

## INTERIM REPORT FOURTH QUARTER AND FULL YEAR 2022

### REVENUE GROWTH OF 11% AND RECORD PROFIT QUARTER

- Total order intake amounted to SEK 30,751 million (26,772), corresponding to total growth of 15%, and 3% at fixed exchange rates, of which organic -2%<sup>1)</sup>
- Total revenues amounted to SEK 31,094 million (25,311), a total growth of 23%. At fixed exchange rates, growth was 11%, of which organic 5%<sup>1)</sup>
- Adjusted EBITA grew by 27% and amounted to SEK 6,413 million (5,043), corresponding to a margin of 20.6% (19.9)<sup>1)</sup>. Items affecting comparability on EBITA amounted to SEK -0.7 billion mainly related to the restructuring program announced earlier in the year
- Profit for the period amounted to SEK 3,435 million (3,436) and earnings per share, diluted were SEK 2.73 (2.73). Adjusted earnings per share, diluted were SEK 3.22 (2.75)<sup>1)</sup>
- Free operating cash flow amounted to SEK 6,226 million (4,474)<sup>1)</sup>
- The Board of Directors proposes a cash dividend of SEK 5.00 per share (4.75)

# 11%

Revenue growth at fixed  
exchange rates

# 20.6%

Adj. EBITA margin

# 1.32

Financial net debt/EBITDA  
Group total

### FINANCIAL OVERVIEW CONTINUING OPERATIONS

MSEK	Q4 2021 <sup>1)</sup>	Q4 2022	CHANGE %	Q1-Q4 2021 <sup>1)</sup>	Q1-Q4 2022	CHANGE %
Order intake	26,772	30,751	15	93,665	119,196	27
Revenues	25,311	31,094	23	85,700	112,332	31
Adjusted EBITA <sup>2)</sup>	5,043	6,413	27	17,816	22,486	26
Adjusted EBITA margin	19.9	20.6	-	20.8	20.0	-
Adjusted EBIT <sup>3)</sup>	4,798	5,977	25	17,003	21,020	24
Adjusted EBIT margin	19.0	19.2	-	19.8	18.7	-
Adjusted profit before tax <sup>2,3,4)</sup>	4,775	5,587	17	17,090	20,166	18
Profit for the period	3,436	3,435	0	13,087	12,854	-2
Adjusted profit for the period <sup>2,3,4)</sup>	3,464	4,041	17	12,913	15,035	16
Earnings per share, diluted, SEK	2.73	2.73	0	10.40	10.24	-2
Adjusted earnings per share, diluted, SEK <sup>2,3,4)</sup>	2.75	3.22	17	10.26	11.98	17
Free operating cash flow	4,474	6,226	39	14,007	12,103	-14

<sup>1)</sup> Comparative figures have been updated for comparability as Sandvik from January 1 to August 30 2022 report Alleima as discontinued operation, for more information see page 26. <sup>2)</sup> Adjusted for items affecting comparability (IAC) on EBITA of SEK -730 million in Q4 2022 (-27) and SEK -2,341 million YTD 2022 (272). <sup>3)</sup> IAC on EBIT of SEK -818 million in Q4 2022 (-27) and SEK -2,429 million YTD 2022 (272). <sup>4)</sup> Adjusted for IAC regarding tax of SEK 212 million in Q4 2022 (-2) and SEK 247 million YTD 2022 (-98). For full details on IAC, see page 22-23.

Comments and numbers in the report relate to continuing operations, unless otherwise stated. In accordance with IFRS, the income statement and cash flow have been updated for comparative periods whilst the balance sheet is unchanged. Key figures including both income statement and balance sheet numbers have not been updated in the comparative period unless otherwise stated. Tables and calculations in the report do not always agree exactly with the totals due to rounding. Alternative performance measures and definitions used in this report are explained on page 27. For more information see [home.sandvik](http://home.sandvik). N/M = not meaningful

## CEO'S COMMENT

I feel proud of our execution in 2022. It was a year marked with many challenges and significant achievements. In an environment with geopolitical tensions and macroeconomic disturbances, we have delivered strong growth, managed pricing and supply chain disruptions in a good way, introduced many new innovations, and continued the transformation of Sandvik. Revenues grew by 21% at fixed exchange rates, and orders at a similar pace. We achieved an all-time high profit for the year and a margin within our new target range of 20-22%. Our shift to growth strategy aims to leverage on our current strengths while re-shaping the company to be well positioned for continuous profitable growth. This year's performance is further evidence that we are doing the right things.

We closed the year on a strong note. Orders, at fixed exchange rates, grew by 3% in the quarter on tough comparables and revenues grew by 11%. The adjusted EBITA margin was at a healthy 20.6%. The margin has improved throughout the year, with pricing gradually coming through to mitigate cost inflation. In the quarter, we fully compensated for inflation through price.

The demand within Sandvik Mining and Rock Solutions was very strong throughout the year, and that continued in the fourth quarter. Organic growth, excluding Russia, was 2% for orders and 12% for revenues. Two major orders were received in the quarter, totaling SEK 860 million (1,400). The interest in our battery electric vehicle (BEV) solutions has been accelerating, and the pipeline is strong going into 2023. We are also pleased to have been chosen as the sole provider to connect the entire underground fleet of one of the major global mining companies with Sandvik's Remote Monitoring Service. This deepens our relationships further and is another validation of that Sandvik's solutions and services are the customers first choice in their automation journey. In November, we announced the acquisition of Polymathian, an Australia-based provider of advanced mine optimization software and services. This software, combined with Deswik's mine planning software, will broaden our offering to enhance productivity in our mining customers' value chain.

Sandvik Rock Processing Solutions experienced continued good demand in the quarter, particularly from mining customers. Organic order intake, excluding Russia, decreased by -3% and revenues grew by 8%, driven by the aftermarket. One highlight in the quarter was of course the closing of the SP Mining acquisition. With SP Mining's screening solutions, we are enhancing our solutions offering, adding further growth potential as well as strengthening the aftermarket business.

The order intake within Sandvik Manufacturing and Machining Solutions was on a stable level. While the daily order intake development continued to be stable or positive in most regions, weaker development was noted in Asia where China was impacted by the volatile covid situation. Organic order intake, excluding Russia, grew by 2%, and revenues by 5% driven primarily by automotive and energy. The daily order intake in the beginning of January was stable compared to the fourth quarter.

At the start of 2022, with the worst covid situation behind us, we were expecting a relatively uneventful year. That turned out not to be the case, and we once again had to prove the quality of Sandvik. Despite geopolitical unrest, inflationary pressure, bottlenecks, lock-downs, and other supply chain issues, we have delivered double-digit growth at a 20% profitability level. Our shift to growth strategy execution has been solid. We have gained market share in important areas, and we have introduced ground-breaking innovations. This would not have been possible without our employees who live by our values – a passion to win, innovation, fair play and always with the customer in focus. I therefore want to conclude by extending my warm thanks to all Sandvik employees for their hard work in 2022 in bringing Sandvik forward.

Stefan Widing  
President and CEO



## ORDER INTAKE AND REVENUES

### GROWTH

Q4, %	ORDER INTAKE	REVENUES
Organic	-2	5
Structure	5	5
<b>Organic &amp; structure</b>	<b>3</b>	<b>11</b>
Currency	12	12
<b>Total</b>	<b>15</b>	<b>23</b>

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

Continued solid development in order intake and revenues. Total order intake growth of 15%, at fixed exchange rates 3%, of which organic -2%. Total revenues grew by 23% and at fixed exchange rates, by 11%, of which organic 5%. The year on year growth was impacted by Sandvik's exit from Russia. Excluding Russia, organic order intake and revenue growth was 2% and 9%, respectively.

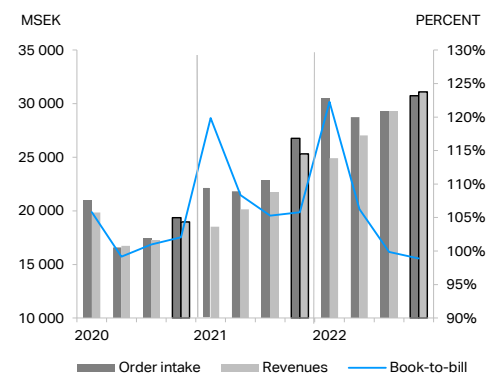
Positive momentum in mining continued in the fourth quarter. A slight softening in equipment orders, on already strong levels, was well off-set by demand in the after-market business. Strong interest in Sandvik's battery electric vehicle (BEV) and automation solutions have been noted all year. Sandvik Mining and Rock Solutions (SMR) noted strongest growth in Asia, followed by North America. Demand within infrastructure has somewhat weakened, especially in Europe where the impact from higher interest rates and energy prices have had an impact on the investments. A weaker demand from infrastructure customers in China has also been noted, partly as a consequence of the covid situation. Sandvik Rock Processing Solutions (SRP) reported the highest order growth in Africa, Middle East followed by Europe. SMR and SRP managed to reach record revenues and strong growth on a year on year comparison, despite logistics issues, component shortages, and covid lock-downs in China.

Demand within Sandvik Manufacturing and Machining Solutions showed a varied picture with positive development in North America and Europe, while China continued to weaken. Highest demand was noted in the automotive segment with double-digit growth in daily order intake in both North America and Europe. The development within general engineering was stable, lower volumes was off-set by pricing coming through. Energy showed a strong year on year development in all regions except North America and aerospace was down in all regions but Europe, on tough comparables.

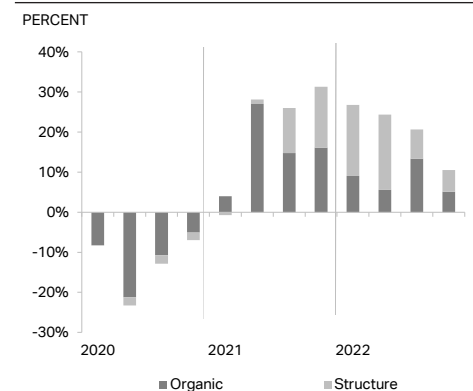
Good broad-based demand for the Group contributed to all major regions recording positive growth for the full year compared to the year-earlier period. For the fourth quarter, Asia noted the strongest growth, followed by North America and Europe.

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

### ORDER INTAKE AND REVENUES\*



### REVENUE GROWTH\*



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

### Q4

#### UNDERLYING MARKET DEVELOPMENT Continuing operations

			MINING 48% of 2022 revenues	GENERAL ENGINEERING 22%	AUTOMOTIVE 7%	ENERGY 2%	INFRA- STRUCTURE 11%	AERO 3%
	% of 2022 Group revenue	Order intake Y/Y (excl. large orders)*	→	→	→	→	→	→
Europe	27%	+3% (2%)	→	→	→	→	→	→
North America	25%	+5% (-2%)	→	→	→	→	→	→
Asia	19%	+10% (+12%)	→	→	→	→	→	→
Africa/Middle East	12%	-2% (+24%)	→	→	→	→		
Australia	12%	-1% (-1%)	→					
South America	7%	-22% (0%)	→					

\* Excluding Russia

## EARNINGS

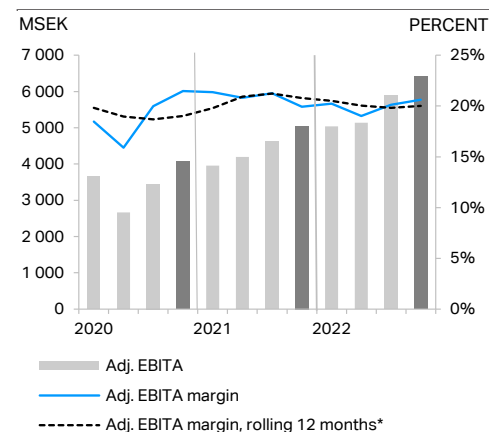
Adjusted gross profit amounted to SEK 12,704 million (10,428), corresponding to a margin of 40.9% (41.2). Sales and administration costs increased by 23% to SEK 6,910 million (5,627) while the ratio to revenues was stable at 22.2% (22.2). Adjusted EBITA reached a record-high level of SEK 6,413 million (5,043), with a margin of 20.6% (19.9). Higher volumes, and currency tailwinds contributed positively to the margin. Cost inflation was mitigated by price in absolute terms and was net neutral to the margin. The impact from transaction and translation exchange rates was positive SEK 1,096 million year on year, corresponding to a positive margin impact of 160 basis points. Structure had no impact on the margin. Items affecting comparability amounted to net of SEK -730 million, majority related to the restructuring program announced earlier in the year. The total charge from the structural measures is expected to be approximately SEK 1.7 billion with savings of approximately SEK 600 million with full run-rate expected in 2025.

The interest net increased to SEK -416 million (-88) due to increased borrowing volumes compared to the year earlier period. Net financial items amounted to SEK -390 million (-23), explained mainly by the higher interest net.

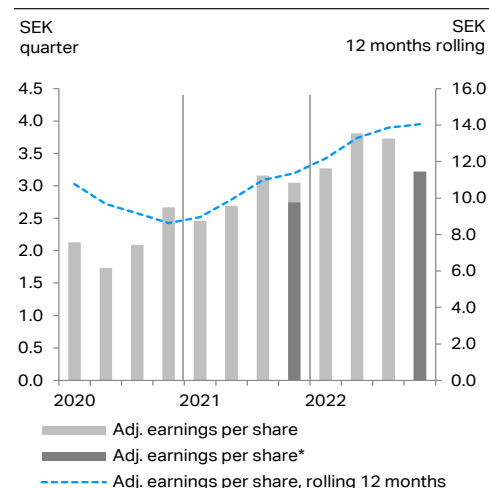
The tax rate, excluding items affecting comparability, for continuing operations was 27.7% (27.4). The reported tax rate for continuing operations was 28.0% (27.7). The higher tax rate in both current and comparative period relates to adjustments of non-recurring transactions for the specific quarter. The normalized tax rate was 25.4% (24.0), slightly higher due to periodization within the year.

Profit for the period amounted to SEK 3,435 million (3,436), corresponding to earnings per share, diluted, of SEK 2.73 (2.73) and adjusted earnings per share, diluted, of SEK 3.22 (2.75). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 3.50 (2.91).

ADJUSTED EBITA (%)\*



ADJUSTED EARNINGS PER SHARE, DILUTED



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

## BALANCE SHEET AND CASH FLOW

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

Capital employed increased year on year to SEK 137.2 billion (106.2), mainly due to acquisitions, inventory build-up, and exchange rate impact. Capital employed decreased sequentially from 139.0 billion. Return on capital employed decreased year on year to 16.0% (20.4) and was stable sequentially (16.0).

Net working capital increased year on year to SEK 33.3 billion (22.2) mainly due to higher inventories and exchange rate impact. Sequentially (34.1), net working capital was underlying stable, with the decrease explained by currency. Net working capital in relation to revenues of 27.1% (21.4) increased year on year and decreased sequentially (27.9).

Investments in tangible and intangible assets increased to SEK 1.5 billion (1.1), compared with the preceding year and the third quarter (1.0). The investments corresponded to 174% of scheduled depreciations.

The financial net debt of SEK 36.5 billion (16.8) increased year on year and slightly sequentially (35.6). Short-term financing decreased sequentially by SEK 3.1 billion explained by reduction in commercial papers. Cash and cash equivalents decreased sequentially mainly due to the payment of acquisitions in the quarter. The financial net debt/EBITDA ratio was 1.32 (0.68), and in line with the third quarter (1.30).

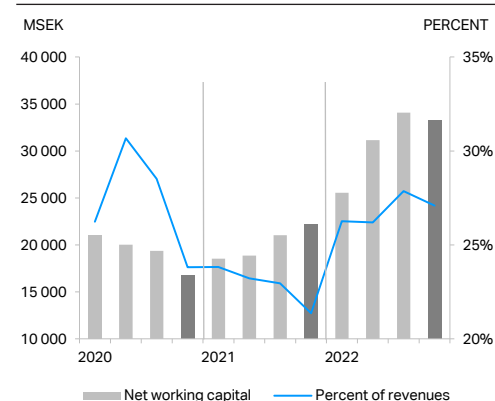
The net pension liability decreased year on year to SEK 2.4 billion (6.1) due to higher discount rates and increased slightly sequentially (1.7). Total net debt increased to SEK 44.0 billion (26.9) and sequentially (41.9).

Free operating cash flow increased year on year to SEK 6.2 billion (4.5), due to higher earnings and improved net working capital, and improved sequentially (3.6).

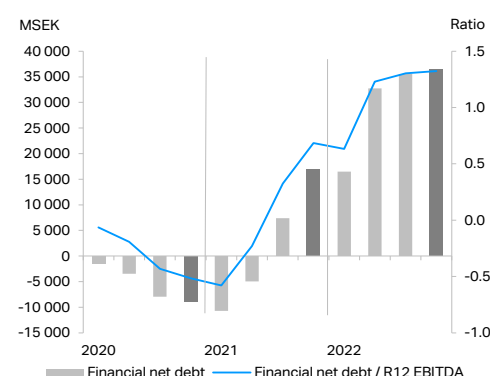
FREE OPERATING CASH FLOW, MSEK*	Q4 2021	Q4 2022
EBITDA, adj. <sup>1)</sup>	5,867	6,603
Non cash items <sup>2)</sup>	-189	893
Net working capital change	-333	376
Capex <sup>3)</sup>	-871	-1,647
<b>FREE OPERATING CASH FLOW<sup>4)</sup></b>	<b>4,474</b>	<b>6,226</b>

**1)** Adjusted for cash items related to certain acquisitions costs **2)** Mainly related to unrealized effects in EBITDA arising from revaluation of accounts receivables and accounts payables. **3)** Including investments and disposals of rental equipment of SEK -182 million (-79) and tangible and intangible assets of SEK -1,465 million (-791). **4)** Free operating cash flow before acquisitions and disposals of companies, financial items and paid taxes.

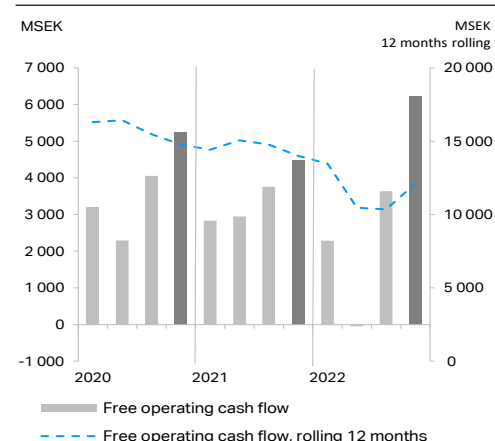
### NET WORKING CAPITAL\*



### NET DEBT/EBITDA



### FREE OPERATING CASH FLOW\*



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

## SANDVIK MINING AND ROCK SOLUTIONS

**STABLE DEMAND AT HIGH LEVEL**

**ACCELERATED INTEREST IN SANDVIK'S BATTERY ELECTRIC SOLUTIONS**

**ACQUISITION OF POLYMATHIAN**



**GROWTH**

Q4, %	ORDER INTAKE	REVENUES
Organic	-2	7
Structure	2	2
<b>Organic &amp; structure</b>	<b>-1</b>	<b>10</b>
Currency	13	12
<b>TOTAL</b>	<b>12</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:

- Strong finish to the year, with solid order levels and all-time high revenues
- Total order intake growth was 12%, and -1% at fixed exchange rates, of which -2% was organic. Excluding Russia, organic order intake growth was 2%
- Two major orders booked in the quarter totaling SEK 860 million (1,400). Excluding major orders, organic order intake grew by 2% year on year
- Organic order intake for equipment declined by -10% (-5% excl. major orders) and aftermarket order intake increased organically by 3%. Excluding Russia, equipment decreased by -7% and aftermarket increased by 7%
- Solid broad-based order intake development with strongest growth in Asia (excl. Russia) of 41%, followed by North America with 4% growth. Africa, Middle East declined by -3%, and excluding major orders, grew by 24%
- The aftermarket business accounted for 65% (63) of revenues while the equipment business accounted for 35% (37)

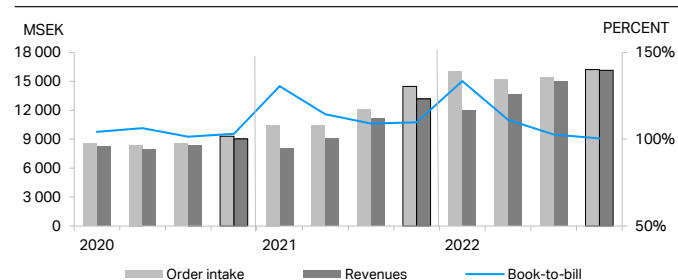
### Adjusted EBITA:

- The adjusted EBITA margin was 22.0% (21.4)
- Cost inflation was offset by pricing on absolute levels, but still slightly dilutive to the margin, although with good progress sequentially
- The share of air freight decreased sequentially
- Exchange rates had a positive impact of SEK 608 million year on year

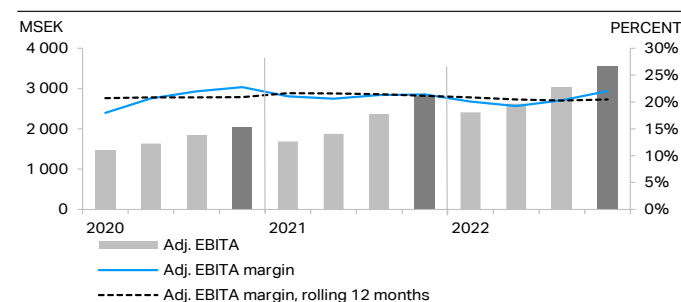
### Shift to growth

The acquisition of Polymathian, a provider of advanced mine optimization software and services was announced. Polymathian's solutions for automated decision-making and process optimization complements the offering of Deswik, the leading mine planning software company which Sandvik acquired in April, 2022. Interest in Sandvik's battery electric vehicles (BEVs) has been accelerating. Bigger sized BEV orders are becoming more prevalent, and repeated orders from customers with trial periods behind them are a testament of the equipment's strong performance in combination with the safety and sustainability gains.

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



### ADJUSTED EBITA



FINANCIAL OVERVIEW, MSEK	Q4 2021	Q4 2022	CHANGE %	Q1-Q4 2021	Q1-Q4 2022	CHANGE %
Order intake	14,470	16,234	12	47,460	62,895	33
Revenues	13,186	16,156	23	41,409	56,843	37
Adjusted EBITA <sup>1)</sup>	2,825	3,557	26	8,753	11,643	33
Adjusted EBITA margin	21.4	22.0	-	21.1	20.5	-
Return on capital employed <sup>2)</sup>	31.5	27.2	-	31.2	22.6	-
Number of employees <sup>3)</sup>	15,574	16,206	4	15,574	16,206	4

<sup>1)</sup> EBITA adjusted for items affecting comparability of SEK -4 million in Q4 2022 (-49) and for full year 2022 the impact was SEK -1,264 million (-101). For more information see page 22-23. <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 ROCK PROCESSING SOLUTIONS

POSITIVE MOMENTUM IN AFTER-MARKET

RECORD REVENUE QUARTER

ACQUISITION OF SP MINING



### GROWTH

Q4, %	ORDER INTAKE	REVENUES
Organic	-6	5
Structure	25	22
<b>Organic &amp; structure</b>	<b>18</b>	<b>28</b>
Currency	12	12
<b>TOTAL</b>	<b>30</b>	<b>40</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:

- Order intake growth driven by aftermarket and acquisitions with record quarter for revenues
- Total order growth was 30%, and at fixed exchange rates 18%, of which organic growth was -6%. Excluding Russia organic growth was -3%
- Excluding a major order of SEK 57 million (65), organic growth was -5%
- Organic order intake for equipment decreased by -13% and aftermarket growth was flat. Excluding Russia, organic order intake for equipment declined by -12%, and aftermarket order intake increased by 5% year on year
- Positive order growth in Africa, Middle East of 22% and in Europe 4% (excluding Russia) despite softening infrastructure demand in Europe. Asia (excl. Russia) declined by -9%, and excluding the major order, was up 11%
- The aftermarket business accounted for 53% (48) of revenues while the equipment business accounted for 47% (52)

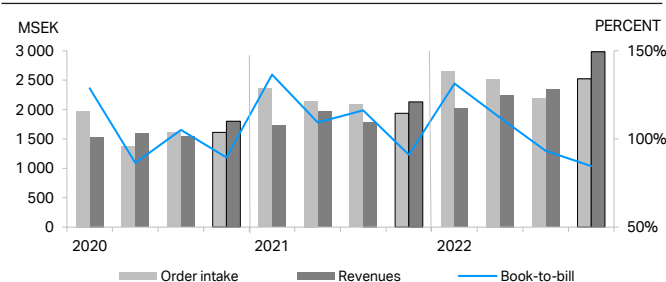
### Adjusted EBITA:

- The adjusted EBITA amounted to SEK 476 million (340), corresponding to a margin of 16.0% (16.0)
- The margin was negatively impacted by cost inflation and lower volumes
- Acquisitions had 40 basis points dilutive effect on the margin
- Exchange rates had a positive impact of SEK 123 million year on year

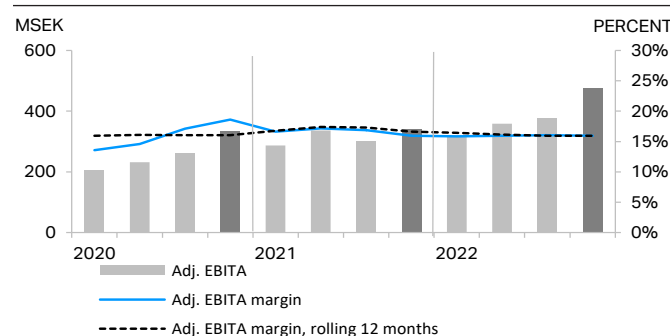
### Shift to growth

On November 1, the previously announced acquisition of SP Mining was completed. During the quarter SP Mining delivered three of the largest multi-slope, double deck screens ever built. The screens were designed on customer request to solve specific bottlenecks in their mining site. These unique screens will increase production with a capacity of 8,000 tonnes per hour.

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



### ADJUSTED EBITA



FINANCIAL OVERVIEW, MSEK	Q4 2021	Q4 2022	CHANGE %	Q1-Q4 2021	Q1-Q4 2022	CHANGE %
Order intake	1,937	2,523	30	8,524	9,874	16
Revenues	2,129	2,985	40	7,610	9,587	26
Adjusted EBITA <sup>1)</sup>	340	476	40	1,265	1,530	21
Adjusted EBITA margin	16.0	16.0	-	16.6	16.0	-
Return on capital employed <sup>2)</sup>	29.9	7.8	-	28.7	16.7	-
Number of employees <sup>3)</sup>	2,091	2,919	40	2,091	2,919	40

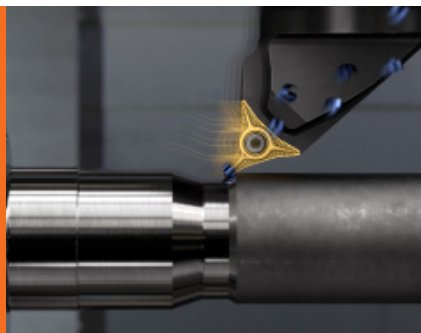
<sup>1)</sup> EBITA adjusted for items affecting comparability of SEK -141 million in Q4 2022 (-2) and for full year 2022 SEK -201 million (-10). For more information see page 22-23. <sup>2)</sup> Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. <sup>3)</sup> Full-time equivalent.

## SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

### STABLE ORDER INTAKE LEVELS

### STRONG DEMAND IN AUTOMOTIVE IN NORTH AMERICA AND EUROPE

### LEVERAGE NORMALIZED FOR CUTTING TOOL DIVISIONS



### GROWTH

Q4, %	ORDER INTAKE	REVENUES
Organic	-1	2
Structure	6	7
<b>Organic &amp; structure</b>	<b>5</b>	<b>9</b>
Currency	11	11
<b>TOTAL</b>	<b>16</b>	<b>20</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:

- Stable order intake, with solid order levels in North America and Europe while Asia continued to be weak
- Strong demand in automotive in North America as well as Europe - where also energy demand was strong
- Total order intake grew by 16%, and at fixed exchange rates, by 5% of which organic was -1%
- Excluding Russia, organic order intake growth was 2%
- Positive order intake development in all regions except Asia. North America grew by 10%, Europe by 4% (excluding Russia), and Asia was down by -11% year on year
- The number of working days had -1.4% impact on orders and revenues
- Daily order intake in the first two weeks of January was stable compared to the fourth quarter

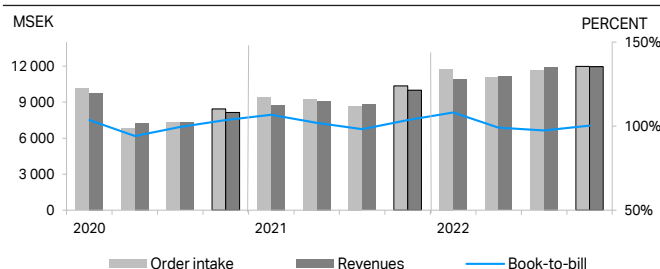
#### Adjusted EBITA:

- Adjusted EBITA margin was 22.2% (21.7), with leverage at normalized levels for cutting tool divisions due to solid pricing execution and cost control
- Acquisitions had 40 basis points dilutive effect on the margin
- Changed exchange rates had a positive impact of SEK 343 million year on year

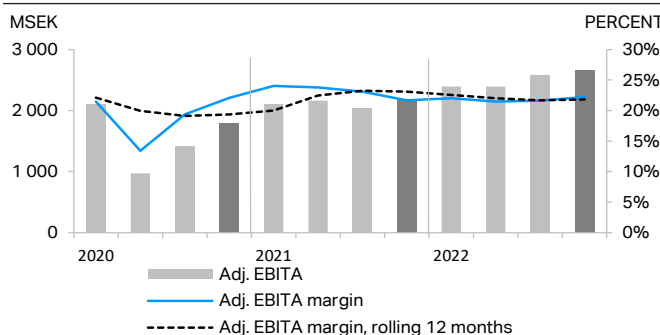
#### Shift to growth

After the quarter Cambrio launched new 2023 CAD/CAM software versions for all brands which contributes to ~50% cycle time reduction, and significant tool life increase. The SigmaNEST V23 continues to close the loop in manufacturing connectivity for optimization of part processing and workflows. GibbsCAM 2023 features significant turning enhancements including effective implementation of Sandvik Coromant's PrimeTurning™. Cimatron V16 delivers process optimization, usability and new technology to allow toolmakers to manufacture higher quality tools faster, easier and more efficiently.

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



#### ADJUSTED EBITA



FINANCIAL OVERVIEW, MSEK	Q4 2021	Q4 2022	CHANGE %	Q1-Q4 2021	Q1-Q4 2022	CHANGE %
Order intake	10,365	11,993	16	37,680	46,428	23
Revenues	9,996	11,954	20	36,681	45,901	25
Adjusted EBITA <sup>1)</sup>	2,166	2,657	23	8,473	10,023	18
Adjusted EBITA margin	21.7	22.2	-	23.1	21.8	-
Return on capital employed <sup>2)</sup>	18.3	11.3	-	21.6	13.8	-
Number of employees <sup>3)</sup>	20,435	20,802	2	20,435	20,802	2

1) EBITA adjusted for items affecting comparability of SEK -583 million in Q4 2022 (82) and SEK -935 million for full year 2022 (-36). For more information see page 22-23. 2) Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. 3) Full-time equivalent.



## SHIFTING TO A MORE SUSTAINABLE BUSINESS

**STABLE DEVELOPMENT IN INJURY RATES**

**DECREASE OF GHG EMISSIONS**

**SCIENCE BASED TARGET INITIATIVE APPLICATION SUBMITTED**



During the fourth quarter injury rates was on a stable level, with the slight uptick year on year explained by recent acquisitions. As the acquired companies gradually transition to Sandvik EHS with more advanced safety systems and better risk assessment tools, higher level of safety maturity will follow. Each business area has targeted programs to improve the safety performance and the Sandvik Group EHS Council ensures best practices are shared within the group.

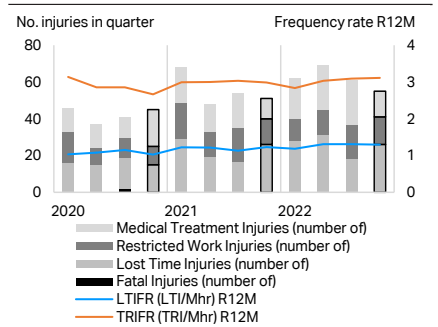
### Fourth quarter 2022

- TRIFR was 3.1 (3.0) compared to the same period last year
- LTIFR was 1.3 (1.2) compared to the same period last year
- Greenhouse gas emissions (GHG) were 34 ktonne (38) in the quarter, a decrease with -10% year on year. Increased use of renewable energy and the use of biogas and hydrotreated vegetable oil (HVO) as substitutes for fossil fuels contributed to the positive development
- The share of circular waste remained stable and amounted to 71% (72)
- Share of female managers was on par with the same period last year, and at the end of the quarter the ratio was 19.6% (19.6)

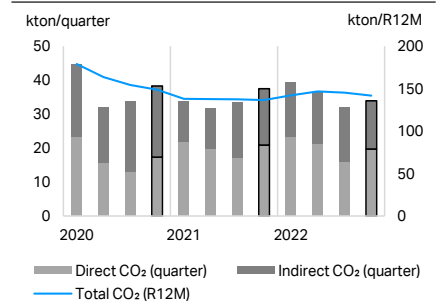
### Case of the quarter

Sandvik submitted its application to the Science Based Targets initiative with the commitment to reach net zero emissions by 2050 at the latest. The application details the greenhouse gas scope 1, 2 and 3 inventory made for 2019 and the targets proposed are aligned with the net zero criteria from Science Based Targets initiative. The ambition is to reach net zero emission for scope 1 and 2 by 2040 at the latest and by 2050 across the value chain, including scope 3 emissions. The application also includes the main actions Sandvik will take to achieve net zero emissions, for example the increased use of fossil free energy. The reduction will be measured against 2019 as a baseline year, which is more ambitious than the previous target that was measured against average 2016-2018.

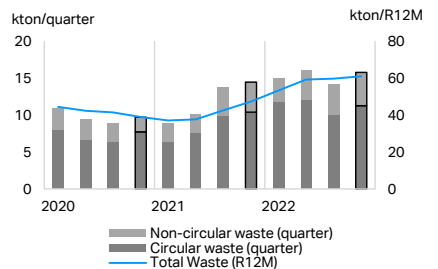
### ZERO HARM



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

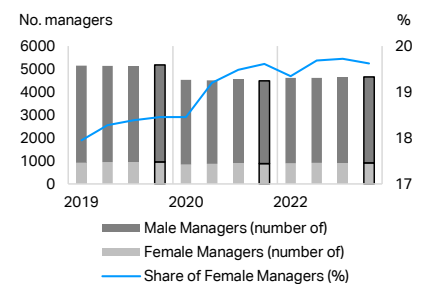


### WASTE\*



\*Excluding tailings, digestion sludge and slag to disposal

### DIVERSITY



SUSTAINABILITY OVERVIEW		Q4 2021 <sup>1)</sup>	Q4 2022	CHANGE %	Q1-Q4 2021 <sup>1)</sup>	Q1-Q4 2022	CHANGE %
Circularity	Total waste, thousand tonnes*	14	16	9.1	47	61	29
Circularity	Waste circularity, % of total	72	71	-1	73	74	2
Climate	Total CO <sub>2</sub> , thousand tonnes*	38	34	-10	137	142	4
People	Total recordable injury frequency rate, R12M frequency / million working hours	3.0	3.1	4.6	3.0	3.1	4.6
People	Lost time injury frequency rate, R12M frequency / million working hours	1.2	1.3	7.6	1.2	1.3	7.6
People	Share of female managers, %	19.6	19.6	0	19.2	19.6	2

<sup>1)</sup> Comparative figures excluding Alleima \* Excluding tailings, digestion sludge and slag to disposal  
For definitions see home.sandvik

## PARENT COMPANY

For full year 2022 the parent company's invoiced sales amounted to SEK 13,139 million (12,244) and the operating result was SEK 4,906 million (4,328). Result from shares in Group companies of SEK 11,166 million (2,205) for the year consists mainly of dividends and contributions. Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets,

amounted to SEK 16,147 million (21,688). Investments in property, plant and machinery amounted to SEK 320 million (1,070).

## FULL YEAR 2022

### CONTINUING OPERATIONS

The underlying demand for Sandvik's products and solutions has been solid throughout 2022. Continued high investments by mining customers has resulted in record order levels and consequently strong order backlogs. Softening demand within infrastructure in particular in Europe was noted post the Russian invasion of Ukraine, as a consequence of increasing interest rates and energy prices. Demand within Sandvik Manufacturing and Machining solutions has been positive in most regions and segments except for China due to covid lock-downs and restrictions. The geo-political and macro-economic situation has led to turbulences with logistics and component shortages, as well as rising cost inflation. The supply chain situation eased somewhat in the second half of the year. Sandvik has during the year taken various measures to manage these challenges such as dual sourcing and increased share of air freight to improve delivery times to customers as well as price management, tighter cost control and restructuring measures.

Total growth in order intake for continuing operations was 27% and, at fixed exchange rates, 17%, of which organic growth was 6%. Total revenues increased by 31%, and at fixed exchange rates, by 21%, of which organic was 8%.

At the end of February, Sandvik paused the business in Russia, followed by the decision in the second quarter to wind down completely, and consequently, the year on year financial performance has been impacted. Excluding Russia organic order intake and revenues grew by 9% and 12%, respectively. Adjusted EBITA increased by 26% year on year to SEK 22,486 million (17,816) and the adjusted EBITA margin was 20.0%

(20.8). The reported EBITA increased by 11% to SEK 20,145 million (18,088) resulting in a margin of 17.9% (21.1). Net financial items amounted to SEK -854 million (-457) and profit after net financial items was SEK 17,738 million (16,818). The tax rate, excluding items affecting comparability, for continuing operations was 25.4% (22.0). The reported tax rate for continuing operations was 27.5% (22.2). Normalized tax was 24.1% (23.6), in line with yearly guidance.

Profit for the period amounted to SEK 12,854 million (13,087).

Earnings per share, diluted amounted to SEK 10.24 (10.40).

For the Group total, financial net debt increased year-on-year to SEK 36.5 billion (16.8) resulting in a financial net debt to EBITDA ratio of 1.32 (0.68).

During the year eight acquisitions were announced. The mining business of Schenck Process Group (SP Mining), Peterson Tool Company Inc., Preziss, Akkurate, Frezite, Balax, Sphinx Tools and Polymathian Industrial Mathematics.

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

## ACQUISITIONS AND DIVESTMENTS

### ACQUISITIONS DURING THE LAST 12 MONTHS

BUSINESS AREA	COMPANY/UNIT	ACQUISITION DATE	REVENUES	NO. OF EMPLOYEES
<b>2022</b>				
Sandvik Mining and Rock Solutions	Deswik	April 1, 2022	79 MAUD 12M Q420-Q321	300
Sandvik Mining and Rock Solutions	Akkurate	June 17, 2022	0.3 MEUR in 2021	12
Sandvik Manufacturing and Machining Solutions	Preziss	July 1, 2022	10 MEUR in 2021	75
Sandvik Manufacturing and Machining Solutions	Peterson Tool Company <sup>1)</sup>	July 14, 2022	9 MUSD in 2021	73
Sandvik Manufacturing and Machining Solutions	Balax <sup>1)</sup>	August 1, 2022	10 MUSD in 2021	66
Sandvik Manufacturing and Machining Solutions	Sphinx	August 8, 2022	292 MSEK in 2021	115
Sandvik Manufacturing and Machining Solutions	Frezite	September 1, 2022	450 MSEK in 2021	450
Sandvik Rock Processing Solutions	SP Mining	October 31, 2022	1,967 MSEK in 2022	630

1) Asset deal.

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

MSEK	Purchase price on cash and debt free basis	Preliminary goodwill and other surplus values
Acquisitions 2022	15,477	15,248

### FAIR VALUE RECOGNIZED IN THE GROUP 2022<sup>1)</sup>

MSEK	Deswik	SP Mining
Intangible assets	42	-
Property, plant and equipment	14	129
Other non-current assets	84	160
Inventories	4	273
Receivables	126	884
Other current assets	-	270
Cash and cash equivalents	191	184
Interest bearing loans and borrowings	-59	-191
Other liabilities and provisions	-445	-1,196
Deferred tax assets/liabilities, net	-216	-645
<b>Net identifiable assets and liabilities</b>	<b>- 260</b>	<b>- 133</b>
Goodwill and surplus values	6,447	6,965
<b>Purchase consideration</b>	<b>-6,187</b>	<b>-6,832</b>
Cash and cash equivalents in the acquired business	191	184
<b>Net cash outflow</b>	<b>-5,996</b>	<b>-6,648</b>

1) The purchase price allocations are preliminary.

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 4,702 million and other surplus values of SEK 1,745 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.

October 31st, Sandvik acquired the mining related business of Schenck Process Group (SP Mining). SP Mining is one of the market leaders in screening, feeding, screening media and train loading solutions in the industry. The company will be reported in Stationary Crushing and Screening, a division in Sandvik Rock Processing Solutions (SRP). SP Mining is a global provider of high-capacity screening solutions, highly complementary to Sandvik's offering, and with a strong aftermarket business which includes application support, screen refurbishment, product engineering design and manufacturing and digital support services. They have approximately 630 employees and have its main R&D and production sites located in Australia, with additional production units in South Africa, Brazil and China.

During 2022, SP Mining contributed with revenues amounting to SEK 373 million and with an EBITA margin accretive to Sandvik Rock Processing Solutions' margin. Strong synergies are expected to drive revenue growth of mid- to high-single digits above market growth. EV/EBITDA multiple including expected five year run-rate synergies is approximately 10x. Goodwill of SEK 4,475 million and other surplus values of SEK 2,490 million was recorded on the purchase. Impact on Sandvik's earnings per share will initially be neutral.

## CONTRIBUTIONS FROM COMPANIES ACQUIRED IN 2022

MSEK	Deswik	SP Mining
<b>Contributions as of acquisition date</b>		
Revenues	620	373
Profit for the year	77	18
<b>Contributions if the acquisition date would have been January 1, 2022</b>		
Revenues	772	1,967
Profit for the year	60	548

## DIVESTMENTS DURING LAST 12 MONTHS

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

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

## SIGNIFICANT EVENTS

### DURING THE FOURTH QUARTER

– On November 1, Sandvik announced the completion of the acquisition of SP Mining, the mining part of Schenck Process Group.

– On November 14, Sandvik Mining and Rock Solutions announced the acquisition of Polymathian Industrial Mathematics.

### AFTER THE FOURTH QUARTER

There were no significant events after the fourth quarter.

## GUIDANCE AND FINANCIAL TARGETS

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

<b>CAPEX (CASH)</b>	Estimated at approx. SEK 4.5 billion for 2023.
<b>CURRENCY EFFECTS</b>	Based on currency rates at the end of December 2022, it is estimated that transaction and translation currency effects will have an impact of about SEK +600 million on EBITA for the first quarter of 2023, compared with the year-earlier period
<b>INTEREST NET</b>	Estimated at SEK approximately -1.7 billion in 2023.
<b>TAX RATE</b>	Estimated at 23% - 25% for 2023, normalized.

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

#### GROWTH

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

#### ADJUSTED EBITA RANGE

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

#### DIVIDEND PAYOUT RATIO

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

#### FINANCIAL NET DEBT/EBITDA

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

#### SUSTAINABILITY

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

## ACCOUNTING POLICIES

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

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

### Distribution to owners

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

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

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

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

### Cloud computing

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

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

### Accounting policies for the Parent Company

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

## TRANSACTIONS WITH RELATED PARTIES

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

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

Sandvik paused its business activities in Russia on February 28 due to Russia's war in Ukraine. An extensive process to analyze the situation and eventually wind-down the business in Russia was started. At the end of December 2022, a total of SEK 1.5 billion in non-recurring charges had been recorded related to the wind-down, of which SEK 1 billion was a write-down and SEK 0.5 billion in provision. The wind-down process is on-going and no more charges are expected. Total remaining assets related to Russia, excluding cash, amounts to approximately SEK 22 million on December 31, 2022. In 2021, about 3.6 percent of Sandvik Group revenues was from Russian customers.

## RISK ASSESSMENT

As an international group with a wide geographic spread, Sandvik is exposed to several strategic, business and financial risks. Strategic risk at Sandvik is defined as emerging risks affecting the business long-term, such as industry shifts, technological shifts and macroeconomic developments. The business risks can be divided into operational, sustainability, compliance, legal and commercial risks. The financial risks include currency risks, interest rates, raw material prices, tax risks and more. These risk areas can all impact the business negatively both long and short-term but often also create business opportunities if managed well. Risk management at Sandvik begins with an assessment in operational management teams where the material risks for their operations are first identified, followed by an evaluation of the probability of the risks occurring and their potential impact on the Group. Once the key risks have been identified and evaluated risk mitigating activities to eliminate or reduce the risks are agreed on. For a more detailed description of Sandvik's analysis of risks and risk universe, see the Annual Report for 2021.

## FINANCIAL REPORTS SUMMARY

### THE GROUP

#### INCOME STATEMENT

MSEK	Q4 2021 <sup>1)</sup>	Q4 2022	CHANGE %	Q1-Q4 2021 <sup>1)</sup>	Q1-Q4 2022	CHANGE %
<i>Continuing operations</i>						
Revenues	25,311	31,094	23	85,700	112,332	31
Cost of goods and services sold	-14,889	-18,578	25	-48,995	-66,962	37
<b>Gross profit</b>	<b>10,422</b>	<b>12,516</b>	<b>20</b>	<b>36,705</b>	<b>45,370</b>	<b>24</b>
% of revenues	41.2	40.3		42.8	40.4	
Selling expenses	-2,997	-4,039	35	-10,690	-14,635	37
Administrative expenses	-1,622	-2,194	35	-5,022	-7,918	58
Research and development costs	-1,008	-1,141	13	-3,468	-4,185	21
Other operating income and expenses	-24	17	N/M	-250	-40	-91
<b>Operating profit</b>	<b>4,771</b>	<b>5,159</b>	<b>8</b>	<b>17,275</b>	<b>18,592</b>	<b>8</b>
% of revenues	18.8	16.6		20.2	16.6	
Financial income	262	353	35	585	936	60
Financial expenses	-285	-743	N/M	-1,043	-1,790	72
<b>Net financial items</b>	<b>-23</b>	<b>-390</b>	<b>N/M</b>	<b>-457</b>	<b>-854</b>	<b>87</b>
<b>Profit before tax</b>	<b>4,748</b>	<b>4,769</b>	<b>0</b>	<b>16,818</b>	<b>17,738</b>	<b>5</b>
% of revenues	18.8	15.3		19.6	15.8	
Income tax	-1,313	-1,335	2	-3,731	-4,884	31
<b>Profit for the period, continuing operations</b>	<b>3,436</b>	<b>3,435</b>	<b>0</b>	<b>13,087</b>	<b>12,854</b>	<b>-2</b>
% of revenues	13.6	11.0		15.3	11.4	
<b>Profit for the period, discontinued operations</b>	<b>435</b>	<b>16</b>	<b>-96</b>	<b>1,397</b>	<b>-1,628</b>	<b>N/M</b>
<b>Profit for the period, Group total</b>	<b>3,870</b>	<b>3,451</b>	<b>-11</b>	<b>14,484</b>	<b>11,225</b>	<b>-22</b>
<i>Profit (loss) for the period attributable to</i>						
Owners of the parent company	3,857	3,436	-11	14,461	11,212	-22
Non-controlling interest	20	2	-88	23	13	-43
<i>Earnings per share, SEK</i>						
Continuing operations, basic	2.73	2.74	0	10.41	10.25	-2
Continuing operations, diluted	2.73	2.73	0	10.40	10.24	-2
Group total, basic	3.08	2.75	-11	11.53	8.95	-22
Group total, diluted	3.07	2.75	-11	11.52	8.94	-22
<b>OTHER COMPREHENSIVE INCOME</b>						
<i>Items that will not be reclassified to profit (loss)</i>						
Actuarial gains (losses) on defined benefit pension plans	823	-760		2,492	3,405	
Tax relating to items that will not be reclassified	-181	1		-501	-786	
<b>Total items that will not be reclassified to profit (loss)</b>	<b>642</b>	<b>-759</b>		<b>1,991</b>	<b>2,620</b>	
<i>Items that may be reclassified subsequently to profit (loss)</i>						
Foreign currency translation differences	49	-923		3,846	7,616	
Cash flow hedges	12	-286		48	-98	
Tax relating to items that may be reclassified	-3	59		-11	34	
<b>Total items that may be reclassified subsequently to profit (loss)</b>	<b>59</b>	<b>-1,150</b>		<b>3,882</b>	<b>7,552</b>	
<b>Total other comprehensive income</b>	<b>700</b>	<b>-1,909</b>		<b>5,873</b>	<b>10,172</b>	
<b>Total comprehensive income</b>	<b>4,570</b>	<b>1,542</b>		<b>20,357</b>	<b>21,398</b>	
<i>Total comprehensive income attributable to</i>						
Owners of the parent company	4,550	1,540		20,334	21,385	
Non-controlling interest	20	2		23	13	

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

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

N/M = not meaningful.

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

## THE GROUP

### BALANCE SHEET, CONTINUING AND DISCONTINUED OPERATIONS

MSEK	DEC 31, 2021	DEC 31, 2022
Intangible assets	47,809	66,134
Property, plant and equipment	26,076	21,683
Right-of-use assets	3,840	4,941
Financial assets	7,418	8,931
Inventories	29,910	35,019
Current receivables	26,556	29,363
Cash and cash equivalents	13,585	10,489
Assets held for sale	323	121
<b>Total Assets</b>	<b>155,517</b>	<b>176,682</b>
Total equity	77,332	81,270
Non-current interest-bearing liabilities	30,551	45,822
Non-current non-interest-bearing liabilities	5,349	6,365
Current interest-bearing liabilities	10,704	9,693
Current non-interest-bearing liabilities	31,474	33,436
Liabilities held for sale	107	97
<b>Total equity and liabilities</b>	<b>155,517</b>	<b>176,682</b>

### 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	-	-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>
Adjustment on correction of error	-172	-	-172
<b>Equity at January 1, 2022</b>	<b>77,028</b>	<b>132</b>	<b>77,160</b>
Total comprehensive income (loss) for the period	21,385	13	21,398
Change in fair value of put option to acquire non-controlling interest	-12	-	-12
Changes in non-controlling interest	-44	-103	-147
Share based program	-135	-	-135
Dividend	-5,955	0	-5,955
Resolved distribution of Alleima <sup>1)</sup>	-11,039	-	-11,039
<b>Equity at December 31, 2022</b>	<b>81,227</b>	<b>43</b>	<b>81,270</b>

1) For more information see page 26.

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



## THE GROUP

### CASH FLOW STATEMENT CONTINUING AND DISCONTINUED OPERATIONS

MSEK	Q4 2021 <sup>1)</sup>	Q4 2022	Q1-Q4 2021 <sup>1)</sup>	Q1-Q4 2022
<i>Continuing operations</i>				
<i>Cash flow from operating activities</i>				
Profit before tax	4,748	4,769	16,817	17,738
Adjustment for depreciation, amortization and impairment losses	1,425	1,892	5,253	6,643
Other adjustments for non-cash items	-1,270	3,105	-1,797	315
Payment to pension fund	-90	-143	-438	-408
Income tax paid	-954	-1,108	-3,965	-5,042
<b>Cash flow from operating activities before changes in working capital</b>	<b>3,859</b>	<b>8,515</b>	<b>15,870</b>	<b>19,245</b>
<i>Changes in working capital</i>				
Change in inventories	-698	-187	-4,311	-6,876
Change in operating receivables	-1,730	534	-3,181	-2,067
Change in operating liabilities	1,495	29	4,200	1,389
<b>Cash flow from changes in working capital</b>	<b>-932</b>	<b>376</b>	<b>-3,293</b>	<b>-7,554</b>
Investments in rental equipment	-219	-208	-941	-923
Proceeds from sale of rental equipment	140	26	364	324
<b>Cash flow from operating activities, net</b>	<b>2,847</b>	<b>8,710</b>	<b>12,001</b>	<b>11,092</b>
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, and financial assets	-10,563	-7,342	-23,518	-15,542
Proceeds from sale of companies and shares, net of cash disposed	29	22	417	-34
Acquisitions of tangible assets	-888	-1,170	-2,465	-3,288
Proceeds from sale of tangible assets	307	57	524	728
Acquisitions of intangible assets	-219	-358	-620	-946
Proceeds from sale of intangible assets	9	6	9	6
Proceeds from sale of financial assets	141	0	141	0
Other investments, net	-128	-323	-174	-806
<b>Cash flow from investing activities</b>	<b>-11,312</b>	<b>-9,109</b>	<b>-25,686</b>	<b>-19,882</b>
<i>Cash flow from financing activities</i>				
Repayment of borrowings	-4,629	-4,462	-9,490	-17,640
Proceeds from borrowings	15,897	1,082	21,312	31,929
Amortization, lease liabilities	-265	-305	-888	-1,157
Change in hedge option programs, net	-	0	-	-270
Dividends paid	0	0	-8,140	-5,955
<b>Cash flow from financing activities, net</b>	<b>11,003</b>	<b>-3,686</b>	<b>2,794</b>	<b>6,906</b>
<b>Cash flow from continuing operations</b>	<b>2,537</b>	<b>-4,084</b>	<b>-10,891</b>	<b>-1,884</b>
Cash flow from discontinued operations <sup>2)</sup>	521	0	363	-1,733
Cash and cash equivalents at beginning of the period	10,406	14,933	23,752	13,585
Exchange-rate differences in cash and cash equivalents	121	-360	360	521
<b>Cash and cash equivalents at the end of the period</b>	<b>13,585</b>	<b>10,489</b>	<b>13,585</b>	<b>10,489</b>
<i>Group Total</i>				
Cash flow from operations	3,748	8,708	13,177	10,465
Cash flow from investing activities	-11,583	-9,107	-26,191	-20,304
Cash flow from financing activities	10,893	-3,685	2,486	6,222
<b>Group total cash flow</b>	<b>3,058</b>	<b>-4,084</b>	<b>-10,527</b>	<b>-3,617</b>

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

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

## THE PARENT COMPANY

### INCOME STATEMENT

MSEK	Q4 2021	Q4 2022	Q1-Q4 2021	Q1-Q4 2022
Revenues	3,077	3,552	12,244	13,139
Cost of goods and services sold	-616	-162	-2,593	-2,094
<b>Gross profit</b>	<b>2,461</b>	<b>3,390</b>	<b>9,651</b>	<b>11,045</b>
Selling expenses	-258	-312	-904	-1,098
Administrative expenses	-625	-608	-1,701	-2,338
Research and development costs	-442	-418	-1,496	-1,591
Other operating income and expenses	-653	-566	-1,222	-1,112
<b>Earnings before interest and tax</b>	<b>483</b>	<b>1,486</b>	<b>4,328</b>	<b>4,906</b>
Result from shares in group companies	880	1,973	2,205	11,166
Interest income/expenses and similar items	-61	-102	-242	241
<b>Profit after net financial items</b>	<b>1,302</b>	<b>3,357</b>	<b>6,291</b>	<b>16,313</b>
Appropriations	-30	-25	-134	1
Income tax expenses	-186	-535	-1,223	-1,792
<b>Profit for the period</b>	<b>1,086</b>	<b>2,797</b>	<b>4,934</b>	<b>14,522</b>

### BALANCE SHEET

MSEK	DEC 31, 2021	DEC 31, 2022
Intangible assets	585	447
Property, plant and equipment	3,082	3,022
Financial assets	65,775	71,044
Inventories	824	1,105
Current receivables	6,164	7,250
Cash and cash equivalents	-	0
<b>Total assets</b>	<b>76,430</b>	<b>82,868</b>
Total equity	34,603	30,213 <sup>1)</sup>
Untaxed reserves	1,071	1,070
Provisions	524	865
Non-current interest-bearing liabilities	15,127	30,232
Non-current non-interest-bearing liabilities	87	881
Current interest-bearing liabilities	22,233	16,490
Current non-interest-bearing liabilities	2,785	3,117
<b>Total equity and liabilities</b>	<b>76,430</b>	<b>82,868</b>
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	21,688	16,147
Investments in fixed assets	1,070	320

<sup>1)</sup> The parent company's equity has decreased with SEK 12.8 billion due to the distribution of Alleima August 31, 2022, which corresponds to the book value of its share in Alleima Holding AB.

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

## MARKET OVERVIEW, THE GROUP

### ORDER INTAKE BY REGION

MSEK	Q4 2022	CHANGE *		SHARE	Q1-Q4 2022	CHANGE *		SHARE
		%	% <sup>1)</sup>	%		%	% <sup>1)</sup>	%
<b>THE GROUP</b>								
Europe	7,707	-6	-6	25	30,002	-2	-2	25
North America	8,168	5	-2	27	31,104	18	10	26
South America	1,847	-22	0	6	7,624	7	15	6
Africa/Middle East	4,244	-2	24	14	14,050	4	17	12
Asia	5,386	2	3	18	22,336	0	2	19
Australia	3,399	-1	-1	11	14,081	15	17	12
<b>Total Continuing operations</b>	<b>30,751</b>	<b>-2</b>	<b>1</b>	<b>100</b>	<b>119,196</b>	<b>6</b>	<b>6</b>	<b>100</b>
Discontinued operations <sup>2)</sup>	1	N/M	N/M		14,822	N/M	N/M	
<b>Group total <sup>3)</sup></b>	<b>30,752</b>	<b>N/M</b>	<b>N/M</b>		<b>134,019</b>	<b>N/M</b>	<b>N/M</b>	
<b>CONTINUING OPERATIONS</b>								
<b>SANDVIK MINING AND ROCK SOLUTIONS</b>								
Europe	1,386	-17	-17	9	5,837	-10	-10	9
North America	4,023	4	-10	25	15,263	24	8	24
South America	1,281	-28	-2	8	5,509	5	17	9
Africa/Middle East	3,844	-3	24	24	12,464	3	17	20
Asia	2,748	18	18	17	10,988	6	9	17
Australia	2,952	-1	-1	18	12,834	15	16	20
<b>Total <sup>3)</sup></b>	<b>16,234</b>	<b>-2</b>	<b>2</b>	<b>100</b>	<b>62,895</b>	<b>9</b>	<b>10</b>	<b>100</b>
<b>SANDVIK ROCK PROCESSING SOLUTIONS</b>								
Europe	586	-7	-16	23	2,223	-16	-18	23
North America	481	-15	-15	19	2,405	8	9	24
South America	260	2	2	10	987	15	15	10
Africa/Middle East	290	22	22	11	1,165	11	11	12
Asia	537	-10	10	21	2,212	-14	-2	22
Australia	368	3	3	15	881	13	30	9
<b>Total</b>	<b>2,523</b>	<b>-6</b>	<b>-5</b>	<b>100</b>	<b>9,874</b>	<b>-3</b>	<b>0</b>	<b>100</b>
<b>SANDVIK MANUFACTURING AND MACHINING SOLUTIONS</b>								
Europe	5,735	-2	N/M	48	21,942	2	N/M	47
North America	3,663	10	N/M	31	13,436	13	N/M	29
South America	305	4	N/M	3	1,128	9	N/M	2
Africa/Middle East	110	12	N/M	1	421	23	N/M	1
Asia	2,101	-11	N/M	18	9,135	-4	N/M	20
Australia	79	4	N/M	1	366	17	N/M	1
<b>Total</b>	<b>11,993</b>	<b>-1</b>	<b>N/M</b>	<b>100</b>	<b>46,428</b>	<b>4</b>	<b>N/M</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 for Sandvik Mining and Rock Solutions and SEK 50 million for Sandvik Rock Processing Solutions. **2)** Including Alleima from January 1 to August 30, 2022. **3)** Includes rental fleet order intake in Q4 of SEK 165 million and YTD SEK 728 million, recognized according to IFRS 16.

N/M = Non-meaningful.

## REVENUES BY REGION

MSEK	Q4 2022	CHANGE*, %	SHARE %	Q1-Q4 2022	CHANGE*, %	SHARE %
<b>THE GROUP</b>						
Europe	7,988	-2	26	29,899	3	27
North America	7,640	9	25	27,825	14	25
South America	2,209	25	7	7,417	22	7
Africa/Middle East	3,740	11	12	13,027	16	12
Asia	5,711	0	18	20,944	0	19
Australia	3,807	9	12	13,220	13	12
<b>Total Continuing operations</b>	<b>31,094</b>	<b>5</b>	<b>100</b>	<b>112,332</b>	<b>8</b>	<b>100</b>
Discontinued operations <sup>1)</sup>	0	N/M		11,121	N/M	
<b>Group total <sup>2)</sup></b>	<b>31,095</b>	<b>N/M</b>		<b>123,453</b>	<b>N/M</b>	

## CONTINUING OPERATIONS

### SANDVIK MINING AND ROCK SOLUTIONS

Europe	1,638	-5	10	5,867	4	10
North America	3,534	8	22	12,473	15	22
South America	1,573	25	10	5,316	24	9
Africa/Middle East	3,316	13	21	11,553	17	20
Asia	2,761	0	17	9,556	0	17
Australia	3,334	9	21	12,078	12	21
<b>Total <sup>2)</sup></b>	<b>16,156</b>	<b>7</b>	<b>100</b>	<b>56,843</b>	<b>11</b>	<b>100</b>

### SANDVIK ROCK PROCESSING SOLUTIONS

Europe	544	-24	18	2,130	-12	22
North America	661	22	22	2,353	19	25
South America	366	53	12	1,032	29	11
Africa/Middle East	310	-8	10	1,063	-3	11
Asia	726	22	24	2,224	6	23
Australia	378	1	13	785	17	8
<b>Total</b>	<b>2,985</b>	<b>5</b>	<b>100</b>	<b>9,587</b>	<b>5</b>	<b>100</b>

### SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

Europe	5,806	2	49	21,901	4	48
North America	3,445	7	29	13,000	12	28
South America	270	0	2	1,069	10	2
Africa/Middle East	114	14	1	411	25	1
Asia	2,224	-5	19	9,163	-1	20
Australia	94	23	1	357	15	1
<b>Total</b>	<b>11,954</b>	<b>2</b>	<b>100</b>	<b>45,901</b>	<b>5</b>	<b>100</b>

## DISCONTINUED OPERATIONS<sup>1)</sup>

### SANDVIK MATERIALS TECHNOLOGY

Europe	-	-	-	5,417	N/M	49
North America	-	-	-	3,021	N/M	27
South America	-	-	-	307	N/M	3
Africa/Middle East	-	-	-	141	N/M	1
Asia	-	-	-	2,166	N/M	19
Australia	-	-	-	68	N/M	1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,121</b>	<b>N/M</b>	<b>100</b>

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

**1)** Including Alleima from January 1 to August 30, 2022. **2)** Includes rental fleet revenues in Q4 of SEK 242 million and YTD SEK 861 million, recognized according to IFRS 16.

N/M = Non-meaningful.

## THE GROUP

### ORDER INTAKE BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	CHANGE %	% *	Q1-Q4 2022
Sandvik Mining and Rock Solutions	10,469	10,399	12,122	14,470	47,460	16,060	15,182	15,419	16,234	12	-2	62,895
Sandvik Rock Processing Solutions	2,358	2,147	2,082	1,937	8,524	2,650	2,517	2,184	2,523	30	-6	9,874
Sandvik Manufacturing and Machining Solutions	9,379	9,270	8,666	10,365	37,680	11,764	11,042	11,629	11,993	16	-1	46,428
<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>29,231</b>	<b>30,751</b>	<b>15</b>	<b>-2</b>	<b>119,196</b>
Discontinued operations <sup>1)</sup>	3,641	4,042	3,423	4,130	15,236	5,858	6,293	2,670	1	N/M	N/M	14,822
<b>Group Total <sup>2)</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>31,902</b>	<b>30,752</b>	<b>0</b>	<b>N/M</b>	<b>134,019</b>

### REVENUES BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	CHANGE %	% *	Q1-Q4 2022
Sandvik Mining and Rock Solutions	8,019	9,090	11,114	13,186	41,409	12,029	13,658	15,001	16,156	23	7	56,843
Sandvik Rock Processing Solutions	1,727	1,964	1,790	2,129	7,610	2,016	2,247	2,340	2,985	40	5	9,587
Sandvik Manufacturing and Machining Solutions	8,782	9,083	8,820	9,996	36,681	10,877	11,145	11,926	11,954	20	2	45,901
<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>29,267</b>	<b>31,094</b>	<b>23</b>	<b>5</b>	<b>112,332</b>
Discontinued operations <sup>1)</sup>	3,164	3,325	3,103	3,818	13,410	4,085	4,608	2,428	0	N/M	N/M	11,122
<b>Group Total <sup>2)</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>31,694</b>	<b>31,095</b>	<b>7</b>	<b>N/M</b>	<b>123,453</b>

### EBITA BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	CHANGE %	Q1-Q4 2022
Sandvik Mining and Rock Solutions	1,676	1,859	2,341	2,776	8,652	2,508	1,889	2,430	3,553	28	10,379
Sandvik Rock Processing Solutions	283	334	300	338	1,255	360	281	354	335	-1	1,330
Sandvik Manufacturing and Machining Solutions	2,082	2,163	1,945	2,247	8,438	2,300	2,136	2,578	2,074	-8	9,088
Group activities	-19	142	-35	-345	-257	-124	-267	18	-278	-19	-651
<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>5,380</b>	<b>5,683</b>	<b>13</b>	<b>20,145</b>
Discontinued operations <sup>1)</sup>	333	354	292	396	1,375	850	1,306	154	16	N/M	2,326
<b>Group Total <sup>2)</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>5,534</b>	<b>5,699</b>	<b>5</b>	<b>22,471</b>

### EBITA MARGIN BY BUSINESS AREA

%	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022
Sandvik Mining and Rock Solutions	20.9	20.5	21.1	21.1	20.9	20.8	13.8	16.2	22.0	18.3
Sandvik Rock Processing Solutions	16.4	17.0	16.8	15.9	16.5	17.8	12.5	15.1	11.2	13.9
Sandvik Manufacturing and Machining Solutions	23.7	23.8	22.1	22.5	23.0	21.1	19.2	21.6	17.3	19.8
<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>	<b>18.4</b>	<b>18.3</b>	<b>17.9</b>
Discontinued operations <sup>1)</sup>	10.5	10.7	9.4	10.4	10.3	20.8	28.3	6.3	N/M	20.9
<b>Group Total <sup>2)</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>	<b>17.5</b>	<b>18.3</b>	<b>18.2</b>

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

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

N/M = Non-meaningful.

## THE GROUP

### ADJUSTED EBITA BY BUSINESS AREA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	CHANGE %	Q1-Q4 2022
Sandvik Mining and Rock Solutions	1 687	1 876	2 365	2 825	8 753	2 413	2 628	3 046	3,557	26	11,643
Sandvik Rock Processing Solutions	287	337	302	340	1 265	320	359	376	476	40	1,530
Sandvik Manufacturing and Machining Solutions	2 110	2 161	2 037	2 166	8 473	2 392	2 394	2 580	2,657	23	10,023
Group activities	-124	-181	-84	-287	-676	-82	-239	-113	-277	-3	-711
<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>5 889</b>	<b>6,413</b>	<b>27</b>	<b>22,486</b>
Discontinued operations <sup>1)</sup>	352	393	312	492	1 548	710	1 195	64	16	N/M	1,984
<b>Group Total <sup>2)</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>5 953</b>	<b>6,429</b>	<b>16</b>	<b>24,470</b>

### ADJUSTED EBITA MARGIN BY BUSINESS AREA

%	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022
Sandvik Mining and Rock Solutions	21,0	20,6	21,3	21,4	21,1	20,1	19,2	20,3	22,0	20,5
Sandvik Rock Processing Solutions	16,6	17,1	16,9	16,0	16,6	15,9	16,0	16,1	16,0	16,0
Sandvik Manufacturing and Machining Solutions	24,0	23,8	23,1	21,7	23,1	22,0	21,5	21,6	22,2	21,8
<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>	<b>20,1</b>	<b>20,6</b>	<b>20,0</b>
Discontinued operations <sup>1)</sup>	11,1	11,8	10,0	12,9	11,5	17,4	25,9	2,6	N/M	17,8
<b>Group Total <sup>2)</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>	<b>18,8</b>	<b>20,7</b>	<b>19,8</b>

### ITEMS AFFECTING COMPARABILITY ON EBITA

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022
Sandvik Mining and Rock Solutions	-11	-17	-24	-49	-101	95	-739	-616	-4	-1,264
Sandvik Rock Processing Solutions	-4	-3	-1	-2	-10	40	-78	-22	-141	-201
Sandvik Manufacturing and Machining Solutions	-29	3	-91	82	-36	-92	-259	-2	-583	-935
Group activities	105	323	49	-58	419	-42	-28	131	-1	60
<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>	<b>-509</b>	<b>-730</b>	<b>-2,341</b>
Discontinued operations <sup>1)</sup>	-19	-39	-20	-96	-173	140	111	90	0	341
<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>	<b>-419</b>	<b>-730</b>	<b>-1,999</b>

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

## Items affecting comparability on EBITA

### CONTINUING OPERATIONS

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

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

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

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

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

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

Q3 2022— IAC of SEK -509 million, mainly comprising of approximately SEK -560 million in charges related to the wind-down of operations in Russia of which approximately SEK -320 million in write-downs and approximately SEK -240 million in provisions. This mainly relates to SMR and SMM and with a smaller portion for SRP. Also, M&A costs totaling SEK -68 million, primarily SMM and SRP, and Alleima separation costs of SEK -7 million. These were partially offset by a positive impact from a released provision of SEK +138 million (Group) related to a property sale where the provision was taken as an IAC last year.

Q4 2022— IAC of SEK -730 million, mainly comprising of structural measures to support resilience ambitions announced in May at a net cost of SEK -670 million, mainly SMM, M&A costs totaling SEK -174 million primarily SRP and SMM with a smaller portion for SMR, offset by a reversal of provisions related to the wind-down of the operations in Russia of SEK +55 million, mainly SMM and SMR, and releases related to structural initiatives announced in 2020 and 2019 for SMM and SRP of SEK +56 million.

### DISCONTINUING OPERATIONS

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

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

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

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

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

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

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

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

## ADJUSTED EBIT AND ADJUSTED EBITA PER BUSINESS AREA

Q4, MSEK	Reported EBIT,	Reported EBIT, %	IAC <sup>1)</sup>	Adjusted EBIT	Adjusted EBIT, %	Amortizations <sup>2)</sup>	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	3,423	21.2	-4	3,427	21.2	-129	3,557	22.0
Sandvik Rock Processing Solutions	196	6.6	-229	426	14.3	-50	476	16.0
Sandvik Manufacturing and Machining Solutions	1,818	15.2	-583	2,401	20.1	-256	2,657	22.2
Group activities	-278	-	-1	-277	-	0	-277	-
<b>Continuing operations</b>	<b>5,159</b>	<b>16.6</b>	<b>-818</b>	<b>5,977</b>	<b>19.2</b>	<b>-435</b>	<b>6,413</b>	<b>20.6</b>

1) IAC including SEK -88 million impact on EBIT related to the structural measures to support resilience ambitions announced in May 2) Adjusted for amortization and other accounting effects arising from business combinations.

## TAXES EXCLUDING ITEMS AFFECTING COMPARABILITY

Q4 2021, MSEK	Reported tax	Reported tax, %	IAC	IAC, %	Tax excluding IAC	Tax excluding IAC, %
Continuing operations	-1,313	27.7	-2	7.9	-1,311	27.4
Discontinued operations	-89	17.0	19	-19.3	-107	17.3
<b>Group total</b>	<b>-1,402</b>	<b>26.6</b>	<b>16</b>	<b>-13.3</b>	<b>-1,418</b>	<b>26.3</b>
<b>Q4 2022</b>						
Continuing operations	-1,335	28.0	212 <sup>1)</sup>	25.9	-1,547	27.7
<b>Group total</b>	<b>-1,335</b>	<b>27.9</b>	<b>212</b>	<b>25.9</b>	<b>-1,547</b>	<b>27.6</b>

1) IAC is mainly related to the structural measures to support resilience ambitions announced in May.

## ADJUSTED EARNINGS PER SHARE DILUTED

Q4 2021	Reported EPS, diluted	IAC on net profit, MSEK	Adjusted EPS, diluted	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Continuing operations <sup>1)</sup>	2.73	-29	2.75	-200	2.91
<b>Group total</b>	<b>3.07</b>	<b>-107</b>	<b>3.16</b>	<b>-203</b>	<b>3.32</b>
<b>Q4 2022</b>					
Continuing operations	2.73	-606	3.22	-356	3.50
<b>Group total</b>	<b>2.75</b>	<b>-606</b>	<b>3.23</b>	<b>-356</b>	<b>3.51</b>

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

## NET DEBT, CONTINUING OPERATIONS AND GROUP TOTAL

MSEK	DEC 31, 2021	MAR 31, 2022	JUN 30, 2022	SEP 30, 2022	DEC 31, 2022
Interest-bearing liabilities excluding pension and lease liabilities	30,433	31,767	41,847	50,493	46,954
Less cash and cash equivalents	-13,585	-13,804	-7,772	-14,933	-10,489
<b>Financial net debt (net cash)</b>	<b>16,848</b>	<b>17,963</b>	<b>34,076</b>	<b>35,559</b>	<b>36,466</b>
Net pensions liabilities	6,137	4,447	1,614	1,666	2,384
Leases liabilities	3,917	4,114	4,302	4,635	5,102
<b>Net debt</b>	<b>26,902</b>	<b>26,524</b>	<b>39,991</b>	<b>41,861</b>	<b>43,952</b>
<i>Group total</i>					
Financial net debt (net cash)	16,848	16,505	32,761	35,559	36,466
Net debt	26,902	26,394	39,379	41,861	43,952
Financial net debt/ EBITDA	0.68	0.63	1.23	1.30	1.32



## NET WORKING CAPITAL & CAPITAL EMPLOYED CONTINUING OPERATIONS

MSEK	DEC 31, 2021	MAR 31, 2022	JUN 30, 2022	SEP 30, 2022	DEC 31, 2022
Inventories	29,912	28,132	32,773	35,239	35,022
Trade receivables	17,341	15,992	17,914	18,620	18,685
Account payables	-12,011	-10,378	-11,012	-11,230	-11,746
Other receivables	5,155	5,104	6,046	6,427	6,417
Other liabilities	-13,592	-13,306	-14,560	-14,967	-15,077
<b>Net working capital</b>	<b>26,805</b>	<b>25,544</b>	<b>31,161</b>	<b>34,088</b>	<b>33,302</b>
Tangible assets	26,267	19,243	19,965	21,257	21,683
Intangible assets	47,851	46,743	56,517	61,002	66,134
Other assets (incl. cash and cash equivalents)	81,310	78,622	81,657	93,881	88,746
Other liabilities	-36,250	-32,982	-35,907	-37,161	-39,373
<b>Capital employed</b>	<b>119,178</b>	<b>111,627</b>	<b>122,232</b>	<b>138,979</b>	<b>137,190</b>

## KEY FIGURES

CONTINUING OPERATIONS	Q4 2021 <sup>1)</sup>	Q4 2022	Q1-Q4 2021 <sup>1)</sup>	Q1-Q4 2022
Return on capital employed, % <sup>2)</sup>	19.5	16.0	19.5	15.8
Net working capital, % <sup>2)</sup>	22.3	27.1	23.8	26.1
Earnings per share, basic, SEK	2.73	2.74	10.41	10.25
Earnings per share, diluted, SEK	2.73	2.73	10.40	10.24
EBITDA, MSEK	6,196	7,051	22,528	25,235
Cash flow from operations, MSEK	2,847	8,710	12,001	11,092
Number of employees <sup>3)</sup>	38,669	40,489	38,669	40,489

<sup>1)</sup> Comparative key figures for income statement and cash flow statement have been updated due to distribution of Alleima on August 31, 2022. Key figures based on income statement and balance sheet numbers have not been updated in comparative period. <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 Alleima.

GROUP TOTAL	Q4 2021	Q4 2022	Q1-Q4 2021	Q1-Q4 2022
Return on capital employed, % <sup>1)</sup>	19.5	16.0	19.5	16.5
Return on total equity, % <sup>1)</sup>	20.8	17.1	20.5	14.2
Shareholders' equity per share, SEK	61.5	64.8	61.5	64.8
Net debt/equity ratio	0.35	0.54	0.35	0.54
Financial net debt / EBITDA	0.68	1.32	0.68	1.32
Net working capital, % <sup>1)</sup>	22.4	27.1	23.8	26.4
Earnings per share, basic, SEK	3.08	2.75	11.53	8.95
Earnings per share diluted, SEK	3.07	2.75	11.52	8.94
EBITDA, MSEK	6,793	7,067	24,640	27,560
Cash flow from operations, MSEK	3,748	8,708	13,177	10,465
Number of employees <sup>2)</sup>	44,136	40,489	44,136	40,489
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)	1,255,855	1,255,219	1,255,811	1,255,325

<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

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

### INCOME STATEMENT, CONDENSED FOR DISCONTINUED OPERATIONS

MSEK	Q4 2021	Q4 2022	Q1-Q4 2021	Q1-Q4 2022
Revenues	3,818	0	13,410	11,121
Cost of goods and services sold	-2,858	0	-9,917	-7,209
<b>Gross profit</b>	<b>960</b>	<b>0</b>	<b>3,492</b>	<b>3,912</b>
Expenses and other operating income, net	-568	16	-2,123	-1,759
<b>Operating profit</b>	<b>392</b>	<b>16</b>	<b>1,369</b>	<b>2,321</b>
Net financial items	132	0	263	1,384
<b>Profit before tax</b>	<b>524</b>	<b>16</b>	<b>1,633</b>	<b>3,705</b>
Income tax	-89	0	-236	-874
<b>Profit from operations</b>	<b>435</b>	<b>16</b>	<b>1,397</b>	<b>2,831</b>
<i>Loss on remeasurments to fair value, excluding cost to sell</i>				
Profit/Loss from divestment	-	-	-	-5,526
Translation differences recycled	-	-	-	1,067
<b>Loss for the period, Discontinued operations</b>	<b>435</b>	<b>16</b>	<b>1,397</b>	<b>-1,628</b>
<i>Whereof Misys</i>	<i>0</i>	<i>16</i>	<i>-10</i>	<i>12</i>
<i>Whereof Sandvik Materials Technology</i>	<i>435</i>	<i>-</i>	<i>1,407</i>	<i>-1,641</i>

### CASH FLOW, CONDENSED

MSEK	Q4 2021	Q4 2022	Q1-Q4 2021	Q1-Q4 2022
Cash flow from operations	901	-1	1,176	-627
Cash flow from investing activities	-270	1	-505	-422
Cash flow from financing activities	-110	0	-308	-684
<b>Total cash flow discontinued operations</b>	<b>521</b>	<b>0</b>	<b>363</b>	<b>-1,733</b>

## 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.

## ANNUAL GENERAL MEETING

The Board of Directors has decided that the 2023 Annual General Meeting will be held in Sandviken, Sweden on April 27, 2023 at 16:00 CET. The notice to convene the Annual General Meeting will be made in the prescribed manner.

The Board of Directors proposes a dividend of SEK 5.00 per share (4.75), or a total of SEK 6,270 million (5,957) for 2022. The proposed record date to receive dividends is May 2, 2023. Assuming the General Meeting accepts the dividend proposal, the date to receive dividends is May 5, 2023.

*Stockholm January 20, 2023*  
**Sandvik Aktiebolag (publ)**

**The Board of Directors**

The Company's Auditor has not reviewed the report for the full year of 2022.

This information is information that Sandvik AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08:00 AM CET on January 20, 2023.

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 January 20, 2023 at 10:00 AM CET.

Information is available at [home.sandvik.com/ir](https://www.home.sandvik.com/en/investors/ir)

### CALENDAR

March 10, 2023	Annual Report 2022
April 21, 2023	Report first quarter, 2023
April 27, 2023	Annual General Meeting
May 2, 2023	Proposed record date to receive dividends
May 5, 2023	Proposed date to receive cash dividends
July 19, 2023	Report second quarter, 2023
October 23, 2023	Report, third quarter, 2023

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

Sandvik AB, Corp Reg. No: 556000-3468  
Box 510  
SE-101 30 Stockholm  
+46 8 456 11 00