

Q3

Interim report third quarter and first nine months 2024

Mixed demand, resilient margin and high cash generation

- Total order intake was in line with last year and amounted to SEK 28,796 million (28,927). At fixed exchange rates, orders grew by 4%, and organically by 2%
- Total revenues declined by 4%, and amounted to SEK 30,306 million (31,476). At fixed exchange rates, revenues grew by 1%, of which organic -1%
- Adjusted EBITA decreased by 7% and amounted to SEK 5,866 million (6,312), corresponding to a margin of 19.4% (20.1). Items affecting comparability amounted to SEK -455 million (-51), mainly related to charges from exiting non-strategic businesses
- Profit for the period amounted to SEK 3,239 million (3,900) and earnings per share, diluted, were SEK 2.58 (3.10). Adjusted earnings per share, diluted, were SEK 2.94 (3.14)^{2, 3)}
- Free operating cash flow amounted to SEK 6,762 (5,830)
- Three major orders received and one acquisition announced during the quarter

1%

Revenue growth at fixed exchange rates

19.4%

Adj. EBITA margin

1.4

Financial net debt/EBITDA

Financial overview

MSEK	Q3 2023	Q3 2024	Change %	Q1-Q3 2023	Q1-Q3 2024	Change %
Order intake	28,927	28,796	0	94,949	93,132	-2
Revenues	31,476	30,306	-4	94,687	90,727	-4
Adjusted EBITA ¹⁾	6,312	5,866	-7	19,030	17,295	-9
Adjusted EBITA margin	20.1	19.4	-	20.1	19.1	-
Adjusted EBIT ²⁾	5,815	5,382	-7	17,562	15,894	-10
Adjusted EBIT margin	18.5	17.8	-	18.5	17.5	-
Adjusted profit before tax ^{2, 3)}	5,056	4,857	-4	15,570	14,298	-8
Profit for the period	3,900	3,239	-17	11,043	7,948	-28
Adjusted profit for the period ^{2, 3)}	3,949	3,688	-7	11,889	10,867	-9
Earnings per share, diluted, SEK	3.10	2.58	-17	8.79	6.33	-28
Adjusted earnings per share, diluted, SEK ^{2, 3)}	3.14	2.94	-7	9.46	8.65	-9
Free operating cash flow	5,830	6,762	16	14,119	14,731	4

¹⁾ Adjusted for items affecting comparability (IAC) on EBITA of SEK -455 million (-51) in Q3 2024 and SEK -3,095 million (-901) YTD 2024. ²⁾ IAC on EBIT of SEK -455 million (-51) in Q3 2024 and SEK -3,219 million (-1,073) YTD 2024. ³⁾ Adjusted for IAC regarding tax of SEK 6 million (3) in Q3 2024 and SEK 300 million (227) YTD 2024. For full details on IAC, see pages 19–20.

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



CEO's comment

The third quarter displayed a mixed demand picture. While order momentum was solid in our mining and software businesses, macro trends were weaker than expected and had a negative impact on our cutting tools business. Organic order intake grew by 2%, and revenues declined by 1%. We managed the tougher economic conditions well, and we continued to demonstrate Sandvik's resilience with an adjusted EBITA margin at 19.4% - a good achievement given the low volumes. Free operating cash flow amounted to SEK 6.8 billion with a strong cash flow conversion of 120%. We continued to make strategic progress with exciting innovations as well as major order wins, and we announced an important acquisition in mining.

Demand in mining remained robust, driven by favorable mineral prices which continued to support high activity in our customers' operations. Organic order intake in Sandvik Mining and Rock Solutions grew by 8%, with double digit growth in the aftermarket business. During the quarter we won a strategically important order of SEK 1.9 billion, of which SEK 0.5 billion was booked in the quarter. The order was Sandvik's second one for the large Jansen Potash greenfield in Canada, which has the potential to be the largest potash-producing mine in the world. In August, we announced the acquisition of Universal Field Robots (UFR), a leading fast-growing Australia-based provider of autonomous interoperable solutions for both underground- and surface applications. UFR is an important strategic addition that strengthens our growth potential and provides key capabilities in the



development of our mining automation solutions portfolio. During the quarter we also made further progress in the development of our battery electric offering. Key innovations introduced were a new trolley solution for BEV trucks as well as an upgraded battery module with substantially increased energy capacity.

“We continued to make strategic progress with exciting innovations as well as major order wins, and we announced an important acquisition in mining.”

Sandvik Rock Processing Solutions reported 1% organic growth in order intake. Two major orders were received, with a total value of SEK 318 million. While demand from mining customers was stable overall, low infrastructure activity in combination with high dealer stock levels remained challenging in the quarter.

Organic order intake declined by 4% in Sandvik Manufacturing and Machining Solutions. Our software business grew by mid-single digits driven by strong momentum in North America, while the weaker macroeconomic environment translated into a 5% decline in cutting tools orders. The softer demand was broad-based, but most negative in Europe, and the low demand from the automotive industry notable in all regions. We continued to work with portfolio optimization to drive higher structural growth by strengthening our position in the higher growth Chinese market and decided to exit two non-strategic businesses. During the quarter we showcased our solutions at the IMTS tradeshow. It was pleasing to see the strong customer interest for our solutions, for example our integrated offering within industrial metrology, and the new Vericut simulation solutions which also resulted in several deals won and new business opportunities.

We started the year cautiously optimistic that we would see improved sentiment and market conditions as the year progressed. However, macroeconomic and geopolitical challenges have persisted, and important key indicators weakened again in the third quarter. Inevitably this means higher uncertainty for the rest of the year and makes it difficult to predict how the demand will develop in the short term. With that said, we reduced our costs and delivered a resilient margin in the quarter. We also had a strong cash flow and made progress in our efforts to reduce our net working capital. Furthermore, we continued to execute on our strategic agenda, building on a strong innovation pipeline with close customer collaboration, and strengthened our growth profile. Moving forward, we will continue to stay focused on our strategic priorities and remain agile to both opportunities and challenges ahead.

Stefan Widing
President and CEO



Order intake and revenues

Growth Q3, %	Order intake	Revenues
Organic	2	-1
Structure	2	1
Organic & structure	4	1
Currency	-5	-4
Total	0	-4

Change compared to same quarter last year.

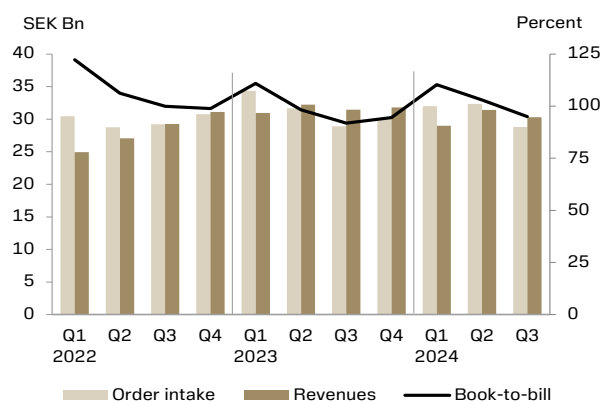


Total order intake was flat year on year. At fixed exchange rates, order intake grew by 4%, of which 2% organically. Total revenues declined by 4%. At fixed exchange rates, revenues grew by 1%, of which organic -1%.

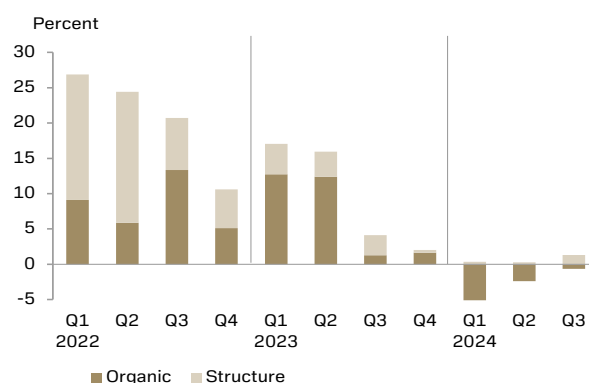
Continued solid demand was noted in the mining business, driven by positive momentum in the aftermarket divisions. Favorable mineral prices continued to spur high mining activity, and the ambition to maximize production with existing, older equipment, is driving an increased need for services and spare parts. Demand in infrastructure remained weak, explained by a low activity in general, and high stock levels with dealers. Sandvik Mining and Rock Solutions noted the strongest organic order intake growth in South America, and Sandvik Rock Processing Solutions in Australia. During the quarter, the National Mining Association hosted the MINExpo International™, an event where stakeholders meet for dialogue and learnings, and where Sandvik introduced many new innovations.

Overall, order intake in the short cycle businesses declined year on year. With subdued industrial activity, weaker macro trends in general, and challenges in the automotive industry, the cutting tools business saw softer demand in all major regions. Weakest demand was noted in Europe, and in the customer segments general engineering and automotive. Temporary bottlenecks in the aerospace segment had a slight impact on orders in the quarter, while the outlook for the industry remained positive. Solid momentum was noted in the software business driven by North America and Asia, while Europe and in particular automotive customers, were more cautious.

Order intake and revenues



Revenue growth



Q3 Underlying market development	Q3 2023						
	Mining 51% of 2023 revenues	General engineering 20%	Infrastructure 10%	Automotive 7%	Aerospace 4%	Other 8%	
	→	↘	↘	↘	→	→	
	% of 2023 Group revenue	Order intake Y/Y (excl. major orders)					
Europe	27%	-6% (-6%)	→	↘	↘	↗	↘
North America	25%	2% (-4%)	→	↘	→	→	↗
Asia	17%	-6% (-6%)	→	↘	↘	↘	→
Africa, Middle East	12%	14% (9%)	→		↘		
Australia	13%	6% (7%)	→		↘		
South America	7%	26% (26%)	→		↘		

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



Earnings

Adjusted gross profit amounted to SEK 12,215 million (12,924), corresponding to a margin of 40.3% (41.1) driven by underabsorption of fixed production costs on lower volumes. Adjusted sales and administration costs decreased by 4% to SEK 6,732 million (7,019). The ratio to revenues improved slightly to 22.2% (22.3).

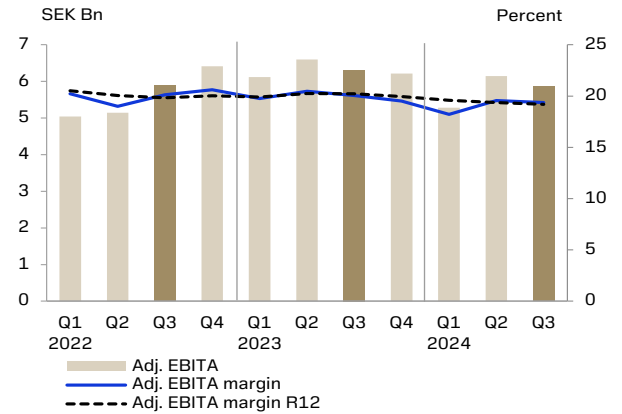
Adjusted EBITA declined by 7% to SEK 5,866 million (6,312). Adjusted EBITA margin was 19.4% (20.1), impacted mainly by lower volumes. The impact from transaction and translation exchange rates was negative SEK 173 million year on year, but accretive to the margin by 30 basis points. Savings from the restructuring program communicated in May 2022, amounted to SEK 173 million in the quarter, corresponding to a bridge effect of SEK 94 million. The achieved realized annualized run rate was 88% of total annualized savings of SEK 785 million. Savings from the restructuring program communicated in January 2024, amounted to SEK 215 million in the quarter, corresponding to a realized annualized run rate of 69% of total annualized savings of SEK 1.2 billion. Acquisitions were slightly dilutive to the margin. Items affecting comparability amounted to SEK -455 million (-51), mainly related to charges from exiting non-strategic businesses.

The interest net increased year on year to SEK -390 million (-374). Net financial items amounted to SEK -526 million (-760), where the higher net financial items in the year earlier period was impacted by temporary revaluation effects of unrealized hedges.

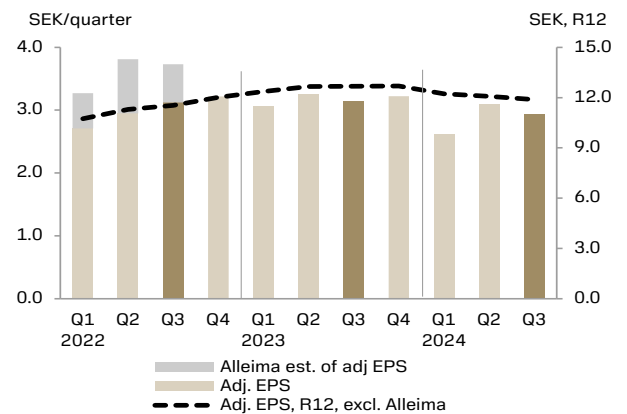
The tax rate, excluding items affecting comparability was 24.1% (21.9). The reported tax rate for continuing operations was 26.4% (22.1), impacted by accounting effects of exiting non-strategic businesses. The normalized tax rate was 24.1% (23.9), in line with guidance.

Profit for the period amounted to SEK 3,239 million (3,900), corresponding to earnings per share, diluted, of SEK 2.58 (3.10) and adjusted earnings per share, diluted, of SEK 2.94 (3.14). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 3.26 (3.48).

Adjusted EBITA



Adjusted earnings per share





Balance sheet and cash flow

Capital employed decreased year on year and amounted to SEK 141.3 billion (142.1). Sequentially, capital employed decreased from SEK 145.3 billion mainly driven by changed exchange rates and lower net working capital. Return on capital employed¹⁾ decreased year on year to 13.5% (16.0), and sequentially (14.1%).

Net working capital decreased year on year to SEK 35.9 billion (38.1) mainly due to reduction in inventories. Sequentially (37.9), net working capital decreased, mainly explained by lower accounts receivables. Net working capital in relation to revenues¹⁾ was 30.2% (28.5), an increase year on year due to lower revenues, and stable sequentially (30.2).

Investments in tangible and intangible assets (capex) amounted to SEK 1.2 billion (1.3). The investments corresponded to 134% of depreciation.

Financial net debt decreased year on year to SEK 37.3 billion (38.4) and sequentially (40.5). The sequential decrease was due to strong cash generation enabling lower borrowing volumes. The financial net debt/EBITDA ratio was 1.4 (1.3), with a decrease sequentially (1.5). The net pension liability increased year over year to SEK 3.0 billion (2.2) and sequentially (2.5) due to lower discount rates. Total net debt of SEK 46.1 billion (46.2) was stable year over year and decreased sequentially (49.0) due to lower borrowing volumes.

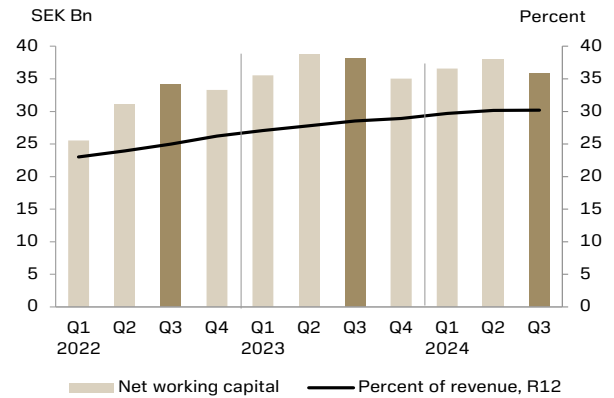
Free operating cash flow increased year on year to SEK 6.8 billion (5.8) driven by a favorable development in net working capital.

¹⁾ New calculation from Q2, 2024, comparative figures have been updated accordingly, see Definitions of alternative performance measures on page 22.

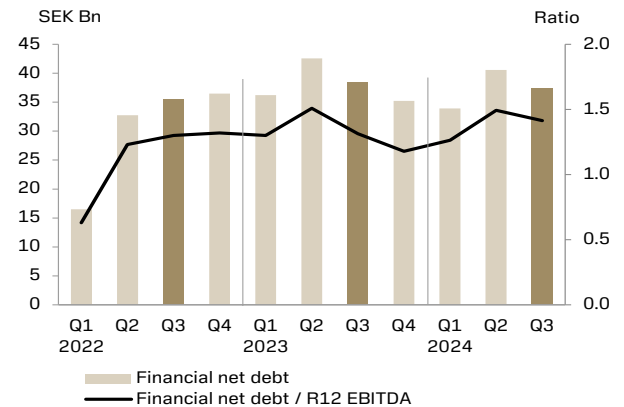
Free operating cash flow, MSEK	Q3 2023	Q3 2024
EBITDA	7,631	6,856
Non-cash and other items ¹⁾	-377	-669
EBITDA adj for non-cash and other items	7,255	6,186
Capex	-1,269	-1,179
Net working capital change	-156	1,755
Free operating cash flow	5,830	6,762

¹⁾ Other items include rental fleet, lease payments and proceeds from sale of assets.

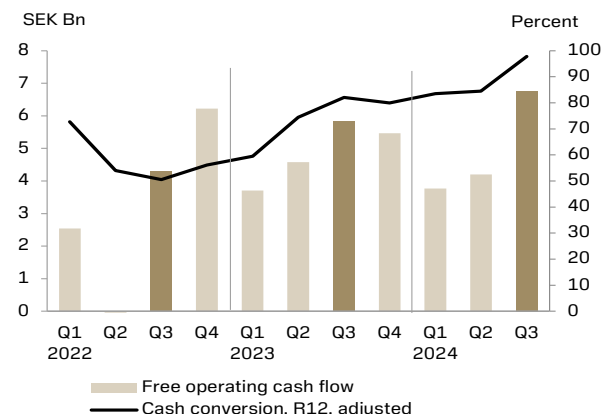
Net working capital*



Financial net debt/EBITDA



Free operating cash flow*



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



Sandvik Mining and Rock Solutions

- Double digit growth in aftermarket business
- Major order win of SEK 1.9 billion
- Acquisition of Universal Field Robots



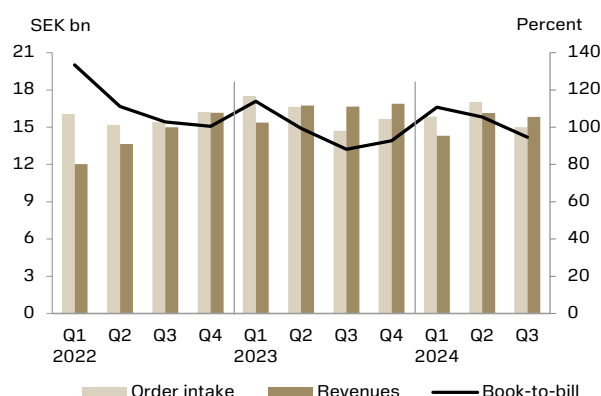
Growth Q3, %	Order intake	Revenues
Organic	8	0
Structure	0	0
Organic & structure	7	0
Currency	-5	-5
Total	2	-5

Change compared to same quarter last year.

Order intake and revenues

- Continued solid demand in mining driven by strong growth in aftermarket
- Total order intake increased by 2%. At fixed exchange rates, order intake grew by 7%, of which organic 8%
- Sandvik received an important major order of SEK 1.9 billion, of which SEK 490 million (0) was booked in the third quarter. Excluding major orders, organic order intake increased by 4%
- Strongest development in organic order intake was noted in South America and Africa, Middle East, with growth of 36% and 12%, respectively. North America grew by 6%
- Organic order intake for aftermarket increased by 11%, while equipment orders declined by 2% year on year
- The aftermarket business accounted for 70% (66) of revenues while the equipment business accounted for 30% (34)

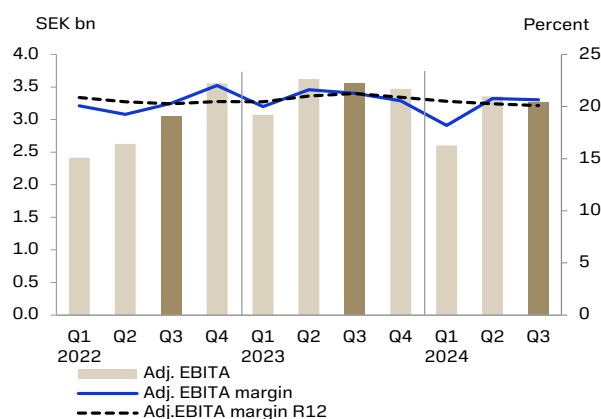
Order intake, revenues and book-to-bill



Adjusted EBITA

- The adjusted EBITA amounted to SEK 3,269 million (3,548), corresponding to a margin of 20.6% (21.3) negatively impacted mainly by lower equipment volumes
- Savings from the 2022 restructuring program had a positive impact of SEK 20 million, corresponding to a bridge effect of SEK 10 million. Savings from the 2024 restructuring program had a positive bridge effect of SEK 71 million
- Structure had a slightly positive impact to the margin
- Exchange rates had a negative impact of SEK 46 million year on year but was accretive to the margin by 80 basis points

Adjusted EBITA



Shift to growth

During the quarter Sandvik signed an agreement to acquire Universal Field Robots (UFR). UFR's solution portfolio is built on a common autonomy platform, which is a strong complement to Sandvik's automation offering and includes OEM (Original Equipment Manufacturer) agnostic robotic and autonomous solutions for trucks, loaders and auxiliary equipment. The acquisition will help to increase the addressable market for Sandvik and further strengthens the market position of Sandvik AutoMine® - the world's leading mining automation platform.

At MINExpo 2024, Sandvik showcased interesting innovations, including the trolley solution for BEV (battery-electric vehicle) trucks, designed for large fleets with predictable traffic and long ramps. The LFP (Lithium-Iron-Phosphate) battery technology for underground drills with enhanced performance and safety was another key highlight.

Significant customer collaborations during the quarter included agreements with Boliden's Kevitsa mine to test Sandvik's battery-electric surface drill rig, and with Perenti to develop diesel-electric underground mining equipment.

Financial overview, MSEK	Q3 2023	Q3 2024	Change %	Q1-Q3 2023	Q1-Q3 2024	Change %
Order intake	14,702	14,994	2	48,866	47,886	-2
Revenues	16,674	15,838	-5	48,796	46,301	-5
Adjusted EBITA ¹⁾	3,548	3,269	-8	10,244	9,229	-10
Adjusted EBITA margin	21.3	20.6	-	21.0	19.9	-
Number of employees ³⁾	16,994	17,028	0	16,994	17,028	0

¹⁾ EBITA adjusted for items affecting comparability of SEK -26 million in Q3 2024 (-34) and YTD 2024 the impact was SEK -567 million (-179). For more information see page 19-20. ²⁾ New calculation as of Q2 2024, 2023 is updated accordingly, quarter and the annual number is based on a 12-month average, see Definitions on page 22. ³⁾ Full-time equivalent.



Sandvik Rock Processing Solutions

- Strong order intake for equipment
- Major orders of SEK 318 million
- Improved margin on lower volumes



Growth Q3, %	Order intake	Revenues
Organic	1	1
Structure	0	0
Organic & structure	1	1
Currency	-4	-4
Total	-3	-4

Change compared to same quarter last year.

Order intake and revenues

- Stable demand in mining while weak macro environment continued to weigh on the infrastructure segment
- Total order intake declined by 3%. At fixed exchange rates, order intake increased by 1%, of which organic was 1%
- Two major orders received, one in mining and one in infrastructure, totaling SEK 318 million. Excluding major orders, organic order intake declined by 6%
- Organic order intake for equipment increased by 17% while aftermarket declined by 7%
- Strongest organic order intake was reported in Africa, Middle East with growth of 30%, followed by Australia 20% and North America 16%. Europe and Asia declined by 33% and 16%, respectively
- The aftermarket business accounted for 61% (67) of revenues while the equipment business accounted for 39% (33)

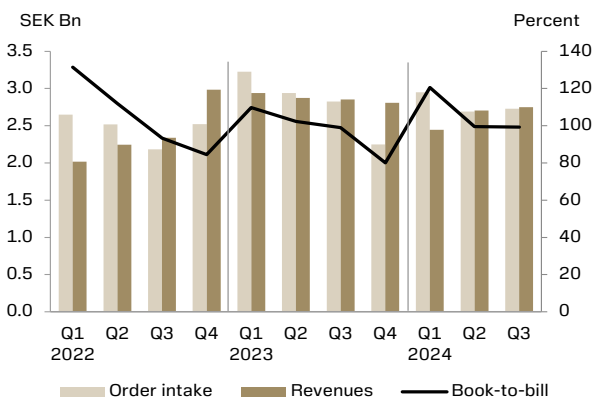
Adjusted EBITA

- The adjusted EBITA amounted to SEK 417 million (401), corresponding to a margin of 15.2% (14.1). Lower volumes off-set by contingency measures and structural savings
- Savings from the 2022 restructuring program had a positive impact of SEK 34 million, corresponding to a bridge effect of SEK 21 million. Savings from the 2024 restructuring program had a positive bridge effect of SEK 31 million
- Exchange rates had a negative impact of SEK 13 million year on year, but had an accretive effect of 10 basis points

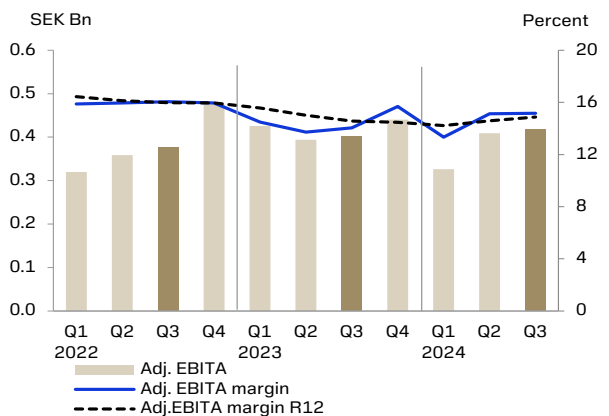
Shift to growth

During the quarter Sandvik implemented ACS-s, a new condition monitoring system for vibrating screens and feeders. The system provides operators and service technicians with real-time data on the condition of their equipment which enables proactive maintenance decisions. This reduces downtime and high impact repairs, and consequently leads to improved operational efficiency.

Order intake, revenues and book-to-bill



Adjusted EBITA



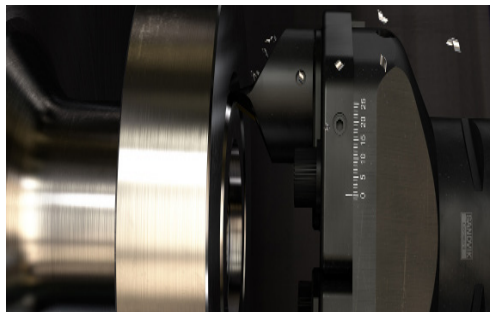
Financial overview, MSEK	Q3 2023	Q3 2024	Change %	Q1-Q3 2023	Q1-Q3 2024	Change %
Order intake	2,824	2,730	-3	8,990	8,369	-7
Revenues	2,854	2,750	-4	8,665	7,900	-9
Adjusted EBITA ¹⁾	401	417	4	1,221	1,153	-6
Adjusted EBITA margin	14.1	15.2	-	14.1	14.6	-
Number of employees ³⁾	2,973	2,784	-6	2,973	2,784	-6

¹⁾ EBITA adjusted for items affecting comparability of SEK 0 million in Q3 2024 (0) and YTD 2024 the impact was SEK -407 million (-155). For more information see page 19-20. ²⁾ New calculation as of Q2 2024, 2023 is updated accordingly, quarter and the annual number is based on a 12-month average, see Definitions on page 22. ³⁾ Full-time equivalent.



Sandvik Manufacturing and Machining Solutions

- Broad-based softer demand
- Positive outlook for aerospace
- Mid-single digit growth in software



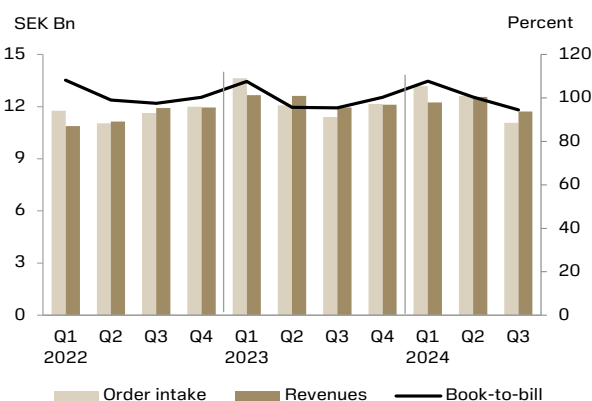
Growth Q3, %	Order intake	Revenues
Organic	-4	-2
Structure	5	4
Organic & structure	1	2
Currency	-4	-4
Total	-3	-2

Change compared to same quarter last year.

Order intake and revenues

- Broad-based muted demand in general engineering and automotive. Strong backlogs at aerospace customers, while temporary issues impacted demand slightly in the quarter
- Organic orders in cutting tools declined by 5%. Solid momentum in the software business led to mid-single digit growth in organic order intake
- Total order intake decreased by 3%. At fixed exchange rates, order intake increased by 1%, of which organic -4%
- Organic order intake declined by 5% in Europe and 3% in Asia. North America decreased by 4%
- The number of working days had a +2% impact on orders and revenues
- Daily order intake in the first two weeks of October was stable compared to the third quarter, taking normal seasonality into account

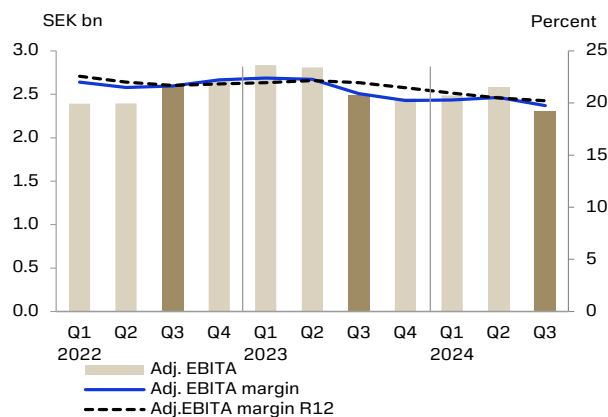
Order intake, revenues and book-to-bill



Adjusted EBITA

- The adjusted EBITA amounted to SEK 2,314 million (2,499), corresponding to a margin of 19.8% (20.9).
- Volumes impacted the margin negatively year on year. Cost inflation was off-set by pricing in the quarter
- Acquisitions had a dilutive effect on the margin of 40 basis points
- Savings from the 2022 restructuring program had a positive impact of SEK 118 million, corresponding to a bridge effect of SEK 62 million. Savings from the 2024 restructuring program had a positive bridge effect of SEK 113 million
- Exchange rates had a negative impact of SEK 102 million year on year, corresponding to a dilution of 10 basis points

Adjusted EBITA



Shift to growth

During the quarter Sandvik launched an integrated offering between Metrologic and Dimensional Control Systems (DCS) that enables metrology data collection, reporting and a complete Quality Management System as one seamless solution. The solution helps customers to reduce manual errors, increase quality improvements and save time.

Financial overview, MSEK	Q3 2023	Q3 2024	Change %	Q1-Q3 2023	Q1-Q3 2024	Change %
Order intake	11,401	11,073	-3	37,093	36,878	-1
Revenues	11,948	11,718	-2	37,226	36,526	-2
Adjusted EBITA ¹⁾	2,499	2,314	-7	8,145	7,378	-9
Adjusted EBITA margin	20.9	19.8	-	21.9	20.2	-
Number of employees ³⁾	20,352	21,027	3	20,352	21,027	3

¹⁾ EBITA adjusted for items affecting comparability of SEK -429 million in Q3 2024 (-17) and YTD 2024 the impact was SEK -2,049 million (-486). For more information see page 19-20. ²⁾ New calculation as of Q2 2024, 2023 is updated accordingly, quarter and the annual number is based on a 12-month average, see Definitions on page 22. ³⁾ Full-time equivalent



Making the sustainability shift

- Positive development in LTIFR
- New battery technology with increased performance
- Crushing for customer's sustainability targets



During the quarter

Lost time injury frequency rate (LTIFR) improved by 8%, while the Total recordable injury frequency rate (TRIFR) weakened by 1% compared to the year earlier period. The transition of recent acquisitions to more advanced Sandvik safety systems and culture will gradually reduce the number of incidents to established Sandvik site levels.

Share of female managers increased to 20.5% (20.0%). During the quarter, we were featured in Allbright's green list for 2024, that covers listed companies in Sweden that have an equal gender distribution at board and executive management level.

During the quarter Sandvik introduced LFP (Lithium-Iron-Phosphate) for battery electric underground drills. LFP batteries combine significantly improved drill performance with mining's most stable battery chemistry: they are robust and purpose-built for harsh mining environments. During field testing at customer Agnico Eagle's Kittilä mine (northern Finland), the two onboard battery packs offered 36% more usable energy than the existing battery technology, with charging time reduced by 55% during the testing period.

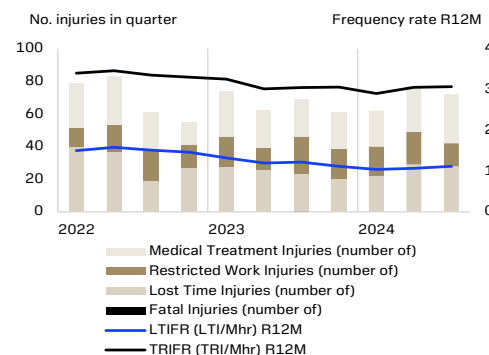
Third quarter

- TRIFR increased to 3.1 (3.0) compared to the same period last year
- LTIFR improved to 1.1 (1.2) compared to the same period last year
- Greenhouse gas emissions (GHG) amounted to 34.3 kton (33.7) in the quarter
- The share of circular waste remained steady 74% (74)
- The share of female managers improved to 20.5% (20.0)

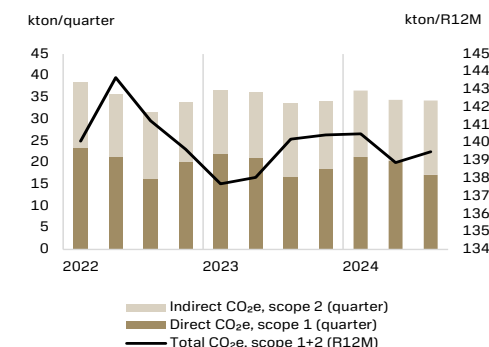
Sustainability and efficiency in action at La Yaqui Grande

At Alamos Gold's La Yaqui Grande mine, Sandvik's crushing equipment is delivering impressive results, surpassing production targets while driving sustainability. Thanks to a near-doubled lifespan of crushing chambers and strong technical support from Sandvik, La Yaqui Grande maintains high equipment availability of 92-93%, contributing to Alamos Gold's ambitious emissions reduction goals by 2030.

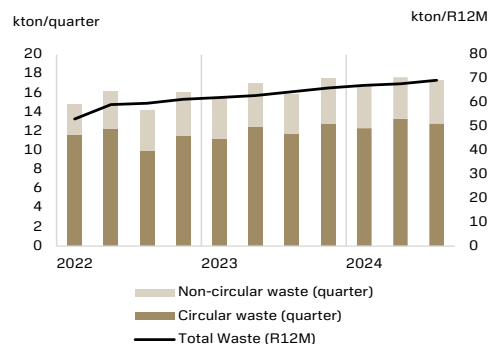
Safety



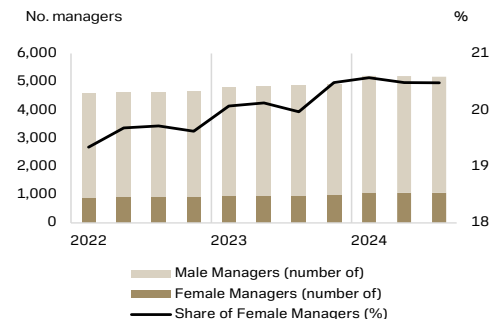
Net zero



Circularity



Share of female managers



Sustainability overview

	Q3 2023	Q3 2024	Change %	R12M
Total waste, thousand tonnes ¹⁾	15.8	17.4	10	69.4
Waste circularity, % of total	73.7	73.7	-	73.9
Total CO ₂ , thousand tonnes ¹⁾	33.7	34.3	2	139.5
Total recordable injury frequency rate, R12M frequency / million working hours	3.0	3.1	1	3.1
Lost time injury frequency rate, R12M frequency / million working hours	1.2	1.1	-8	1.1
Share of female managers, %	20.0	20.5	-	20.5

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



Acquisitions and divestments

Acquisitions during last 12 months

Business area	Company/unit	Acquisition date	Revenues	No. of employees
2023				
Sandvik Manufacturing and Machining Solutions	esco GmbH	November 2, 2023	14 MSEK in 2022	17
Sandvik Manufacturing and Machining Solutions	Buffalo Tungsten Inc.	December 1, 2023	333 MSEK in 2022	48
2024				
Sandvik Manufacturing and Machining Solutions	pro-micron GmbH	February 1, 2024	88 MSEK in 2022	56
Sandvik Manufacturing and Machining Solutions	Cimquest, Inc.	March 1, 2024	26 MUSD in 2023	55
Sandvik Manufacturing and Machining Solutions	Almü Präzisions-Werkzeug GmbH	May 1, 2024	7.1 MEUR* in 2023	44
Sandvik Manufacturing and Machining Solutions	PDQ Workholding LLC	June 1, 2024	36 MUSD in 2023	107
Sandvik Manufacturing and Machining Solutions	Suzhou Ahno Precision Cutting Tool Technology Co., Ltd.	July 1, 2024	1.2 BSEK in 2023	1,200

*Of which EUR 1.7 million refers to sales to Sandvik.

The acquisitions were made through the purchase of 100% of shares and voting rights except for Suzhou Ahno. Sandvik acquired 60% of the shares in Suzhou Ahno during 2024, as well as call and put options of the remaining 28%. Prior to the acquisition, Sandvik owned a minority stake of 12% and thus, Sandvik owns a majority stake of 72% post acquisition. The remaining shares are expected to be acquired during 2025. Sandvik received control over the operations on the date of closing. No equity instruments have been issued in connection with the acquisitions. The acquisitions have been accounted for using the acquisition method.

Contributions from companies acquired in 2024, MSEK

Contributions as of acquisition date	
Revenues	589
Profit/loss for the year	-9

Contributions if the acquisition date would have been January 1, 2024

Revenues	1,419
Profit/loss for the year	73

Fair value recognized in the Group 2024 ¹⁾ MSEK	Suzhou Ahno
Intangible assets	9
Property, plant and equipment	922
Right-of-use assets	65
Other non-current assets	0
Inventories	327
Receivables	448
Other current assets	0
Cash and cash equivalents	182
Interest bearing loans and borrowings	-487
Other liabilities and provisions	-200
Deferred tax assets/liabilities, net	-117
Net identifiable assets and liabilities	1,149
Goodwill	1,530
Other surplus values	862
Purchase consideration	-3,541
Whereof previously acquired non-controlling interest	493
External liability to minority shareholders	1,104
Cash and cash equivalents in the acquired business	182
Net cash outflow	-1,761

MSEK	Purchase price on cash and debt free basis	Preliminary goodwill	Preliminary other surplus values
Acquisitions 2024	4,616	2,039	1,213

In July, Sandvik Manufacturing and Machining Solutions acquired a majority stake in the leading China-based company Suzhou Ahno Precision Cutting Tool Technology Co., Ltd. (Ahno) from the majority owner, Ningbo Baosi Energy Equipment Co., Ltd and related parties. The company will be reported within the business area segment Sandvik Machining Solutions.

Ahno has a leading position in precision cutting tools in the fast-growing local premium segment, with a broad product-and service offering and extensive sales, distribution and production footprint in China. With this acquisition Sandvik Machining Solutions further strengthens its leading position within round tools.

Ahno was founded in 2002, has approximately 1,200 employees and is headquartered in Suzhou, China. In 2023, the company generated revenues of approximately CNY 812 million (SEK 1.2 billion), mainly from China. Preliminary goodwill of SEK 1,530 million and other surplus values of SEK 862 million was recorded on the purchase. The impact on Sandvik's EBITA margin will be limited. The impact on Sandvik's earnings per share (excluding non-cash amortization effects from business combinations) will be positive.

Divestments during last 12 months

In August, Sandvik Manufacturing Solutions divested the engineer-to-order business of DWFritz, following the communicated intention to exit non-strategic businesses. The divestment incurred a capital loss, including transactional costs, of SEK 248 million in the third quarter of 2024 and had a negative cash flow effect on the Group of SEK 30 million. Sandvik acquired DWFritz in 2021, with the intention to grow the ZeroTouch® business of DWFritz. The ZeroTouch® business is not part of the divestment, and will remain a part of Sandvik.

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

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



Significant events

During the third quarter

- On July 1, Sandvik announced the completion of the acquisition of a majority stake in the leading China-based company Suzhou Ahno Precision Cutting Tool Technology Co., Ltd..
- On August 27, Sandvik announced the agreement to acquire Universal Field Robots (UFR), a fast-growing Australia-based provider of autonomous interoperable solutions for the surface mining and underground mining markets. UFR will be reported in Digital Mining Technologies, a division within business area Sandvik Mining and Rock Solutions. The transaction is expected to close during the fourth quarter of 2024.
- On September 24, Sandvik announced that the Nomination Committee has been appointed for the 2025 Annual General Meeting.
- On September 27, Sandvik announced the divestment of the engineer-to-order business of DWFritz Automation to the U.S.-based private equity firm Balmoral Funds. The ZeroTouch® platform will not be part of the divestment but remain a part of Sandvik. DWFritz has been reported within business area Sandvik Manufacturing and Machining Solutions.
- On September 27, Sandvik announced the decision to seek an exit from the minority shareholding in BEAMIT, in line with Sandvik's revised additive manufacturing strategy to focus mainly on metal powders. The BEAMIT holding has been reported within business area Sandvik Manufacturing and Machining Solutions.

After the third quarter

No significant events after the third quarter

First nine months

The first nine months showed a varied demand picture both regionally and by customer segments. Demand in mining continued to be stable with decline in equipment orders off-set by strong demand for parts and services and digital solutions. The infrastructure market continued to be challenging on a broad-based scale. Demand in aerospace was solid, with no significant impact from temporary supply chain issues, and the positive outlook prevails. In a softer market, volumes declined in the general engineering and automotive segments.

Total order intake declined by 2% but was in line with last year at fixed exchange rates, of which organic development was stable at 0%. Total revenues declined by 4%, and at fixed exchange rates by 2%, of which organic was -3%.

Adjusted EBITA declined by 9% year on year to SEK 17,295 million (19,030) and the adjusted EBITA margin was 19.1% (20.1). The reported EBITA declined by 22% to SEK 14,200 million (18,129) resulting in a margin of 15.7% (19.1), the decrease in EBITA is mainly related to cost taken in the first quarter for the restructuring program launched in January, 2024.

Net financial items amounted to SEK -1,595 million (-1,993) and profit before tax was SEK 11,080 million (14,496). The tax rate, excluding items affecting comparability, was 24.0% (23.6) The reported tax rate was 28.3% (23.8). The normalized tax rate for was 24.0% (24.0), in line with guidance.

Profit for the period amounted to SEK 7,948 million (11,043). Earnings per share, diluted amounted to SEK 6.33 (8.79). The financial net debt decreased year-on-year to SEK 37.3 billion (38.4) resulting in a financial net debt to EBITDA ratio of 1.4 (1.3).

During the first nine months five acquisitions were completed. Sandvik acquired pro-micron GmbH, Cimquest, Almü Präzisions-Werkzeug GmbH, PDQ Workholding LLC and Suzhou Ahno Precision Cutting Tool Technology Co., Ltd.. Sandvik also divested the engineer-to-order business of DWFritz, in line with the intention to exit non-strategic businesses.



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 5.0 billion for 2024.
Currency effects	Based on currency rates at the end of September 2024, it is estimated that transaction and translation currency effects will have an impact of about SEK -250 million on EBITA for the fourth quarter of 2024, compared with the year-earlier period.
Interest net	Estimated at SEK approximately -1.5 billion in 2024.
Tax rate	Estimated at 23–25% for 2024, normalized.

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

Growth

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

Adjusted EBITA range

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

Dividend payout ratio

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

Financial net debt/EBITDA

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

Sustainability

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

Accounting policies

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

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

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

IAS 12 Pillar II

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

Transactions with related parties

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

Risk assessment

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

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

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



Financial reports summary

The Group

Income statement

MSEK	Q3 2023	Q3 2024	Change %	Q1-Q3 2023	Q1-Q3 2024	Change %
Revenues	31,476	30,306	-4	94,687	90,727	-4
Cost of goods and services sold	-18,552	-18,107	-2	-55,735	-54,552	-2
Gross profit	12,924	12,199	-6	38,952	36,175	-7
% of revenues	41.1	40.3		41.1	39.9	
Selling expenses	-3,887	-3,770	-3	-11,945	-11,940	-0
Administrative expenses	-2,120	-1,931	-9	-6,706	-6,781	1
Research and development costs	-1,048	-1,032	-2	-3,332	-3,637	9
Other operating income and expenses	-104	-540	N/M	-480	-1,142	N/M
Operating profit	5,764	4,927	-15	16,489	12,675	-23
% of revenues	18.3	16.3		17.4	14.0	
Financial income	150	160	6	644	475	-26
Financial expenses	-910	-685	-25	-2,637	-2,070	-21
Net financial items	-760	-526	-31	-1,993	-1,595	-20
Profit before tax	5,004	4,402	-12	14,496	11,080	-24
% of revenues	15.9	14.5		15.3	12.2	
Income tax	-1,104	-1,163	5	-3,454	-3,132	-9
Profit for the period	3,900	3,239	-17	11,043	7,948	-28
% of revenues	12.4	10.7		11.7	8.8	
Profit (loss) for the period attributable to						
Owners of the parent company	3,895	3,237	-17	11,040	7,947	-28
Non-controlling interest	5	2	-68	3	1	-50
Earnings per share, SEK						
Group total, basic	3.11	2.58	-17	8.80	6.34	-28
Group total, diluted	3.10	2.58	-17	8.79	6.33	-28
Other comprehensive income						
<i>Items that will not be reclassified to profit (loss)</i>						
Actuarial gains (losses) on defined benefit pension plans	231	-517		89	-289	
Tax relating to items that will not be reclassified	-27	102		-11	63	
Total items that will not be reclassified to profit (loss)	205	-415		77	-226	
<i>Items that may be reclassified subsequently to profit (loss)</i>						
Translation differences	-1,757	-2,648		3,507	1,498	
Hedge reserve	-101	885		-404	-169	
Tax relating to items that may be reclassified	21	-182		83	35	
Total items that may be reclassified subsequently to profit (loss)	-1,838	-1,946		3,187	1,364	
Total other comprehensive income	-1,633	-2,360		3,264	1,138	
Total comprehensive income	2,267	878		14,307	9,086	
Total comprehensive income attributable to						
Owners of the parent company	2,269	877		14,304	9,084	
Non-controlling interest	-2	1		3	2	



The Group

Balance sheet

MSEK	Dec 31, 2023	Sep 30, 2023	Sep 30, 2024
Intangible assets	64,495	68,330	67,575
Property, plant and equipment	22,234	22,877	23,770
Right-of-use assets	5,384	5,428	5,523
Financial assets	9,980	10,192	9,787
Inventories	34,301	37,918	35,199
Current receivables	33,298	31,499	34,107
Cash and cash equivalents	4,363	4,998	4,035
Assets held for sale	154	-	322
Total Assets	174,210	181,242	180,318
Total equity	87,697	89,406	89,690
Non-current interest-bearing liabilities	36,931	43,847	39,992
Non-current non-interest-bearing liabilities	5,704	6,308	5,532
Current interest-bearing liabilities	12,240	8,400	11,497
Current non-interest-bearing liabilities	31,602	33,281	33,579
Liabilities held for sale	36	-	28
Total equity and liabilities	174,210	181,242	180,318

Changes in equity

MSEK	Equity related to owners of the parent company	Non-controlling interest	Total equity
Equity at January 1, 2023	81,227	43	81,270
Adjustment on correction of error	204	-	204
Equity at January 1, 2023	81,431	43	81,474
Total comprehensive income (loss) for the period	12,678	0	12,678
Change in fair value of put option to acquire non-controlling interest	-86	-	-86
Change in non-controlling interest	-23	23	-
Share based program	-109	-	-109
Dividend	-6,261	-	-6,261
Equity at December 31, 2023	87,631	66	87,697
Equity at January 1, 2024	87,631	66	87,697
Adjustment on correction of error	-77	-	-77
Equity at January 1, 2024	87,555	66	87,620
Total comprehensive income (loss) for the period	9,084	2	9,086
Change in fair value of put option to acquire non-controlling interest	-164	-	-164
Change in non-controlling interest	-5	5	-
Share based program	27	-	27
Dividend	-6,880	-	-6,880
Equity at September 30, 2024	89,617	73	89,690



The Group

Cash flow statement

MSEK	Q3 2023	Q3 2024	Q1-Q3 2023	Q1-Q3 2024
<i>Cash flow from operating activities</i>				
Profit before tax	5,004	4,402	14,496	11,080
Adjustment for depreciation, amortization and impairment losses	1,867	1,929	5,671	5,990
Other adjustments for non-cash items	651	1,007	2,496	2,339
Payment to pension fund	-184	-70	-433	-332
Income tax paid	-1,191	-2,107	-4,766	-5,812
Cash flow from operating activities before changes in working capital	6,147	5,160	17,464	13,265
<i>Changes in working capital</i>				
Change in inventories	435	89	-1,535	-168
Change in operating receivables	924	1,320	-712	86
Change in operating liabilities	-1,515	346	-1,198	160
Cash flow from changes in working capital	-156	1,755	-3,445	78
Investments in rental equipment	-247	-324	-699	-940
Proceeds from sale of rental equipment	121	99	281	239
Cash flow from operating activities, net	5,865	6,690	13,602	12,641
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash acquired	-112	-1,773	-1,653	-2,836
Proceeds from sale of companies and shares, net of cash disposed	-	-30	-	-30
Acquisitions of tangible assets	-949	-899	-2,657	-2,498
Proceeds from sale of tangible assets	123	36	247	207
Acquisitions of intangible assets	-318	-280	-999	-977
Proceeds from sale of intangible assets	2	1	5	7
Acquisitions of financial assets	-101	-3	-108	-3
Proceeds from sale of financial assets	-	-	-	16
Other investments, net	-399	240	-1,293	315
Cash flow from investing activities	-1,754	-2,707	-6,457	-5,798
<i>Cash flow from financing activities</i>				
Repayment of borrowings	-4,960	-4,889	-5,271	-5,136
Proceeds from borrowings	-	-	41	5,884
Amortization, lease liabilities	-324	-373	-931	-1,070
Repurchase of own shares	-	-	-242	-61
Dividends paid	0	0	-6,261	-6,880
Cash flow from financing activities, net	-5,283	-5,261	-12,663	-7,264
Total cash flow	-1,173	-1,278	-5,519	-421
Cash and cash equivalents at beginning of the period	6,280	5,375	10,489	4,363
Exchange-rate differences in cash and cash equivalents	-109	-62	28	93
Cash and cash equivalents at the end of the period	4,998	4,035	4,998	4,035



The Parent company

The parent company's invoiced sales for the first nine months of 2024 amounted to SEK 10,596 million (10,434) and the operating result was SEK 1,076 million (4,129). Result from shares in Group companies of SEK 2,924 million (3,438) for the first nine months consists mainly of dividends. Interest-bearing liabilities, less cash

and cash equivalents and interest-bearing assets, amounted to SEK 45,176 million (32,554). Investments in property, plant and machinery amounted to SEK 310 million (267).

Income statement

MSEK	Q3 2023	Q3 2024	Q1-Q3 2023	Q1-Q3 2024
Revenues	3,006	3,052	10,434	10,596
Cost of goods and services sold	-249	-1,393	-1,743	-5,282
Gross profit	2,757	1,659	8,691	5,314
Selling expenses	-322	-193	-986	-660
Administrative expenses	-375	-326	-1,773	-1,467
Research and development costs	-337	-322	-1,168	-1,240
Other operating income and expenses	-223	-242	-635	-871
Operating result	1,500	576	4,129	1,076
Result from shares in group companies	2,949	2,613	3,438	2,924
Result from shares in associated companies	-2	-	-	-
Interest income/expenses and similar items	-379	-474	-803	-1,294
Result after financial items	4,068	2,715	6,764	2,706
Appropriations	-12	23	41	166
Income tax	-585	-583	-1,090	72
Result for the period	3,471	2,155	5,715	2,944

Balance sheet

MSEK	Dec 31, 2023	Sep 30, 2023	Sep 30, 2024
Intangible assets	312	357	212
Property, plant and equipment	3,064	3,048	3,045
Financial assets	83,550	85,194	82,528
Inventories	1,082	1,201	1,143
Current receivables	12,406	5,237	11,343
Cash and cash equivalents	0	0	2
Total assets	100,414	95,037	98,273
Total equity	29,249	29,570	25,332
Untaxed reserves	1,057	1,029	891
Provisions	1,178	1,145	1,414
Non-current interest-bearing liabilities	26,649	27,610	23,596
Non-current non-interest-bearing liabilities	416	888	260
Current interest-bearing liabilities	30,712	31,639	43,579
Current non-interest-bearing liabilities	11,153	3,156	3,201
Total equity and liabilities	100,414	95,037	98,273
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	38,011	32,554	45,176
Investments in fixed assets	384	267	310



Market overview, the Group

Order intake by region

MSEK	Q3 2024	Change*		Share %	Q1-Q3 2024	Change*		Share
		%	% ¹⁾			%	% ¹⁾	
The Group								
Europe	6,535	-6	-6	23	23,998	-5	-5	26
North America	7,255	2	-4	25	22,809	-6	-3	25
South America	2,339	26	26	8	7,118	15	9	8
Africa/Middle East	4,016	14	9	14	11,544	9	7	12
Asia	4,844	-6	-6	17	16,261	6	1	17
Australia	3,808	6	7	13	11,402	-5	-3	12
Total²⁾	28,796	2	0	100	93,132	0	-1	100
Sandvik Mining and Rock Solutions								
Europe	1,274	3	3	8	4,887	-8	-9	10
North America	3,532	6	-7	24	10,522	-10	-4	22
South America	1,713	36	36	11	5,100	19	13	11
Africa/Middle East	3,378	12	12	23	10,030	10	10	21
Asia	1,992	-6	-6	13	7,753	11	0	16
Australia	3,104	3	3	21	9,594	-5	-4	20
Total	14,994	8	4	100	47,886	1	0	100
Sandvik Rock Processing Solutions								
Europe	380	-33	-33	14	1,439	-15	-18	17
North America	463	16	16	17	1,696	-2	-2	20
South America	330	6	6	12	1,110	7	1	13
Africa/Middle East	508	30	-21	19	1,129	2	-16	13
Asia	429	-18	-18	16	1,449	-12	-12	17
Australia	620	20	36	23	1,546	-3	3	18
Total	2,730	1	-6	100	8,369	-5	-8	100
Sandvik Manufacturing and Machining Solutions								
Europe	4,881	-5	n/a	44	17,673	-3	n/a	48
North America	3,259	-4	n/a	29	10,592	-2	n/a	29
South America	297	4	n/a	3	908	1	n/a	2
Africa/Middle East	130	21	n/a	1	385	7	n/a	1
Asia	2,422	-3	n/a	22	7,058	5	n/a	19
Australia	83	-6	n/a	1	262	2	n/a	1
Total	11,073	-4	n/a	100	36,878	-1	n/a	100

*Organic change compared with the year-earlier period

¹⁾ Excluding major orders which is defined as above SEK 200 million for Sandvik Mining and Rock Solutions and SEK 50 million for Sandvik Rock Processing Solutions. ²⁾ Includes rental fleet order intake in Q3 of SEK 113 million and SEK 654 million YTD, recognized according to IFRS 16.

n/a = not applicable



Market overview, the Group

Revenues by region

MSEK	Q3 2024	Change*, %	Share %	Q1-Q3 2024	Change*, %	Share
The Group						
Europe	7,283	-7	24	23,746	-6	26
North America	7,682	0	25	23,142	-4	26
South America	2,034	5	7	6,361	2	7
Africa/Middle East	3,803	5	13	11,127	-1	12
Asia	5,522	3	18	15,199	0	17
Australia	3,983	-2	13	11,151	-2	12
Total¹⁾	30,306	-1	100	90,727	-3	100
Sandvik Mining and Rock Solutions						
Europe	1,417	-18	9	4,589	-7	10
North America	3,807	5	24	11,012	-4	24
South America	1,444	8	9	4,573	6	10
Africa/Middle East	3,351	4	21	9,824	-1	21
Asia	2,428	-1	15	6,816	-3	15
Australia	3,392	-2	21	9,487	-3	20
Total	15,838	0	100	46,301	-2	100
Sandvik Rock Processing Solutions						
Europe	506	3	18	1,548	-10	20
North America	501	-18	18	1,650	-13	21
South America	311	-9	11	948	-8	12
Africa/Middle East	315	13	11	917	0	12
Asia	614	23	22	1,428	-7	18
Australia	504	-2	18	1,408	1	18
Total	2,750	1	100	7,900	-7	100
Sandvik Manufacturing and Machining Solutions						
Europe	5,360	-5	46	17,609	-5	48
North America	3,375	-3	29	10,480	-3	29
South America	279	7	2	839	-3	2
Africa/Middle East	137	19	1	386	6	1
Asia	2,480	4	21	6,955	5	19
Australia	87	2	1	256	-1	1
Total	11,718	-2	100	36,526	-2	100

*Organic change compared with the year-earlier period

¹⁾ Includes rental fleet revenues in Q3 of SEK 260 million and SEK 735 million YTD, recognized according to IFRS 16.



The Group

Order Intake by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Q3 2024	Change % % *	
Sandvik Mining and Rock Solutions	17,510	16,654	14,702	15,661	64,527	15,849	17,043	14,994	2	8
Sandvik Rock Processing Solutions	3,227	2,939	2,824	2,248	11,238	2,949	2,691	2,730	-3	1
Sandvik Manufacturing and Machining Solutions	13,626	12,067	11,401	12,154	49,247	13,184	12,621	11,073	-3	-4
Group Total¹⁾	34,363	31,660	28,927	30,062	125,011	31,981	32,354	28,796	0	2

Revenues by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Q3 2024	Change % % *	
Sandvik Mining and Rock Solutions	15,366	16,755	16,674	16,894	65,690	14,312	16,151	15,838	-5	0
Sandvik Rock Processing Solutions	2,939	2,872	2,854	2,807	11,472	2,446	2,704	2,750	-4	1
Sandvik Manufacturing and Machining Solutions	12,662	12,616	11,948	12,114	49,340	12,244	12,564	11,718	-2	-2
Group Total¹⁾	30,968	32,243	31,476	31,816	126,503	29,002	31,419	30,306	-4	-1

EBITA by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Q3 2024	Change %
Sandvik Mining and Rock Solutions	3,056	3,494	3,514	3,719	13,783	2,084	3,336	3,243	-8
Sandvik Rock Processing Solutions	421	243	401	452	1,517	-69	397	418	4
Sandvik Manufacturing and Machining Solutions	2,813	2,364	2,482	2,386	10,045	964	2,480	1,885	-24
Group activities	-217	-307	-136	-155	-814	-207	-195	-135	-1
Group Total¹⁾	6,074	5,794	6,260	6,402	24,530	2,772	6,018	5,410	-14

EBITA Margin by Business Area

%	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Q3 2024
Sandvik Mining and Rock Solutions	19.9	20.9	21.1	22.0	21.0	14.6	20.7	20.5
Sandvik Rock Processing Solutions	14.3	8.5	14.0	16.1	13.2	-2.8	14.7	15.2
Sandvik Manufacturing and Machining Solutions	22.2	18.7	20.8	19.7	20.4	7.9	19.7	16.1
Group Total¹⁾	19.6	18.0	19.9	20.1	19.4	9.6	19.2	17.9

Adjusted EBITA by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Q3 2024	Change %
Sandvik Mining and Rock Solutions	3,075	3,621	3,548	3,472	13,716	2,605	3,356	3,269	-8
Sandvik Rock Processing Solutions	426	394	401	440	1,661	326	409	417	4
Sandvik Manufacturing and Machining Solutions	2,835	2,810	2,499	2,453	10,597	2,485	2,579	2,314	-7
Group activities	-217	-226	-136	-155	-733	-135	-195	-135	-1
Group Total¹⁾	6,119	6,599	6,312	6,211	25,240	5,281	6,149	5,866	-7

Adjusted EBITA Margin by Business Area

%	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Q3 2024
Sandvik Mining and Rock Solutions	20.0	21.6	21.3	20.6	20.9	18.2	20.8	20.6
Sandvik Rock Processing Solutions	14.5	13.7	14.1	15.7	14.5	13.3	15.1	15.2
Sandvik Manufacturing and Machining Solutions	22.4	22.3	20.9	20.2	21.5	20.3	20.5	19.8
Group Total¹⁾	19.8	20.5	20.1	19.5	20.0	18.2	19.6	19.4

Items Affecting Comparability on EBITA

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Q3 2024
Sandvik Mining and Rock Solutions	-19	-127	-34	246	67	-521	-20	-26
Sandvik Rock Processing Solutions	-5	-151	-	11	-144	-395	-12	-
Sandvik Manufacturing and Machining Solutions	-22	-447	-17	-66	-552	-1,521	-99	-429
Group activities	-	-81	-	-	-81	-72	-	-
Group Total¹⁾	-45	-805	-51	191	-710	-2,509	-131	-455

* Organic change compared with the year-earlier period

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



Items affecting comparability on EBITA

2023

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

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

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

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

2024

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

Q2 2024 – IAC of SEK -131 million, comprising of a provision related to a property sale within SMM earlier year where the gain was taken as an IAC, and M&A costs totaling SEK -48 million impacting all BAs.

Q3 2024 – IAC of SEK -455 million, comprising of a capital loss, including transactional costs, of SEK -225 million from the divestment of DWFritz ETO business (SMM), a write down of SEK -145 million related to the 30% investment in BeamIT (SMM) and M&A costs totaling SEK -84 million, primarily SMM and SMR.

Adjusted EBIT and Adjusted EBITA per business area

Q3 2024, MSEK	Reported EBIT	Reported EBIT, %	IAC ¹⁾	Adjusted EBIT	Adjusted EBIT, %	Amortizations ²⁾	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	3,128	19.7	-26	3,154	19.9	-115	3,269	20.6
Sandvik Rock Processing Solutions	345	12.6	-	345	12.5	-72	417	15.2
Sandvik Manufacturing and Machining Solutions	1,589	13.6	-429	2,018	17.2	-296	2,314	19.8
Group activities	-135	-	-	-135	-	-	-135	-
Group Total	4,927	16.3	-455	5,382	17.8	-483	5,866	19.4

1) For full details on IAC, see above. 2) Accounting effects arising from business combinations, referring to amortizations, depreciations and impairments. Primary related to costs within COGS and Selling expenses.

Taxes excluding items affecting comparability

Q3 2023	Reported tax, MSEK	Reported tax, %	IAC, MSEK	IAC, %	Tax excluding IAC, MSEK	Tax excluding IAC, %
Group Total	-1,104	22.1	3	5.0	-1,107	21.9
Q3 2024						
Group Total	-1,163	26.4	6	1.3	-1,169	24.1

Adjusted earnings per share diluted

Q3 2023	Reported EPS, diluted	IAC on net profit, MSEK	Adjusted EPS, diluted	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Group Total	3.10	-49	3.14	-423	3.48
Q3 2024					
Group Total	2.58	-449	2.94	-407	3.26



Net debt

MSEK	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024
Interest-bearing liabilities excluding pension and lease liabilities	43,349	39,578	37,515	45,919	41,349
Less cash and cash equivalents	-4,998	-4,363	-3,577	-5,375	-4,035
Financial net debt (net cash)	38,351	35,215	33,938	40,544	37,314
Net Pensions liabilities	2,162	2,757	2,376	2,496	3,018
Leases liabilities	5,663	5,503	5,839	5,938	5,728
Net debt	46,177	43,475	42,154	48,978	46,061
Financial net debt/EBITDA	1.3	1.2	1.3	1.5	1.4

Net working capital & capital employed

MSEK	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024
Inventories	37,918	34,305	36,026	35,716	35,203
Trade receivables	20,125	18,499	20,198	20,970	19,390
Account payables	-10,548	-9,595	-10,070	-9,940	-9,954
Other receivables	6,743	6,358	6,032	6,002	5,995
Other liabilities	-16,103	-14,519	-15,601	-14,830	-14,768
Net working capital	38,135	35,048	36,585	37,918	35,866
Tangible assets	22,877	22,254	23,018	23,143	23,796
Intangible assets	68,330	64,586	67,239	67,508	67,665
Other assets (incl. cash and cash equivalents)	90,035	87,369	90,213	93,322	88,857
Other liabilities	-39,171	-36,833	-39,081	-38,640	-38,979
Capital employed	142,072	137,377	141,389	145,334	141,339

Return on capital employed

By business area, % ¹⁾	Q3 2023	Q3 2024	Q1-Q3 2023	Q1-Q3 2024
Sandvik Mining and Rock Solutions	24.7	21.4	24.7	21.4
Sandvik Rock Processing Solutions	7.6	6.5	7.6	6.5
Sandvik Manufacturing and Machining Solutions	13.2	10.1	13.2	10.1
Group Total	16.0	13.5	16.0	13.5

Key figures

Group total	Q3 2023	Q3 2024	Q1-Q3 2023	Q1-Q3 2024
Return on capital employed, % ¹⁾	16.0	13.5	16.0	13.5
Return on total equity, % ¹⁾	17.1	13.4	17.1	13.4
Shareholders' equity per share, SEK	71.2	71.4	71.2	71.4
Financial net debt / EBITDA	1.3	1.4	1.3	1.4
Net working capital, % ¹⁾	28.5	30.2	28.5	30.2
Earnings per share, basic, SEK	3.11	2.58	8.80	6.34
Earnings per share diluted, SEK	3.10	2.58	8.79	6.33
EBITDA, MSEK	7,631	6,856	22,160	18,665
Cash flow from operations, MSEK	5,865	6,690	13,602	12,641
Number of employees ²⁾	40,884	41,446	40,884	41,446
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)	1,256,161	1,255,767	1,255,871	1,256,030

¹⁾ New calculation as of Q2 2024, 2023 is updated accordingly, quarter and the annual number is based on a 12-month average, see Definitions on page 22. ²⁾ Full-time equivalent.



Definitions of alternative performance measures

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

Adjusted EBITA

Earnings before interest, tax and accounting effects arising from business combinations, referring to amortizations, depreciations and impairments, adjusted for items affecting comparability.

Adjusted EBITA margin

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

Adjusted EPS

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

Adjusted EPS, diluted

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

Adjusted EPS, diluted excluding surplus values

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

Adjusted profit before tax

Profit before tax adjusted from items affecting comparability.

Capital employed

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

Cash conversion

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

EBITA

Earnings before interest, tax and accounting effects arising from business combinations, referring to amortizations, depreciations and impairments.

EBITDA

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

Financial net debt/EBITDA

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

Free operating cash flow

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

Items affecting comparability (IAC)

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

Net debt

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

Net Working Capital (NWC)

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

Net working capital in relation to revenues

Net working capital on an average 12 month rolling basis divided by 12 month rolling revenues.

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, on a 12 month rolling basis, as a percentage of an average rolling 12 months capital employed.

Return on total equity

Consolidated net profit/loss for the year as a percentage of average total equity.

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.

Annual General Meeting

The Board of Directors has decided that the 2025 Annual General Meeting will be held in Sandviken, Sweden on April 29, 2025. The notice to convene the Annual General Meeting will be made in the prescribed manner.

Stockholm October 21, 2024

Sandvik Aktiebolag (publ)

Stefan Widing
President & CEO

Auditors' report

Introduction

We have reviewed the condensed interim financial information (interim report) of Sandvik AB (publ) as of 30 September 2024 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.

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 21, 2024
PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant
Auditor-in-charge

Martin By
Authorized Public Accountant

This information is information that Sandvik AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 11:30 AM CEST on October 21, 2024.

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

A webcast and telephone conference will be held on October 21, 2024 at 1:00 PM CEST. Information is available at home.sandvik.ir

Calendar

January 23, 2025	Report, fourth quarter, 2024
April 16, 2025	Report, first quarter, 2025
April 29, 2025	Annual General Meeting
May 20-21, 2025	Capital Markets Day
July 16, 2025	Report, second quarter, 2025
October 20, 2025	Report, third quarter, 2025