

Interim report Q1 2024

## Mixed demand and good progress in strategic priority areas

- Total order intake amounted to SEK 31,981 million (34,363), corresponding to a decline of 7%. At fixed exchange rates, orders declined by 5%, and organically by 5%
- Total revenues amounted to SEK 29,002 million (30,968), a decline of 6%. At fixed exchange rates, the decline was 5%, of which organic 5%
- Adjusted EBITA decreased by 14% and amounted to SEK 5,281 million (6,119), corresponding to a margin of 18.2% (19.8). Items affecting comparability amounted to SEK -2,509 million (-45), mainly related to the restructuring program launched in the first quarter 2024
- Profit for the period amounted to SEK 1,247 million (3,816) and earnings per share, diluted, were SEK 0.99 (3.04). Adjusted earnings per share, diluted, were SEK 2.61 (3.07)<sup>2, 3)</sup>
- Free operating cash flow amounted to SEK 3,770 million (3,710)
- Solid momentum in strategic priority areas. Two completed acquisitions in the quarter, and one announced after the quarter

## -5%

Revenue growth at fixed exchange rates

## 18.2%

Adj. EBITA margin

## 1.3

Financial net debt/EBITDA

### Financial overview

MSEK	Q1 2023	Q1 2024	Change %	Q1-Q4 2023
Order intake	34,363	31,981	-7	125,011
Revenues	30,968	29,002	-6	126,503
Adjusted EBITA <sup>1)</sup>	6,119	5,281	-14	25,240
Adjusted EBITA margin	19.8	18.2	-	20.0
Adjusted EBIT <sup>2)</sup>	5,638	4,824	-14	23,300
Adjusted EBIT margin	18.2	16.6	-	18.4
Adjusted profit before tax <sup>2, 3)</sup>	5,109	4,317	-15	20,677
Profit for the period	3,816	1,247	-67	15,301
Adjusted profit for the period <sup>2, 3)</sup>	3,855	3,281	-15	15,935
Earnings per share, diluted, SEK	3.04	0.99	-67	12.18
Adjusted earnings per share, diluted, SEK <sup>2, 3)</sup>	3.07	2.61	-15	12.69
Free operating cash flow	3,710	3,770	2	19,582

<sup>1)</sup> Adjusted for items affecting comparability (IAC) on EBITA of SEK - 2,509 million in Q1 2024 (-45) and SEK -710 million for full year 2023. <sup>2)</sup> IAC on EBIT of SEK -2,629 million in Q1 2024 (-45) and SEK -882 million for full year 2023. <sup>3)</sup> Adjusted for IAC regarding tax of SEK 595 million in Q1 2024 (6) and SEK 248 million for full year 2023. For full details on IAC, see page 19–20.

Tables and calculations in the report do not always agree exactly with the totals due to rounding. Alternative performance measures and definitions used in this report are explained on page 22. For more information see [home.sandvik](http://home.sandvik).



## CEO's comment

The first quarter of 2024 was characterized by typical seasonality of sequential step up in orders, and positive book to bill. We reported a solid order intake level, with good demand in mining and aerospace, while general engineering displayed a mixed picture. Organic order intake declined by 5% year on year, on tough comparables. Organic revenues were down 5%, mainly due to calendar effects and timing of deliveries in our long-cycle business. However, a robust order backlog will support continued healthy organic revenue levels ahead. The adjusted EBITA margin was at 18.2% (19.8%), with the temporary lower volume quarter putting pressure on SG&A cost coverage. We had several strategic highlights in the quarter, such as continued strong momentum for our surface drilling equipment and automation solutions. In addition, we strengthened our exposure to Computer Aided Manufacturing (CAM) software within the manufacturing space.

The favorable metal prices in most commodities continued to spur mining activities and Sandvik Mining and Rock Solutions maintained a high order intake level of SEK 15.8 (17.5) billion. Organic order intake declined by 7%, compared to an all-time high order quarter in the year earlier period. Strong growth was noted in the Rotary Drilling division, a strategic priority area for us, and we received several key orders in the quarter. We also won a major AutoMine® deal, valued at SEK 300 million, which follows multiple automation solutions orders from the same customer. Furthermore, we extended a global framework agreement with one of our largest customers, signifying a commitment to, and satisfaction with, Sandvik's solutions. Under the agreement, Sandvik will also take part in developing the customer's long-term battery electric vehicle (BEV) strategy, including BEV



transition plans that are aligned with their sustainability objectives. As a consequence of more back-loaded deliveries, organic revenues declined by 4% year on year.

Organic order intake in Sandvik Rock Processing Solutions decreased by 7%. Demand in mining remained at stable and high levels. Infrastructure continued to be challenging due to low construction activity, mainly in Europe and Asia, and de-stocking among dealers in North America. Organic revenues declined by 15% due to low infrastructure demand.

**“We reported a solid order intake level, with good demand in mining and aerospace, while general engineering displayed a mixed picture.”**

Sandvik Manufacturing and Machining Solutions reported an organic order intake decline of 3%. Demand in aerospace continued to be positive while demand in general engineering was subdued driven by weakness in Germany. The US region continues to be robust, and we saw positive signs of recovery in China. Software grew by mid-single digits. During the quarter, Sandvik acquired Cimquest, a US based reseller of CAM solutions. This is another step in our strategic direction to grow in the digital manufacturing space, and will strengthen our presence within CAM, expand our ability to serve customers and improve our growth platform going forward. After the quarter we also announced the acquisition of Almü, a Germany-based cutting tools and solutions provider that will expand our offering towards lightweight components in the automotive segment, an area that expands our addressable market and which is increasingly important due to the shift towards electric vehicles.

In summary, the first quarter showed a mixed picture and was adversely impacted by calendar and timing effects. This also led to a margin in the quarter that was not in line with our margin range target. However, looking beyond the dynamics within the quarter, we see a stable to positive sentiment among our customers and continued investment willingness. Leading indicators are on a positive trajectory, with PMIs improving and important metals prices supportive on high levels. We also continue to see good price realization and cost focus in the organization, which will support our margin target for the full year. I am also pleased that we continued to deliver on our strategic priority areas despite a tougher macroeconomic and geopolitical environment. With our strong know-how and offerings, we continue to lead the way for our customers on their journey towards higher efficiency and productivity.

Stefan Widing  
President and CEO



# Order intake and revenues

Growth Q1, %	Order intake	Revenues
Organic	-5	-5
Structure	0	0
<b>Organic &amp; structure</b>	<b>-5</b>	<b>-5</b>
Currency	-2	-2
<b>Total</b>	<b>-7</b>	<b>-6</b>

*Change compared to same quarter last year.*

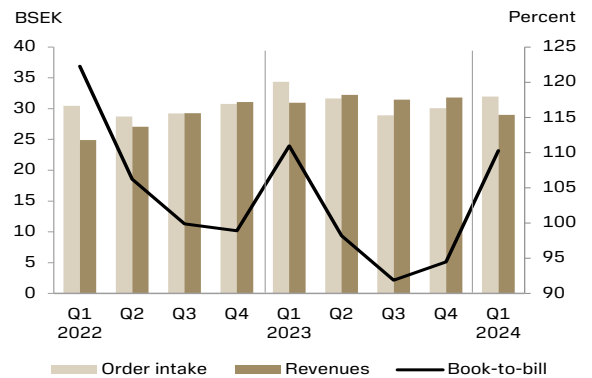


Total order intake declined by 7% year on year, by 5% at fixed exchange rates, and 5% organically. Total revenues declined by 6%, and at fixed exchange rates by 5%, of which -5% was organic.

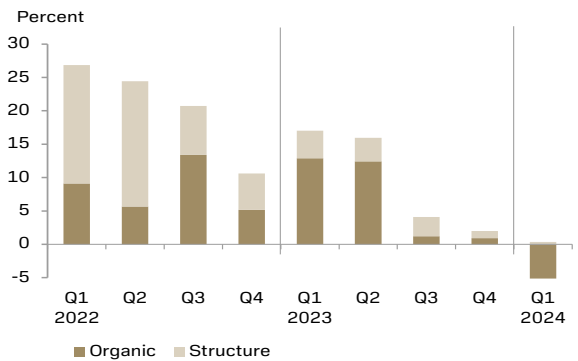
Continued stable activity was noted in mining, driven by the high prices for gold and copper. Smaller commodities such as zinc and nickel have been under pressure, with a few mines set on care and maintenance, although with limited impact on Sandvik's order intake pace. Challenges persist in the infrastructure segment, with low activities in Europe and Asia, and de-stocking mainly by dealers in North America. Customers' quest for improved safety, productivity as well as their decarbonization ambitions, continued to drive the demand for Sandvik's advanced automation solutions and technologies. Both Sandvik Mining and Rock Solutions and Sandvik Rock Processing Solutions noted strong demand in South America and India in Asia.

Demand in Sandvik Manufacturing and Machining Solutions was mixed. Solid demand was noted in the aerospace segment. Order intake in general engineering and automotive was slightly down in the quarter. Regionally, US continued to demonstrate resilience, Europe, in particular Germany, remained weak, whereas positive contribution was noted from markets in Asia. The seasonal sequential step-up in orders was noted in the beginning of the year, when some customers are placing larger orders for the year.

Order intake and revenues



Revenue growth



Q1 Underlying market development	Mining 51% of 2023 revenues						
	General engineering 20%	Infrastructure 10%	Automotive 7%	Aerospace 4%	Other 8%		
	→	↘	↘	↘	↗	↘	
	% of 2023 Group revenue	Order intake Y/Y (excl. major orders)					
Europe	27%	-9% (-7%)	→	↘	↘	↗	↘
North America	25%	-14% (-7%)	→	→	→	↗	↗
Asia	17%	0% (-1%)	→	↗	↘	→	↗
Africa, Middle East	12%	-1% (-1%)	→		↘		
Australia	13%	-3% (-3%)	→		↘		
South America	7%	16% (0%)	→		↘		

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



# Earnings

Adjusted gross profit amounted to SEK 12,045 million (12,925), corresponding to a margin of 41.5% (41.7). Adjusted sales and administration costs increased by 2% to SEK 7,153 million (7,027). The ratio to revenues increased to 24.7% (22.7).

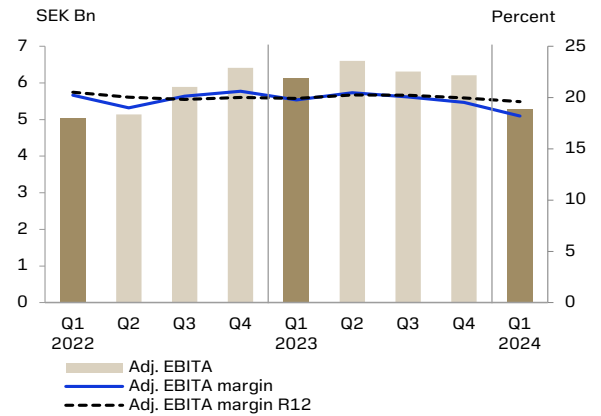
Adjusted EBITA declined by 14% to SEK 5,281 million (6,119). Adjusted EBITA margin was 18.2% (19.8), impacted mainly by lower volumes. The impact from transaction and translation exchange rates was negative SEK 212 million year on year, dilutive to the margin with 40 basis points. Savings from the restructuring program communicated in May 2022, amounted to SEK 102 million in the quarter. The achieved realized annualized run rate was 58% of total annualized savings of SEK 785 million. Savings from the restructuring program communicated in January 2024, amounted to approximately SEK 26 million in the quarter, corresponding to a realized annualized run rate of 8% of total annualized savings of SEK 1.2 billion. Acquisitions were neutral to the margin. Items affecting comparability amounted to SEK -2,509 million (-45) on EBITA, mainly related to the restructuring program announced on January 25, 2024.

The interest net amounted to SEK -363 million (-361), on par with the year earlier period. Higher interest rates was compensated by lower borrowing volumes. Net financial items amounted to SEK -506 million (-529).

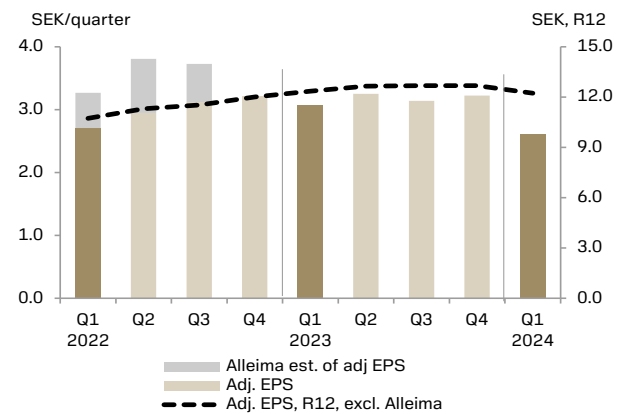
The tax rate, excluding items affecting comparability was 24.0% (24.5). The reported tax rate for continuing operations was 26.1% (24.6), impacted by costs related to the 2024 restructuring initiatives. The normalized tax rate was 24.0% (23.6), in line with guidance.

Profit for the period amounted to SEK 1,247 million (3,816), corresponding to earnings per share, diluted, of SEK 0.99 (3.04) and adjusted earnings per share, diluted, of SEK 2.61 (3.07). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 2.92 (3.40).

### Adjusted EBITA



### Adjusted earnings per share





## Balance sheet and cash flow

Capital employed increased year on year and amounted to SEK 141.4 billion (140.2). Sequentially, capital employed increased from SEK 137.4 billion mainly driven by higher net working capital. Return on capital employed decreased year on year to 6.8% (16.6) and sequentially (17.4). The decrease was due to the lower reported EBIT, which in turn was negatively impacted by restructuring related costs.

Net working capital increased year on year to SEK 36.6 billion (35.6) mainly explained by lower accounts payables. Sequentially (35.0), net working capital increased, explained by exchange rates. Net working capital in relation to revenues of 30.9% (27.8) increased year on year and sequentially (28.8) driven by lower topline and exchange rates.

Investments in tangible and intangible assets amounted to SEK 1.2 billion (1.2). The investments corresponded to 107% of depreciations.

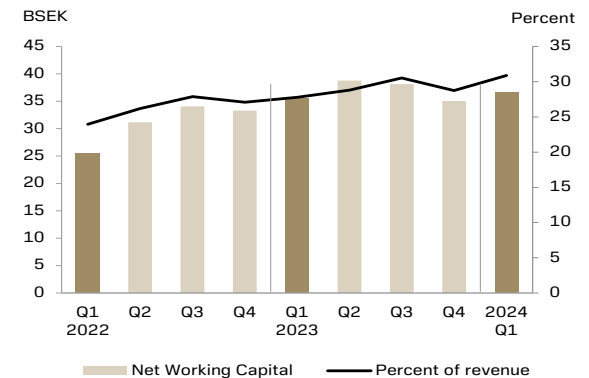
The financial net debt of SEK 33.9 billion (36.2) decreased year on year and sequentially (35.2). The financial net debt/EBITDA ratio was 1.3 (1.3), with a slight increase sequentially (1.2), despite the lower net debt, the ratio was negatively impacted by the one-off costs related to the restructuring program. The net pension liability increased year on year to SEK 2.4 billion (2.0) mainly due to reduced discount rates. Sequentially, the net pension liability decreased due to overall higher discount rates (2.8). Total net debt decreased year on year to SEK 42.2 billion (43.4) and sequentially (43.5).

Free operating cash flow was stable year on year to SEK 3.8 billion (3.7). The lower result was off-set by favorable net working capital change.

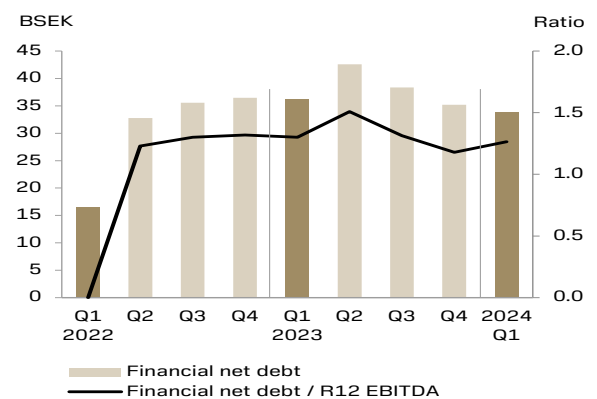
Free operating cash flow, MSEK	Q1 2023	Q1 2024
EBITDA, adj. <sup>1)</sup>	6,890	3,831
Non-cash items	15	1,215
Net working capital change	-2,079	-1
Capex <sup>2)</sup>	-1,116	-1,273
<b>Free operating cash flow<sup>3)</sup></b>	<b>3,710</b>	<b>3,770</b>

1) Adjusted for cash items related to certain acquisitions costs 2) Including investments and disposals of rental equipment of SEK -229 million (-35) and tangible and intangible assets of SEK -1,044 million (-1,081). 3) Free operating cash flow before acquisitions and disposals of companies, financial items and paid taxes.

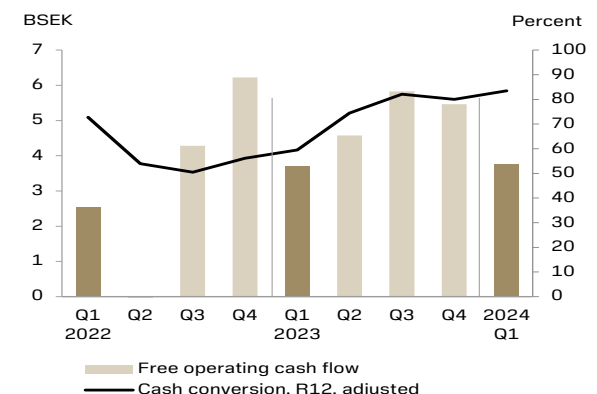
Net working capital\*



Financial net debt/EBITDA



Free operating cash flow\*



\*2022 has been adjusted to exclude Alleima for net working capital and free operating cash flow.



# Sandvik Mining and Rock Solutions

- Stable aftermarket on tough comparables
- Strong growth in Rotary Drilling
- Major AutoMine® repeat order



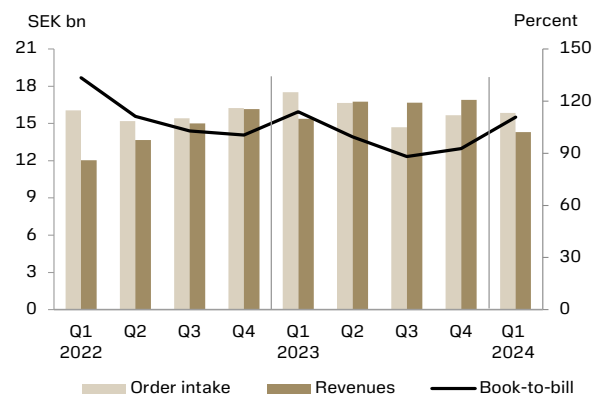
Growth Q1, %	Order intake	Revenues
Organic	-7	-4
Structure	0	0
<b>Organic &amp; structure</b>	<b>-7</b>	<b>-5</b>
Currency	-2	-2
<b>Total</b>	<b>-9</b>	<b>-7</b>

*Change compared to same quarter last year.*

## Order intake and revenues

- Resilient demand, while tough comparables on order intake year on year
- Strong momentum in strategically important areas, with exceptional growth in Rotary Drilling, and a major AutoMine® order of SEK 300 million
- Total order intake declined by 9%. At fixed exchange rates, the decline was 7%, of which organic -7%
- Major orders amounted to SEK 522 million (1,150). Excluding major orders, organic order intake declined by 4%
- Strongest growth was noted in South America of 18%. Asia and Australia were stable, and North America and Europe declined by 22% and 21%, respectively
- Organic order intake for equipment declined by 18% and was stable for aftermarket
- The aftermarket business accounted for 72% (68) of revenues while the equipment business accounted for 28% (32)

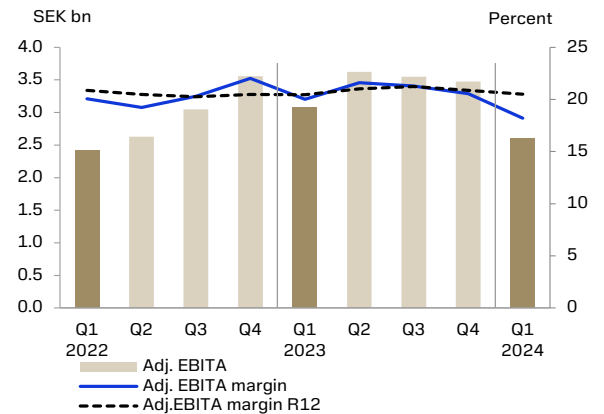
## Order intake, revenues and book-to-bill



## Adjusted EBITA

- The adjusted EBITA amounted to SEK 2,605 million (3,075), corresponding to a margin of 18.2% (20.0)
- Lower volumes, due to more back-loaded deliveries, impacted the margin negatively
- Savings from the 2022 and 2024 restructuring programs amounted to SEK 10 million and 5 million, respectively
- Acquisitions had limited impact to the margin
- Exchange rates had a negative impact of SEK 86 million year on year corresponding to a dilution of 10 basis points

## Adjusted EBITA



## Shift to growth

During the quarter, important partnerships were established. One of Sandvik's largest customers, extended its framework agreement. The agreement includes the roll-out of Sandvik's Remote Monitoring Service (RMS) to the customer's entire global underground fleet of more than 200 trucks, loaders and drill-rigs. Sandvik will also support in the customer's BEV strategy, including line out of a BEV transition aligned to their sustainability objectives.

Sandvik also partnered with Ambra Solutions, a leading provider of private LTE/5G wireless network industrial telecommunications. This collaboration aims to transform communication capabilities tailored for Sandvik's AutoMine® product families. The initiative seeks to enhance efficiency and safety in underground mining operations by addressing critical communication challenges.

Financial overview, MSEK	Q1 2023	Q1 2024	Change %	Q1-Q4 2023
Order intake	17,510	15,849	-9	64,527
Revenues	15,366	14,312	-7	65,690
Adjusted EBITA <sup>1)</sup>	3,075	2,605	-15	13,716
Adjusted EBITA margin	20.0	18.2	-	20.9
Return on capital employed <sup>2)</sup>	23.0	14.6	-	24.6
Number of employees <sup>3)</sup>	16,528	16,970	3	17,019

<sup>1)</sup> EBITA adjusted for items affecting comparability of SEK -521 million in Q1 2024 (-19) and for full year 2023 the impact was SEK 67 million. For more information see page 19-20. <sup>2)</sup> Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. <sup>3)</sup> Full-time equivalent.



# Sandvik Rock Processing Solutions

- Positive development in mining
- Continued challenges in infrastructure
- Solid margin resilience on lower volumes



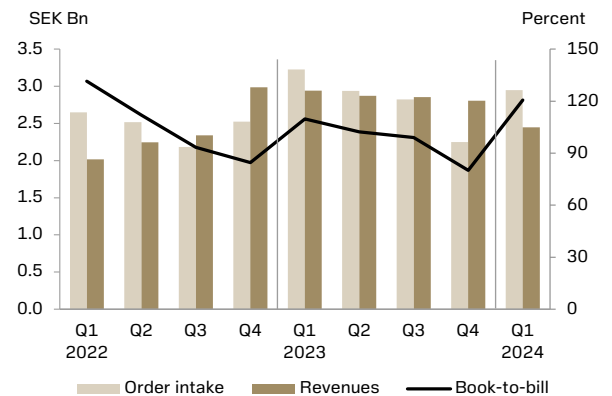
Growth Q1, %	Order intake	Revenues
Organic	-7	-15
Structure	0	0
<b>Organic &amp; structure</b>	<b>-7</b>	<b>-15</b>
Currency	-2	-2
<b>Total</b>	<b>-9</b>	<b>-17</b>

*Change compared to same quarter last year.*

## Order intake and revenues

- Mining demand stable on high levels, while infrastructure remained challenging due to low construction activity and de-stocking dynamics in North America
- Three major orders were received, totaling SEK 169 million (58). Excluding major orders, organic order intake declined by 10%
- Total order intake declined by 9% and at fixed exchange rates by 7%, of which organic was -7%
- Organic order intake for equipment declined by 8% and aftermarket by 6%
- Organic order intake growth was noted in South America of 22%. While order intake declined in Asia, India grew strongly. Europe and North America were down by 4% and 15%, respectively
- The aftermarket business accounted for 64% (56) of revenues while the equipment business accounted for 36% (44)

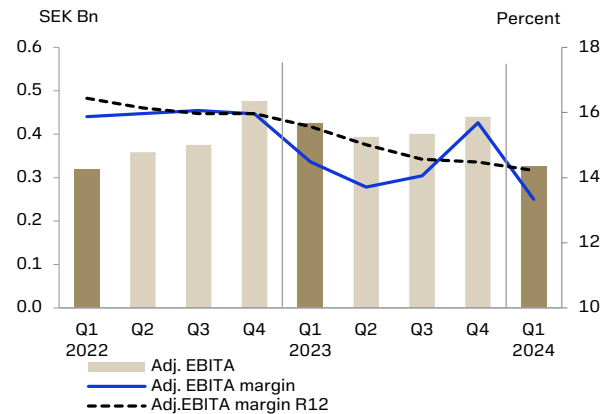
## Order intake, revenues and book-to-bill



## Adjusted EBITA

- The adjusted EBITA amounted to SEK 326 million (426), corresponding to a margin of 13.3% (14.5)
- Solid margin resilience on weaker volumes
- Savings from the 2022 and 2024 restructuring programs had a positive impact of SEK 23 million and SEK 3 million, respectively
- Exchange rates had a negative impact of SEK 22 million year on year, corresponding to a dilution of 50 basis points

## Adjusted EBITA



## Shift to growth

During the quarter Sandvik launched the upgraded 800i cone crusher series with a new seamless Automation & Connectivity System. These new crushers enable higher crushed volumes and finer particles sizes. Furthermore, improved reliability and simplicity features make them easier to operate, manage, maintain and service - leading to productivity and uptime gains for improved operational performance.

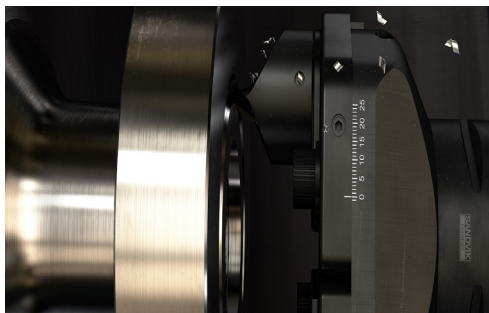
Financial overview, MSEK	Q1 2023	Q1 2024	Change %	Q1-Q4 2023
Order intake	3,227	2,949	-9	11,238
Revenues	2,939	2,446	-17	11,472
Adjusted EBITA <sup>1)</sup>	426	326	-23	1,661
Adjusted EBITA margin	14.5	13.3	-	14.5
Return on capital employed <sup>2)</sup>	9.8	-4.0	-	8.6
Number of employees <sup>3)</sup>	2,956	2,823	-4	2,946

<sup>1)</sup> EBITA adjusted for items affecting comparability of SEK -395 million in Q1 2024 (-5) and for full year 2023 the impact was SEK -144 million. For more information see page 19-20. <sup>2)</sup> Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. <sup>3)</sup> Full-time equivalent.



# Sandvik Manufacturing and Machining Solutions

- Solid demand in aerospace
- Positive signs in China
- Mid-single digit growth in software



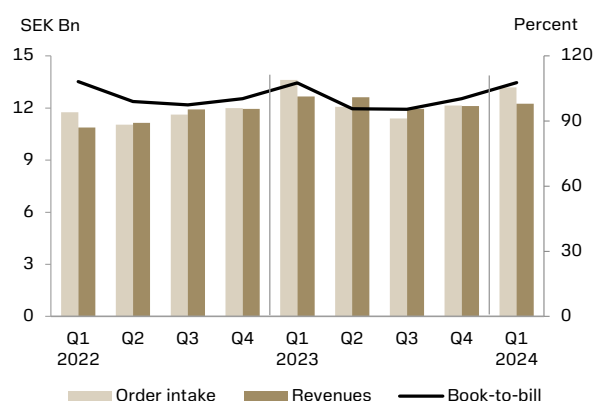
Growth Q1, %	Order intake	Revenues
Organic	-3	-4
Structure	1	1
<b>Organic &amp; structure</b>	<b>-2</b>	<b>-2</b>
Currency	-1	-1
<b>Total</b>	<b>-3</b>	<b>-3</b>

*Change compared to same quarter last year.*

## Order intake and revenues

- Solid demand in aerospace. General engineering and automotive slightly down, mainly due to weakness in Europe. Resilient demand in North America, and positive signs in China
- Software grew mid-single digits year on year, cutting tools declined mid-single digits, positive signs in demand for tungsten powder
- Total order intake declined by 3%. At fixed exchange rates order intake declined by 2%, of which organic -3%
- Strongest growth was noted in Asia of 5%. Europe declined by 6%, and North America by 4%
- The number of working days had a -1.8% impact on orders and revenues with a material impact in March due to Easter which was occurring in April in the prior year
- Daily order intake in the first two weeks of April was stable compared to the first quarter

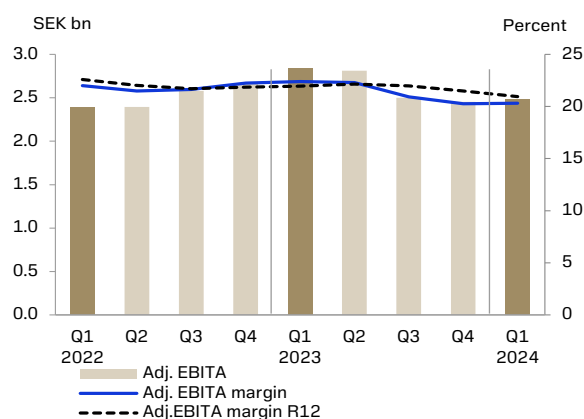
## Order intake, revenues and book-to-bill



## Adjusted EBITA

- The adjusted EBITA amounted to SEK 2,485 million (2,835), corresponding to a margin of 20.3% (22.4).
- Volumes impacted the margin negatively year on year
- Acquisitions were neutral to the margin
- Savings from the 2022 and 2024 restructuring programs had a positive impact of SEK 69 million and SEK 18 million, respectively
- Exchange rates had a negative impact of SEK 101 million year on year, corresponding to a dilution of 60 basis points

## Adjusted EBITA



## Shift to growth

Sandvik acquired Cimquest, a US based reseller of Computer Aided Manufacturing (CAM) solutions and one of the largest resellers in the Mastercam network. The acquisition further strengthens Sandvik's position in the CAM market and further builds on its capabilities to serve customers and expand the customer base. In addition, Sandvik completed the acquisition of pro-micron GmbH, a German-based supplier of sensorised tools and automation software. The acquisition strengthens Sandvik's position in sensorised tools market, which is a high growth market with strong underlying drivers such as the accelerated shift to automated production, increasing demand of production data from our customers and closed loop manufacturing driving the need for digitalization.

After the quarter, Sandvik announced the acquisition of Almü, a leading German company with a solid offering towards lightweight components in the automotive segment.

Financial overview, MSEK	Q1 2023	Q1 2024	Change %	Q1-Q4 2023
Order intake	13,626	13,184	-3	49,247
Revenues	12,662	12,244	-3	49,340
Adjusted EBITA <sup>1)</sup>	2,835	2,485	-12	10,597
Adjusted EBITA margin	22.4	20.3	-	21.5
Return on capital employed <sup>2)</sup>	16.0	3.8	-	13.7
Number of employees <sup>3)</sup>	20,747	20,231	-2	20,326

<sup>1)</sup> EBITA adjusted for items affecting comparability of SEK -1,521 million in Q1 2024 (-22) and for full year 2023 the impact was SEK -552 million. For more information see page 19-20. <sup>2)</sup> Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. <sup>3)</sup> Full-time equivalent





# Making the sustainability shift

- Positive development in the level of injury rates
- Improvement of circular waste
- New packaging material reduces CO<sub>2</sub> footprint



## During the quarter

Injury frequency rates continued to develop favorably. Compared to the year earlier period Total Recordable Injury Frequency Rate (TRIFR) improved by 5% and Lost Time Injury Frequency Rate (LTIFR) by 17%.

Waste circularity improved year on year and amounted to 74% (72). Several circularity initiatives were launched during the quarter. For example, one of Sandvik's sites in US, Westminster, implemented a pre-treatment of grinding sludge. The pre-treatment enables the redirection of waste from landfill to recycling. On an annual basis, approximately 75 tons of sludge will be recycled through this method.

Greenhouse gas emissions were stable compared to the year earlier period.

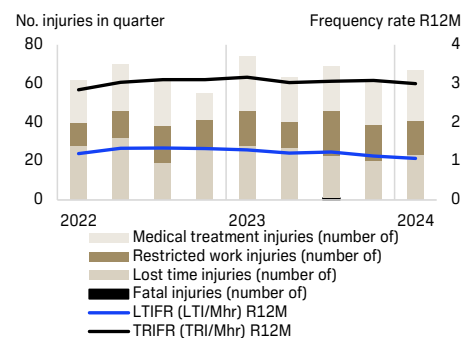
## First quarter 2024

- TRIFR improved to 3.0 (3.2) compared to the same period last year
- LTIFR improved to 1.1 (1.3) compared to the same period last year
- Greenhouse gas emissions (GHG) was stable at 36.7 kton (37.0) in the quarter
- The share of circular waste improved to 74% (72)
- The share of female managers improved to 20.6% (20.1)

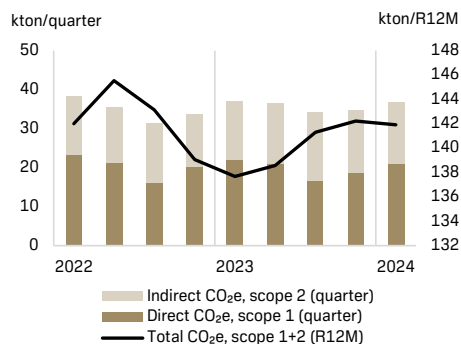
## New packaging material reduces CO<sub>2</sub> footprint

A key objective for Sandvik Manufacturing and Machining Solutions is to increase circularity and reduce the CO<sub>2</sub> footprint. Besides the positive impact from tools and solutions, focused efforts are also ongoing to minimize the environmental impact of packaging. An example of this is how tool packaging has been converted to recycled plastic by changing the raw material from virgin PE (Polythylene) to recycled PE. The packaging is of > 95% recycled material in the tube and the remaining 3-5% depends on the color needed. Initially, this change has generated savings of approximately 215 tonnes of CO<sub>2</sub>.

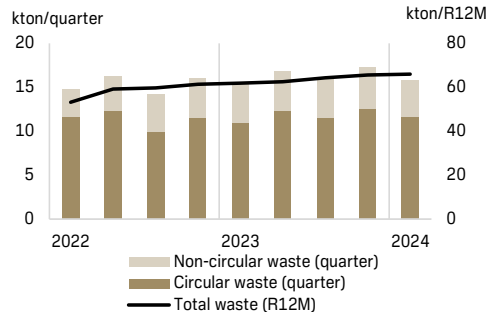
## Safety



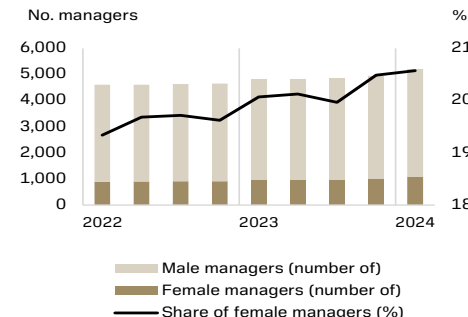
## Net zero



## Circularity



## Share of female managers



## Sustainability overview

	Q1 2023	Q1 2024	Change %	R12M
Total waste, thousand tonnes <sup>1)</sup>	15.3	15.7	2.5	65.9
Waste circularity, % of total	71.6	73.9	-	72.9
Total CO <sub>2</sub> , thousand tonnes <sup>1)</sup>	37.0	36.7	-0.9	141.9
Total recordable injury frequency rate, R12M frequency / million working hours	3.2	3.0	-5.3	3.0
Lost time injury frequency rate, R12M frequency / million working hours	1.3	1.1	-16.9	1.1
Share of female managers, %	20.1	20.6	-	19.9

<sup>1)</sup> Excluding tailings, digestion sludge and slag to disposal For definitions see home.sandvik



# Acquisitions and divestments

## Acquisitions during the last 12 months

Business area	Company/unit	Acquisition date	Revenues	No. of employees
<b>2023</b>				
Sandvik Mining and Rock Solutions	MCB Services and Minerals	April 1, 2023	60 MSEK in 2022	53
Sandvik Mining and Rock Solutions	Norgalv	June 1, 2023	58 MSEK R12	42
Sandvik Manufacturing and Machining Solutions	Postability	August 1, 2023	30 MSEK in 2022	13
Sandvik Manufacturing and Machining Solutions	esco GmbH	November 2, 2023	14 MSEK in 2022	17
Sandvik Manufacturing and Machining Solutions	Buffalo Tungsten Inc.	December 1, 2023	333 MSEK in 2022	48
<b>2024</b>				
Sandvik Manufacturing and Machining Solutions	pro-micron	February 1, 2024	88 MSEK in 2022	56
Sandvik Manufacturing and Machining Solutions	Cimquest	March 1, 2024	26 MUSD in 2023	55

The acquisitions were made through the purchase of 100% of shares and voting rights except for MCB. Sandvik purchased the remaining 70% of the shares and voting rights in MCB. Prior to the acquisition of MCB in April 2023, Sandvik owned 30% of the shares. Sandvik received control over the operations on the date of closing. No equity instruments have been issued in connection with the acquisitions. The acquisitions have been accounted for using the acquisition method.

## Contributions from companies acquired in 2024

MSEK	
Contributions as of acquisition date	
Revenues	33
Profit/loss for the year	-1
Contributions if the acquisition date would have been January 1, 2024	
Revenues	78
Profit/loss for the year	-8

MSEK	Purchase price on cash and debt free basis	Preliminary goodwill	Preliminary other surplus values
Acquisitions 2024	234	209	0

## Divestments during last 12 months

As part of the liquidation process of Sandvik's former operations in Russia, communicated in 2022, a legal entity was divested during the fourth quarter 2023. The divested entity's operations had previously been wind down. In 2023, the divestment had a negative cash flow effect on the Group of SEK -209 million, and resulted in a gain of SEK 230 million, driven by accumulated FX gains in equity.

During 2023 Sandvik divested DSI Tunneling LLC and sold the assets of Fero Reinforcing Pty Ltd.



# Significant events

## During the first quarter

- On February 2, Sandvik announced the completion of the previous announced acquisition of pro-micron GmbH, a German-based supplier of sensorised tools and automation software. The company will be reported in Sandvik Coromant, a division within Sandvik Manufacturing and Machining Solutions.
- On March 4, Sandvik announced the acquisition of Cimquest, a US based reseller of Computer Aided Manufacturing (CAM) solutions and one of the largest resellers in the Mastercam network. Cimquest will be a part of business unit Mastercam and will be reported within business area Sandvik Manufacturing and Machining Solutions.

## After the first quarter

- On April 9, Sandvik announced the acquisition of Almü Präzisions-Werkzeug GmbH, a Germany-based cutting tools and solutions provider within high-precision drilling, reaming, milling and tooling systems. The company will be reported in Sandvik Coromant, a division within Sandvik Manufacturing and Machining Solutions.



## Guidance and financial targets

Sandvik does not provide a market outlook or business performance forecasts. However, guidance relating to certain non-operational key figures considered useful when modeling financial outcome is provided in the table below:

<b>Capex (cash)</b>	Estimated at approx. SEK 5.0 billion for 2024.
<b>Currency effects</b>	Based on currency rates at the end of March 2024, it is estimated that transaction and translation currency effects will have an impact of about SEK +120 million on EBITA for the second quarter of 2024, compared with the year-earlier period
<b>Interest net</b>	Estimated at SEK approximately -1.3 billion in 2024.
<b>Tax rate</b>	Estimated at 23–25% for 2024, normalized.

### Sandvik has four long-term financial targets, defined in 2022

#### Growth

A growth of 7% through a business cycle organic and M&A, in fixed currency.

#### Adjusted EBITA range

An adjusted EBITA range of 20–22% through a business cycle adjusted for IAC.

#### Dividend payout ratio

A dividend payout ratio of 50% of EPS, adjusted for IAC, through a business cycle.

#### Financial net debt/EBITDA

A financial net debt/EBITDA of <1.5 excl. transformational M&A.

#### Sustainability

The 2030 sustainability targets focus on the areas of circularity, climate, people and ethics. These targets are reported on a quarterly basis and can be found on page 9.

## Accounting policies

Sandvik Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. With exception for new and revised standards and interpretations effective from January 1, 2024 the same accounting and valuation policies were applied as in Sandvik Group Annual Report 2023. There are no new accounting policies applicable from 2024 that significantly affects Sandvik Group. This report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2, Reporting for Legal Entities.

During Q1 2024 Sandvik converted the financial electricity hedges into physical contracts. The income statement effect of the financial electricity hedges was presented within the financial net instead, while the result of the physical contracts is presented within the operating result.

Since January 1, 2024 Sandvik applies hedge accounting for currency-hedges of customer orders not yet invoiced. When the hedge accounting criterias are fulfilled Sandvik presents the changes in market value for these hedges in OCI. Prior to implementing hedge accounting the these effects were presented within the profit and loss statement in the financial net.

#### IAS 12 Pillar II

The group is within the scope of the OECD Pillar II model rules. In Sweden, the jurisdiction in which Sandvik AB is incorporated, the Pillar II legislation came into effect from January 1, 2024. The group may be subject to Pillar II taxes for the first time in 2024. Sandvik's assessment is that the group will not be liable to any material Pillar II taxes as most jurisdictions in which the group operates have an effective tax rate of 15% or higher. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes, as provided in the amendments to IAS 12 issued in May 2023.

## Transactions with related parties

No transactions between Sandvik and related parties that significantly affected the company's position and results took place.

## Risk assessment

As an international group with a wide geographic spread, Sandvik is exposed to several strategic, business and financial risks. Strategic risk at Sandvik is defined as emerging risks affecting the business long-term, such as industry shifts, technological shifts and macroeconomic developments. The business risks can be divided into operational, sustainability, compliance, legal and commercial risks. The financial risks include currency risks, interest rates, raw material prices, tax risks and more. These risk areas can all impact the business negatively both long and short term but often also create business opportunities if managed well.

Risk management at Sandvik begins with an assessment in operational management teams where the material risks for their operations are first identified, followed by an evaluation of the probability of the risks occurring and their potential impact on the Group. Once the key risks have been identified and evaluated risk mitigating activities to eliminate or reduce the risks are agreed on.

For a more detailed description of Sandvik's analysis of risks and risk universe, see the Annual Report for 2023.



# Financial reports summary

## The Group

### Income statement

MSEK	Q1 2023	Q1 2024	Change %	Q1-Q4 2023
Revenues	30,968	29,002	-6	126,503
Cost of goods and services sold	-18,043	-18,035	0	-74,456
<b>Gross profit</b>	<b>12,925</b>	<b>10,967</b>	<b>-15</b>	<b>52,046</b>
% of revenues	41.7	37.8		41.1
Selling expenses	-3,828	-4,202	10	-15,876
Administrative expenses	-2,091	-2,722	30	-8,794
Research and development costs	-1,128	-1,437	27	-4,489
Other operating income and expenses	-286	-412	44	-470
<b>Operating profit</b>	<b>5,593</b>	<b>2,194</b>	<b>-61</b>	<b>22,418</b>
% of revenues	18.1	7.6		17.7
Financial income	161	176	9	808
Financial expenses	-690	-682	-1	-3,431
<b>Net financial items</b>	<b>-529</b>	<b>-506</b>	<b>-4</b>	<b>-2,623</b>
<b>Profit before tax</b>	<b>5,063</b>	<b>1,688</b>	<b>-67</b>	<b>19,794</b>
% of revenues	16.4	5.8		15.6
Income tax	-1,247	-441	-65	-4,493
<b>Profit for the period</b>	<b>3,816</b>	<b>1,247</b>	<b>-67</b>	<b>15,301</b>
% of revenues	12.3	4.3		12.1
<b>Profit (loss) for the period attributable to</b>				
Owners of the parent company	3,816	1,248	-67	15,300
Non-controlling interest	-1	-1	13	1
<b>Earnings per share, SEK</b>				
Group total, basic	3.04	0.99	-67	12.20
Group total, diluted	3.04	0.99	-67	12.18
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit (loss)				
Actuarial gains (losses) on defined benefit pension plans	296	337		-510
Tax relating to items that will not be reclassified	-62	-65		167
<b>Total items that will not be reclassified to profit (loss)</b>	<b>234</b>	<b>273</b>		<b>-344</b>
Items that may be reclassified subsequently to profit (loss)				
Translation differences	584	5,181		-3,113
Hedge reserve	1	-996		1,052
Tax relating to items that may be reclassified		205		-217
Fair value adjustment				-2
Total items that may be reclassified subsequently to profit (loss)	585	4,390		-2,279
Total other comprehensive income	820	4,663		-2,623
<b>Total comprehensive income</b>	<b>4,636</b>	<b>5,911</b>		<b>12,678</b>
<b>Total comprehensive income attributable to</b>				
Owners of the parent company	4,635	5,910		12,678
Non-controlling interest	1	0		0

For definitions see [home.sandvik](http://home.sandvik)



# The Group

## Balance sheet

MSEK	Dec 31, 2023	Mar 31, 2023	Mar 31, 2024
Intangible assets	64,495	66,625	67,142
Property, plant and equipment	22,234	21,805	22,992
Right- of use assets	5,384	4,984	5,557
Financial assets	9,980	9,667	11,169
Inventories	34,301	36,956	36,022
Current receivables	33,298	31,307	33,822
Cash and cash equivalents	4,363	9,214	3,577
Assets held for sale	154	-	190
<b>Total Assets</b>	<b>174,210</b>	<b>180,559</b>	<b>180,470</b>
Total equity	87,697	85,994	93,574
Non-current interest-bearing liabilities	36,931	45,645	34,965
Non-current non-interest-bearing liabilities	5,704	6,252	6,394
Current interest-bearing liabilities	12,240	8,268	12,245
Current non-interest-bearing liabilities	31,602	34,400	33,264
Liabilities held for sale	36	-	28
<b>Total equity and liabilities</b>	<b>174,210</b>	<b>180,559</b>	<b>180,470</b>

## Changes in equity

MSEK	Equity related to owners of the parent company	Non-controlling interest	Total equity
<b>Equity at January 1, 2023</b>	<b>81,227</b>	<b>43</b>	<b>81,270</b>
Adjustment on correction of error	204	-	204
<b>Equity at January 1, 2023</b>	<b>81,431</b>	<b>43</b>	<b>81,474</b>
Total comprehensive income (loss) for the period	12,678	0	12,678
Change in fair value of put option to acquire non-controlling interest	-86	-	-86
Change in non-controlling interest	-23	23	-
Share based program	-109	-	-109
Dividend	-6,261	-	-6,261
<b>Equity at December 31, 2023</b>	<b>87,631</b>	<b>66</b>	<b>87,697</b>
<b>Equity at January 1, 2024</b>	<b>87,631</b>	<b>66</b>	<b>87,697</b>
Total comprehensive income (loss) for the period	5,910	0	5,911
Change in fair value of put option to acquire non-controlling interest	-80	-	-80
Change in non-controlling interest	-5	5	-
Share based program	46	-	46
<b>Equity at March 31, 2024</b>	<b>93,503</b>	<b>71</b>	<b>93,574</b>



# The Group

## Cash flow statement

MSEK	Q1 2023	Q1 2024	Q1-Q4 2023
<i>Cash flow from operating activities</i>			
Profit before tax	5,063	1,688	19,794
Adjustment for depreciation, amortization and impairment losses	1,751	2,126	7,459
Other adjustments for non-cash items	996	2,377	1,834
Payment to pension fund	-148	-172	-509
Income tax paid	-1,627	-1,996	-6,852
<b>Cash flow from operating activities before changes in working capital</b>	<b>6,035</b>	<b>4,022</b>	<b>21,726</b>
<i>Changes in working capital</i>			
Change in inventories	-1,767	-307	292
Change in operating receivables	-1,218	-259	-171
Change in operating liabilities	907	564	-2,527
<b>Cash flow from changes in working capital</b>	<b>-2,079</b>	<b>-1</b>	<b>-2,406</b>
Investments in rental equipment	-173	-304	-910
Proceeds from sale of rental equipment	137	75	387
<b>Cash flow from operating activities, net</b>	<b>3,921</b>	<b>3,791</b>	<b>18,797</b>
<i>Cash flow from investing activities</i>			
Acquisitions of companies and shares, net of cash acquired	-1,135	-213	-1,877
Proceeds from sale of companies and shares, net of cash disposed	0	-	-164
Acquisitions of tangible assets	-843	-842	-3,872
Proceeds from sale of tangible assets	69	140	315
Acquisitions of intangible assets	-307	-343	-1,482
Proceeds from sale of intangible assets	1	1	6
Acquisitions of financial assets	-7	-	-113
Proceeds from sale of financial assets	1	-	10
Other investments, net	-350	-9	-1,327
<b>Cash flow from investing activities</b>	<b>-2,572</b>	<b>-1,267</b>	<b>-8,505</b>
<i>Cash flow from financing activities</i>			
Repayment of borrowings	-2,321	-3,158	-8,457
Proceeds from borrowings	22	13	78
Amortization, lease liabilities	-305	-317	-1,323
Repurchase of own shares	-	-	-242
Dividends paid	-	-	-6,261
<b>Cash flow from financing activities, net</b>	<b>-2,604</b>	<b>-3,462</b>	<b>-16,206</b>
<b>Total cash flow</b>	<b>-1,255</b>	<b>-938</b>	<b>-5,913</b>
Cash and cash equivalents at beginning of the period	10,489	4,363	10,489
Exchange-rate differences in cash and cash equivalents	-20	152	-213
<b>Cash and cash equivalents at the end of the period</b>	<b>9,214</b>	<b>3,577</b>	<b>4,363</b>

For definitions see [home.sandvik](https://www.sandvik.com)



# The Parent company

The parent company's invoiced sales for the first three months of 2024 amounted to SEK 3,895 million (3,507) and the operating result was SEK 16 million (1,072). Interest-bearing liabilities, less cash

and cash equivalents and interest-bearing assets, amounted to SEK 41,468 million (12,947). Investments in property, plant and machinery amounted to SEK 121 million (90).

## Income statement

MSEK	Q1 2023	Q1 2024	Q1-Q4 2023
Revenues	3,507	3,895	13,705
Cost of goods and services sold	-782	-2,031	-14,616
<b>Gross profit</b>	<b>2,725</b>	<b>1,864</b>	<b>-911</b>
Selling expenses	-324	-325	-938
Administrative expenses	-716	-605	-2,313
Research and development costs	-430	-550	-1,599
Other operating income and expenses	-183	-368	-1,107
<b>Operating result</b>	<b>1,072</b>	<b>16</b>	<b>-6,868</b>
Result from shares in group companies	95	0	12,855
Interest income/expenses and similar items	-212	-359	-1,242
<b>Result after financial items</b>	<b>955</b>	<b>-343</b>	<b>4,745</b>
Appropriations	26	61	13
Income tax expenses	-249	52	638
<b>Result for the period</b>	<b>732</b>	<b>-230</b>	<b>5,396</b>

## Balance sheet

MSEK	Dec 31, 2023	Mar 31, 2023	Mar 31, 2024
Intangible assets	312	413	278
Property, plant and equipment	3,064	3,030	3,023
Financial assets	83,550	70,900	83,920
Inventories	1,082	1 224	1,058
Current receivables	12,406	5 510	10,323
Cash and cash equivalents	0	0	0
<b>Total assets</b>	<b>100,414</b>	<b>81,077</b>	<b>98,602</b>
Total equity and liabilities	29,249	31,001	29,057
Untaxed reserves	1,057	1,044	995
Provisions	1,178	1,113	1,503
Non-current interest-bearing liabilities	26,649	30,177	24,684
Non-current non-interest-bearing liabilities	416	780	527
Current interest-bearing liabilities	30,712	13,799	37,751
Current non-interest-bearing liabilities	11,153	3,163	4,085
<b>Total equity and liabilities</b>	<b>100,414</b>	<b>81,077</b>	<b>98,602</b>
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	38,011	12,947	41,468
Investments in fixed assets	384	90	121





# Market overview, the Group

## Order intake by region

MSEK	Q1 2024	Change*		Share %
The Group		%	% <sup>1)</sup>	
Europe	9,228	-9	-7	29
North America	7,622	-14	-7	24
South America	2,512	16	0	8
Africa/Middle East	3,739	-1	-1	12
Asia	5,345	0	-1	17
Australia	3,535	-3	-3	11
<b>Total<sup>2)</sup></b>	<b>31,981</b>	<b>-5</b>	<b>-4</b>	<b>100</b>
<b>Sandvik Mining and Rock Solutions</b>				
Europe	1,762	-21	-7	11
North America	3,433	-22	-9	22
South America	1,803	18	-1	11
Africa/Middle East	3,257	-1	-1	21
Asia	2,574	-1	-1	16
Australia	3,018	-2	-3	19
<b>Total</b>	<b>15,849</b>	<b>-7</b>	<b>-4</b>	<b>100</b>
<b>Sandvik Rock Processing Solutions</b>				
Europe	617	-4	-12	21
North America	630	-15	-15	21
South America	412	22	4	14
Africa/Middle East	357	-2	-2	12
Asia	500	-14	-22	17
Australia	434	-14	-4	15
<b>Total</b>	<b>2,949</b>	<b>-7</b>	<b>-10</b>	<b>100</b>
<b>Sandvik Manufacturing and Machining Solutions</b>				
Europe	6,849	-6	n/a	52
North America	3,559	-4	n/a	27
South America	296	-1	n/a	2
Africa/Middle East	126	-8	n/a	1
Asia	2,270	5	n/a	17
Australia	84	5	n/a	1
<b>Total</b>	<b>13,184</b>	<b>-3</b>	<b>n/a</b>	<b>100</b>

\*Organic change compared with the year-earlier period

<sup>1)</sup> Excluding major orders which is defined as above SEK 200 million for Sandvik Mining and Rock Solutions and SEK 50 million for Sandvik Rock Processing Solutions. <sup>2)</sup> Includes rental fleet order intake in Q1 of SEK 197 million recognized according to IFRS 16.

n/a = not applicable



# Market overview, the Group

## Revenues by region

MSEK	Q1 2024	Change * %	Share %
<b>The Group</b>			
Europe	8,148	-8	28
North America	7,376	-5	25
South America	2,072	1	7
Africa/Middle East	3,388	-6	12
Asia	4,684	-6	16
Australia	3,333	0	11
<b>Total</b>	<b>29,002</b>	<b>-5</b>	<b>100</b>
<b>Sandvik Mining and Rock Solutions</b>			
Europe	1,490	-6	10
North America	3,386	-7	24
South America	1,479	8	10
Africa/Middle East	2,986	-6	21
Asia	2,154	-9	15
Australia	2,818	-1	20
<b>Total</b>	<b>14,312</b>	<b>-4</b>	<b>100</b>
<b>Sandvik Rock Processing Solutions</b>			
Europe	523	-18	21
North America	521	-19	21
South America	317	-14	13
Africa/Middle East	280	-3	11
Asia	365	-32	15
Australia	440	9	18
<b>Total</b>	<b>2,446</b>	<b>-15</b>	<b>100</b>
<b>Sandvik Manufacturing and Machining Solutions</b>			
Europe	6,136	-7	50
North America	3,470	-1	28
South America	276	-11	2
Africa/Middle East	122	0	1
Asia	2,165	5	18
Australia	74	-11	1
<b>Total</b>	<b>12,244</b>	<b>-4</b>	<b>100</b>

\*Organic change compared with the year-earlier period

1) Includes rental fleet revenues in Q1 of SEK 224 million recognized according to IFRS 16.



# The Group

## Order Intake by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Change % <sup>*</sup>	% <sup>*</sup>
Sandvik Mining and Rock Solutions	17,510	16,654	14,702	15,661	64,527	15,849	-9	-7
Sandvik Rock Processing Solutions	3,227	2,939	2,824	2,248	11,238	2,949	-9	-7
Sandvik Manufacturing and Machining Solutions	13,626	12,067	11,401	12,154	49,247	13,184	-3	-3
<b>Group Total<sup>1)</sup></b>	<b>34,363</b>	<b>31,660</b>	<b>28,927</b>	<b>30,062</b>	<b>125,011</b>	<b>31,981</b>	<b>-7</b>	<b>-5</b>

## Revenues by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Change % <sup>*</sup>	% <sup>*</sup>
Sandvik Mining and Rock Solutions	15,366	16,755	16,674	16,894	65,690	14,312	-7	-4
Sandvik Rock Processing Solutions	2,939	2,872	2,854	2,807	11,472	2,446	-17	-15
Sandvik Manufacturing and Machining Solutions	12,662	12,616	11,948	12,114	49,340	12,244	-3	-4
<b>Group Total<sup>1)</sup></b>	<b>30,968</b>	<b>32,243</b>	<b>31,476</b>	<b>31,816</b>	<b>126,503</b>	<b>29,002</b>	<b>-6</b>	<b>-5</b>

## EBITA by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Change %
Sandvik Mining and Rock Solutions	3,056	3,494	3,514	3,719	13,783	2,084	-32
Sandvik Rock Processing Solutions	421	243	401	452	1,517	-69	-116
Sandvik Manufacturing and Machining Solutions	2,813	2,364	2,482	2,386	10,045	964	-66
Group activities	-217	-307	-136	-155	-814	-207	-5
<b>Group Total<sup>1)</sup></b>	<b>6,074</b>	<b>5,794</b>	<b>6,260</b>	<b>6,402</b>	<b>24,530</b>	<b>2,772</b>	<b>-54</b>

## EBITA Margin by Business Area

%	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024
Sandvik Mining and Rock Solutions	19.9	20.9	21.1	22.0	21.0	14.6
Sandvik Rock Processing Solutions	14.3	8.5	14.0	16.1	13.2	-2.8
Sandvik Manufacturing and Machining Solutions	22.2	18.7	20.8	19.7	20.4	7.9
<b>Group Total<sup>1)</sup></b>	<b>19.6</b>	<b>18.0</b>	<b>19.9</b>	<b>20.1</b>	<b>19.4</b>	<b>9.6</b>

## Adjusted EBITA by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Change %
Sandvik Mining and Rock Solutions	3,075	3,621	3,548	3,472	13,716	2,605	-15
Sandvik Rock Processing Solutions	426	394	401	440	1,661	326	-23
Sandvik Manufacturing and Machining Solutions	2,835	2,810	2,499	2,453	10,597	2,485	-12
Group activities	-217	-226	-136	-155	-733	-135	-38
<b>Group Total<sup>1)</sup></b>	<b>6,119</b>	<b>6,599</b>	<b>6,312</b>	<b>6,211</b>	<b>25,240</b>	<b>5,281</b>	<b>-14</b>

## Adjusted EBITA Margin by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024
Sandvik Mining and Rock Solutions	20.0	21.6	21.3	20.6	20.9	18.2
Sandvik Rock Processing Solutions	14.5	13.7	14.1	15.7	14.5	13.3
Sandvik Manufacturing and Machining Solutions	22.4	22.3	20.9	20.2	21.5	20.3
<b>Group Total<sup>1)</sup></b>	<b>19.8</b>	<b>20.5</b>	<b>20.1</b>	<b>19.5</b>	<b>20.0</b>	<b>18.2</b>

## Items Affecting Comparability on EBITA

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024
Sandvik Mining and Rock Solutions	-19	-127	-34	246	67	-521
Sandvik Rock Processing Solutions	-5	-151	-	11	-144	-395
Sandvik Manufacturing and Machining Solutions	-22	-447	-17	-66	-552	-1,521
Group activities	-	-81	-	-	-81	-72
<b>Group Total<sup>1)</sup></b>	<b>-45</b>	<b>-805</b>	<b>-51</b>	<b>191</b>	<b>-710</b>	<b>-2,509</b>

\* Organic change compared with the year-earlier period

1) Internal transactions had negligible effect on business area profits.



## Items affecting comparability on EBITA

### 2023

Q1 2023– IAC of SEK -45 million comprising mainly of M&A costs related to SMM and SMR.

Q2 2023– IAC of SEK -805 million, whereof SEK -728 million relates to structural measures to support resilience ambitions announced in May 2022, applicable for all Business Areas as well as Group, with the main portion related to SMM and SRP. IAC of SEK -77 million consists of M&A costs primarily related to SMR and SMM.

Q3 2023– IAC of SEK -51 million comprising of M&A costs related to SMR and SMM.

Q4 2023– IAC of SEK 191 million mainly comprising of a gain of SEK 230 million from a divestment related to the wind down of operations in Russia, the gain is driven by accumulated FX gains in equity and is reported within SMR and SRP, releases related to structural initiatives announced in previous years of SEK 22 million, mainly SMM, a gain from the divestment of DSI Tunneling of SEK 16 million in SMR, offset by M&A costs of SEK -76 million in SMM.

### 2024

Q1 2024 – IAC of SEK -2,509 million, comprising of structural measures to support operational efficiency and resilience ambitions announced in January at a net cost of SEK -2,425 million, impacting all BAs, and M&A costs totaling SEK -84 million primarily SMM and SMR.

## Adjusted EBIT and Adjusted EBITA per business area

Q1 2024, MSEK	Reported EBIT,	Reported EBIT, %	IAC <sup>1)</sup>	Adjusted EBIT	Adjusted EBIT, %	Amortizations <sup>2)</sup>	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	1,944	13.6	-521	2,465	17.2	-140	2,605	18.2
Sandvik Rock Processing Solutions	-139	-5.7	-395	256	10.5	-70	326	13.3
Sandvik Manufacturing and Machining Solutions	596	4.9	-1,641	2,237	18.3	-248	2,485	20.3
Group activities	-207	–	-72	-135	–	–	-135	–
<b>Group Total</b>	<b>2,194</b>	<b>7.6</b>	<b>-2,629<sup>3,4)</sup></b>	<b>4,824</b>	<b>16.6</b>	<b>-457</b>	<b>5,281</b>	<b>18.2</b>

**1)** For full details on IAC, see above. **2)** Adjusted for amortization, depreciation, impairment and other accounting effects arising from business combinations. Primary related to costs within COGS and Sales. **3)** SEK 120 millions are not affecting EBITA. **4)** The line items affected are mainly Cost of goods and services sold SEK -1,079 million and Administrative expenses SEK -565 million.

## Taxes excluding items affecting comparability

Q1 2023	Reported tax, MSEK	Reported tax, %	IAC, MSEK	IAC, %	Tax excluding IAC, MSEK	Tax excluding IAC, %
Group Total	-1,247	24.6	6	14.3	-1,254	24.5

Q1 2024	Reported tax, MSEK	Reported tax, %	IAC, MSEK	IAC, %	Tax excluding IAC, MSEK	Tax excluding IAC, %
Group Total	-441	26.1	595	22.6	-1,036	24.0

## Adjusted earnings per share diluted

Q1 2023	Reported EPS, diluted	IAC on net profit, MSEK	Adjusted EPS, diluted	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Group Total	3.04	-39	3.07	-416	3.40

Q1 2024	Reported EPS, diluted	IAC on net profit, MSEK	Adjusted EPS, diluted	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Group Total	0.99	-2,034	2.61	-383	2.92



## Net debt

MSEK	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024
Interest-bearing liabilities excluding pension and lease liabilities	45,449	48,853	43,349	39,578	37,515
Less cash and cash equivalents	-9,214	-6,280	-4,998	-4,363	-3,577
<b>Financial net debt (net cash)</b>	<b>36,236</b>	<b>42,573</b>	<b>38,351</b>	<b>35,215</b>	<b>33,938</b>
Net Pensions liabilities	1,990	2,469	2,162	2,757	2,376
Leases liabilities	5,155	5,397	5,663	5,503	5,839
<b>Net debt</b>	<b>43,381</b>	<b>50,439</b>	<b>46,177</b>	<b>43,475</b>	<b>42,154</b>
Financial net debt (net cash)	36,236	42,573	38,351	35,215	33,938
Financial net debt/EBITDA	1.3	1.5	1.3	1.2	1.3

## Net working capital & capital employed

MSEK	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024
Inventories	36,956	39,066	37,918	34,305	36,026
Trade receivables	20,270	21,351	20,125	18,499	20,198
Account payables	-11,968	-11,794	-10,548	-9,595	-10,070
Other receivables	6,421	6,919	6,743	6,358	6,032
Other liabilities	-16,123	-16,770	-16,103	-14,519	-15,601
<b>Net working capital</b>	<b>35,558</b>	<b>38,772</b>	<b>38,135</b>	<b>35,048</b>	<b>36,585</b>
Tangible assets	21,805	22,949	22,877	22,254	23,018
Intangible assets	66,625	69,367	68,330	64,586	67,239
Other assets (incl. cash and cash equivalents)	92,129	94,000	90,035	87,369	90,213
Other liabilities	-40,309	-41,205	-39,171	-36,833	-39,081
<b>Capital employed</b>	<b>140,250</b>	<b>145,111</b>	<b>142,072</b>	<b>137,377</b>	<b>141,389</b>

## Key figures

Group total	Q1 2023	Q1 2024	Q1-Q4 2023
Return on capital employed, % <sup>1)</sup>	16.6	6.8	16.5
Return on total equity, % <sup>1)</sup>	18.3	5.5	17.7
Shareholders' equity per share, SEK	68.5	74.5	69.9
Financial net debt / EBITDA	1.3	1.3	1.2
Net working capital, % <sup>1)</sup>	27.8	30.9	28.6
Earnings per share, basic, SEK	3.04	0.99	12.20
Earnings per share diluted, SEK	3.04	0.99	12.18
EBITDA, MSEK	7,344	4,320	29,877
Cash flow from operations, MSEK	3,921	3,791	18,797
Number of employees <sup>2)</sup>	40,784	40,614	40,877
No. of shares outstanding at end of period ('000)	1,254,386	1,254,386	1,254,386
Average no. of shares, ('000)	1,254,386	1,254,386	1,254,386
Average no. of shares, diluted, ('000)	1,255,581	1,256,293	1,255,916

1) Quarter is quarterly annualized and the annual number is based on a four quarter average. 2) Full-time equivalent.



# Definitions of alternative performance measures

Sandvik presents below definitions of certain financial measures that are not defined in the interim report in accordance with IFRS. Sandvik believes that these measures have an important purpose of providing useful supplemental information to investors and the company's management when they allow evaluation of trends and the company's performance. As not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS.

## Adjusted EBITA

Earnings before interest, tax and amortizations, adjusted for items affecting comparability, also excluding other accounting effects arising from business combinations.

## Adjusted EBITA margin

Earnings before interest, tax and amortizations, adjusted for items affecting comparability, also excluding other accounting effects arising from business combinations, in relation to sales.

## Adjusted EPS

Profit/loss for the period adjusted for items affecting comparability attributable to equity holders of the parent company divided by the average number of shares outstanding during the year.

## Adjusted EPS, diluted

Profit/loss for the period adjusted for items affecting comparability attributable to equity holders of the parent company divided by the average number of shares outstanding during the year including shares that will be allotted in the long-term incentive programs.

## Adjusted EPS, diluted excluding surplus values

Profit for the period adjusted for items affecting comparability excluding amortizations and other accounting effects, net of tax, arising from business combinations attributable to equity holders of the parent company divided by the average number of shares outstanding during the year including shares that will be allotted in the long-term incentive programs.

## Adjusted profit before tax

Profit before tax adjusted from items affecting comparability.

## Capital employed

Capital employed is defined as total net working capital plus tangible and intangible assets, including those classified as asset held for sale, other current assets (incl. cash and cash equivalents) less other current liabilities.

## Cash conversion

Free operating cash flow, adjusted for items affecting comparability divided by adjusted EBITA.

## EBITA

Earnings before interest, tax and amortizations, also excluding other accounting effects arising from business combinations.

## EBITDA

Operating profit (EBIT) less depreciation, amortization and impairments.

## Financial net debt/EBITDA

Interest-bearing current and non-current liabilities, excluding net pension liabilities and leases, less cash equivalents divided by rolling 12 months EBITDA.

## Free operating cash flow

Earnings before interest, taxes and depreciation adjusted for non-cash items and adjusted for cash items related to acquisitions not considered operational plus the change in net working capital minus investments and disposals of rental equipment and tangible and intangible assets.

## Items affecting comparability (IAC)

Sandvik reports EBITA, EBIT, profit before tax and earnings per share adjusted for items affecting comparability. IAC includes capital gains and losses from divestments and larger restructuring initiatives, impairments, capital gains and losses from divestments of financial assets, M&A related costs as well as other material items having a significant impact on the comparability.

## Net debt

Interest-bearing current and non-current liabilities, including net pension liabilities and leases, less cash and cash equivalents.

## Net Working Capital (NWC)

Total of inventories, trade receivables, account payables and other current non-interest-bearing receivables and liabilities, including those classified as assets and liabilities held for sale/distribution, but excluding tax assets and tax liabilities and provisions.

## Order intake

Order intake for a period refers to the value of all orders received for immediate delivery and those orders for future delivery for which delivery dates and quantities have been confirmed. General sales agreements are included only when they have been finally agreed upon and confirmed. Service contracts are included in the order intake with the full binding contract amount upon signing.

## Organic growth

Change in order intake and revenues after adjustments for exchange rate effects and structural changes such as divestments and acquisitions. Sandvik generates the majority of its revenues in currencies other than in the reporting currency (i.e. SEK, Swedish Krona). Organic growth is used to analyze the underlying sales performance in the Group.

## Return on capital employed (ROCE)

Earnings before interest and taxes plus financial income, as a percentage of a four quarter average capital employed.

# 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 major customer credit losses.

Stockholm April 22, 2024  
**Sandvik Aktiebolag (publ)**

Stefan Widing  
**President & CEO**

The Company's Auditor has not reviewed the report for the first quarter of 2024

This information is information that Sandvik AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 11:30 AM CEST on April 22, 2024.

Additional information may be obtained from Sandvik Investor Relations on +46 70 782 63 74 (Louise Tjeder).

A webcast and telephone conference will be held on April 22, 2024 at 1:00 PM CEST. Information is available at [home.sandvik.ir](http://home.sandvik.ir)

## Calendar

April 29, 2024	Annual General Meeting
May 2, 2024	Proposed record date to receive dividends
May 7, 2024	Proposed date to receive dividends
July 19, 2024	Report, second quarter, 2024
October 21, 2024	Report, third quarter, 2024