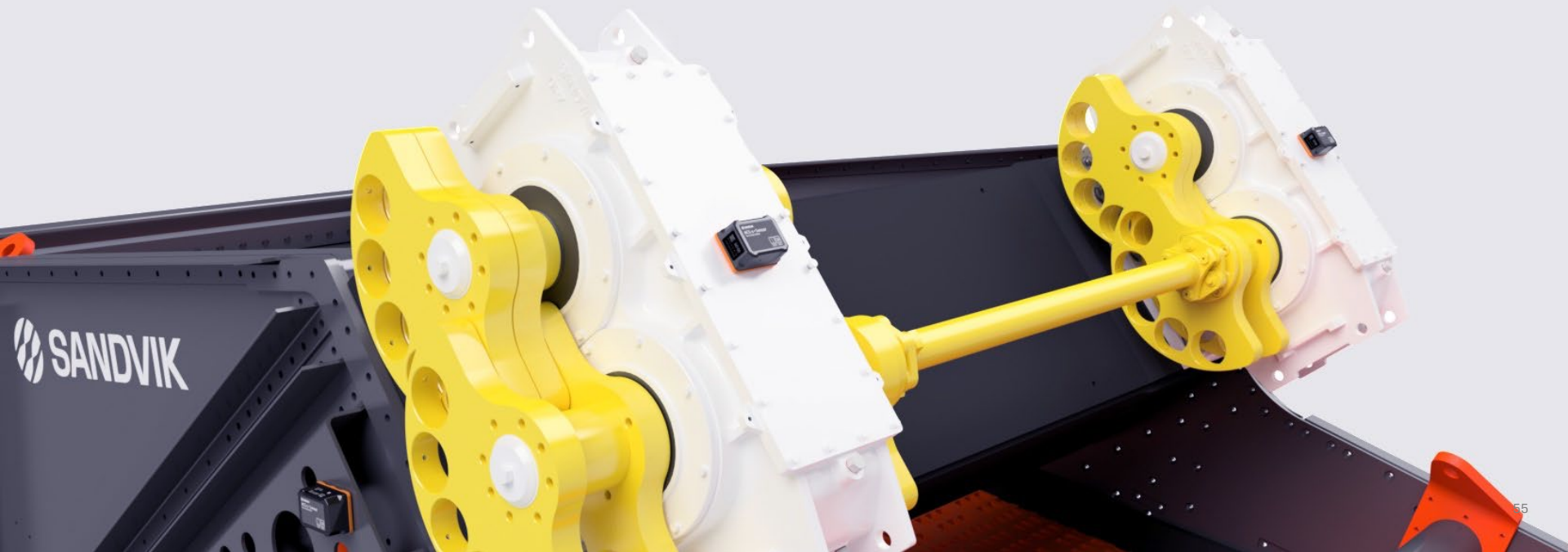
9%

Aftermarket share  
of value, 2025-2030

65-70%

Adjusted EBITA

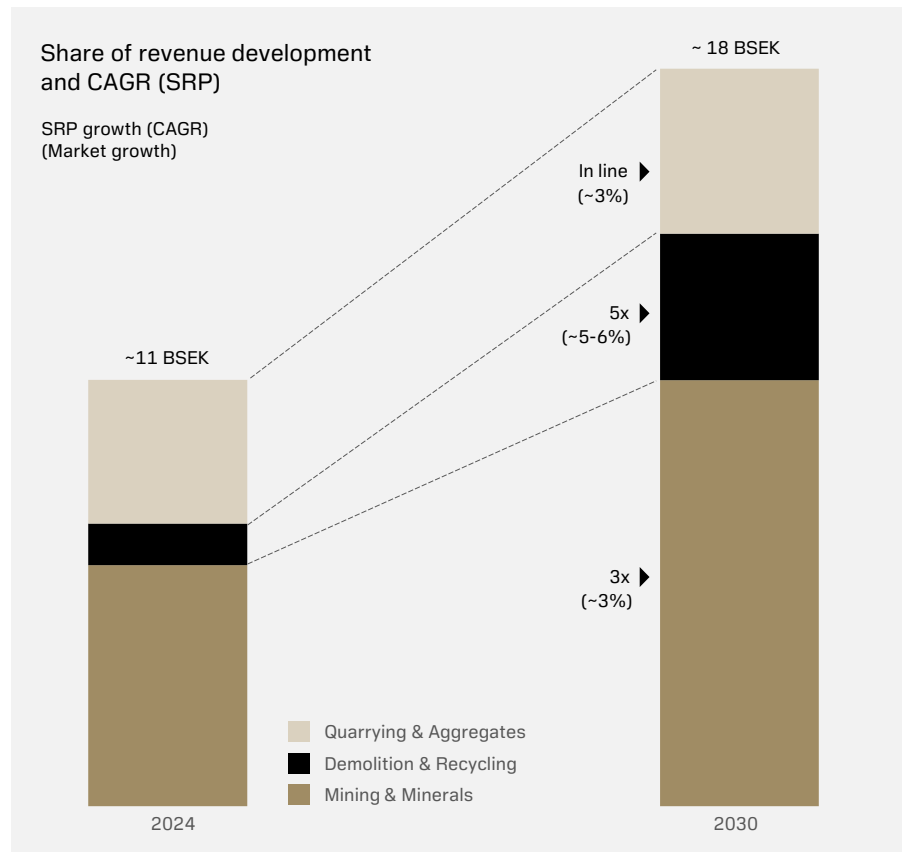
17-19%





# Expand in attractive segments

- Strengthen market leading positions in rock processing in mining
- Realize untapped potential to improve sustainable business for mines
- Expand geographically and strengthen our offering in demolition and recycling through acquisitions



# Continue to expand in mining

- Strengthened position in mining with full crushing and screening offering
- More deals to compete on
- Increase aftermarket capture





# Leverage on superior crusher technology

Market recognition and doubled order intake of large 800i crushers validates our winning strategy

The mining sector's consumption of the world's total energy

~6%

Our concept offers energy savings at customers' sites with

10-20%

Number of mines with significant growth opportunities

>600





# Solid position to expand in aftermarket

- Increased installed equipment base
- Value-adding service offering
- Acquisitions in attractive niches with high aftermarket content



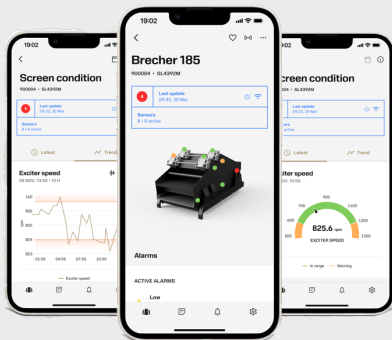


# We add value to the process

The expertise

Optimal supply

Digital offerings



**WearApp**  
is the cutting edge  
add-on that leverages  
the power of AI for  
optimal accuracy and  
detail in panel wear  
assessment



# Advancing in screening media

## Globally scalable

- Gradually increasing sales and service resources
- Increasing screening media manufacturing capacity close to customers
- Sandvik screens are fitted with Sandvik media when delivered
- Digital solutions increase process and service efficiency



“By utilizing Sandvik screening media, we have increased our screen shutdown intervals from 6 to 12 weeks allowing us to continuously achieve our production targets. Sandvik service and support was a key element to ensure a gradual and sustainable improvement”

**Brett McFadgen**  
Executive General Manager Operations at Pilbara Minerals

Digital solutions  
creating value

# Demolition and recycling – well-positioned for growth

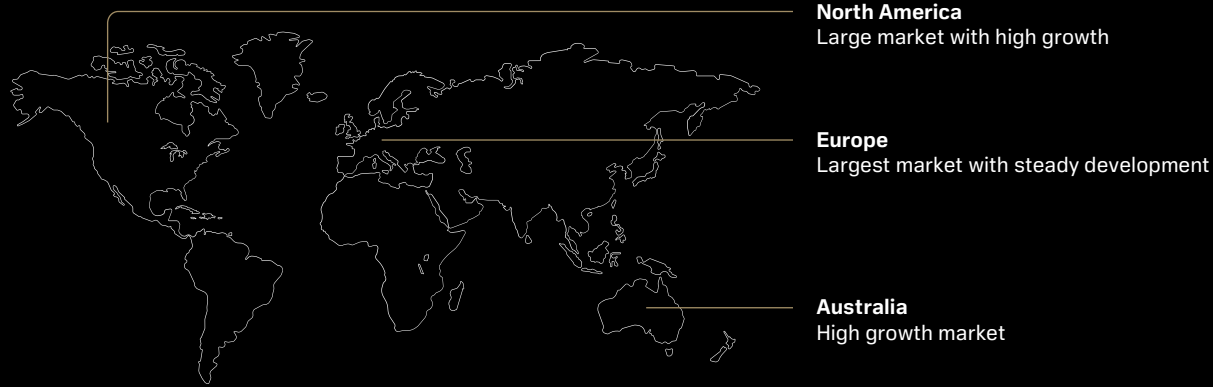
- Favourable trends for higher growth
- Advancing our market position to accelerate growth
- Organic and acquisitive growth







# Global demolition & recycling market set for 5-6% annual growth





# Capturing growth opportunities across the value chain

- Solid inhouse production of demolition tools along with a hammer offering
- Updated portfolio covers essentials in the value chain, from material strip-out to site preparation
- Well-aligned with identified growth opportunities

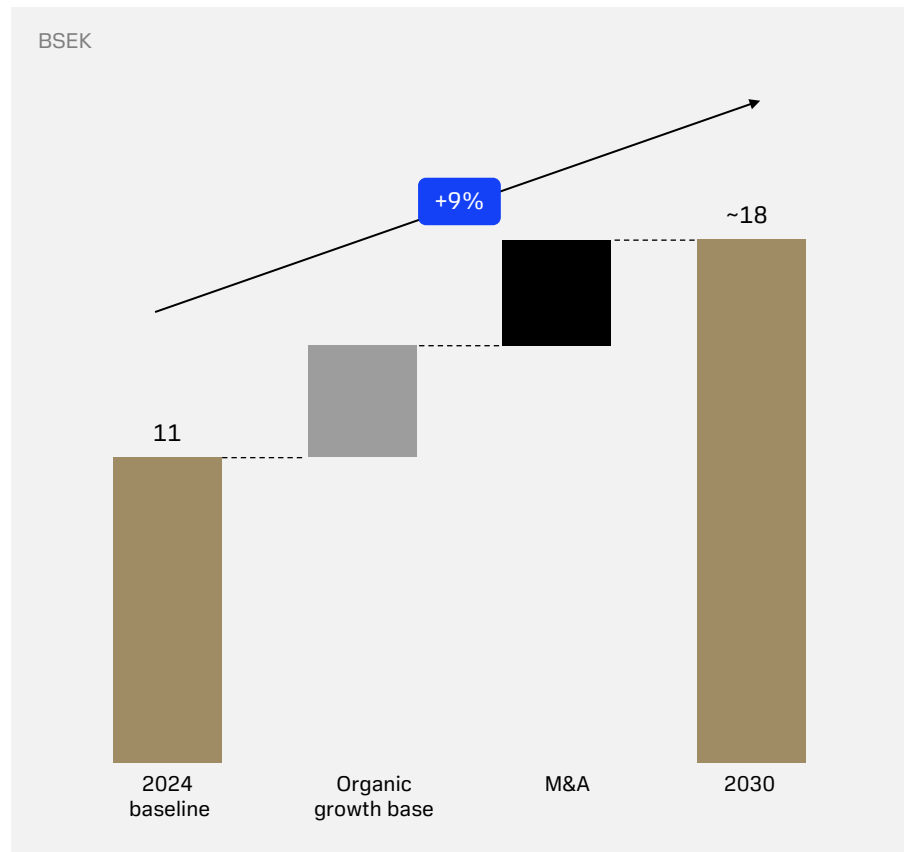
Cutter-Crusher





# 2030 growth target

Growth journey supported by both organic growth and acquisitions within mining, aftermarket and demolition and recycling





# Summary



- Leveraging on stronger position and offering in mining
- Large untapped potential in mining to address in-efficiencies and sustainability
- Expand in aftermarket
- Continue to expand in niches in downstream mining and in demolition and recycling with higher growth

Revenue CAGR  
2024-2030

~9%

At fixed exchange rates

Aftermarket share of value  
2025-2030

65-70%

Adjusted  
EBITA margin range %

17-19

# Q&A



# Machining and Intelligent Manufacturing

Nadine Crauwels  
President Machining

Mattias Nilsson  
President Intelligent Manufacturing



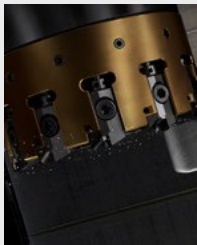
“My vision is to create a technology network of technology companies and there Sandvik is a great partner and a great start”

Andreas Schick  
*Chief Operating Officer at Schaeffler*



# With a unique position in manufacturing, Sandvik is shaping the industry's future

## Sandvik's competitive edge



### **80+ years of manufacturing expertise**

Market leading cutting tool  
brands driving customer  
productivity and innovation



### **Proprietary data advantage**

Cutting tool, material, and  
machine data – to power  
next-generation solutions



### **Leading software solutions**

Across the component  
manufacturing chain,  
enabling digital threads and  
customer optimization

**Enterprise customers**

**Small and mid-size customers**



### **A unique market position**

No other cutting tool or software provider combines these capabilities



# Sandvik has built market leading positions with multiple entry points across the customer value chain



Market leading positions

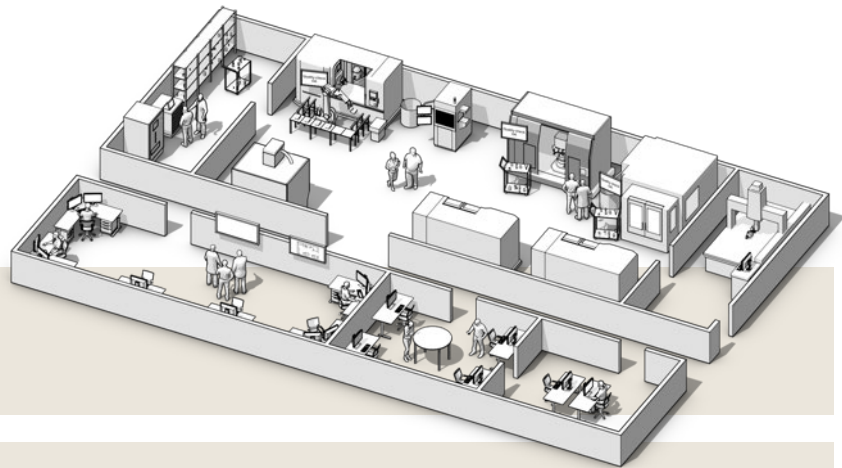
**#1 cutting tool**  
provider globally, with strongest  
position in premium

**#2 CAM software**  
provider based on end-user  
payments

**#2 agnostic metrology**  
**software** provider globally



# Manufacturers' needs and priorities



## Production challenges

Complex components | Skills gap | Evolving customer demands

## Customer needs

Increased automation | Efficiency | Service and support

## OEMs / large customers

Technology teams | Strategic partners | Platform vs. best-of-breed

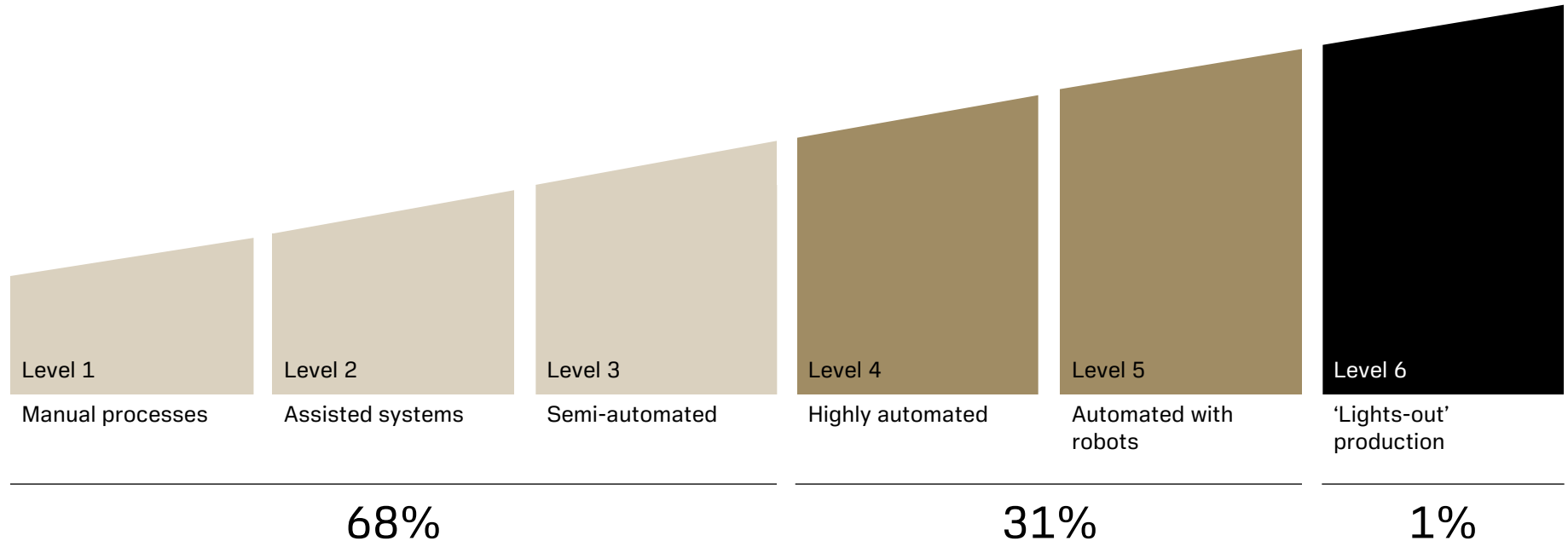
## Contract manufacturers / SMEs

Single-site | Owner-driven | Turn-key preference



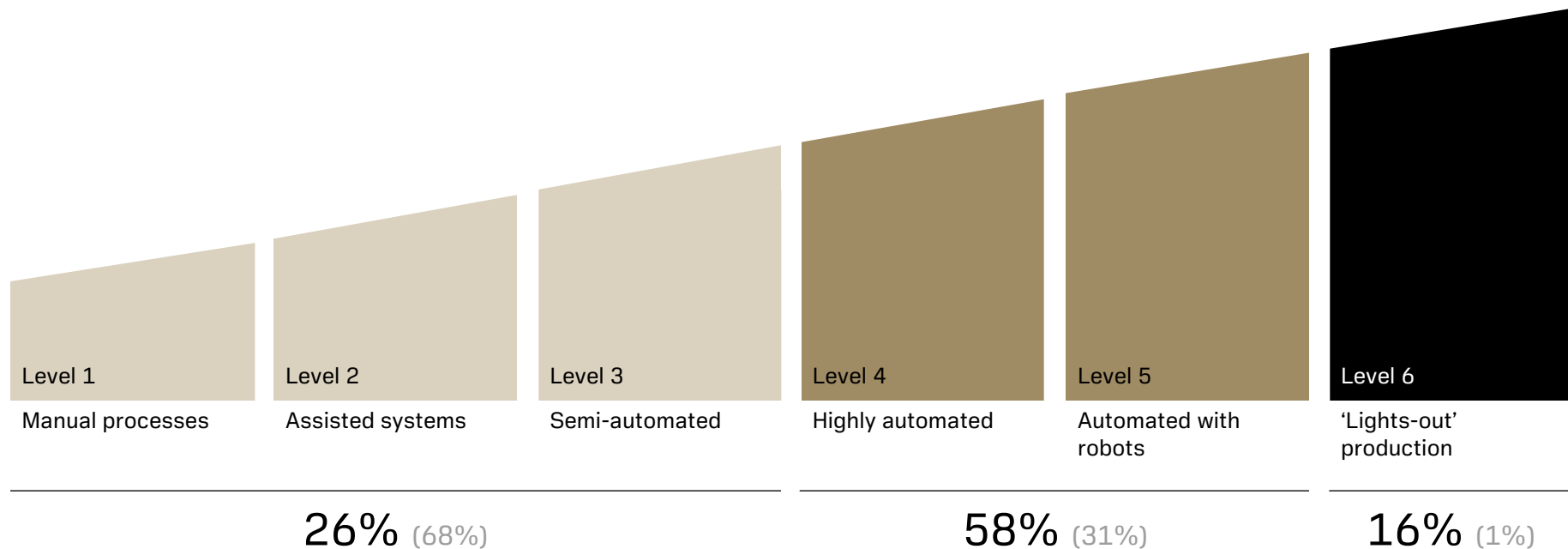


# Most customers still have a low level of automation





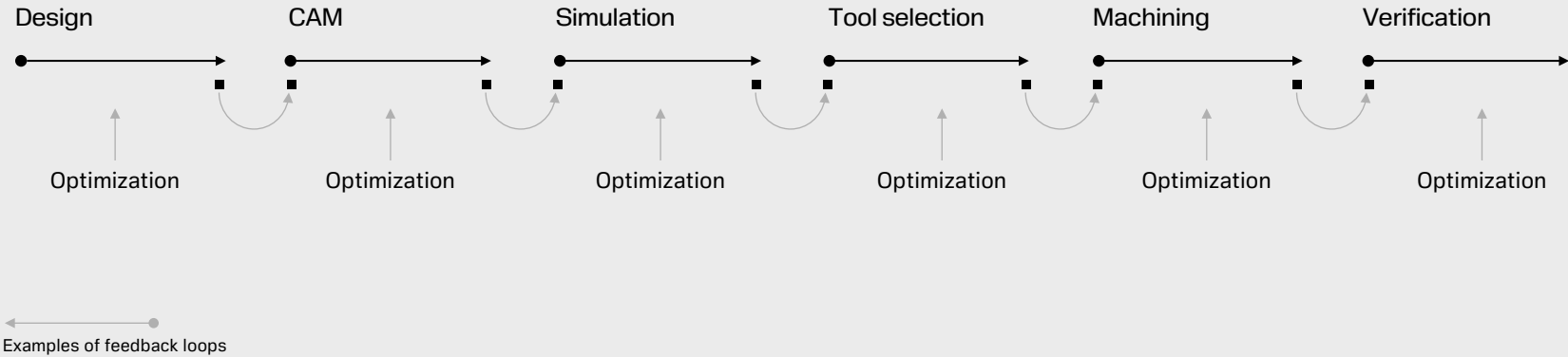
# 80% expect to increase automation by 2030 – AI will speed up this move





# The manufacturing workflows of today are changing

A typical design to component workflow today



**Fragmented workflows** with limited integration

**File-based data** transfer

**Some initial feedback loops**, but limited automation

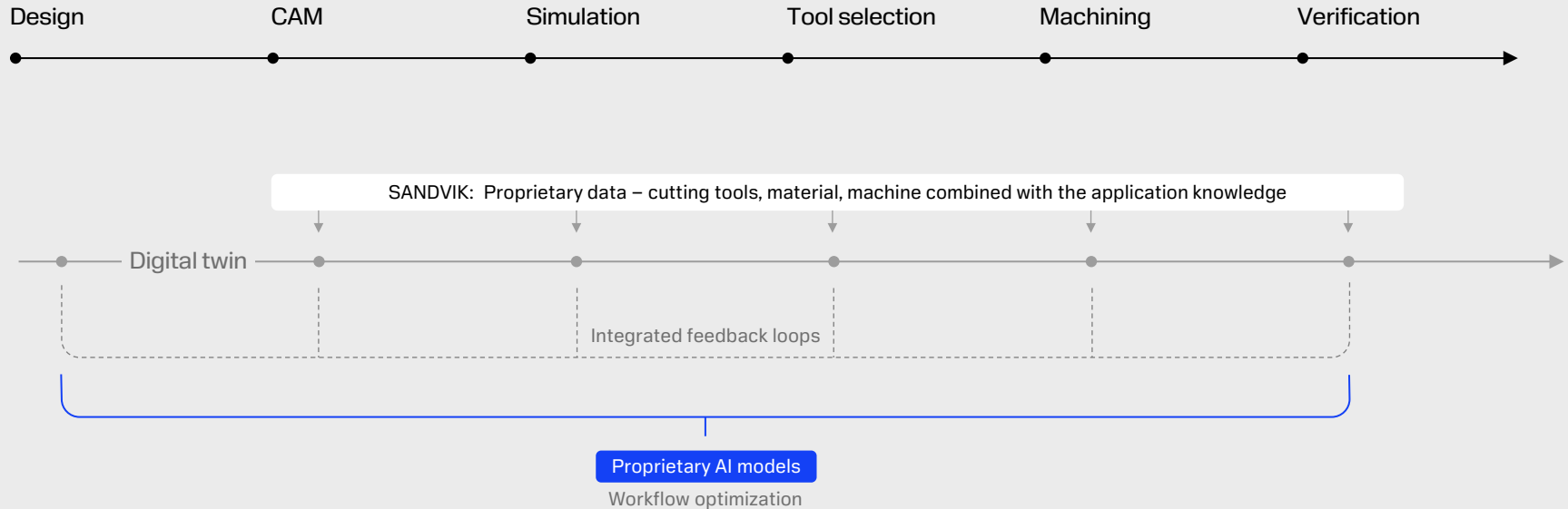
**Optimization happens at individual steps**, not across the full workflow

**Workflow efficiency** depends heavily on human expertise rather than system intelligence



# Automated data flows, fueled by Sandvik proprietary knowledge

Tomorrow: digital thread enabling seamless flow of data through the process



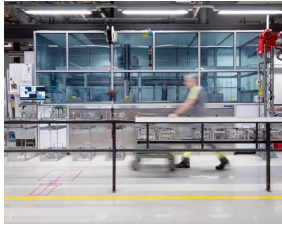


# Benefits for Sandvik customers – and for us

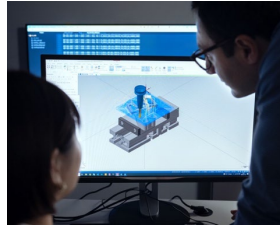
## General customer benefits



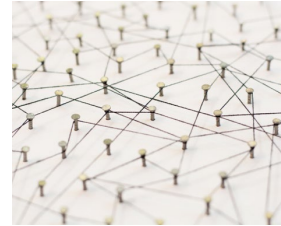
**Faster time to market** through optimized workflows



**Reduced manual tasks** with higher efficiency and quality



**Data-driven insights** to enhance process security and performance



**Multiple value chain entry points** and a flexible ecosystem approach



**Part of industry we serve** gives unique customer understanding



**Reliable machining knowledge** available digitally and through our experts

**Unique, competitive solution offering**

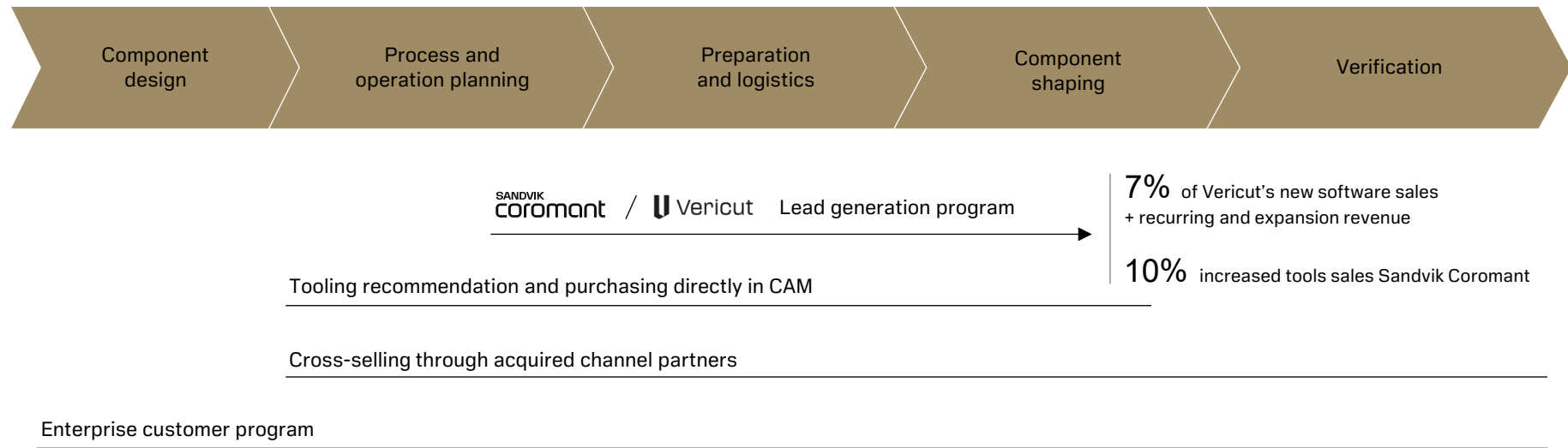
**Increased cutting tool sales and customer stickiness**

**Enablement of new business models**





# Cross-sell complementing offer to broad base



100,000 direct **machining customers**

400,000 **software seats** globally

# Synergies driving above market growth



Offer unique solutions to enable customers automation journey



Maximize cross-selling opportunities across our wide customer base



Strengthen our role as a trusted enterprise solution partner

**Machining**

**15%**

of 2024-2030  
organic growth, CAGR

**Intelligent  
manufacturing**

**25%**

of 2024-2030  
organic growth, CAGR

**Machining +  
Intelligent manufacturing**

**5%**

Revenue growth, at fixed  
exchange rates, CAGR 2024-2030



# Intelligent Manufacturing

Mattias Nilsson  
President

# A leading manufacturing software platform, well-positioned for growth

Revenues BSEK  
(Q1 LTM 2025 proforma)

3.1

Recurring software  
revenue

60%

Share of  
software

>95%

Adj. EBITA margin  
(software business,  
Q1 LTM 2025)

>25%

Adj. EBITA margin  
(Q1 LTM 2025)

22%

ROCE  
(on reported EBITA,  
Q1 LTM 2025)

8%





# Leading positions in attractive markets

	Market shares	Market size	Market growth	Sandvik position
<b>Production &amp; operation engineering</b> Computer-Aided Manufacturing Simulation, Verification, Optimization	<p>CAM end-user payments 2024 estimated</p> <p>15%</p> <p>Sandvik</p>	SEK Bn <b>30</b>	2025-2030 <b>6-7%</b>	<ul style="list-style-type: none"><li>- Top 2 overall position</li><li>- Leading provider to small-and-midsize machine shops</li><li>- North America, strongest presence</li></ul>
<b>Verification</b> 3D metrology software	<p>Estimated 3D metrology software revenue</p> <p>Est 3%</p> <p>Sandvik</p> <p>■ Hardware incumbents ■ Agnostic software providers</p>	SEK Bn <b>18</b>	2025-2030 <b>6%</b>	<ul style="list-style-type: none"><li>- Top 2 agnostic software provider</li><li>- Strong position with OEMs and large enterprises</li></ul>



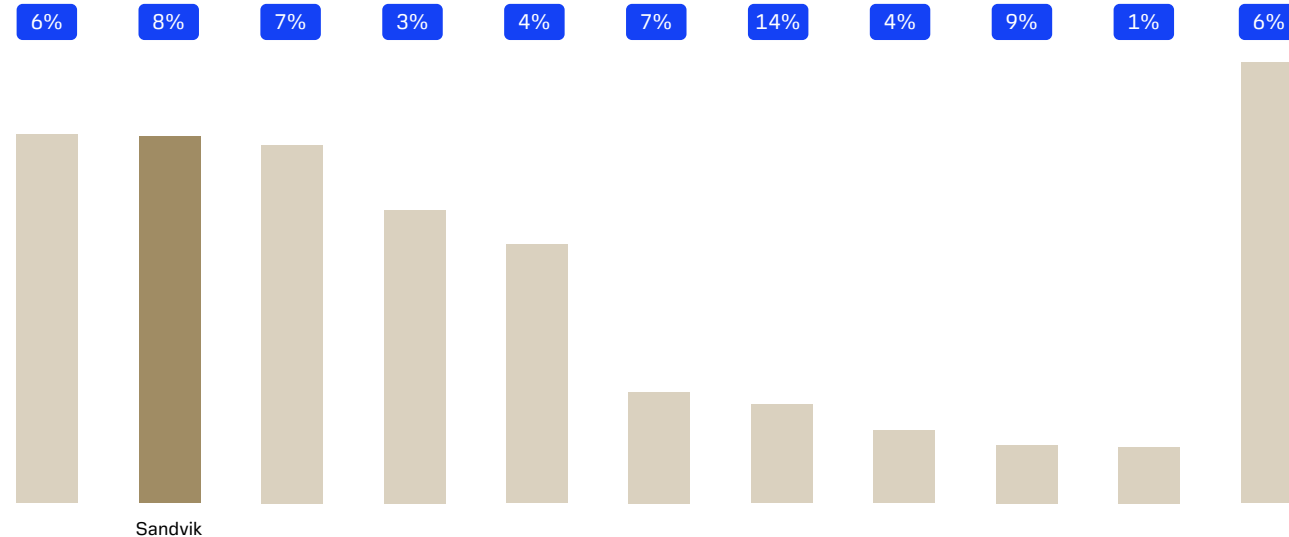


# We have grown faster than the market

## CAM market: End-user payments

MUSD (2024 estimated)

CAGR 2021-2024E



- CIM data estimates that Sandvik will have the highest growth among the top 5 CAM providers

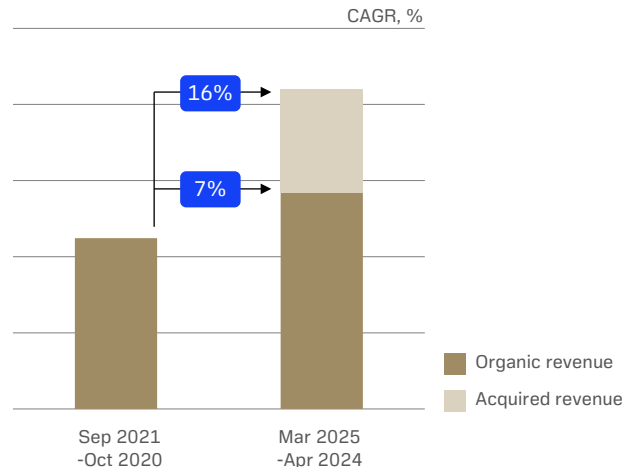


# Mastercam case study:

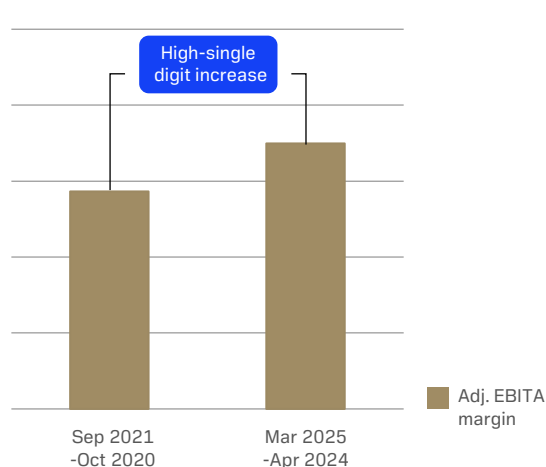
## Growth above market at accretive margins

### Mastercam financial development – Constant currencies

#### Revenues (proforma)



#### Adjusted EBITA margin, %



### Key activities

2021	Mastercam acquired in September 2021
2022	Next generation toolpath investment
2023	Product integrations with Sandvik Coromant
2024	Channel partner acquisition program
2025 -	Product releases from Sandvik synergies: <ul style="list-style-type: none"><li>- Next generation toolpath platform</li><li>- Agent-based AI Copilot</li><li>- Integration for CAM automation</li><li>- Tooling purchasing in CAM</li></ul>

# Lead generation synergies

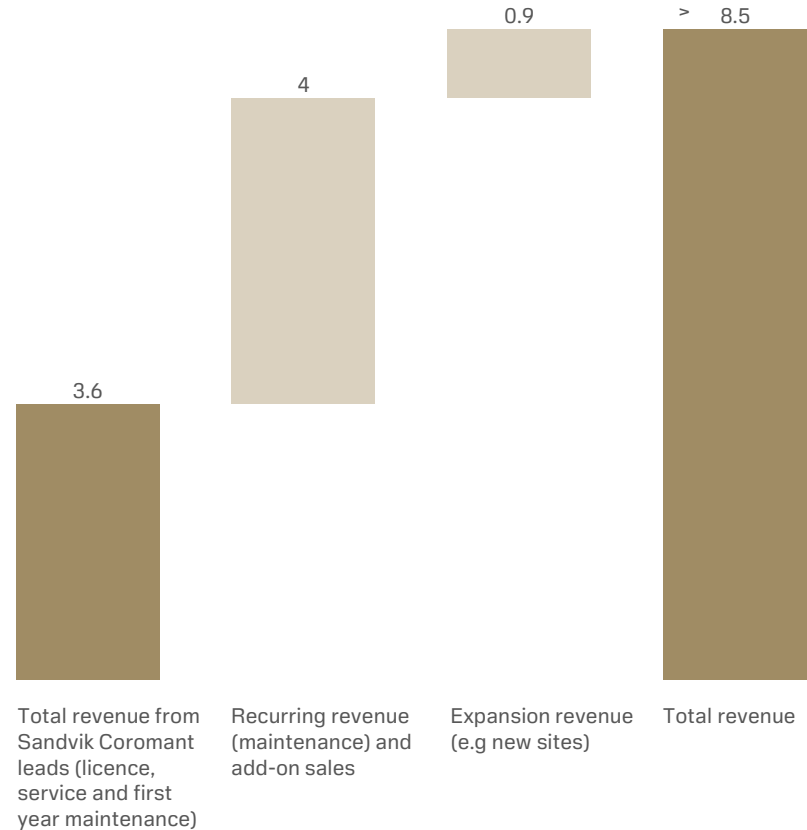
A Vericut case study

## 7%

of Vericut new software sales  
from Sandvik Coromant leads

**SANDVIK**  
**coromant** → **U** Vericut

USD M





# Targets

The strategy execution  
from 2025 to 2030

Revenue growth, at fixed  
exchange rates, CAGR

15%

[7.5 BSEK]

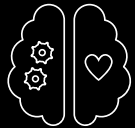
Recurring revenue

80%

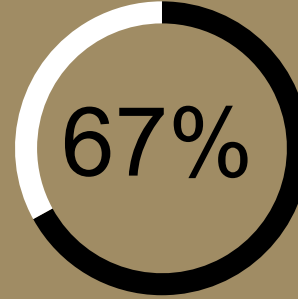
Adj. EBITA

25%

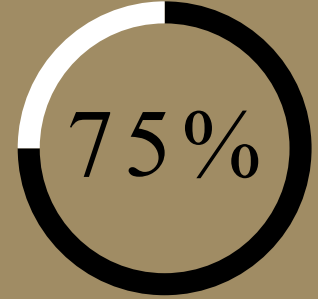
# Customer needs driving our growth strategy



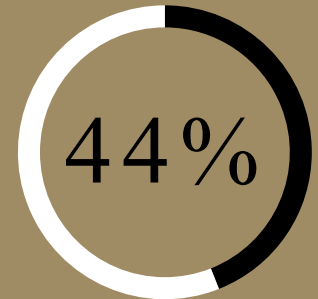
1. Component complexity
2. Skills gap



Prefer to buy  
turnkey/bundled solutions



Prefer physical meetings  
when purchasing software



Prefers better access to  
technical expertise to  
resolve urgent issues







# Desired future position

End-to-end solution provider

1.

Leading solutions  
with seamless  
integration

2.

Leader in our main  
markets for small- and  
medium sized customers

3.

Preferred end-to-end  
partner to selected  
enterprise customers





# Desired future position

End-to-end solution provider

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Leading solutions  
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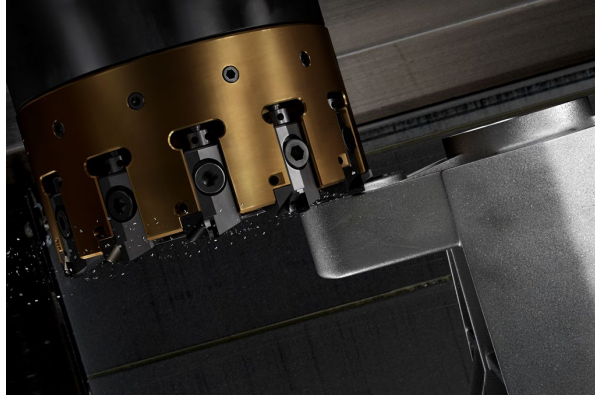
Leader in our main  
markets for small- and  
medium sized customers

3.

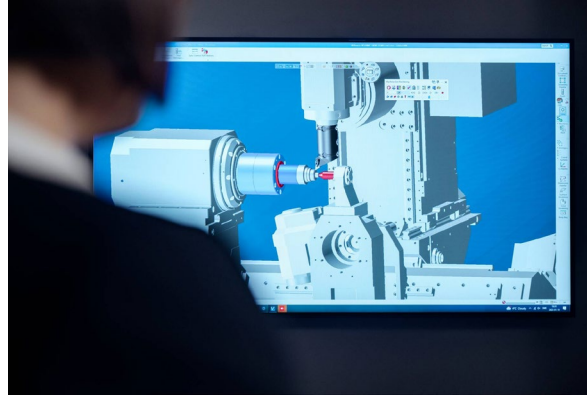
Preferred end-to-end  
partner to selected  
enterprise customers



# Addressing the customer automation need



So far: Product integrations



Until 2030: Digital thread & feedback loops



Beyond: Closed loop manufacturing

# First to market with AI in CAM

So far:  
Manufacturing  
Copilots



Mid-term:  
Digitize machining  
intelligence

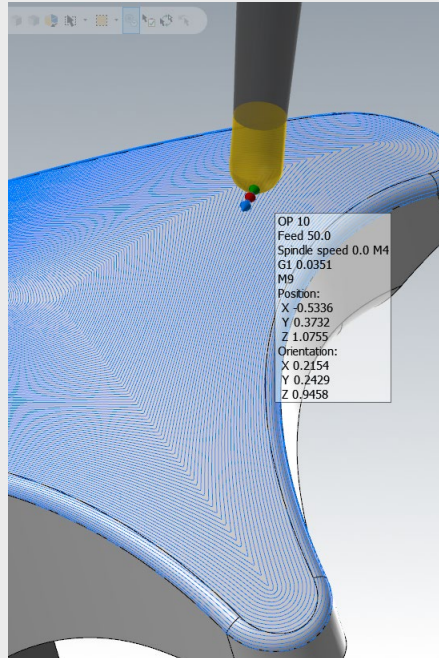






# Investing in the future to accelerate growth

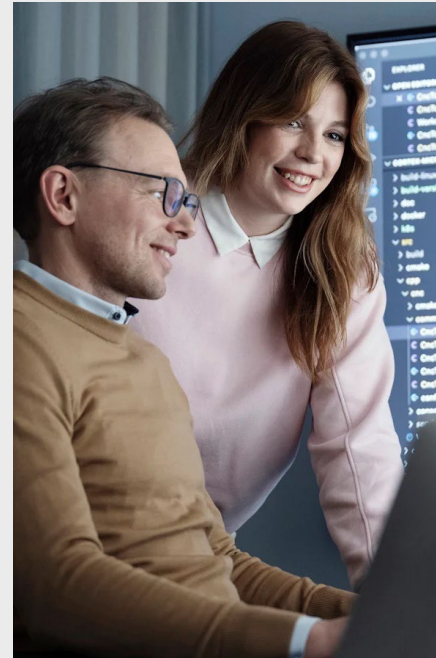
Next generation toolpath kernel



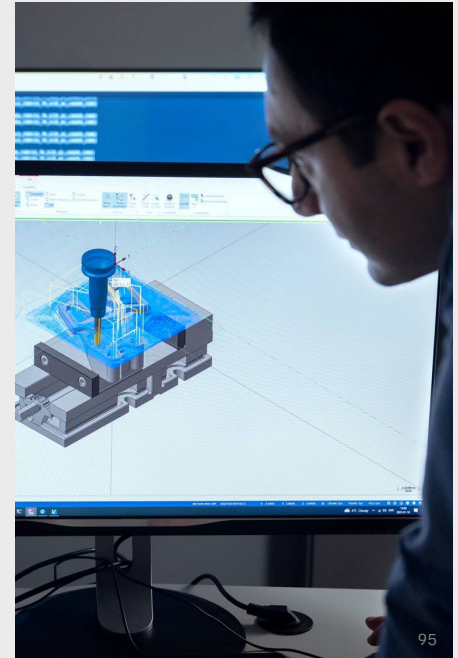
Next generation Metrologic hub



Continued focus on AI



Innovation hub in India







# Desired future position

End-to-end solution provider

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with seamless  
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medium sized customers

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Preferred end-to-end  
partner to selected  
enterprise customers

# Customer needs

- Fewer partners
- Leading solutions
- Broader know-how
- Close to them





# Mastercam case study: additional value creation plan

Step-wise plan to value creation		Potential impact
01	Channel partner acquisitions in US <ul style="list-style-type: none"><li>– Direct access to 50% of customer base</li><li>– Software growth at attractive valuations (~4-6x EBITDA)</li></ul>	<b>250 MSEK</b> in net new software revenue added, from 250 MSEK to 500 MSEK
02	Drive sales of other Intelligent Manufacturing solutions through acquired channel	<b>~200 MSEK</b> estimated additional annual software spend potential from Mastercam direct customers
03	Explore cross-selling cutting tool with Machining	<b>~3,000 MSEK</b> estimated annual cutting tool spend of Mastercam direct customers
04	Scale value creation plan globally	Not quantified

**Mastercam.**





# Desired future position

End-to-end solution provider

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Leading solutions  
with seamless  
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markets for small- and  
medium sized customers

3.

Preferred end-to-end  
partner to selected  
enterprise customers



# Strategic partnership program approach

- Scale strategic partnership program
- Leverage Sandvik's unique value proposition and market reach
- Agnostic, strong and adaptable software offering
- Invest in next-gen technical platforms and seamless integrations
- Additional revenue generation from addressing new customer opportunities





# Summary

## Growth strategy

- Capitalize our unique position with manufacturing expertise and software capabilities
- Expand share of wallet through SME market leadership
- Scale enterprise partner program
- Over half of total revenue growth will be organic
  - Complemented by bolt-on acquisitions with high returns and strategic acquisitions strengthening our offering further
- Positive ROCE development ahead
  - Organic growth, accretive reseller roll-ups and margin improvement

Revenue growth, CAGR

15%

At fixed exchange rates

Recurring revenue

80%

Adj. EBITA margin

25%

Revenue (BSEK)

7.5





# Machining

Nadine Crauwels  
President Machining





# A trusted market leader

Number 1 in  
inserts

Tied # 1 in round  
tools (13%\*)

4% of sales  
invested in R&D.  
Every 5<sup>th</sup> product  
sold is newer than  
five years

\*Market share estimate 2024

# Repositioning through value driven M&A

16 acquisitions  
since 2020 with  
above market  
growth, adding  
5 BSEK of  
annual revenue

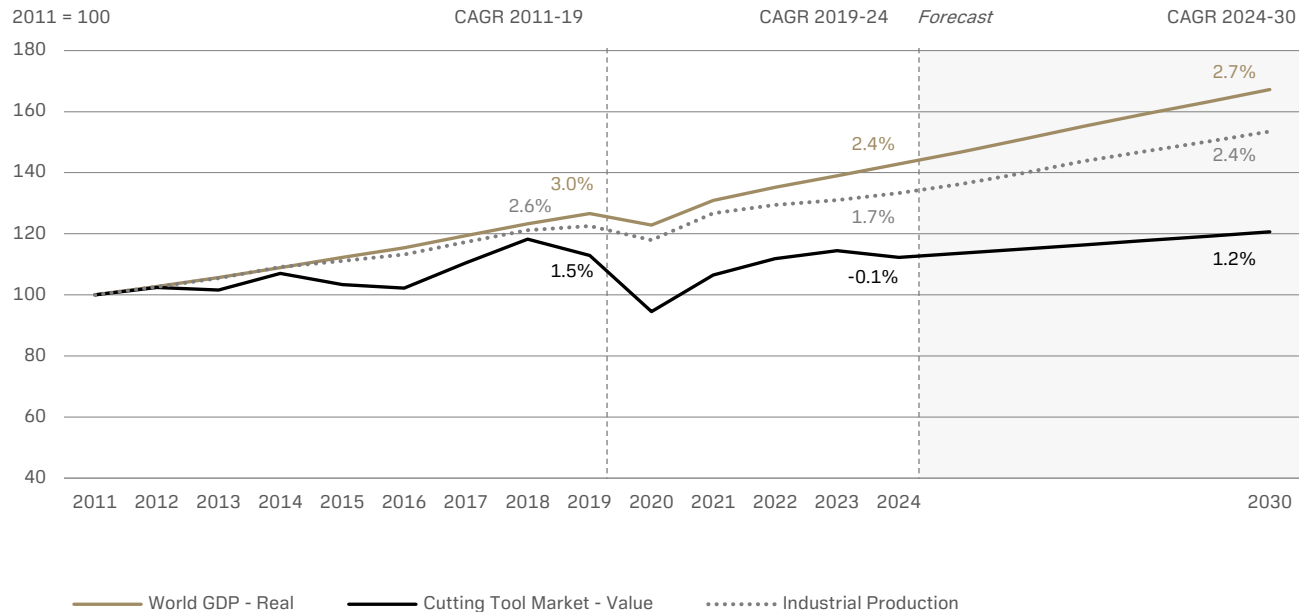
Focused on value  
creation through  
M&A

Digitalizing our  
customers – strong  
solutions partner  
and synergies with  
Intelligent  
Manufacturing





# Cutting tools is a growing market



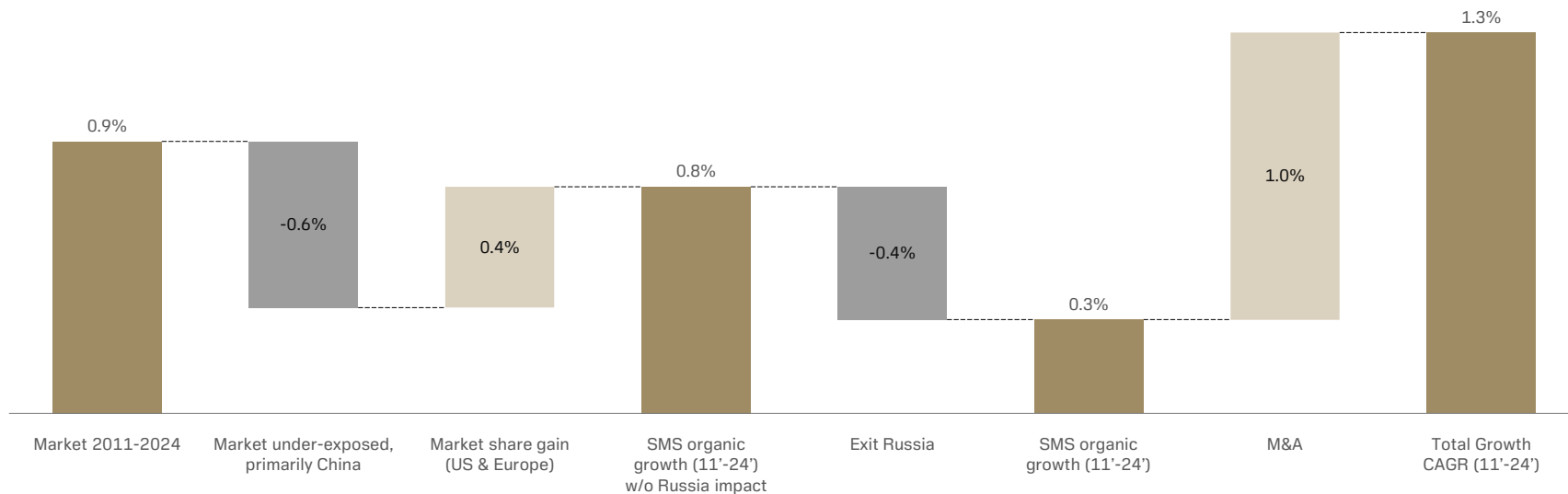
Indicator	CAGR 2011-30
Real GDP	2.7%
Industrial Production	2.3%
Cutting Tools Value	1.0%

- GDP mix shift towards services
- Less machining content in manufactured goods
- Enhanced cutting tool performance



# Machining's historical organic growth impacted by China underexposure and Russia exit

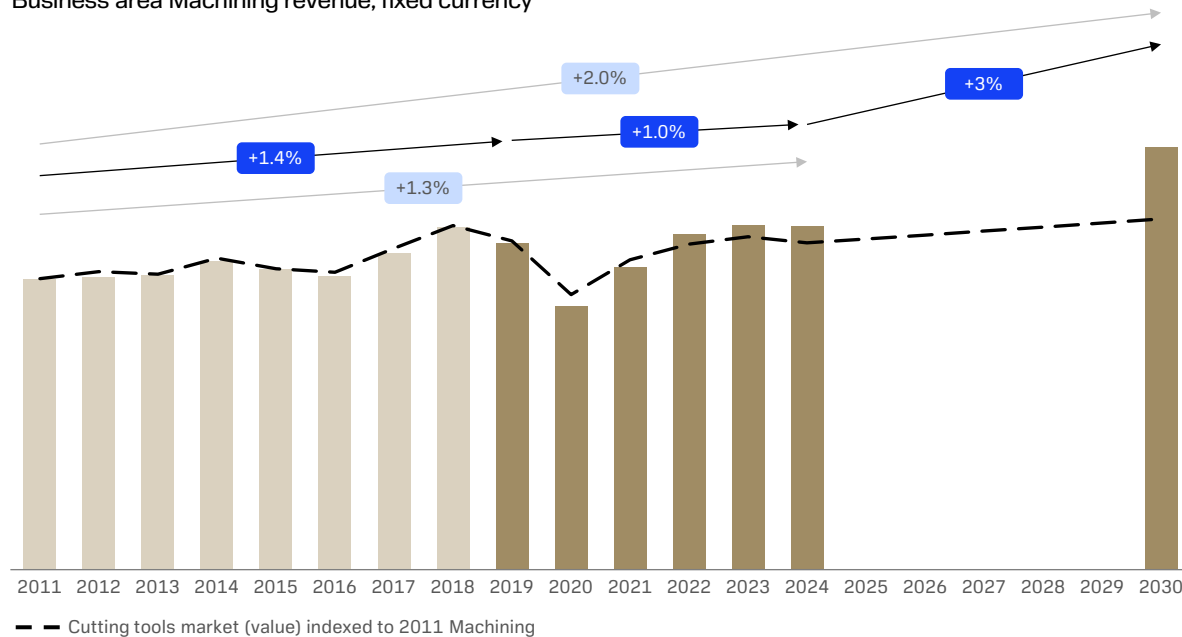
Revenue CAGR, fixed currency





# Fueled by acquisitions, accelerating our growth above the pace of the market

Business area Machining revenue, fixed currency



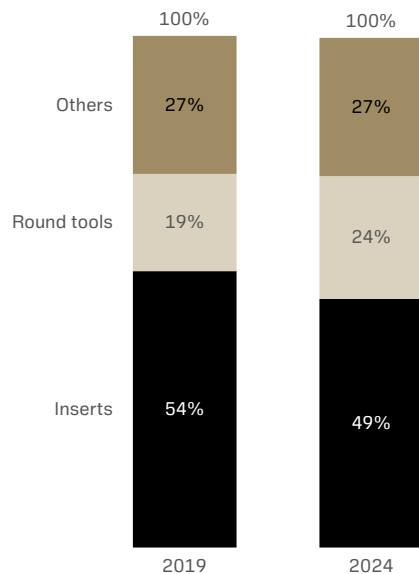
CAGR	2011-2019	2019-2024	2024-2030
Machining total	1.4%	1.0%	3%
Market	1.5%	-0.1%	1.2%



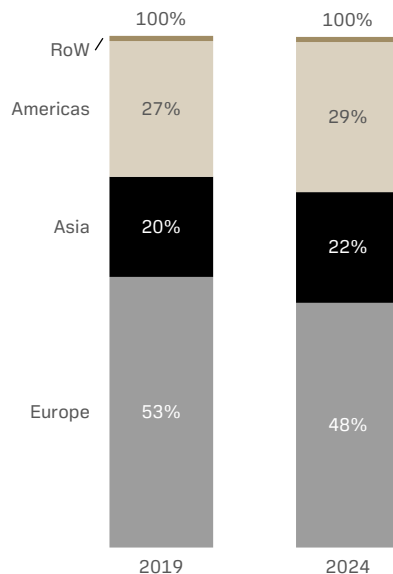
# Portfolio being repositioned towards higher growth

% of revenue for total Machining, fixed currency

## Product mix



## Regional mix



- Tied #1 in round tools market share
- Recovered market share in Asia
- Full capability (powder to insert) in Americas
- Selective M&A strategy targeting growth areas

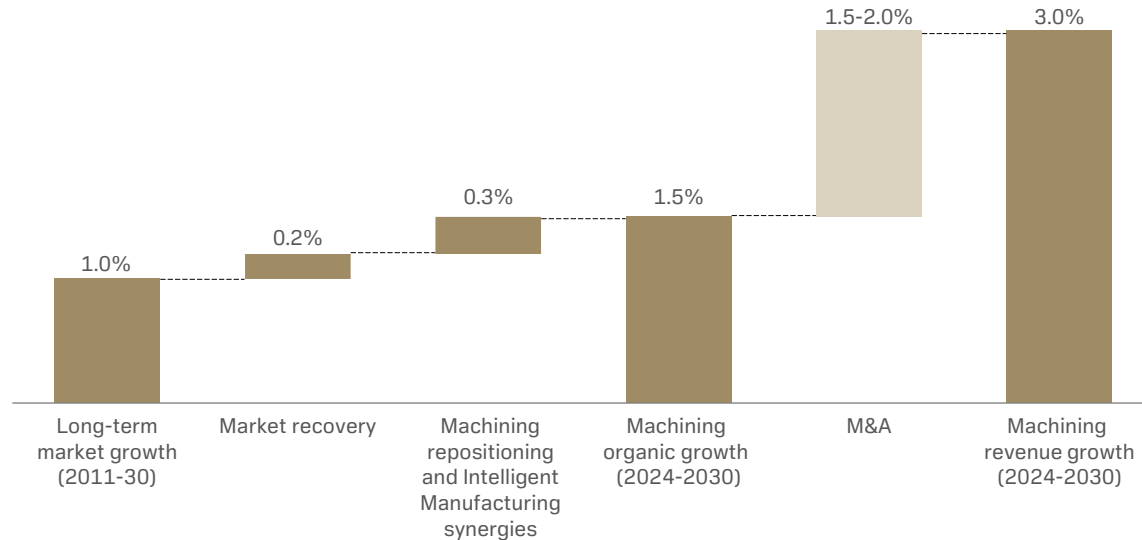
Source: Machining, revenue including non-cutting tool such as powder





# Strategic repositioning and synergies drive growth

## Revenue CAGR

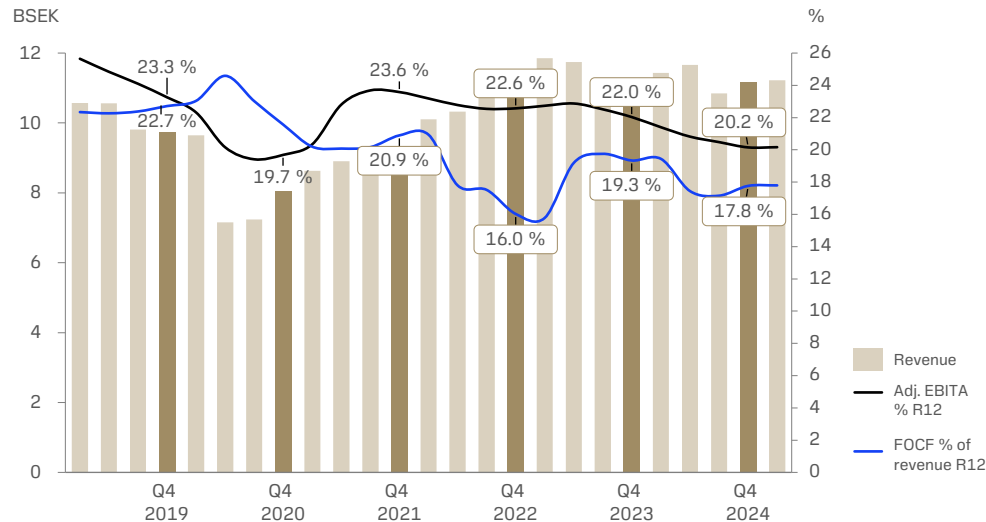


- Market recovery first part of the period vs long-term trend
- Stronger position in growth regions and -segments
- Synergies with Intelligent Manufacturing
- M&A focus on growth and margins



# Profitability journey

## Revenue and Adj. EBITA margin development



\* Indicative prior to split of Machining and Intelligent Manufacturing

Revenue growth, CAGR  
2019 – 2025 Q1

~1%

At fixed exchange rates

Adj. EBITA margin R12  
2025 Q1

20.2%

ROCE R12  
2025 Q1

14.8%

Based on reported EBITA

- Industry leading EBITA margin
- Proven margin resilience
- Strong cash flow generation and a cash flow margin average of 20% since 2019
- Normalized leverage of ~40% on volume change
- Good ROCE at 14.8% given the macro-economic developments



# Areas for growth and value creation

Revenue growth, CAGR

3%

At fixed exchange rates

Adjusted EBITA margin range

22-24%

Leading positions  
in growth areas

Leading innovations

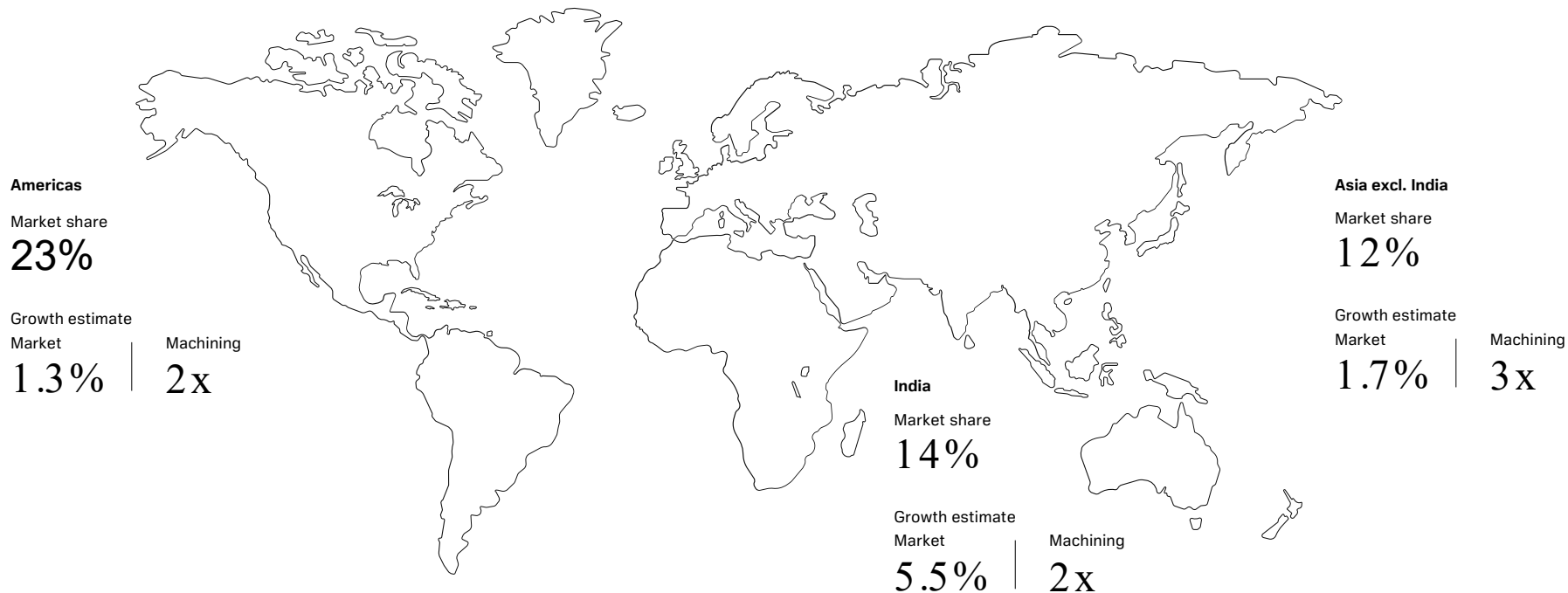
Value creator with  
partners and Intelligent  
Manufacturing

Value-creating M&A  
roll-up strategy

Leveraging the  
Machining portfolio



# Strong local presence in growth regions – above market growth expected





# Stronger positions in key growth segments

CAGR

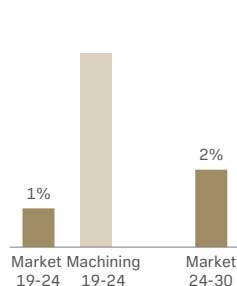
Market

Machining

## Round tools

Market size  
(BSEK)

82

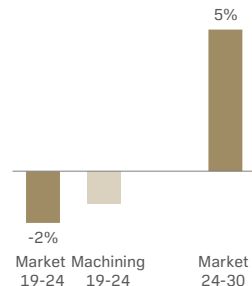


- Increasingly complex components and durable materials
- Machining: focus is on custom products and solutions together with customers

## Aerospace

Market size  
(BSEK)

22

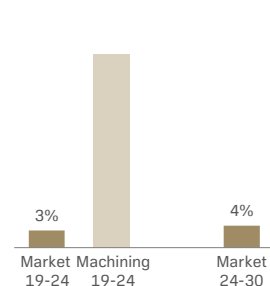


- Asia-Pacific leading demand
- Shift to more fuel-efficient aircrafts
- Machining: leveraging strong customer relations, in growing geographies

## Medical

Market size  
(BSEK)

7

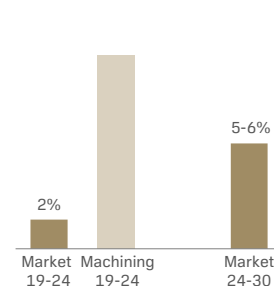


- Aging population
- Improved standard of living
- Increased healthcare spending
- Machining: continued focus on medical segment / solutions selling

## Defense

Market size  
(BSEK)

6

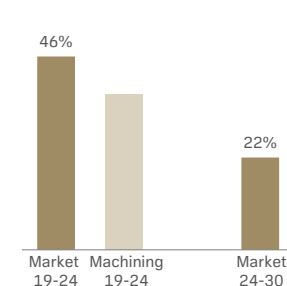


- Expanding defense capacity
- Modernization of weaponry and military vehicles
- Machining: focus on high growth markets (US, Europe, India)

## Automotive EV

Market size  
(BSEK)

4



- Sustainability and regulations driving EV demand
- Machining: launching from low base into strong growth in auto aluminium



“We need to make sure that we are at our best when developing, and that’s why we work with Sandvik Coromant on a day-to-day basis.”

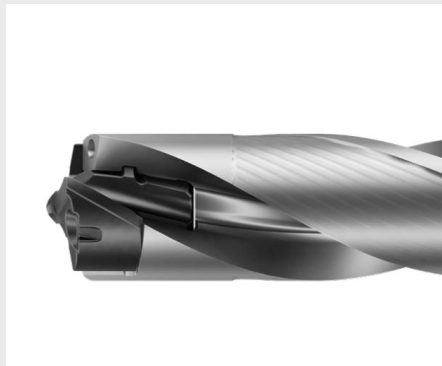
Anthony Puichafray  
*General Manager at Héroux Devtek UK*





# Industry leader in innovation

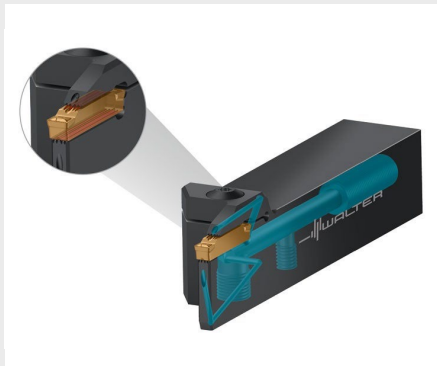
4% of revenue in R&D, New Sales Ratio of 20%



## CoroDrill DE10

Sandvik Coromant's new exchangeable-tip drill for high-volume hole making across all industries. Great potential to gain market share and has had a successful sales start towards key competition.

Launched March 2025



## Groov-tec™ GD

A new grooving system from Walter. Optimized for dynamic turning programmed with CAD/CAM software like Mastercam.

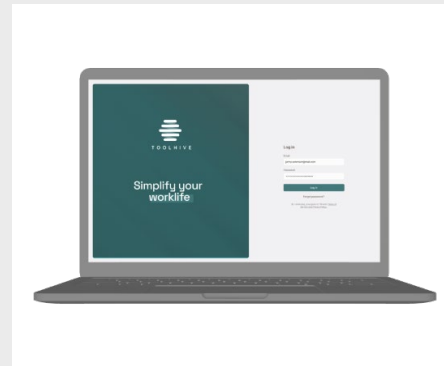
Launched Q4 2024



## Digital boring head

An easy-to-use digital reader from Seco enabling data communication for enhanced functions increasing customer value through automation.

Launched Q2 2024



## Toolhive Tool Management

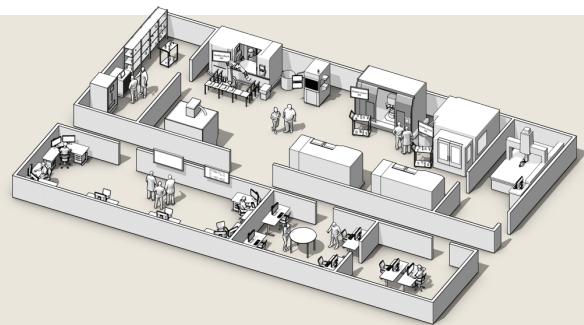
Toolhive empowers manufacturing through smart data integration. This new cloud-based tool management software from Machining, seamlessly connects all essential data points into one user-friendly platform.

Launches May 2025



# Knowledge applied

- through structured product and process data
- Cross-selling with Intelligent Manufacturing - 15% of the Machining organic growth
- Supporting customers on their digitalization and automation journeys
- Increased tool sales and stickiness with customers
- Sustainability data a future differentiator
- Increasing revenues from digital services and new business models



SANDVIK

COROMANT

Seco

WALTER

DORMER PRAMET®

## Bundling offers with internal brands

Mastercam

Vericut

tdmsystems

CRIBWISE

TOOLHIVE

SIGMANEST

CIMATRON

GIBBSCAM

DCS

metrolagic group

ZeroTouch

## And with external partners (not exhaustive)

Microsoft

SIEMENS

AUTODESK

Mazak

ModuleWorks

WMA WILLEMIN MACQUEL

HELLER

OMEGA

ECOCLEAN

DMG MORI

TORNOS

TopSolid



“Seco has evolved to be a strategic engineering partner”

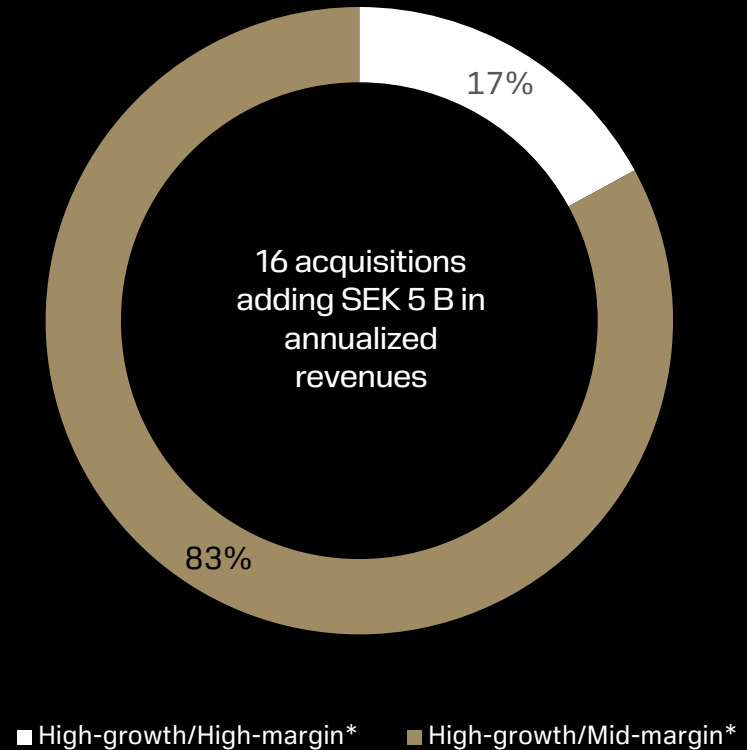
Eámonn Nestor  
*Senior Vice President Operations at  
Smith+Nephew*

# Value creation through M&A

Percent of Enterprise Value invested  
2020-2024

- Experienced serial acquirer
- Good access to deal flow
- Deep transaction and industry experience
- Structured acquisition and integration approach
- Dedicated business owner / integration teams

\* High-growth: >4% revenue growth, CAGR; High-margin: >18% EBITA, mid-margin <18% EBITA



# M&A Priorities to 2030



## Attractive markets

Continue to increase exposure to higher growth, healthy margin segments

---

## Returns

Pay disciplined multiples. Focus on targets with strong return on capital and cash generation

---

## Value creation

Drive top-line synergies and operational efficiencies from acquisitions

---

# Leveraging possibilities of the Machining portfolio

## Operations optimization

- Strengthened regional presence, reducing overall footprint
- Increase efficiency, drive down working capital
- SEK 3 Bn in cost over 2025-2030 - by end of period 1 Bn of annual run rate savings

## Strong, resilient and sustainable supply chains

- Tungsten supply from Wolfram
- Reconditioning and recycling programs







# Summary

Attractive profit growth and ROCE development

Revenue growth, CAGR

**3%** At fixed exchange rates

Adjusted EBITA margin range

**22-24%**

Organic growth above market growth with good operational leverage

Industry leading EBITA margins with demonstrated resilience

Strong cash flow margin

Value creating M&A roll-ups that generate attractive returns and drives repositioning towards higher growth segments

# Q&A

# Advancing to 2030

Significant business portfolio transformation to enhance growth profile and resilience

Successful strategy execution and delivered on ambitious targets

Strengthened market positions and offering, and leading in digital

Leverage on strong Group platform and financial strength towards 2030





# High ambitions, advancing to 2030

Revenue growth target, CAGR 2025-2030	Adjusted EBITA margin range	Financial net debt/EBITDA	Dividend payout ratio
7%	20-22%	< 1.5	50%

## Mining

Revenue growth target, CAGR 2025-2030	8%
Adjusted EBITA margin range	20-22%

## Rock Processing

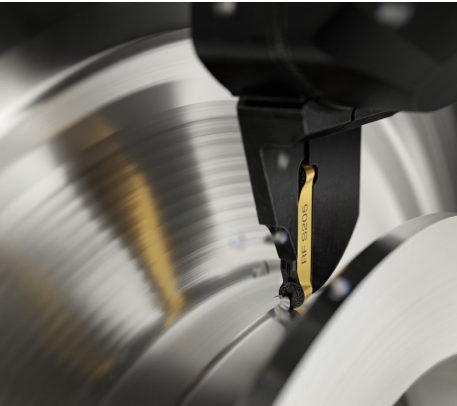
Revenue growth target, CAGR 2025-2030	9%
Adjusted EBITA margin range	17-19%

## Machining

Revenue growth target, CAGR 2025-2030	3%
Adjusted EBITA margin range	22-24%

## Intelligent Manufacturing

Revenue growth target, CAGR 2025-2030	15%
Adjusted EBITA margin range	25%





**SANDVIK**