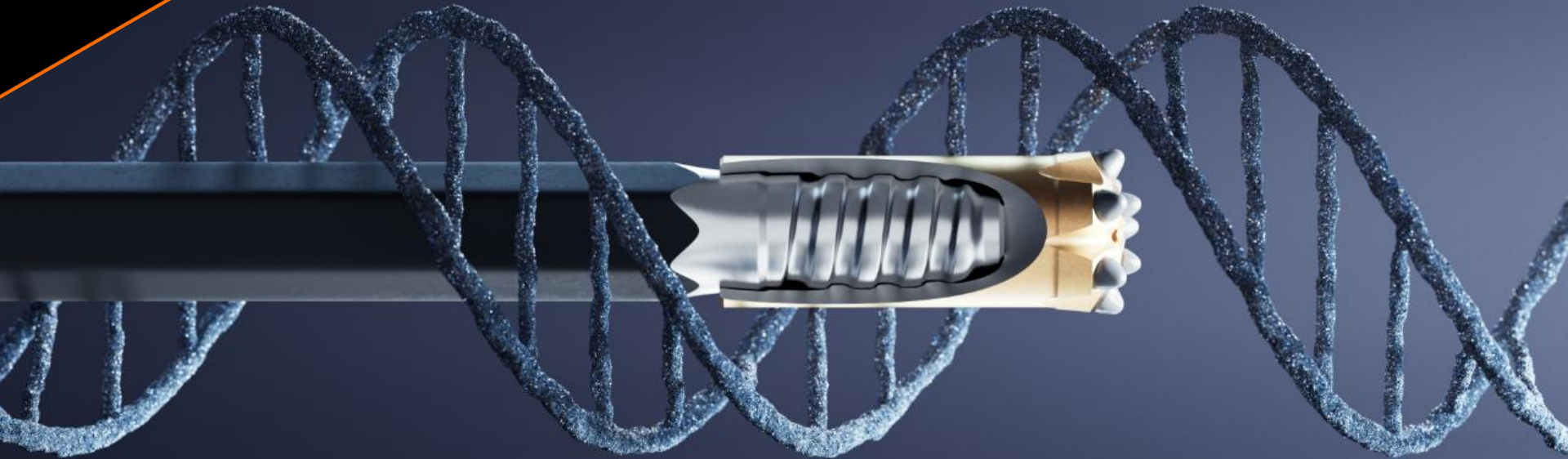


INTERIM REPORT FOURTH QUARTER 2022



SUMMARY Q4

STRONG REVENUE GROWTH, AT FIXED EXCHANGE RATES, OF 11%

- Overall stable demand for the Group, and strong revenue growth
- Total order intake growth was 15%, and at fixed exchange rates 3%, of which organic -2%
- Total revenue growth was 23% and at fixed exchange rates 11%, of which organic 5%
- Excluding impact from Russia, orders and revenues grew organically by 2% and 9% respectively

RECORD PROFIT QUARTER AND COST INFLATION FULLY OFF-SET BY PRICING

- Adjusted EBITA increased by 27%, corresponding to a margin of 20.6% (19.9).
- Items affecting comparability of SEK -0.7 Bn, mainly related to the restructuring program previously announced
- Adjusted profit for the period improved by 17% to SEK 4.0 Bn (3.5)

HIGHLIGHTS ON SHIFT TO GROWTH PRIORITIES

- Demand for Sandvik's BEV and automation solutions accelerated with a strong pipeline into 2023
- Announced acquisition of Polymathian, provider of advanced mine optimization software and services
- Enhanced aftermarket offering with completion of SP Mining

11%

Revenue growth at
fixed exchange rates

20.6%

Adjusted EBITA margin

1.32

Financial net debt/EBITDA
Group total



STAYING AHEAD THROUGH INNOVATION

CAMBRIO LAUNCHES 2023 VERSIONS

- **GibbsCAM 2023** features significant Turning enhancements including the highly effective implementation of **Sandvik Coromant's PrimeTurning™** to permit turning and facing in all directions for dramatic increases in high volume production.
- **SigmaNEST V23** continues to close the loop on manufacturing connectivity targeting **"The Connected Shop"** scheduling, quoting, and logistics informed by intelligent nesting strategies for real-world manufacturing that optimize part processing and workflow efficiency beyond classic nesting for material.
- **Cimatron V16** delivers process optimization, usability, and new technology to allow toolmakers to manufacture higher quality tools faster, easier and more efficiently.



Up to
50%
cycle time
reduction

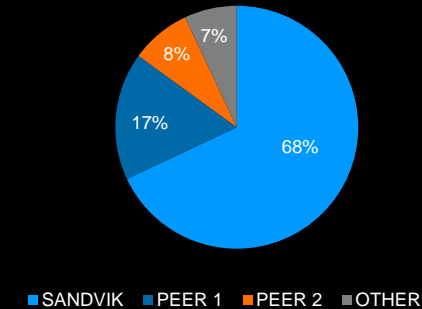
Up to
500%
tool life
increase

SANDVIK

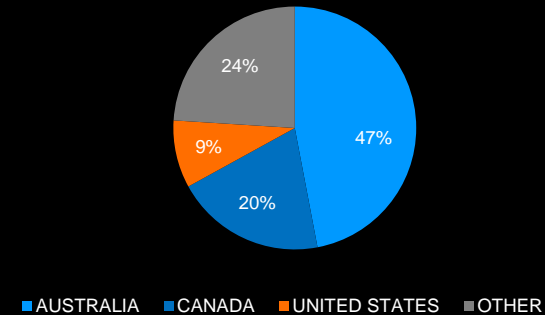
GLOBAL POPULATION OF AUTONOMOUS EQUIPMENT

- Based on industry interviews in GlobalData's report, the total global population of tele remote and autonomous LHDs and underground mining trucks is 890
- Australia, Canada and United States are the three main markets, with shares of 47%, 20% and 9%, respectively. These stats are based on the Global total estimated population of LHDs and trucks
- Sandvik is the market leader, with an estimated share of 68%, based on GlobalData's sample of mines with tele remote/autonomous equipment (with the sample equal to 381 or 43% of the total estimated population).

% SHARE OF TOTAL POPULATION, BY OEM



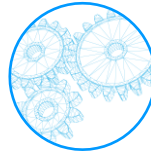
% SHARE OF TOTAL POPULATION, BY COUNTRY



YOY MARKET DEVELOPMENT



Mining
48%



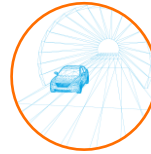
Engineering
22%



Automotive
7%



Energy
2%









Infrastructure
11%



Aerospace
3%

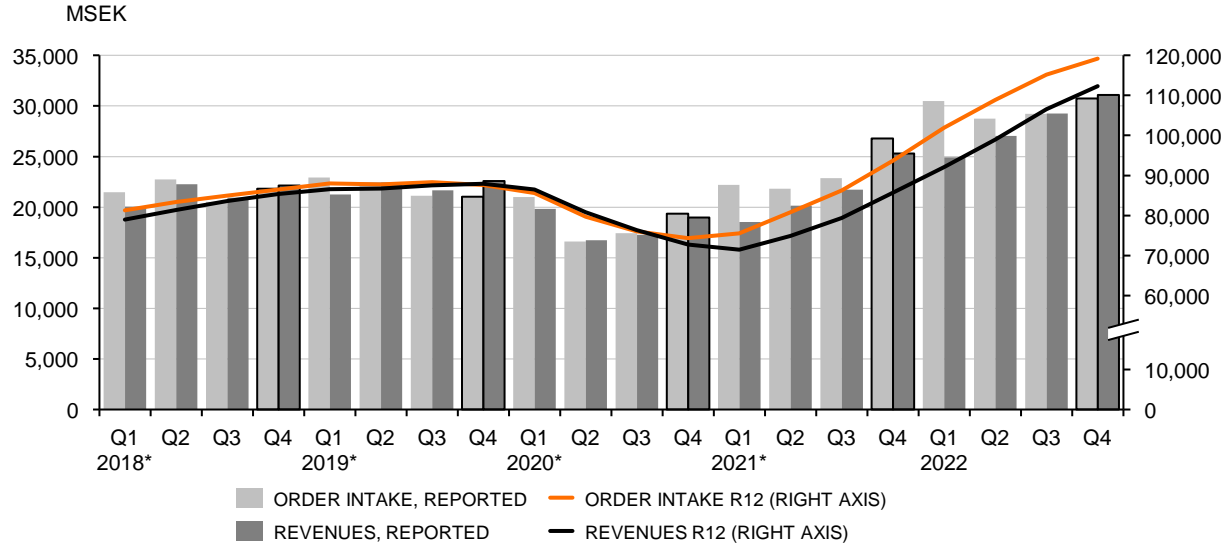
Percent of
revenue 2022

	Percent of revenue 2022	Q4 Y/Y* order intake	Mining	Engineering	Automotive	Energy	Infrastructure	Aerospace
 EUROPE	27%	+3%	→	↘	↗	↗	→	↗
 NORTH AMERICA	25%	+5%	↗	↗	↗	↗	→	↗
 ASIA	19%	+10%	↗	↘	↘	↗	↘	↘
 AFRICA AND MIDDLE EAST	12%	-2%	→	↘	↗	↗		
 AUSTRALIA	12%	-1%	→					
 SOUTH AMERICA	7%	-22%	→					



(Continuing operations % of revenues 2022. Other e.g., consumer goods, electronics, chemical and miscellaneous accounted for 7% * Excluding Russia)

ORDER INTAKE AND REVENUES



ORDER INTAKE

REPORTED (SEK M)

30,751

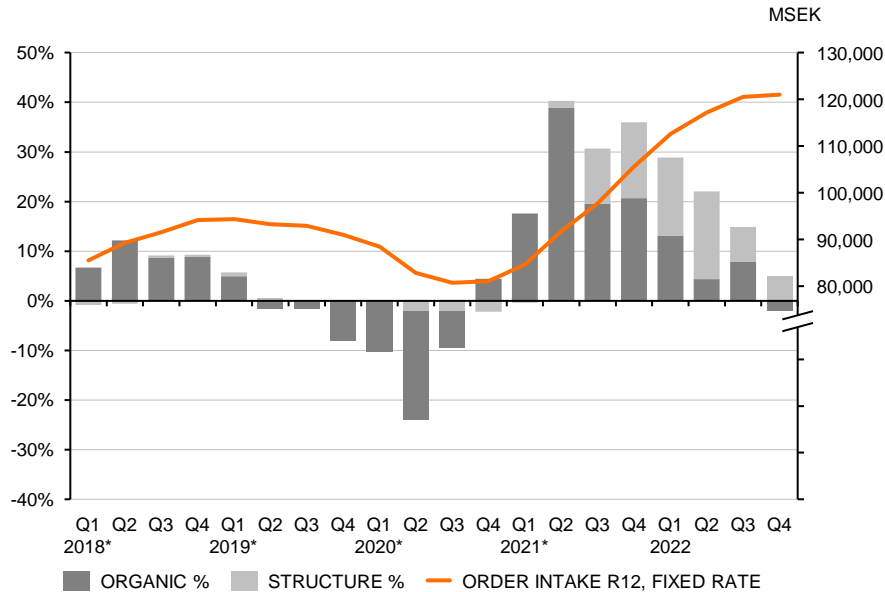
REVENUES

REPORTED (SEK M)

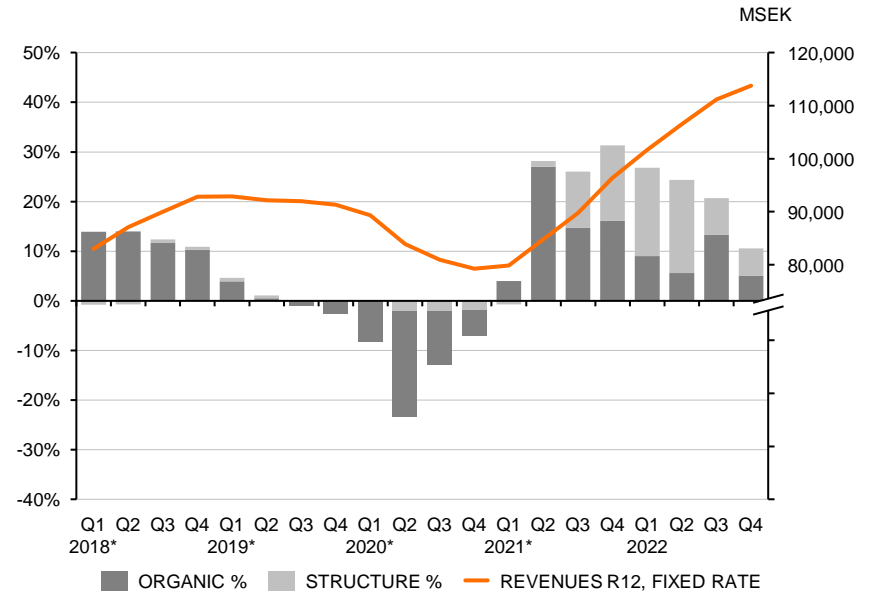
31,094

GROWTH IN ORDER INTAKE AND REVENUES

ORDER INTAKE

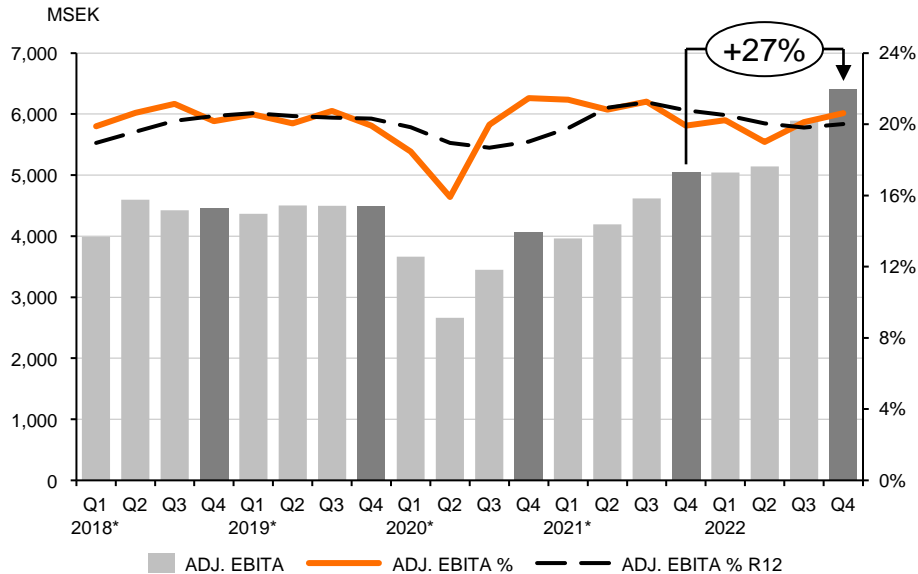


REVENUES



ADJUSTED EBITA DEVELOPMENT

Adj. EBITA margin:
20.6%



- Adj. EBITA SEK 6,413 M (5,043)
- Margin 20.6% (19.9)
- Leverage:
 - Inflation mitigated by pricing
 - Negatively impacted by inventory obsolescence provision due to logistics disturbances
- R12 adj. EBITA 20.0% (20.8)

* Best estimates excluding SMT

† Adjusted for items affecting comparability



MINING AND ROCK SOLUTIONS

ORDER INTAKE

- Stable demand at high level with solid order levels and all-time high revenues
- Total order intake growth was 12% and at fixed exchange rates, growth was -1%, of which organic -2%. Excluding Russia, organic order intake growth was positive
- Excluding two major orders booked in the quarter of SEK 863 million (1,400), organic order intake grew by 2%

ADJUSTED EBITA

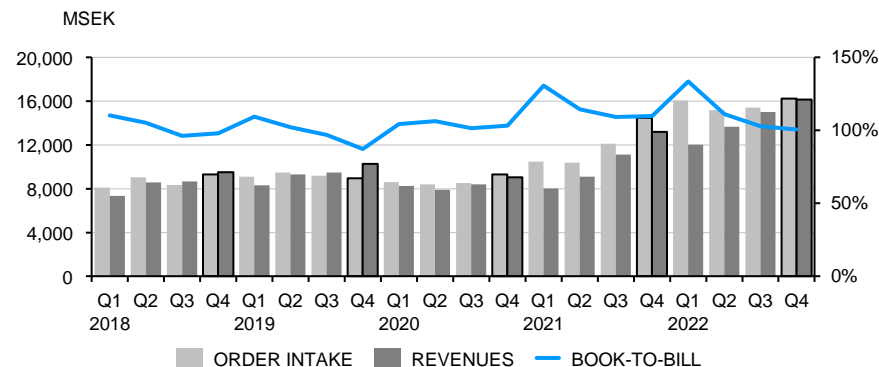
- Adjusted EBITA margin at 22.0% (21.4). Cost inflation was offset by pricing in absolute terms but still slightly dilutive to margin, with good sequential progress
- The share of air freight decreased sequentially

SHIFT TO GROWTH

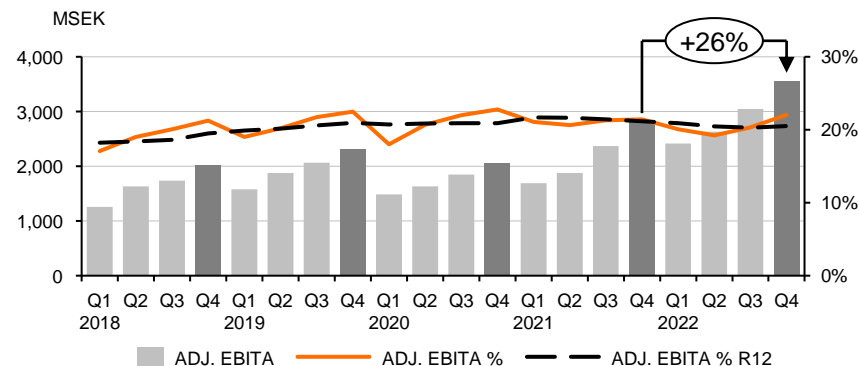
- Acquisition of Polymathian announced, an Australia-based provider of advanced mine optimization software and services that complements the offering of Deswik

51%
SHARE OF REVENUES 2022

ORDER INTAKE AND REVENUES



ADJUSTED EBITA DEVELOPMENT



ROCK PROCESSING SOLUTIONS

ORDER INTAKE

- Order intake growth driven by aftermarket and acquisitions, with revenues at record levels
- Total order intake grew by 30% and at fixed exchange rates 18%, of which organic growth was -6%
- Excluding Russia, organic order intake was down by -3%

ADJUSTED EBITA

- Adj. EBITA margin of 16.0% (16.0) impacted by cost inflation
- Acquisitions had 40 basis points dilutive effect on the margin

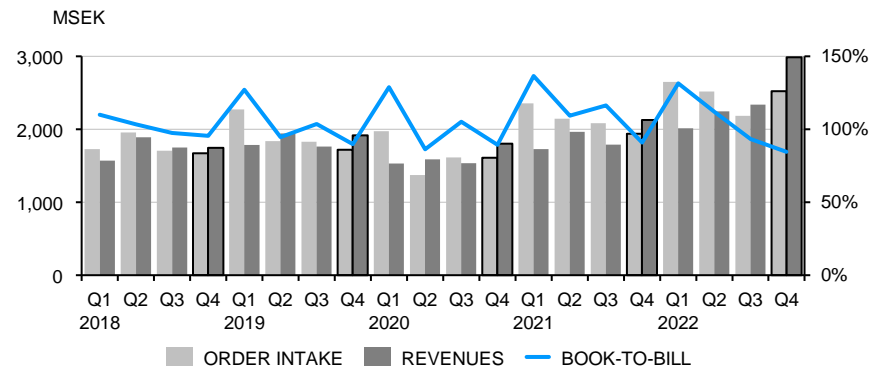
SHIFT TO GROWTH

- Acquisition of SP Mining completed, which during the quarter delivered three of the largest multi-slope, double deck screens ever built, designed on customer request

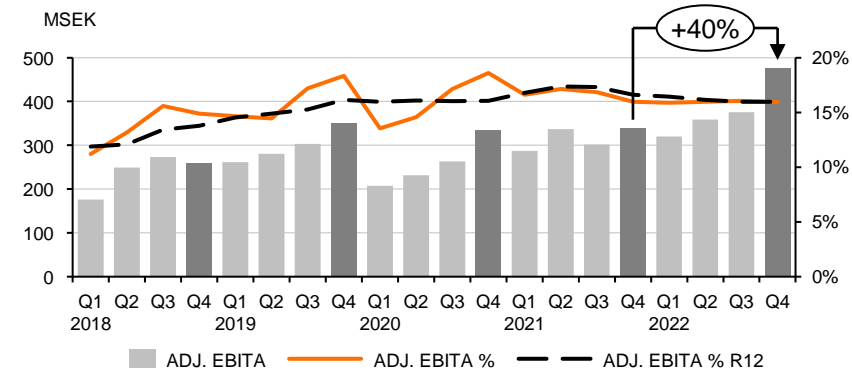


8%
SHARE OF
REVENUES 2022

ORDER INTAKE AND REVENUES



ADJUSTED EBITA DEVELOPMENT



MANUFACTURING AND MACHINING SOLUTIONS

ORDER INTAKE

- Stable order intake levels with positive development in North America and Europe driven by automotive
- Total order intake growth of 16%, at fixed exchange rates growth was 5%, of which organic was -1%. Excluding Russia organic order intake grew by 2%
- Negative working day impact of -140 basis points
- Daily order intake in the first two weeks of January remained stable compared to the fourth quarter

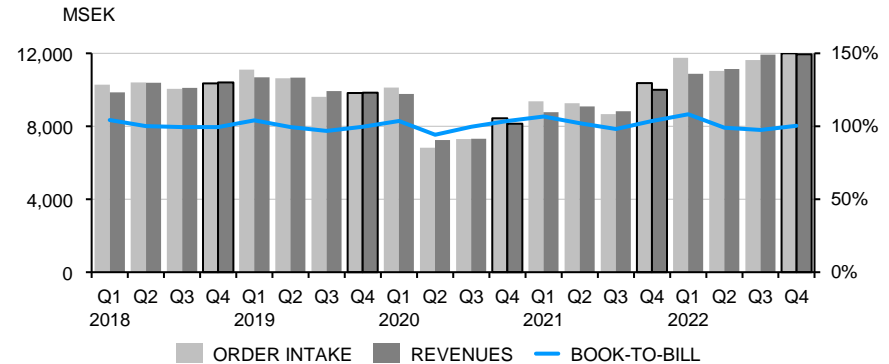
ADJUSTED EBITA

- Adjusted EBITA margin was 22.2% (21.7), with leverage at normalized levels for cutting tool divisions due to solid pricing execution and cost control
- Acquisitions had 40 basis points dilutive effect on the margin

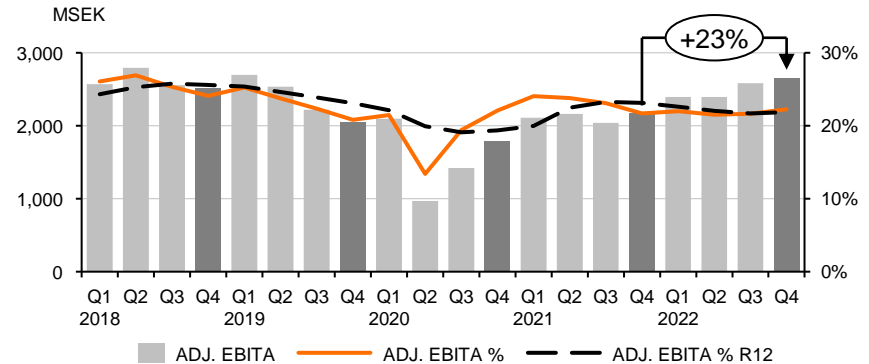
SHIFT TO GROWTH

- Cambrio launched new 2023 CAD/CAM software versions for all brands which contributes to ~50% cycle time reduction, and significant tool life increase

ORDER INTAKE AND REVENUES



ADJUSTED EBITA DEVELOPMENT



CECILIA FELTON
CFO

= 13

= 7

= -10

= 7

FINANCIAL SUMMARY

MSEK	Q4 2021*	Q4 2022
ORDER INTAKE	26,772	30,751
REVENUES	25,311	31,094
ADJUSTED EBITA	5,043	6,413
ADJUSTED EBITA MARGIN	19.9%	20.6%
NET FINANCIAL ITEMS	-23	-390
TAX RATE EXCLUDING IAC	27.4%	27.7%
NWC % ¹	21.4%	27.1%
FREE OPERATING CASH FLOW ²	4,474	6,226
ROCE % ¹	20.4%	16.0%
ADJUSTED EPS, DILUTED	2.75	3.22

* Best estimates excluding SMT

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

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

GROWTH	OI	REV.
ORGANIC	-2%	5%
STRUCTURE	5%	5%
ORG + STR	3%	11%
CURRENCY	12%	12%
TOTAL	15%	23%

BRIDGE ANALYSIS

MSEK	Q4 2021*	ORGANIC	CURRENCY**	STRUCTURE	Q4 2022
REVENUES	25,311	1,211	3,193	1,380	31,094
ADJUSTED EBITA	5,043	2	1,096	271	6,413
ADJUSTED EBITA MARGIN	19.9%	0%			20.6%
ACCRETION/DILUTION		-0.9%	1.6%	0.0%	

* Best estimates excluding SMT

** Currency effect net of structure component

NET FINANCIALS

SEK	Q4 2021	Q4 2022
INTEREST NET	-88	-416
PENSION	-27	-21
BANK CHARGES	-22	-17
OTHER FINANCIAL INCOME AND COST	-39	-94
LEASES IFRS16	-34	-54
FX AND OTHER ASSET CLASSES	186	213
TOTAL	-23	-390

- Interest net increase due to increased borrowed volumes

* Best estimates excluding SMT

TAX RATE

	Q4 2021	Q4 2022	FY 2022
REPORTED	27.7%	28.0%	27.5%
EXCLUDING IAC	27.4%	27.7%	25.4%
NORMALIZED	24.0%	25.4%	24.1%

For continuing operations

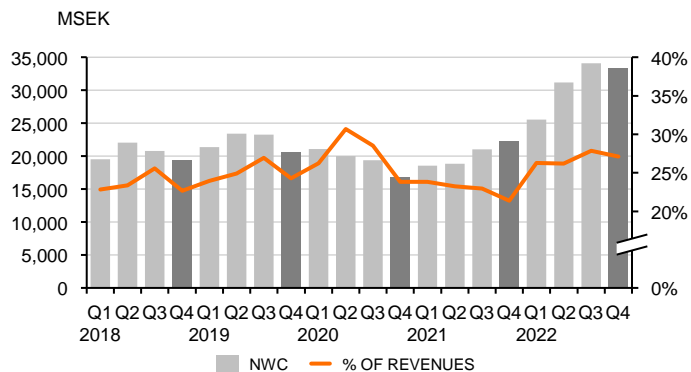
IN LINE WITH 22-24% GUIDANCE FOR 2022

- The higher tax rate in both current and comparative period relates to adjustments of non-recurring transactions for the specific quarter
- The normalized tax rate was higher due to periodization within the year

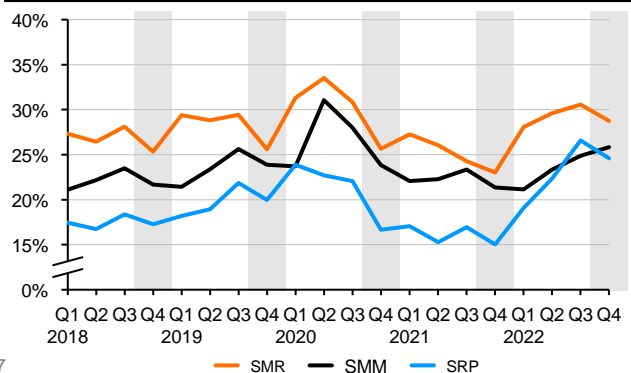
* Best estimates excluding SMT

NET WORKING CAPITAL

NET WORKING CAPITAL

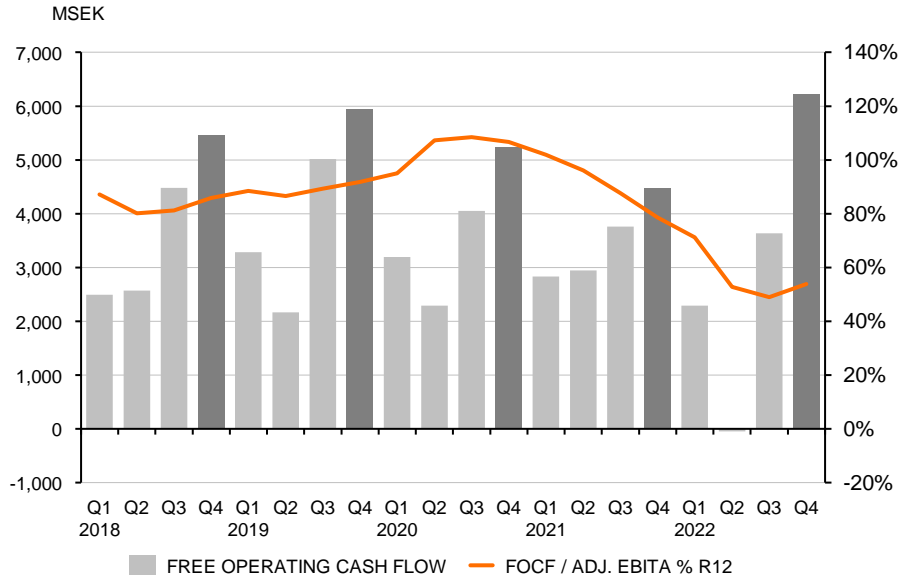


PER BA, % OF REVENUES



- Slight increase in inventories
- NWC underlying slightly down sequentially

FREE OPERATING CASH FLOW



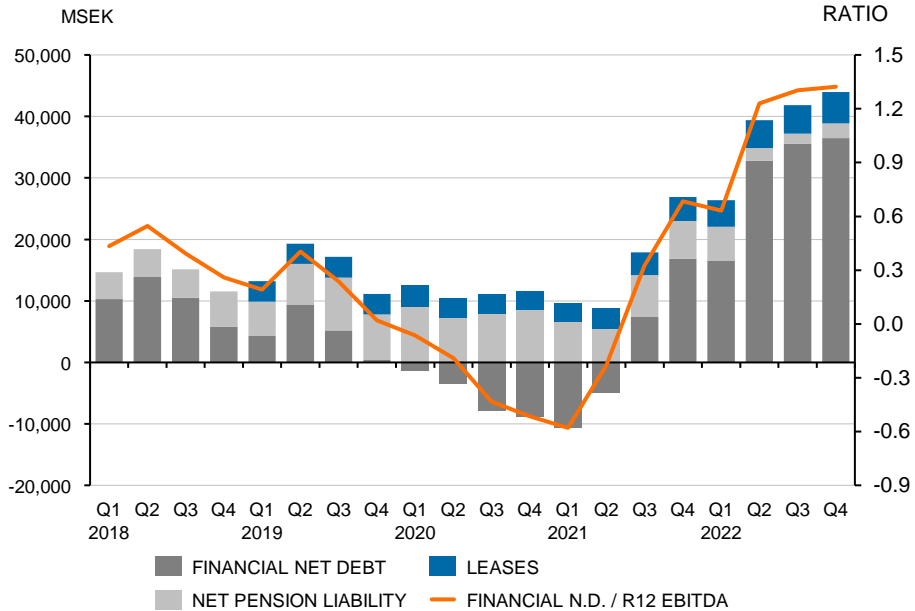
MSEK	Q4 2021	Q4 2022
EBITDA *	5,867	6,603
NON-CASH ITEMS	-189	893
NWC CHANGE	-333	376
CAPEX **	-871	-1,647
FOCF ***	4,474	6,226

* Adjusted for cash items related to certain acquisition costs, not considered operational
 ** Including investments and disposals of rental equipment and tangible and intangible assets
 *** Free operating cash flow before acquisitions and disposals of companies, financial items and paid taxes

* Best estimates excluding SMT

NET DEBT

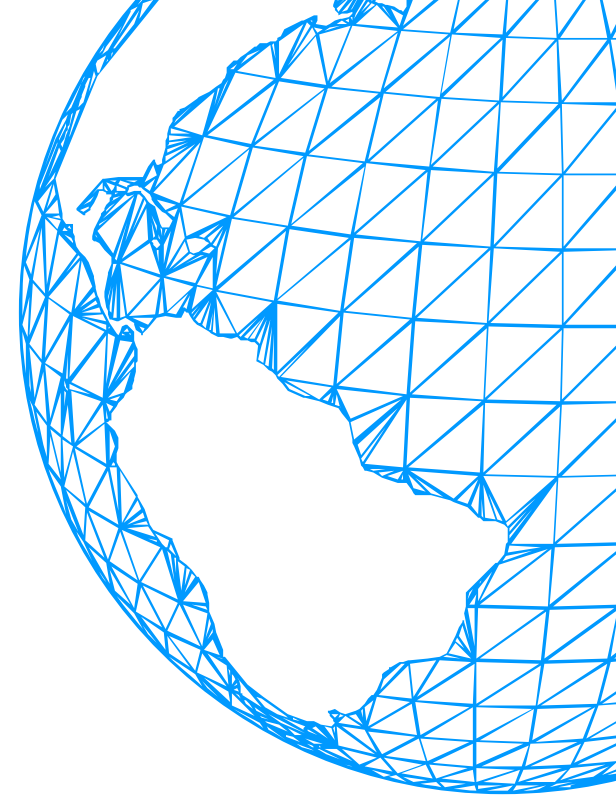
GROUP TOTAL



- Financial net debt / R12 EBITDA 1.32
- Financial net debt SEK 36.5 billion
- Net debt SEK 44.0 billion

OUTCOME VERSUS GUIDANCE

		Outcome	Guidance
Quarterly	Underlying currency yoy effect (MSEK)	1 096	1 400
	Capex (BSEK)	4.2	4.0
Annually	Interest net (BSEK)	-0.9	-0.7
	Normalized tax rate (%)	24.1%	22-24%



GUIDANCE Q1 AND FY 2023

CAPEX (CASH)	Estimated to approx. SEK 4.5 B for 2023.
CURRENCY EFFECTS	Given currency rates at end of December 2022 the effect on operating profit from transaction and translation would be SEK +600 M for Q1 2023
INTEREST NET	Underlying interest net is estimated to approximately SEK -1.7 B for 2023
TAX RATE	The normalized tax rate is estimated to 23% - 25% for 2023

CONCLUSION

SOLID EXECUTION 2022 IN A CHALLENGING ENVIRONMENT

- Favorable demand and solid contribution from acquisitions led to order intake growth of 17%
 - Strong backlogs with well managed supply chain issues and acquisitions resulted in a strong 20% growth in revenues
 - Adjusted EBITA at an all-time high and margin within the target range of 20-22%
-

IMPORTANT ACHIEVEMENTS MADE IN OUR SHIFT TO GROWTH STRATEGY

- Eight acquisitions announced during the year
 - Continued good innovation pace with important ground-breaking products and solutions introduced
 - Successful distribution of Sandvik Materials Technology as Alleima
 - Accelerated interest in Sandvik's automation and battery electric vehicle solutions
-

SOLID FOUNDATION FOR CONTINUED SUCCESS

- Enhanced offering and higher share of aftermarket and software business
- Strong backlogs in the long-cycle business and easing supply chain issues
- Cost inflation mitigated by pricing
- Structure program already ongoing, increased share of variable costs, and contingency plans prepared





Q&A

BACK-UP SLIDES



MSEK	Q4 2021	ORGANIC	CURRENCY	STRUCTURE	Q4 2022
MINING AND ROCK SOLUTIONS					
REVENUES	13,186	975	1,745	249	16,156
ADJUSTED EBITA	2,825	16	608	108	3,557
ADJUSTED EBITA MARGIN	21.4%				22.0%
ROCK PROCESSING SOLUTIONS					
REVENUES	2,129	107	288	461	2,985
ADJUSTED EBITA	340	-49	123	63	476
ADJUSTED EBITA MARGIN	16.0%				16.0%
MANUFACTURING AND MACHINING SOL.					
REVENUES	9,996	128	1,160	670	11,954
ADJUSTED EBITA	2,166	48	343	100	2,657
ADJUSTED EBITA MARGIN	21.7%				22.2%

LOAN AND DURATION PROFILE

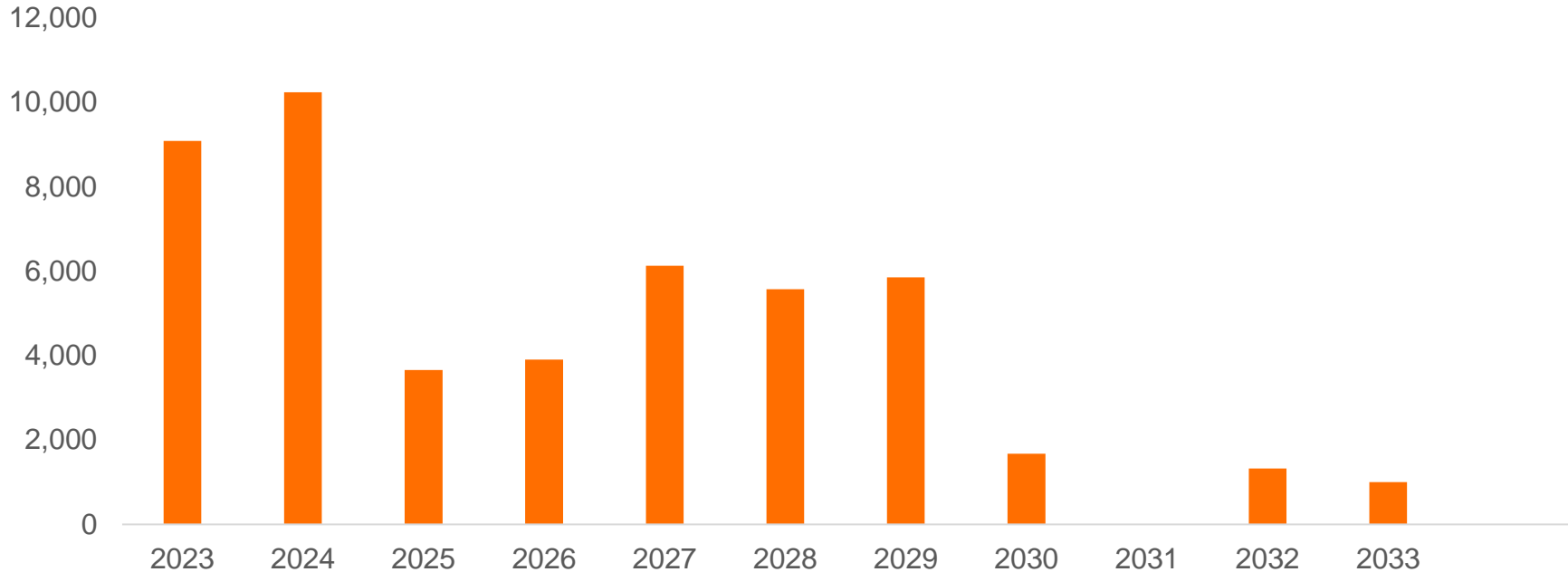
		AMOUNT	DURATION
LONG TERM 82%	Swedish MTN	-500	1.1 years
	European MTN	-29,731	4.8 years
	Bank Loans	-8,090	3.1 years
	<hr/>		
SHORT TERM 18%	Commercial Paper	-7,287	0.1 years
	Swedish MTN	-500	1.0 years
	European MTN	-781	0.5 years
	Bank Loans	-66	0.0 years
	<hr/>		
	TOTAL	-46,954	3.6 years

Committed Credit facilities **SEK 11,100 M**

LOAN MATURITY PROFILE

AVERAGE
INTEREST RATE:
~3.0%

MSEK



An abstract graphic consisting of several bright blue lines that intersect to form a series of triangles and polygons, set against a black background. The lines are thin and create a sense of depth and movement.

DISCLAIMER STATEMENT

“Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialisation and technological difficulties, supply disturbances, and the major customer credit losses.”