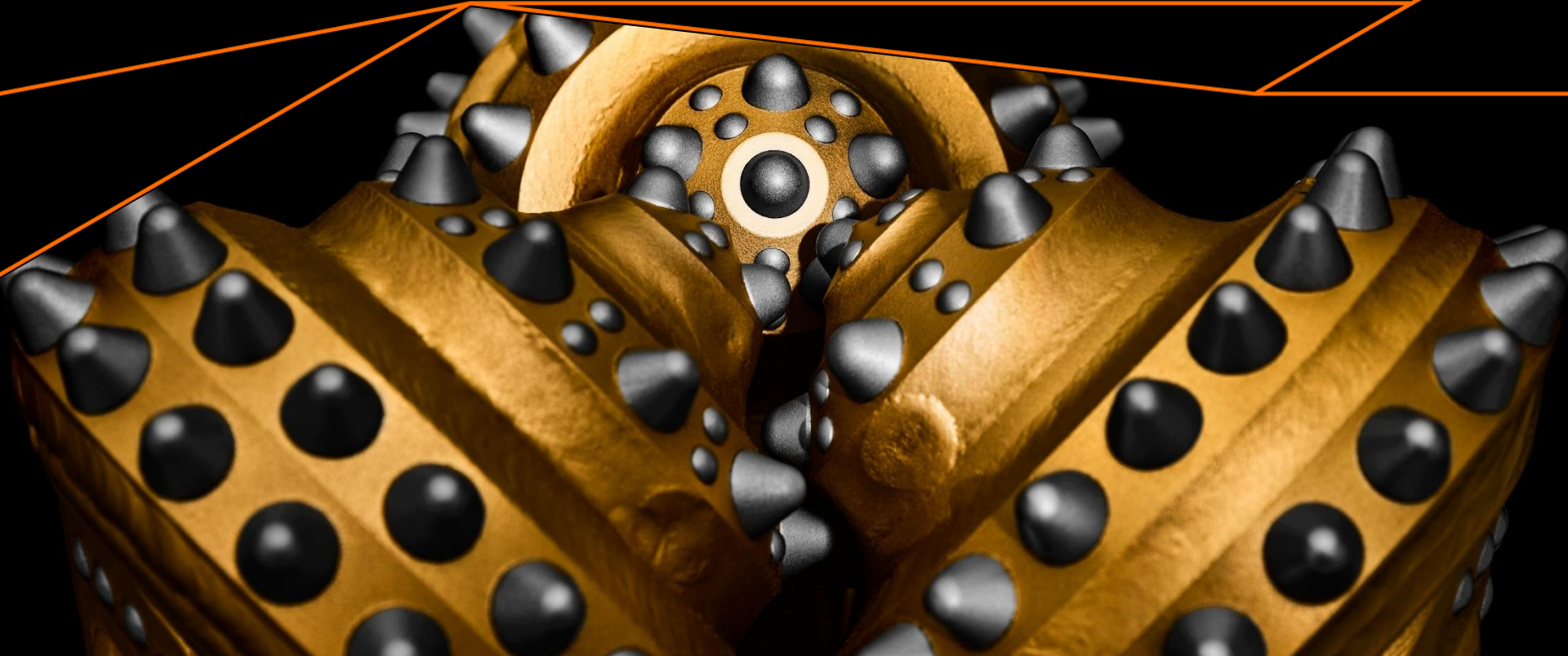


INTERIM REPORT SECOND QUARTER 2023



SUMMARY Q2

9TH CONSECUTIVE QUARTER WITH DOUBLE-DIGIT REVENUE GROWTH

- Continued solid momentum with strong growth in order intake and revenue
- Total order intake growth was 10%, and at fixed exchange rates 7%, of which organic 3%
- Total revenue growth was 19% and at fixed exchange rates 16%, of which organic 12%

SOLID OPERATING LEVERAGE

- Adjusted EBITA increased by 28%, corresponding to a margin of 20.5% (19.0)
- Items affecting comparability of SEK -0.8 billion (-1.1), mainly related to the restructuring program
- Adjusted profit for the period improved by 11% to SEK 4.1 Bn (3.7)

SHIFT TO GROWTH ACHIEVEMENTS

- Solid organic and acquisitive growth in the quarter
- Strong automation momentum with two significant orders received in the quarter, strong growth in Rotary Drilling
- Two acquisitions completed and important innovation launches

16%

Revenue growth at
fixed exchange rates

20.5 %

Adjusted EBITA margin

1.50

Financial net debt/EBITDA
Group total



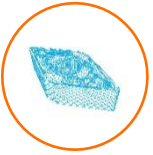
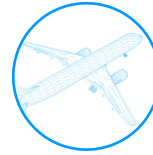
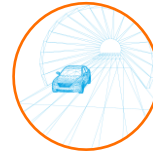
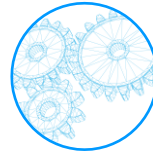
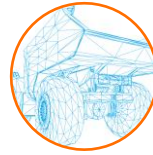
STAYING AHEAD THROUGH INNOVATION

NEW BATTERY IMPROVING BEV RUNTIME BY 36 PERCENT

- Higher-capacity battery for BEV loaders and trucks with 36 percent more energy on equivalent battery size
- With the same high safety lithium iron phosphate (LFP) chemistry ideal for underground mining, the new battery is a leap forward in safety, reliability and performance
- Fully backwards-compatible with existing battery solution
- Significant design improvements
 - Enhanced structural strength
 - Laser-welded terminals provide a stronger connection with lower resistance, reducing energy loss and heat while improving efficiency and safety
 - Improved cooling performance
 - Safety feature monitors every cell's temperature and voltage



YOY MARKET DEVELOPMENT



Mining
48%

Engineering
22%

Automotive
7%

Energy
2%

Infrastructure
11%







Aerospace
3%

Other
7%

Percent of
revenue 2022

Percent of
revenue 2022

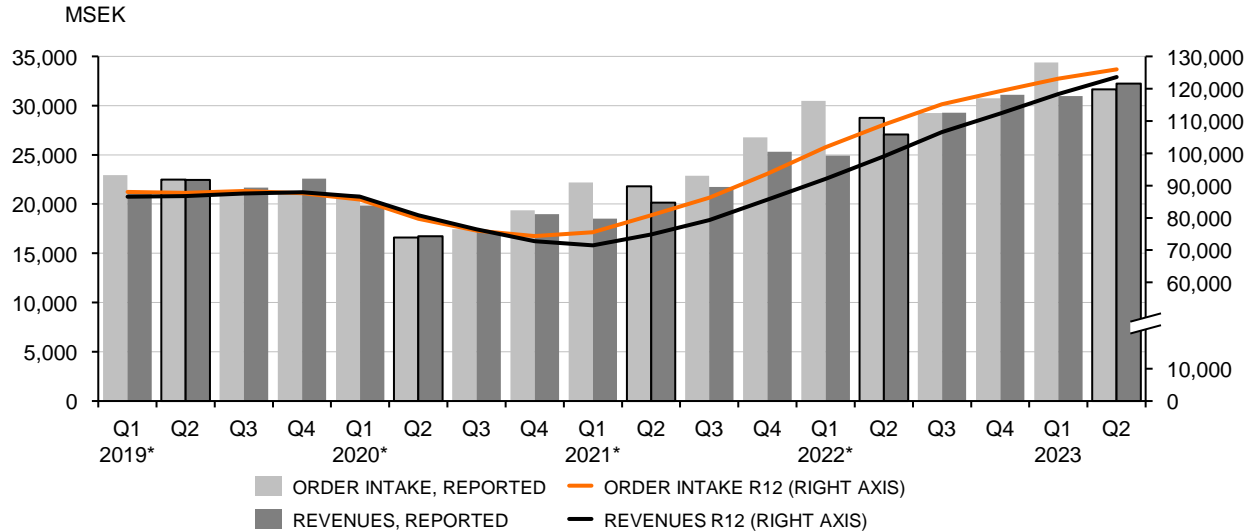
Q2 Y/Y
order intake

	Percent of revenue 2022	Q2 Y/Y order intake	Mining	Engineering	Automotive	Energy	Infrastructure	Aerospace	Other
 EUROPE	27%	+3%	→	↘	→	↘	↘	→	↘
 NORTH AMERICA	25%	-2%	→	↘	→	↘	↘	→	→
 ASIA	19%	-6%	→	↘	↘	↘	↘	↘	↘
 AFRICA AND MIDDLE EAST	12%	-5%	→	↘	→	→			
 AUSTRALIA	12%	+32%	→						
 SOUTH AMERICA	7%	+7%	→						



Continuing operations % of revenues 2022. 'Other' includes mainly die and mold, electronics, medical, pump and valve, rail and defense.

ORDER INTAKE AND REVENUES



ORDER INTAKE

REPORTED (SEK M)

31,660

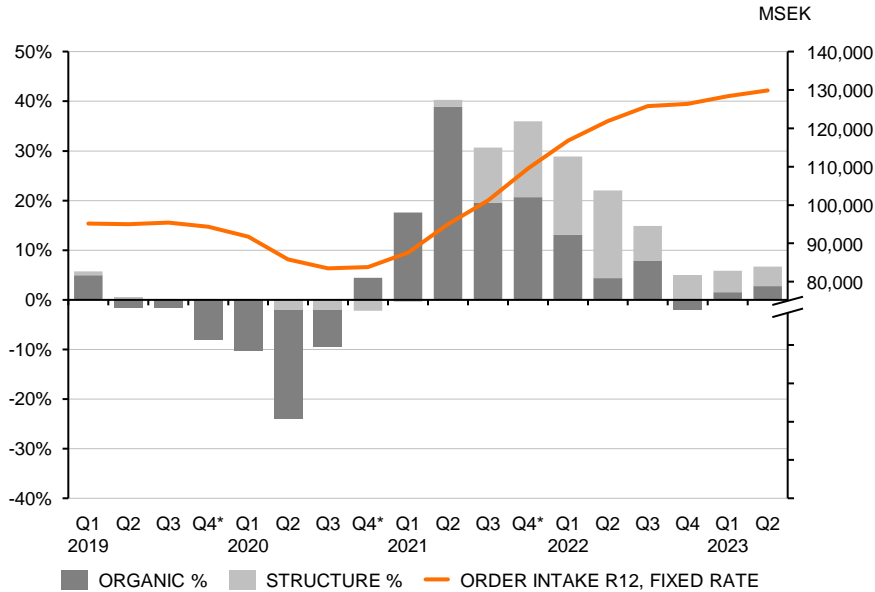
REVENUES

REPORTED (SEK M)

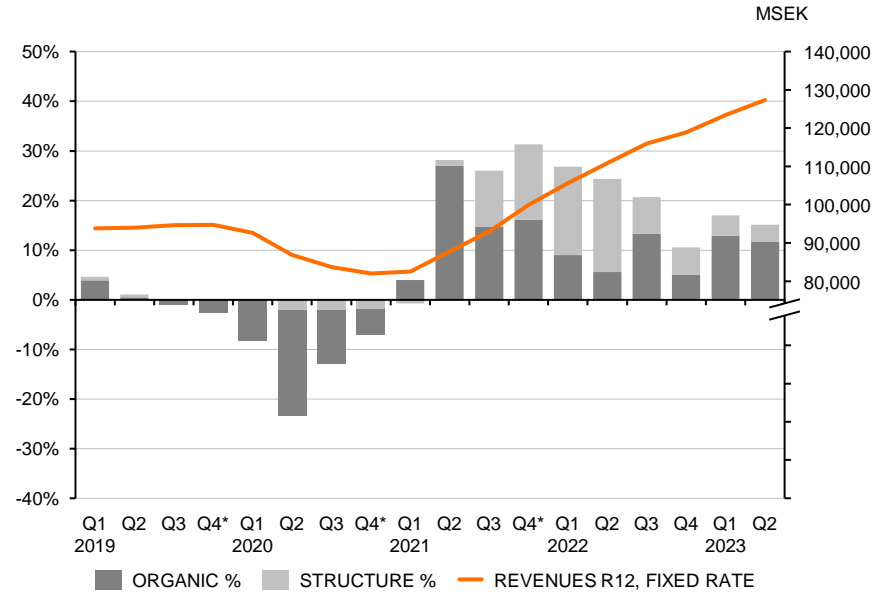
32,243

GROWTH IN ORDER INTAKE AND REVENUES

ORDER INTAKE

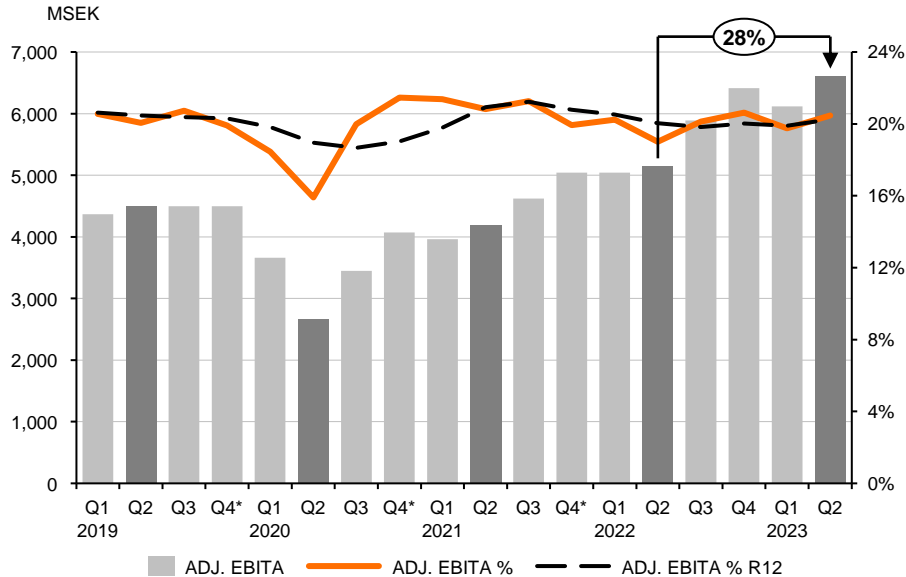


REVENUES



ADJUSTED EBITA DEVELOPMENT

Adj. EBITA margin:
20.5%



- Adj. EBITA SEK 6,599 M (5,141)
- Margin 20.5% (19.0)
- Leverage:
 - Positive impact from volume and price
 - Structure and currency had a negative impact of 10 and 30 basis points respectively
- R12 adj. EBITA 20.2% (20.0)

* Best estimates excluding SMT

† Adjusted for items affecting comparability



MINING AND ROCK SOLUTIONS

ORDER INTAKE

- Second highest order intake ever with growth in equipment and aftermarket. Particularly strong growth noted in Rotary Drilling
- Total order intake growth was 10% and at fixed exchange rates, growth was 7%, of which organic 6%
- Excluding two major orders booked in the quarter of SEK 1.0 billion (0.5), organic order intake grew by 3%

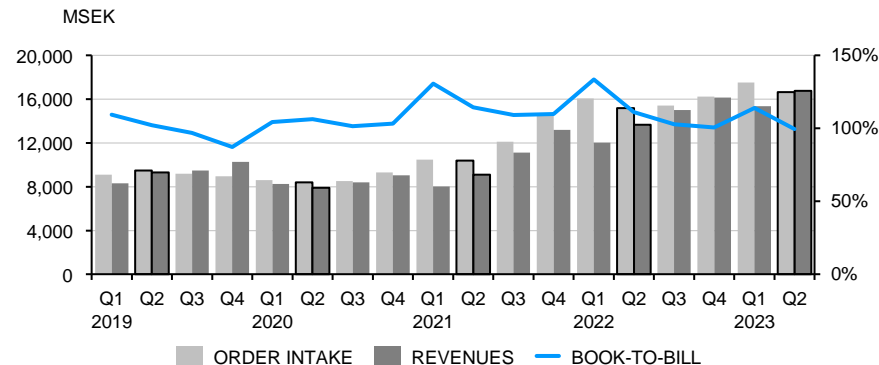
ADJUSTED EBITA

- Adjusted EBITA margin at 21.6% (19.2)
- Exchange rates had a dilutive impact on margin by 110 basis points

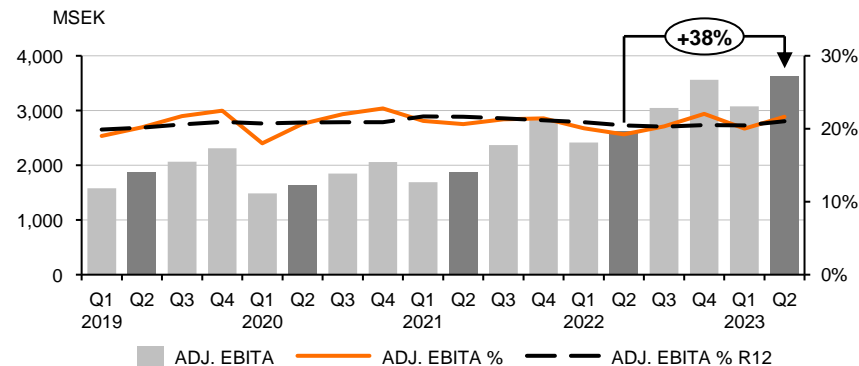
SHIFT TO GROWTH

- Strong momentum in automation with two significant orders of SEK 220 million secured in the quarter
- Launched a new higher-capacity battery for BEV loaders and trucks and My Sandvik Onsite data solution for optimizing surface drilling operations

ORDER INTAKE AND REVENUES



ADJUSTED EBITA DEVELOPMENT



ROCK PROCESSING SOLUTIONS

ORDER INTAKE

- Solid demand in mining, while soft demand continued within infrastructure. Strong contribution from acquisitions
- Total order intake grew by 17% and at fixed exchange rates 12%, of which organic growth declined by 16%
- Excluding one major order booked in the quarter of SEK 61 million (135), organic order intake was -12%

ADJUSTED EBITA

- Adj. EBITA margin of 13.7% (16.0). Lower volumes, integration costs and IT investments had a negative impact on margin
- SP Mining's underlying margin was accretive, while integration and carve-out costs diluted the margin by 110 basis points

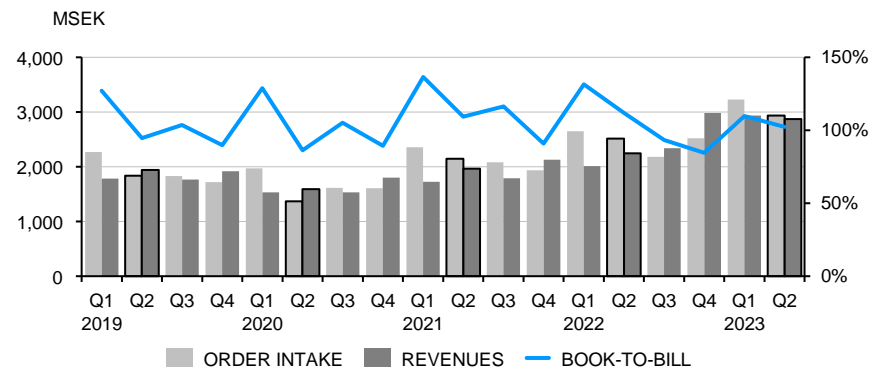
SHIFT TO GROWTH

- Approximately 30% order growth contribution from acquisitions
- Upgraded SAM by Sandvik version with strengthened data resolution, improving analysis of the crushers in search for potential areas of improvements

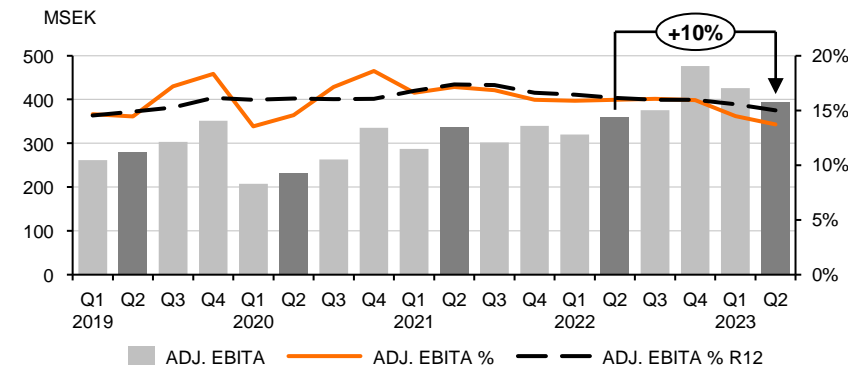


8%
SHARE OF
REVENUES 2022

ORDER INTAKE AND REVENUES



ADJUSTED EBITA DEVELOPMENT



MANUFACTURING AND MACHINING SOLUTIONS

ORDER INTAKE

- Double-digit order intake growth in aerospace and good support from automotive. Lower volumes in general engineering and energy compensated by price
- Total order intake growth of 9%, at fixed exchange rates growth was 3%, of which organic was -1%
- Positive order growth in cutting tools offset by negative growth in the powder business driven mainly by timing of larger orders
- Daily order intake in the first two weeks of July was stable compared to the second quarter

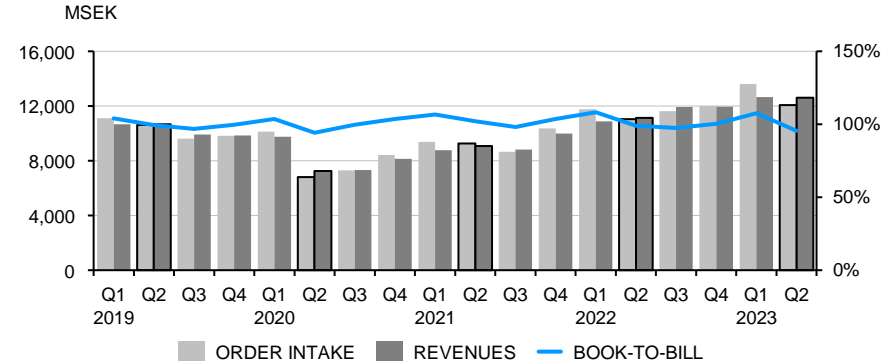
ADJUSTED EBITA

- Adjusted EBITA margin was 22.3% (21.5), with strong leverage due to pricing and good cost control
- Acquisitions were neutral to the margin

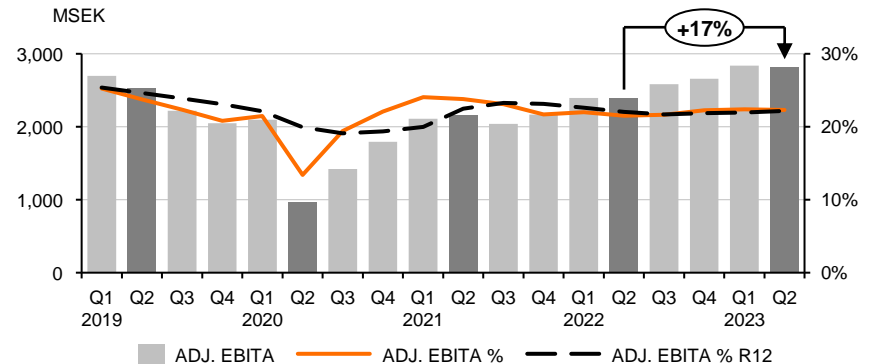
SHIFT TO GROWTH

- Software revenue grew by mid-single digit
- New steel turning grades, specifically tailored to capture opportunities within the mid-market

ORDER INTAKE AND REVENUES



ADJUSTED EBITA DEVELOPMENT



CECILIA FELTON
CFO

= 13

= 7

= -10

= 7

FINANCIAL SUMMARY

MSEK	Q2 2022*	Q2 2023
ORDER INTAKE	28,740	31,660
REVENUES	27,050	32,243
ADJUSTED EBITA	5,141	6,599
ADJUSTED EBITA MARGIN	19.0%	20.5%
NET FINANCIAL ITEMS	18	-704
TAX RATE EXCLUDING IAC	23.5%	24.4%
NWC % ¹	26.2%	28.8%
FREE OPERATING CASH FLOW ²	-49	4,578
ROCE % ¹	13.4%	15.3%
ADJUSTED EPS, DILUTED	2.95	3.25

* Best estimates excluding SMT

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

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

GROWTH	OI	REV.
ORGANIC	3%	12%
STRUCTURE	4%	4%
ORG + STR	7%	16%
CURRENCY	3%	4%
TOTAL	10%	19%

BRIDGE ANALYSIS

MSEK	Q2 2022	ORGANIC	CURRENCY*	STRUCTURE	Q2 2023
REVENUES	27,050	2,781	1,453	960	32,243
ADJUSTED EBITA	5,141	1,059	232	167	6,599
ADJUSTED EBITA MARGIN	19.0%	38%			20.5%
ACCRETION/DILUTION		1.8%	-0.3%	-0.1%	

* Currency effect net of structure component

RESTRUCTURING PROGRAM 2022

ONE STEP AHEAD

	SMM	SMR	SRP	Group activities
ONE-OFF COSTS				
1,705 (1,710) MSEK, IN 2022 AND 2023	1,240	80	305	80
ESTIMATED RUN-RATE SAVINGS				
~ 785 (~ 610) MSEK, MAJORITY ACHIEVED BY END 2024	540	100	140	5
INDICATED FTE REDUCTION				
~ 870 (~ 580)				

(Numbers within brackets were communicated when program was announced last year)

NET FINANCIALS

SEK	Q2 2022	Q2 2023
INTEREST NET	-154	-411
PENSION	-18	-25
BANK CHARGES	-20	-18
OTHER FINANCIAL INCOME AND COST	10	9
LEASES IFRS16	-37	-52
FX AND OTHER ASSET CLASSES	236	-208
TOTAL	18	-704

Interest net increase due to increased borrowed volumes and higher interest rates

* Best estimates excluding SMT

TAX RATE

	Q2 2022	Q2 2023
REPORTED	29.2%	24.9%
EXCLUDING IAC	23.5%	24.4%
NORMALIZED	23.5%	24.4%

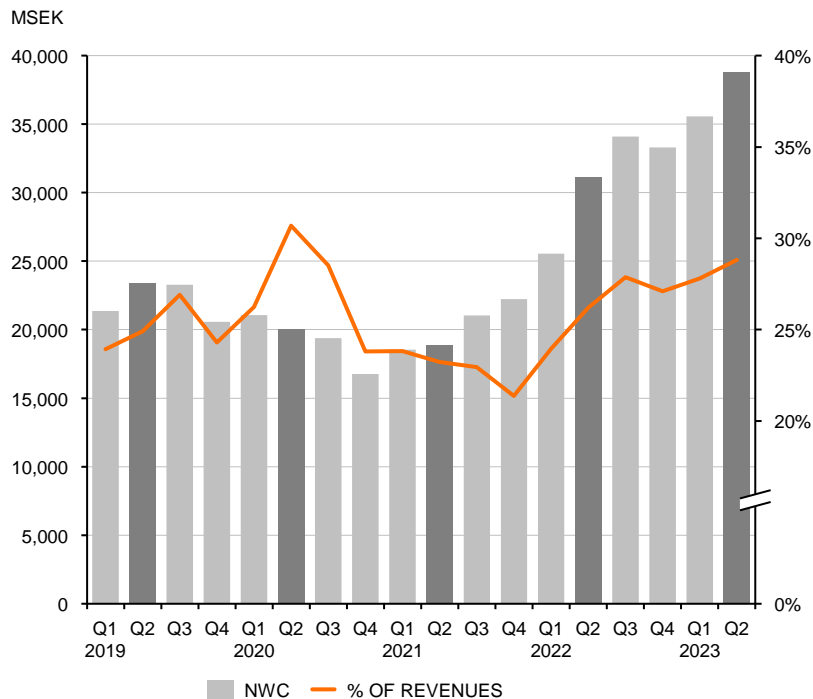
For continuing operations

IN LINE WITH 23-25% GUIDANCE FOR 2023

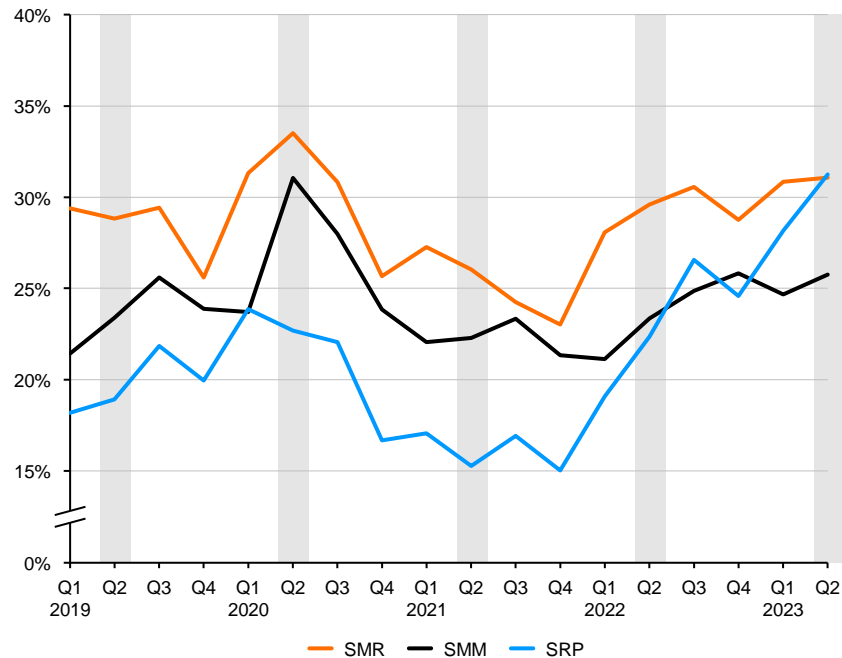
** Best estimates excluding SMT*

NET WORKING CAPITAL

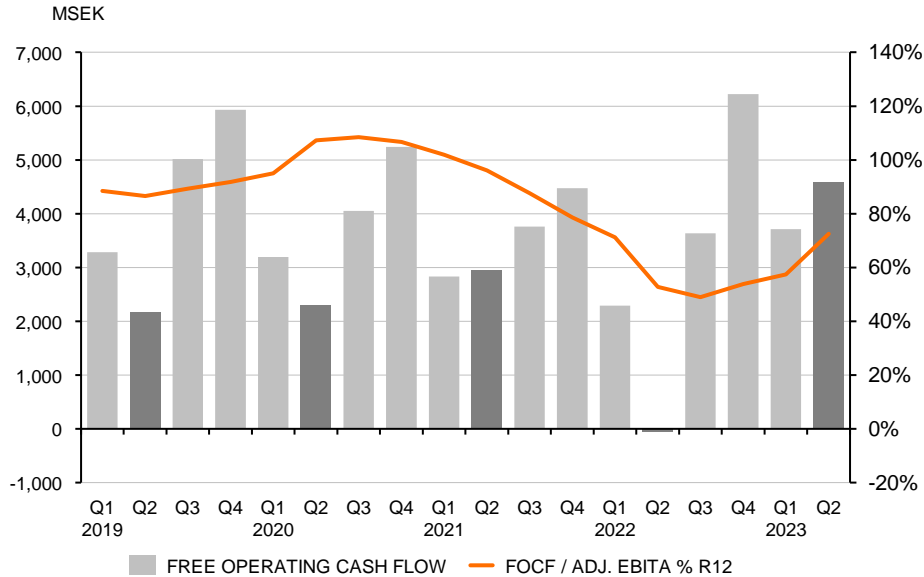
NET WORKING CAPITAL



PER BA, % OF REVENUES



FREE OPERATING CASH FLOW



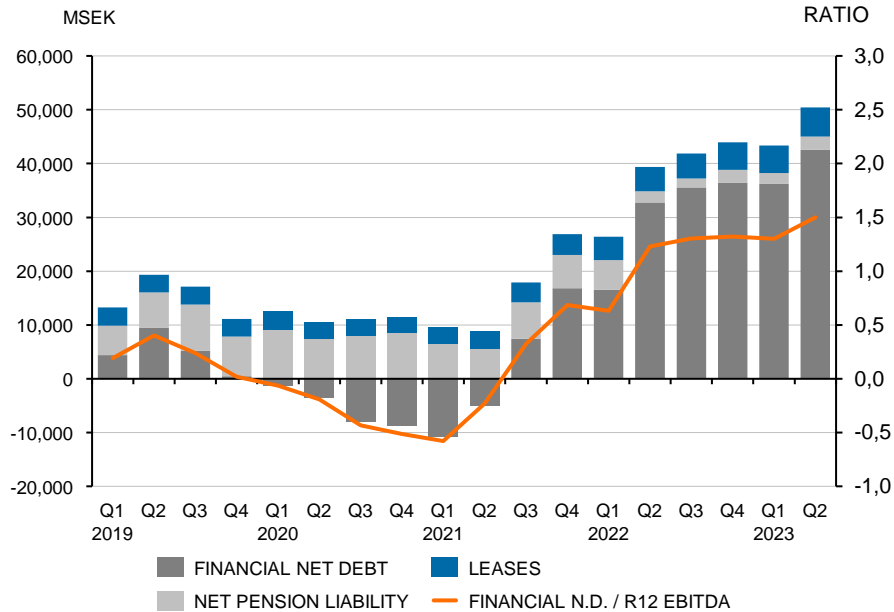
MSEK	Q2 2022	Q2 2023
EBITDA *	5,265	6,783
NON-CASH ITEMS	-597	442
NWC CHANGE	-3,633	-1,210
CAPEX **	-1,083	-1,436
FOCF ***	-49	4,578

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

* Best estimates excluding SMT

NET DEBT

GROUP TOTAL

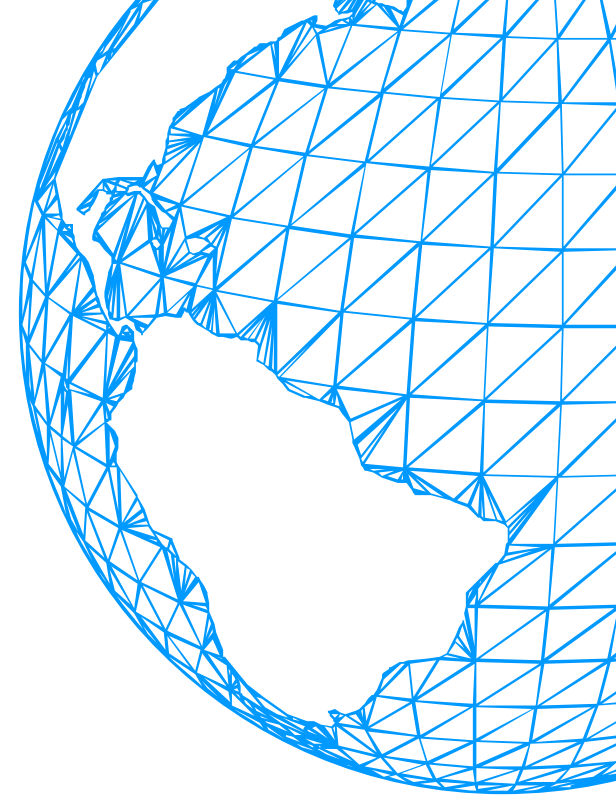


- Financial net debt / R12 EBITDA 1.50
- Financial net debt SEK 42.6 billion
- Net debt SEK 50.4 billion

OUTCOME VERSUS GUIDANCE

	<u>Outcome Q2</u>	<u>Guidance Q2</u>
Underlying currency yoy effect (MSEK)	232	200

	<u>Outcome Q2</u>	<u>Guidance FY</u>
Capex (BSEK)	1.2	4.5
Interest net (BSEK)	-0.4	-1.7
Normalized tax rate (%)	24.4%	23-25%



GUIDANCE Q3 AND FY 2023

CAPEX (CASH)	Estimated to approximately SEK 4.5 B for 2023.
CURRENCY EFFECTS	Given currency rates at end of June 2023 the effect on operating profit from transaction and translation would be SEK -100 M for Q3 2023
INTEREST NET	Underlying interest net is estimated to approximately SEK -1.7 B for 2023
TAX RATE	The normalized tax rate is estimated to 23% - 25% for 2023

CONCLUSION

CONTINUED SOLID BUSINESS MOMENTUM

- Continued solid business momentum with double-digit revenue growth
 - Softness in infrastructure and general engineering offset by positive development in other key segments
 - Margin within our target range and solid leverage through good cost control and price
-

PROGRESS IN STRATEGIC FOCUS AREAS

- Good automation momentum and strong growth in Rotary Drilling division
 - Two acquisitions completed
 - Good innovation pace with important products and solution launches
-

STRONG COMMITMENT TO SHIFT TO GROWTH STRATEGY

- Well positioned to capture growth opportunities ahead
- Strong organizational commitment to shift to growth strategy
- Agile execution and proven resilience





Q&A

BACK-UP SLIDES



MSEK	Q2 2022	ORGANIC	CURRENCY	STRUCTURE	Q2 2023
MINING AND ROCK SOLUTIONS					
REVENUES	13,658	2,496	558	43	16,755
ADJUSTED EBITA	2,628	1,041	-53	5	3,621
ADJUSTED EBITA MARGIN	19.2%				21.6%
ROCK PROCESSING SOLUTIONS					
REVENUES	2,247	-34	106	554	2,872
ADJUSTED EBITA	359	-88	39	83	394
ADJUSTED EBITA MARGIN	16.0%				13.7%
MANUFACTURING AND MACHINING SOL.					
REVENUES	11,145	319	789	363	12,616
ADJUSTED EBITA	2,394	110	228	78	2,810
ADJUSTED EBITA MARGIN	21.5%				22.3%

LOAN AND DURATION PROFILE

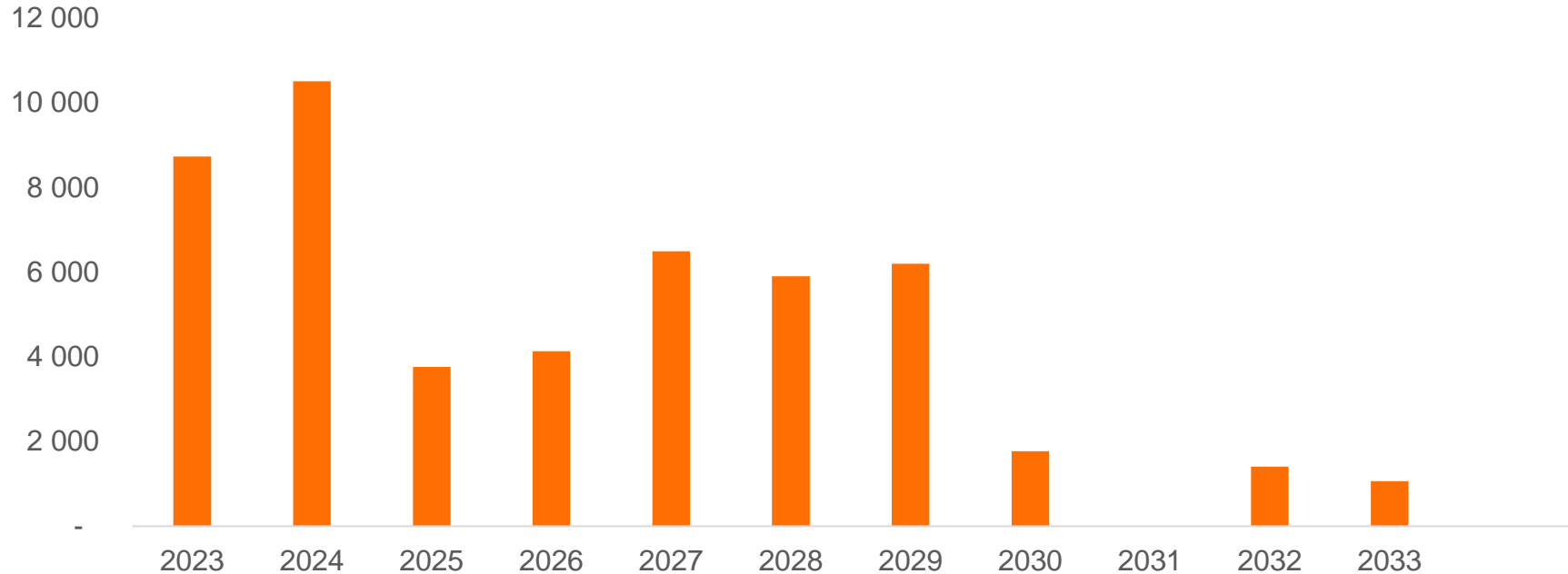
		AMOUNT	DURATION
LONG TERM 75%	Bonds MTN	28,229	4.7 years
	Bank Loans	8,425	2.6 years
SHORT TERM 25%	Commercial Paper	5,852	0.2 years
	Bonds MTN	4,826	0.6 years
	Bank Loans	1,521	0.0 years
	TOTAL	48,853	3.3 years

Committed Credit facilities **SEK 17,004 M**

LOAN MATURITY PROFILE

AVERAGE
INTEREST RATE:
~3.9%

MSEK



An abstract graphic consisting of several bright blue lines that intersect to form a series of triangles and polygons, creating a dynamic, geometric pattern against the black background.

DISCLAIMER STATEMENT

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