



INTERIM REPORT THIRD QUARTER 2022 AND THE FIRST NINE MONTHS

SOLID BUSINESS PERFORMANCE AND STRATEGY EXECUTION

- Total order intake amounted to SEK 29,231 million (22,870), corresponding to total growth of 28%, and 16% at fixed exchange rates, of which organic 8% ¹⁾
- Total revenues amounted to SEK 29,267 million (21,725), a total growth of 35%. At fixed exchange rates, growth was 22%, of which organic 13% ¹⁾
- Adjusted EBITA grew by 27% and amounted to SEK 5,889 million (4,620), corresponding to a margin of 20.1% (21.3) ¹⁾. Items affecting comparability amounted to SEK -0.5 billion mainly related to the wind-down in Russia
- Profit for the period amounted to SEK 3,396 million (3,607) and earnings per share, diluted were SEK 2.71 (2.87). Adjusted earnings per share, diluted were SEK 3.12 (2.89)¹⁾
- Free operating cash flow amounted to SEK 3,634 million (3,758)¹⁾
- Successfully distributed Alleima, completed five cutting tool acquisitions, and secured the industry's largest battery electric vehicle (BEV) order to date

22%

Revenue growth at fixed
exchange rates

20.1%

Adj. EBITA margin

1.30

Financial net debt/EBITDA
Group total

FINANCIAL OVERVIEW CONTINUING OPERATIONS

MSEK	Q3 2021 ¹⁾	Q3 2022	CHANGE %	Q1-Q3 2021 ¹⁾	Q1-Q3 2022	CHANGE %
Order intake	22,870	29,231	28	66,892	88,445	32
Revenues	21,725	29,267	35	60,389	81,238	35
Adjusted EBITA ²⁾	4,620	5,889	27	12,772	16,073	26
Adjusted EBITA margin	21.3	20.1	-	21.2	19.8	-
Adjusted EBIT ²⁾	4,253	5,519	30	12,205	15,043	23
Adjusted EBIT margin	19.6	18.9	-	20.2	18.5	-
Profit before tax	4,146	4,827	16	12,070	12,968	7
Adjusted profit before tax ^{2, 3)}	4,214	5,336	27	12,369	14,579	18
Profit for the period	3,607	3,396	-6	9,652	9,419	-2
Adjusted profit for the period ^{2, 3)}	3,637	3,913	8	9,448	10,994	16
Earnings per share, diluted, SEK	2.87	2.71	-6	7.68	7.50	-2
Adjusted earnings per share, diluted, SEK ^{2, 3)}	2.89	3.12	8	7.52	8.76	16
Free operating cash flow	3,758	3,634	-3	9,533	5,878	-38

¹⁾ Comparative figures have been updated for comparability as Sandvik from January 1 to August 30 2022 report Alleima as discontinued operation, for more information see page 26. ²⁾ Adjusted for items affecting comparability (IAC) of SEK -509 million in Q3 2022 (-67) and SEK -1,611 million YTD 2022 (299). For full details on IAC, see page 22-23. ³⁾ Adjusted for IAC regarding tax of SEK -7 million in Q3 2022 (38) and SEK 36 million YTD 2022 (-96).

Comments and numbers in the report relate to continuing operations, unless otherwise stated. In accordance with IFRS, the income statement and cash flow have been updated for comparative periods whilst the balance sheet is unchanged. Key figures including both income statement and balance sheet numbers have not been updated in the comparative period unless otherwise stated. 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 27. For more information see home.sandvik. N/M = not meaningful

CEO'S COMMENT

I am pleased with the solid business performance and strategy execution in the quarter. We noted strong broad-based demand for our solutions, managed the supply chain and pricing efficiently, and made important progress in our shift to growth priorities. For the 7th consecutive quarter, we delivered double-digit organic growth in orders, excluding our closed-down business in Russia. We completed the distribution of Sandvik Materials Technology as Alleima, putting an end to a successful process. We also completed five cutting tools acquisitions, secured the industry's largest ever battery electric vehicle order (BEV), and reached an all-time high revenue level in the manufacturing solutions business. A lot has been achieved despite an increasingly uncertain macro environment.

Total order intake, at fixed exchange rates, grew by 16%, of which 8% organic. Revenues grew by 22% at fixed exchange rates, of which 13% was organic. During the quarter, we also updated on the wind-down process in Russia, which is proceeding according to plan. Excluding Russia, organic order and revenue growth was 14% and 17%, respectively. Adjusted EBITA margin amounted to 20.1% (21.3), with positive impact from higher volume and currency, offset by inflation and dilution from acquisitions. Pricing is not yet fully mitigating inflationary pressure, but we continue to make good progress with sequential improvement versus the previous quarter. Free operating cash flow amounted to SEK 3,634 million (3,758), still hampered by build-up of inventories due to supply chain issues, although improvements are expected to continue as we move forward.

The demand within Sandvik Mining and Rock Solutions remained high, with organic order intake growth of 10%. Good execution and some easing of the supply chain situation led to organic revenue growth of 16%. We continued to deliver on our shift to growth priorities, by securing the largest BEV order to date, valued at SEK 350 million. In addition, we received a sizeable surface mining order, consisting of equipment and Automine solutions, a further step in our ambition to increase penetration on surface and in automation. In September, we hosted a mining customer event in Finland with over 600 attendees where we listened to our customers' quests to become more sustainable and productive using Sandvik's automation and BEV solutions. The highlight of the event was the launch of our AutoMine® battery electric underground drill rig concept.

Sandvik Rock Processing's organic order intake was down 9%,

with continued positive development on the aftermarket but weaker in equipment. While overall demand remained robust, the infrastructure market in Europe continued to soften in the third quarter. Organic revenues were up by 11%, and excluding Russia, up 16% year on year.

Demand within Sandvik Manufacturing and Machining Solutions was strong. Organic order intake grew by 9%, with contribution from all regions and segments. Our acquisitions performed well, and the manufacturing solutions business achieved an all-time high revenue level, exceeding SEK 1 billion in a quarter for the first time. During the quarter, we took additional steps in our ambition to build a leading position in round tools, and we completed four round tools acquisitions in total. One was Sphinx Tools, a micro tools company with exposure to faster growing segments such as medical and consumer electronics.

As we leave this strong quarter behind us, there continue to be uncertainties ahead. Leading indicators show signs of an upcoming downturn in some market segments, but the timing and scope is difficult to predict at this stage. While we are prepared to act in response to any downturn, we are also optimistic about the future. Important segments such as mining, aerospace, energy and automotive have strong growth fundamentals or are still on a recovery path with continued growth potential. Furthermore, our strategic execution has led to a higher share of aftermarket and software business. The demand for electrification minerals and our customers' strong sustainability commitments, are also positive going forward. We have worked hard to become a more resilient company, optimized our footprint, increased the share of variable costs, and prepared contingency plans. I remain confident that whatever lies ahead of us, we have a solid platform to stand on.

Stefan Widing
President and CEO



ORDER INTAKE AND REVENUES

GROWTH

Q3, %	ORDER INTAKE	REVENUES
Organic	8	13
Structure	7	7
Organic & structure	16	22
Currency	12	12
Total	28	35

Change compared to same quarter last year. The table is multiplicative.

Broad-based demand, solid contribution from acquisitions and positive currency impact led to total order intake growth of 28%, at fixed exchange rates 16%, of which organic 8%. Total revenues grew by 35% and at fixed exchange rates, by 22%, of which organic 13%. The year on year growth was impacted by Sandvik's wind-down in Russia. Excluding Russia, organic order intake and revenue growth was 14% and 17%, respectively.

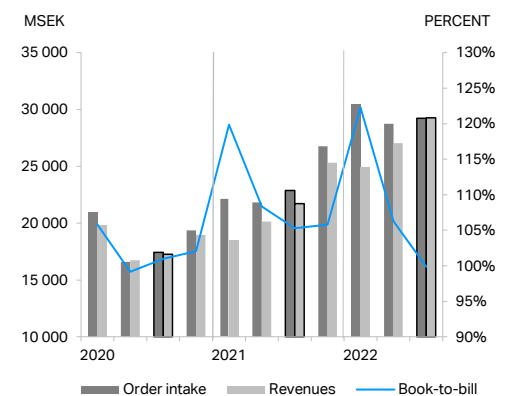
Demand within mining continued to be favorable, despite price declines in important commodities, such as copper and gold, and especially strong contribution from the aftermarket business was noted. The mining customers' ambitious decarbonization targets continued to drive the demand for automation and BEV solutions. Investments in infrastructure remained on high levels, albeit with continued softening in Europe. Sandvik Mining and Rock Solutions noted double-digit growth in all major regions, with particularly strong contribution from North America.

Solid demand was noted in all segments and regions for Sandvik Manufacturing and Machining solutions. Daily order intake in aerospace and energy segments, which still have not caught up to pre-covid levels, grew double-digits year on year. The automotive segment continued to show a positive sequential trend and grew year on year in all major regions with the highest pace in Europe. Although leading indicators are showing signs of a coming downturn, good business momentum in general engineering was noted: strongest contribution from Europe, followed by North America and Asia.

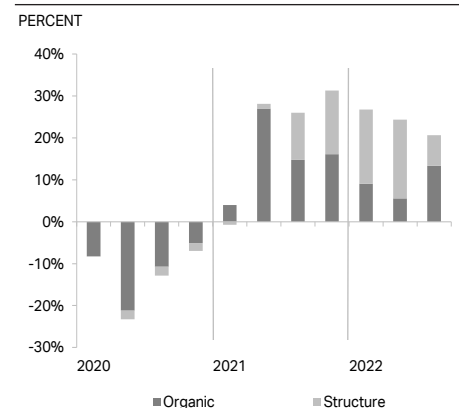
The third quarter was characterized by solid and broad-based demand for the Group. South and North America showed the highest growth numbers, closely followed by Europe (excluding Russia), Asia and Australia which all demonstrated equally strong growth pace. Some easing in the strained supply chain, and an improved situation in China post the broad lock-downs in the second quarter, translated into improved deliveries. Strongest revenue growth for the Group was noted in South and North America.

Changed exchange rates had a positive impact of 12% on both order intake and revenues.

ORDER INTAKE AND REVENUES*



REVENUE GROWTH*



* Best estimate as effects of the separation of SMT are not fully reconciled.

Q3

UNDERLYING MARKET DEVELOPMENT Continuing operations

	MINING 47% of 2021 revenues	GENERAL ENGINEERING 21%	AUTOMOTIVE 8%	ENERGY 3%	INFRA- STRUCTURE 10%	AERO 4%
	→	→	→	→	→	→
	% of 2021 Group revenue	Order intake Y/Y ex (excl. large orders)*				
Europe	31%	+13% (+13%)	→	→	→	→
North America	21%	+27% (+21%)	→	→	→	→
Asia	20%	+14% (+14%)	→	→	→	→
Africa/Middle East	11%	-13% (0%)	→	→	→	→
Australia	11%	+12% (+12%)	→	→	→	→
South America	6%	+36% (+36%)	→	→	→	→

* Excluding Russia

EARNINGS

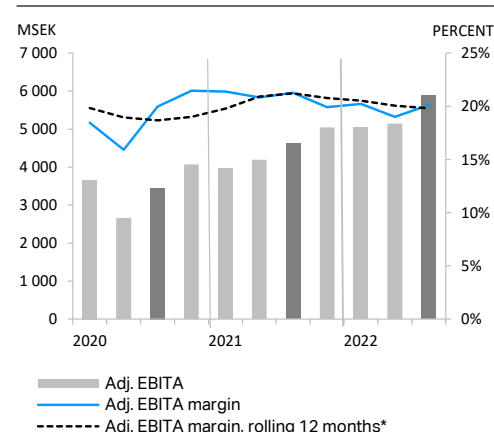
Adjusted gross profit amounted to SEK 11,842 million (9,032), corresponding to a margin of 40.5% (41.6). Sales and administration costs increased by 32% to SEK 6,270 million (4,739) while the ratio to revenues was relatively stable at 21.4% (21.8). Adjusted EBITA increased by 27% to SEK 5,889 million (4,620) corresponding to a margin of 20.1% (21.3). Despite higher volumes and currency tailwinds, margins were lower due to structure, temporary cost items, and dilution of 140 basis points from cost inflation not yet fully mitigated by pricing. The impact from transaction and translation exchange rates was positive SEK 1,042 million year on year, corresponding to a positive margin impact of 180 basis points. Structure had a 50 basis points dilutive impact on the margin. Items affecting comparability amounted to net of SEK -0.5 billion, of which SEK -0.6 billion was related to the wind-down in Russia.

The interest net increased to SEK -231 million (-57) due to increased borrowing volumes compared to the year earlier period. Net financial items amounted to SEK -183 million (-39), explained by higher interest net, partly offset by temporary positive revaluation effects on hedges.

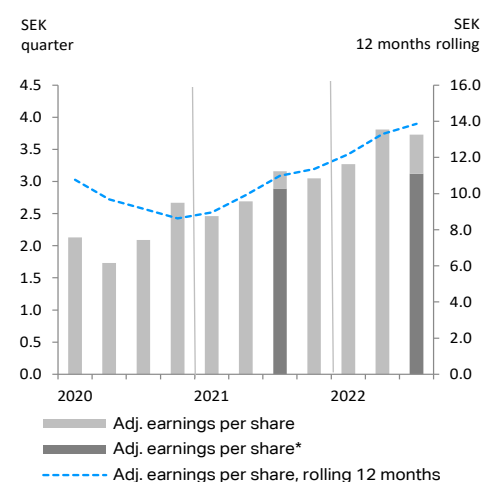
The tax rate, excluding items affecting comparability, for continuing operations was 26.7% (13.7). The reported tax rate for continuing operations was 29.6% (13.0). The lower tax rate in the year-earlier period was positively impacted by some non-recurring transactions.

Profit for the period amounted to SEK 3,396 million (3,607), corresponding to earnings per share, diluted, of SEK 2.71 (2.87) and adjusted earnings per share, diluted, of SEK 3.12 (2.89). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 3.37 (3.12).

ADJUSTED EBITA (%)*



ADJUSTED EARNINGS PER SHARE, DILUTED



* Best estimate as effects of the separation of SMT are not fully reconciled.

BALANCE SHEET AND CASH FLOW

To facilitate underlying capital employed and free operating cash flow analysis, the comparative period has been adjusted to exclude Alleima for the following KPIs: Capital employed, return on capital employed, net working capital and free operating cash flow, also applicable to the full time period in the graphs. For further details on development without adjusting for Alleima in comparative period, see page 24-25.

Capital employed increased year on year to SEK 139.0 billion (88.8), mainly due to goodwill from acquisitions and exchange rate impact. Sequentially capital employed was at SEK 122.2 billion, the increase in the third quarter was explained by increased cash and cash equivalents, acquisitions and impact from exchange rates. Return on capital employed decreased year on year to 16.0% (21.2) and improved sequentially (13.4) due to higher earnings.

Net working capital increased year on year to SEK 34.1 billion (21.0) mainly as a consequence of higher inventory levels. The sequential (31.2) increase was partly due to a slight uptick in inventory volumes, while the larger part was attributable to exchange rates. Net working capital in relation to revenues 27.9% (23.0) increased year on year and compared to the second quarter (26.2).

Investments in tangible and intangible assets increased slightly to SEK 1.0 billion (0.7), compared with the preceding year and the second quarter (0.9) and corresponded to 137% of scheduled depreciations.

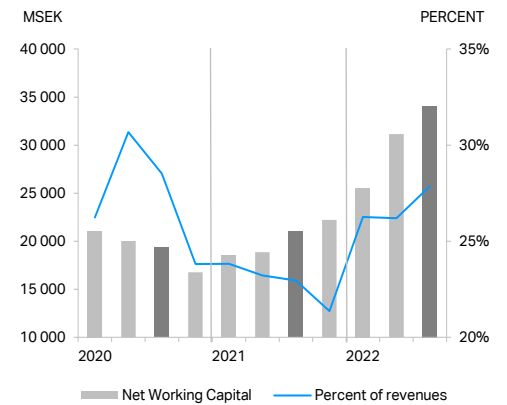
The financial net debt of SEK 35.6 billion (7.4) increased year on year and sequentially (32.8). Short-term financing increased sequentially by SEK 0.9 billion. In addition, a EUR bond of SEK 5.5 billion was raised in the quarter, as well as a loan of SEK 1.6 billion from the Nordic Investment Bank. Cash and cash equivalents increased sequentially due to increased debt level, partly offset by the payment of SEK 2 billion for completed acquisitions in the quarter. The financial net debt/EBITDA ratio was 1.30 (0.32), and higher than the second quarter (1.23).

The net pension liability decreased year on year to SEK 1.7 billion (6.8) due to higher discount rates and decreased slightly sequentially (2.1). Total net debt increased to SEK 41.9 billion (17.9) and sequentially (39.4). Free operating cash flow decreased year on year to SEK 3.6 billion (3.8), mainly due to the higher net working capital but improved sequentially (-0.0).

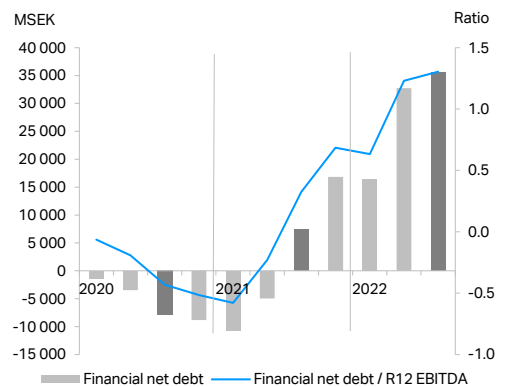
FREE OPERATING CASH FLOW, MSEK	Q3 2021	Q3 2022
EBITDA, adj. ¹⁾	5,436	6,314
Non cash items	-289	-300
Net Working Capital change	-718	-1,263
Capex ²⁾	-672	-1,117
FREE OPERATING CASH FLOW³⁾	3,758	3,634

1) Adjusted for cash items related to certain acquisitions costs 2) Including investments and disposals of rental equipment of SEK -197 million (-117) and tangible and intangible assets of SEK -920 million (-555). 3) Free operating cash flow before acquisitions and disposals of companies, financial items and paid taxes.

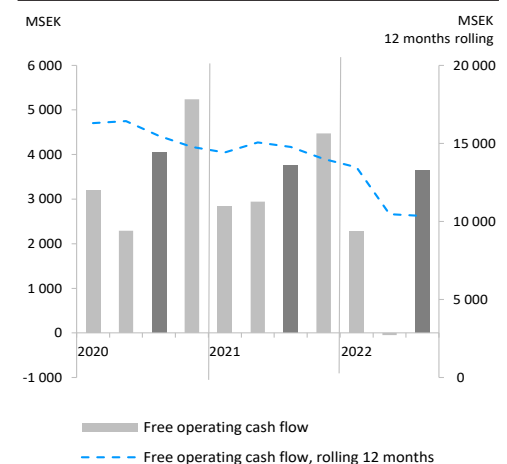
NET WORKING CAPITAL*



NET DEBT/EBITDA



FREE OPERATING CASH FLOW*



* Best estimate as effects of the separation of SMT are not fully reconciled.

SANDVIK MINING AND ROCK SOLUTIONS

STRONG AFTERMARKET DEMAND

SECURED AN ALL-TIME HIGH BATTERY ELECTRIC VEHICLE ORDER

POSITIVE MOMENTUM IN THE SURFACE MINING BUSINESS



GROWTH

Q3, %	ORDER INTAKE	REVENUES
Organic	10	16
Structure	2	2
Organic & structure	13	20
Currency	14	15
TOTAL	27	35

Change compared to same quarter last year. The table is multiplicative.

Order intake and revenues

Key items impacting order intake and revenues year on year:

- Continued solid broad-based demand, driven by aftermarket.
- Total order intake growth was 27%, and 13% at fixed exchange rates, of which 10% was organic
- Positive momentum for surface - a sizeable surface equipment order, including Automine solutions, secured in the quarter, and record order intake levels on Rotary Drilling
- Excluding the major order of SEK 350 million (432) in the quarter, organic order intake grew by 11% year on year
- Organic order intake for equipment declined by 6% and aftermarket order intake increased organically by 20%. Excluding Russia, equipment growth was positive
- Positive regional order intake development with strongest growth in South America of 49%, followed by North America 43%, Asia 28% and Europe (excluding Russia) 23%
- The aftermarket business accounted for 70% (64) of revenues while the equipment business accounted for 30% (36)

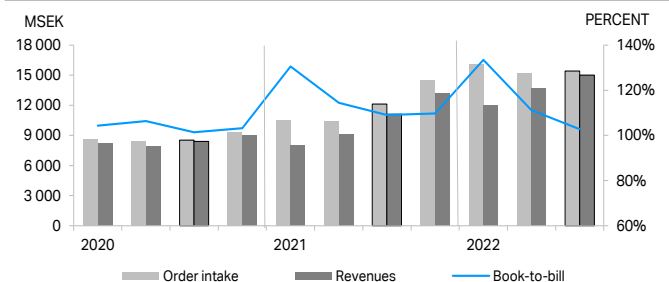
Adjusted EBITA:

- Adjusted EBITA margin was 20.3% (21.3). Higher volumes and currency tailwinds had a positive impact. Cost inflation was offset by pricing on absolute levels, but was still dilutive to margins
- A higher share of air freight and a year to date cost catch-up, impacted the margin negatively with 90 basis points
- The share of air freight decreased sequentially
- Exchange rates had a positive impact of SEK 635 million year on year

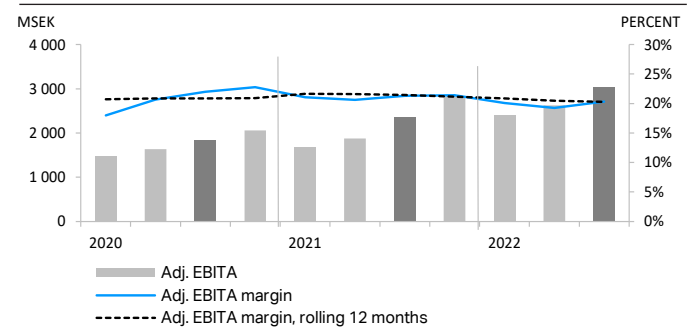
Shift to growth

Sandvik announced a EUR 10 million investment into the BEV manufacturing plant in Turku Finland in response to the growing demand for Sandvik's battery electric solutions. During the quarter Canadian Foran Mining elected Sandvik to supply a fleet of 20 battery-electric vehicles, including trucks, loaders and drills, for its McIlvenna Bay project in Saskatchewan, Canada. It was also announced that Mats Eriksson, currently head of division Load and Haul, has been appointed President of Sandvik Mining and Rock Solutions business area and a new member of the Sandvik Group Executive Management team.

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



ADJUSTED EBITA (%)



FINANCIAL OVERVIEW, MSEK	Q3 2021	Q3 2022	CHANGE %	Q1-Q3 2021	Q1-Q3 2022	CHANGE %
Order intake	12,122	15,419	27	32,990	46,660	41
Revenues	11,114	15,001	35	28,223	40,688	44
Adjusted EBITA ¹⁾	2,365	3,046	29	5,929	8,087	36
Adjusted EBITA margin	21.3	20.3	-	21.0	19.9	-
Return on capital employed ²⁾	29.6	18.8	-	32.5	22.6	-
Number of employees ³⁾	15,454	15,988	3	15,454	15,988	3

1) EBITA adjusted for items affecting comparability of SEK -616 million in Q3 2022 (-24) and for full year 2022 the impact was SEK -1,260 million (-52). For more information see page 22-23. 2) Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. 3) Full-time equivalent.

SANDVIK ROCK PROCESSING SOLUTIONS

CONTINUED ROBUST UNDERLYING DEMAND

POSITIVE MOMENTUM IN AFTER MARKET

REVENUE GROWTH OF 18% AT FIXED EXCHANGE RATES



GROWTH

Q3, %	ORDER INTAKE	REVENUES
Organic	-9	11
Structure	3	5
Organic & structure	-7	18
Currency	12	13
TOTAL	5	31

Change compared to same quarter last year. The table is multiplicative.

Order intake and revenues

Key items impacting order intake and revenues year on year:

- Order intake on solid levels, positive momentum in aftermarket while weaker in equipment
- Total order growth was positive 5% due to currency tailwinds, while growth at fixed exchange rates was negative 7% and, organically negative 9%
- Excluding a larger-sized order from previous period, and the impact from Russia, organic order intake was down 2%
- Excluding Russia, organic order intake for equipment declined by 19%, and aftermarket order intake increased by 6% year on year
- Positive development was noted in Australia with growth of 48% year on year. North America was up by 4% while Europe excluding Russia was down by 24% on tough comparables and a softening infrastructure market in Europe
- Organic revenue grew strongly by 11%, with double-digit growth in majority of regions
- The aftermarket business accounted for 57% (54) of revenues while the equipment business accounted for 43% (46)

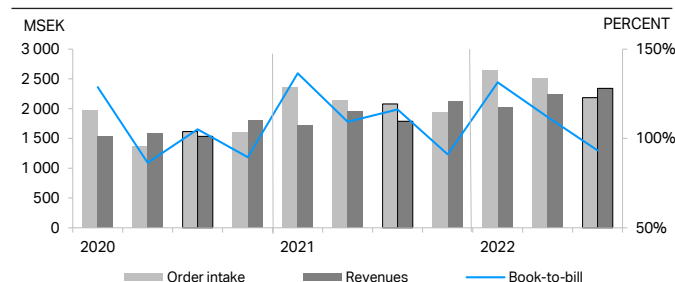
Adjusted EBITA:

- The adjusted EBITA amounted to SEK 376 million (302), corresponding to a margin of 16.1% (16.9)
- The margins were positively impacted by volumes, while cost inflation was not yet fully mitigated by pricing
- Exchange rates had a positive impact of SEK 132 million year on year

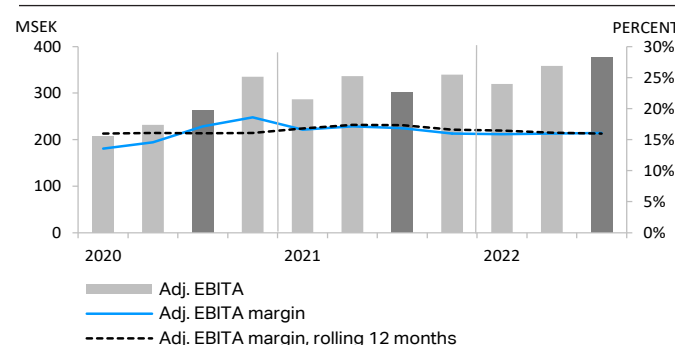
Shift to growth

A new aftermarket part, Optitooth jaw plates, for our mobile crushers, was launched in the quarter. This premium offering is designed to offer longer wear life, higher productivity and reduced fuel consumption. Results have proven a further increase in lifetime, up to 40% compared to the standard tooth jaw plate. The new offering also reduces CO₂ emissions of up to 70%.

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



ADJUSTED EBITA (%)



FINANCIAL OVERVIEW, MSEK	Q3 2021	Q3 2022	CHANGE %	Q1-Q3 2021	Q1-Q3 2022	CHANGE %
Order intake	2,082	2,184	5	6,587	7,351	12
Revenues	1,790	2,340	31	5,481	6,602	20
Adjusted EBITA ¹⁾	302	376	25	925	1,054	14
Adjusted EBITA margin	16.9	16.1	-	16.9	16.0	-
Return on capital employed ²⁾	27.5	23.9	-	27.8	25.7	-
Number of employees ³⁾	1,919	2,191	14	1,919	2,191	14

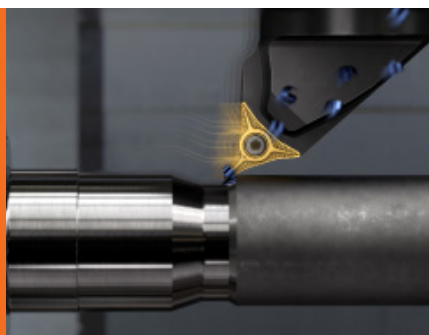
¹⁾ EBITA adjusted for items affecting comparability of SEK -22 million in Q3 2022 (-1) and for full year 2022 SEK -60 million (-8). For more information see page 22-23. ²⁾ Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. ³⁾ Full-time equivalent.

SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

STRONG DEMAND IN ALL REGIONS AND SEGMENTS

RECORD REVENUE LEVELS

FURTHER EXPANSION OF THE ROUND TOOLS OFFERING



GROWTH

Q3, %	ORDER INTAKE	REVENUES
Organic	9	11
Structure	15	14
Organic & structure	25	26
Currency	9	9
TOTAL	34	35

Change compared to same quarter last year. The table is multiplicative.

Order intake and revenues

Key items impacting order intake and revenues year on year:

- Strong demand was noted in all regions and segments with the highest growth in energy and aerospace, while general engineering and automotive reported double-digit growth rates
- Good contribution from acquisitions. Total order intake grew by 34%, and at fixed exchange rates by 25% of which organic was 9%
- Excluding Russia, organic order intake grew by 13%
- Solid broad regional order intake with growth of 16% in Europe (excluding Russia), 14% in North America and 8% in Asia
- Record revenue levels, and with all-time high in Sandvik manufacturing solutions
- The number of working days had no significant impact on orders and revenues
- Daily order intake in the first two weeks of October was stable compared to the third quarter

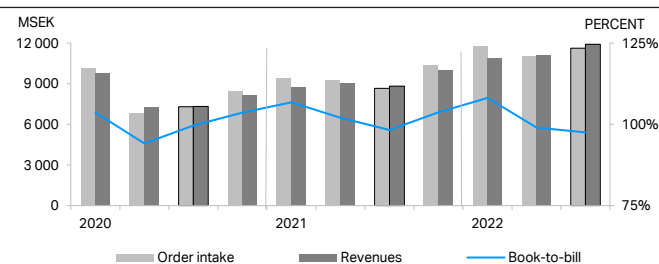
Adjusted EBITA:

- Adjusted EBITA margin was 21.6% (23.1), with positive impact from higher volumes and currency offset by pricing not fully mitigating cost inflation
- Effects from revaluation of balance sheet items had a negative impact on margins with 110 basis points
- Acquisitions had 130 basis points dilutive effect on the margin
- Changed exchange rates had a positive impact of SEK 261 million year on year

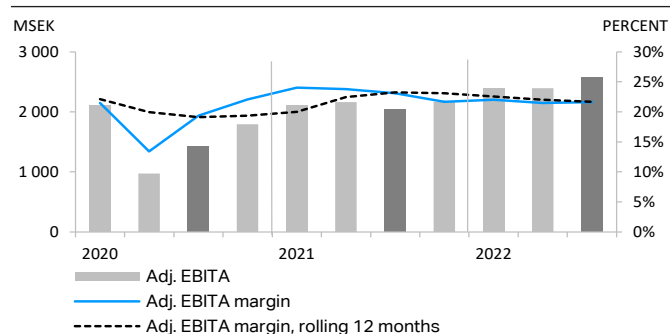
Shift to growth

Five acquisitions were completed, of which two were announced in the quarter. Balax is a leading supplier of carbide and HSS cut taps and roll forming taps, primarily within the general engineering and automotive segments that will strengthen the tap offering on the North American market. Switzerland-based Sphinx Tool's offering primarily consists of precision solid round tools (micro tools) and surgical cutting tools, thereby expanding Sandvik's product portfolio towards high growth areas such as medical and consumer electronics.

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



ADJUSTED EBITA (%)



FINANCIAL OVERVIEW, MSEK	Q3 2021	Q3 2022	CHANGE %	Q1-Q3 2021	Q1-Q3 2022	CHANGE %
Order intake	8,666	11,629	34	27,315	34,434	26
Revenues	8,820	11,926	35	26,685	33,948	27
Adjusted EBITA ¹⁾	2,037	2,580	27	6,308	7,366	17
Adjusted EBITA margin	23.1	21.6	-	23.6	21.7	-
Return on capital employed ²⁾	21.0	15.0	-	20.9	15.6	-
Number of employees ³⁾	18,813	20,836	11	18,813	20,836	11

¹⁾ EBITA adjusted for items affecting comparability of SEK -2 million in Q3 2022 (-91) and SEK -352 million for full year 2022 (-117). For more information see page 22-23. ²⁾ Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. ³⁾ Full-time equivalent.

SHIFTING TO A MORE SUSTAINABLE BUSINESS

CONTINUED STABLE DEVELOPMENT OF INJURY RATES

GHG EMISSIONS ON RECORD LOW LEVELS

FULLY AUTOMATED UNDERGROUND DRILL RIG INTRODUCED



The work on the Environment, Health and Safety (EHS) plans for 2023 continued, with ongoing education, increased use of digital offerings and thorough reviews of recent acquisitions to identify gaps and support improvement. To reduce emissions in our own operations, new policies to support low emission vehicles have been implemented in several countries, which together stand for 95% of the total amount of emissions from transportation. During the quarter injury rates continued to develop unfavorably and Sandvik initiated further initiatives to turn the negative trend.

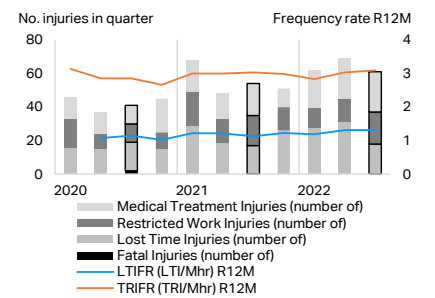
Third quarter 2022

- TRIFR increased by 2% to 3.1 (3.0) compared to the same period last year
- LTIFR increased by 16% to 1.3 (1.1) compared to the same period last year
- Greenhouse gas emissions (GHG) improved by 4.6% year on year. Increased use of Bio-gas and Hydrotreated Vegetable Oil (HVO) as substitutes for fossil fuels partly contributed to the development. The vacation period in the northern hemisphere also had a positive impact
- The share of circular waste decreased by 3.3% and amounted to 66% (69%). Efforts to improve waste reporting continues with focus on recent acquisitions
- Share of female managers continued to trend positively, and at the end of the quarter the ratio was 19.7% (19.5)

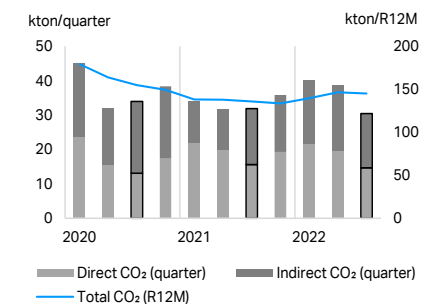
Case of the quarter

Business area Mining and Rock Solutions recently introduced its AutoMine Concept Underground Drill Rig, which showcases the vision for the future of mining. It is a fully autonomous, battery-electric twin-boom drill rig capable of drilling without human interaction with several sustainability and safety benefits such as zero emissions and monitoring in a control room. The drill rig can plan and execute the entire drilling cycle using data from the preferred mine planning software including returning for charging. It uses an AI-guided drill bit changer to identify when bits are worn and changes automatically when needed. Drilling data is continuously reported to optimize the next round. The innovation showcases next-generation intelligent automation and other new technologies which will be introduced by Sandvik going forward.

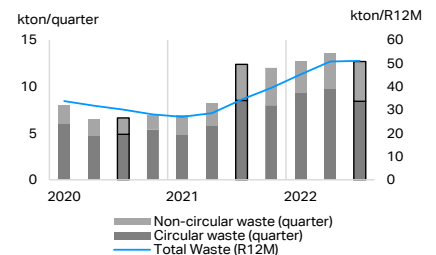
ZERO HARM



CO₂ EMISSIONS

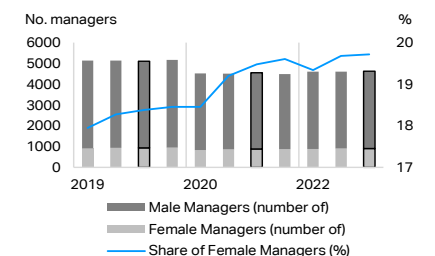


WASTE*



*Excluding tailings, digestion sludge and slag to disposal

DIVERSITY



SUSTAINABILITY OVERVIEW		Q3 2021 ¹⁾	Q3 2022	CHANGE %	Rolling 12 months
Circularity	Total waste, thousand tonnes*	12	13	2.5	51.0
Circularity	Waste circularity, % of total	69	66	-3.3	69.7
Climate	Total CO ₂ , thousand tonnes*	32	30	-4.6	145.2
People	Total recordable injury frequency rate, R12M frequency / million working hours	3.0	3.1	1.9	3.1
People	Lost time injury frequency rate, R12M frequency / million working hours	1.1	1.3	16.1	1.3
People	Share of female managers, %	19.5	19.7	1.2	19.6

¹⁾ Comparative figures excluding Alleima * Excluding tailings, digestion sludge and slag to disposal
For definitions see [home.sandvik](https://www.sandvik.com)

PARENT COMPANY

The parent company's invoiced sales after the first nine months of 2022 amounted to SEK 9,587 million (9,167) and the operating result was SEK 3,420 million (3,845). Result from shares in Group companies of SEK 9,193 million (1,325) for the first nine months consists mainly of dividends and contributions. Interest-bearing liabilities, less cash and cash equivalents and inter-

est-bearing assets, amounted to SEK 19,206 million (22,156). Investments in property, plant and machinery amounted to SEK 270 million (938).

FIRST NINE MONTHS

CONTINUING OPERATIONS

The first nine months of 2022 was characterized by broad-based solid underlying demand for Sandvik's solutions despite geo-political and macro uncertainties. Strong momentum in the mining business was noted during the first nine months. Investments in infrastructure has in general been kept on a stable level, although with softer demand in the European market. The aerospace and energy segment, which have still not caught up to pre-covid levels have had a strong year on year growth and the automotive segment has seen a positive sequential trend with positive year on year growth in the latter part of the period. Demand in general engineering continued to develop positively. With strong contribution from acquisitions, total growth in order intake for continuing operations was 32% and, at fixed exchange rates, 23%, of which organic growth was 9%. Total revenues increased by 35%, and at fixed exchange rates, by 25%, of which organic was 9%.

At the end of February, Sandvik paused the business in Russia, followed by the decision in the second quarter to wind-down completely, and consequently, the year on year financial performance has been impacted. Excluding Russia organic order intake and revenues was 12% and 13%, respectively. Lock-downs in China, which was more extensive in the second quarter, had an impact on the demand and deliveries, although Sandvik were able to catch up most of the lost volumes.

Adjusted EBITA increased by 26% year on year to SEK 16,073 million (12,772) and the adjusted EBITA margin was 19.8% (21.2). The reported EBITA increased by 11% to SEK 14,463 million (13,071) resulting in a margin of 17.8% (21.6).

Net financial items amounted to SEK -464 million (-434) and profit after net financial items was SEK 12,968 million (12,070). The tax rate, excluding items affecting comparability, for continuing operations was 24.6% (19.7). The reported tax rate for continuing operations was 27.4% (20.0).

Profit for the period amounted to SEK 9,419 million (9,652).

Earnings per share, diluted amounted to SEK 7.50 (7.68) .

For the Group total, financial net debt increased year-on-year to SEK 35.6 billion (7.4) resulting in a financial net debt to EBITDA ratio of 1.30 (0.32).

During the first nine months seven acquisitions were announced. The mining business of Schenck Process Group, Peterson Tool Company Inc., Preziss, Akkurate, Frezite, Balax and Sphinx Tools.

Out of the seven announced acquisitions, Akkurate, Preziss, Peterson Tool Company Inc., Balax, Sphinx Tools and Frezite were completed.

ACQUISITIONS AND DIVESTMENTS

ACQUISITIONS DURING THE LAST 12 MONTHS

BUSINESS AREA	COMPANY/UNIT	ACQUISITION DATE	REVENUES	NO. OF EMPLOYEES
2021				
Sandvik Mining and Rock Solutions	Tricon Drilling Solutions	October 1, 2021	18 MAUD 12M Q319 – Q220	24
Sandvik Manufacturing and Machining Solutions	DWFritz Automation Inc.	October 1, 2021	720 MSEK in 2020	560
Sandvik Materials Technology	Accuratech Group	October 4, 2021	75 MSEK in 2020	50
Sandvik Manufacturing and Machining Solutions	Cambrio	October 15, 2021	628 MSEK in 2020	375
Sandvik Manufacturing and Machining Solutions	Fanar	November 2, 2021	175 MSEK in 2020	230
Sandvik Rock Processing Solutions	Kwatani	December 9, 2021	175 MSEK in 2020	150
Sandvik Manufacturing and Machining Solutions	ICAM Technologies Corporation	December 23, 2021	30 MSEK in 2020	27
Sandvik Manufacturing and Machining Solutions	GWS Tool Group	December 23, 2021	41 MUSD in 2020	490
Sandvik Manufacturing and Machining Solutions	Dimensional Control Systems	December 27, 2021	92 MSEK in 2020	70
2022				
Sandvik Materials Technology	Gerling	January 1, 2022	90 MSEK in 2020	75
Sandvik Mining and Rock Solutions	Deswik	April 1, 2022	79 MAUD 12M Q420-Q321	300
Sandvik Materials Technology	Pexco ¹⁾	April 26, 2022	N/A	N/A
Sandvik Mining and Rock Solutions	Akkurate	June 17, 2022	0.3 MEUR in 2021	12
Sandvik Manufacturing and Machining Solutions	Preziss	July 1, 2022	10 MEUR in 2021	75
Sandvik Manufacturing and Machining Solutions	Peterson Tool Company ²⁾	July 14, 2022	9 MUSD in 2021	73
Sandvik Manufacturing and Machining Solutions	Balax ²⁾	August 1, 2022	10 MUSD in 2021	66
Sandvik Manufacturing and Machining Solutions	Sphinx	August 8, 2022	292 MSEK in 2021	115
Sandvik Manufacturing and Machining Solutions	Frezite	September 1, 2022	450 MSEK in 2021	450

1) The acquisition of Pexco was an additional purchase of the remaining 30% of the minority. 2) Asset deal.

The acquisitions were made through the purchase of 100% of shares and voting rights except for Peterson Tool Company and Balax where net assets were acquired. Sandvik received control over the operations upon the date of closing. No equity instruments have been issued in connection with the acquisitions.

FAIR VALUE RECOGNIZED IN THE GROUP 2022

MSEK	Deswik
Intangible assets	37
Property, plant and equipment	18
Other non-current assets	91
Inventories	4
Receivables	128
Other current assets	7
Cash and cash equivalents	191
Interest bearing loans and borrowings	-72
Other liabilities and provisions	-541
Deferred tax assets/liabilities, net	-230
Net identifiable assets and liabilities	- 367
Goodwill and surplus values	6,535
Purchase consideration	-6,168
Cash and cash equivalents in the acquired business	191
Net cash outflow	-5,977

MSEK	Purchase price on cash and debt free basis	Preliminary goodwill and other surplus values
Acquisitions 2022	8,750	8,299

In April, Sandvik Mining and Rock Solutions acquired the Australian-based Deswik, the leading and fastest growing major provider of mine planning software. Deswik will be part of a newly formed division Digital Mining Technologies. By acquiring Deswik, Sandvik gains a top-tier supplier of integrated software platforms that support digitalization throughout mine planning stages, with more than 10,000 current licenses. Deswik will fill a value chain gap in Sandvik Mining and Rock Solutions' offering, increasing upstream mining coverage and enabling opportunities for end-to-end optimization solutions, including, for example, incorporating electrification at the mine planning stage. Its core software suite includes computer-aided 3D mine design, scheduling, operations planning, mining data management and geological mapping. Deswik also offers a range of consultancy services, including mine planning, scoping, software implementation and training support.

Deswik, established in 2008 and with the headquarter in Brisbane, has approximately 300 employees and operates 14 offices in 10 countries. The company has demonstrated strong and profitable growth over the past decade in the large and growing mining software market. Goodwill of SEK 4,769 million and other surplus values of SEK 1,766 million was recorded on the purchase. Impact on earnings per share (excluding non-cash amortization effects from business combinations) will be positive. Goodwill is not deductible for tax purposes.

DIVESTMENTS DURING LAST 12 MONTHS

No significant divestments have been made during the past 12 months.

On August 31, 2022 Sandvik distributed Alleima. For more information see page 14.

CONTRIBUTIONS FROM COMPANIES ACQUIRED IN 2022

MSEK

Contributions as of acquisition date

Revenues	188
Profit for the year	40

Contributions if the acquisition date would have been January 1, 2022

Revenues	526
Profit for the year	15

SIGNIFICANT EVENTS

DURING THE THIRD QUARTER

- On July 4, Sandvik announced the completion of the acquisition of Preziss.
- On July 15, Sandvik announced that Richard Harris has been appointed President of business area Sandvik Rock Processing Solutions and a new member of the Sandvik Group Executive Management, effective October 1, 2022
- On July 15, Sandvik announced the completion of the acquisition of Peterson Tool Company
- On August 2, Sandvik Manufacturing and Machining Solutions announced the acquisition of Balax
- On August 8, Sandvik Manufacturing and Machining Solutions announced the acquisition of Sphinx Tools
- On August 31, Alleima AB (former Sandvik Materials Technology) became a listed company when trading commenced on Nasdaq Stockholm. It marked the start of Alleima as a fully independent company
- On September 2, Sandvik Manufacturing and Machining Solutions announced the completion of the acquisition of Frezite

–On September 16, Sandvik announced the appointment of the Nomination Committee for the 2023 Annual General Meeting

– On September 26, Sandvik announced that Mats Eriksson has been appointed President of business area Sandvik Mining and Rock Solutions and a new member of the Sandvik Group Executive Management, effective October 1, 2022

AFTER THE THIRD QUARTER

There were no significant events after the third quarter.

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:

CAPEX (CASH)	Estimated at approx. SEK 4.0 billion for 2022.
CURRENCY EFFECTS	Based on currency rates at the end of September 2022, it is estimated that transaction and translation currency effects will have an impact of about SEK +1,400 million on EBITA for the fourth quarter of 2022, compared with the year-earlier period
INTEREST NET	Estimated at SEK approximately -0.7 billion in 2022.
TAX RATE	Estimated at 22% - 24% for 2022, 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, 2022 the same accounting and valuation policies were applied as in Sandvik Group Annual Report 2021 except for IFRIC 17, see below.

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.

Distribution to owners

At the Annual General Meeting on April 27, 2022, the formal decision to distribute all shares in the parent company of the business area Sandvik Materials Technology (SMT) to the shareholders of Sandvik was taken. The distribution was completed August 31, 2022 when SMT was listed on Nasdaq Stockholm under the name Alleima.

The distribution of Alleima has been recognized and presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued operations and IFRIC 17 Distribution of Non-cash Assets to Owners.

The income statement includes Alleima up to distribution, the comparative periods have been updated. Alleimas result for the period is presented separately within discontinued operations. The comparative period for the balance sheet includes Alleima. The cash flow is presented separately and include Alleima up to distribution, comparative periods have been updated.

At distribution of the Alleima shares, Sandvik recognized a capital loss within discontinued operations. Representing the difference between the fair value of Alleima and the carrying value of the net assets of Alleima, at the time of the distribution. As part of the distribution, all historical translation differences allocated to Alleima have been recycled to the income statement within discontinued operations.

Cloud computing

During 2021, an agenda decision was published by IFRS Interpretations Committee (IFRS IC) on configuration and customization costs for Cloud computing arrangements. Sandvik has conducted an analysis of the Groups arrangements and concluded that there is no material impact from the agenda decision. Sandvik expects the agenda decision to impact future periods when new Cloud computing arrangements are entered.

There are no new accounting policies applicable from January 1, 2023 that significantly affects the Group.

Accounting policies for the Parent Company

The parent company do not apply IFRS 5 nor IFRIC 17. The parent company has derecognized the book value of the shares to be distributed with a corresponding amount reducing equity. At distribution, the shares in Alleima is derecognized without any income or cash flow effect.

TRANSACTIONS WITH RELATED PARTIES

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

IMPACT ON THE FINANCIAL REPORTING DUE TO THE WAR IN UKRAINE

Sandvik paused its business activities in Russia on February 28 due to Russia's war in Ukraine. Since then, the company has continuously been assessing and adjusting to the situation and has taken the decision to wind down operations in Russia.

As a consequence, Sandvik has recorded a non-recurring charge of approximately SEK 560 million in the third quarter operating results (EBITA), of which approximately SEK 320 million is a write down and approximately SEK 240 million a provision. These costs have been treated as items affecting comparability. Following the write-down, total remaining assets related to Russia, excluding cash, amounts to approximately SEK 26 million on September 30, 2022. The sales and operations in Ukraine are limited.

The wind-down process is ongoing and progressing in a controlled way, where Sandvik seeks to act responsibly towards its employees, and follows applicable regulations and sanctions. No additional costs are expected in the coming quarters.

In 2021, about 3.6 percent of Sandvik Group revenues was from Russian customers.

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 2021.

FINANCIAL REPORTS SUMMARY

THE GROUP

INCOME STATEMENT

MSEK	Q3 2021 ¹⁾	Q3 2022	CHANGE %	Q1-Q3 2021 ¹⁾	Q1-Q3 2022	CHANGE %
<i>Continuing operations</i>						
Revenues	21,725	29,267	35	60,389	81,238	35
Cost of goods and services sold	-12,621	-17,668	40	-34,106	-48,384	42
Gross profit	9,104	11,598	27	26,283	32,854	25
% of revenues	41.9	39.6		43.5	40.4	
Selling expenses	-2,644	-3,576	35	-7,693	-10,596	38
Administrative expenses	-1,241	-1,853	49	-3,400	-5,724	68
Research and development costs	-820	-964	17	-2,460	-3,045	24
Other operating income and expenses	-213	-196	-8	-226	-57	-75
Operating profit	4,185	5,010	20	12,504	13,432	7
% of revenues	19.3	17.1		20.7	16.5	
Financial income	214	216	1	324	583	80
Financial expenses	-253	-398	58	-758	-1,047	38
Net financial items	-39	-183	N/M	-434	-464	7
Profit before tax	4,146	4,827	16	12,070	12,968	7
% of revenues	19.1	16.5		20.0	16.0	
Income tax	-539	-1,431	N/M	-2,418	-3,549	47
Profit for the period, continuing operations	3,607	3,396	-6	9,652	9,419	-2
% of revenues	16.6	11.6		16.0	11.6	
Profit (loss) for the period, discontinued operations²⁾	313	-3,623	N/M	962	-1,645	N/M
Profit (loss) for the period, Group total	3,920	-226	N/M	10,614	7,775	-27
<i>Profit (loss) for the period attributable to</i>						
Owners of the parent company	3,913	-239	N/M	10,603	7,764	-27
Non-controlling interest	7	12	69	11	11	1
<i>Earnings per share, SEK</i>						
Continuing operations, basic	2.87	2.71	-6	7.69	7.51	-2
Continuing operations, diluted	2.87	2.71	-6	7.68	7.50	-2
Group total, basic	3.12	-0.18	N/M	8.45	6.20	-27
Group total, diluted	3.12	-0.18	N/M	8.44	6.19	-27
OTHER COMPREHENSIVE INCOME						
<i>Items that will not be reclassified to profit (loss)</i>						
Actuarial gains (losses) on defined benefit pension plans	-1,294	45		1,669	4,165	
Tax relating to items that will not be reclassified	303	66		-320	-786	
Total items that will not be reclassified to profit (loss)	-991	112		1,349	3,379	
<i>Items that may be reclassified subsequently to profit (loss)</i>						
Foreign currency translation differences	751	2,312		2,424	8,539	
Cash flow hedges	11	175		36	188	
Tax relating to items that may be reclassified	-2	-36		-9	-25	
Total items that may be reclassified subsequently to profit (loss)	760	2,451		2,451	8,702	
Total other comprehensive income	-230	2,563		3,800	12,081	
Total comprehensive income	3,690	2,337		14,414	19,857	
<i>Total comprehensive income attributable to</i>						
Owners of the parent company	3,683	2,339		14,404	19,845	
Non-controlling interest	7	-3		11	13	

1) Comparative figures have been updated for comparability due to the distribution of Alleima on August 31, 2022.

2) Discontinued operations includes Alleima from January 1 to August 30, 2022. For more details see page 26.

N/M = not meaningful. For definitions see home.sandvik

THE GROUP

BALANCE SHEET, CONTINUING AND DISCONTINUED OPERATIONS

MSEK	DEC 31, 2021	SEP 30, 2021	SEP 30, 2022
Intangible assets	47,809	34,749	61,001
Property, plant and equipment	26,076	25,101	21,257
Right- of use assets	3,840	3,589	4,472
Financial assets	7,418	8,445	9,528
Inventories	29,910	27,772	35,236
Current receivables	26,556	23,414	29,709
Cash and cash equivalents	13,585	10,406	14,933
Assets held for sale	323	373	112
Total Assets	155,517	133,848	176,248
Total equity	77,332	71,424	79,750
Non-current interest-bearing liabilities	30,551	20,674	46,507
Non-current non-interest-bearing liabilities	5,349	4,736	5,497
Current interest-bearing liabilities	10,704	8,619	12,224
Current non-interest-bearing liabilities	31,474	28,228	32,165
Liabilities held for sale	107	167	106
Total equity and liabilities	155,517	133,848	176,248

CHANGES IN EQUITY

MSEK	EQUITY RELATED TO OWNERS OF THE PARENT COMPANY	NON_CONTROLLING INTEREST	TOTAL EQUITY
Equity at January 1, 2021	65,081	1	65,082
Adjustment on correction of error	-48	-	-48
Equity at January 1, 2021	65,033	1	65,034
Total comprehensive income (loss) for the year	20,323	34	20,357
Changes in non-controlling interest	-94	97	3
Share based program	78	-	78
Dividend	-8,140	-	-8,140
Equity at December 31, 2021	77,200	132	77,332
Equity at January 1, 2022	77,200	132	77,332
Adjustment on correction of error	-140	-	-140
Equity at January 1, 2022	77,060	132	77,192
Total comprehensive income (loss) for the period	19,845	13	19,857
Change in fair value of put option to acquire non-controlling interest	14	-	14
Changes in non-controlling interest	-41	-104	-145
Share based program	-174	-	-174
Dividend	-5,955	-	-5,955
Resolved distribution of Alleima ¹⁾	-11,039	-	-11,039
Equity at September 30, 2022	79,710	40	79,750

1) For more information see page 26.

For definitions see home.sandvik

THE GROUP

CASH FLOW STATEMENT

CONTINUING AND DISCONTINUED OPERATIONS

MSEK	Q3 2021 ¹⁾	Q3 2022	Q1-Q3 2021 ¹⁾	Q1-Q3 2022
<i>Continuing operations</i>				
<i>Cash flow from operating activities</i>				
Profit before tax	4,146	4,827	12,070	12,968
Adjustment for depreciation, amortization and impairment losses	1,545	1,643	3,828	4,751
Other adjustments for non-cash items	-262	-1,195	-526	-2,790
Payment to pension fund	-91	-46	-349	-265
Income tax paid	-962	-961	-3,011	-3,935
Cash flow from operating activities before changes in working capital	4,376	4,269	12,011	10,730
<i>Changes in working capital</i>				
Change in inventories	-1,547	-1,016	-3,613	-6,689
Change in operating receivables	628	102	-1,451	-2,601
Change in operating liabilities	603	-350	2,705	1,360
Cash flow from changes in working capital	-315	-1,263	-2,360	-7,931
Investments in rental equipment	-223	-309	-721	-715
Proceeds from sale of rental equipment	106	112	224	298
Cash flow from operating activities, net	3,944	2,808	9,154	2,382
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash acquired	-12,963	-2,150	-12,955	-8,200
Proceeds from sale of companies and shares, net of cash disposed	10	-61	388	-55
Acquisitions of tangible assets	-602	-821	-1,577	-2,118
Proceeds from sale of tangible assets	155	85	217	672
Acquisitions of intangible assets	-109	-184	-401	-588
Other investments, net	17	-193	-46	-483
Cash flow from investing activities	-13,491	-3,324	-14,373	-10,774
<i>Cash flow from financing activities</i>				
Repayment of borrowings	-2,115	-1,037	-4,861	-13,179
Proceeds from borrowings	5,391	8,777	5,415	30,848
Amortization, lease liabilities	-144	-292	-623	-851
Change in hedge option programs, net	-	-	-	-270
Dividends paid	-	-	-8,140	-5,955
Cash flow from financing activities, net	3,132	7,448	-8,209	10,592
Cash flow from continuing operations	-6,415	6,932	-13,428	2,201
Cash flow from discontinued operations²⁾	-493	-	-158	-
Cash and cash equivalents at beginning of the period	17,251	7,772	23,752	13,585
Exchange-rate differences in cash and cash equivalents	62	230	239	811
Cash and cash equivalents at the end of the period	10,406	14,933	10,406	14,933
<i>Group Total</i>				
Cash flow from operations	3,706	2,204	9,430	1,756
Cash flow from investing activities	-13,585	-3,429	-14,609	-11,197
Cash flow from financing activities	2,971	6,810	-8,407	9,908
Group total cash flow	-6,908	5,585	-13,586	467
<i>Whereof cash flow from discontinued operations²⁾</i>	<i>-493</i>	<i>-1 347</i>	<i>-158</i>	<i>-1 733</i>

1) Comparative figures has been updated for comparability due to the distribution of Alleima on August 31, 2022. 2) See page 26 for details of discontinued operations.

For definitions see home.sandvik

THE PARENT COMPANY

INCOME STATEMENT

MSEK	Q3 2021	Q3 2022	Q1-Q3 2021	Q1-Q3 2022
Revenues	2,753	2,949	9,167	9,587
Cost of goods and services sold	-471	-285	-1,977	-1,932
Gross profit	2,282	2,664	7,190	7,655
Selling expenses	-211	-227	-646	-786
Administrative expenses	-315	-415	-1,076	-1,730
Research and development costs	-374	-338	-1,053	-1,173
Other operating income and expenses	-180	-204	-570	-546
Earnings before interest and tax	1,202	1,480	3,845	3,420
Result from shares in group companies	2,097	5,978	1,325	9,193
Interest income/expenses and similar items	-104	173	-181	343
Profit after net financial items	3,195	7,631	4,989	12,956
Appropriations	-59	3	-104	26
Income tax expenses	-500	-757	-1,037	-1,256
Profit for the period	2,636	6,877	3,848	11,726

BALANCE SHEET

MSEK	DEC 31, 2021	SEP 30, 2021	SEP 30, 2022
Intangible assets	585	625	482
Property, plant and equipment	3,082	3,188	3,066
Financial assets	65,775	60,645	70,556
Inventories	824	795	1,146
Current receivables	6,164	6,500	6,394
Cash and cash equivalents	-	0	-
Total assets	76,430	71,753	81,644
Total equity	34,603	33,501	27,378 ¹⁾
Untaxed reserves	1,071	1,041	1,045
Provisions	524	540	768
Non-current interest-bearing liabilities	15,127	9,991	30,700
Non-current non-interest-bearing liabilities	87	105	493
Current interest-bearing liabilities	22,233	23,862	18,620
Current non-interest-bearing liabilities	2,785	2,713	2,640
Total equity and liabilities	76,430	71,753	81,644
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	21,688	22,156	19,206
Investments in fixed assets	1,070	938	270

1) The parent company's equity has decreased with SEK 12.8 billion due to the distribution of Alleima which corresponds to the book value of its share in Alleima Holding AB.

For definitions see home.sandvik

MARKET OVERVIEW, THE GROUP

ORDER INTAKE BY REGION

MSEK	Q3 2022	CHANGE *		SHARE	Q1-Q3 2022	CHANGE *		SHARE
		%	% ¹⁾	%		%	% ¹⁾	%
THE GROUP								
Europe	6,723	-0	-0	23	22,295	-1	-1	25
North America	7,849	27	21	27	22,936	24	15	26
South America	2,226	36	36	8	5,777	21	21	7
Africa/Middle East	3,133	-13	-0	11	9,806	7	14	11
Asia	5,794	4	4	20	16,949	-1	1	19
Australia	3,506	12	12	12	10,682	21	24	12
Total Continuing operations	29,231	8	9	100	88,445	9	8	100
Discontinued operations ²⁾	2,670	8	8		14,821	28	13	
Group total³⁾	31,902	6	7		103,267	12	10	
CONTINUING OPERATIONS								
SANDVIK MINING AND ROCK SOLUTIONS								
Europe	1,205	-10	-10	8	4,451	-7	-7	10
North America	3,910	43	30	25	11,240	34	16	24
South America	1,644	49	49	11	4,228	23	23	9
Africa/Middle East	2,826	-15	0	18	8,620	6	14	18
Asia	2,653	4	4	17	8,240	2	7	18
Australia	3,181	10	10	21	9,882	21	24	21
Total ³⁾	15,419	10	11	100	46,660	13	13	100
SANDVIK ROCK PROCESSING SOLUTIONS								
Europe	391	-35	-35	18	1,637	-19	-19	22
North America	526	4	4	24	1,924	16	16	26
South America	273	8	8	12	727	19	19	10
Africa/Middle East	200	-12	-12	9	875	8	8	12
Asia	571	-13	-13	26	1,675	-15	-15	23
Australia	224	48	48	10	513	17	17	7
Total	2,184	-9	-9	100	7,351	-3	-3	100
SANDVIK MANUFACTURING AND MACHINING SOLUTIONS								
Europe	5,128	8	8	44	16,207	3	3	47
North America	3,412	14	14	29	9,772	14	14	28
South America	309	10	10	3	823	11	11	2
Africa/Middle East	107	30	30	1	311	28	28	1
Asia	2,570	8	8	22	7,034	-1	-1	20
Australia	101	22	22	1	287	21	21	1
Total	11,629	9	9	100	34,434	5	5	100

*At fixed exchange rates for comparable units compared with the year-earlier period.

1) Excluding major orders which is defined as above SEK 200 million. 2) Including Alleima from January 1 to August 30, 2022. 3) Includes rental fleet order intake in Q3 of SEK 257 million and YTD SEK 563 million, recognized according to IFRS 16.

REVENUES BY REGION

MSEK	Q3 2022	CHANGE*, %	SHARE %	Q1-Q3 2022	CHANGE*, %	SHARE %
THE GROUP						
Europe	7,250	6	25	21,911	5	27
North America	7,503	20	26	20,185	16	25
South America	2,023	24	7	5,208	21	6
Africa/Middle East	3,274	16	11	9,287	17	11
Asia	5,833	12	20	15,233	1	19
Australia	3,383	13	12	9,414	15	12
Total Continuing operations	29,267	13	100	81,238	9	100
Discontinued operations ¹⁾	2,427	14		11,121	13	
Group total ²⁾	31,694	11		92,358	11	

CONTINUING OPERATIONS

SANDVIK MINING AND ROCK SOLUTIONS

Europe	1,480	6	10	4,230	9	10
North America	3,374	21	22	8,939	18	22
South America	1,475	30	10	3,743	23	9
Africa/Middle East	2,887	15	19	8,237	18	20
Asia	2,642	13	18	6,795	0	17
Australia	3,143	13	21	8,744	14	21
Total ²⁾	15,001	16	100	40,688	13	100

SANDVIK ROCK PROCESSING SOLUTIONS

Europe	494	-4	21	1,587	-7	24
North America	607	28	26	1,692	18	26
South America	249	8	11	667	22	10
Africa/Middle East	271	14	12	752	-1	11
Asia	585	12	25	1,498	0	23
Australia	133	22	6	407	25	6
Total	2,340	11	100	6,602	5	100

SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

Europe	5,277	7	44	16,095	5	47
North America	3,521	17	30	9,555	14	28
South America	299	14	3	799	13	2
Africa/Middle East	116	50	1	298	30	1
Asia	2,606	11	22	6,939	1	20
Australia	107	26	1	263	13	1
Total	11,926	11	100	33,948	6	100

DISCONTINUED OPERATIONS¹⁾

ALLEIMA

Europe	1,070	N/M	44	5,417	N/M	49
North America	665	N/M	27	3,021	N/M	27
South America	74	N/M	3	307	N/M	3
Africa/Middle East	34	N/M	1	141	N/M	1
Asia	562	N/M	23	2,166	N/M	19
Australia	22	N/M	1	68	N/M	1
Total	2,428	N/M	100	11,121	N/M	100

* At fixed exchange rates for comparable units compared with the year-earlier period.

1) Including Alleima from January 1 to August 30, 2022. 2) Includes rental fleet revenues in Q3 of SEK 229 million and YTD SEK 618 million, recognized according to IFRS 16.

N/M = Non-meaningful.

THE GROUP

ORDER INTAKE BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	CHANGE % % *	
Sandvik Mining and Rock Solutions	10,469	10,399	12,122	14,470	47,460	16,060	15,182	15,419	27	10
Sandvik Rock Processing Solutions	2,358	2,147	2,082	1,937	8,524	2,650	2,517	2,184	5	-9
Sandvik Manufacturing and Machining Solutions	9,379	9,270	8,666	10,365	37,680	11,764	11,042	11,629	34	9
Continuing operations	22,206	21,816	22,870	26,772	93,665	30,474	28,740	29,231	28	8
Discontinued operations ¹⁾	3,641	4,042	3,423	4,130	15,236	5,858	6,293	2,670	24	8
Group Total ²⁾	25,847	25,858	26,293	30,902	108,900	36,332	35,033	31,902	21	6

REVENUES BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	CHANGE % % *	
Sandvik Mining and Rock Solutions	8,019	9,090	11,114	13,186	41,409	12,029	13,658	15,001	35	16
Sandvik Rock Processing Solutions	1,727	1,964	1,790	2,129	7,610	2,016	2,247	2,340	31	11
Sandvik Manufacturing and Machining Solutions	8,782	9,083	8,820	9,996	36,681	10,877	11,145	11,926	35	11
Continuing operations	18,528	20,136	21,725	25,311	85,700	24,921	27,050	29,267	35	13
Discontinued operations ¹⁾	3,164	3,325	3,103	3,818	13,410	4,085	4,608	2,428	-22	14
Group Total ²⁾	21,693	23,461	24,828	29,128	99,110	29,006	31,658	31,694	28	11

EBITA BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	CHANGE %	
Sandvik Mining and Rock Solutions	1,676	1,859	2,341	2,776	8,652	2,508	1,889	2,430		4
Sandvik Rock Processing Solutions	283	334	300	338	1,255	360	281	354		18
Sandvik Manufacturing and Machining Solutions	2,082	2,163	1,945	2,247	8,438	2,300	2,136	2,578		33
Group activities	-19	142	-35	-345	-257	-124	-267	18		-151
Continuing operations	4,021	4,498	4,552	5,016	18,088	5,044	4,039	5,380		18
Discontinued operations ¹⁾	333	354	292	396	1,375	850	1,306	154		-47
Group Total ²⁾	4,354	4,852	4,844	5,412	19,463	5,894	5,344	5,534		14

EBITA MARGIN BY BUSINESS AREA

%	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022
Sandvik Mining and Rock Solutions	20.9	20.5	21.1	21.1	20.9	20.8	13.8	16.2
Sandvik Rock Processing Solutions	16.4	17.0	16.8	15.9	16.5	17.8	12.5	15.1
Sandvik Manufacturing and Machining Solutions	23.7	23.8	22.1	22.5	23.0	21.1	19.2	21.6
Continuing operations	21.7	22.3	21.0	19.8	21.1	20.2	14.9	18.4
Discontinued operations ¹⁾	10.5	10.7	9.4	10.4	10.3	20.8	28.3	6.3
Group Total ²⁾	20.1	20.7	19.5	18.6	19.6	20.3	16.9	17.5

* Change at fixed exchange rates for comparable units compared with the year-earlier period.

1) Including Alleima from January 1 to August 30, 2022. 2) Internal transactions had negligible effect on business area profits.

N/M = Non-meaningful.

THE GROUP

ADJUSTED EBITA BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	CHANGE %
Sandvik Mining and Rock Solutions	1,687	1,876	2,365	2,825	8,753	2,413	2,628	3,046	29
Sandvik Rock Processing Solutions	287	337	302	340	1,265	320	359	376	25
Sandvik Manufacturing and Machining Solutions	2,110	2,161	2,037	2,166	8,473	2,392	2,394	2,580	27
Group activities	-124	-181	-84	-287	-676	-82	-239	-113	35
Continuing operations	3,960	4,192	4,620	5,043	17,816	5,043	5,141	5,889	27
Discontinued operations ¹⁾	352	393	312	492	1,548	710	1,195	64	-79
Group Total ²⁾	4,313	4,585	4,932	5,535	19,364	5,752	6,336	5,953	21

ADJUSTED EBITA MARGIN BY BUSINESS AREA

%	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022
Sandvik Mining and Rock Solutions	21.0	20.6	21.3	21.4	21.1	20.1	19.2	20.3
Sandvik Rock Processing Solutions	16.6	17.1	16.9	16.0	16.6	15.9	16.0	16.1
Sandvik Manufacturing and Machining Solutions	24.0	23.8	23.1	21.7	23.1	22.0	21.5	21.6
Continuing operations	21.4	20.8	21.3	19.9	20.8	20.2	19.0	20.1
Discontinued operations ¹⁾	11.1	11.8	10.0	12.9	11.5	17.4	25.9	2.6
Group Total ²⁾	19.9	19.5	19.9	19.0	19.5	19.8	20.0	18.8

ITEMS AFFECTING COMPARABILITY ON EBITA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022
Sandvik Mining and Rock Solutions	-11	-17	-24	-49	-101	95	-739	-616
Sandvik Rock Processing Solutions	-4	-3	-1	-2	-10	40	-78	-22
Sandvik Manufacturing and Machining Solutions	-29	3	-91	82	-36	-92	-259	-2
Group activities	105	323	49	-58	419	-42	-28	131
Continuing operations	61	306	-67	-27	272	1	-1,103	-509
Discontinued operations ¹⁾	-19	-39	-20	-96	-173	140	111	90
Group Total	42	267	-87	-123	98	142	-992	-419

1) Including Alleima from January 1 to August 30, 2022. 2) Internal transactions had negligible effect on business area profits. N/M = Non-meaningful.

Items affecting comparability on EBITA

CONTINUING OPERATIONS

Q1 2021–items affecting comparability (IAC) of SEK 61 million, comprising of a net gain of a divested property SEK 115 million, M&A costs of SEK -44 million, mainly Sandvik Manufacturing and Machining Solutions (SMM) and Sandvik Mining and Rock Solutions (SMR) and costs related to the separation of Alleima of SEK -10 million.

Q2 2021–IAC of SEK 306 million, comprising of a positive impact from closure of a pension plan in US of SEK 343 million, offset by costs related to the separation of Alleima of SEK -20 million in total and M&A costs of SEK -18 million, mainly SMR and SMM.

Q3 2021–IAC of SEK -67 million, comprising of M&A costs totaling SEK -192 million, mainly SMM. Alleima separation costs of SEK -17 million offset by a positive impact of SEK 75 million from a partial reversal of a restructuring provision accounted for in the first quarter preceding year (SMM), a positive impact of SEK 47 million related to closure of a defined benefit plan in UK and a capital gain of SEK 21 million from a property divestment where the write-down was taken as an IAC last year.

Q4 2021–IAC of SEK -27 million, comprising of M&A costs totaling SEK -171 million, mainly SMM and SMR, Alleima separation costs of SEK -32 million, additional expenses of SEK -6 million for a provision taken in 2020. Offset by a capital gain of SEK 176 million from a property divestment (SMM), a provision release of SEK 7 million.

Q1 2022–IAC of SEK 1 million, comprising of a capital gain from divestment of property where the write-down was taken as an IAC last year of SEK 137 million allocated on SMR and Sandvik Rock Processing Solutions (SRP). Offset by a total of SEK -112 million M&A related costs, mainly SMM and costs related to the separation of Alleima of SEK -24 million.

Q2 2022–IAC of SEK -1,103 million, mainly comprising of SEK -1 billion in charges related to the wind down of operations in Russia of which SEK -0.7 billion in write-downs and SEK -0.3 billion in provisions mainly relating to personnel costs. This mainly relates to SMR and SMM and with a smaller portion for SRP. Also, M&A costs totaling SEK -63 million, primarily SRP and SMM, FX revaluation of SEK -55 million (Group) on a tax provision related to a property sale where the write-down was taken as an IAC last year, changes in earn-out and retention bonus provisions of SEK -66 million, mainly SMR. These were partially offset by a positive impact from an earn-out release of SEK 56 million (SMM), Alleima separation costs of SEK 27 million which have been re-invoiced to Alleima, and capital gain of SEK 8 million from a property divestment (SMM) where the write-down was taken as an IAC last year.

Q3 2022–IAC of SEK -509 million, mainly comprising of approximately SEK -560 million in charges related to the wind-down of operations in Russia of

which approximately SEK -320 million in write-downs and approximately SEK -240 million in provisions. This mainly relates to SMR and SMM and with a smaller portion for SRP. Also, M&A costs totaling SEK -68 million, primarily SMM and SRP, and Alleima separation costs of SEK -7 million. These were partially offset by a positive impact from a released provision of SEK +138 million (Group) related to a property sale where the provision was taken as an IAC last year.

DISCONTINUING OPERATIONS

Q1 2021–Alleima reported costs related to the separation of SEK -19 million.

Q2 2021–Alleima reported IAC of SEK -39 million, comprising of a release of SEK 39 million related to a structural initiative during 2020, offset by costs related to the separation of SEK -77 million.

Q3 2021–Alleima reported IAC of SEK -20 million, comprising of separation costs totaling SEK -80 million, offset by a provision release of SEK 32 million related to a restructuring initiative, a capital gain from a property divestment of SEK 29 million.

Q4 2021–Alleima reported IAC of SEK -96 million, comprising of separation costs totaling SEK -130 million, offset by partial provision releases of SEK 34 million in total related to structural and volume related savings measures in 2020.

Q1 2022–Alleima reported IAC of SEK 140 million, comprising of SEK 215 million adjustment related to depreciations on assets being added back for operational follow up (in accordance with IFRS 5 no assets are being depreciated when treated as asset held for distribution), offset by separation costs of SEK -75 million.

Q2 2022–Alleima reported IAC of SEK 111 million, comprising of SEK 201 million adjustment related to depreciations on assets being added back for operational follow up (in accordance with IFRS 5 no assets are being depreciated when treated as asset held for distribution), offset by separation costs of SEK -89 million.

Q3 2022–Alleima reported IAC of SEK 90 million, comprising of SEK 137 million adjustment related to depreciations on assets being added back for operational follow up (in accordance with IFRS 5 no assets are being depreciated when treated as asset held for distribution), offset by separation costs of SEK -47 million.

During Q3 Sandvik reported IAC on net profit of SEK 4.5 billion comprising of the capital loss recognized as a result of the distribution of Alleima on August 31, 2022.

ADJUSTED EBIT AND ADJUSTED EBITA PER BUSINESS AREA

Q3 2022, MSEK	Reported EBIT,	Reported EBIT, %	IAC	Adjusted EBIT	Adjusted EBIT, %	Amortizations ¹⁾	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	2,302	15.3	-616	2,919	19.5	-127	3,046	20.3
Sandvik Rock Processing Solutions	352	15.1	-22	374	16.0	-2	376	16.1
Sandvik Manufacturing and Machining Solutions	2,337	19.6	-2	2,339	19.6	-241	2,580	21.6
Group activities	18	0.0	131	-113	0.0	0	-113	-4.6
Continuing operations	5,010	17.1	-509	5,519	18.9	-370	5,889	20.1
Discontinued operations	152	6.2	90	63	2.5	-1	64	2.6
Group Total	5,162	16.3	-419	5,582	17.6	-371	5,953	18.8

¹⁾ Adjusted for amortization and other accounting effects arising from business combinations.

TAXES EXCLUDING ITEMS AFFECTING COMPARABILITY

Q3 2021, MSEK	Reported tax	Reported tax, %	IAC	IAC, %	Tax excluding IAC	Tax excluding IAC, %
Continuing operations	-539	13.0	38	-56.3	-577	13.7
Discontinued operations	-83	21.0	1	-4.8	-84	20.2
Group total	-622	13.7	39	-44.5	-661	14.3
Q3 2022, MSEK						
Continuing operations	-1,431	29.6	-7	-1.4	-1,424	26.7
Discontinued operations	-263	7.8	-25	-0.6	-238	3.1
Group total	-1,693	115.4	-32	-0.7	-1,661	26.2

ADJUSTED EARNINGS PER SHARE DILUTED

Q3 2021	Reported EPS, diluted	IAC on net profit, MSEK	Adjusted EPS, diluted	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Continuing operations ¹⁾	2.87	-29	2.89	-284	3.12
Group total	3.12	-49	3.15	-284	3.38
Q3 2022					
Continuing operations	2.71	-516	3.12	-318	3.37
Group total	-0.18	-4,911	3.73	-319	3.99

¹⁾ Comparative figures has been updated for comparability due to the distribution of Alleima on August 31, 2022.

NET DEBT, CONTINUING OPERATIONS AND GROUP TOTAL

MSEK	SEP 30, 2021	DEC 31, 2021	MAR 31, 2022	JUN 30, 2022	SEP 30, 2022
Interest-bearing liabilities excluding pension and lease liabilities	17,811	30,433	31,767	41,847	50,493
Less cash and cash equivalents	-10,406	-13,585	-13,804	-7,772	-14,933
Financial net debt (net cash)	7,405	16,848	17,963	34,076	35,559
Net pensions liabilities	6,813	6,137	4,447	1,614	1,666
Leases liabilities	3,676	3,917	4,114	4,302	4,635
Net debt	17,895	26,902	26,524	39,991	41,861
<i>Group total</i>					
Financial net debt/ net cash	7,405	16,848	16,505	32,761	35,559
Net debt	17,895	26,902	26,394	39,379	41,861
Financial net debt/EBITDA	0.32	0.68	0.63	1.23	1.30

NET WORKING CAPITAL & CAPITAL EMPLOYED CONTINUING OPERATIONS

MSEK	SEP 30, 2021	DEC 31, 2021	MAR 31, 2022	JUN 30, 2022	SEP 30, 2022
Inventories	27,811	29,912	28,132	32,773	35,239
Trade receivables	15,760	17,341	15,992	17,914	18,620
Account payables	-10,003	-12,011	-10,378	-11,012	-11,230
Other receivables	4,330	5,155	5,104	6,046	6,427
Other liabilities	-12,628	-13,592	-13,306	-14,560	-14,967
Net working capital	25,270	26,805	25,544	31,161	34,088
Tangible assets	25,283	26,267	19,243	19,965	21,257
Intangible assets	34,791	47,851	46,743	56,517	61,002
Other assets (incl. cash and cash equivalents)	73,665	81,310	78,622	81,657	93,881
Other liabilities	-32,649	-36,250	-32,982	-35,907	-37,161
Capital employed	101,089	119,178	111,627	122,232	138,979

KEY FIGURES

CONTINUING OPERATIONS	Q3 2021 ¹⁾	Q3 2022	Q1-Q3 2021 ¹⁾	Q1-Q3 2022
Return on capital employed, % ²⁾	19.7	16.0	18.7	16.7
Net working capital, % ²⁾	24.3	27.9	24.7	25.2
Earnings per share, basic, SEK	2.87	2.71	7.69	7.51
Earnings per share, diluted, SEK	2.87	2.71	7.68	7.50
EBITDA, MSEK	5,730	6,653	16,332	18,183
Cash flow from operations, MSEK	3,944	2,808	9,154	2,382
Number of employees ³⁾	36,758	39,571	36,758	39,571

¹⁾ Comparative key figures for income statement and cash flow statement have been updated due to distribution of Alleima on August 31, 2022. Key figures based on income statement and balance sheet numbers have not been updated in comparative period. ²⁾ Quarter is quarterly annualized and the annual number is based on a four quarter average. ³⁾ Full-time equivalent, 2021 excluding Alleima.

GROUP TOTAL	Q3 2021	Q3 2022	Q1-Q3 2021	Q1-Q3 2022
Return on capital employed, % ¹⁾	19.7	15.5	18.7	17.3
Return on total equity, % ¹⁾	22.5	-1.2	19.3	15.1
Shareholders' equity per share, SEK	57.0	63.5	57.0	63.5
Net debt/equity ratio	0.25	0.52	0.25	0.52
Financial net debt / EBITDA	0.32	1.30	0.32	1.30
Net working capital, % ¹⁾	24.3	28.4	24.8	25.5
Earnings per share, basic, SEK	3.12	-0.18	8.45	6.20
Earnings per share diluted, SEK	3.12	-0.18	8.44	6.19
EBITDA, MSEK	6,156	6,805	17,847	20,493
Cash flow from operations, MSEK	3,706	2,204	9,430	1,756
Number of employees ²⁾	42,093	39,571	42,093	39,571
No. of shares outstanding at end of period ('000)	1,254,386	1,254,386	1,254,386	1,254,386
Average no. of shares, ('000)	1,254,386	1,254,386	1,254,386	1,254,386
Average no. of shares, diluted, ('000)	1,255,845	1,255,130	1,255,789	1,255,335

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

DISCONTINUED OPERATIONS

At the Annual General Meeting on April 27, 2022, it was decided to distribute the shares of Alleima to the shareholders of Sandvik. In August the shareholders received one Alleima share for each five Sandvik shares. Alleima was listed on Nasdaq Stockholm on August 31, 2022 and the opening price paid was SEK 44 per share. At distribution of the Alleima shares, Sandvik recognized a net capital loss of SEK 4,460 million within discontinued operations. The loss represents the difference between the fair value of Alleima and the carrying value of the net assets of Alleima, at the time of the distribution. As part of the distribution, all historical translation differences allocated to Alleima amounting to SEK 1,067 million, have been recycled to the income statement within discontinued operations.

INCOME STATEMENT, CONDENSED FOR DISCONTINUED OPERATIONS

MSEK	Q3 2021	Q3 2022	Q1-Q3 2021	Q1-Q3 2022
Revenues	3,103	2,427	9,592	11,121
Cost of goods and services sold	-2,297	-1,919	-7,060	-7,209
Gross profit	806	508	2,532	3,911
Expenses and other operating income, net	-514	-400	-1,555	-1,743
Operating profit	292	153	977	2,304
Net financial items	105	947	132	1,384
Profit before tax	397	1,100	1,109	3,689
Income tax	-83	-263	-147	-874
Profit from operations	313	837	962	2,815
<i>Loss on remeasurments to fair value</i>				
Profit/loss from divestment	-	-5,526	-	-5,526
Translation differences recycled	-	1,067	-	1,067
Loss for the period, Discontinued operations	313	-3,623	962	-1,645
<i>Whereof Misys</i>	-3	1	-9	-5
<i>Whereof Alleima</i>	316	-3,624	972	-1,640

CASH FLOW, CONDENSED

MSEK	Q3 2021	Q3 2022	Q1-Q3 2021	Q1-Q3 2022
Cash flow from operations	-238	-605	276	-626
Cash flow from investing activities	-94	-105	-235	-423
Cash flow from financing activities	-161	-638	-198	-684
Total cash flow discontinued operations	-493	-1,347	-158	-1,733

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 and tax adjusted for items affecting comparability, excluding amortizations and other accounting effects arising from business combinations, also referred to as adjusted operating profit.

ADJUSTED EBITA MARGIN

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

ADJUSTED EBITA EXCLUDING METAL PRICE EFFECTS

EBITA adjusted for items affecting comparability and metal price effects. Metal price effects are one of the non-operational key figures that Sandvik provides quarterly guidance for, as the metal price effects are volatile and difficult for the investors to predict.

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.

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 and 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.

<https://www.home.sandvik/en/investors/definitions/>

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 October 17, 2022
Sandvik Aktiebolag (publ)

Stefan Widing
President & CEO

AUDITORS' REPORT

Introduction

We have reviewed the condensed interim financial information (interim report) of Sandvik AB as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 CET on October 17, 2022.

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 October 17, 2022 at 13:00 PM CET.

Information is available at home.sandvik.ir

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ANNUAL GENERAL MEETING

The Board of Directors has decided that the 2023 Annual General Meeting will be held in Sandviken, Sweden on April 27, 2023. The notice to convene the Annual General Meeting will be made in the prescribed manner.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm October 17, 2022
PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant
Auditor-in-charge

Anna Rosendal
Authorized Public Accountant

CALENDAR

January 20, 2023	Report fourth quarter, 2022
April, 21, 2023	Report first quarter, 2023
April, 27, 2023	Annual General Meeting
July 19, 2023	Report second quarter, 2023
October 19, 2023	Report, third quarter, 2023

<https://www.home.sandvik/en/investors/calendar/>