

Interim report second quarter 2025



Summary Q2

Order intake volumes at all-time high

- Strong momentum in mining and powder solutions. Positive development in software, aerospace and smaller segments. Demand in general engineering, automotive and infrastructure remained soft.
- Total order intake was stable year on year. Organic order intake growth of 10%
- Total revenue decreased by 5%, and increased organically by 3%

Solid profitability, significant currency headwinds, tariffs mitigated

- Adjusted EBITA amounted to SEK 5,629 (6,149), corresponding to a margin of 19.0% (19.6), adjusted EBITA margin R12 at 19.4 (19.4)
- Savings from restructuring programs had a positive bridge effect of SEK 206 M.
- Adjusted profit for the period amounted to SEK 3.7 Bn (3.9)
- Free operating cash flow of SEK 5.1 Bn (4.2)

Progress in strategic priority areas

- Strong revenue growth in software businesses, surface mining, and parts and services
- Largest ever battery-electric vehicle order
- Acquisitions that further expand our reach in faster growing segments

4%

Revenue growth at fixed exchange rates

19.0%

Adjusted EBITA margin

1.3

Financial net debt/EBITDA



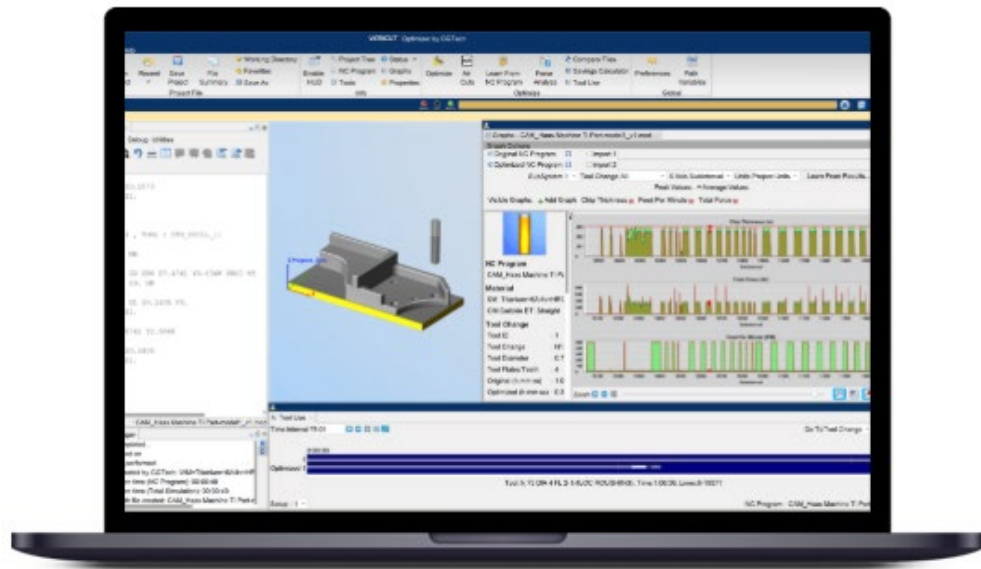
Vericut® Optimizer

Innovation

Machining

Intelligent Manufacturing

- Sustainability award 2025, a collaboration between Vericut and Seco tools
- Joint solution offering for increased customer relevance and stickiness
- Optimizes numerical control (NC) programs
- Maximizes efficiency and productivity
- Demonstrated at Capital Markets Day in May





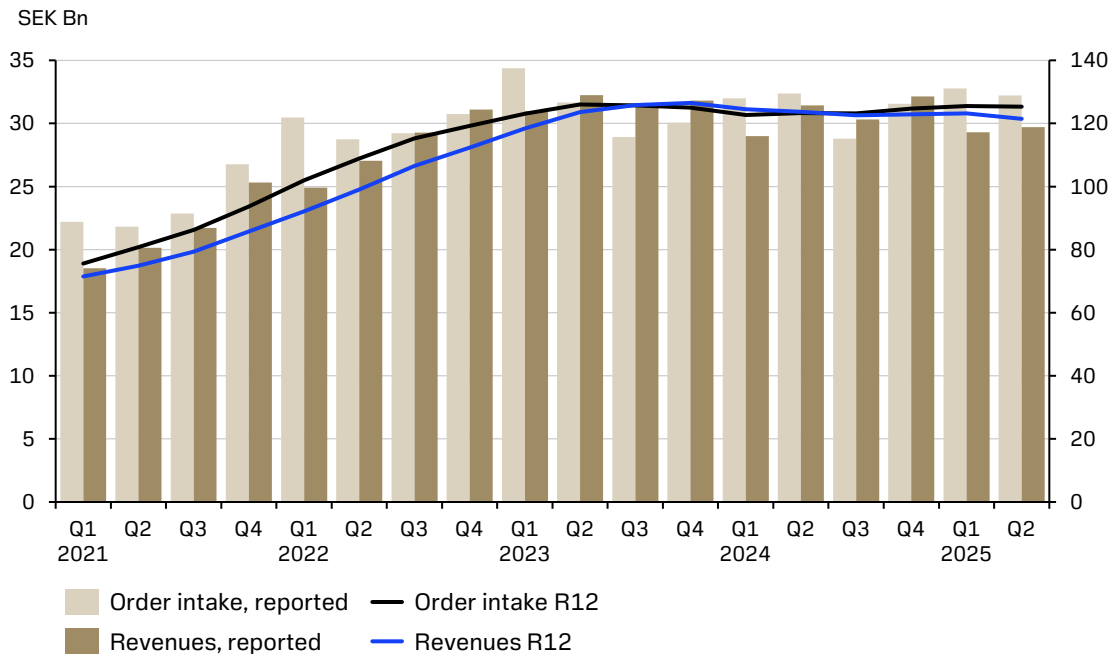
YoY market development

Percent of revenue 2024	Order intake Y/Y Q2 25	Mining	General Engineering	Infrastructure	Automotive	Aerospace	Other	% of revenue 2024
		51%	20%	9%	6%	4%	10%	
		↗	↘	→	↘	↗	→	
Europe	26%	-4%	→	↘	→	↘	↗	→
North America	25%	32%	↗	↘	→	↘	↗	↗
Asia	18%	-5%	→	↘	→	↘	↘	→
Africa and Middle East	12%	4%	→		↘			
Australia	12%	19%	↗		↘			
South America	7%	14%	↗		↘			

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



Order intake and revenues



Order intake
Reported (MSEK)
32,206

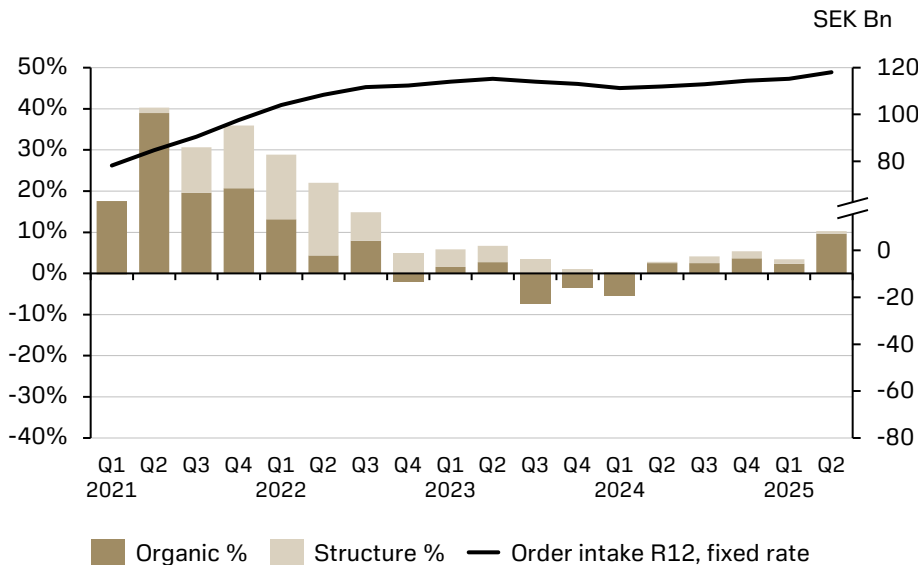
Revenues
Reported (MSEK)
29,700

Book-to-bill
108%

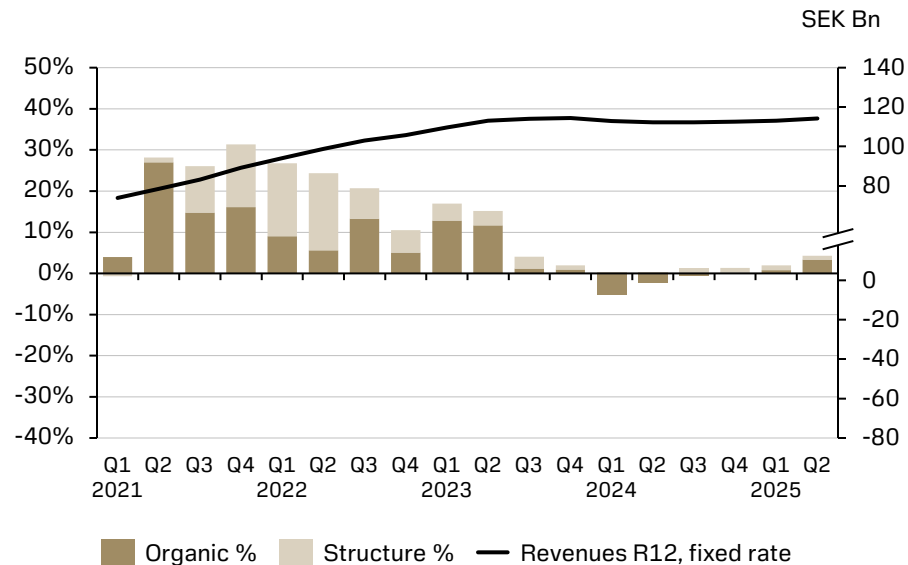


Growth in order intake and revenues

Order intake

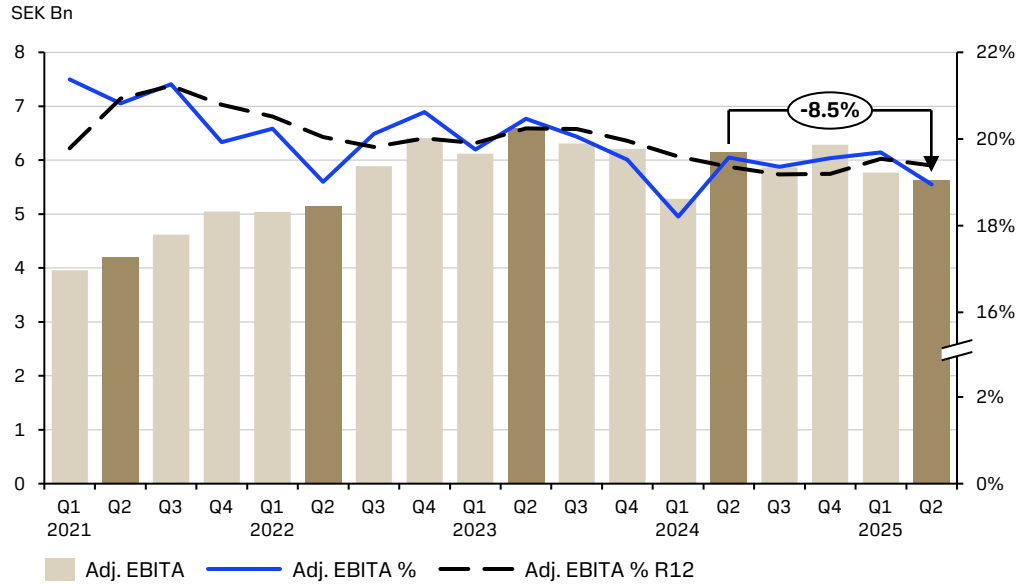


Revenue





Adjusted EBITA development



Adj. EBITA margin:

19.0%

- Adj. EBITA SEK 5,629 M (6,149)
- Resilient margin with lower volumes in key segments and currency headwinds
- Currency dilution of 40 basis points
- R12 adj. EBITA 19.4% (19.4)



Mining

Order intake

- Solid momentum, broad-based demand with record-high order intake
- Strong organic order intake growth, driven by equipment divisions. High-single digits growth in parts and services
- Total order intake increased by 5%, and at fixed exchange rates, by 18%, of which organic 18%
- Five major orders received, totaling SEK 2.1 billion (1.5). Excluding major orders, organic order intake increased by 14%

Adjusted EBITA

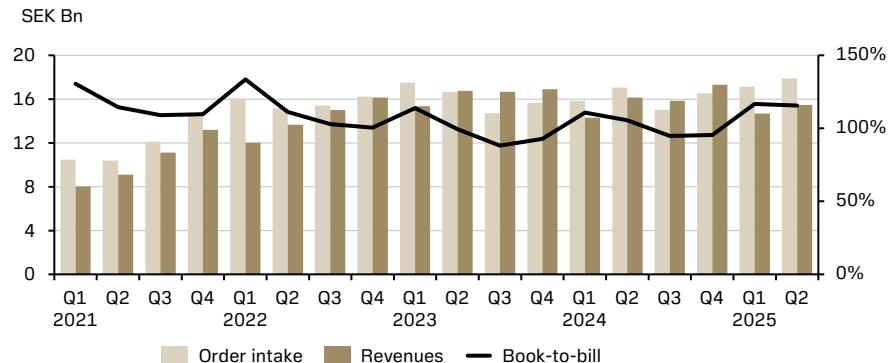
- Adjusted EBITA margin of 20.3% (20.8). Low leverage driven by currency effects from revaluation on unhedged balance sheet items and ERP go-live implementation. Tariffs were fully offset by surcharges
- Savings from restructuring programs had a positive year-on-year bridge effect of SEK 37 million
- Exchange rates was accretive to the margin by 30 bps (larger negative impact on top line)

Shift to growth

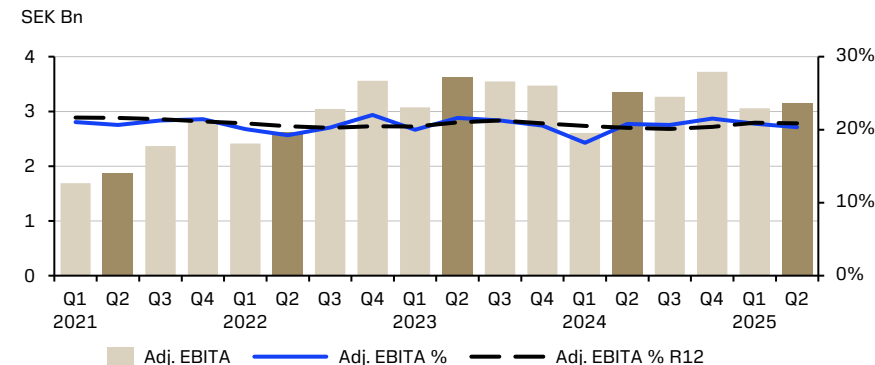
- Inauguration of a new surface production line and introduction of Automine Surface Fleet to support strategic focus on growing in surface
- Largest battery-electric vehicle (BEV) order to date

Order intake and revenues

52% share of revenues 2024



Adjusted EBITA development





Rock Processing

Order intake

- Solid momentum in mining, while infrastructure activity remained low
- Total order intake decreased by 3%. At fixed exchange rate, order intake increased by 8%, of which organic was 8%
- Two major orders received, totaling SEK 145 million (0).
- Excluding major orders, organic order intake grew by 2%

Adjusted EBITA

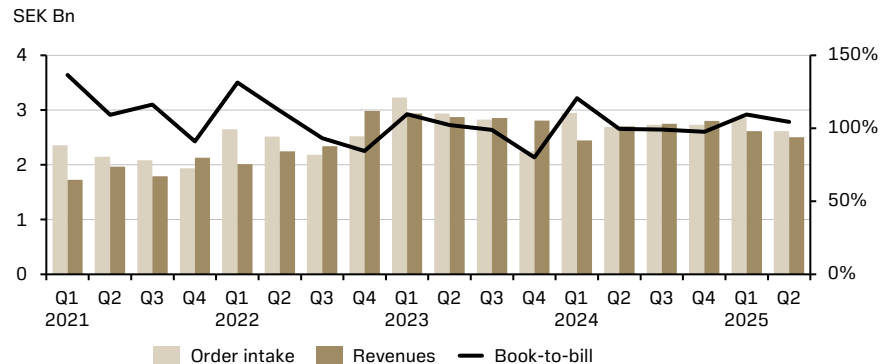
- Adjusted EBITA margin at 14.6% (15.1). Savings contributed positively, offset by negative impact from exchange rates. Tariffs were fully offset by surcharges
- Savings from restructuring programs had a bridge effect of SEK 15 million
- Exchange rates had a dilutive effect of 100 basis points on the margin

Shift to growth

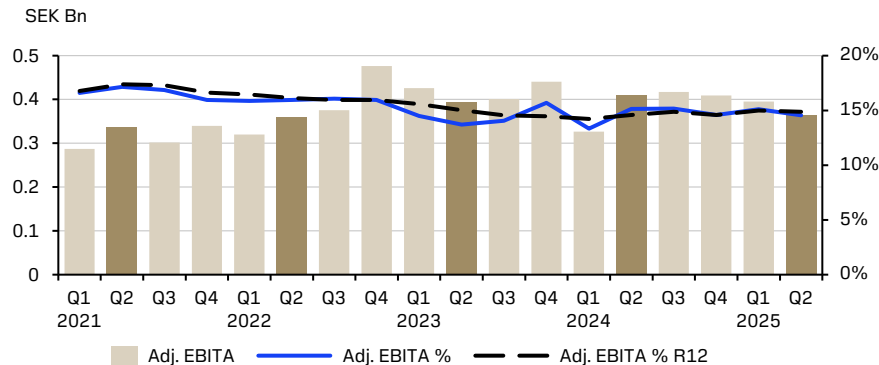
- Launch of upgraded jaw crusher range
- Completed the acquisition of OSA Demolition Equipment

Order intake and revenues

9% share of revenues 2024



Adjusted EBITA development





Machining and Intelligent Manufacturing

Order intake

- Demand for cutting tools declined year on year. Strong development was noted in the powder business. Software orders increased by low-single digits, and software revenues grew by high-single digits
- Aerospace developed positively, driven by North America. Automotive and general engineering declined year on year
- Total order intake decreased by 7%. At fixed exchange rates, orders remained stable. Organic order intake declined by 1%
- Daily order intake in the first two weeks of July was stable compared to the second quarter, taking normal seasonality into account

Adjusted EBITA

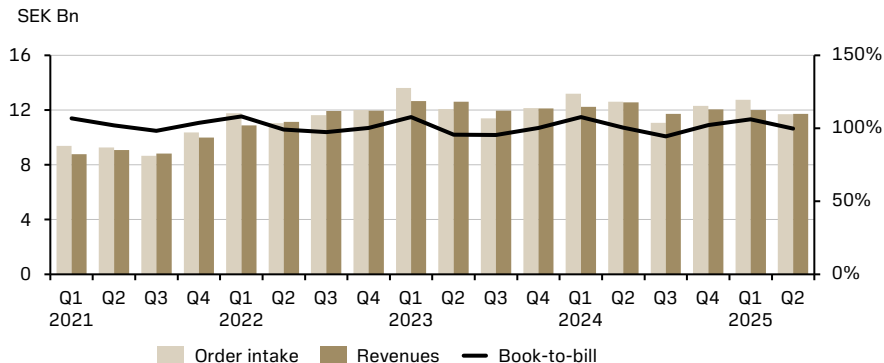
- Adjusted EBITA margin at 19.6% (20.5). Good price execution and savings was negatively off-set by volumes and currency. Tariffs were fully offset by surcharges
- Savings from the restructuring programs had a year-on-year bridge effect of SEK 153 million
- Exchange rates had a negative impact of 60 basis points while structure diluted the margin by 30 basis points

Shift to growth

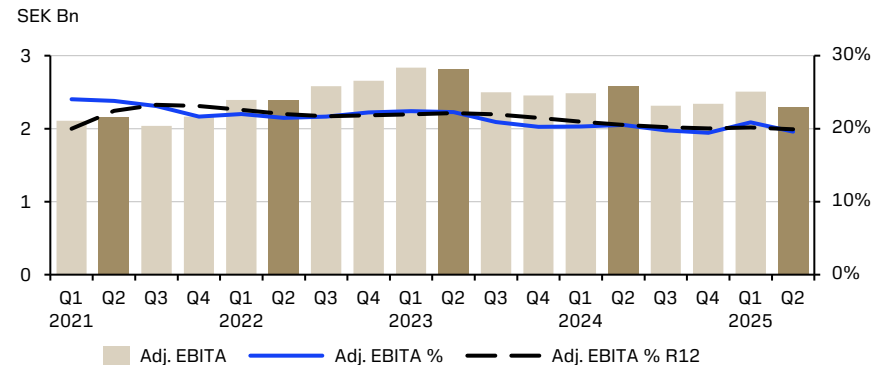
- Several innovations introduced within Machining and Intelligent Manufacturing
- Completed the acquisition of Verisurf Software Inc.

Order intake and revenues

39% share of revenues 2024



Adjusted EBITA development





Cecilia Felton

CFO



Financial summary

MSEK	Q2 2024	Q2 2025
Order intake	32,354	32,206
Revenues	31,419	29,700
Adjusted EBITA	6,149	5,629
Adjusted EBITA margin	19.6%	19.0%
Net financial items	-563	-339
Tax rate excluding IAC	23.9%	23.5%
NWC ¹	30.2%	29.6%
Free operating cash flow	4,198	5,090
ROCE ¹	14.1%	14.8%
ROCE excl. amortization of surplus values ¹	15.5%	16.2%
Adjusted EPS, diluted	3.10	2.96

Growth	OI	Rev
Organic	10%	3%
Structure	1%	1%
Organic + structure	10%	4%
Currency	-11%	-10%
Total	0%	-5%

¹ R12 revenues and R12 month average NWC / ROCE



Bridge analysis

MSEK	Q2 2024	Organic	Currency	Structure	Q2 2025
Revenues	31,419	1,053	-3,065	292	29,700
Adjusted EBITA	6,149	159	-702	24	5,629
Adjusted EBITA margin	19.6%	15%			19.0%
Accretion/dilution		-0.1%	-0.4%	-0.1%	



Net financials

MSEK	Q2 2024	Q2 2025
Interest net	-397	-239
Pension	-24	-21
Bank charges	-23	-20
Other financial income and cost	-18	2
Leases IFRS16	-69	-67
Fx and other asset classes	-32	6
Total	-563	-339
Total yield cost, R3	5.0%	3.9%
Total yield cost, R12	5.2%	4.4%



Tax rate

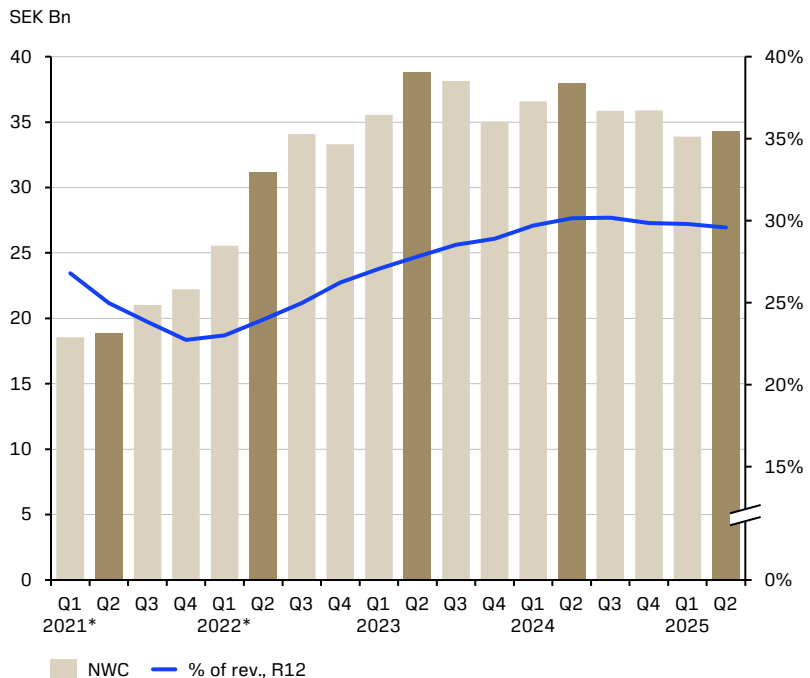
MSEK	Q2 2024	Q2 2025
Reported	30.6%	23.6%
Excluding IAC	23.9%	23.5%
Normalized	23.9%	23.5%

- Normalized tax: In line with guidance for 2025 – 23-25%



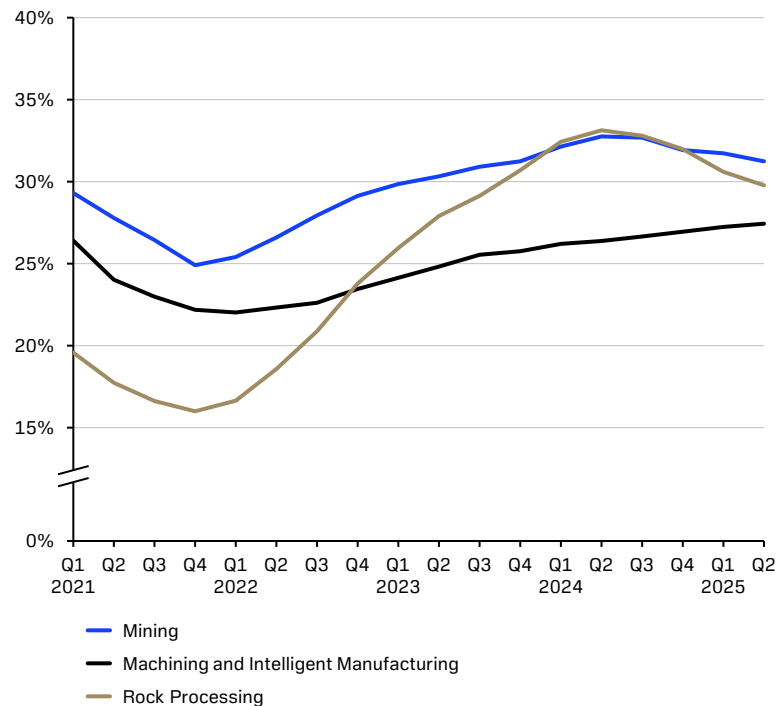
Net working capital

Net working capital



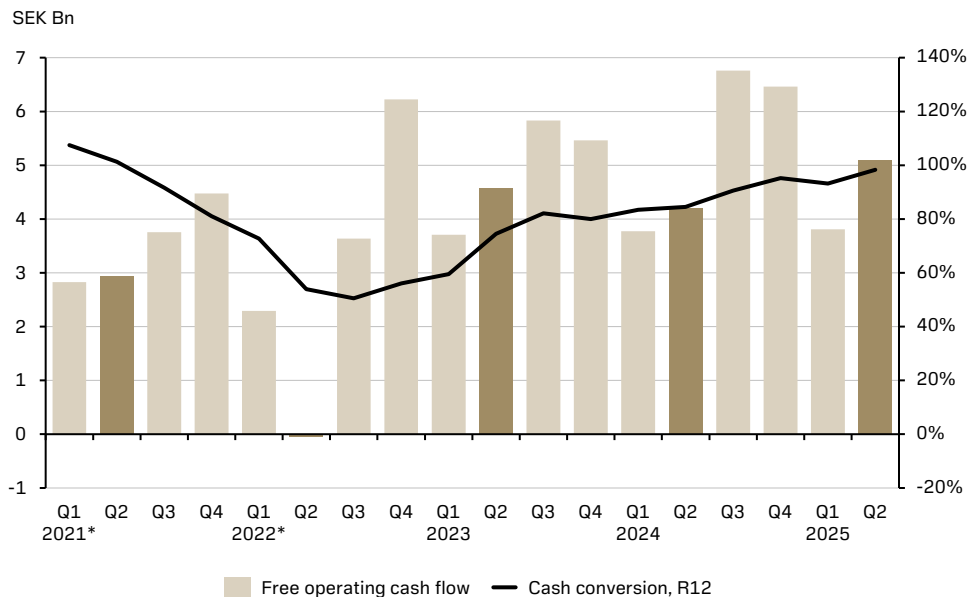
* Best estimates excluding Alleima

Per BA, % of revenues, R12





Free operating cash flow



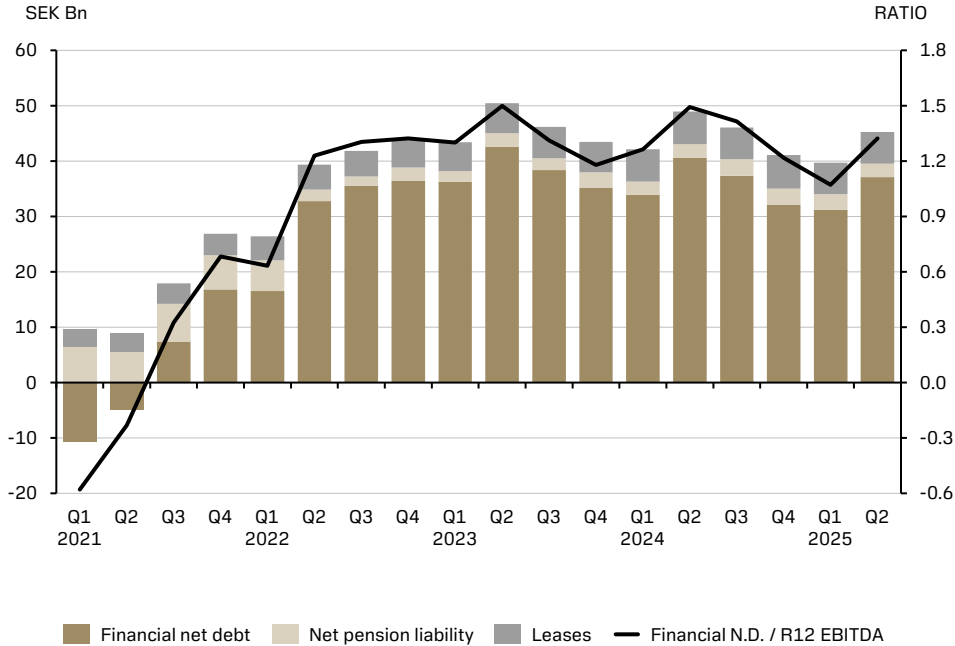
MSEK	Q2 2024	Q2 2025
EBITDA	7,489	6,374
Non-cash and other items**	-506	561
EBITDA adj for non-cash and other items	6,984	6,936
Capex	-1,110	-950
NWC	-1,676	-896
FOCF	4,198	5,090

* Best estimates excluding Alleima

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



Net debt



Financial net debt/R12 EBITDA:

1.3

- Financial net debt SEK 37 billion
- Net debt SEK 45 billion



Outcome versus guidance

	Outcome Q2	Guidance Q2
Currency YoY effect (MSEK)	-702	-600

	Outcome Q1-Q2'25	Guidance FY25
Capex (BSEK)	2.0	5.0
Interest net (BSEK)	-0.5	-0.8
Normalized tax rate (%)	23.7%	23-25%



Guidance Q3 and FY 2025

Currency effect	Given currency rates at the end of June 2025 the effect on operating profit from transaction and translation would be SEK -800 M for Q3 2025
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CAPEX (Cash)	Estimated to approximately SEK 4.5 Bn for 2025
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Interest net	Underlying interest net is estimated to approximately SEK -0.8 Bn for 2025
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Tax rate	The normalized tax rate is estimated to 23% - 25% for 2025
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Conclusion

Strong quarter despite challenging macro environment

- Strong demand in several key segments, and signs of bottoming out in the weaker ones
 - Swift response to tariffs, fully offset in the quarter
 - Good profit margin considering volume challenges in weaker segments and currency headwinds
 - Strong cashflow with cash conversion of 94%
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Continued strategic progress in digital and electrification

- Introduction of Automine Surface Fleet to support strategic focus to grow on surface
 - Strengthened position in software through Verisurf acquisition
 - Largest battery-electric vehicle order to date
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Industry-leading platforms with proven capabilities to deliver through challenging periods

- High uncertainty and challenging geopolitical and macro economic environment expected to continue
- Sandvik will continue to take mitigating actions to limit impact of new trade policies - if and when it happens
- Solid platform and strong capabilities to deliver consistently on strategy and targets



Q&A



Backup slides



Adjusted EBITA bridge, per BA

MSEK	Q2 2024	Organic	Currency	Structure	Q2 2025
Mining					
Revenues	16,151	1,183	-1,877	13	15,469
Adjusted EBITA	3,356	139	-350	-1	3,144
Adjusted EBITA margin	20.8%				20.3%
Rock Processing					
Revenues	2,704	67	-266	-	2,505
Adjusted EBITA	409	21	-65	-	365
Adjusted EBITA margin	15.1%				14.6%
Machining & Intelligent Manufacturing					
Revenues	12,564	-197	-922	279	11,725
Adjusted EBITA	2,579	-44	-262	24	2,297
Adjusted EBITA margin	20.5%				19.6%



Loan and duration profile

MSEK	Amount	Duration
Bonds MTN	19,462	3.7 years
Bank Loans	8,980	6.0 years
Commercial papers	7,358	0.2 years
Bonds MTN	4,699	0.8 years
Bank Loans	63	0.5 years
Total	40,562	3.2 years

Long term:

70%

Short term:

30%

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

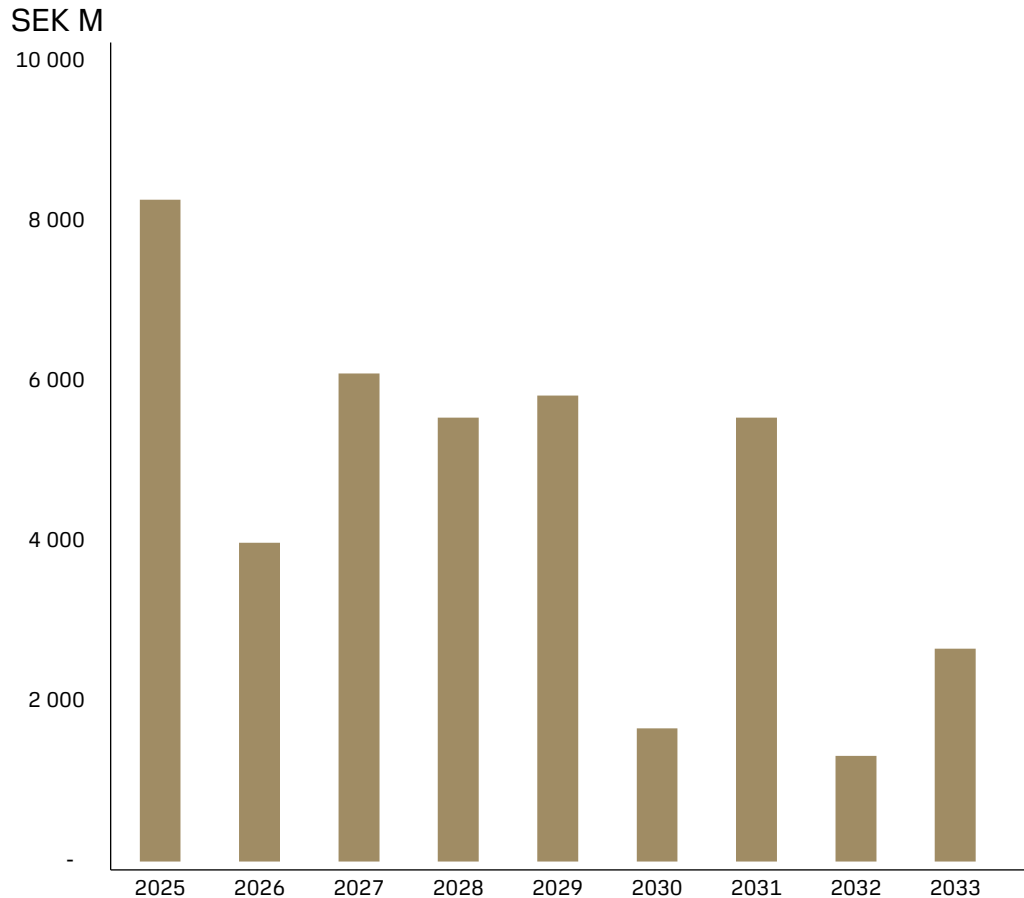


Loan maturity profile

Average interest rate:

~2.7%

(excluding swap costs)



Disclaimer statement

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