

## INTERIM REPORT FIRST QUARTER 2023

### CONTINUED ROBUST PERFORMANCE WITH 18% REVENUE GROWTH

- Total order intake amounted to SEK 34,363 million (30,474), corresponding to total growth of 13%, and 6% at fixed exchange rates, of which organic 2%
- Total revenues amounted to SEK 30,968 million (24,921), a total growth of 24%. At fixed exchange rates, growth was 18%, of which organic 13%
- Adjusted EBITA grew by 21% and amounted to SEK 6,119 million (5,043), corresponding to a margin of 19.8% (20.2)<sup>1)</sup>. Items affecting comparability on EBITA amounted to SEK -45 million
- Profit for the period amounted to SEK 3,816 million (3,395) and earnings per share, diluted were SEK 3.04 (2.70). Adjusted earnings per share, diluted were SEK 3.07 (2.71)<sup>1)</sup>
- Free operating cash flow amounted to SEK 3,710 million (2,292)
- Strong momentum in automation and battery electric vehicle orders (BEV) - two of the largest BEV orders to date secured in the quarter

# 18%

Revenue growth at fixed exchange rates

# 19.8%

Adj. EBITA margin

# 1.30

Financial net debt/EBITDA Group total

### FINANCIAL OVERVIEW CONTINUING OPERATIONS

MSEK	Q1 2022	Q1 2023	CHANGE %	Q1-Q4 2022
Order intake	30,474	34,363	13	119,196
Revenues	24,921	30,968	24	112,332
Adjusted EBITA <sup>1)</sup>	5,043	6,119	21	22,486
Adjusted EBITA margin	20.2	19.8	-	20.0
Adjusted EBIT <sup>1)</sup>	4,730	5,638	19	21,020
Adjusted EBIT margin	19.0	18.2	-	18.7
Adjusted profit before tax <sup>1,2)</sup>	4,431	5,109	15	20,166
Profit for the period	3,395	3,816	12	12,854
Adjusted profit for the period <sup>1,2,3)</sup>	3,402	3,855	13	15,035
Earnings per share, diluted, SEK	2.70	3.04	12	10.24
Adjusted earnings per share, diluted, SEK <sup>1,2,3)</sup>	2.71	3.07	13	11.98
Free operating cash flow	2,292	3,710	62	12,103

<sup>1)</sup> Adjusted for items affecting comparability (IAC) on EBITA of SEK -45 million in Q1 2023 (1) and SEK -2,341 million YTD 2022. <sup>2)</sup> IAC on EBIT of SEK -45 million in Q1 2023 (1) and SEK -2,429 million YTD 2022. <sup>3)</sup> Adjusted for IAC regarding tax of SEK 6 million in Q1 2023 (-8) and SEK 247 million YTD 2022. For full details on IAC, see page 20-21.

Comments and numbers in the report relate to continuing operations, 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 24. For more information see [home.sandvik](http://home.sandvik). N/M = not meaningful

## CEO'S COMMENT

We had a strong start to 2023. With good momentum and solid business execution we delivered double-digit revenue growth, and top line levels were on an all-time high. Our short-cycle business noted positive demand from all customer segments and the mining environment remained robust, with high aftermarket activity. We took additional steps in our shift to growth strategy with the completion of two acquisitions. Great momentum was also seen in our battery electric vehicle (BEV) business. The fact that our Digital Mining Technologies division had exceptionally strong organic order growth in the quarter is a good example of the progress we make in our strategic focus areas.

Total order intake and revenues grew at fixed exchange rates, by 6% and 18%, respectively. Organic order intake grew by 2% and revenues by 13%, despite tough comparables. If we exclude Russia, organic orders and revenues grew by 5% and 16%, respectively. Adjusted EBITA margin was 19.8%, with price compensating for cost inflation, but currency effects from revaluation on unhedged balance sheet items had a dilutive impact of 100 basis points. Free operating cash flow amounted to SEK 3.7 billion.

Order intake levels in Sandvik Mining and Rock Solutions did once again beat previous records. We noted particularly strong growth in our biggest equipment division, Load and Haul, and the aftermarket division Parts and Services. Order intake, at fixed exchange rates, and excluding Russia, grew by 8%, of which 6% organic. The shift to battery electric vehicles (BEVs) accelerated further. We announced several BEV orders in the quarter, including two of our three biggest BEV orders ever. To support the growing BEV market, Sandvik announced the investment in a new production site in Malaysia. We plan to get production started by the end of the year. We also won an order from the world's largest copper producer, to supply an Auto-Mine® Fleet automation system with six autonomous loaders. Revenues, at fixed exchange rates, and excluding Russia, grew by 26%, of which 23% organic.

Sandvik Rock Processing Solutions' organic orders declined year on year. The aftermarket business held up well, while the equipment business was down due to both tough comparables, and softer infrastructure demand. The integration of SP Mining is progressing well and is an important driver of the double-digit growth in the quarter. Order intake and revenue growth, at fixed exchange rates, and excluding Russia, was 20% and 43%, respectively. Organic orders, adjusting for Russia, declined by 6%, and revenues grew by strong 19%.

Sandvik Manufacturing and Machining Solutions reached record order levels driven by Europe. The demand was solid from all segments, and daily order intake grew double digits in aerospace and energy. In the quarter, we acquired 95% of the shares of the Irish-based company Premier Machine Tools. The company is a well-established solutions provider to the medical machining segment – which is one of Sandvik's strategic priority areas. Order intake growth, at fixed exchange rates, excluding Russia, grew by 11% of which organic 7%. The daily order intake in the first two weeks of April was slightly up compared to the first quarter.

I am pleased with the performance in the quarter, with solid execution on our shift to growth strategy. We delivered strong growth, and all business areas are now compensating fully for cost inflation. We continued to leverage on our leading global positions, and it is clearly visible that our broad and customer-focused offerings place us in the lead in important growth areas and segments. Moving forward, we will continue to leverage on our strengths, and by doing so, create value for all our stakeholders.

Stefan Widing  
President and CEO



## ORDER INTAKE AND REVENUES

### GROWTH

Q1, %	ORDER INTAKE	REVENUES
Organic	2	13
Structure	4	4
<b>Organic &amp; structure</b>	<b>6</b>	<b>18</b>
Currency	7	6
<b>Total</b>	<b>13</b>	<b>24</b>

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

The Group delivered solid order intake and revenue growth in the first quarter. Total growth in orders was 13%, at fixed exchange rates 6%, of which organic 2%. Total revenues grew by 24%, at fixed exchange rates 18%, of which organic 13%. The Russia exit had a year on year impact on orders and revenues. Excluding Russia, organic growth was 5% and 16%, respectively.

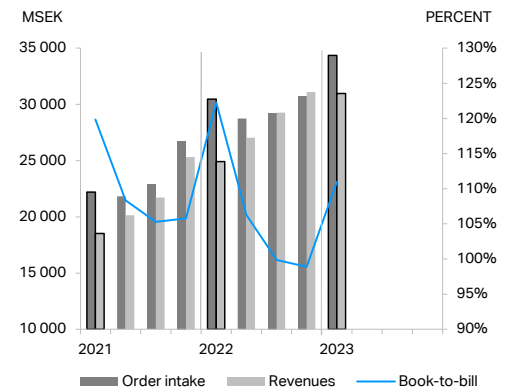
The quarter was characterized by positive broad-based sentiment among the mining customers. Underlying demand continued to be robust. Equipment orders declined year on year on the back of high equipment order levels in the preceding year, while demand for Sandvik's automation and BEV solutions continued to grow at a high pace. Good momentum was noted in the aftermarket business. The demand in infrastructure continued to show signs of slowdown. Sandvik Mining and Rock Solutions (SMR) noted strongest growth in Europe, followed by South America and Africa, Middle East. Sandvik Rock Processing Solutions (SRP) reported the highest order growth in South America and Australia, while the other regions were down year on year.

Sandvik Manufacturing and Machining Solutions noted solid development in all customer segments, driven by good momentum in Europe. Strongest growth was recorded in aerospace and energy. General engineering and automotive demand held up well. Daily order intake levels in North America were slightly down, however explained by timing of orders between the quarters. Recovery in China was noted at the end of the quarter.

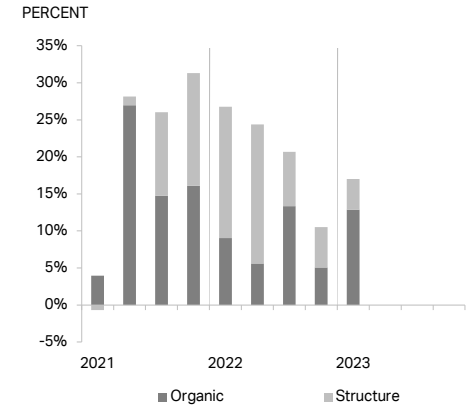
Most regions and segments continued to show a positive organic order development in the first quarter. The Group reported the strongest growth in Europe, South America and Africa, Middle East. North America was slightly positive, while Australia and Asia was down year on year.

Changed exchange rates had a positive impact of 7% on orders and 6% on revenues.

### ORDER INTAKE AND REVENUES\*



### REVENUE GROWTH\*



\* Best estimate for 2021 as effects of the separation of SMT/Alleima are not fully reconciled.

### Q1

#### 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%	+21% (17%)	→	→	→	→
North America	25%	+2% (3%)	→	→	→	→
Asia	19%	-6% (-1%)	→	→	→	→
Africa/Middle East	12%	+11% (+11%)	→	→	→	→
Australia	12%	-16% (-9%)	→	→	→	→
South America	7%	+24% (+24%)	→	→	→	→

\* Excluding Russia

## EARNINGS

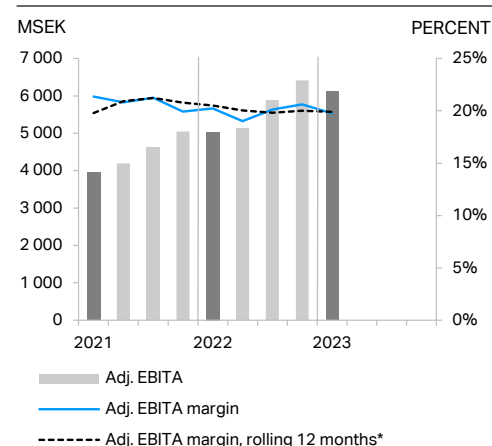
Adjusted gross profit amounted to SEK 12,925 million (10,518), corresponding to a margin of 41.7% (42.2). Sales and administration costs increased by 19% to SEK 7,027 million (5,918). The ratio to revenues improved to 22.7% (23.7). Adjusted EBITA increased by 21% to SEK 6,119 million (5,043), with a margin of 19.8% (20.2). Higher volumes and currency tailwinds contributed positively to the margin but revaluation on unhedged balance sheet items had a dilutive impact of 100 basis points. Price mitigated cost inflation. The impact from transaction and translation exchange rates was positive SEK 660 million year on year, corresponding to a positive margin impact of 110 basis points. Structure was dilutive to the margin by 10 basis points. Items affecting comparability amounted to net of SEK -45 million, related to M&A activities.

The interest net increased to SEK -361 million (-74) due to higher interest rates and increased borrowing volumes compared to the year earlier period but decreased sequentially due to reduced short-term debt level (-416). Net financial items amounted to SEK -529 million (-299), explained mainly by the higher interest net.

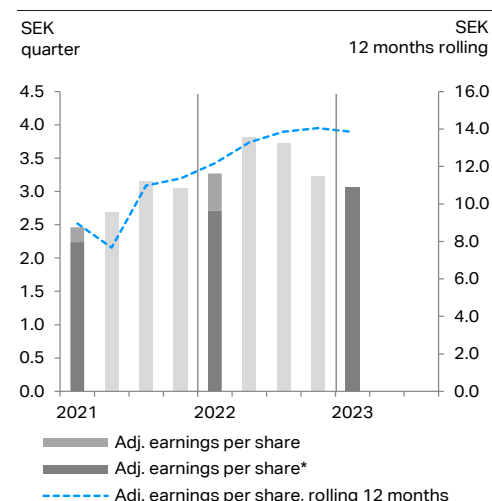
The tax rate, excluding items affecting comparability, for continuing operations was 24.5% (23.2). The reported tax rate for continuing operations was 24.6% (23.4) in line with guidance. The normalized tax rate, which excludes a transfer price adjustment related to prior years, was 23.6% (23.2).

Profit for the period amounted to SEK 3,816 million (3,395), corresponding to earnings per share, diluted, of SEK 3.04 (2.70) and adjusted earnings per share, diluted, of SEK 3.07 (2.71). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 3.40 (2.92).

### 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, net working capital in relation to revenues, investments and free operating cash flow, also applicable to the full time period in the graphs.

Capital employed increased year on year to SEK 140.2 billion (111.6), mainly due to acquisitions, exchange rate impact and inventory build-up. Sequentially, capital employed increased from 137.2 billion due to increased net working capital and new acquisitions. Return on capital employed decreased year on year to 16.6% (17.9) but improved sequentially (16.0).

Net working capital increased year on year to SEK 35.6 billion (25.5) mainly due to higher inventories and exchange rate impact. Sequentially (33.3), net working capital increased driven by inventory build-up and accounts receivable. Net working capital in relation to revenues of 27.8% (24.0) increased year on year and sequentially (27.1).

Investments in tangible and intangible assets increased to SEK 1.2 billion (0.8), compared to the preceding year but decreased versus the fourth quarter (1.5). The investments corresponded to 139% of scheduled depreciations.

The financial net debt of SEK 36.2 billion (16.5) increased year on year but was stable sequentially (36.5). Improved free operating cash flow contribution of SEK 3.7 billion was negatively off-set mainly by payments of acquisitions and higher paid taxes. The financial net debt/EBITDA ratio was 1.30 (0.63), a small decrease compared to the fourth quarter (1.32).

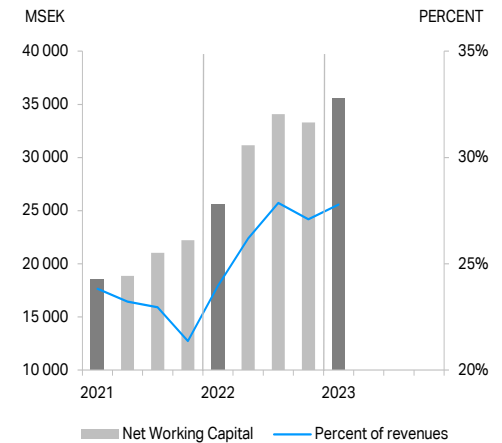
The net pension liability decreased year on year to SEK 2.0 billion (5.6) mainly due to higher discount rates, and decreased slightly sequentially (2.4). Total net debt increased to SEK 43.4 billion (26.4) but decreased sequentially (44.0).

Free operating cash flow increased year on year to SEK 3.7 billion (2.3), due to higher earnings and less unfavourable change in net working capital.

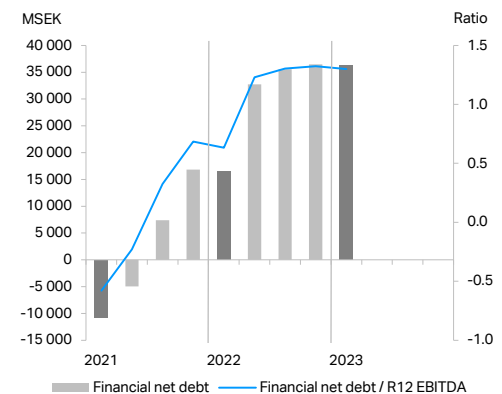
FREE OPERATING CASH FLOW, MSEK	Q1 2022	Q1 2023
EBITDA, adj. <sup>1)</sup>	5,847	6,890
Non cash items	-269	15
Net Working Capital change	-3,034	-2,079
Capex <sup>2)</sup>	-251	-1,116
<b>FREE OPERATING CASH FLOW<sup>3)</sup></b>	<b>2,292</b>	<b>3,710</b>

<sup>1)</sup> Adjusted for cash items related to certain acquisitions costs <sup>2)</sup> Including investments and disposals of rental equipment of SEK -35 million (-45) and tangible and intangible assets of SEK -1,081 million (-206). <sup>3)</sup> Free operating cash flow before acquisitions and disposals of companies, financial items and paid taxes.

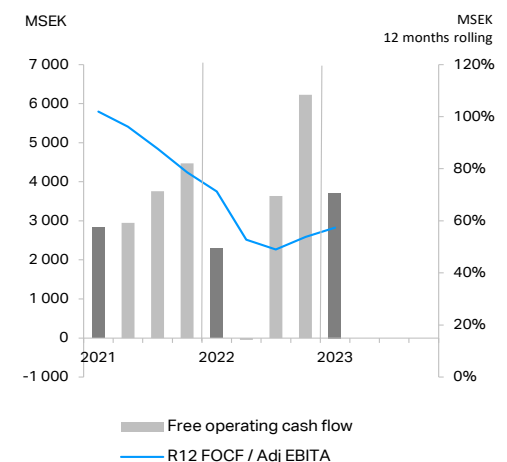
### NET WORKING CAPITAL\*



### NET DEBT/EBITDA



### FREE OPERATING CASH FLOW\*



\* Best estimate for 2021 as effects of the separation of SMT/Alleima are not fully reconciled.

## SANDVIK MINING AND ROCK SOLUTIONS

ALL-TIME HIGH ORDER INTAKE LEVEL

RECEIVED TWO OF THE LARGEST BEV ORDERS TO DATE

EXCEPTIONALLY STRONG ORGANIC ORDER INTAKE GROWTH IN DIGITAL MINING TECHNOLOGIES



### GROWTH

Q1, %	ORDER INTAKE	REVENUES
Organic	1	19
Structure	1	2
<b>Organic &amp; structure</b>	<b>2</b>	<b>21</b>
Currency	7	6
<b>TOTAL</b>	<b>9</b>	<b>28</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 order level achieved in the quarter with high aftermarket activity. Particularly strong growth was noted in Load and Haul, Parts and Services and Digital Mining Technologies
- Total order intake growth was 9%, and 2% at fixed exchange rates, of which 1% was organic. Excluding Russia, organic order intake growth was 6%
- Three major orders booked in the quarter, totaling SEK 1,150 million (1,300), of which two of the largest BEV orders to date. Excluding major orders, organic order intake grew by 2% year on year
- Organic order intake for equipment declined by -17% (-17% excl. major orders) and aftermarket order intake increased organically by 15%. Excluding Russia, equipment decreased by -11%
- Solid regional order intake development with strongest growth in Europe (excl. Russia) of 57%, followed by South America 28% and Africa, Middle East 11%
- The aftermarket business accounted for 68% (71) of revenues while the equipment business accounted for 32% (29)

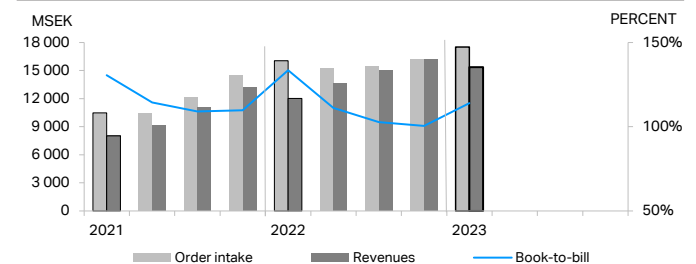
### Adjusted EBITA:

- The adjusted EBITA margin was 20.0% (20.1)
- Cost inflation mitigated by pricing
- Currency effects from revaluation on unhedged balance sheet items diluted the margin by 150 basis points
- Exchange rates had a positive impact of SEK 320 million year on year, corresponding to 100 basis points margin accretion

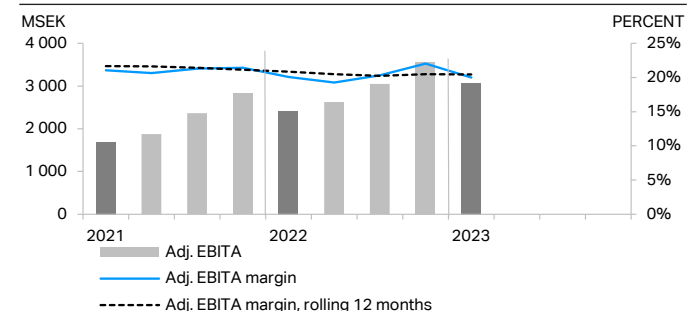
### Shift to growth

During the quarter Sandvik introduced several new products in the growth areas of electrification, digitalization and automation, including Toro™ LH518iB with AutoMine® compatibility. The automation-ready battery electric underground loader combines Sandvik's leading sustainability, productivity and automation solutions for the mine of the future. A digital convergence system for ground support was also launched, xCell Cyclops™. It provides wireless, remote and real-time measurement of movements in underground mining to support a safer and more sustainable work environment.

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



### ADJUSTED EBITA



### FINANCIAL OVERVIEW, MSEK

	Q1 2022	Q1 2023	CHANGE %	Q1-Q4 2022
Order intake	16,060	17,510	9	62,895
Revenues	12,029	15,366	28	56,843
Adjusted EBITA <sup>1)</sup>	2,413	3,075	27	11,643
Adjusted EBITA margin	20.1	20.0	-	20.5
Return on capital employed <sup>2)</sup>	27.0	23.0	-	22.6
Number of employees <sup>3)</sup>	15,901	16,528	4	16,206

1) EBITA adjusted for items affecting comparability of SEK -19 million in Q1 2023 (95) and for full year 2022 the impact was SEK -1,264 million. For more information see page 20-21. 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

### HIGH AFTERMARKET ACTIVITY IN MINING

### STRONG REVENUE GROWTH OF 43% EXCLUDING RUSSIA

### STRONG TOP LINE CONTRIBUTION FROM SP MINING



### GROWTH

Q1, %	ORDER INTAKE	REVENUES
Organic	-9	17
Structure	25	22
<b>Organic &amp; structure</b>	<b>15</b>	<b>40</b>
Currency	7	6
<b>TOTAL</b>	<b>22</b>	<b>46</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:

- 25% growth contribution from acquisitions. Organic order intake for equipment declined on tough comparables, and softer infrastructure demand, while aftermarket was positive
- Strong backlogs led to organic revenue growth of 19%, excluding Russia
- Total order intake growth was 22%, and at fixed exchange rates 15%, of which organic growth was -9%. Excluding Russia organic order intake declined by -6%
- One major order was booked in the quarter of SEK 58 million (56)
- Organic order intake for equipment decreased by -19% and aftermarket increased slightly by 1%. Excluding Russia, organic order intake for equipment declined by -16%, and aftermarket order intake increased by 5%
- Organic order intake growth in Africa, Middle East was flat and declined in Europe by -5% (excluding Russia). North America was down year on year, partly due to timing of orders
- The aftermarket business accounted for 56% (55) of revenues while the equipment business accounted for 44% (45)

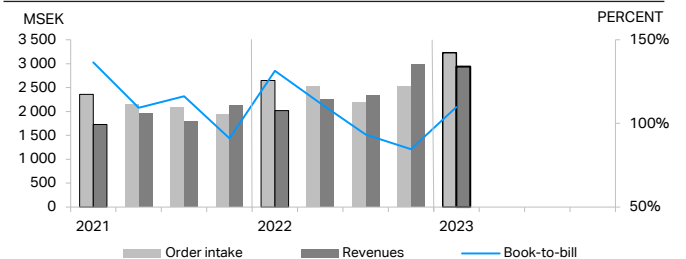
### Adjusted EBITA:

- The adjusted EBITA amounted to SEK 426 million (320), corresponding to a margin of 14.5% (15.9). Cost inflation was mitigated by pricing
- Integration and carve-out costs of SP Mining impacted the margin negatively with 120 basis points, of which 80 basis points included in structure. Anticipated full year integration cost: SEK 110 million
- Currency effects from revaluation on unhedged balance sheet items had a dilutive impact of 40 basis points
- Exchange rates had a positive impact of SEK 69 million year on year, corresponding to 230 basis points margin accretion

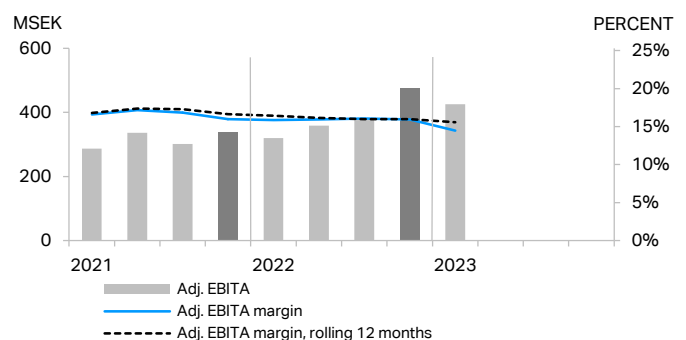
### Shift to growth

The Attachment Tools division has expanded the hydraulic hammer offering with a compact range. This new range will support Sandvik's customers in achieving more efficient and sustainable operations through high uptime, durability, and easy maintenance including optimized fuel consumption. Through regularly introducing new and enhanced products to improve customers' operations Sandvik stays relevant and ensures high demand growth.

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



### ADJUSTED EBITA



### FINANCIAL OVERVIEW, MSEK

	Q1 2022	Q1 2023	CHANGE %	Q1-Q4 2022
Order intake	2,650	3,227	22	9,874
Revenues	2,016	2,939	46	9,587
Adjusted EBITA <sup>1)</sup>	320	426	33	1,530
Adjusted EBITA margin	15.9	14.5	-	16.0
Return on capital employed <sup>2)</sup>	29.8	9.8	-	16.7
Number of employees <sup>3)</sup>	2,114	2,956	40	2,919

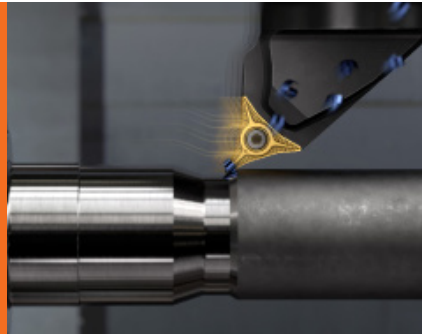
<sup>1)</sup> EBITA adjusted for items affecting comparability of SEK -5 million in Q1 2023 (40) and for full year 2022 SEK -201 million. For more information see page 20-21. <sup>2)</sup> Quarter is quarterly annualized and the year to date numbers are based on a four quarter average. <sup>3)</sup> Full-time equivalent.

## SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

7% ORGANIC ORDER INTAKE GROWTH, EXCLUDING RUSSIA

POSITIVE DAILY ORDER INTAKE GROWTH IN ALL SEGMENTS

SOLID LEVERAGE IN CORE CUTTING TOOL DIVISIONS



### GROWTH

Q1, %	ORDER INTAKE	REVENUES
Organic	5	6
Structure	4	3
<b>Organic &amp; structure</b>	<b>9</b>	<b>10</b>
Currency	7	7
<b>TOTAL</b>	<b>16</b>	<b>16</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:

- Positive development in all customer segments driven by solid demand in Europe
- Favorable uptick in daily order intake in general engineering and double-digit growth in aerospace and energy
- Underlying demand in North America continued to be robust while the order intake growth in the quarter was impacted by timing. Recovery in China noted at the end of the quarter
- Total order intake grew by 16%, and at fixed exchange rates, by 9%, of which organic was 5%. Excluding Russia, organic order intake growth was 7%
- Positive order intake development in Europe of 16% (excluding Russia). North America was down by -2% and Asia by -3% year on year
- The number of working days had a year-on-year impact of 1.4% on orders and revenues
- Daily order intake in the first two weeks of April was slightly up compared to the first quarter

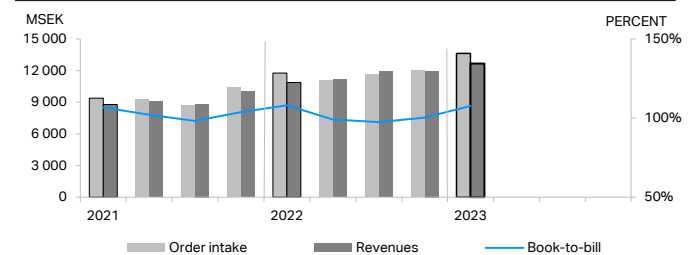
### Adjusted EBITA:

- Adjusted EBITA margin was 22.4% (22.0), with solid leverage on the core cutting tool divisions due to pricing and cost control
- Acquisitions were neutral to the margin
- Changed exchange rates had a positive impact of SEK 259 million year on year, corresponding to 70 basis points margin accretion

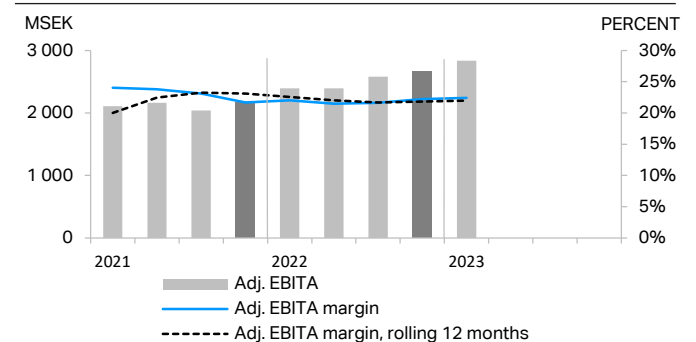
### Shift to growth

During the quarter Sandvik acquired 95% of the shares in the Ireland-based company Premier Machine Tools Limited, a well-established solutions provider to medical customers in Ireland. The broad portfolio of services and know-how encompass the full machining process in medical, from design to verification. Combined with Seco's medical sales and application experts, Sandvik will be able to offer complete machining solutions to the medical segment, a key strategic segment for Sandvik.

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



### ADJUSTED EBITA



### FINANCIAL OVERVIEW, MSEK

	Q1 2022	Q1 2023	CHANGE %	Q1-Q4 2022
Order intake	11,764	13,626	16	46,428
Revenues	10,877	12,662	16	45,901
Adjusted EBITA <sup>1)</sup>	2,392	2,835	19	10,023
Adjusted EBITA margin	22.0	22.4	–	21.8
Return on capital employed <sup>2)</sup>	15.5	16.0	–	13.8
Number of employees <sup>3)</sup>	20,352	20,747	2	20,802

1) EBITA adjusted for items affecting comparability of SEK -22 million in Q1 2023 (-92) and SEK -935 million for full year 2022. For more information see page 20-21. 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 TRIFR**

**REDUCTION OF GHG EMISSIONS**

**ELECTRIC CONCEPT DRILL RIG TESTED IN FOSSIL-FREE CONSTRUCTION PROJECT**



With continuous focus on safety awareness, Sandvik launched injury prevention campaigns for hand injuries, improved safety onboarding programs, as well as carried out workshops to improve site safety management.

Greenhouse gas emissions (GHG) decreased by -6% year on year. Further measures to reduce the environmental footprint, such as installation of solar panels, water saving equipment and heat exchangers to utilize waste heat from production processes were initiated.

A project where Sandvik's electric concept surface drill rig was tested in Sweden's largest test bed in an urban environment for fossil-free construction was concluded with successful outcome. The project is a collaboration between Skanska and the City of Stockholm with the aim to drive the development of fossil-free construction and find innovative solutions that contributes to reduced climate impact.

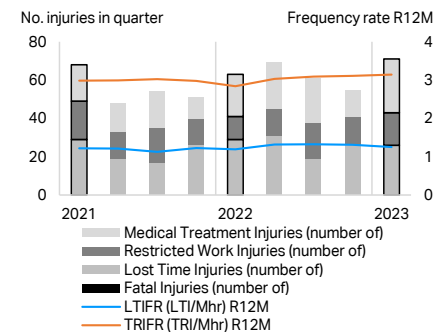
### First quarter 2023

- TRIFR increased to 3.1 (2.8) compared to the same period last year, but remained stable sequentially (3.1). Ensuring that Sandvik safety standards are achieved within newly acquired companies is a continued focus
- LTIFR was stable at 1.3 (1.2) compared to the same period last year
- Greenhouse gas emissions (GHG) amounted to 37 ktonne (39) in the quarter
- The share of circular waste decreased to 74% (79). Work is ongoing to address the most significant non-recovery waste flows to enable increased circularity
- Share of female managers continued to improve and was 20.1 (19.3), at the end of the quarter

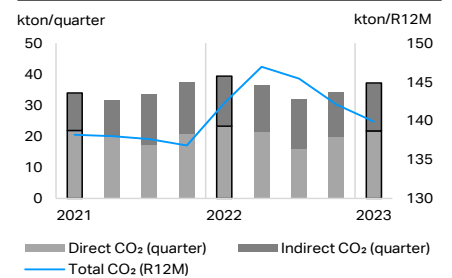
### Case of the quarter

Sandvik Machining Solutions' Wolfram division introduced an innovative, sustainable tungsten carbide powder, BERGLA®. It is made from 100 percent recycled tungsten raw material with a low carbon footprint. Tungsten has the highest melting point of any metal and the new manufacturing design enables recycling of tungsten with very little energy usage, less than 10 percent energy compared to standard processes. In addition, 90 percent of the energy used is renewable which all together reduces the carbon footprint significantly. The benefit of the process is the combination of an existing technology at Wolfram with the full integration of circularity, re-using yield losses and waste material. The new BERGLA® tungsten carbide fits well to Wolfram's portfolio of recycled products, and its features in terms of powder size and purity make it suitable in numerous machining and mining tool applications.

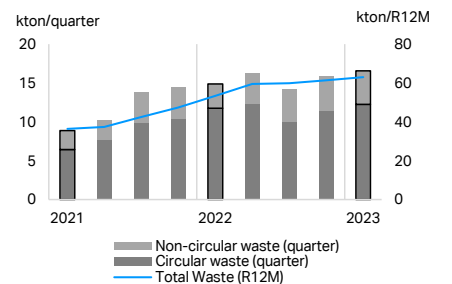
### ZERO HARM



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

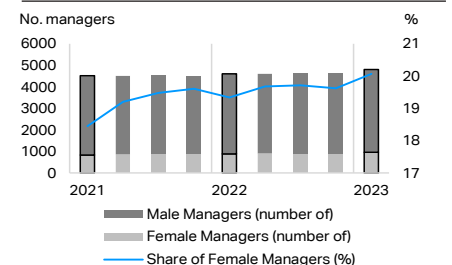


### WASTE\*



\*Excluding tailings, digestion sludge and slag to disposal

### DIVERSITY



SUSTAINABILITY OVERVIEW		Q1 2022 <sup>1)</sup>	Q1 2023	CHANGE %	Rolling 12 months
Circularity	Total waste, thousand tonnes*	14.9	16.6	11.2	63
Circularity	Waste circularity, % of total	78.8	74	-6.2	73.1
Climate	Total CO <sub>2</sub> , thousand tonnes*	39.4	37.2	-5.6	139.9
People	Total recordable injury frequency rate, R12M frequency / million working hours	2.8	3.1	10.6	3.1
People	Lost time injury frequency rate, R12M frequency / million working hours	1.2	1.3	4.6	1.3
People	Share of female managers, %	19.3	20.1	3.8	19.8

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

## 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 Tools	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
<b>2023</b>				
Sandvik Manufacturing and Machining Solutions	Premier Machine Tools	February 1, 2023	120 MSEK in 2022	14
Sandvik Mining and Rock Solutions	Polymathian	February 1, 2023	100 MSEK 12M Q321-Q222	50

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 2023	1,240	1,204

### FAIR VALUE RECOGNIZED IN THE GROUP 2023<sup>1)</sup>

MSEK	Polymathian
Property, plant and equipment	0
Receivables	22
Cash and cash equivalents	12
Other liabilities and provisions	-14
Deferred tax assets/liabilities, net	-20
<b>Net identifiable assets and liabilities</b>	<b>0</b>
Goodwill and surplus values	1,111
<b>Purchase consideration</b>	<b>-1,111</b>
Cash and cash equivalents in the acquired business	12
<b>Net cash outflow</b>	<b>-1,099</b>

1) The purchase price allocations are preliminary.

### CONTRIBUTIONS FROM COMPANIES ACQUIRED IN 2023

MSEK	
<b>Contributions as of acquisition date</b>	
Revenues	9
Profit for the year	2
<b>Contributions if the acquisition date would have been January 1, 2023</b>	
Revenues	17
Profit for the year	-1

### DIVESTMENTS DURING LAST 12 MONTHS

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

## SIGNIFICANT EVENTS

### DURING THE FIRST QUARTER

- On February 1, Sandvik announced the completion of the acquisition of Polymathian Industrial Mathematics.
- On February 1, it was announced that the Business Area segment Sandvik Machining Solutions has acquired 95% of the shares in Premier Machine Tools Limited.
- On February 11, Sandvik announced that Christophe Sut, President of Business Area segment Sandvik Manufacturing Solutions, has decided to leave Sandvik for a CEO position in another company. He will leave Sandvik on August 11, 2023.
- On February 21, Sandvik announced changes to the Group Executive Management. Sofia Sirvell has been appointed as Chief Digital Officer (CDO) for the Sandvik Group and new member of the Group Executive Management as of March 1, 2023. Additionally, Jessica Alm, Executive Vice President and Head of Group Communications and Sustainability, has decided to leave Sandvik. She will leave Sandvik no later than August, 2023.

### AFTER THE FIRST QUARTER

- On April 3, it was announced that Sandvik Mining and Rock Solutions has signed and completed the acquisition of MCB Services and Minerals (Deswik Brazil). Sandvik acquired Deswik in April 2022, and MCB and Deswik has operated on a joint venture basis in supporting customers across Latin America.
- On April 21, Sandvik announced that Mattias Nilsson has been appointed President of Business Area segment Sandvik Manufacturing Solutions, and new member of the Sandvik Group Executive Management, effective May 8, 2023
- On April 21, Sandvik announced that Björn Roodzant has been appointed Executive Vice President and Head of Group Communications and Sustainability, and new member of the Sandvik Group Executive Management, effective May 1, 2023

## 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 March 2023, it is estimated that transaction and translation currency effects will have an impact of about SEK +200 million on EBITA for the second 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, 2023 the same accounting and valuation policies were applied as in Sandvik Group Annual Report 2022. There are no new accounting policies applicable from 2023 that significantly affects Sandvik Group. This report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2, Reporting for Legal Entities.

## 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 2023 due to Russia's war in Ukraine. An extensive process to analyze the situation and wind-down of the business in Russia was started. The wind-down process is on-going and no more charges are expected during 2023. Total remaining assets related to Russia, excluding cash, amounts to approximately SEK 6 million on March 31, 2023 .

## 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 2022.

## FINANCIAL REPORTS SUMMARY

### THE GROUP

#### INCOME STATEMENT

MSEK	Q1 2022	Q1 2023	CHANGE %	Q1-Q4 2022
<i>Continuing operations</i>				
Revenues	24,921	30,968	24	112,332
Cost of goods and services sold	-14,403	-18,043	25	-66,962
<b>Gross profit</b>	<b>10,518</b>	<b>12,925</b>	<b>23</b>	<b>45,370</b>
% of revenues	42.2	41.7		40.4
Selling expenses	-3,238	-3,828	18	-14,635
Administrative expenses	-1,729	-2,091	21	-7,918
Research and development costs	-1,007	-1,128	12	-4,185
Other operating income and expenses	187	-286	N/M	-40
<b>Operating profit</b>	<b>4,731</b>	<b>5,593</b>	<b>18</b>	<b>18,592</b>
% of revenues	19.0	18.1		16.6
Financial income	129	161	25	936
Financial expenses	-428	-690	61	-1,790
<b>Net financial items</b>	<b>-299</b>	<b>-529</b>	<b>77</b>	<b>-854</b>
<b>Profit before tax</b>	<b>4,432</b>	<b>5,063</b>	<b>14</b>	<b>17,738</b>
% of revenues	17.8	16.4		15.8
Income tax	-1,037	-1,247	20	-4,884
<b>Profit for the period, continuing operations</b>	<b>3,395</b>	<b>3,816</b>	<b>12</b>	<b>12,854</b>
% of revenues	13.6	12.3		11.4
<b>Profit for the period, discontinued operations<sup>1)</sup></b>	<b>815</b>	<b>-</b>	<b>-100</b>	<b>-1,628</b>
<b>Profit for the period, Group total</b>	<b>4,211</b>	<b>3,816</b>	<b>-9</b>	<b>11,225</b>
<i>Profit (loss) for the period attributable to</i>				
Owners of the parent company	4,196	3,817	-9	11,212
Non-controlling interest	15	-1	-103	13
<i>Earnings per share, SEK</i>				
Continuing operations, basic	2.70	3.04	12	10.25
Continuing operations, diluted	2.70	3.04	12	10.24
Group total, basic	3.34	3.04	-9	8.95
Group total, diluted	3.34	3.04	-9	8.94
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that will not be reclassified to profit (loss)</i>				
Actuarial gains (losses) on defined benefit pension plans	565	296		3,405
Tax relating to items that will not be reclassified	-131	-62		-786
<b>Total items that will not be reclassified to profit (loss)</b>	<b>434</b>	<b>234</b>		<b>2,620</b>
<i>Items that may be reclassified subsequently to profit (loss)</i>				
Foreign currency translation differences	1,543	584		7,616
Cash flow hedges	367	1		-98
Tax relating to items that may be reclassified	-6	0		34
<b>Total items that may be reclassified subsequently to profit (loss)</b>	<b>1,904</b>	<b>585</b>		<b>7,552</b>
<b>Total other comprehensive income</b>	<b>2,339</b>	<b>820</b>		<b>10,172</b>
<b>Total comprehensive income</b>	<b>6,549</b>	<b>4,636</b>		<b>21,398</b>
<i>Total comprehensive income attributable to</i>				
Owners of the parent company	6,532	4,635		21,385
Non-controlling interest	17	1		13

1) Discontinued operations includes Alleima Q1-Q3, 2022.

N/M = not meaningful.

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

## THE GROUP

### BALANCE SHEET, CONTINUING AND DISCONTINUED OPERATIONS

MSEK	DEC 31, 2022	MAR 31, 2022	MAR 31, 2023
Intangible assets	66,134	46,743	66,625
Property, plant and equipment	21,683	19,243	21,805
Right- of use assets	4,941	4,055	4,984
Financial assets	8,931	7,378	9,667
Inventories	35,019	28,132	36,956
Current receivables	29,363	25,252	31,307
Cash and cash equivalents	10,489	13,804	9,214
Assets held for distribution <sup>1)</sup>	–	21,685	–
Assets held for sale	121	108	–
<b>Total Assets</b>	<b>176,682</b>	<b>166,401</b>	<b>180,559</b>
Total equity	81,270	83,846	85,994
Non-current interest-bearing liabilities	45,822	31,538	45,645
Non-current non-interest-bearing liabilities	6,365	4,673	6,252
Current interest-bearing liabilities	9,693	9,780	8,268
Current non-interest-bearing liabilities	33,436	28,983	34,400
Liabilities held for distribution <sup>1)</sup>	–	7,466	–
Liabilities held for sale	97	115	–
<b>Total equity and liabilities</b>	<b>176,682</b>	<b>166,401</b>	<b>180,559</b>

### CHANGES IN EQUITY

MSEK	EQUITY RELATED TO OWNERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<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>
<b>Equity at January 1, 2023</b>	<b>81,227</b>	<b>43</b>	<b>81,270</b>
Total comprehensive income (loss) for the period	4,635	1	4,636
Change in fair value of put option to acquire non-controlling interest	33	–	33
Changes in non-controlling interest	-1	1	0
Share based program	56	0	56
<b>Equity at March 31, 2023</b>	<b>85,950</b>	<b>44</b>	<b>85,994</b>

1) Alleima was distributed to the owners on August 31, 2022.

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

## THE GROUP

### CASH FLOW STATEMENT

MSEK	Q1 2022	Q1 2023	Q1-Q4 2022
<i>Continuing operations</i>			
<i>Cash flow from operating activities</i>			
Profit before tax	4,432	5,063	17,738
Adjustment for depreciation, amortization and impairment losses	1,453	1,751	6,643
Other adjustments for non-cash items	-113	996	315
Payment to pension fund	-114	-148	-408
Income tax paid	-1,500	-1,627	-5,042
<b>Cash flow from operating activities before changes in working capital</b>	<b>4,159</b>	<b>6,035</b>	<b>19,245</b>
<i>Changes in working capital</i>			
Change in inventories	-3,037	-1,767	-6,876
Change in operating receivables	-1,133	-1,218	-2,067
Change in operating liabilities	1,136	907	1,389
<b>Cash flow from changes in working capital</b>	<b>-3,034</b>	<b>-2,079</b>	<b>-7,554</b>
Investments in rental equipment	-157	-173	-923
Proceeds from sale of rental equipment	112	137	324
<b>Cash flow from operating activities, net</b>	<b>1,080</b>	<b>3,921</b>	<b>11,092</b>
<i>Cash flow from investing activities</i>			
Acquisitions of companies and shares, net of cash acquired	-30	-1,135	-15,542
Proceeds from sale of companies and shares, net of cash disposed	0	0	-34
Acquisitions of tangible assets	-601	-843	-3,288
Proceeds from sale of tangible assets	568	69	728
Acquisitions of intangible assets	-173	-307	-946
Proceeds from sale of intangible assets	-	1	6
Acquisitions of financial assets	-	-7	-
Other investments, net	-14	-350	-806
<b>Cash flow from investing activities</b>	<b>-251</b>	<b>-2,572</b>	<b>-19,882</b>
<i>Cash flow from financing activities</i>			
Repayment of borrowings	-5,167	-7,546	-17,640
Proceeds from borrowings	6,247	5,247	31,929
Amortization, lease liabilities	-262	-305	-1,157
Change in hedge option programs, net	-	-	-270
Dividends paid	-3	-	-5,955
<b>Cash flow from financing activities, net</b>	<b>816</b>	<b>-2,604</b>	<b>6,906</b>
<b>Cash flow from continuing operations</b>	<b>1,645</b>	<b>-1,255</b>	<b>-1,884</b>
Cash flow from discontinued operations <sup>1)</sup>	-120	-	-1,733
Cash and cash equivalents at beginning of the period	13,585	10,489	13,585
Exchange-rate differences in cash and cash equivalents	184	-20	521
Cash and cash equivalents, discontinued operations	-1,490	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>13,804</b>	<b>9,214</b>	<b>10,489</b>
<i>Group Total</i>			
Cash flow from operations	1,021	3,921	10,465
Cash flow from investing activities	-308	-2,572	-20,304
Cash flow from financing activities	812	-2,604	6,222
<b>Group total cash flow</b>	<b>1,525</b>	<b>-1,255</b>	<b>-3,617</b>

<sup>1)</sup> Including Alleima Q1-Q3, 2022.

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

## THE PARENT COMPANY

For the first three months 2023 the parent company's invoiced sales amounted to SEK 3,507 million (3,108) and the operating result was SEK 1,072 million (796). Result from shares in Group companies of SEK 95 million (3,008) for the quarter consists

mainly of dividends. Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 12,947 million (17,660). Investments in property, plant and machinery amounted to SEK 90 million (87).

### INCOME STATEMENT

MSEK	Q1 2022	Q1 2023	Q1-Q4 2022
Revenues	3,108	3,507	13,139
Cost of goods and services sold	-848	-782	-2,094
<b>Gross profit</b>	<b>2,260</b>	<b>2,725</b>	<b>11,045</b>
Selling expenses	-280	-324	-1,098
Administrative expenses	-558	-716	-2,338
Research and development costs	-432	-430	-1,591
Other operating income and expenses	-194	-183	-1,112
<b>Earnings before interest and tax</b>	<b>796</b>	<b>1,072</b>	<b>4,906</b>
Result from shares in group companies	3,008	95	11,166
Interest income/expenses and similar items	62	-212	241
<b>Profit after net financial items</b>	<b>3,866</b>	<b>955</b>	<b>16,313</b>
Appropriations	8	26	1
Income tax expenses	-190	-249	-1,792
<b>Profit for the period</b>	<b>3,684</b>	<b>732</b>	<b>14,522</b>

### BALANCE SHEET

MSEK	DEC 31, 2022	MAR 31, 2022	MAR 31, 2023
Intangible assets	447	550	413
Property, plant and equipment	3,022	3,080	3,030
Financial assets	71,044	68,289	70,900
Inventories	1,105	921	1,224
Current receivables	7,250	3,081	5,510
Cash and cash equivalents	0	-	0
<b>Total assets</b>	<b>82,868</b>	<b>75,921</b>	<b>81,077</b>
Total equity	30,213 <sup>1)</sup>	38,320	31,001
Untaxed reserves	1,070	1,063	1,044
Provisions	865	788	1,113
Non-current interest-bearing liabilities	30,232	17,242	30,177
Non-current non-interest-bearing liabilities	881	40	780
Current interest-bearing liabilities	16,490	15,731	13,799
Current non-interest-bearing liabilities	3,117	2,737	3,163
<b>Total equity and liabilities</b>	<b>82,868</b>	<b>75,921</b>	<b>81,077</b>
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	16,147	17,660	12,947
Investments in fixed assets	320	87	90

<sup>1)</sup> The parent company's equity 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.



## MARKET OVERVIEW, THE GROUP

### ORDER INTAKE BY REGION

MSEK	Q1 2023	CHANGE *		SHARE
		%	% <sup>1)</sup>	%
<b>THE GROUP</b>				
Europe	10,092	13	9	29
North America	8,664	2	3	25
South America	2,319	24	24	7
Africa/Middle East	3,884	11	11	11
Asia	5,540	-14	-10	16
Australia	3,864	-16	-9	11
<b>Total</b>	<b>34,363</b>	<b>2</b>	<b>3</b>	<b>100</b>
<b>SANDVIK MINING AND ROCK SOLUTIONS</b>				
Europe	2,198	26	8	13
North America	4,341	10	11	25
South America	1,672	28	28	10
Africa/Middle East	3,373	11	11	19
Asia	2,668	-22	-15	15
Australia	3,257	-16	-9	19
<b>Total <sup>2)</sup></b>	<b>17,510</b>	<b>1</b>	<b>2</b>	<b>100</b>
<b>SANDVIK ROCK PROCESSING SOLUTIONS</b>				
Europe	631	-17	-17	20
North America	743	-18	-11	23
South America	362	19	19	11
Africa/Middle East	368	0	0	11
Asia	599	-10	-10	19
Australia	524	14	-26	16
<b>Total</b>	<b>3,227</b>	<b>-9</b>	<b>-9</b>	<b>100</b>
<b>SANDVIK MANUFACTURING AND MACHINING SOLUTIONS</b>				
Europe	7,263	12	n/a	53
North America	3,579	-2	n/a	26
South America	285	7	n/a	2
Africa/Middle East	143	36	n/a	1
Asia	2,273	-3	n/a	17
Australia	83	-28	n/a	1
<b>Total</b>	<b>13,626</b>	<b>5</b>	<b>n/a</b>	<b>100</b>

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

<sup>1)</sup> 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. <sup>2)</sup> Includes rental fleet order intake in Q1 of SEK 177 million, recognized according to IFRS 16.

n/a= not applicable.

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

## REVENUES BY REGION

MSEK	Q1 2023	CHANGE*, %	SHARE %
<b>THE GROUP</b>			
Europe	8,776	8	28
North America	7,632	14	25
South America	2,175	19	7
Africa/Middle East	3,691	33	12
Asia	5,172	7	17
Australia	3,523	10	11
<b>Total</b>	<b>30,968</b>	<b>13</b>	<b>100</b>
<b>SANDVIK MINING AND ROCK SOLUTIONS</b>			
Europe	1,561	9	10
North America	3,576	22	23
South America	1,492	17	10
Africa/Middle East	3,268	35	21
Asia	2,451	15	16
Australia	3,019	10	20
<b>Total <sup>1)</sup></b>	<b>15,366</b>	<b>19</b>	<b>100</b>
<b>SANDVIK ROCK PROCESSING SOLUTIONS</b>			
Europe	635	3	22
North America	646	31	22
South America	387	41	13
Africa/Middle East	296	20	10
Asia	558	15	19
Australia	417	-6	14
<b>Total</b>	<b>2,939</b>	<b>17</b>	<b>100</b>
<b>SANDVIK MANUFACTURING AND MACHINING SOLUTIONS</b>			
Europe	6,580	9	52
North America	3,410	4	27
South America	296	11	2
Africa/Middle East	127	35	1
Asia	2,163	-1	17
Australia	87	18	1
<b>Total</b>	<b>12,662</b>	<b>6</b>	<b>100</b>

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

<sup>1)</sup> Includes rental fleet revenues in Q1 of SEK 255 million, recognized according to IFRS 16.

N/M = Non-meaningful.

## THE GROUP

### ORDER INTAKE BY BUSINESS AREA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	CHANGE	
							%	%*
Sandvik Mining and Rock Solutions	16,060	15,182	15,419	16,234	62,895	17,510	9	1
Sandvik Rock Processing Solutions	2,650	2,517	2,184	2,523	9,874	3,227	22	-9
Sandvik Manufacturing and Machining Solutions	11,764	11,042	11,629	11,993	46,428	13,626	16	5
<b>Continuing operations</b>	<b>30,474</b>	<b>28,740</b>	<b>29,231</b>	<b>30,751</b>	<b>119,196</b>	<b>34,363</b>	<b>13</b>	<b>2</b>
Discontinued operations <sup>1)</sup>	5,858	6,293	2,670	1	14,822	-	-	-
<b>Group Total <sup>2)</sup></b>	<b>36,332</b>	<b>35,033</b>	<b>31,902</b>	<b>30,752</b>	<b>134,019</b>	<b>34,363</b>	<b>-5</b>	<b>-15</b>

### REVENUES BY BUSINESS AREA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	CHANGE	
							%	%*
Sandvik Mining and Rock Solutions	12,029	13,658	15,001	16,156	56,843	15,366	28	19
Sandvik Rock Processing Solutions	2,016	2,247	2,340	2,985	9,587	2,939	46	17
Sandvik Manufacturing and Machining Solutions	10,877	11,145	11,926	11,954	45,901	12,662	16	6
<b>Continuing operations</b>	<b>24,921</b>	<b>27,050</b>	<b>29,266</b>	<b>31,094</b>	<b>112,331</b>	<b>30,968</b>	<b>24</b>	<b>13</b>
Discontinued operations <sup>1)</sup>	4,085	4,608	2,428	0	11,122	-	-	-
<b>Group Total <sup>2)</sup></b>	<b>29,006</b>	<b>31,658</b>	<b>31,694</b>	<b>31,095</b>	<b>123,453</b>	<b>30,968</b>	<b>7</b>	<b>-3</b>

### EBITA BY BUSINESS AREA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	CHANGE	
							%	%*
Sandvik Mining and Rock Solutions	2,508	1,889	2,430	3,553	10,379	3,056		22
Sandvik Rock Processing Solutions	360	281	354	335	1,330	421		17
Sandvik Manufacturing and Machining Solutions	2,300	2,136	2,578	2,074	9,088	2,813		22
Group activities	-124	-267	18	-278	-651	-217		75
<b>Continuing operations</b>	<b>5,044</b>	<b>4,039</b>	<b>5,380</b>	<b>5,683</b>	<b>20,145</b>	<b>6,074</b>		<b>20</b>
Discontinued operations <sup>1)</sup>	850	1,306	154	16	2,326	-		-
<b>Group Total <sup>2)</sup></b>	<b>5,894</b>	<b>5,344</b>	<b>5,534</b>	<b>5,699</b>	<b>22,471</b>	<b>6,074</b>		<b>3</b>

### EBITA MARGIN BY BUSINESS AREA

%	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023
Sandvik Mining and Rock Solutions	20.8	13.8	16.2	22.0	18.3	19.9
Sandvik Rock Processing Solutions	17.8	12.5	15.1	11.2	13.9	14.3
Sandvik Manufacturing and Machining Solutions	21.1	19.2	21.6	17.3	19.8	22.2
<b>Continuing operations</b>	<b>20.2</b>	<b>14.9</b>	<b>18.4</b>	<b>18.3</b>	<b>17.9</b>	<b>19.6</b>
Discontinued operations <sup>1)</sup>	20.8	28.3	6.3	N/M	20.9	-
<b>Group Total <sup>2)</sup></b>	<b>20.3</b>	<b>16.9</b>	<b>17.5</b>	<b>18.3</b>	<b>18.2</b>	<b>19.6</b>

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

1) Including Alleima Q1-Q3, 2022. 2) Internal transactions had negligible effect on business area profits.

N/M = Non-meaningful.

## THE GROUP

### ADJUSTED EBITA BY BUSINESS AREA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	CHANGE %
Sandvik Mining and Rock Solutions	2,413	2,628	3,046	3,557	11,643	3,075	27
Sandvik Rock Processing Solutions	320	359	376	476	1,530	426	33
Sandvik Manufacturing and Machining Solutions	2,392	2,394	2,580	2,657	10,023	2,835	19
Group activities	-82	-239	-113	-277	-711	-217	164
<b>Continuing operations</b>	<b>5,043</b>	<b>5,141</b>	<b>5,889</b>	<b>6,413</b>	<b>22,486</b>	<b>6,119</b>	<b>21</b>
Discontinued operations <sup>1)</sup>	710	1,195	64	16	1,984	-	-
<b>Group Total <sup>2)</sup></b>	<b>5,752</b>	<b>6,336</b>	<b>5,953</b>	<b>6,429</b>	<b>24,470</b>	<b>6,119</b>	<b>6</b>

### ADJUSTED EBITA MARGIN BY BUSINESS AREA

%	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023
Sandvik Mining and Rock Solutions	20.1	19.2	20.3	22.0	20.5	20.0
Sandvik Rock Processing Solutions	15.9	16.0	16.1	16.0	16.0	14.5
Sandvik Manufacturing and Machining Solutions	22.0	21.5	21.6	22.2	21.8	22.4
<b>Continuing operations</b>	<b>20.2</b>	<b>19.0</b>	<b>20.1</b>	<b>20.6</b>	<b>20.0</b>	<b>19.8</b>
Discontinued operations <sup>1)</sup>	17.4	25.9	2.6	N/M	17.8	-
<b>Group Total <sup>2)</sup></b>	<b>19.8</b>	<b>20.0</b>	<b>18.8</b>	<b>20.7</b>	<b>19.8</b>	<b>19.8</b>

### ITEMS AFFECTING COMPARABILITY ON EBITA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023
Sandvik Mining and Rock Solutions	95	-739	-616	-4	-1,264	-19
Sandvik Rock Processing Solutions	40	-78	-22	-141	-201	-5
Sandvik Manufacturing and Machining Solutions	-92	-259	-2	-583	-935	-22
Group activities	-42	-28	131	-1	60	0
<b>Continuing operations</b>	<b>1</b>	<b>-1,103</b>	<b>-509</b>	<b>-730</b>	<b>-2,341</b>	<b>-45</b>
Discontinued operations <sup>1)</sup>	140	111	90	0	341	-
<b>Group Total</b>	<b>142</b>	<b>-992</b>	<b>-419</b>	<b>-730</b>	<b>-1,999</b>	<b>-45</b>

1) Including Alleima Q1-Q3 2022. 2) Internal transactions had negligible effect on business area profits.

N/M = Non-meaningful.

## Items affecting comparability on EBITA

### CONTINUING OPERATIONS

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.

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

### DISCONTINUING OPERATIONS

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

Q1, MSEK	Reported EBIT,	Reported EBIT, %	IAC	Adjusted EBIT	Adjusted EBIT, %	Amortizations <sup>1)</sup>	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	2,921	19.0	-19	2,940	19.1	-135	3,075	20.0
Sandvik Rock Processing Solutions	347	11.8	-5	351	12.0	-74	426	14.5
Sandvik Manufacturing and Machining Solutions	2,541	20.1	-22	2,563	20.2	-272	2,835	22.4
Group activities	-217	-	0	-217	-	0	-217	-
<b>Group Total</b>	<b>5,593</b>	<b>18.1</b>	<b>-45</b>	<b>5,638</b>	<b>18.2</b>	<b>-481</b>	<b>6,119</b>	<b>19.8</b>

<sup>1)</sup> Adjusted for amortization and other accounting effects arising from business combinations.

## TAXES EXCLUDING ITEMS AFFECTING COMPARABILITY

Q1 2022, MSEK	Reported tax	Reported tax, %	IAC	IAC, %	Tax excluding IAC	Tax excluding IAC, %
Continuing operations	-1,037	23.4	-8	N/M	-1,029	23.2
Discontinued operations <sup>1)</sup>	-218	21.1	-38	-27.3	-179	20.1
<b>Group total</b>	<b>-1,255</b>	<b>23.0</b>	<b>-46</b>	<b>-32.7</b>	<b>-1,208</b>	<b>22.7</b>
<b>Q1 2023, MSEK</b>						
Continuing operations	-1,247	24.6	6	14.3	-1,254	24.5
<b>Group total</b>	<b>-1,247</b>	<b>24.6</b>	<b>6</b>	<b>14.3</b>	<b>-1,254</b>	<b>24.5</b>

<sup>1)</sup> Including Alleima Q1-Q3 2022.

## ADJUSTED EARNINGS PER SHARE DILUTED

Q1 2022	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>	2.70	-7	2.71	-266	2.92
<b>Group total</b>	<b>3.34</b>	<b>96</b>	<b>3.27</b>	<b>-267</b>	<b>3.48</b>
<b>Q1 2023</b>					
Continuing operations	3.04	-39	3.07	-416	3.40
<b>Group total</b>	<b>3.04</b>	<b>-39</b>	<b>3.07</b>	<b>-416</b>	<b>3.40</b>

<sup>1)</sup> Including Alleima Q1-Q3 2022.

## NET DEBT, CONTINUING OPERATIONS AND GROUP TOTAL

MSEK	MAR 31, 2022	JUN 30, 2022	SEP 30, 2022	DEC 31, 2022	MAR 31, 2023
Interest-bearing liabilities excluding pension and lease liabilities	31,767	41,847	50,493	46,954	45,449
Less cash and cash equivalents	-13,804	-7,772	-14,933	-10,489	-9,214
<b>Financial net debt (net cash)</b>	<b>17,963</b>	<b>34,076</b>	<b>35,559</b>	<b>36,466</b>	<b>36,236</b>
Net pensions liabilities	4,447	1,614	1,666	2,384	1,990
Leases liabilities	4,114	4,302	4,635	5,102	5,155
<b>Net debt</b>	<b>26,524</b>	<b>39,991</b>	<b>41,861</b>	<b>43,952</b>	<b>43,381</b>
<i>Group total</i>					
Financial net debt/ net cash	16,505	32,761	35,559	36,466	36,236
Net debt	26,394	39,379	41,861	43,952	43,381
Financial net debt/EBITDA	0.63	1.23	1.30	1.32	1.30

N/M = Non-meaningful.

## NET WORKING CAPITAL & CAPITAL EMPLOYED CONTINUING OPERATIONS

MSEK	MAR 31, 2022	JUN 30, 2022	SEP 30, 2022	DEC 31, 2022	MAR 31, 2023
Inventories	28,132	32,773	35,239	35,022	36,956
Trade receivables	15,992	17,914	18,620	18,685	20,270
Account payables	-10,378	-11,012	-11,230	-11,746	-11,968
Other receivables	5,104	6,046	6,427	6,417	6,421
Other liabilities	-13,306	-14,560	-14,967	-15,077	-16,123
<b>Net working capital</b>	<b>25,544</b>	<b>31,161</b>	<b>34,088</b>	<b>33,302</b>	<b>35,558</b>
Tangible assets	19,243	19,965	21,257	21,683	21,805
Intangible assets	46,743	56,517	61,002	66,134	66,625
Other assets (incl. cash and cash equivalents)	78,622	81,657	93,881	88,746	92,129
Other liabilities	-32,982	-35,907	-37,161	-39,373	-40,309
<b>Capital employed</b>	<b>111,627</b>	<b>122,232</b>	<b>138,979</b>	<b>137,190</b>	<b>140,250</b>

## KEY FIGURES

CONTINUING OPERATIONS	Q1 2022	Q1 2023	Q1-Q4 2022
Return on capital employed, % <sup>1)</sup>	17.9	16.6	15.8
Net working capital, % <sup>1)</sup>	24.0	27.8	26.1
Earnings per share, basic, SEK	2.70	3.04	10.25
Earnings per share, diluted, SEK	2.70	3.04	10.24
EBITDA, MSEK	6,184	7,344	25,235
Cash flow from operations, MSEK	1,080	3,921	11,092
Number of employees <sup>2)</sup>	38,913	40,784	40,489

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

GROUP TOTAL	Q1 2022	Q1 2023	Q1-Q4 2022
Return on capital employed, % <sup>1)</sup>	18.5	16.6	16.5
Return on total equity, % <sup>1)</sup>	20.9	18.3	14.2
Shareholders' equity per share, SEK	66.7	68.5	64.8
Financial net debt / EBITDA	0.63	1.30	1.32
Net working capital, % <sup>1)</sup>	24.9	27.8	26.4
Earnings per share, basic, SEK	3.34	3.04	8.95
Earnings per share diluted, SEK	3.34	3.04	8.94
EBITDA, MSEK	7,035	7,344	27,560
Cash flow from operations, MSEK	1,021	3,921	10,465
Number of employees <sup>2)</sup>	44,559	40,784	40,489
No. of shares outstanding at end of period ('000)	1,254,386	1,254,386	1,254,386
Average no. of shares, ('000)	1,254,386	1,254,386	1,254,386
Average no. of shares, diluted, ('000)	1,255,540	1,255,581	1,255,325

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

## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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

### ADJUSTED EBITA

Earnings before interest 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.



## 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.

*Stockholm April 21, 2023*  
**Sandvik Aktiebolag (publ)**

Stefan Widing  
**President & CEO**

The Company's Auditor has not reviewed the report for the first quarter of 2023.

This information is information that Sandvik AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 11:30 AM CEST on April 21, 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 April 21, 2023 at 1:00 PM CEST.

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

### CALENDAR

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
November 28, 2023	Capital Markets Day

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

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