

## INTERIM REPORT SECOND QUARTER 2022 AND THE FIRST SIX MONTHS

### DELIVERING ON THE SHIFT, 25% REVENUE GROWTH AT FIXED FX

- Overall solid underlying demand with order intake at SEK 28,740 million (21,816). Total order intake growth was 32%, and at fixed exchange rates, by 22%, of which organic growth was 4%<sup>1)</sup>
- Revenues amounted to SEK 27,050 million (20,136). Total revenues grew by 34% and at fixed exchange rates, by 25%, of which organic growth was 6%<sup>1)</sup>
- Adjusted EBITA amounted to SEK 5,141 million (4,192), corresponding to a margin of 19.0% (20.8)<sup>1)</sup>. Items affecting comparability amounted to SEK -1.1 billion mainly related to the wind-down in Russia
- Profit for the period amounted to SEK 2,627 million (3,159) and earnings per share, diluted were SEK 2.10 (2.52). Adjusted earnings per share, diluted were SEK 2.95 (2.39)<sup>1)</sup>
- Free operating cash flow was negative SEK -49 million (2,945)<sup>1)</sup> explained by build-up of net working capital due to the supply chain issues and strong backlogs
- Five acquisitions announced in the quarter to further strengthen the offering within round tools (SMM), screening solutions (SRP), and technological know-how within battery electric vehicles (SMR)
- Sandvik announced a new restructuring initiative, estimated savings of around SEK 600 million

# 25%

Revenue growth at fixed exchange rates

# 19.0%

Adj. EBITA margin

# 1.23

Financial net debt/EBITDA Group total

### FINANCIAL OVERVIEW CONTINUING OPERATIONS

MSEK	Q2 2021 <sup>1)</sup>	Q2 2022	CHANGE %	Q1-Q2 2021 <sup>1)</sup>	Q1-Q2 2022	CHANGE %
Order intake	21,816	28,740	32	44,022	59,214	35
Revenues	20,136	27,050	34	38,665	51,971	34
Adjusted EBITA <sup>2)</sup>	4,192	5,141	23	8,153	10,184	25
Adjusted EBITA margin	20.8	19.0	-	21.1	19.6	-
Adjusted EBIT <sup>2)</sup>	4,093	4,794	17	7,952	9,524	20
Adjusted EBIT margin	20.3	17.7	-	20.6	18.3	-
Profit before tax	4,271	3,709	-13	7,924	8,141	3
Adjusted profit before tax <sup>2,3)</sup>	3,965	4,812	21	8,290	9,243	11
Profit for the period	3,159	2,627	-17	6,044	6,023	0
Adjusted profit for the period <sup>2,3)</sup>	2,999	3,694	23	5,812	7,096	22
Earnings per share, diluted, SEK	2.52	2.10	-17	4.81	4.80	0
Adjusted earnings per share, diluted, SEK <sup>2,3)</sup>	2.39	2.95	23	4.62	5.65	22
Free operating cash flow	2,945	-49	-102	5,775	2,243	-61

<sup>1)</sup> Comparative figures have been updated for comparability as Sandvik from January 1, 2022 report SMT as discontinued operations and as assets and liabilities held for distribution in accordance with IFRS 5. <sup>2)</sup> Adjusted for items affecting comparability (IAC) of SEK -1,103 million in Q2 2022 (306) and SEK -1,101 million YTD 2022 (366). For full details on IAC, see page 23-24. <sup>3)</sup> Adjusted for IAC regarding tax of SEK 51 million in Q2 2022 (-146) and SEK 43 million YTD 2022 (-134).

Comments and numbers in the report relate to continuing operations, unless otherwise stated. In accordance with IFRS, the income statement and cash flow have been updated for comparative periods whilst the balance sheet is unchanged. Key figures including both income statement and balance sheet numbers have not been updated in the comparative period unless otherwise stated. Tables and calculations in the report do not always agree exactly with the totals due to rounding. Alternative performance measures and definitions used in this report are explained on page 28. For more information see [home.sandvik.com](http://home.sandvik.com). N/M = not meaningful

## CEO'S COMMENT

We have delivered another strong growth-quarter and despite the wide-scale macro imbalances we continued to see solid demand in our businesses. Many acquisitions were successfully completed last year, all which strengthen our offering and positions. These too have contributed to the solid growth of the top line. Order intake, at fixed exchange rates, grew by 22%, of which organic 4%. Revenues, at fixed exchange rates grew by 25%, of which organic was 6%. The pausing of the business in Russia, eventually followed by the decision to wind down, has naturally impacted the development. Excluding Russia, both order intake and revenues grew organically by 10%, the sixth consecutive quarter of double-digit organic growth. Adjusted EBITA amounted to SEK 5,141 million (4,192), corresponding to a margin of 19.0% (20.8). Increased volumes and tailwinds from currency were negatively offset by cost inflation and higher use of air freight. Build-up of inventories, due to growth and supply chain issues led to higher net working capital and hence lower free operating cash flow of SEK -49 million (2,945).

In May, we hosted a well-attended capital markets day, where we presented our new Group growth target of 7% as well as an adjusted operating profit (EBITA) range target. We also highlighted our strong market positions and value-adding offerings - important factors when needing to respond to the inflationary pressure. Pricing has been on the top of our agenda, and we expect the measures we are taking to eventually fully mitigate the cost inflation.

Sandvik Mining and Rock Solutions noted solid broad-based demand in the quarter, with organic growth in orders of 9%, driven by Load and Haul and the aftermarket business. Interest for our automation solutions and battery-electric vehicles continued to be strong, and our new Digital Mining Technologies division grew by more than 100% on an organic basis. We established a new customer relationship for delivery of a battery-electric fleet, a deal worth SEK 126 million. And we secured our second largest Automine order ever. I am also pleased with the acquisition of Akkurate which will further strengthen our leading electrification and battery analytics competence and know-how. We saw an uptick in revenues compared to the first quarter, although supply chain issues continued to be a straining factor. Total revenues, at fixed exchange rates grew by 39% year on year, of which organic growth was 9%. Excluding Russia, organic order intake and revenue grew by 17% and 15%, respectively.

Demand within Sandvik Rock Processing Solutions continued to be strong, both from mining and infrastructure customers. The impact from Russia however led to a flat year on year development in organic order intake. Excluding the impact from Russia, organic order intake was up high single-digit, driven by strong momentum in the aftermarket business. Organic revenues were impacted both by Russia and the significant lock downs in China. During the quarter we announced the acquisition of Schenck Process Mining, a global provider of high-capacity screening solutions, highly complementary to Sandvik's offering, and with a strong aftermarket business.

Organic order intake growth for Sandvik Manufacturing and Machining Solutions was 1%, with Russia having a -3% impact. Underlying demand kept a good pace. The core cutting tools brands grew by 5% driven by aerospace, general engineering and with North America as the strongest contributing region where also automotive was up year on year. With strong contribution from our acquisitions, order intake growth, at fixed exchange rates, was 12%. During the quarter we took additional steps to expand our round tools offering with the announcement of three additional acquisitions.

This will be the last quarter I will comment on Sandvik Materials Technology's performance, as the separation is closing in, planned on August 31 this year. Overall, the market demand was strong and broad-based, with an increased number of umbilical orders. Organic order intake grew 26% year on year, and excluding major orders, growth was 21%.

Conclusively, we have experienced solid demand throughout the business, with regional disruptions distorting the overall performance. On a broader scale, macro-economic imbalances must be managed, but we have continued to stay focused on the business and executed on our shift to growth strategy. We have a clear set of strategic ambitions and new financial targets, for which there is a strong commitment to deliver on. Even though uncertainties lie before us, I am confident that our leading positions, the work we have done to become more resilient, and our experience and agility will enable us to deliver on these targets. I want to thank all Sandvik employees for their hard work and efforts during this period.

Stefan Widing  
President and CEO



## ORDER INTAKE AND REVENUES

### GROWTH

Q2, %	ORDER INTAKE	REVENUES
Organic	4	6
Structure	18	19
<b>Organic &amp; structure</b>	<b>22</b>	<b>25</b>
Currency	9	9
Total	32	34

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

Solid underlying demand combined with a strong contribution from acquisitions and currency tailwinds led to total order intake growth of 32%, and at fixed exchange rates 22%, of which organic 4%. Total revenue grew by 34% year on year, and at fixed exchange rates by 25%, of which 6% was organic-driven.

In February, Sandvik announced the pausing of operations in Russia, followed by the June announcement to wind-down. Consequently, Russia had an impact on the year-on-year development. Excluding Russia impact, the organic growth was 10% for both orders and revenues.

Positive momentum in the mining business continued during the quarter. Despite recent negative commodity pricing trends, the still high levels continued to drive demand. Furthermore, customers' productivity and sustainability ambitions are driving the interest for Sandvik's automation and battery-electric vehicles. Investments in infrastructure remained at high levels, with solid growth in major regions such as North America, Asia and Africa-Middle East.

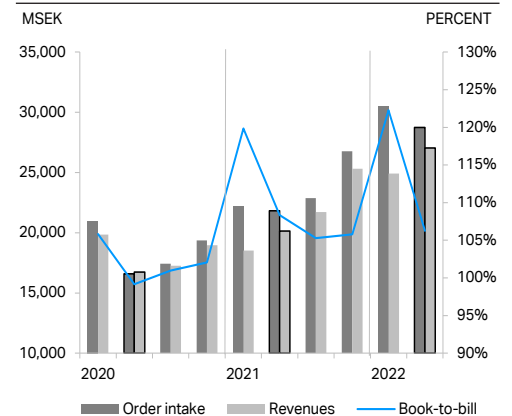
Particularly strong development was noted in the aerospace segment which is still on a recovery curve after the pandemic. Underlying demand in general engineering continued to be strong. Automotive orders continued to be hampered by the semi-conductor shortages in the industry but was, excluding Russia and China, slightly up year on year.

The global supply chain issues have not yet eased, with the lockdowns in China adding further to the disturbances. As Sandvik has operations in China, such as assembly and distribution hubs, the lock-down in Shanghai impacted the ability to deliver and invoice customers.

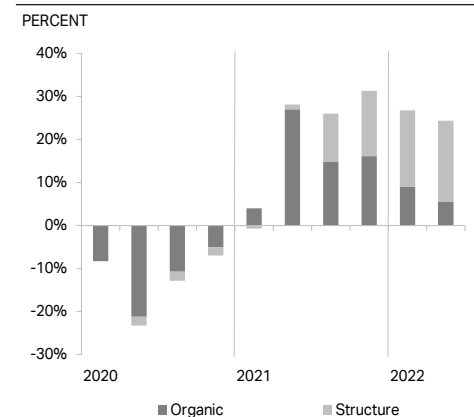
On a regional note, the Group demonstrated the strongest order growth from North America, Australia and Africa-Middle East. Europe, excluding Russia, was up while demand in Asia displayed a mixed demand picture.

Changed exchange rates had a positive impact of 9% on both order intake and revenues.

### ORDER INTAKE AND REVENUES\*



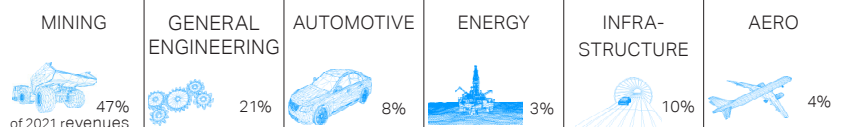
### REVENUE GROWTH\*



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

## Q2

### UNDERLYING MARKET DEVELOPMENT Continuing operations



	% of 2021 Group revenue	Order intake Y/Y ex (excl. large orders)*	MINING	GENERAL ENGINEERING	AUTOMOTIVE	ENERGY	INFRA-STRUCTURE	AERO
Europe	31%	+2% (+2%)	↗	↗	→	↗	→	↗
North America	21%	+21% (+11%)	↗	↗	↗	↗	→	↗
Asia	20%	-4% (+3%)	→	↗	↘	↗	→	↗
Africa/Middle East	11%	+32% (+32%)	↗	↗	↘	↗		
Australia	11%	+12% (+12%)	↗					
South America	6%	+20% (+20%)	↗					

\* Excluding Russia

## EARNINGS

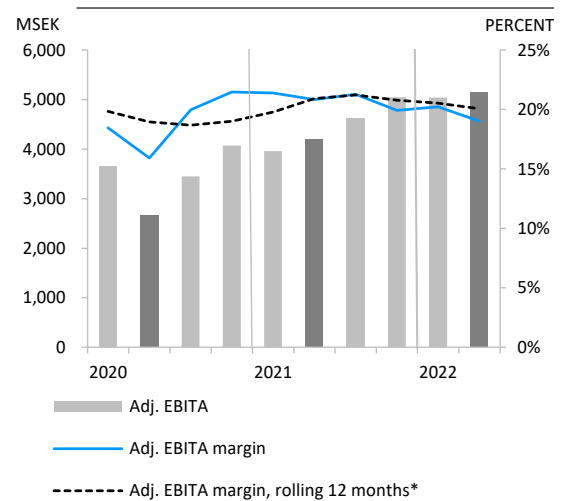
Adjusted gross profit amounted to SEK 11,125 million (8,953), corresponding to a margin of 41.1% (44.5). The improved business momentum resulted in increased sales and administration costs of SEK 6,452 million (4,781). The overall ratio to revenues was stable at 23.9% (23.7). Adjusted EBITA increased by 23% to SEK 5,141 million (4,192) corresponding to a margin of 19.0% (20.8). Higher volumes and currency tailwinds were negatively offset by cost inflation not yet fully mitigated by pricing, and higher share of air freight as well as dilution from structure. The impact from transaction and translation exchange rates was positive SEK 779 million year on year. Items affecting comparability amounted to net of SEK -1.1 billion, with the majority relating to Russia, of which a write-down of SEK 0.7 billion and SEK 0.3 billion in provisions mainly related to personnel costs.

The interest net increased to SEK -154 million (-68) due to higher borrowed volumes compared to the year earlier period. Net financial items amounted to SEK 18 million (-128), explained by temporarily positive effects from hedging of both electricity prices and currencies.

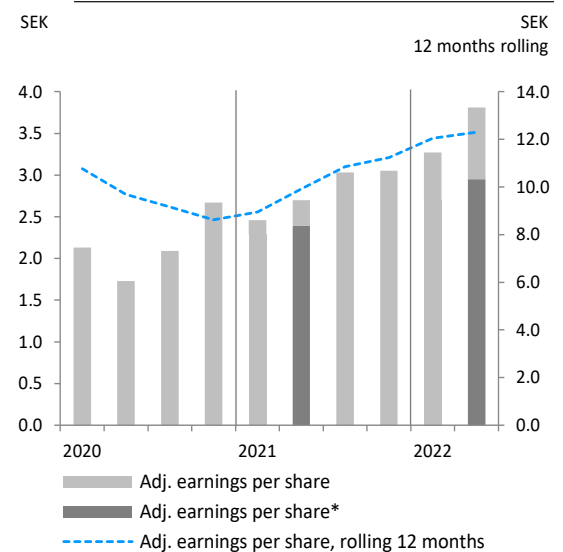
The tax rate, excluding items affecting comparability, for continuing operations was 23.5% (24.4). The reported tax rate for continuing operations was higher, at 29.2% (26.0), mainly due to the write down in Russia.

Profit for the period amounted to SEK 2,627 million (3,159), corresponding to earnings per share, diluted, of SEK 2.10 (2.52) and adjusted earnings per share, diluted, of SEK 2.95 (2.39). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 3.18 (2.46).

ADJUSTED EBITA (%)\*



ADJUSTED EARNINGS PER SHARE, DILUTED



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



## BALANCE SHEET AND CASH FLOW

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

Capital employed amounted to SEK 122.2 billion (77.9), an increase year on year mainly explained by higher fixed asset base stemming from last year's acquisitions. Sequentially, capital employed increased (111.6) as a result of goodwill mainly from the Deswik acquisition, higher working capital and the impact from changed exchange rates. Return on capital employed declined year on year to 13.4% (22.7) and sequentially (17.9).

Strong order backlogs combined with significant supply chain disruptions led to a build-up of working capital both year on year, SEK 31.2 billion (18.9), and sequentially (25.5). The higher net working capital was mainly driven by higher inventories in absolute volumes, as well as changed exchange rates. Net working capital in relation to revenues at 26.2% (23.2) increased year on year and compared to the first quarter (24.0).

Investments in tangible and intangible assets increased slightly compared with the preceding year and amounted to SEK 0.9 billion (0.6), corresponding to 90% of scheduled depreciations.

The financial net debt of SEK 32.8 billion (-4.9) increased year on year and sequentially (16.5). Short-term financing increased sequentially by SEK 2.5 billion. In addition, a Swedish MTN bond of SEK 2.5 billion and one Eurobond of EUR 500 million were raised in the quarter. Cash and cash equivalents decreased sequentially due to the dividend payout of SEK 6 billion and the payment for Deswik. The financial net debt/EBITDA ratio was 1.23 (-0.23), and higher than the first quarter (0.63) driven by increased borrowings and weaker free operating cashflow.

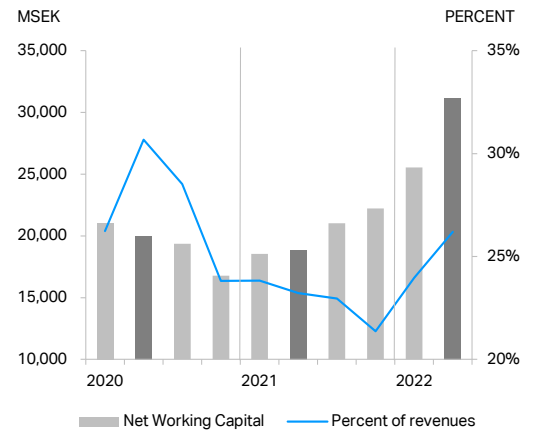
The net pension liability decreased year on year to SEK 2.1 billion (5.5) and sequentially (5.6), due to higher discount rates. Total net debt increased to SEK 39.4 billion (3.9) and sequentially (26.4).

Free operating cash flow decreased year on year to SEK -0.0 billion (2.9), mainly due to the higher net working capital.

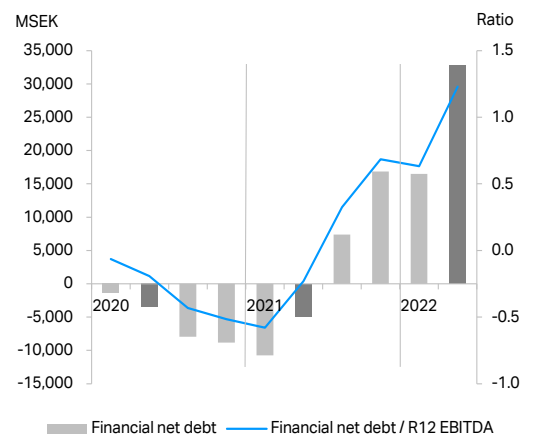
FREE OPERATING CASH FLOW, MSEK	Q2 2021	Q2 2022
EBITDA, adj. <sup>1)</sup>	5,218	5,265
Non cash items	-465	-597
Net Working Capital change	-968	-3,633
Capex <sup>2)</sup>	-840	-1,083
<b>FREE OPERATING CASH FLOW<sup>3)</sup></b>	<b>2,945</b>	<b>-49</b>

<sup>1)</sup> Adjusted for cash items related to certain acquisitions costs <sup>2)</sup> Including investments and disposals of rental equipment of SEK -175 million (-239) and tangible and intangible assets of SEK -908 million (-601). <sup>3)</sup> Free operating cash flow before acquisitions and disposals of companies, financial items and paid taxes.

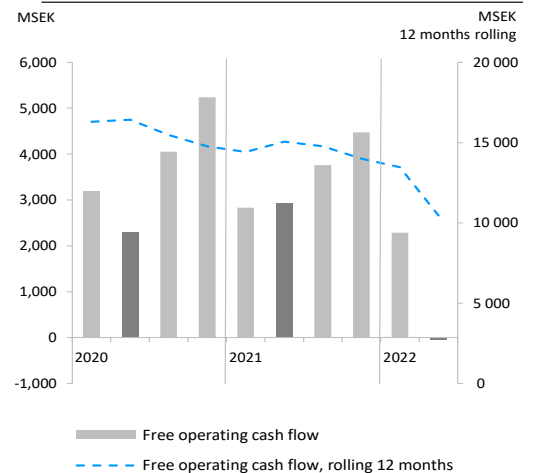
### NET WORKING CAPITAL\*



### NET DEBT/EBITDA



### FREE OPERATING CASH FLOW\*



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

## SANDVIK MINING AND ROCK SOLUTIONS

### STRONG AFTERMARKET GROWTH

+100% GROWTH IN NEW DIGITAL MINING TECHNOLOGY DIVISION

ACQUISITION OF AKKURATE



### GROWTH

Q2, %	ORDER INTAKE	REVENUES
Organic	9	9
Structure	26	29
<b>Organic &amp; structure</b>	<b>35</b>	<b>39</b>
Currency	11	11
<b>TOTAL</b>	<b>46</b>	<b>50</b>

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

### Order intake and revenues

Key items impacting order intake and revenues year on year:

- Demand within mining remained solid in the quarter, with particularly strong development of the aftermarket business
- Continued strong interest for Sandvik's battery-electric vehicles (BEV) and automation solutions. Two larger-sized BEV orders secured at a total value of SEK 243 million and one Automine order of SEK 86 million. New digital mining technologies division grew more than 100%
- Total order intake growth was 46%, and at fixed exchange rates, order intake grew by 39%, of which 9% was organic
- Excluding one major order of SEK 494 million (248) in the quarter, organic order intake grew by 8% year on year
- Organic order intake for equipment grew by 4% and aftermarket order intake increased organically by 12%
- Strong order intake growth figures in North America of 31% and Australia 14%. Europe was down 20%, mainly due to Russian impact
- The aftermarket business accounted for 71% (60) of revenues while the equipment business accounted for 29% (40)

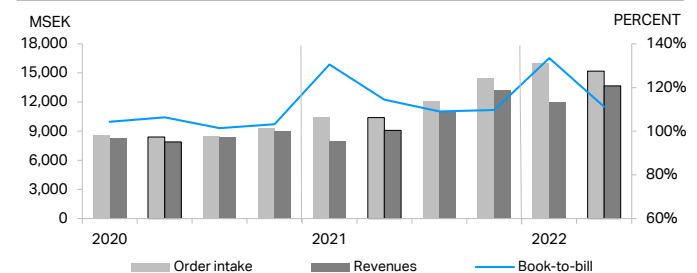
### Adjusted EBITA:

- Adjusted EBITA margin was 19.2% (20.6). Cost inflation not yet fully mitigated by pricing, higher share of air freight, as well as dilution from structure, had a negative impact on the margin
- Exchange rates had a positive impact of SEK 460 million year on year

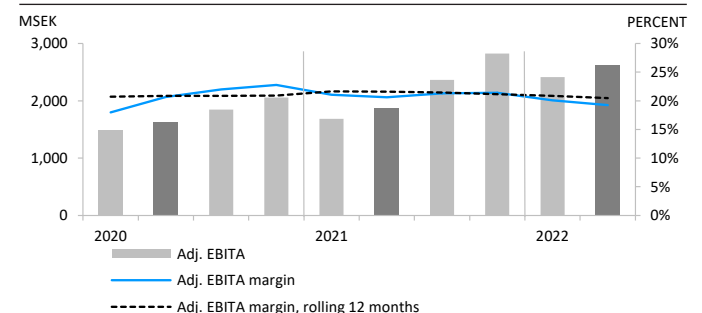
### Shift to growth

During the quarter, Sandvik acquired Akkurate, a frontrunner in holistic battery management, providing remote battery diagnostic- and prognostic platforms. The acquisition will strengthen know-how within battery technology for the development of the BEV offering. A new electric concept drill rig for surface drilling was introduced. The technologies includes electrified power supply and a range of emission reduction technologies, with the overall aim of energy efficiency and emission control (noise, particulates and CO<sub>2</sub>).

### ORDER INTAKE, REVENUES AND BOOK-TO-BILL



### ADJUSTED EBITA (%)



FINANCIAL OVERVIEW, MSEK	Q2 2021	Q2 2022	CHANGE %	Q1-Q2 2021	Q1-Q2 2022	CHANGE %
Order intake	10,399	15,182	46	20,868	31,241	50
Revenues	9,090	13,658	50	17,109	25,687	50
Adjusted EBITA <sup>1)</sup>	1,876	2,628	40	3,564	5,041	41
Adjusted EBITA margin	20.6	19.2	-	20.8	19.6	-
Return on capital employed <sup>2)</sup>	33.6	16.8	-	34.7	25.5	-
Number of employees <sup>3)</sup>	13,230	16,114	22	13,230	16,114	22

1) EBITA adjusted for items affecting comparability of SEK -739 million Q2 2022 (-17) and for full year 2022 the impact was SEK -644 million (-28). For more information see page 23-24.  
2) Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. 3) Full-time equivalent.

## SANDVIK ROCK PROCESSING SOLUTIONS

AFTERMARKET ON RECORD ORDER INTAKE LEVELS

ANNOUNCED THE ACQUISITION OF SCHENCK PROCESS MINING

MARGIN IMPACT FROM CHINA LOCK-DOWN AND RUSSIA



### GROWTH

Q2, %	ORDER INTAKE	REVENUES
Organic	0	0
Structure	7	4
<b>Organic &amp; structure</b>	<b>7</b>	<b>4</b>
Currency	10	10
<b>TOTAL</b>	<b>17</b>	<b>14</b>

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

### Order intake and revenues

Key items impacting order intake and revenues year on year:

- Underlying demand remained strong in the quarter, yet the reported organic year on year development was flat owing to the impact from Russia
- Total order growth was 17%, and at fixed exchange rates 7%. Excluding Russia, organic order intake growth was 7%, driven by aftermarket division, now being on record levels
- Solid performance from Kwatani
- The lock-downs in China did not have a significant impact on general demand, while both production and delivery were significantly hampered and hence had an organic year on year revenue impact of -6%
- Order intake grew by 12% in North America, 21% in Africa Middle East and decreased by -4% in Asia due to tough comparables
- The aftermarket business accounted for 55% (52) of revenues while the equipment business accounted for 45% (48)

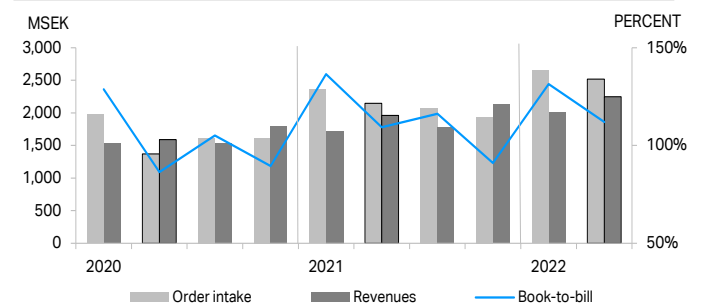
### Adjusted EBITA:

- The adjusted EBITA amounted to SEK 359 (337) million, corresponding to a margin of 16.0% (17.1)
- Margins were negatively impacted by cost inflation not yet fully mitigated by pricing, and negative mix due to lower volumes in Russia and China
- Exchange rates had a positive impact of SEK 87 million year on year

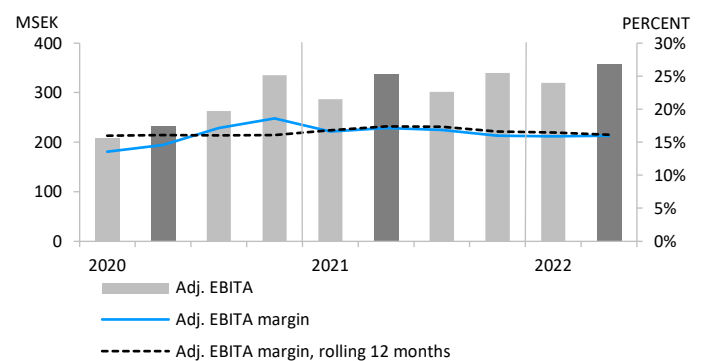
### Shift to growth

Sandvik has signed an agreement to acquire the mining related business of Schenck Process Group (SP Mining). With SP Mining, Sandvik will strengthen its core offering and enhance the aftermarket offering. The combined businesses are expected to generate high sales synergies. After the quarter it was announced that Richard Harris, currently head of Walter, has been appointed President of business area Sandvik Rock Processing Solutions and a new member of the Sandvik Group Executive Management.

### ORDER INTAKE, REVENUES AND BOOK-TO-BILL



### ADJUSTED EBITA (%)



FINANCIAL OVERVIEW, MSEK	Q2 2021	Q2 2022	CHANGE %	Q1-Q2 2021	Q1-Q2 2022	CHANGE %
Order intake	2,147	2,517	17	4,505	5,167	15
Revenues	1,964	2,247	14	3,691	4,262	15
Adjusted EBITA <sup>1)</sup>	337	359	6	624	679	9
Adjusted EBITA margin	17.1	16.0	-	16.9	15.9	-
Return on capital employed <sup>2)</sup>	30.7	20.9	-	26.8	26.5	-
Number of employees <sup>3)</sup>	1,869	2,161	16	1,869	2,161	16

1) EBITA adjusted for items affecting comparability of SEK -78 million in Q2 2022 (-3) and for full year 2022 SEK -38 million (-7). For more information see page 23-24. 2) Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. 3) Full-time equivalent.

## SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

**SOLID UNDERLYING DEMAND**

**5% GROWTH FOR CORE SMS BRANDS EXCL. RUSSIA**

**THREE ROUND TOOLS ACQUISITIONS**



**GROWTH**

Q2, %	ORDER INTAKE	REVENUES
Organic	1	3
Structure	11	12
<b>Organic &amp; structure</b>	<b>12</b>	<b>15</b>
Currency	8	7
<b>TOTAL</b>	<b>19</b>	<b>23</b>

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

### Order intake and revenues

Key items impacting order intake and revenues year on year:

- Demand was solid across the segments. Excluding Russia, the core cutting tool brands grew order intake by mid-single digits, driven by aerospace, and general engineering
- Solid contribution from acquisitions. Total order intake growth of 19%, and at fixed exchange rates 12% of which organic was 1%
- Excluding Russia, organic order intake growth was 4%
- China lock-down clouded visibility on general demand, while June displayed a good pace in invoicing
- Strongest year on year order intake growth was recorded in North America which grew by 11%. Europe declined by 3% (excluding Russia it was up by 3%), and Asia was down year on year by 4%
- The number of working days had no significant impact on orders and revenues
- Daily order intake trend was stable into the first two weeks of July

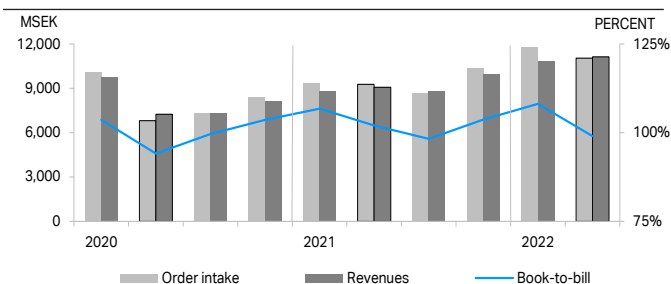
### Adjusted EBITA:

- Adjusted EBITA margin was 21.5% (23.8), negatively impacted by cost inflation not yet fully mitigated by pricing, and mix effect from Russia
- Changed exchange rates had a positive impact of SEK 224 million year on year

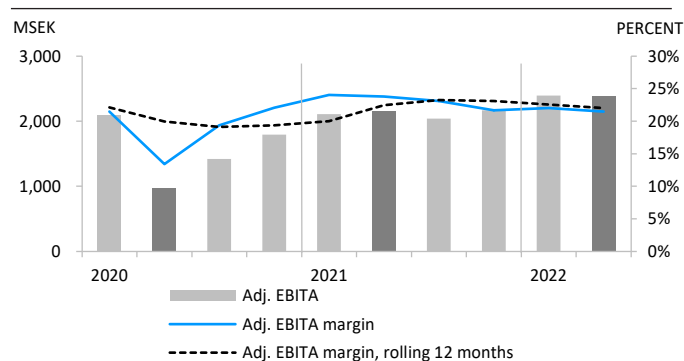
### Shift to growth

Three acquisitions were announced during the quarter. Peterson Tool Company, Inc., a US-based leading supplier of machine-specific custom insert tooling solutions, Preziss, a cutting tools and solutions provider that will strengthen Sandvik's offering for light-weight components in the automotive segment, and Frezite, a polycrystalline diamond (PCD) tools manufacturer.

### ORDER INTAKE, REVENUES AND BOOK-TO-BILL



### ADJUSTED EBITA (%)



### FINANCIAL OVERVIEW, MSEK

	Q2 2021	Q2 2022	CHANGE %	Q1-Q2 2021	Q1-Q2 2022	CHANGE %
Order intake	9,270	11,042	19	18,649	22,806	22
Revenues	9,083	11,145	23	17,865	22,022	23
Adjusted EBITA <sup>1)</sup>	2,161	2,394	11	4,271	4,786	12
Adjusted EBITA margin	23.8	21.5	-	23.9	21.7	-
Return on capital employed <sup>2)</sup>	25.9	13.5	-	20.4	16.8	-
Number of employees <sup>3)</sup>	18,028	20,208	12	18,028	20,208	12

<sup>1)</sup> EBITA adjusted for items affecting comparability of SEK -259 million in Q2 2022 (3) and SEK -350 million for full year 2022 (-26). For more information see page 23-24. <sup>2)</sup> Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. <sup>3)</sup> Full-time equivalent.



## SANDVIK MATERIALS TECHNOLOGY

### DISCONTINUED OPERATIONS

RECORD-HIGH ORDER INTAKE LEVEL WITH ORGANIC GROWTH OF 26%

STRONG PROFIT MARGIN

AGM DECIDED ON THE DISTRIBUTION AND LISTING



GROWTH		
Q2, %	ORDER INTAKE	REVENUES
Organic	26	13
Structure	1	1
<b>Organic &amp; structure</b>	<b>30</b>	<b>14</b>
Alloys	20	17
Currency	6	6
<b>TOTAL</b>	<b>56</b>	<b>39</b>

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

#### Order intake and revenues

Key items impacting order intake and revenues year on year:

- Record-high order intake mainly driven by energy and industrial heating
- Order intake growth in all three divisions, Tube, Kanthal and Strip
- Total order intake growth was 56%. At fixed exchange rates, growth was 30%. Alloys contributed 20% to the year on year development
- Organic order intake grew by 26%, including one major order for the energy segment totaling SEK 219 million. Excluding major orders, growth was 21%
- Positive order intake trend was noted in North America which grew by 22% and Asia by 18% while Europe was down by -3% year on year
- Organic revenue growth of 13%, with all three divisions contributing positively

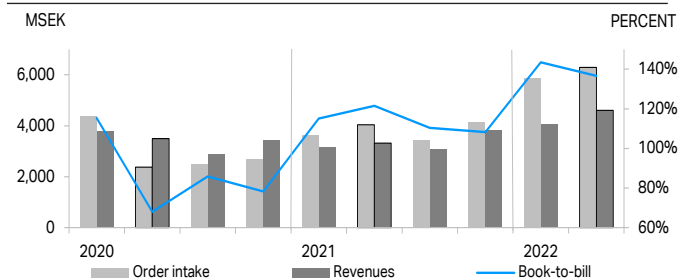
#### Adjusted EBITA:

- Adjusted EBITA excluding metal price effects totaled SEK 549 million (346), corresponding to an underlying margin of 11.9% (10.4) and driven by higher volumes and mix
- Adjusted EBITA margin was 26.0% (11.9)
- Changed metal prices had a positive impact of SEK 649 million (50) in the quarter
- Exchange rates had a positive impact of SEK 139 million year on year

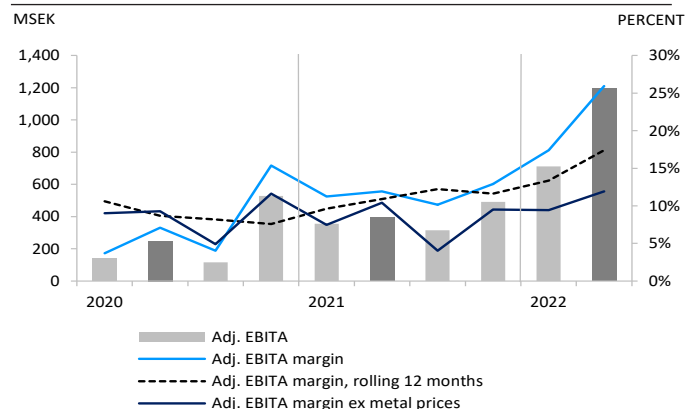
#### Shift to growth

Renewable energy is an identified growth segment for SMT. In the quarter, the first "waste to energy" order was received for the unique Sanicro® 35 grade. The customer will use Sanicro® 35 in its renewable natural gas plant to convert and refine biogas or landfill gas into renewable natural gas, which will reduce greenhouse gas emissions. Sanicro® 35 for heat exchanger applications has both operational and environmental benefits.

#### ORDER INTAKE, REVENUES AND BOOK-TO-BILL



#### ADJUSTED EBITA



FINANCIAL OVERVIEW, MSEK	Q2 2021	Q2 2022	CHANGE %	Q1-Q2 2021	Q1-Q2 2022	CHANGE %
Order intake	4,041	6,293	56	7,681	12,151	58
Revenues	3,324	4,608	39	6,486	8,693	34
Adjusted EBITA <sup>1)</sup>	396	1,198	203	751	1,910	154
Adjusted EBITA margin	11.9	26.0	-	11.6	22.0	-
Return on capital employed, % <sup>2)</sup>	11.8	35.3	-	9.7	21.2	-
Number of employees <sup>3)</sup>	5,283	5,731	8	5,283	5,731	8

1) EBITA adjusted for items affecting comparability of SEK 111 million in Q2 2022 (-39) and SEK 252 million for full year 2022 (-57). For more information see page 23-24. 2) Quarterly number is annualized and the year-to-date number is based on four quarter average. 3) Full-time equivalent.

## SHIFTING TO A MORE SUSTAINABLE BUSINESS

UNFAVORABLE DEVELOPMENT OF INJURY RATES

INCREASE IN GHG EMISSIONS MAINLY DUE TO ACQUISITIONS

CIRCULAR WASTE IMPROVED



Injury rates trended unfavorably during the quarter, compared to the corresponding period previous year and sequentially. Accelerated efforts to increase awareness have been initiated across the Group, and EHS campaigns and Nano-Learning courses were rolled out during the quarter, with risk assessments high on the agenda. The 2022 Sandvik Sustainability Award in Memory of Sigrid Göransson went to the team behind a unique circular mining bits solution aimed at turning waste into new products and reduce CO<sub>2</sub> emissions and supply chain risks.

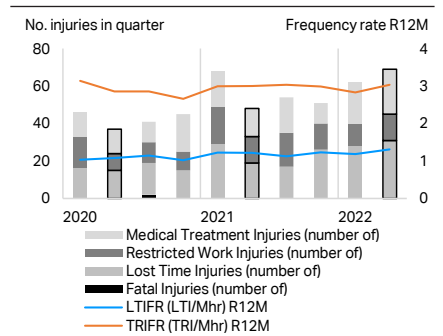
### Second quarter 2022

- TRIFR increased by 1% to 3.0 compared to the same period last year (3.0) and sequentially from 2.8
- LTIFR increased by 7.6% to 1.3 (1.2) compared to the same period last year
- Greenhouse gas emissions increased year on year mainly due to acquisitions
- The share of circular waste amounted to 72% (71%). Training in waste separation has led to many locations increasing efforts to further sort waste fractions in line with waste circularity principles
- Share of female managers continued to show a positive trend and at the end of the quarter the ratio was 19.7% (19.2)

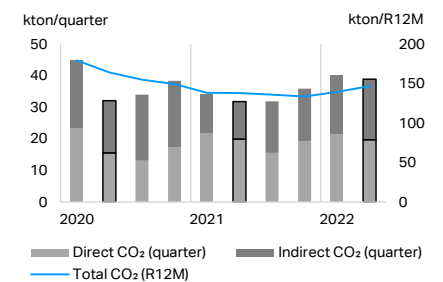
### Case of the quarter

Cooperation between the Sandvik Mining and Rock Solutions business area, the Wolfram division and customers resulted in a solution to recycle tungsten inserts from drill bits. The tungsten inserts are extracted from the steel body through induction, already at the local customer site, and the inserts are sent to Austria for recycling using a new advanced process, developed by Wolfram. Significant sustainability benefits have been noted, such as reduction in emissions from transport of 93 percent, cost reductions, and 75% less energy consumption in the local extraction process. In addition, the process creates new business as well as job opportunities in the local community. These recycled inserts have the same quality and properties as virgin material and the new recycling process reduces CO<sub>2</sub> emissions by about 64 percent compared to mining of virgin raw material. The team behind this innovation was awarded with The 2022 Sandvik Sustainability Award in Memory of Sigrid Göransson.

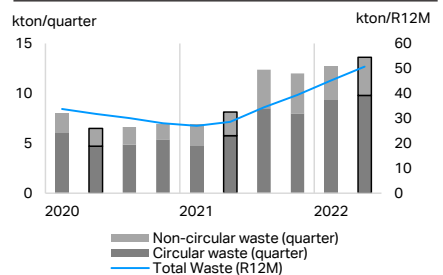
### ZERO HARM



### CO<sub>2</sub> EMISSIONS

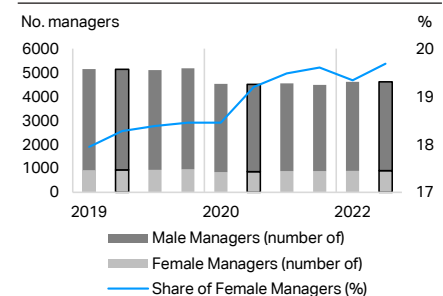


### WASTE\*



\*Excluding tailings, digestion sludge and slag to disposal

### DIVERSITY



SUSTAINABILITY OVERVIEW		Q2 2021	Q2 2022	CHANGE %	Rolling 12 months
Circularity	Total waste, thousand tonnes*	8	14	67.4	50.7
Circularity	Waste circularity, % of total	71	72	1.4	70.3
Climate	Total CO <sub>2</sub> , thousand tonnes*	32	39	22.4	146.6
People	Total recordable injury frequency rate, R12M frequency / million working hours	3.0	3.0	1.1	3.0
People	Lost time injury frequency rate, R12M frequency / million working hours	1.2	1.3	7.6	1.3
People	Share of female managers, %	19.2	19.7	2.5	19.5

\* Excluding tailings, digestion sludge and slag to disposal  
For definitions see home.sandvik

## PARENT COMPANY

The parent company's invoiced sales after the first six months of 2022 amounted to SEK 6,638 million (6,414) and the operating result was SEK 1,940 million (2,643). Result from shares in Group companies of SEK 3,215 million (-772) for the first six months consists mainly of dividends. The dividend liability for SMT to the shareholders amounts to SEK 12,825 million and

effects Equity and Current non-interest-bearing liabilities. Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 23,348 million (14,203). Investments in property, plant and machinery amounted to SEK 169 million (351).

## FIRST SIX MONTHS

### CONTINUING OPERATIONS

For the first six months of 2022, underlying demand was overall solid despite the geo-political situation and macro uncertainties, with especially strong momentum within mining and infrastructure. The aerospace and energy segment that were significantly down during the pandemic followed by a slow pace of recovery, have displayed solid growth compared to the year earlier period and demand in general engineering has continued to improve in the first half year. The development pace in automotive has been modest, hampered by the semi-conductor shortages, albeit signs of ease were noted in the latter part of the first half year. Strong contribution from acquisitions and tailwinds from currency translated into total growth in order intake for continuing operations of 35% and, at fixed exchange rates, 26%, of which organic growth was 9%. Total revenues increased by 34%, and at fixed exchange rates, by 26%, of which organic was 7%.

At the end of February, Sandvik paused the business in Russia, followed by the decision in the second quarter to wind down completely, and consequently, the year on year financial performance has been impacted. Russia had a negative impact on organic order intake and revenues, of 12% and 10%, respectively. Furthermore, extensive covid lock-downs in China had a straining effect on production and delivery, which have had a negative impact on the invoiced volumes, and hence revenue development.

Adjusted EBITA increased by 25% year on year to SEK 10,184 million (8,153) and the adjusted EBITA margin was 19.6% (21.1). The reported EBITA increased by 7% to SEK 9,083 million (8,519) resulting in a margin of 17.5% (22.0).

Net financial items amounted to SEK -281 million (-395) and profit after net financial items was SEK 8,141 million (7,924). The tax rate, excluding items affecting comparability, for continuing operations was 23.4% (23.1). The reported tax rate for continuing operations was 26.0% (23.7).

Profit for the period amounted to SEK 6,023 million (6,044).

Earnings per share, diluted amounted to SEK 4.80 (4.81) .

For the Group total, financial net debt increased year-on-year to SEK 32.8 billion (-4.9) resulting in a financial net debt to EBITDA ratio of 1.23 (-0.23).

During the first six months five acquisitions were announced. The mining business of Schenck Process Group, Peterson Tool Company Inc., Preziss, Akkurate and Frezigest.

## ACQUISITIONS AND DIVESTMENTS

### ACQUISITIONS DURING THE LAST 12 MONTHS

	COMPANY/UNIT	CLOSING DATE	REVENUES	NO. OF EMPLOYEES
<b>2021</b>				
Sandvik Mining and Rock Solutions	DSI Underground <sup>1)</sup>	July 7, 2021	596 MEUR in 2020	2,000
Sandvik Manufacturing and Machining Solutions	Chuzhou Yongpu Carbide Tools Co., Ltd <sup>2)</sup>	July 31, 2021	400 MSEK 12M Q220 – Q121	500
Sandvik Manufacturing and Machining Solutions	CNC Software Inc.	September 29, 2021	60 MUSD in 2020	220
Sandvik Mining and Rock Solutions	Tricon Drilling Solutions	October 1, 2021	18 MAUD 12M Q319 – Q220	24
Sandvik Manufacturing and Machining Solutions	DWFritz Automation Inc.	October 1, 2021	720 MSEK in 2020	560
Sandvik Materials Technology	Accuratech Group	October 4, 2021	75 MSEK in 2020	50
Sandvik Manufacturing and Machining Solutions	Cambrio	October 15, 2021	628 MSEK in 2020	375
Sandvik Manufacturing and Machining Solutions	Fanar	November 2, 2021	175 MSEK in 2020	230
Sandvik Rock Processing Solutions	Kwatani	December 9, 2021	175 MSEK in 2020	150
Sandvik Manufacturing and Machining Solutions	ICAM Technologies Corporation	December 23, 2021	30 MSEK in 2020	27
Sandvik Manufacturing and Machining Solutions	GWS Tool Group	December 23, 2021	41 MUSD in 2020	490
Sandvik Manufacturing and Machining Solutions	Dimensional Control Systems	December 27, 2021	92 MSEK in 2020	70
<b>2022</b>				
Sandvik Materials Technology	Gerling	January 1, 2022	90 MSEK in 2020	75
Sandvik Mining and Rock Solutions	Deswik	April 1, 2022	79 MAUD 12M Q420-Q321	300
Sandvik Materials Technology	Pexco <sup>3)</sup>	April 26, 2022	N/A	N/A
Sandvik Mining and Rock Solutions	Akkurate	June 17, 2022	0.3 MEUR in 2021	12

<sup>1)</sup> On August 3, 2021, Sandvik acquired Joint Venture partner's (Jennmar) share of the Robbolt Technologies JVs in China, South Africa and Mongolia. <sup>2)</sup> Acquired 67% of Chuzhou Yongpu Carbide Tools Co., Ltd, with a call option/put option to buy the remaining part after three years' time. <sup>3)</sup> The acquisition of Pexco was an additional purchase of the remaining 30% of the minority.

The acquisitions were made through the purchase of 100% of shares and voting rights. Sandvik received control over the operations upon 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.

MSEK	Purchase price on cash and debt free basis	Preliminary goodwill and other surplus values
Acquisitions 2022	6,371	6,199

### FAIR VALUE RECOGNIZED IN THE GROUP 2022

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

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



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

## DIVESTMENTS DURING LAST 12 MONTHS

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

## CONTRIBUTIONS FROM COMPANIES ACQUIRED IN 2022

### MSEK

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#### *Contributions as of acquisition date*

Revenues	188
Profit for the year	40

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

Revenues	340
Profit for the year	23

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## SIGNIFICANT EVENTS

### DURING THE SECOND QUARTER

– On April 4, Sandvik Mining and Rock Solutions announced the completion of the acquisition of Deswik, the transaction closed April 1.

– On April 27, The Sandvik AB Annual General Meeting decided, in accordance with the Board of Directors' proposal, to distribute all shares in the wholly owned subsidiary Alleima (former business area Sandvik Materials Technology) to the shareholders of Sandvik.

– On May 9, Sandvik Rock Processing Solutions announced the acquisition of the mining related business of Schenck Process Group (SP Mining). The transaction is expected to close during the fourth quarter 2022.

– On May 11, Sandvik Manufacturing and Machining Solutions announced the acquisition of Peterson Tool Company, Inc. The transaction is expected to close during the third quarter 2022.

– On May 17, Sandvik announced the implementation of new structural measures to support resilience ambitions, which will generate annual savings of about 600 million SEK, with a full run-rate expected in 2025

– On May 17, Sandvik announced new financial targets that were presented during the Capital Markets Day.

– On May 20, Sandvik Manufacturing and Machining Solutions announced the acquisition of Preziss. The transaction closed July 4.

– On June 10, Sandvik announced that Anders Svensson, President of Business Area Sandvik Rock Processing Solutions, has decided to leave Sandvik.

– On June 17, Sandvik announced that Henrik Ager, President of Business Area Sandvik Mining and Rock Solutions, will leave Sandvik.

– On June 20, Sandvik Mining and Rock Solutions announced the acquisition of Finland-based company Akkurat. The acquisition was signed and closed on June 17.

– On June 27, Sandvik Manufacturing and Machining Solutions announced that an agreement to acquire 100% of the equity interests of the Portugal-based company Frezigest, SGPS was signed. The transaction is expected to close during the third quarter of 2022.

– On June 29, Sandvik announced the wind-down in Russia with a related charge of sek 1.0 billion for the second quarter, which was reported as items affecting comparability

### AFTER THE SECOND QUARTER

– On July 4, Sandvik Manufacturing and Machining Solutions announced the completion of the acquisition of Preziss.

– On July 15, Sandvik announced that Richard Harris has been appointed President of business area Sandvik Rock Processing Solutions and a new member of the Sandvik Group Executive Management, effective October 1, 2022

## GUIDANCE AND FINANCIAL TARGETS

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

<b>CAPEX (CASH)</b>	Estimated at approx. SEK 4.0 billion for 2022. <i>(Alleima to provide guidance on their CMD)</i>
<b>CURRENCY EFFECTS</b>	Based on currency rates at the end of June 2022, it is estimated that transaction and translation currency effects will have an impact of about SEK +1, 050 million EBITA for the third quarter of 2022, compared with the year-earlier period <i>(Alleima to provide guidance on their CMD)</i>
<b>INTEREST NET</b>	Estimated at SEK <-0.7 billion in 2022.
<b>TAX RATE</b>	Estimated at 22% - 24% for 2022, normalized.

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

#### GROWTH

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

#### ADJUSTED EBITA RANGE

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

#### DIVIDEND PAYOUT RATIO

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

#### FINANCIAL NET DEBT/EBITDA

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

#### SUSTAINABILITY

The 2030 sustainability targets focus on the areas of circularity, climate, people and ethics. These targets are reported on a quarterly basis and can be found on page 10.

## ACCOUNTING POLICIES

Sandvik Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. With exception for new and revised standards and interpretations effective from January 1, 2022 the same accounting and valuation policies were applied as in Sandvik Group Annual Report 2021 except for IFRIC 17, see below.

This report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2, Reporting for Legal Entities.

### Distribution to owners

At the Annual General Meeting on April 27, 2022, the formal decision to split the Group and distribute all shares in the parent company of the business area Sandvik Materials Technology (SMT) to the shareholders of Sandvik was taken. Actions to complete the distribution are ongoing and the distribution is expected to occur on August 31, 2022.

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

In the income statement, the result of SMT is presented separately as Profit for the period and discontinued operations, the comparative periods have been updated. In the balance sheet all assets and liabilities referring to SMT are presented as assets and liabilities held for distribution, the comparative periods are not affected. The cash flow is presented separately, comparative periods have been updated.

In the second quarter 2022, a dividend liability to the shareholders have been recognized and measured at fair value in accordance with IFRIC 17. Recognition of the dividend liability increased Sandvik Groups liabilities with a corresponding amount recognized as a reduction of Sandvik Groups equity presented as Resolved distribution of SMT. Recognition of the dividend liability had no cash flow or income statement impact. The dividend liability is presented separately in the balance sheet as Resolved distribution of SMT.

At distribution of the SMT shares in the third quarter 2022, Sandvik will recognize a capital gain or loss within discontinued operations. Representing the difference between the fair value of SMT and the carrying value of the net assets of SMT, at the time of the distribution. As part of the distribution, all historical translation differences allocated to SMT will be recycled to the income statement within discontinued operations.

### Software as a service

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

There are no other new accounting policies applicable from January 1, 2022 that significantly affects the Group.

### Accounting policies for the Parent Company

The parent company do not apply IFRS 5 nor IFRIC 17. In the parent company a dividend liability to the shareholders has been recognized and measured at a value equal to the parent company's book value of the shares to be distributed with a corresponding amount reducing equity. The parent company's dividend liability is presented within Current non-interest bearing liabilities. At distribution, the shares in SMT and the dividend liability is derecognized without any income or cash flow effect.

## TRANSACTIONS WITH RELATED PARTIES

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

## IMPACT ON THE FINANCIAL REPORTING DUE TO THE WAR IN UKRAINE

Sandvik paused its business activities in Russia on February 28 due to Russia's war in Ukraine. Since then, the company has continuously been assessing and adjusting to the situation, and has taken the decision to wind down operations in Russia. As a consequence, Sandvik has recorded a non-recurring charge of SEK 1 billion in the second quarter operating results (EBITA), of which SEK -0.7 billion is a write down and SEK -0.3 billion a provision mainly relating to personnel costs. These costs have been treated as items affecting comparability. Following the write-down, total remaining assets related to Russia, excluding cash, amounts to approximately SEK 1 billion on June 30, 2022. The higher amount, than previously announced, is driven by fluctuations in Russian rubles. The sales and operations in Ukraine are limited. The wind down process is ongoing and progressing in a controlled way, where Sandvik seeks to act responsibly towards its employees, and follows applicable regulations and sanctions. Depending on the progress of the wind down procedures, additional costs may be incurred in the coming quarters. In 2021, about 3.6 percent of Sandvik Group revenues was from Russian customers.

## RISK ASSESSMENT

As an international group with a wide geographic spread, Sandvik is exposed to several strategic, business and financial risks. Strategic risk at Sandvik is defined as emerging risks affecting the business long-term, such as industry shifts, technological shifts and macroeconomic developments. The business risks can be divided into operational, sustainability, compliance, legal and commercial risks. The financial risks include currency risks, interest rates, raw material prices, tax risks and more. These risk areas can all impact the business negatively both long and short-term but often also create business opportunities if managed well. Risk management at Sandvik begins with an assessment in operational management teams where the material risks for their operations are first identified, followed by an evaluation of the probability of the risks occurring and their potential impact on the Group. Once the key risks have been identified and evaluated risk mitigating activities to eliminate or reduce the risks are agreed on. For a more detailed description of Sandvik's analysis of risks and risk universe,

## FINANCIAL REPORTS SUMMARY

### THE GROUP

#### INCOME STATEMENT

MSEK	Q2 2021 <sup>1)</sup>	Q2 2022	CHANGE %	Q1-Q2 2021 <sup>1)</sup>	Q1-Q2 2022	CHANGE %
<i>Continuing operations</i>						
Revenues	20,136	27,050	34	38,665	51,971	34
Cost of goods and services sold	-11,186	-16,313	46	-21,485	-30,716	43
<b>Gross profit</b>	<b>8,950</b>	<b>10,737</b>	<b>20</b>	<b>17,179</b>	<b>21,255</b>	<b>24</b>
% of revenues	44.4	39.7		44.4	40.9	
Selling expenses	-2,630	-3,782	44	-5,049	-7,021	39
Administrative expenses	-964	-2,142	122	-2,159	-3,870	79
Research and development costs	-852	-1,074	26	-1,640	-2,081	27
Other operating income and expenses	-104	-48	-54	-13	139	N/M
<b>Operating profit</b>	<b>4,399</b>	<b>3,691</b>	<b>-16</b>	<b>8,319</b>	<b>8,423</b>	<b>1</b>
% of revenues	21.8	13.6		21.5	16.2	
Financial income	38	239	N/M	110	368	N/M
Financial expenses	-167	-221	32	-505	-649	28
<b>Net financial items</b>	<b>-128</b>	<b>18</b>	<b>-114</b>	<b>-395</b>	<b>-281</b>	<b>-29</b>
<b>Profit before tax</b>	<b>4,271</b>	<b>3,709</b>	<b>-13</b>	<b>7,924</b>	<b>8,141</b>	<b>3</b>
% of revenues	21.2	13.7		20.5	15.7	
Income tax	-1,111	-1,082	-3	-1,879	-2,119	13
<b>Profit for the period, continuing operations</b>	<b>3,159</b>	<b>2,627</b>	<b>-17</b>	<b>6,044</b>	<b>6,023</b>	<b>0</b>
% of revenues	15.7	9.7		15.6	11.6	
<b>Profit for the period, discontinued operations<sup>2)</sup></b>	<b>352</b>	<b>1,163</b>	<b>N/M</b>	<b>649</b>	<b>1,978</b>	<b>N/M</b>
<b>Profit for the period, Group total</b>	<b>3,511</b>	<b>3,790</b>	<b>8</b>	<b>6,693</b>	<b>8,001</b>	<b>20</b>
<i>Profit (loss) for the period attributable to</i>						
Owners of the parent company	3,513	3,795	8	6,690	7,990	19
Non-controlling interest	-2	-4	90	3	11	N/M
<i>Earnings per share, SEK</i>						
Continuing operations, basic	2.52	2.10	-17	4.82	4.80	0
Continuing operations, diluted	2.52	2.10	-17	4.81	4.80	0
Group total, basic	2.80	3.03	8	5.33	6.38	20
Group total, diluted	2.80	3.03	8	5.33	6.37	20
<b>OTHER COMPREHENSIVE INCOME</b>						
<i>Items that will not be reclassified to profit (loss)</i>						
Actuarial gains (losses) on defined benefit pension plans	758	3,555		2,963	4,120	
Tax relating to items that will not be reclassified	-162	-722		-623	-853	
<b>Total items that will not be reclassified to profit (loss)</b>	<b>596</b>	<b>2,833</b>		<b>2,340</b>	<b>3,267</b>	
<i>Items that may be reclassified subsequently to profit (loss)</i>						
Foreign currency translation differences	-632	4,679		1,673	6,224	
Cash flow hedges	12	-353		24	13	
Tax relating to items that may be reclassified	-2	17		-6	11	
<b>Total items that may be reclassified subsequently to profit (loss)</b>	<b>-623</b>	<b>4,343</b>		<b>1,691</b>	<b>6,249</b>	
<b>Total other comprehensive income</b>	<b>-26</b>	<b>7,176</b>		<b>4,031</b>	<b>9,516</b>	
<b>Total comprehensive income</b>	<b>3,485</b>	<b>10,966</b>		<b>10,724</b>	<b>17,518</b>	
<i>Total comprehensive income attributable to</i>						
Owners of the parent company	3,481	10,969		10,720	17,505	
Non-controlling interest	3	-3		4	13	

<sup>1)</sup> Comparative figures have been updated for comparability since Sandvik Materials Technology (SMT) has been classified as Assets held for distribution and is reported under discontinued operations from January 1, 2022. <sup>2)</sup> Discontinued operations include SMT from January 1, 2022. For more details see page 27.

N/M = not meaningful. For definitions see [home.sandvik](http://home.sandvik)



## THE GROUP

### BALANCE SHEET, CONTINUING AND DISCONTINUED OPERATIONS

MSEK	DEC 31, 2021	JUN 30, 2021	JUN 30, 2022
Intangible assets	47,809	21,136	56,517
Property, plant and equipment	26,076	24,087	19,965
Right- of use assets	3,840	3,245	4,146
Financial assets	7,418	7,953	8,602
Inventories	29,910	24,662	32,772
Current receivables	26,556	21,968	28,364
Cash and cash equivalents	13,585	17,251	7,772
Assets held for distribution <sup>1)</sup>	–	–	23,944
Assets held for sale	323	203	107
<b>Total Assets</b>	<b>155,517</b>	<b>120,506</b>	<b>182,190</b>
Total equity <sup>2)</sup>	77,332	67,707	72,792
Non-current interest-bearing liabilities	30,551	19,033	38,889
Non-current non-interest-bearing liabilities	5,349	3,896	5,042
Current interest-bearing liabilities	10,704	3,163	10,517
Current non-interest-bearing liabilities	31,474	26,537	31,333
Resolved distribution of SMT <sup>2)</sup>	–	–	15,700
Liabilities held for distribution <sup>1)</sup>	–	–	7,808
Liabilities held for sale	107	169	109
<b>Total equity and liabilities</b>	<b>155,517</b>	<b>120,506</b>	<b>182,190</b>

1) For more details on assets and liabilities held for distribution see page 27. 2) Related to the distribution of SMT, the corresponding amount reduces equity.

### CHANGES IN EQUITY

MSEK	EQUITY RELATED TO OWNERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>Equity at January 1, 2021</b>	<b>65,081</b>	<b>1</b>	<b>65,082</b>
Adjustment on correction of error	-48		-48
<b>Equity at January 1, 2021</b>	<b>65,033</b>	<b>1</b>	<b>65,034</b>
Total comprehensive income (loss) for the year	20,323	34	20,357
Changes in non-controlling interest	-94	97	3
Share based program	78	–	78
Dividend	-8,140	0	-8,140
<b>Equity at December 31, 2021</b>	<b>77,200</b>	<b>132</b>	<b>77,332</b>
<b>Equity at January 1, 2022</b>	<b>77,200</b>	<b>132</b>	<b>77,332</b>
Total comprehensive income (loss) for the period	17,505	13	17,518
Change in fair value of put option to acquire non-controlling interest	-57	0	-57
Changes in non-controlling interest	-39	-106	-145
Share based program	-200	–	-200
Dividend	-5,955	0	-5,956
Resolved distribution of SMT <sup>1)</sup>	-15,700	–	-15,700
<b>Equity at June 30, 2022</b>	<b>72,753</b>	<b>39</b>	<b>72,792</b>

1) Related to the resolved distribution of SMT, the corresponding amount is recognized as a liability.

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

## THE GROUP

### CASH FLOW STATEMENT

#### CONTINUING AND DISCONTINUED OPERATIONS

MSEK	Q2 2021 <sup>1)</sup>	Q2 2022	Q1-Q2 2021 <sup>1)</sup>	Q1-Q2 2022
<i>Continuing operations</i>				
<i>Cash flow from operating activities</i>				
Profit before tax	4,271	3,709	7,924	8,141
Adjustment for depreciation, amortization and impairment losses	1,160	1,655	2,283	3,108
Other adjustments for non-cash items	-410	-1,482	-264	-1,595
Payment to pension fund	-141	-105	-258	-219
Income tax paid	-1,101	-1,474	-2,049	-2,974
<b>Cash flow from operating activities before changes in working capital</b>	<b>3,777</b>	<b>2,302</b>	<b>7,635</b>	<b>6,461</b>
<i>Changes in working capital</i>				
Change in inventories	-1,015	-2,636	-2,067	-5,673
Change in operating receivables	-1,011	-1,570	-2,079	-2,704
Change in operating liabilities	1,280	573	2,101	1,710
<b>Cash flow from changes in working capital</b>	<b>-746</b>	<b>-3,633</b>	<b>-2,045</b>	<b>-6,668</b>
Investments in rental equipment	-313	-249	-498	-406
Proceeds from sale of rental equipment	74	75	118	186
<b>Cash flow from operating activities, net</b>	<b>2,792</b>	<b>-1,506</b>	<b>5,210</b>	<b>-426</b>
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash acquired	4	-6,020	7	-6,050
Proceeds from sale of companies and shares, net of cash disposed	368	5	378	5
Acquisitions of tangible assets	-492	-696	-975	-1,297
Proceeds from sale of tangible assets	39	18	62	586
Acquisitions of intangible assets	-148	-231	-292	-404
Other investments, net	-46	-275	-63	-290
<b>Cash flow from investing activities</b>	<b>-275</b>	<b>-7,198</b>	<b>-882</b>	<b>-7,449</b>
<i>Cash flow from financing activities</i>				
Repayment of borrowings	-70	-6,975	-2,746	-12,141
Proceeds from borrowings	16	15,823	24	22,070
Amortization, lease liabilities	-245	-298	-479	-559
Change in hedge option programs, net	-	-270	-	-270
Dividends paid	-8,140	-5,953	-8,140	-5,955
<b>Cash flow from financing activities, net</b>	<b>-8,439</b>	<b>2,328</b>	<b>-11,341</b>	<b>3,144</b>
<b>Cash flow from continuing operations</b>	<b>-5,922</b>	<b>-6,376</b>	<b>-7,013</b>	<b>-4,731</b>
Cash flow from discontinued operations <sup>2)</sup>	89	-267	336	386
<b>Cash flow for the period, Group total</b>	<b>-5,833</b>	<b>-6,643</b>	<b>-6,678</b>	<b>-5,117</b>
Cash and cash equivalents at beginning of the period	23,137	13,804	23,752	13,585
Exchange-rate differences in cash and cash equivalents	-53	610	177	632
Cash and cash equivalents, discontinued operations	-	-	-	-1,328
<b>Cash and cash equivalents at the end of the period</b>	<b>17,251</b>	<b>7,772</b>	<b>17,251</b>	<b>7,772</b>
<i>Group Total</i>				
Cash flow from operations	2,940	-1,469	5,723	-447
Cash flow from investing activities	-366	-7,460	-1,023	-7,768
Cash flow from financing activities	-8,406	2,286	-11,378	3,098
<b>Group total cash flow</b>	<b>-5,833</b>	<b>-6,643</b>	<b>-6,678</b>	<b>-5,117</b>

1) Comparative figures has been updated for comparability due to the presentation of Sandvik Material Technology as discontinued operations as of January 1, 2022. 2) See page 27 for details of discontinued operations.

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

## THE PARENT COMPANY

### INCOME STATEMENT

MSEK	Q2 2021	Q2 2022	Q1-Q2 2021	Q1-Q2 2022
Revenues	3,300	3,530	6,414	6,638
Cost of goods and services sold	-825	-800	-1,506	-1,647
<b>Gross profit</b>	<b>2,475</b>	<b>2,730</b>	<b>4,908</b>	<b>4,991</b>
Selling expenses	-229	-279	-435	-559
Administrative expenses	-421	-757	-761	-1,315
Research and development costs	-354	-404	-680	-835
Other operating income and expenses	-222	-148	-389	-342
<b>Earnings before interest and tax</b>	<b>1,249</b>	<b>1,142</b>	<b>2,643</b>	<b>1,940</b>
Result from shares in group companies	-814	207	-772	3,215
Interest income/expenses and similar items	-113	109	-77	171
<b>Profit after net financial items</b>	<b>322</b>	<b>1,458</b>	<b>1,794</b>	<b>5,326</b>
Appropriations	-9	16	-44	23
Income tax expenses	-333	-309	-537	-500
<b>Profit for the period</b>	<b>-20</b>	<b>1,165</b>	<b>1,213</b>	<b>4,849</b>

### BALANCE SHEET

MSEK	DEC 31, 2021	JUN 30, 2021	JUN 30, 2022
Intangible assets	585	170	516
Property, plant and equipment	3,082	3,232	3,066
Financial assets	65,775	51,818	77,109
Inventories	824	729	1,072
Current receivables	6,164	5,179	3,561
Cash and cash equivalents	-	0	-
<b>Total assets</b>	<b>76,430</b>	<b>61,128</b>	<b>85,324</b>
Total equity	34,603	30,846	20,475 <sup>1)</sup>
Untaxed reserves	1,071	982	1,048
Provisions	524	606	852
Non-current interest-bearing liabilities	15,127	9,936	26,064
Non-current non-interest-bearing liabilities	87	97	60
Current interest-bearing liabilities	22,233	15,873	21,432
Current non-interest-bearing liabilities	2,785	2,788	15,393 <sup>1)</sup>
<b>Total equity and liabilities</b>	<b>76,430</b>	<b>61,128</b>	<b>85,324</b>
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	21,688	14,203	23,348
Investments in fixed assets	1,070	351	169

<sup>1)</sup> The parent company recognized a liability of SEK 12.8 billion, equal to its book value of its share in Alleima Holding AB, the corresponding amount reduces the parent company's equity.

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

## MARKET OVERVIEW, THE GROUP

### ORDER INTAKE BY REGION

MSEK	Q2 2022	CHANGE *		SHARE	Q1-Q2 2022	CHANGE *		SHARE
		%	% <sup>1)</sup>	%		%	% <sup>1)</sup>	%
<b>THE GROUP</b>								
Europe	7,352	-8	-8	26	15,571	-1	-1	26
North America	7,643	21	11	27	15,087	22	12	25
South America	1,943	20	20	7	3,551	12	12	6
Africa/Middle East	3,391	32	32	12	6,673	21	21	11
Asia	5,106	-13	-7	18	11,155	-4	-1	19
Australia	3,305	12	12	11	7,176	26	32	12
<b>Total Continuing operations</b>	<b>28,740</b>	<b>4</b>	<b>4</b>	<b>100</b>	<b>59,214</b>	<b>9</b>	<b>8</b>	<b>100</b>
Discontinued operations <sup>2)</sup>	6,293	26	21		12,151	33	14	
<b>Group total<sup>3)</sup></b>	<b>35,033</b>	<b>11</b>	<b>9</b>		<b>71,365</b>	<b>15</b>	<b>12</b>	

### CONTINUING OPERATIONS

#### SANDVIK MINING AND ROCK SOLUTIONS

Europe	1,587	-20	-20	10	3,247	-5	-5	10
North America	3,854	31	11	25	7,329	29	8	23
South America	1,404	18	18	9	2,584	9	9	8
Africa/Middle East	2,923	33	33	19	5,793	21	21	19
Asia	2,339	-22	-10	15	5,587	1	8	18
Australia	3,075	14	14	20	6,701	28	36	21
<b>Total <sup>3)</sup></b>	<b>15,182</b>	<b>9</b>	<b>8</b>	<b>100</b>	<b>31,241</b>	<b>15</b>	<b>13</b>	<b>100</b>

#### SANDVIK ROCK PROCESSING SOLUTIONS

Europe	558	-21	-21	22	1,246	-12	-12	24
North America	609	12	12	24	1,398	20	20	27
South America	252	39	39	10	454	26	26	9
Africa/Middle East	368	21	21	15	675	20	20	13
Asia	579	-4	-4	23	1,104	-16	-16	21
Australia	151	4	4	6	289	0	0	6
<b>Total</b>	<b>2,517</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>5,167</b>	<b>1</b>	<b>1</b>	<b>100</b>

#### SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

Europe	5,207	-3	-3	47	11,079	2	2	49
North America	3,180	11	11	29	6,360	14	14	28
South America	286	13	13	3	513	11	11	2
Africa/Middle East	101	35	35	1	204	27	27	1
Asia	2,188	-4	-4	20	4,464	-5	-5	20
Australia	80	-5	-5	1	186	21	21	1
<b>Total</b>	<b>11,042</b>	<b>1</b>	<b>1</b>	<b>100</b>	<b>22,806</b>	<b>3</b>	<b>3</b>	<b>100</b>

### DISCONTINUED OPERATIONS

#### SANDVIK MATERIALS TECHNOLOGY

Europe	2,769	-3	-3	44	4,992	-3	-3	41
North America	1,383	22	22	22	3,184	71	23	26
South America	901	749	542	14	1,047	362	265	9
Africa/Middle East	121	51	51	2	174	30	30	1
Asia	1,089	18	18	17	2,697	49	19	22
Australia	29	-4	-4	0	56	2	2	0
<b>Total</b>	<b>6,293</b>	<b>26</b>	<b>21</b>	<b>100</b>	<b>12,151</b>	<b>33</b>	<b>14</b>	<b>100</b>

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

**1)** Excluding major orders which is defined as above SEK 200 million. **2)** Including Sandvik Materials Technology from January 1, 2022. **3)** Includes rental fleet order intake in Q2 of SEK 164 million and YTD SEK 306 million, recognized according to IFRS 16.



## REVENUES BY REGION

MSEK	Q2 2022	CHANGE*, %	SHARE %	Q1-Q2 2022	CHANGE*, %	SHARE %
<b>THE GROUP</b>						
Europe	7,209	-1	27	14,661	4	28
North America	6,762	10	25	12,682	14	24
South America	1,617	13	6	3,186	19	6
Africa/Middle East	3,374	30	12	6,013	18	12
Asia	4,819	-6	18	9,399	-6	18
Australia	3,269	12	12	6,030	15	12
<b>Total Continuing operations</b>	<b>27,050</b>	<b>6</b>	<b>100</b>	<b>51,971</b>	<b>7</b>	<b>100</b>
Discontinued operations <sup>1)</sup>	4,608	13		8,693	12	
<b>Group total <sup>2)</sup></b>	<b>31,658</b>	<b>10</b>		<b>60,665</b>	<b>11</b>	

## CONTINUING OPERATIONS

### SANDVIK MINING AND ROCK SOLUTIONS

Europe	1,391	-7	10	2,750	10	11
North America	2,956	8	22	5,564	15	22
South America	1,120	8	8	2,268	17	9
Africa/Middle East	3,030	34	22	5,350	21	21
Asia	2,109	-9	15	4,153	-7	16
Australia	3,051	12	22	5,601	15	22
<b>Total <sup>2)</sup></b>	<b>13,658</b>	<b>9</b>	<b>100</b>	<b>25,687</b>	<b>11</b>	<b>100</b>

### SANDVIK ROCK PROCESSING SOLUTIONS

Europe	510	-15	23	1,093	-8	26
North America	641	15	29	1,084	13	25
South America	225	33	10	417	33	10
Africa/Middle East	254	-8	11	481	-8	11
Asia	486	-9	22	913	-6	21
Australia	130	20	6	273	27	6
<b>Total</b>	<b>2,247</b>	<b>0</b>	<b>100</b>	<b>4,262</b>	<b>2</b>	<b>100</b>

### SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

Europe	5,307	1	48	10,818	4	49
North America	3,165	12	28	6,034	13	27
South America	272	14	2	500	12	2
Africa/Middle East	90	19	1	182	21	1
Asia	2,224	-2	20	4,333	-4	20
Australia	88	8	1	156	5	1
<b>Total</b>	<b>11,145</b>	<b>3</b>	<b>100</b>	<b>22,022</b>	<b>4</b>	<b>100</b>

## DISCONTINUED OPERATIONS

### SANDVIK MATERIALS TECHNOLOGY

Europe	2,264	9	49	4,346	11	50
North America	1,302	46	28	2,355	31	27
South America	116	72	3	233	73	3
Africa/Middle East	41	-54	1	107	-31	1
Asia	861	-9	19	1,604	-5	18
Australia	25	-15	1	46	-11	1
<b>Total</b>	<b>4,608</b>	<b>13</b>	<b>100</b>	<b>8,693</b>	<b>12</b>	<b>100</b>

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

1) Including Sandvik Materials Technology from January 1, 2022. 2) Includes rental fleet revenues in Q2 of SEK 198 million and YTD SEK 389 million, recognized according to IFRS 16.

## THE GROUP

### ORDER INTAKE BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	CHANGE % %*	
Sandvik Mining and Rock Solutions	10,469	10,399	12,122	14,470	47,460	16,060	15,182	46	9
Sandvik Rock Processing Solutions	2,358	2,147	2,082	1,937	8,524	2,650	2,517	17	0
Sandvik Manufacturing and Machining Solutions	9,379	9,270	8,666	10,365	37,680	11,764	11,042	19	1
<b>Continuing operations</b>	<b>22,206</b>	<b>21,816</b>	<b>22,870</b>	<b>26,772</b>	<b>93,665</b>	<b>30,474</b>	<b>28,740</b>	<b>32</b>	<b>4</b>
Discontinued operations	3,641	4,042	3,423	4,130	15,236	5,858	6,293	56	26
<i>Whereof Sandvik Materials Technology</i>	<i>3,641</i>	<i>4,041</i>	<i>3,422</i>	<i>4,130</i>	<i>15,234</i>	<i>5,858</i>	<i>6,293</i>	<i>56</i>	<i>26</i>
<b>Group Total <sup>1)</sup></b>	<b>25,847</b>	<b>25,858</b>	<b>26,293</b>	<b>30,902</b>	<b>108,900</b>	<b>36,332</b>	<b>35,033</b>	<b>35</b>	<b>11</b>

### REVENUES BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	CHANGE % %*	
Sandvik Mining and Rock Solutions	8,019	9,090	11,114	13,186	41,409	12,029	13,658	50	9
Sandvik Rock Processing Solutions	1,727	1,964	1,790	2,129	7,610	2,016	2,247	14	0
Sandvik Manufacturing and Machining Solutions	8,782	9,083	8,820	9,996	36,681	10,877	11,145	23	3
<b>Continuing operations</b>	<b>18,528</b>	<b>20,136</b>	<b>21,725</b>	<b>25,311</b>	<b>85,700</b>	<b>24,921</b>	<b>27,050</b>	<b>34</b>	<b>6</b>
Discontinued operations	3,164	3,325	3,103	3,818	13,410	4,085	4,608	39	13
<i>Whereof Sandvik Materials Technology</i>	<i>3,162</i>	<i>3,324</i>	<i>3,101</i>	<i>3,817</i>	<i>13,405</i>	<i>4,084</i>	<i>4,608</i>	<i>39</i>	<i>13</i>
<b>Group Total <sup>1)</sup></b>	<b>21,693</b>	<b>23,461</b>	<b>24,828</b>	<b>29,128</b>	<b>99,110</b>	<b>29,006</b>	<b>31,658</b>	<b>35</b>	<b>10</b>

### EBITA BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	CHANGE %	
Sandvik Mining and Rock Solutions	1,676	1,859	2,341	2,776	8,652	2,508	1,889		2
Sandvik Rock Processing Solutions	283	334	300	338	1,255	360	281		-16
Sandvik Manufacturing and Machining Solutions	2,082	2,163	1,945	2,247	8,438	2,300	2,136		-1
Group activities	-19	142	-35	-345	-257	-124	-267		-288
<b>Continuing operations</b>	<b>4,021</b>	<b>4,498</b>	<b>4,552</b>	<b>5,016</b>	<b>18,088</b>	<b>5,044</b>	<b>4,039</b>		<b>-10</b>
Discontinued operations	333	354	292	396	1,375	850	1,306		269
<i>Whereof Sandvik Materials Technology</i>	<i>336</i>	<i>357</i>	<i>295</i>	<i>396</i>	<i>1,384</i>	<i>853</i>	<i>1,309</i>		<i>266</i>
<b>Group Total <sup>1)</sup></b>	<b>4,354</b>	<b>4,852</b>	<b>4,844</b>	<b>5,412</b>	<b>19,463</b>	<b>5,894</b>	<b>5,344</b>		<b>10</b>

### EBITA MARGIN BY BUSINESS AREA

%	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022
Sandvik Mining and Rock Solutions	20.9	20.5	21.1	21.1	20.9	20.8	13.8
Sandvik Rock Processing Solutions	16.4	17.0	16.8	15.9	16.5	17.8	12.5
Sandvik Manufacturing and Machining Solutions	23.7	23.8	22.1	22.5	23.0	21.1	19.2
<b>Continuing operations</b>	<b>21.7</b>	<b>22.3</b>	<b>21.0</b>	<b>19.8</b>	<b>21.1</b>	<b>20.2</b>	<b>14.9</b>
Discontinued operations	10.5	10.7	9.4	10.4	10.3	20.8	28.3
<i>Whereof Sandvik Materials Technology</i>	<i>10.6</i>	<i>10.8</i>	<i>9.5</i>	<i>10.4</i>	<i>10.3</i>	<i>20.9</i>	<i>28.4</i>
<b>Group Total <sup>1)</sup></b>	<b>20.1</b>	<b>20.7</b>	<b>19.5</b>	<b>18.6</b>	<b>19.6</b>	<b>20.3</b>	<b>16.9</b>

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

<sup>1)</sup> Internal transactions had negligible effect on business area profits.

N/M = Non-meaningful.

## THE GROUP

### ADJUSTED EBITA BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	CHANGE %
Sandvik Mining and Rock Solutions	1,687	1,876	2,365	2,825	8,753	2,413	2,628	40
Sandvik Rock Processing Solutions	287	337	302	340	1,265	320	359	6
Sandvik Manufacturing and Machining Solutions	2,110	2,161	2,037	2,166	8,473	2,392	2,394	11
Group activities	-124	-181	-84	-287	-676	-82	-239	32
<b>Continuing operations</b>	<b>3,960</b>	<b>4,192</b>	<b>4,620</b>	<b>5,043</b>	<b>17,816</b>	<b>5,043</b>	<b>5,141</b>	<b>51</b>
Discontinued operations	352	393	312	492	1,548	710	1,195	204
<i>Whereof Sandvik Materials Technology</i>	<i>355</i>	<i>396</i>	<i>315</i>	<i>492</i>	<i>1,558</i>	<i>712</i>	<i>1,198</i>	<i>203</i>
<b>Group Total <sup>1)</sup></b>	<b>4,313</b>	<b>4,585</b>	<b>4,932</b>	<b>5,535</b>	<b>19,364</b>	<b>5,752</b>	<b>6,336</b>	<b>38</b>

### ADJUSTED EBITA MARGIN BY BUSINESS AREA

%	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022
Sandvik Mining and Rock Solutions	21.0	20.6	21.3	21.4	21.1	20.1	19.2
Sandvik Rock Processing Solutions	16.6	17.1	16.9	16.0	16.6	15.9	16.0
Sandvik Manufacturing and Machining Solutions	24.0	23.8	23.1	21.7	23.1	22.0	21.5
<b>Continuing operations</b>	<b>21.4</b>	<b>20.8</b>	<b>21.3</b>	<b>19.9</b>	<b>20.8</b>	<b>20.2</b>	<b>19.0</b>
Discontinued operations	11.1	11.8	10.0	12.9	11.5	17.4	25.9
<i>Whereof Sandvik Materials Technology</i>	<i>11.2</i>	<i>11.9</i>	<i>10.2</i>	<i>12.9</i>	<i>11.6</i>	<i>17.4</i>	<i>26.0</i>
<b>Group Total <sup>1)</sup></b>	<b>19.9</b>	<b>19.5</b>	<b>19.9</b>	<b>19.0</b>	<b>19.5</b>	<b>19.8</b>	<b>20.0</b>

<sup>1)</sup> Internal transactions had negligible effect on business area profits. N/M = Non-meaningful.

### ITEMS AFFECTING COMPARABILITY ON EBITA

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

## Items affecting comparability on EBITA

### CONTINUING OPERATIONS

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

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

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

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

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

Q2 2022— IAC of SEK -1.103 billion, mainly comprising of SEK -1 billion in charges related to the wind down of operations in Russia of which SEK -0.7 billion in write-downs and SEK -0.3 billion in provisions mainly relating to personnel costs. This mainly relates to SMR and SMM and with a smaller portion for SRP. Also, M&A costs totaling SEK -63 million, primarily SRP and SMM, FX revaluation of SEK -55 million (Group) on a tax provision related to a property sale where the write-down was taken as an IAC last year, changes in earn-out and retention bonus provisions of SEK -66 million, mainly SMR. These were partially offset by a positive impact from an earn-out release of SEK 56 million (SMM), SMT separation costs of SEK 27 million which have been re-invoiced to SMT, and capital gain of SEK 8 million from a property divestment (SMM) where the write-down was taken as an IAC last year.

### DISCONTINUING OPERATIONS

Q1 2021—SMT reported costs related to the separation of SEK -19 million.

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

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

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

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

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

## ADJUSTED EBIT AND ADJUSTED EBITA PER BUSINESS AREA

Q2, MSEK	Reported EBIT,	Reported EBIT, %	IAC	Adjusted EBIT	Adjusted EBIT, %	Amortizations <sup>1)</sup>	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	1,765	12.9	-739	2,504	18.3	-124	2,628	19.2
Sandvik Rock Processing Solutions	279	12.4	-78	357	15.9	-2	359	16.0
Sandvik Manufacturing and Machining Solutions	1,914	17.2	-259	2,173	19.5	-221	2,394	21.5
Group activities	-267	-	-28	-239	-	-	-239	-5.2
<b>Continuing operations</b>	<b>3,691</b>	<b>13.6</b>	<b>-1,103</b>	<b>4,794</b>	<b>17.7</b>	<b>-347</b>	<b>5,141</b>	<b>19.0</b>
Discontinued operations	1,303	28.3	-992	1,192	18.9	-3	1,195	25.9
Where of Sandvik Materials Technology	1,307	28.4	111	1,196	25.9	-3	1,198	26.0
<b>Group Total</b>	<b>4,994</b>	<b>15.8</b>	<b>-992</b>	<b>5,986</b>	<b>18.9</b>	<b>-350</b>	<b>6,336</b>	<b>20.0</b>

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

## TAXES EXCLUDING ITEMS AFFECTING COMPARABILITY

Q2 2021, MSEK	Reported tax	Reported tax, %	IAC	IAC, %	Tax excluding IAC	Tax excluding IAC, %
Continuing operations	-1,111	26.0	-146	-47.7	-966	24.4
Discontinued operations	-31	8.1	6	-14.7	-37	8.7
<b>Group total</b>	<b>-1,143</b>	<b>24.6</b>	<b>-140</b>	<b>-52.5</b>	<b>-1,002</b>	<b>22.8</b>

Q2 2022, MSEK	Reported tax	Reported tax, %	IAC	IAC, %	Tax excluding IAC	Tax excluding IAC, %
Continuing operations	-1,082	29.2	51	4.6	-1,132	23.5
Discontinued operations	-394	25.3	-32	28.4	-362	25.1
<b>Group total</b>	<b>-1,475</b>	<b>28.0</b>	<b>19</b>	<b>1.9</b>	<b>-1,495</b>	<b>23.9</b>

## ADJUSTED EARNINGS PER SHARE DILUTED

Q2 2021	Reported EPS, diluted	IAC on EBIT and Tax, MSEK	Adjusted EPS, diluted	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Continuing operations <sup>1)</sup>	2.52	160	2.39	-83	2.46
<b>Group total</b>	<b>2.80</b>	<b>127</b>	<b>2.70</b>	<b>-86</b>	<b>2.76</b>

Q2 2022	Reported EPS, diluted	IAC on EBIT and Tax, MSEK	Adjusted EPS, diluted	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Continuing operations	2.10	-1,052	2.95	-293	3.18
<b>Group total</b>	<b>3.03</b>	<b>-992</b>	<b>3.81</b>	<b>-295</b>	<b>4.04</b>

1) Comparative figures has been updated for comparability due to the move of Sandvik Material Technology to discontinued operations as of January 1, 2022.

## NET DEBT, CONTINUING OPERATIONS AND GROUP TOTAL

MSEK	JUN 30, 2021	SEP 30, 2021	DEC 31, 2021	MAR 31, 2022	JUN 30, 2022
Interest-bearing liabilities excluding pension and lease liabilities	12,314	17,811	30,433	31,767	41,847
Less cash and cash equivalents	-17,251	-10,406	-13,585	-13,804	-7,772
<b>Financial net debt (net cash)</b>	<b>-4,937</b>	<b>7,405</b>	<b>16,848</b>	<b>17,963</b>	<b>34,076</b>
Net pensions liabilities	5,484	6,813	6,137	4,447	1,614
Leases liabilities	3,338	3,676	3,917	4,114	4,302
<b>Net debt</b>	<b>3,885</b>	<b>17,895</b>	<b>26,902</b>	<b>26,524</b>	<b>39,991</b>
<i>Group total</i>					
Financial net debt/ net cash	-4,937	7,405	16,848	16,505	32,761
Net debt	3,885	17,895	26,902	26,394	39,379
Financial net debt/EBITDA	-0.23	0.32	0.68	0.63	1.23

## NET WORKING CAPITAL & CAPITAL EMPLOYED CONTINUING OPERATIONS

MSEK	JUN 30, 2021	SEP 30, 2021	DEC 31, 2021	MAR 31, 2022	JUN 30, 2022
Inventories	24,743	27,811	29,912	28,132	32,773
Trade receivables	14,729	15,760	17,341	15,992	17,914
Account payables	-8,579	-10,003	-12,011	-10,378	-11,012
Other receivables	3,964	4,330	5,155	5,104	6,046
Other liabilities	-11,908	-12,628	-13,592	-13,306	-14,560
<b>Net working capital</b>	<b>22,949</b>	<b>25,270</b>	<b>26,805</b>	<b>25,544</b>	<b>31,161</b>
Tangible assets	24,087	25,283	26,267	19,243	19,965
Intangible assets	21,137	34,791	47,851	46,743	56,517
Other assets (incl. cash and cash equivalents)	75,161	73,665	81,310	78,622	81,657
Other liabilities	-30,449	-32,649	-36,250	-32,982	-35,907
<b>Capital employed</b>	<b>89,936</b>	<b>101,089</b>	<b>119,178</b>	<b>111,627</b>	<b>122,232</b>



## KEY FIGURES

CONTINUING OPERATIONS	Q2 2021 <sup>1)</sup>	Q2 2022	Q1-Q2 2021 <sup>1)</sup>	Q1-Q2 2022
Return on capital employed, % <sup>2)</sup>	21.3	13.4	18.5	17.9
Net working capital, % <sup>2)</sup>	24.2	26.2	25.9	24.0
Earnings per share, basic, SEK	2.52	2.10	4.82	4.80
Earnings per share, diluted, SEK	2.52	2.10	4.81	4.80
EBITDA, MSEK	5,558	5,346	10,601	11,531
Cash flow from operations, MSEK	2,792	-1,506	5,210	-426
Number of employees <sup>3)</sup>	33,712	39,036	33,712	39,036

<sup>1)</sup> Comparative key figures for income statement and cash flow statement have been updated as SMT from January 1, 2022 is no longer included in continuing operations. Key figures based on income statement and balance sheet numbers have not been updated in comparative period. <sup>2)</sup> Quarter is quarterly annualized and the annual number is based on a four quarter average. <sup>3)</sup> Full-time equivalent, 2021 excluding SMT.

GROUP TOTAL	Q2 2021	Q2 2022	Q1-Q2 2021	Q1-Q2 2022
Return on capital employed, % <sup>1)</sup>	21.2	15.7	18.5	18.2
Return on total equity, % <sup>1)</sup>	20.1	19.4	18.6	21.2
Shareholders' equity per share, SEK	54.0	58.0	54.0	58.0
Net debt/equity ratio	0.06	0.54	0.06	0.54
Financial net debt / EBITDA	-0.23	1.23	-0.23	1.23
Net working capital, % <sup>1)</sup>	24.2	27.1	25.9	25.1
Earnings per share, basic, SEK	2.80	3.03	5.33	6.38
Earnings per share diluted, SEK	2.80	3.03	5.33	6.37
EBITDA, MSEK	6,106	6,653	11,691	13,687
Cash flow from operations, MSEK	2,940	-1,469	5,723	-447
Number of employees <sup>2)</sup>	38,994	44,768	38,994	44,768
No. of shares outstanding at end of period ('000)	1,254,386	1,254,386	1,254,386	1,254,386
Average no. of shares, ('000)	1,254,386	1,254,386	1,254,386	1,254,386
Average no. of shares, diluted, ('000)	1,255,882	1,255,144	1,255,781	1,255,396

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

## DISCONTINUED OPERATIONS

### INCOME STATEMENT, CONDENSED FOR DISCONTINUED OPERATIONS

MSEK	Q2 2021	Q2 2022	Q1-Q2 2021	Q1-Q2 2022
Revenues	3,325	4,608	6,489	8,693
Cost of goods and services sold	-2,434	-2,658	-4,763	-5,290
<b>Gross profit</b>	<b>891</b>	<b>1,950</b>	<b>1,727</b>	<b>3,403</b>
Expenses and other operating income, net	-539	-737	-1,041	-1,343
<b>Operating profit</b>	<b>352</b>	<b>1,303</b>	<b>685</b>	<b>2,152</b>
Net financial items	31	253	27	438
<b>Profit before tax</b>	<b>383</b>	<b>1,557</b>	<b>713</b>	<b>2,589</b>
Income tax	-31	-394	-63	-611
<b>Profit for the period, Discontinued operations</b>	<b>352</b>	<b>1,163</b>	<b>649</b>	<b>1,978</b>
<i>Whereof Sandvik Materials Technology</i>	<i>355</i>	<i>1,166</i>	<i>655</i>	<i>1,984</i>

### CASH FLOW, CONDENSED

MSEK	Q2 2021	Q2 2022	Q1-Q2 2021	Q1-Q2 2022
Cash flow from operations	147	37	514	21
Cash flow from investing activities	-91	-262	-141	318
Cash flow from financing activities	33	-42	-37	46
<b>Total cash flow discontinued operations</b>	<b>89</b>	<b>-267</b>	<b>336</b>	<b>386</b>

## ASSETS AND LIABILITIES HELD FOR DISTRIBUTION

MSEK	JUN 30, 2022
Intangible assets	1,575
Property, plant and equipment	7,595
Right of use assets	277
Financial assets	1,263
Inventories	7,700
Current receivables	4,208
Cash and cash equivalents	1,328
<b>Total assets<sup>1)</sup></b>	<b>23,944</b>
Non-current interest-bearing liabilities	728
Non-current non-interest-bearing liabilities	1,556
Current interest-bearing liabilities	62
Current non-interest-bearing liabilities	5,461
<b>Total liabilities<sup>1)</sup></b>	<b>7,808</b>

<sup>1)</sup> Net assets to be distributed amounts to SEK 16.1 billions, the amount does not include internal debt of approximately SEK 0.5 billion.

## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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

### ADJUSTED EBITA

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

### ADJUSTED EBITA MARGIN

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

### ADJUSTED EBITA EXCLUDING METAL PRICE EFFECTS

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

### ADJUSTED EPS

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

### ADJUSTED EPS, DILUTED

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

### ADJUSTED EPS, DILUTED EXCLUDING SURPLUS VALUES

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

### ADJUSTED PROFIT BEFORE TAX

Profit before tax adjusted from items affecting comparability.

### CAPITAL EMPLOYED

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

### EBITDA

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

### FINANCIAL NET DEBT /EBITDA

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

### FREE OPERATING CASH FLOW

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

### ITEMS AFFECTING COMPARABILITY (IAC)

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

### NET DEBT

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

### NET WORKING CAPITAL (NWC)

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

### ORDER INTAKE

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

### ORGANIC GROWTH

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

### RETURN ON CAPITAL EMPLOYED (ROCE)

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

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

## DISCLAIMER STATEMENT

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

## CERTIFICATION

The Board of Directors and the CEO certify that the six-month report gives a fair overview of the Parent Company's and the Group's operations, financial position and results, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm July 15, 2022  
**Sandvik Aktiebolag (publ)**

Johan Molin  
**Chairman of the Board**

Jennifer Allerton  
**Board member**

Thomas Andersson  
**Board member**

Claes Boustedt  
**Board member**

Marika Fredriksson  
**Board member**

Thomas Lilja  
**Board member**

Andreas Nordbrandt  
**Board member**

Helena Stjernholm  
**Board member**

Kai Wärn  
**Board member**

Stefan Widing  
**President & CEO**  
**Board member**

The Company's Auditor has not reviewed the report for the first six months.

This information is information that Sandvik AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 11:30 AM CEST on July 15, 2022.

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

A webcast and telephone conference will be held on July 15, 2022 at 13:00 PM CEST.

Information is available at [home.sandvik/ir](http://home.sandvik/ir)

### CALENDAR

October 17, 2022	Report third quarter, 2022
January 20, 2023	Report fourth quarter, 2022
April, 21, 2023	Report first quarter, 2023
July 19, 2023	Report second quarter, 2023
October 19, 2023	Report, third quarter, 2023

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

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