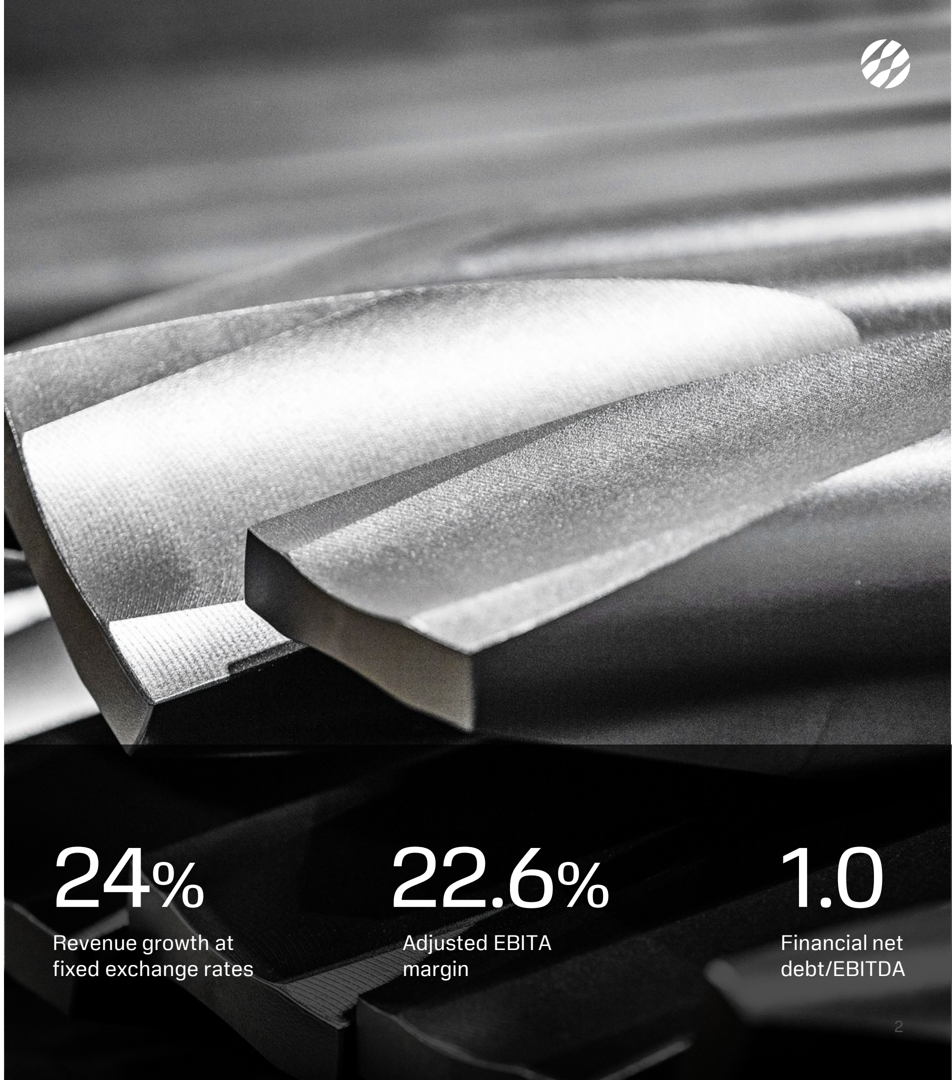
SANDVIK

Interim report second quarter 2026

Summary Q2

Record revenues and profits

- Strong momentum across key regions and segments as well as good price realization
- Total order intake grew by 17% year on year. Organic order intake growth of 17%
- Total revenues increased by 24% year on year. Organic revenue growth of 23%
- Adjusted EBITA amounted to SEK 8.3 Bn (5.6), corresponding to a margin of 22.6% (19.0), adjusted EBITA margin R12 at 20.4 % (19.4)
- Adjusted profit for the period amounted to SEK 5.8 Bn (3.7)
- Free operating cash flow of SEK 3.6 Bn (5.1) corresponding to a cash conversion of 46%



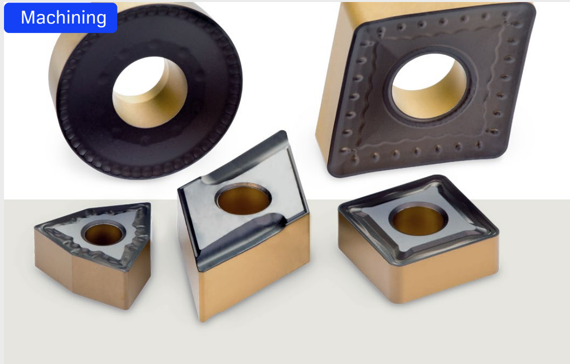
Sandvik to acquire leading filter press manufacturer Diemme® Filtration

Growth | Rock Processing

- Sandvik enters filtration and dewatering segment
- Supports Rock Processing's strategy to grow in attractive niches in downstream mining
- Improves productivity, water recovery, and tailings management through advanced filtration technology
- Profitable, fast-growing business with a TAM of over SEK 20 Bn and with attractive aftermarket opportunities
- Expected to generate revenues of SEK 1.1 billion in FY 2026 and be accretive to the margin

Key strategic highlights in the quarter

Machining



New steel turning grade

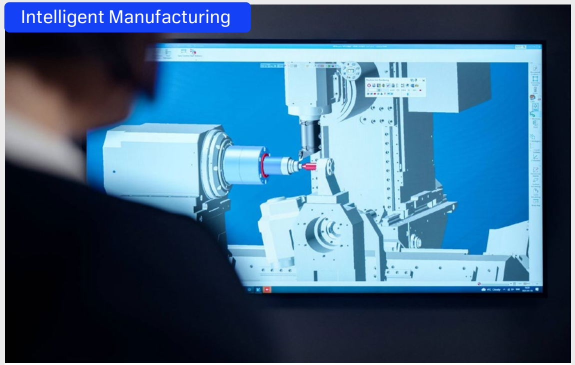
- **Dormer Pramet's T9425**
- New coating platform and new post-treatment method for longer tool life
- Longer tool life reduces waste, machine downtime, and energy use
- Important launch to capture mid-market growth

Mining

New automation platform generation

- **AutoMine® Aura**
- Breakthrough navigation system with 3D perception - the most advanced and productive in the industry
- >15% increase in material moved - validated in real customer operations

Intelligent Manufacturing



Innovation hub inauguration

- **Pune, India**
- New footprint in R&D, software, AI and customer support
- Shared location with Machining to support cross-functional collaboration
- Expecting 400 FTEs mid-term

Mining market

↗ **Upstream**

↗ **Downstream**

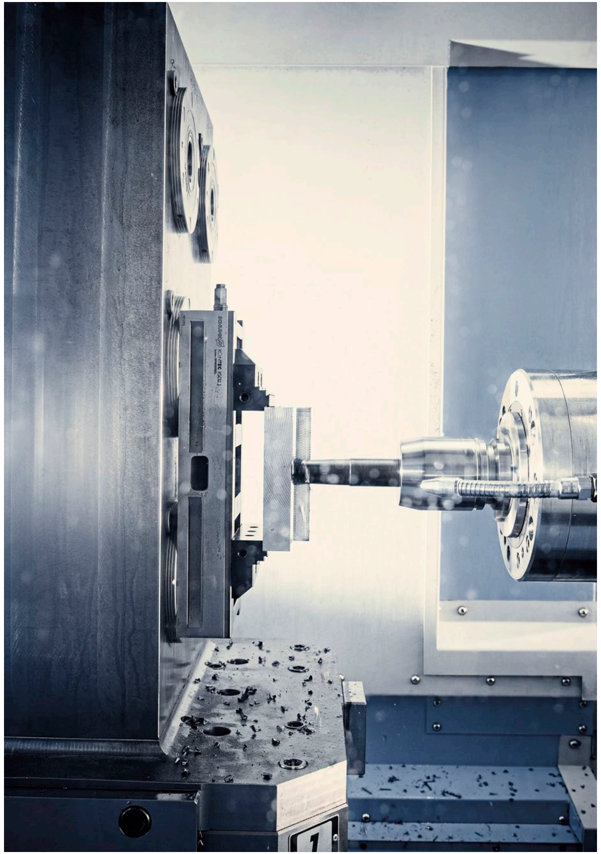
- Favourable commodity prices continue to spur activity and momentum in the mining market
- High production rate and expanded, aging, fleet drives consumption of spare parts and maintenance needs
- Investments in equipment remained high with brownfields making up the largest share
- Demand for digital and automation solutions was strong

Infrastructure market

	↗ Aggregates	↗ Demolition & recycling
Europe	↗	↗
North America	↗	↗
Asia	→	→

Industrial manufacturing market

	↗ General industry	↗ Aerospace & defense	→ Light vehicles	↗ Mining & energy	↗ Transport-ation	↗ Medical & electronics
Europe	↗	↗	→	↗	→	↗
North America	↗	↗	→	↗	↗	→
China	↗	→	↘	↗	↗	→
India	↗	↗	↗			
Rest of world	↗	↗	→			

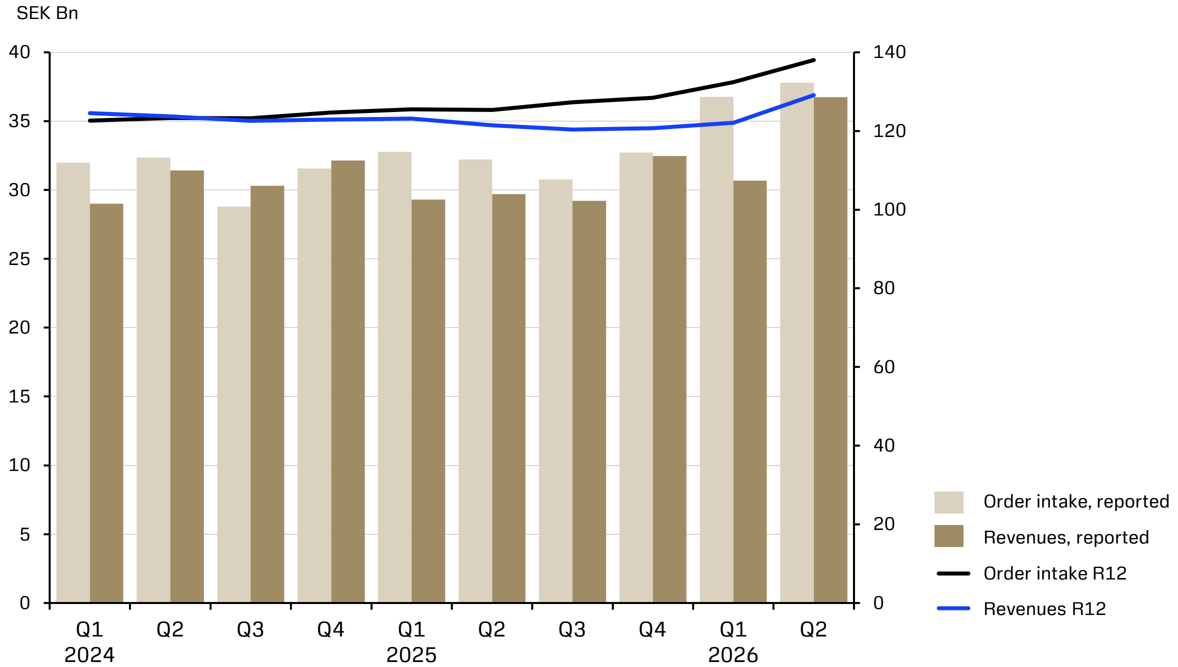


Cutting tools organic order intake development

	General industry	Aerospace & defense	Light vehicles	Mining & energy	Transport-ation	Medical & Electronics
Europe	++++	++++	++	++++	++	--
North America	++++	++++	++++	++++	++++	----
China	++++	++++	+++	++++	++++	++++
India	++++	++++	++++			
Rest of world	++++	++++	+++			
Total	++++	++++	+++	++++	++++	-

0 = Flat
+ (-) = Low single-digit
++ (--) = Mid single-digit
+++ (---) = High single-digit
++++ (----) = Double-digits

Order intake and revenues



Order intake
Reported (MSEK)

37,799

Revenues
Reported (MSEK)

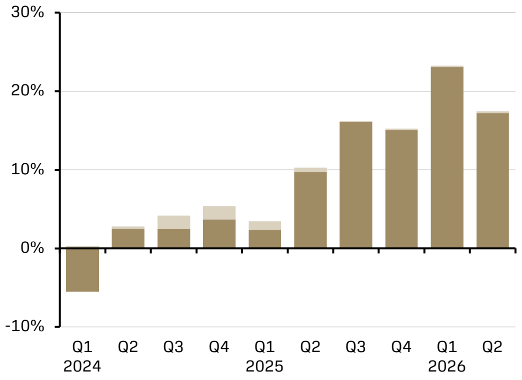
36,752

Book-to-bill

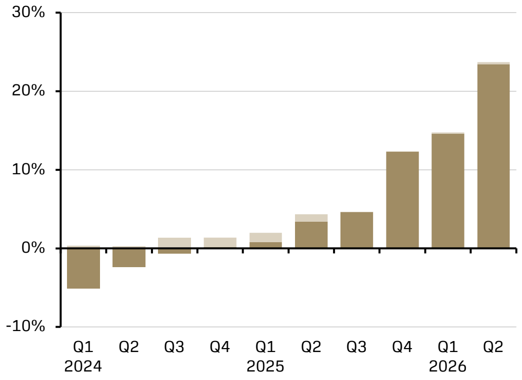
103%

Growth in order intake and revenues

Order intake



Revenue



Organic % Structure %

Growth Q2 2026	Order intake	Revenue
Organic	17%	23%
Structure	0%	0%
Growth at fixed exchange rates	**17%**	**24%**
Currency	0%	0%
Total	**17%**	**24%**

Mining

52% share of revenues 2025

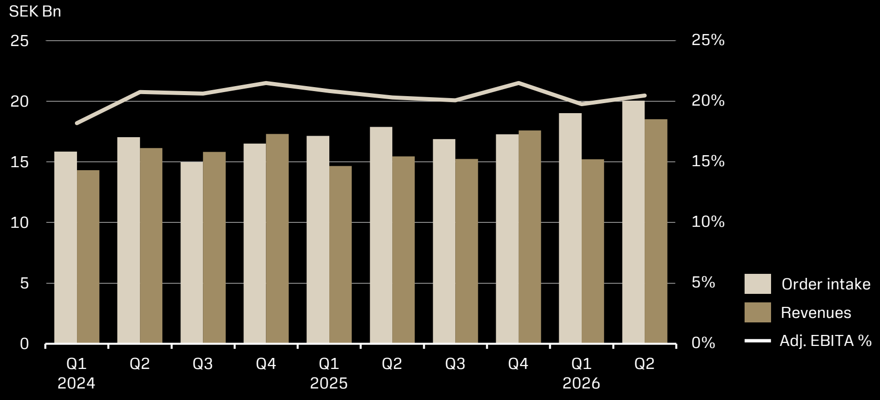
Order intake and revenues

- High activity, strong demand and record-high order intake
- Strong order intake growth driven by the aftermarket business, in particular by Parts and Services and Digital Mining Technologies. Equipment grew by 2% on tough comparables
- Total order intake increased by 12%. At fixed exchange rates, order intake grew by 11%, of which organic 11%
- Excluding major orders of SEK 2.1 billion (2.1) organic order intake increased by 13%

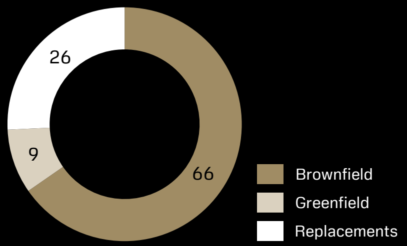
Profitability

- Adjusted EBITA was SEK 3,793 million (3,144), and profit margin of 20.5% (20.3)
- Organic operating leverage of 25%, slightly lower due to one-time items, including litigation costs and costs related to a mine closure
- Currency had a negative impact of SEK 76 million year on year, corresponding to a margin dilution of 60 bps

Order intake, revenues & adj. EBITA %



Share of orders % (Q2 2026)



Equipment vs. Aftermarket (Q2 2026)

	Equipment	Aftermarket
Organic order intake growth	2%	17%
Share of revenues	34%	66%

Rock Processing

9% share of revenues 2025

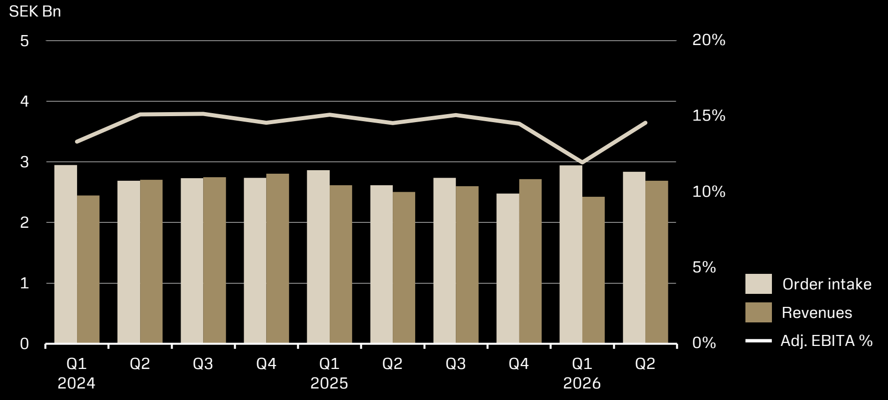
Order intake and revenues

- Solid demand in Mining. Positive market sentiment in both demolition and recycling, and aggregates
- Total order intake increased by 8%. At fixed exchange rates, order intake increased by 8%, of which organic was 7%
- Excluding major orders of SEK 173 million (145), organic order intake growth was 6%

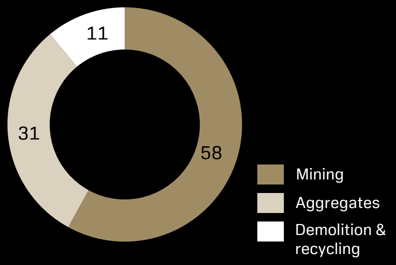
Profitability

- Adjusted EBITA was SEK 392 million (365), corresponding to a margin of 14.6% (14.6)
- Organic operating leverage was 25% in the quarter
- Currency had a negative impact of SEK 12 million year on year, corresponding to a margin dilution of 50 bps

Order intake, revenues & adj. EBITA %



Share of orders, % (2025)



Equipment vs. Aftermarket (Q2 2026)

	Equipment	Aftermarket
Organic order intake growth	5%	8%
Share of revenues	41%	59%

Machining

36% share of revenues 2025

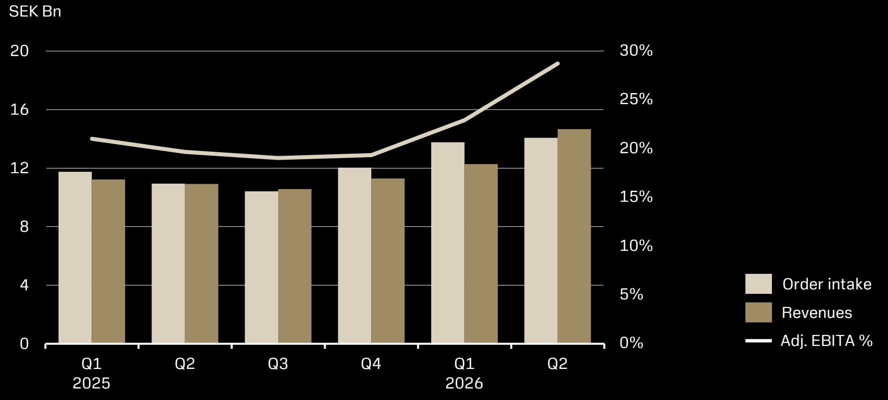
Order intake and revenues

- Solid broad-based demand for cutting tools, strong growth in all key regions.
- Underlying demand improved in general industry, and was strong in aerospace and defense
- Total order intake increased by 29%. At fixed exchange rates, order intake increased by 30% of which organic 30%
- Daily order intake for cutting tools was stable in the first two weeks of July versus the second quarter, taking normal seasonality into account

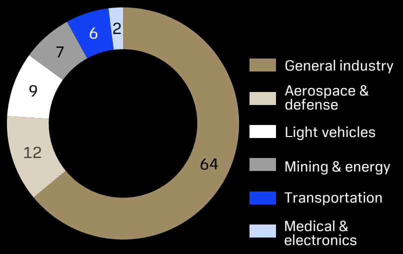
Profitability

- Adjusted EBITA was SEK 4,209 million (2,148), corresponding to a profit margin of 28.7% (19.7). Higher volumes, price realization, good cost absorption in powder, and savings (SEK 90 million) contributed positively
- Positive temporary effect driven by timing in the powder business, partly offset by lag in raw material-driven pricing in cutting tools. The net effect is estimated to SEK 550 million corresponding to an in-quarter effect of 380 bps
- Organic operating leverage was 55% in the quarter
- Currency had a negative impact of SEK 75 million year on year, corresponding to a margin dilution of 20 bps

Order intake, revenues & adj. EBITA %



Share of revenue, % (2025)



Organic order intake and revenue (Q2 2026)

	Order intake growth	Revenue growth
Cutting tools	++++	++++
Powder Solutions	++++	++++

Intelligent Manufacturing

3% share of revenues 2025

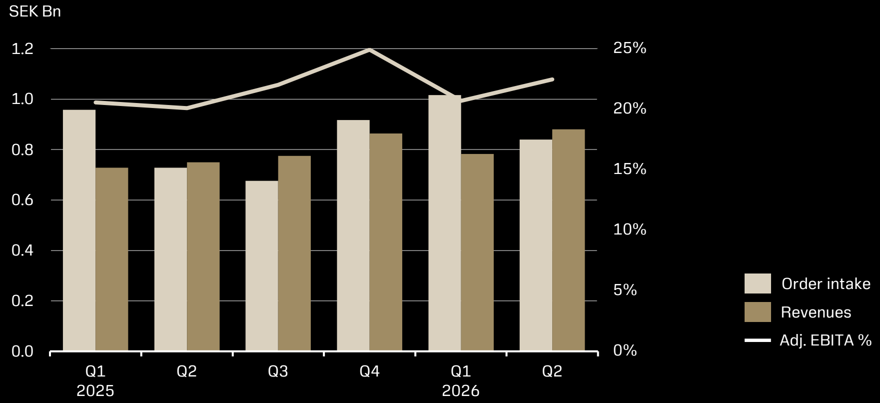
Order intake and revenues

- Solid broad-based demand for CAM and metrology software solutions
- High-single digit organic order intake growth in licenses. Continued strong growth in subscription sales
- Total order intake increased by 15%. At fixed exchange rates, order intake increased by 18% of which organic 7%

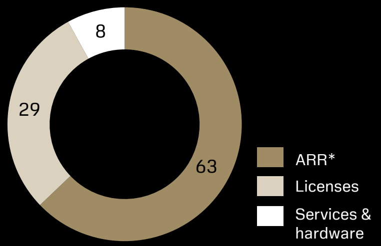
Profitability

- Adjusted EBITA was SEK 198 million (151), profit margin of 22.5% (20.1) and leverage of 41%
- Currency had a negative impact of SEK 7 million year on year, corresponding to a margin dilution of 40 bps
- Acquisitions had an accretive effect on the margin of 110 bps

Order intake, revenues & adj. EBITA %



Share of revenue, % (2025)



Order intake and revenues (Q2 2026)

	Order intake	Revenues
Underlying organic growth	9%	11%
Subscription transition impact	-2%	-2%
Organic growth	**7%**	**9%**

*ARR: Maintenance and subscription

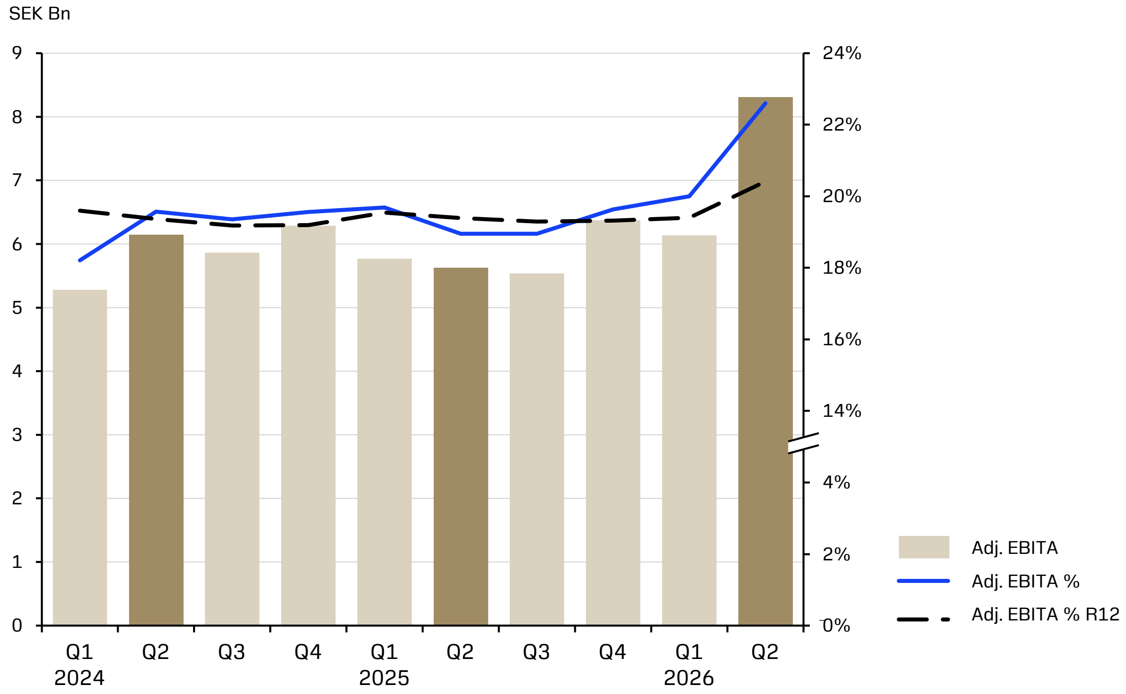
Cecilia Felton
CFO

Financial summary

MSEK	Q2 '25	Q2 '26
Order intake	32,206	37,799
Revenues	29,700	36,752
Adjusted EBITA	5,629	8,306
Adjusted EBITA margin	19.0%	22.6%
Net financial items	-339	-254
Tax rate excluding IAC	23.5%	24.2%
NWC [1]	29.6%	27.5%
Free operating cash flow	5,090	3,590
ROCE [1]	14.8%	17.5%
ROCE excl. amortization of surplus values [1]	16.2%	18.7%
Adjusted EPS, diluted	2.96	4.59

1) R12 revenues and R12 month average NWC / ROCE

Profitability development



Adj. EBITA margin:

22.6%

- Adj. EBITA SEK 8,306 M (5,629)
- Higher volumes, strong price realization and cost savings
- Timing effect from tungsten price development estimated to SEK 550 million, corresponding to an in-quarter effect of 150 bps
- Organic leverage of 40%
- Currency dilution of 50 bps
- R12 adj. EBITA margin 20.4% (19.4)

Bridge analysis

MSEK	Q2 2025	Organic	Currency	Structure	Q2 2026
Revenues	29,700	6,954	12	86	36,752
Adjusted EBITA	5,629	2,814	-173	35	8,306
Adjusted EBITA margin	19.0%	40%			22.6%
Accretion/dilution		4.1%	-0.5%	0.0%	

Net financials

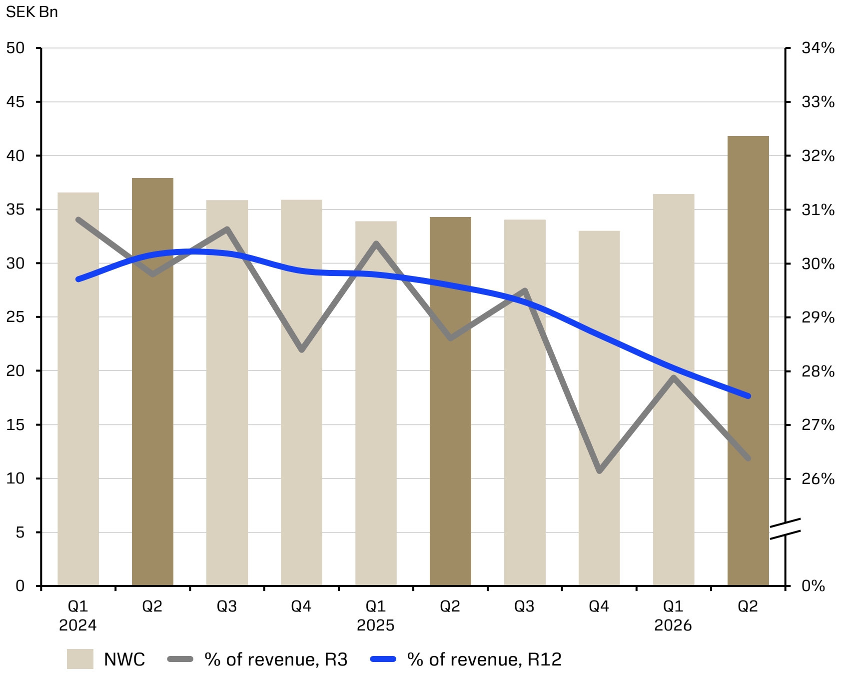
MSEK	Q2 ’25	Q2 ’26
Interest net	-239	-188
Pension	-21	-12
Bank charges	-20	-28
Other financial income and cost	2	8
Leases IFRS16	-67	-66
Fx and other asset classes	6	32
Total	**-339**	**-254**
Total yield cost, R3	3.9%	4.2%
Total yield cost, R12	4.4%	3.7%

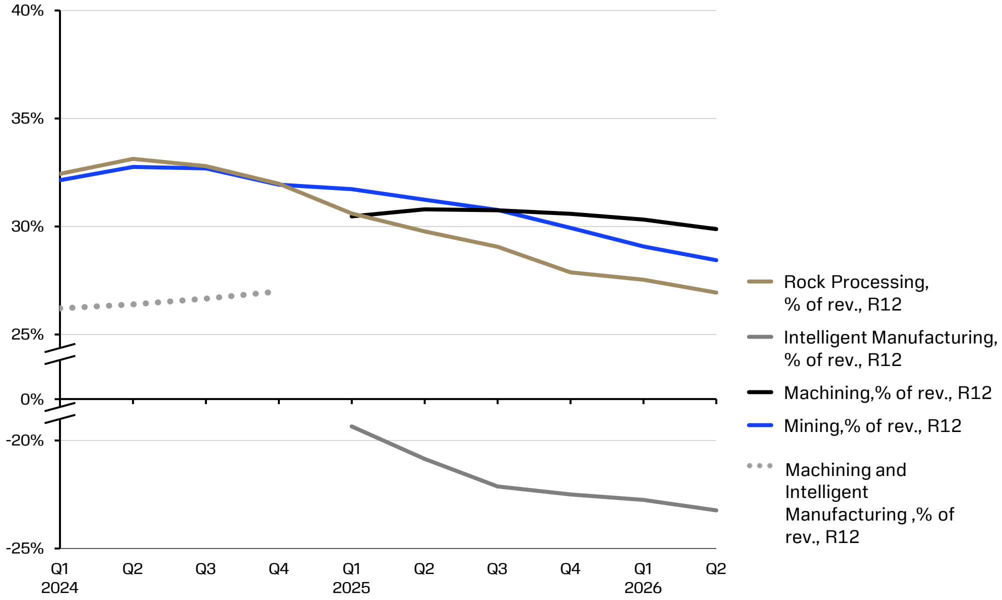
Tax rate

MSEK	Q2 ’25	Q2 ’26
Reported	23.6%	25.0%
Excluding IAC	23.5%	24.2%
Normalized	23.5%	24.2%

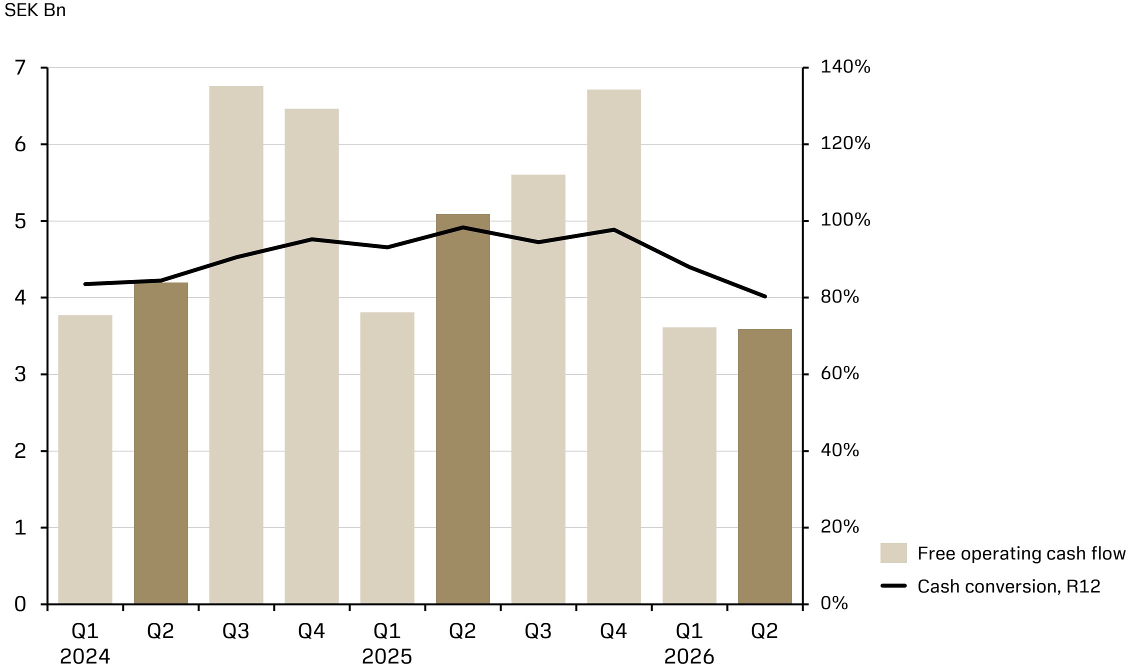
- Normalized tax: In line with guidance for 2026 – 23-25%

Net working capital





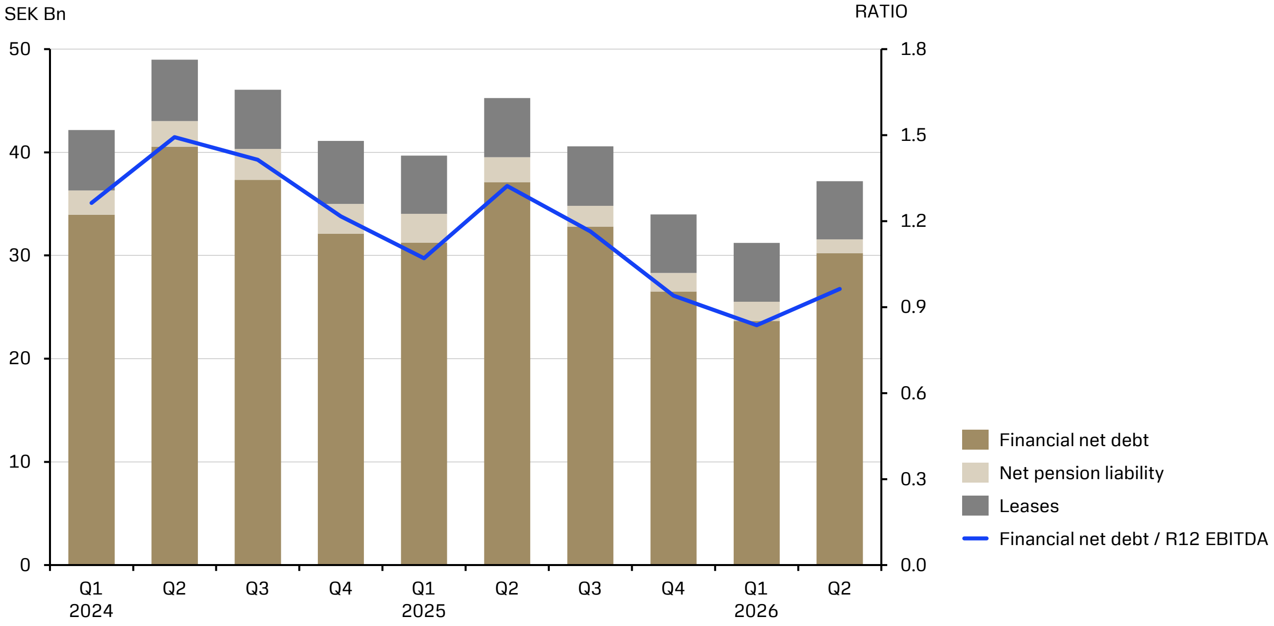
Free operating cash flow



MSEK	Q2 ’25	Q2 ’26
EBITDA	6,374	9,506
Non-cash and other items*	561	-315
EBITDA adj for non-cash and other items	**6,936**	**9,192**
Capex	-950	-994
NWC	-896	-4,607
FOCF	**5,090**	**3,590**
Cash Conversion	**94%**	**46%**

*Includes rental equipment, lease payments and proceeds from asset sales

Net debt



Financial net debt/R12 EBITDA

1.0

- Financial net debt SEK 30 billion
- Net debt SEK 37 billion

Outcome versus guidance

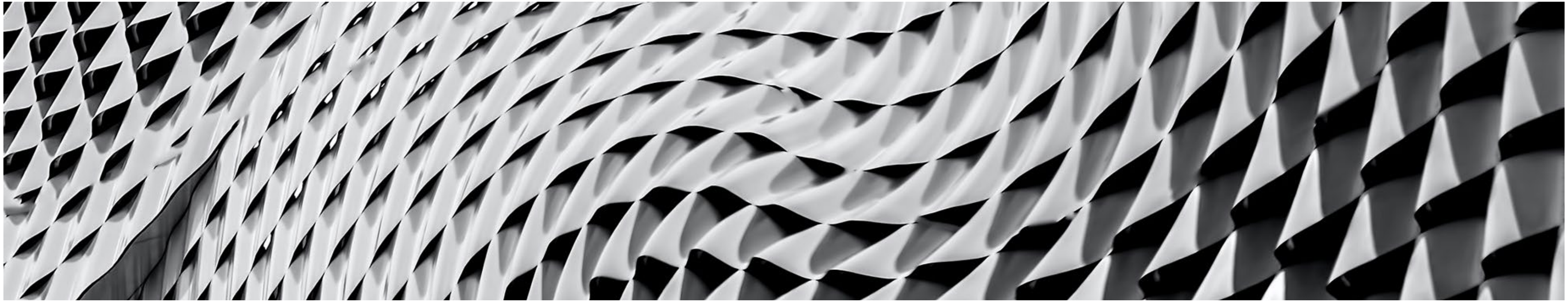
	Outcome Q2	Guidance Q2
Currency YoY effect (MSEK)	-173	-500

	Outcome Q1-Q2	Guidance FY26
Capex (BSEK)	1.8	4-4.5
Interest net (BSEK)	-0.3	-0.6
Normalized tax rate (%)	24.1%	23-25%

Guidance Q3 and FY 2026

Currency effect	Given currency rates per June 30, the effect on adjusted EBITA from transaction and translation would be **SEK +0.2 Bn for Q3 2026** compared to the year-earlier period
Temporary timing effect from tungsten price development	Based on tungsten prices per June 30, the effect on adjusted EBITA is estimated to have an impact of **SEK +0.2 Bn for Q3 2026**, compared with the year-earlier period
CAPEX (Cash)	Estimated to **SEK 4.0-4.5 Bn for 2026**
Interest net	Underlying interest net is estimated to **SEK -0.6 Bn for 2026**
Tax rate	The normalized tax rate is estimated to **23-25% for 2026**

Conclusion



Markets & macro

- Strong momentum in mining, and recovery in demolition and recycling as well as aggregates during H1
- Improved sentiment in general industry, and strong demand in aerospace and defense
- Geopolitical and macro economic environment remains uncertain

Financial performance

- Order intake and revenues grew double-digits
- Record profits and margin above target range
- 63% EPS growth in the quarter

Strategic progress

- Entering filtration and dewatering segment with Diemme® Filtration
- Strengthened leading electric offer with our first all-electric top hammer drill rig for surface
- Key innovations launched in the quarter

Advancing to 2030

- Consistent delivery each quarter, while building long-term strength
- Capturing key business opportunities and high responsiveness to market and customer needs
- Solid platform, strong culture with a winning together mindset

Q&A

Backup slides

Adjusted EBITA bridge, per BA

MSEK	Q2 2025	Organic	Currency	Structure	Q2 2026
Mining					
Revenues	15,469	**2,858**	200	-	18,527
Adjusted EBITA	3,144	**725**	-76	0	3,793
Adjusted EBITA margin	20.3%	25%			20.5%
Accretion/dilution		0.8%	-0.6%	0.0%	
Rock Processing					
Revenues	2,505	**146**	6	33	2,691
Adjusted EBITA	365	**37**	-12	2	392
Adjusted EBITA margin	14.6%	25%			14.6%
Accretion/dilution		0.6%	-0.5%	-0.1%	
Machining					
Revenues	10,925	**3,882**	-177	23	14,653
Adjusted EBITA	2,148	**2,131**	-75	6	4,209
Adjusted EBITA margin	19.7%	55%			28.7%
Accretion/dilution		9.2%	-0.2%	0.0%	
Intelligent Manufacturing					
Revenues	750	**68**	-17	80	880
Adjusted EBITA	151	**28**	-7	26	198
Adjusted EBITA margin	20.1%	41%			22.5%
Accretion/dilution		1.7%	-0.4%	1.1%	

Comments and numbers refer to continuing operations unless otherwise stated.

Loan and duration profile

MSEK	Amount	Duration
Bonds MTN	14,020	3.3 years
Bank Loans	8,946	5.0 years
Commercial papers	5,368	3.0 years
Bonds MTN	5,477	0.9 years
Bank Loans	53	0.5 years
Total	**33,864**	**3.3 years**

Long term:

84%

Short term:

16%

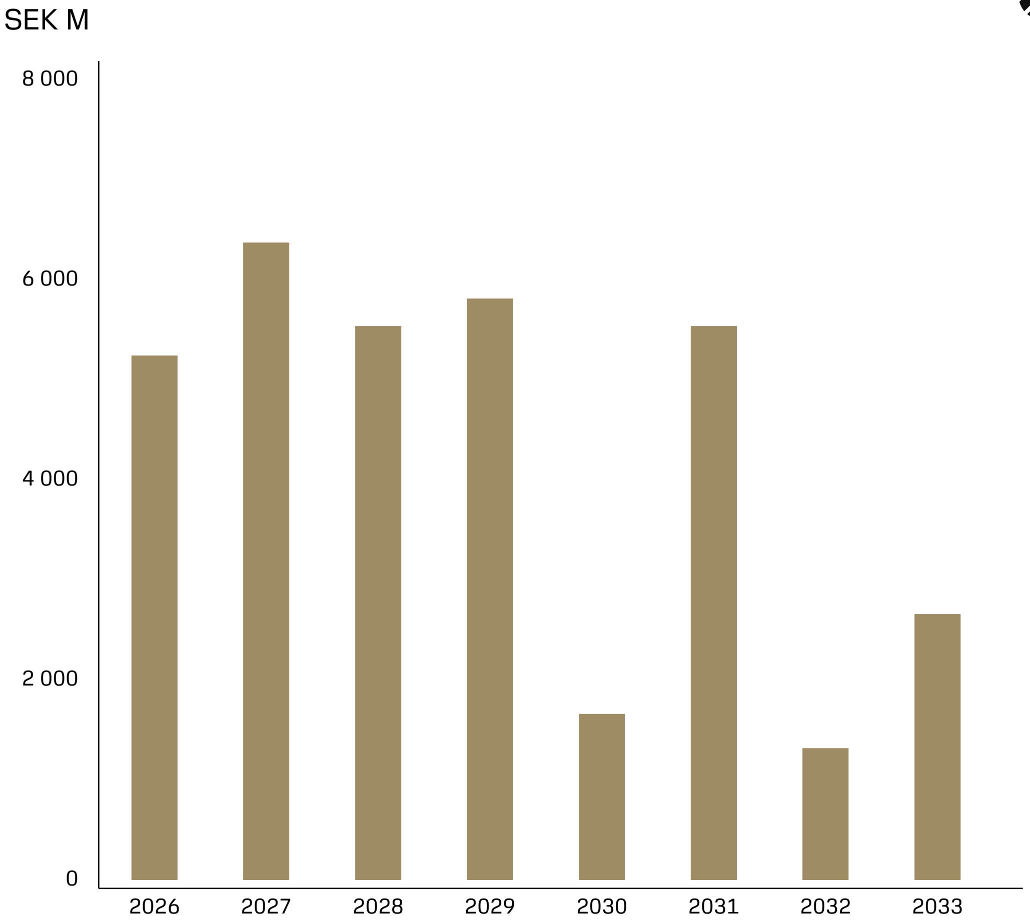
Committed Credit facilities **SEK 11,246 million**

Loan maturity profile

Average interest rate:

~2.9%

(excluding swap costs)



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, commercialization and technological difficulties, supply disturbances, and the major customer credit losses.