

Interim report first quarter 2024



Summary Q1

Typical seasonality with positive book to bill, solid order intake levels

- Strong demand in aerospace and mixed picture in general engineering. Mining demand on high levels, while infrastructure remained weak
- Total order intake declined by 7%. At fixed exchange rates, orders declined by 5% and organically by 5%
- Total revenue decline was 6% and at fixed exchange rates 5%, of which organic -5%

Profit margin level impacted by lower volumes

- Adjusted EBITA decreased by 14%, corresponding to a margin of 18.2% (19.8), adjusted EBITA margin R12 at 19.6 (19.9)
- Savings from restructuring programs amounted to SEK 128 M
- Adjusted profit for the period amounted to SEK 3.3 Bn (3.9)

Good progress in strategic priority areas

- Exceptionally strong growth in Rotary Drilling
- Repeat major order for AutoMine® solutions
- Two acquisitions completed, and one acquisition announced after the quarter

-5%

Revenue growth at fixed exchange rates

18.2%

Adjusted EBITA margin

1.3

Financial net debt/EBITDA

Staying ahead through innovation: Upgraded 800i cone crusher series

with new automation and connectivity system

- Upgraded cone crushers with new automation and connectivity system
- Robust, optimized mechanical design
- Improved reliability and simplicity - leading to productivity and uptime gains
- Ready to be connected to SAM by Sandvik





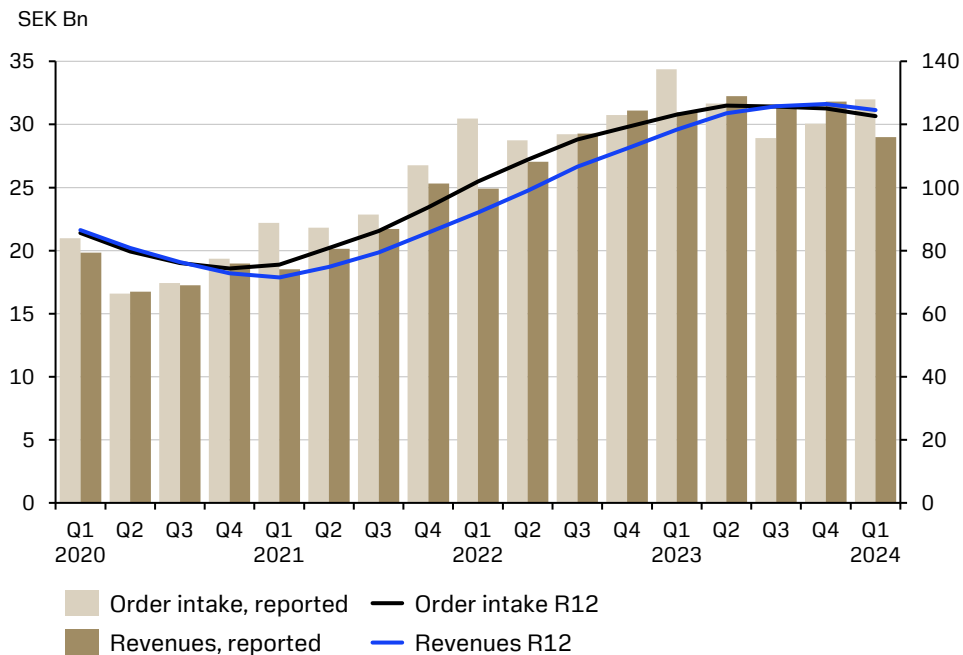
YoY market development

Percent of revenue 2023	Order intake Y/Y Q1 24	Mining	Engineering	Infrastructure	Automotive	Aerospace	Other	% of revenue 2023
		51%	20%	10%	7%	4%	8%	
		→	↘	↘	↘	↗	↘	
Europe	27%	-9%	→	↘	↘	↘	↗	↘
North America	25%	-14%	→	→	→	↗	↗	→
Asia	17%	0%	→	↗	↘	→	↗	↗
Africa and Middle East	12%	-1%	→		↘			
Australia	13%	-3%	→		↘			
South America	7%	16%	→		↘			

Other includes mainly energy, die and mould, electronics, medical, pump and valve, rail and defense.



Order intake and revenues



Order intake
Reported (MSEK)

31,981

Revenues
Reported (MSEK)

29,002

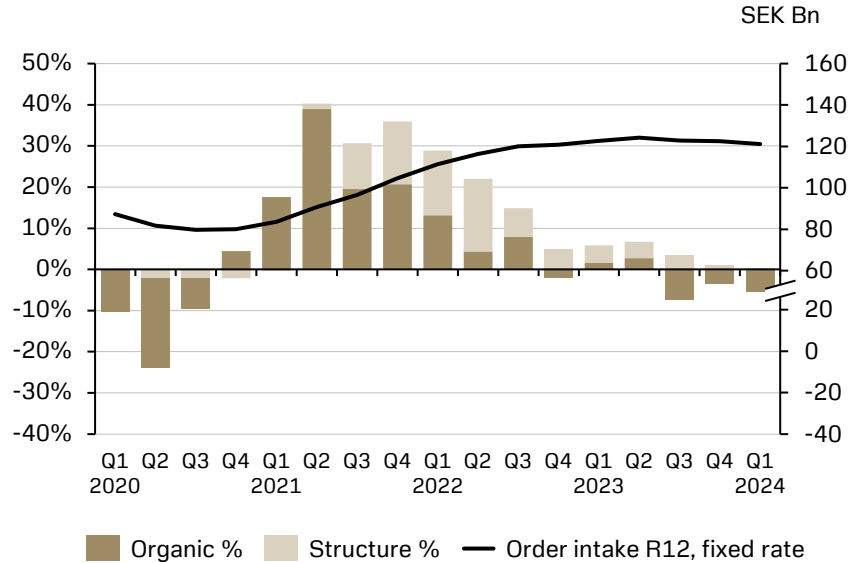
Book-to-bill

110%

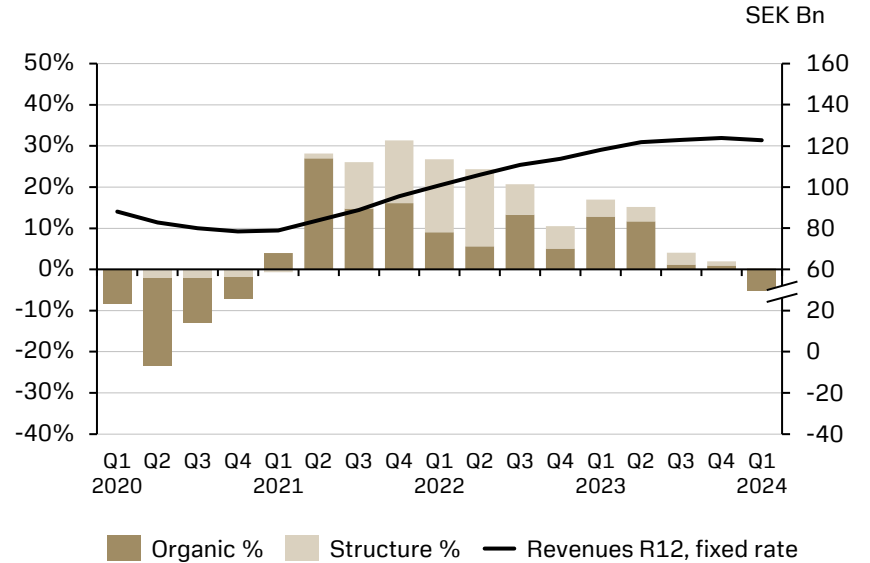


Growth in order intake and revenues

Order intake

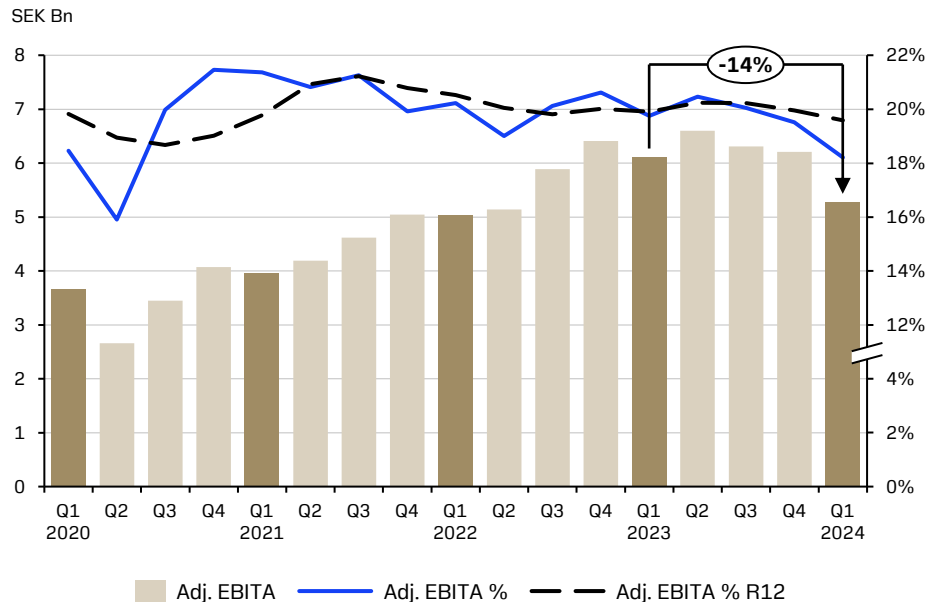


Revenue





Adjusted EBITA development



Adj. EBITA margin:

18.2%

- Adj. EBITA SEK 5,281 M (6,119)
- Temporary lower volumes putting pressure on SG&A cost coverage
- Currency dilution of 40 basis points
- R12 adj. EBITA 19.6% (19.9)



Mining and Rock Solutions

Order intake

- Resilient demand in mining while tough comparables on order intake
- Strong growth for Rotary Drilling and major AutoMine® order of SEK 300 million
- Total order intake declined by 9% and at fixed exchange rates, by 7%, of which organic -7%
- Excluding major orders of SEK 522 million (1,150), organic order intake declined by 4%

Adjusted EBITA

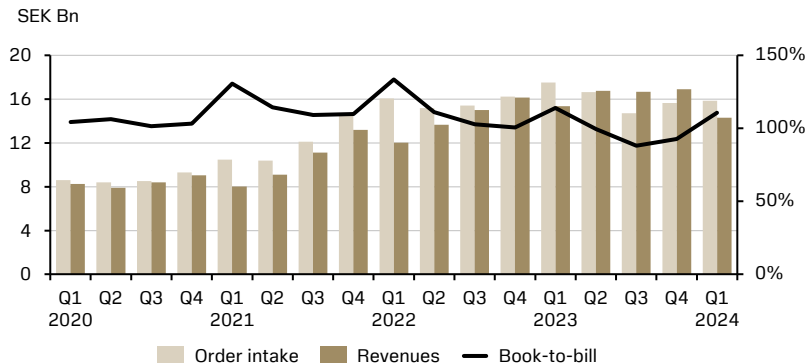
- Adjusted EBITA margin at 18.2% (20.0), impacted negatively by more back-loaded deliveries
- Savings from restructuring programs had a positive impact of SEK 15 million
- Currency had a dilutive impact of 10 basis points

Shift to growth

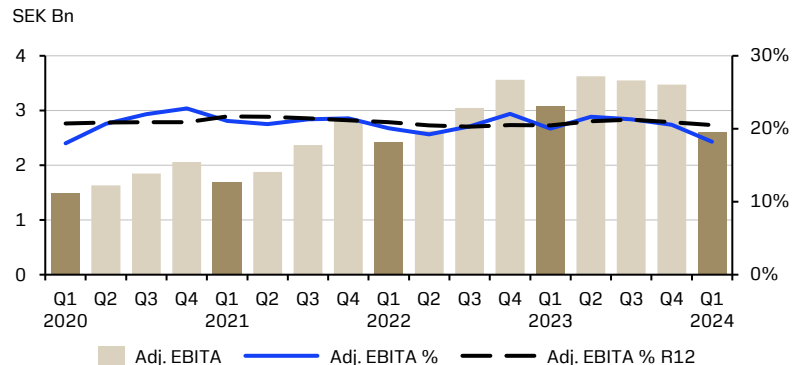
- Strengthened partnerships, e.g. extension of framework agreement with one of Sandvik's largest customers, including roll-out of Sandvik's Remote Monitoring Service to entire fleet, and collaboration on BEV strategy

Order intake and revenues

52% share of revenues 2023



Adjusted EBITA development





Rock Processing Solutions

Order intake

- Mining demand stable on high levels, while infrastructure remained weak
- Total order intake declined by 9%, and at fixed exchange rates by 7%, of which organic was -7%
- Three major orders received totaling SEK 169 million (58). Excluding major orders, organic order intake declined by 10%

Adjusted EBITA

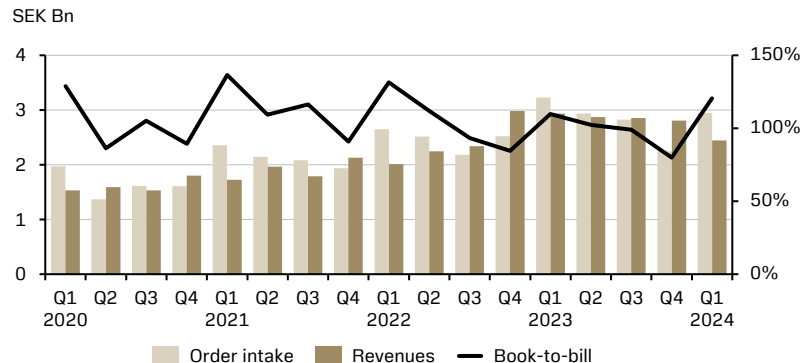
- Adjusted EBITA margin at 13.3% (14.5). Good margin resilience on low volumes
- Savings from restructuring programs had a positive impact of SEK 26 million
- Currency had a dilutive impact on the margin of 50 basis points

Shift to growth

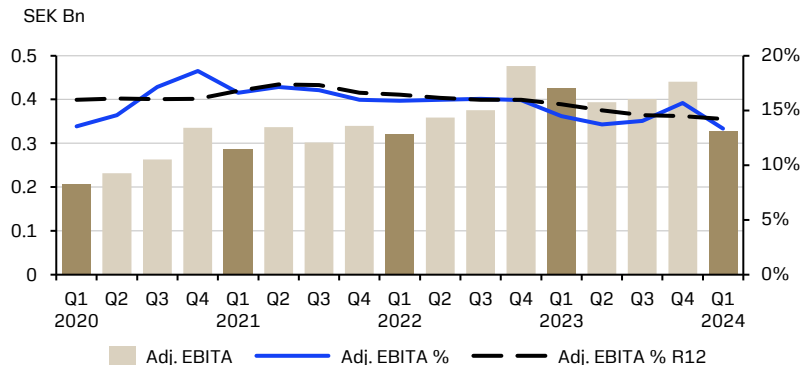
- Launch of upgraded 800i cone crusher series with a new seamless Automation & Connectivity System, with productivity and uptime gains for improved operational performance

Order intake and revenues

9% share of revenues 2023



Adjusted EBITA development





Manufacturing and Machining Solutions

Order intake

- Solid demand in aerospace while general engineering and automotive slightly down mainly due to weakness in Europe. Resilience in North America and positive signs from China
- Software grew mid-single digits year on year. Cutting tools down mid-single digits, positive signs on tungsten powder demand
- Total order intake declined by 3%, and at fixed exchange rates by 2%, of which organic was -3%
- Daily order intake in the first two weeks of April was stable compared to the first quarter

Adjusted EBITA

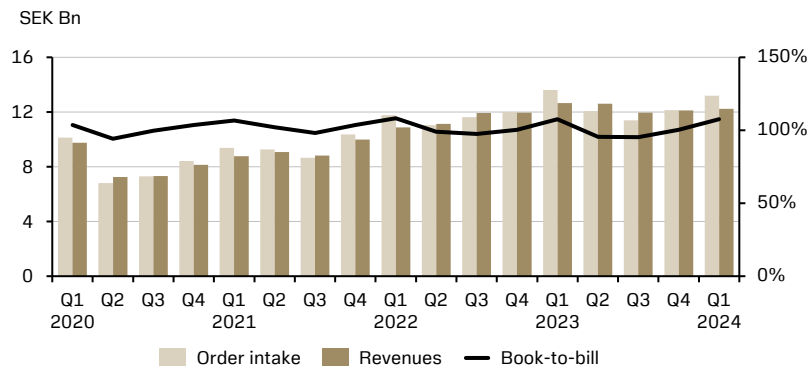
- Adjusted EBITA margin at 20.3% (22.4). Volumes impacted the margin negatively year on year
- Savings from restructuring programs had a positive impact of SEK 87 million
- Currency had a dilutive impact of 60 basis points

Shift to growth

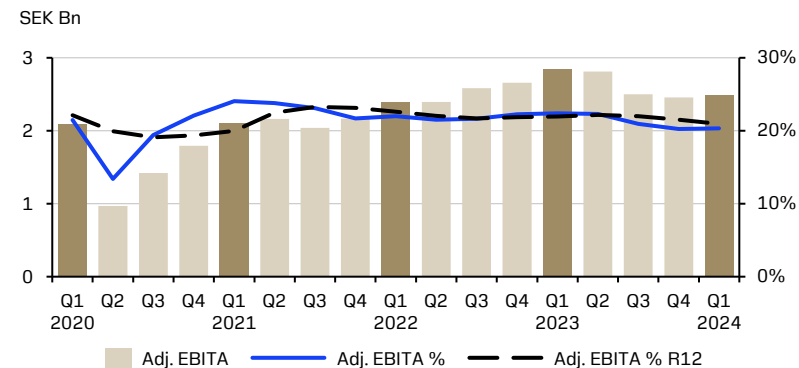
- Two acquisitions completed, Cimquest and pro-micron GmbH. The acquisition of Almü, a leading German company with offering towards lightweight components in the automotive segment, was announced after the quarter

Order intake and revenues

39% share of revenues 2023



Adjusted EBITA development





Cecilia Felton

CFO



Financial summary

MSEK	Q1 2023	Q1 2024
Order intake	34,363	31,981
Revenues	30,968	29,002
Adjusted EBITA	6,119	5,281
Adjusted EBITA margin	19.8%	18.2%
Net financial items	-529	-506
Tax rate excluding IAC	24.5%	24.0%
NWC ¹	27.8%	30.9%
Free operating cash flow ²	3,710	3,770
ROCE ¹	16.6%	6.8%
Adjusted EPS, diluted	3.07	2.61

Growth	OI	Rev
Organic	-5%	-5%
Structure	0%	0%
Organic + structure	-5%	-5%
Currency	-2%	-2%
Total	-7%	-6%

¹ Quarterly calculation i.e., annualized revenues and one quarter average NWC / ROCE

² Free operating cash flow before acquisitions and disposals, financial items and taxes



Bridge analysis

MSEK	Q1 2023	Organic	Currency	Structure	Q1 2024
Revenues	30,968	-1,584	-490	108	29,002
Adjusted EBITA	6,119	-637	-212	11	5,281
Adjusted EBITA margin	19.8%	-40%			18.2%
Accretion/dilution		-1.1%	-0.4%	0.0%	



2022 and 2024 restructuring programs

	SMM	SMR	SRP	Group activities	Total	Annualized run-rate
2022 Program						
Savings in Q1	80	10	23	-	113	58%
Total estimated run-rate savings	540	100	140	5	785	
2024 Program						
Savings in Q1	18	5	3	-	26	8%
Total estimated run-rate savings	710	385	135	10	1,240	



Net financials

MSEK	Q1 2023	Q1 2024
Interest net	-361	-363
Pension	-23	-25
Bank charges	-20	-29
Other financial income and cost	-3	-4
Leases IFRS16	-49	-61
Fx and other asset classes	-74	-25
Total	-529	-506
Total yield cost	3.7%	5.0%



Tax rate

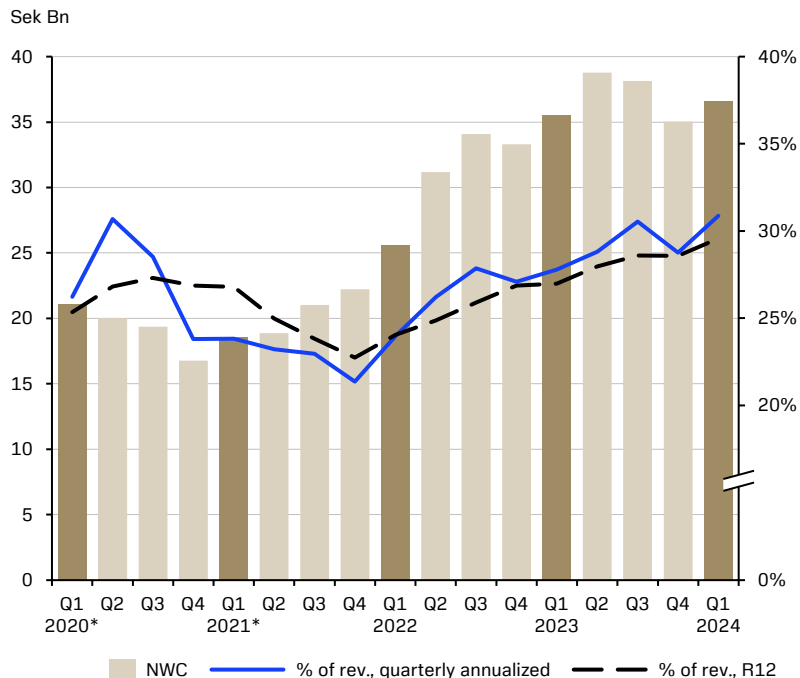
	Q1 2023	Q1 2024
Reported	24.6%	26.1%
Excluding IAC	24.5%	24.0%
Normalized	23.6%	24.0%

In line with guidance for 2024
23-25%

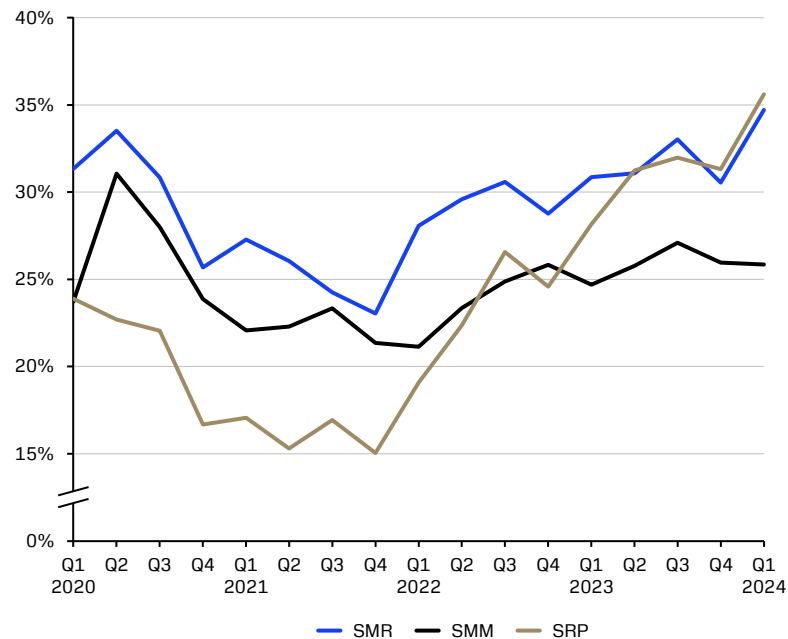


Net working capital

Net working capital



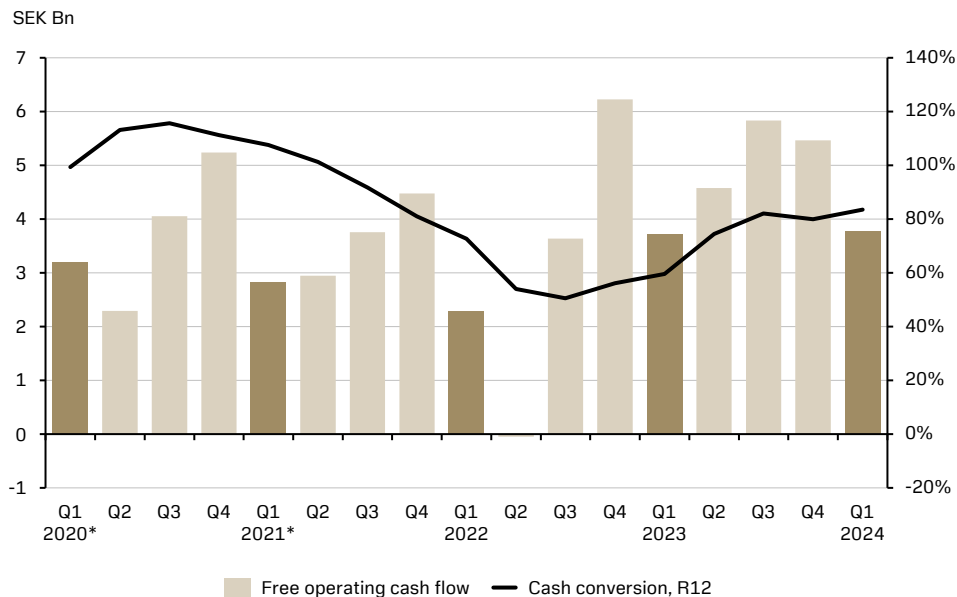
Per BA, % of revenues



* Best estimates excluding Alleima



Free operating cash flow

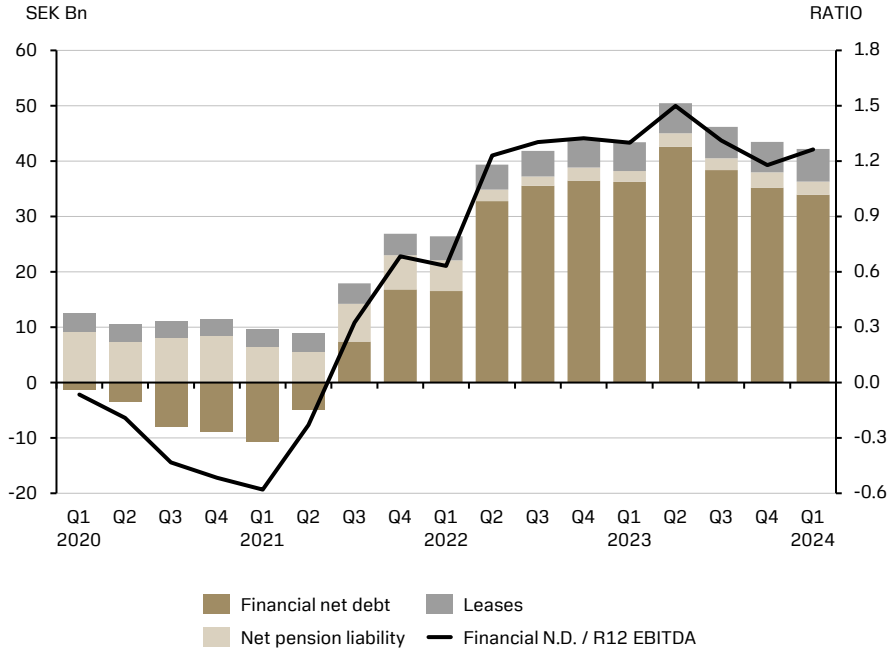


MSEK	Q1 2023	Q1 2024
EBITDA	6,890	3,831
Non-cash items	15	1,215
NWC change	-2,079	-1
CAPEX	-1,116	-1,273
FOCF	3,710	3,770

* Best estimates excluding Alleima



Net debt



- Financial net debt / R12 EBITDA 1.3
- Financial net debt SEK 33.9 billion
- Net debt SEK 42.2 billion



Outcome versus guidance

	Outcome Q1	Guidance Q1
Underlying currency YoY effect (MSEK)	-212	-360

	Outcome Q124	Guidance FY24
Capex (BSEK)	1.2	5.0
Interest net (BSEK)	-0.4	-1.3
Normalized tax rate (%)	24.0%	23-25%



Guidance Q2 and FY 2024

CAPEX (Cash)	Estimated to approximately SEK 5.0 B for 2024
Currency effects	Given currency rates at end of March 2024 the effect on operating profit from transaction and translation would be SEK +120 M for Q2 2024
Interest net	Underlying interest net is estimated to approximately SEK -1.3 B for 2024
Tax rate	The normalized tax rate is estimated to 23% - 25% for 2024



Conclusion

Mixed picture quarter

- Short-cycle business stable, but adversely impacted by calendar effects
 - Long-cycle business at high levels, but with more back-loaded deliveries
 - Stable to positive sentiment among customers and continued investment willingness
 - Temporary lower volumes in the quarter put pressure on SG&A cost coverage
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Enabler in the customers' shift

- Sandvik in trusted partnerships related to automation and BEV transition
 - Strong innovations introduced to enable customers' journey for improved productivity, efficiency and sustainability
 - Strengthened platform for growth, expanded offerings and capabilities through M&As
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Looking ahead

- Savings from restructuring programs gradually coming through
- Good price realization and cost focus in the organization supportive for the full year margin target
- Leading indicators on a positive trajectory, PMIs improving and larger metals supportive on high levels



Q&A



Backup slides



Adjusted EBITA bridge, per BA

MSEK	Q1 2023	Organic	Currency	Structure	Q1 2024
Mining & Rock Solutions					
Revenues	15,366	-679	-327	-49	14,312
Adjusted EBITA	3,075	-383	-86	-2	2,605
Adjusted EBITA margin	20.0%				18.2%
Rock Processing Solutions					
Revenues	2,939	-449	-45	-	2,446
Adjusted EBITA	426	-77	-22	-	326
Adjusted EBITA margin	14.5%				13.3%
Manufacturing & Machining Sol.					
Revenues	12,662	-456	-119	156	12,244
Adjusted EBITA	2,835	-262	-101	13	2,485
Adjusted EBITA margin	22.4%				20.3%



Loan and duration profile

MSEK	Amount	Duration
Bonds MTN	24,683	4.4 years
Bank Loans	1,868	6.0 years
Commercial papers	4,484	0.3 years
Bonds MTN	6,208	0.5 years
Bank Loans	272	0.0 years
Total	37,515	3.3 years

Long term:

71%

Short term:

29%

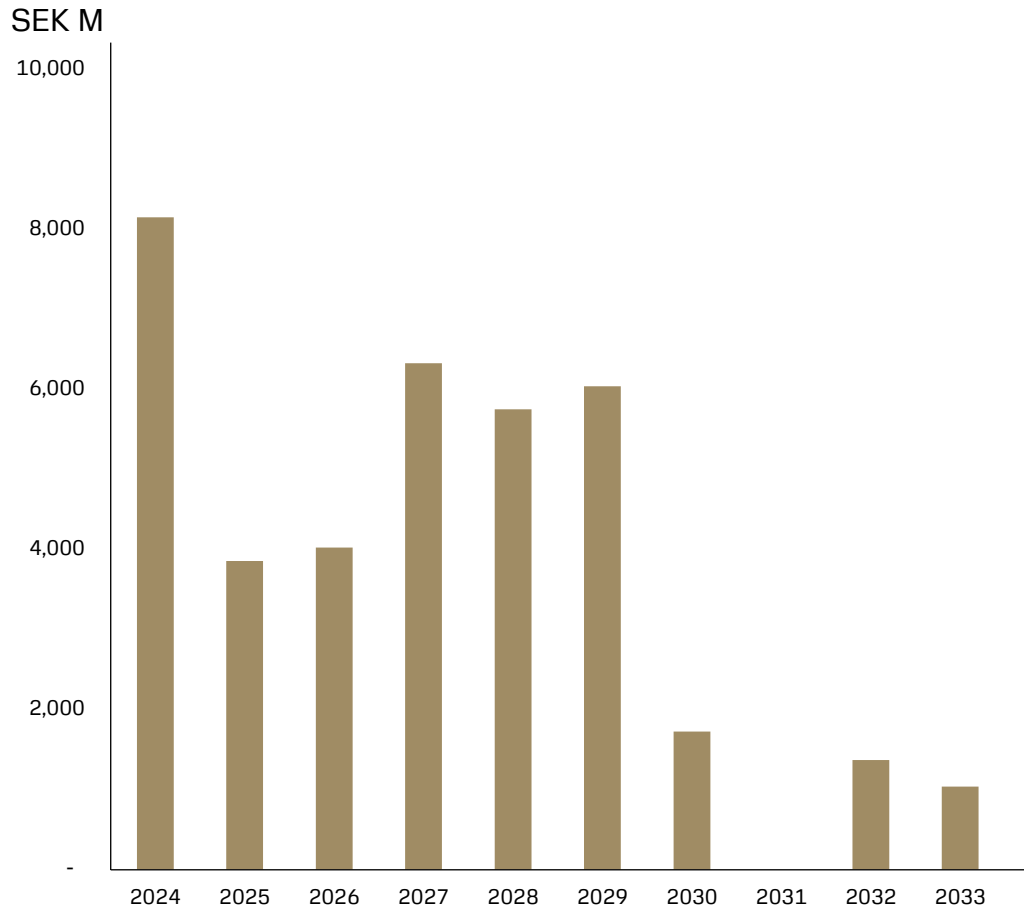
Committed Credit facilities **SEK 16,853 million**



Loan maturity profile

Average interest rate:

~3.7%



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.