

Q4

Interim report Q4 and full year 2023

A successful 2023, and a good ending to the year

- Total order intake amounted to SEK 30,062 million (30,751), corresponding to a decline of 2%. At fixed exchange rates, orders declined by 2%, and organically by 4%
- Total revenues amounted to SEK 31,816 million (31,094), a total growth of 2%. At fixed exchange rates growth was 2%, of which organic 1%
- Adjusted EBITA declined by 3% and amounted to SEK 6,211 million (6,413), corresponding to a margin of 19.5% (20.6). Items affecting comparability amounted to SEK 191 million (-730)
- Profit for the period amounted to SEK 4,259 million (3,435) and earnings per share, diluted, were SEK 3.39 (2.73). Adjusted earnings per share, diluted, were SEK 3.22 (3.22)^{2, 3)}
- Free operating cash flow amounted to SEK 5,463 million (6,226)
- The Board of Directors proposes a dividend of SEK 5.50 per share (5.00)

2%

Revenue growth at fixed exchange rates

19.5%

Adj. EBITA margin

1.2

Financial net debt/EBITDA

Financial overview continuing operations

MSEK	Q4 2022	Q4 2023	Change %	Q1-Q4 2022	Q1-Q4 2023	Change %
Order intake	30,751	30,062	-2	119,196	125,011	5
Revenues	31,094	31,816	2	112,332	126,503	13
Adjusted EBITA ¹⁾	6,413	6,211	-3	22,486	25,240	12
Adjusted EBITA margin	20.6	19.5	–	20.0	20.0	–
Adjusted EBIT ²⁾	5,977	5,738	-4	21,020	23,300	11
Adjusted EBIT margin	19.2	18.0	–	18.7	18.4	–
Adjusted profit before tax ^{2, 3)}	5,587	5,107	-9	20,166	20,677	3
Profit for the period	3,435	4,259	24	12,854	15,301	19
Adjusted profit for the period ^{2, 3)}	4,041	4,047	0	15,035	15,935	6
Earnings per share, diluted, SEK	2.73	3.39	24	10.24	12.18	19
Adjusted earnings per share, diluted, SEK ^{2, 3)}	3.22	3.22	0	11.98	12.69	6
Free operating cash flow	6,226	5,463	-12	12,103	19,582	62

¹⁾ Adjusted for items affecting comparability (IAC) on EBITA of SEK 191 million in Q4 2023 (-730) and SEK -710 million for full year 2023 (-2,341). ²⁾ IAC on EBIT of SEK 191 million in Q4 2023 (-818) and SEK -882 million for full year 2023 (-2,429). ³⁾ Adjusted for IAC regarding tax of SEK 21 million in Q4 2023 (212) and SEK 248 million for full year 2023 (247). For full details on IAC, see page 20–21.

N/M = not meaningful

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.



CEO's comment

2023 was another successful year in our transformation as a company. We continued to make progress in our strategy execution and took important investment decisions to strengthen Sandvik for the future. With the seven acquisitions made this year, we have further enhanced Sandvik's presence in the customer value chain and improved our position in areas where we see long-term growth opportunities. Great innovations have also been introduced, some being the first of its kind in the industries we serve. I am also proud of the financial results. Revenues, at fixed exchange rate, for the full year, grew by a strong 9%. We also delivered an all-time high operating profit level of SEK 25.2 billion (22.5) and a margin of 20%, within our target range. Free operating cash flow amounted to SEK 19.6 billion (12.1), corresponding to a cash conversion of 80%.

We ended the year with a good fourth quarter. Orders, at fixed exchange rates, declined by 2% and revenues grew by 2%. The adjusted EBITA margin was 19.5%, a resilient and solid level given the volume decline in the business and the negative impact from currency, but not fully at our business cycle ambition level. Free operating cash flow amounted to SEK 5.5 billion (6.2), and cash conversion was at 92%.

Demand within Sandvik Mining and Rock Solutions held up well. Organic order intake declined by 3%, and organic revenues grew by 5%. Three strategically important orders were received. A major order for automated loaders into the largest underground iron ore mine in the world, and another one for complete autonomous surface drilling solutions. We also received our largest surface order to date, valued at SEK 248 million. The strong momentum in automation has continued and the Digital Mining Technologies division grew double digits for the 11th consecutive quarter. With the introduction of Automine® for under-



ground drills, enhancing the already well proven Automine® platform for trucks and loaders, Sandvik became the first OEM to offer a unified traffic management system for mining equipment underground. The integration of mining equipment into one system is unique and sets a new standard for underground mining efficiency. In 2023, Sandvik took further steps to strengthen our position on surface drilling. During the quarter we launched our second battery-electric concept surface drill rig, which is the first in its size class. The investment in a new testing facility in Finland to support the shift towards electrification and the autonomous and optimization technologies in surface drilling, was another milestone in the quarter.

“We continued to make progress in our strategy execution and took important investment decisions to strengthen Sandvik for the future.”

A continued challenging demand picture was noted in Sandvik Rock Processing Solutions with broad-based soft demand in infrastructure, while demand in mining was stable. Organic order intake and revenues declined year on year, by 18% and 13%, respectively. During the fall, Sandvik invested in a foundry for wear components for our crushers in the fast-growing Indian market, to enable better control of volume capacity and the supply chain.

While Sandvik Manufacturing and Machining Solutions reported a 1% organic decline in order intake, the development within cutting tools and software was positive. Cutting tools orders grew by 4% organically, driven by a slight uptick in automotive volumes and strong demand in aerospace. General engineering was stable year on year. On November 28, we announced a new software revenue target for Sandvik Manufacturing Solutions, of SEK 4 billion, to reflect an increased focus on our software sales ahead. The trajectory in the quarter was very positive, with software order and revenue growth of 8% and 10% respectively. During the quarter, we announced three acquisitions. One of them was Buffalo Tungsten, Inc. (BTI), a leading US based manufacturer of tungsten metal powder. With this acquisition, we take an important step in our strategic ambition to strengthen our presence in the North American market. It will also enhance our regional capacity to produce tungsten powder locally in the US, which will improve our competitive position.

We continue our work to improve operational efficiency by reducing our structural costs, and therefore announced a new restructuring program on January 25. The program is estimated to generate annualized savings of SEK 1.2 billion, and entail a total charge of SEK 2.4 billion, that will be accounted for in the first quarter of 2024. Continuing to drive efficiency becomes even more important given that the macro-economic outlook continues to be uncertain.

We made good progress during 2023, both operationally and financially. We reported record results and a strong cash conversion, despite challenging macro conditions. At the same time, we had a relentless focus on executing on our strategy and strengthened our position to capture growth opportunities ahead. These strategic accomplishments have been very important for the future success of the company and value creation for all Sandvik stakeholders. This is something to be proud of, and I want to close 2023 by extending a warm thanks to all Sandvik employees for another strong year.

Stefan Widing
President and CEO



Order intake and revenues

Growth Q4, %	Order intake	Revenues
Organic	-4	1
Structure	1	1
Organic & structure	-2	2
Currency	0	0
Total	-2	2

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



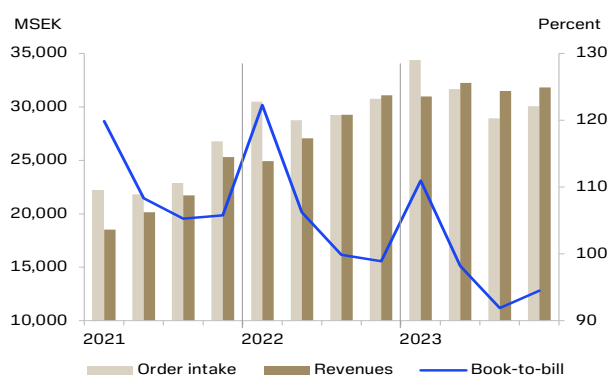
Total order intake declined 2% year on year, and by 2% at fixed exchange rates, and 4% organically. Total revenues grew by 2%, and at fixed exchange rates by 2%, of which 1% was organic.

Demand in mining was on stable, high levels, throughout the year, with good growth in aftermarket and with a decline in equipment orders on tough comparables. Similar picture was displayed during the fourth quarter. While certain commodity prices have been trending down, major ones such as gold, copper and iron ore, remained on robust levels. Strong demand has been noted for Sandvik's automation solutions, during the year and in the fourth quarter. Sandvik Mining and Rock Solutions reported growth in the quarter in all major regions except for North America and Africa, Middle East. Demand in infrastructure continued to be weak. Sandvik Rock Processing Solutions reported a negative development in all regions, although China in Asia had a strong year on year development.

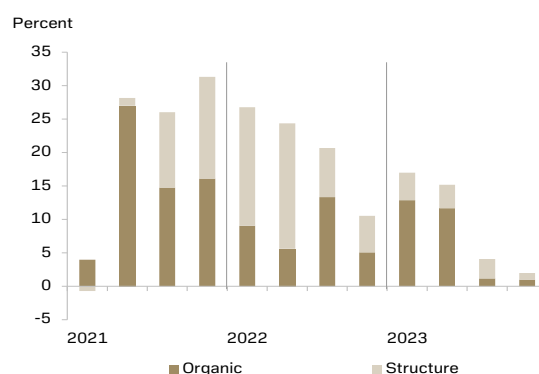
Due to the macro-economic environment, volumes in Sandvik Manufacturing and Machining Solutions have been coming down in 2023 for all segments but aerospace. During the fourth quarter, demand was positive for cutting tools driven by aerospace, and positive uptick in automotive, while general engineering was stable. Solid demand was noted for the software business. The negative development in the powder business, throughout 2023, and in the quarter, has mainly been due to a weaker business climate and destocking. Demand in the quarter per region varied, with negative development in North America and stable in Europe. While the demand in China has slightly improved sequentially, the strong year on year development was due to weak demand in the year earlier period.

Regionally, for the Group, order intake development was positive in all major regions but North America and Africa, Middle East. Order intake in Europe was flat year on year.

Order intake and revenues



Revenue growth



Q4 Underlying market development

Continuing operations

	Mining	General engineering	Automotive	Energy	Infrastructure	Aerospace	Other
	51%	20%	7%	1%	10%	4%	8%
	of 2023 revenues						

	% of 2023 Group revenue	Order intake Y/Y (excl. large orders)						
Europe	27%	0% (-3%)	→	→	↗	↘	↗	↘
North America	25%	-9% (-6%)	→	↘	→	↘	↗	↗
Asia	17%	6% (-2%)	→	↗	↗	↘	↗	↘
Africa, Middle East	12%	-20% (-21%)	→			↘		
Australia	13%	-1% (-1%)	→			↘		
South America	7%	10% (10%)	→			↘		

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



Earnings

Adjusted gross profit amounted to SEK 13,107 million (12,704), corresponding to a margin of 41.2% (40.9). Adjusted sales and administration costs increased by 5% to SEK 7,221 million (6,910). The ratio to revenues increased to 22.7% (22.2).

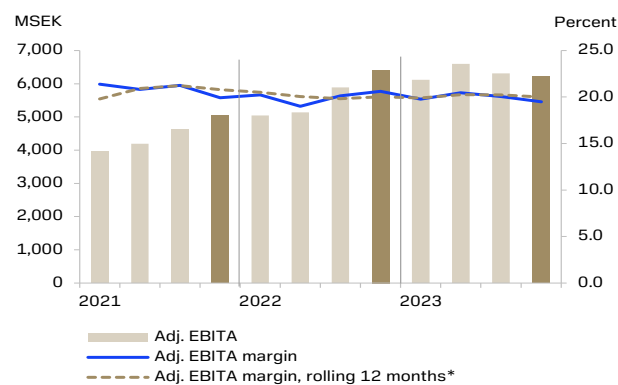
Adjusted EBITA declined by 3% to SEK 6,211 million (6,413), with a margin of 19.5% (20.6). The impact from transaction and translation exchange rates was negative SEK 323 million year on year and was dilutive to the margin with 110 basis points. Savings from the restructuring program communicated in May 2022, amounted to approximately SEK 94 million in the quarter, corresponding to a realized annualized run rate of 48% of total annualized savings of SEK 785 million. Acquisitions were neutral to the margin. Items affecting comparability amounted to SEK 191 million (-730) on EBITA, mainly related to a divestment of an entity as part of the wind-down process of operations in Russia.

The interest net amounted to SEK -468 million (-416), negatively impacted by higher total yield cost including swap costs. Net financial items amounted to SEK -630 million (-390). The lower cost in the year earlier period was due to temporary positive revaluation effects on hedges.

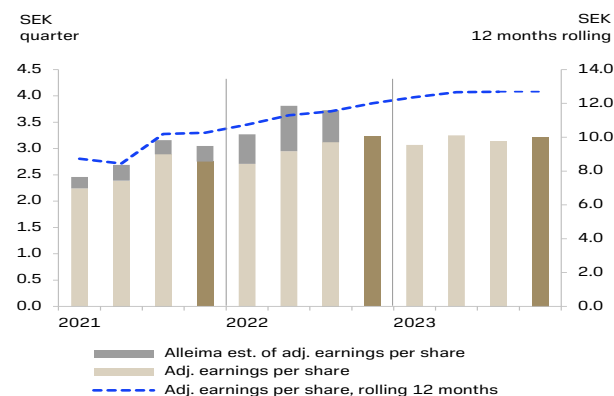
The tax rate, excluding items affecting comparability, for continuing operations was 20.8% (27.7). The reported tax rate for continuing operations was 19.6% (28.0). The normalized tax rate was 21.7% (25.4), below guidance due to a tax credit.

Profit for the period amounted to SEK 4,259 million (3,435), corresponding to earnings per share, diluted, of SEK 3.39 (2.73) and adjusted earnings per share, diluted, of SEK 3.22 (3.22). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 3.53 (3.50).

Adjusted EBITA*



Adjusted earnings per share*



*Best estimate for 2021 as effects of the separations of Alleima are not fully reconciled



Balance sheet and cash flow

Capital employed was stable year on year and amounted to SEK 137.4 billion (137.2). Sequentially, capital employed decreased from SEK 142.1 billion mainly driven by lower net working capital. Return on capital employed increased year on year to 17.4% (16.0) and sequentially (16.5).

Net working capital increased year on year to SEK 35.0 billion (33.3) mainly explained by lower accounts payables. Sequentially (38.1), net working capital decreased predominantly due to exchange rates, and lower inventories. Net working capital in relation to revenues of 28.8% (27.1) increased year on year and decreased sequentially (30.5).

Investments in tangible and intangible assets increased to SEK 1.7 billion (1.5), compared to the preceding year and sequentially (1.3). The investments corresponded to 203% of scheduled depreciations. The increase is primarily related to increased investments in ERP systems and a foundry for our crusher business in India.

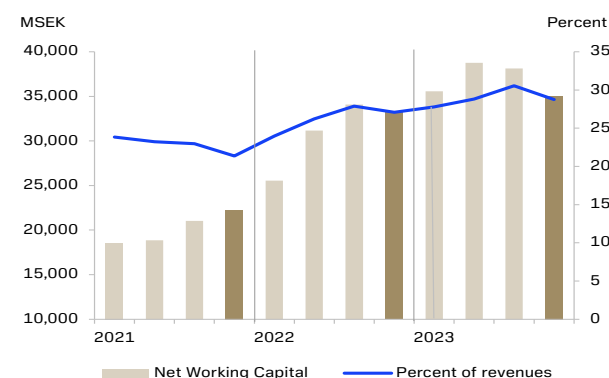
The financial net debt of SEK 35.2 billion (36.5) decreased year on year and sequentially (38.4). The decline was mainly related to higher cash flow generation. The financial net debt/EBITDA ratio was 1.2 (1.3), representing a decrease year on year and sequentially (1.3). The net pension liability increased year on year to SEK 2.8 billion (2.4) and sequentially (2.2). The increase was mostly due to reduced discount rates. Total net debt decreased year on year to SEK 43.5 billion (44.0) and sequentially (46.2).

Free operating cash flow decreased year on year to SEK 5.5 billion (6.2). Positive net working capital change was negatively offset by a lower result, net of non-cash items, compared to the year earlier period.

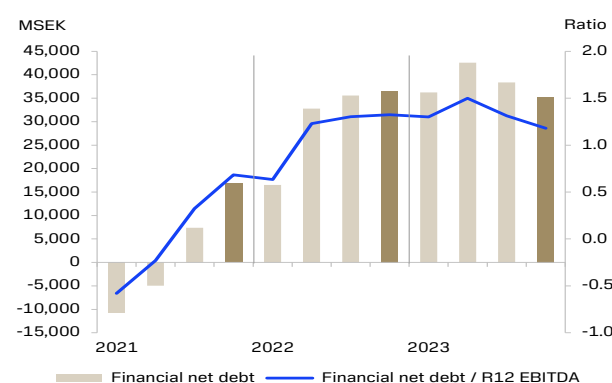
Free operating cash flow, MSEK	Q4 2022	Q4 2023
EBITDA, adj. ¹⁾	6,603	7,249
Non-cash items	893	-1,089
Net working capital change	376	1,039
Capex ²⁾	-1,647	-1,735
Free operating cash flow³⁾	6,226	5,463

¹⁾ Adjusted for cash items related to certain acquisitions costs ²⁾ Including investments and disposals of rental equipment of SEK -106 million (-182) and tangible and intangible assets of SEK -1,630 million (-1,465). ³⁾ Free operating cash flow before acquisitions and disposals of companies, financial items and paid taxes.

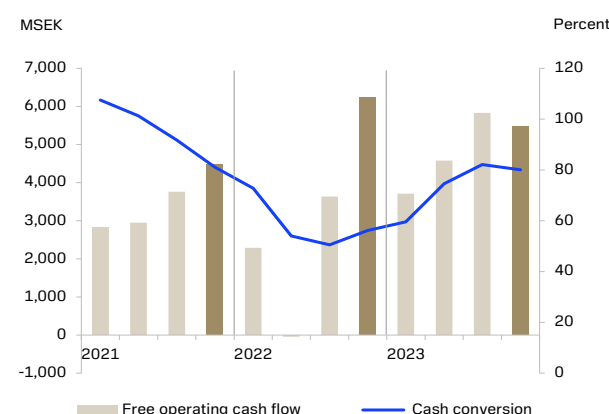
Net working capital*



Financial net debt/EBITDA*



Free operating cash flow*



*Best estimate for 2021 as effects of the separations of Alleima are not fully reconciled. 2022 has been adjusted to exclude Alleima for net working capital and free operating cash flow.



Sandvik Mining and Rock Solutions

- Positive momentum for automation solutions
- All-time high surface order
- Solid leverage in the quarter



Growth Q4, %	Order intake	Revenues
Organic	-3	5
Structure	0	0
Organic & structure	-3	5
Currency	-1	0
Total	-4	5

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

Order intake and revenues

- Solid demand for automation solutions and a record order for surface drill rigs received, valued at SEK 248 million
- Total order intake declined by 4%. At fixed exchange rates, the decline was 3%, of which organic -3%
- Major orders amounted to SEK 1,150 million (860). Excluding major orders, organic order intake declined by 5%
- Strongest organic order intake development was noted in South America of 19%. Asia and Australia grew positively by 8% and 2%, respectively. North America declined by 11% and Africa, Middle East by 21%
- Organic order intake for equipment declined by 10% and was flat for aftermarket
- The aftermarket business accounted for 64% (65) of revenues while the equipment business accounted for 36% (35)

Adjusted EBITA

- The adjusted EBITA amounted to SEK 3,472 million (3,557), corresponding to a margin of 20.6% (22.0).
- Solid leverage of 31%
- Savings from the 2022 restructuring program had a positive impact of SEK 10 million
- Acquisitions had limited impact to the margin
- Exchange rates had a negative impact of SEK 332 million year on year corresponding to a dilution of 190 basis points

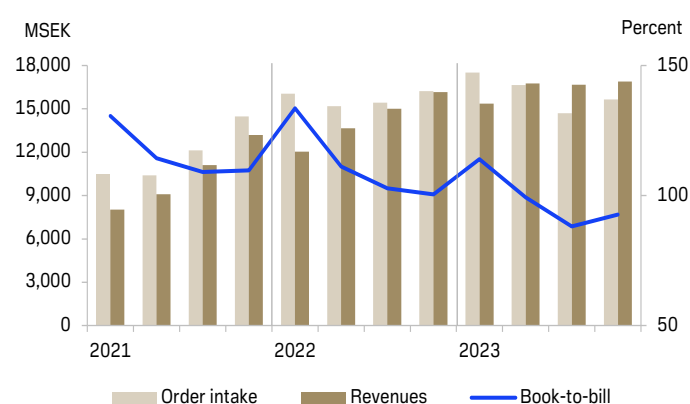
Shift to growth

Sandvik introduced several new technologies and solutions during the quarter; AutoMine® for underground drills, a tele-remote solution that enables operators to remotely control and supervise multiple automated Sandvik underground drills.

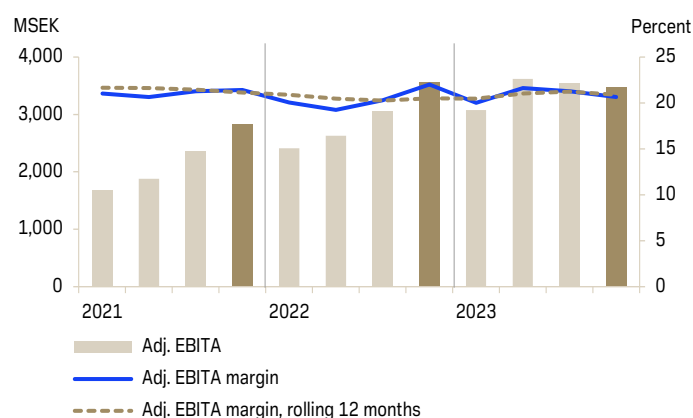
Sandvik also launched the AutoMine®-ready Toro™ LH514iE loader, a revamped version of its 14-metric-ton cable-electric loader. In addition, new top hammer tool systems were launched (CT55 and CT67), featuring an industry-first curved thread design.

During the quarter, Sandvik acquired a new testing facility in Finland, to develop and prove future surface drilling technologies. On November 28, Sandvik also unveiled its second battery-electric concept surface drill rig, which is the first in its size class (read more on page 9).

Order intake, revenues and book-to-bill



Adjusted EBITA



Financial overview, MSEK	Q4 2022	Q4 2023	Change %	Q1-Q4 2022	Q1-Q4 2023	Change %
Order intake	16,234	15,661	-4	62,895	64,527	3
Revenues	16,156	16,894	5	56,843	65,690	16
Adjusted EBITA ¹⁾	3,557	3,472	-2	11,643	13,716	18
Adjusted EBITA margin	22.0	20.6	-	20.5	20.9	-
Return on capital employed ²⁾	27.2	25.9	-	22.6	24.6	-
Number of employees ³⁾	16,206	17,019	5	16,206	17,019	5

¹⁾ EBITA adjusted for items affecting comparability of SEK 246 million in Q4 2023 (-4) and SEK 67 million YTD (-1,264). 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

- Continued soft demand in infrastructure
- Capacity investment in India
- Margin resilience on lower volumes



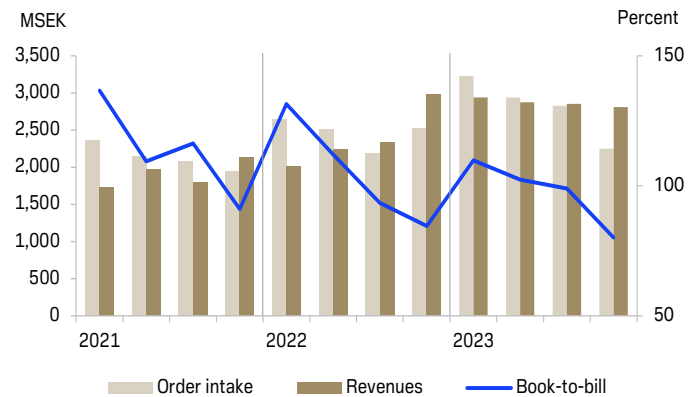
Growth Q4, %	Order intake	Revenues
Organic	-18	-13
Structure	7	7
Organic & structure	-11	-6
Currency	0	0
Total	-11	-6

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

Order intake and revenues

- Infrastructure demand continued to be weak across the major regions. Mining demand was overall stable, with positive aftermarket growth
- Two major orders were received, totaling SEK 171 million (57)
- Total order intake declined by 11% and at fixed exchange rates by 11%, of which organic was -18%
- Excluding major orders, organic order intake declined by 20%
- Organic order intake for equipment decreased by 32% and for aftermarket by 8%
- Asia reported a decline in orders of 18%, while solid growth was noted in China. Organic order intake declined by 13% in Europe and 12% in North America
- Organic order intake for equipment declined by 32% and by 8% for aftermarket
- The aftermarket business accounted for 61% (53) of revenues while the equipment business accounted for 39% (47)

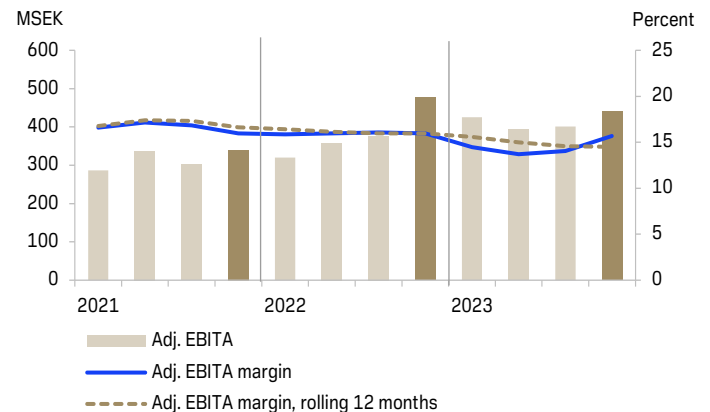
Order intake, revenues and book-to-bill



Adjusted EBITA

- The adjusted EBITA amounted to SEK 440 million (476), corresponding to a margin of 15.7% (16.0)
- Lower volumes and integration costs had a negative impact on the margin, partly off-set by a positive impact from savings
- Savings from the 2022 restructuring program amounted to SEK 22 million
- Exchange rates had a negative impact of SEK 19 million year on year, corresponding to a dilution of 80 basis points

Adjusted EBITA



Shift to growth

During the quarter Sandvik launched DeckMapp, a digital solution for wear scanning of screening media panels. The monitoring from DeckMapp includes measurements for apertures, wear as well as remaining lifespan. It also includes features such as an alert function for failure modes and panel replacements recommendations.

Sandvik also invested in a new foundry, in India, which enables better control of supply, volumes and lead times for key wear components.

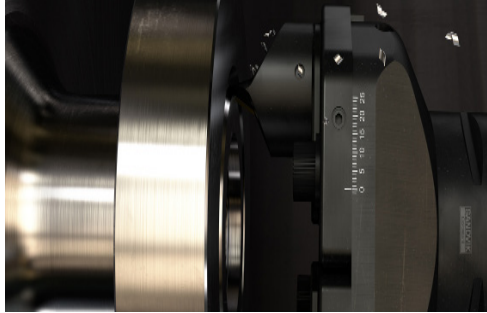
Financial overview, MSEK	Q4 2022	Q4 2023	Change %	Q1-Q4 2022	Q1-Q4 2023	Change %
Order intake	2,523	2,248	-11	9,874	11,238	14
Revenues	2,985	2,807	-6	9,587	11,472	20
Adjusted EBITA ¹⁾	476	440	-8	1,530	1,661	9
Adjusted EBITA margin	16.0	15.7	-	16.0	14.5	-
Return on capital employed ²⁾	7.8	10.6	-	16.7	8.6	-
Number of employees ³⁾	2,919	2,946	1	2,919	2,946	1

¹⁾ EBITA adjusted for items affecting comparability of SEK 11 million in Q4 2023 (-141) and SEK -144 million YTD (-201). 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 Manufacturing and Machining Solutions

- Growth in cutting tools and software
- Solid demand in aerospace
- Three acquisitions announced



Growth Q4, %	Order intake	Revenues
Organic	-1	-1
Structure	1	1
Organic & structure	0	0
Currency	1	1
Total	1	1

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

Order intake and revenues

- Strong demand in aerospace and positive contribution from automotive while general engineering was stable
- Cutting tools divisions and the software business grew by mid- and high-single digits, respectively, while powder declined year on year
- Total order intake increased by 1%. At fixed exchange rates order intake was flat year on year, of which organic -1%
- Highest growth in organic order intake was noted in Asia of 10%. Europe declined slightly by 1%, and North America by 7%
- The number of working days had a -0.4% impact on orders and revenues
- Daily order intake in the first two weeks of January was stable compared to the fourth quarter

Adjusted EBITA

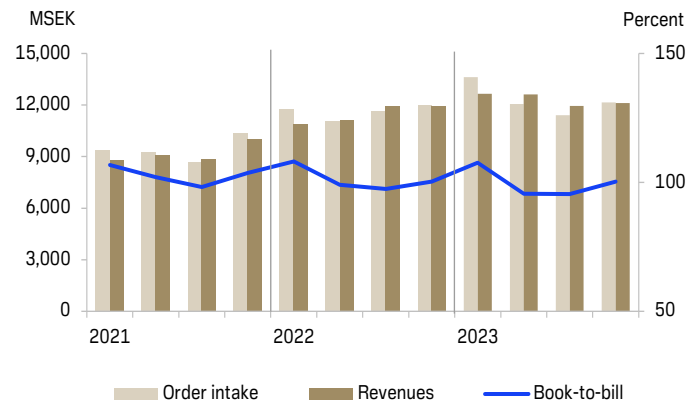
- The adjusted EBITA amounted to SEK 2,453 million (2,657), corresponding to a margin of 20.2% (22.2). Volumes impacted the margin negatively year on year
- Negative effects in one cutting tool division from e.g. under absorption, had a dilutive impact to the margin
- Acquisitions were neutral to the margin
- Savings from the 2022 restructuring program had a positive impact of SEK 62 million
- Exchange rates had a positive impact of SEK 18 million year on year, corresponding to a dilution of 10 basis points

Shift to growth

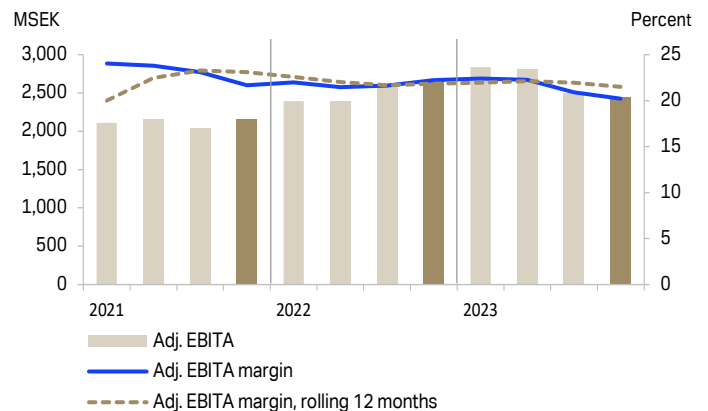
Sandvik acquired Buffalo Tungsten, Inc., a leading US based manufacturer of tungsten metal powder and tungsten carbide powder, primarily operating in North America. The acquisition further expands Sandvik's presence in the North American market and strengthens regional capabilities in the component manufacturing value chain.

In addition, Sandvik acquired esco GmbH, a German-based supplier of software for power skiving, an important technology within gear machining. During the quarter Sandvik also launched the next version, V20, of Metrolog X4 and Silma X4. This is the first software that integrates Requests for Proposals with analyzing point cloud and simulation.

Order intake, revenues and book-to-bill



Adjusted EBITA



Financial overview, MSEK	Q4 2022	Q4 2023	Change %	Q1-Q4 2022	Q1-Q4 2023	Change %
Order intake	11,993	12,154	1	46,428	49,247	6
Revenues	11,954	12,114	1	45,901	49,340	7
Adjusted EBITA ¹⁾	2,657	2,453	-8	10,023	10,597	6
Adjusted EBITA margin	22.2	20.2	-	21.8	21.5	-
Return on capital employed ²⁾	11.3	13.4	-	13.8	13.7	-
Number of employees ³⁾	20,802	20,326	-2	20,802	20,326	-2

1) EBITA adjusted for items affecting comparability of SEK -66 million in Q4 2023 (-583) and SEK -552 million YTD (-935). 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



Making the sustainability shift

- Favorable trend of lower level of injury rates
- Improved rate of female managers
- Launch of battery-electric concept surface drill rig



During the quarter

The level of injury rates developed favorably in the quarter compared to the year earlier period. The Total Recordable Injury Frequency Rate (TRIFR) was stable and Lost Time Injury Frequency Rate (LTIFR) improved by 17%.

Good progress in the work to improve circular waste handling was made in the quarter, and a slight improvement in circular waste of 71% (70) was reported.

Sandvik is digitalizing its buyback program process to make it easier, quicker and more transparent to recycle carbide material. In the new digitalized process, customers can track the recycled material, and receive data on saved GHG emissions. The process went live in Sweden during the fourth quarter and will be implemented in all major markets in 2024.

Sandvik Coromant launched a new reconditioning center for solid round tools in Gimo, Sweden, that will support the Nordic markets. Sandvik's reconditioning centers are integral to developing sustainable manufacturing practices, allowing for optimized resource use and reduced waste through the restoration of worn tools.

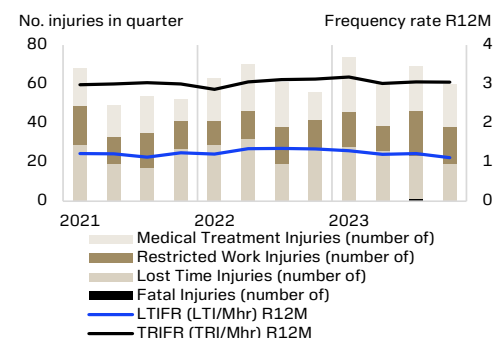
Fourth quarter 2023

- TRIFR was stable at 3.1 (3.1) compared to the same period last year
- LTIFR improved to 1.1 (1.3) compared to the same period last year
- Greenhouse gas emissions (GHG) was stable at 34 kton (34) in the quarter
- The share of circular waste improved to 71% (70)
- The share of female managers improved to 20.5% (19.6)

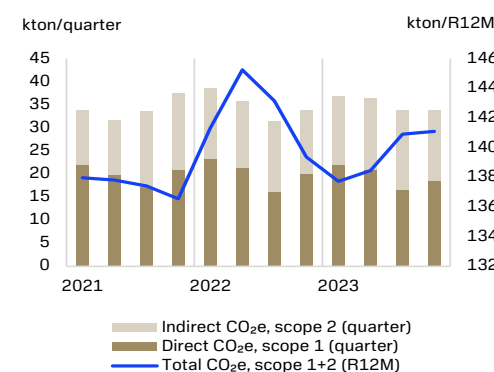
Towards net zero in mining

Sandvik is driving the shift towards net-zero mining. During the fourth quarter, a battery-electric concept surface drill rig was launched. The drill rig is the first in its size class on the market, and has the autonomy of battery and endurance of power cable. Electric surface rigs have long depended on cable connection as the power source. With the latest technology advancements, Sandvik continues to push the potential of more sustainable surface drilling. This intelligent Down The Hole rig's battery pack provides power for up to one hour of drilling or up to seven hours of tramping. The battery is primarily intended for tramping and drilling individual holes while the bulk of a pattern is carried out by power from its 180-meter tethered cable. The shift towards more sustainable mining will change the entire operating environment, and with the learnings from this and other concept rigs, Sandvik's customers will get even more value and support on their decarbonization journey.

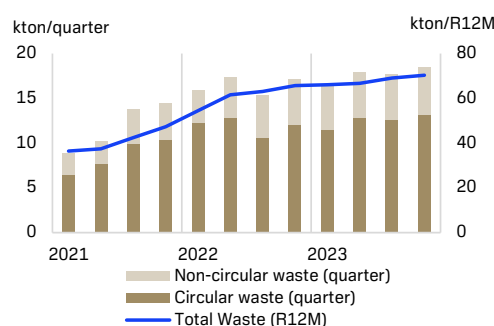
Zero harm



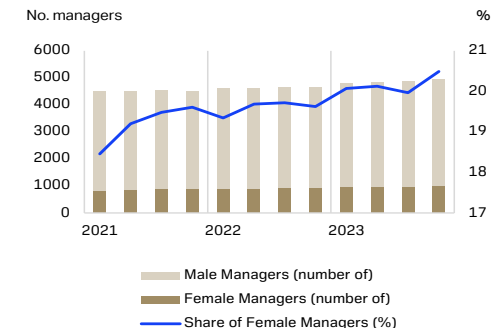
GHG emissions



Circularity



Diversity



Sustainability overview	Q4 2022	Q4 2023	Change %	Q1-Q4 2022	Q1-Q4 2023	Change %
Total waste, thousand tonnes ¹⁾	17.1	18.4	7.9	65.6	70.4	7.2
Waste circularity, % of total	70.4	71.4	1.3	72.6	71.3	-1.9
Total CO ₂ , thousand tonnes ¹⁾	33.7	33.9	0.6	139.4	141.1	1.2
Total recordable injury frequency rate, R12M frequency / million working hours	3.1	3.1	-2.6	3.1	3.1	-2.6
Lost time injury frequency rate, R12M frequency / million working hours	1.3	1.1	-16.7	1.3	1.1	-16.7
Share of female managers, %	19.6	20.5	4.4	19.6	19.9	1.8

¹⁾ 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
2023				
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
Sandvik Mining and Rock Solutions	MCB Services and Minerals	April 1, 2023	60 MSEK in 2022	53
Sandvik Mining and Rock Solutions	Norgalv	June 1, 2023	58 MSEK R12	42
Sandvik Manufacturing and Machining Solutions	Postability	August 1, 2023	30 MSEK in 2022	13
Sandvik Manufacturing and Machining Solutions	esco GmbH	November 2, 2023	14 MSEK in 2022	17
Sandvik Manufacturing and Machining Solutions	Buffalo Tungsten Inc.	December 1, 2023	333 MSEK in 2022	48

The acquisitions were made through the purchase of 100% of shares and voting rights except for MCB and Premier Machine Tools (PMT). Sandvik acquired 95% of PMT and for MCB Sandvik purchased the remaining 70% of the shares and voting rights. Prior to the acquisition of MCB in April, Sandvik owned 30% of the shares. Sandvik received control over the operations on the date of closing. No equity instruments have been issued in connection with the acquisitions. The acquisitions have been accounted for using the acquisition method.

MSEK	Purchase price on cash and debt free basis	Preliminary goodwill	Preliminary other surplus values
Acquisitions 2023	2,094	1,049	880

Fair value recognized in the Group 2023¹⁾

MSEK	Polymathian
Property, plant and equipment	0
Receivables	22
Cash and cash equivalents	12
Other liabilities and provisions	-14
Deferred tax assets/liabilities, net	-22
Net identifiable assets and liabilities	-2
Goodwill	533
Other surplus values	646
Purchase consideration	-1,177
Cash and cash equivalents in the acquired business	12
Net cash outflow	-1,165

¹⁾ The purchase price allocations are preliminary.

Contributions from companies acquired in 2023

MSEK	
Contributions as of acquisition date	
Revenues	326
Profit for the year	32
Contributions if the acquisition date would have been January 1, 2023	
Revenues	760
Profit for the year	37

Divestments during last 12 months

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

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



Significant events

During the fourth quarter

- On November 3, Sandvik completed the acquisition of esco GmbH engineering solutions consulting. The company will be reported in Sandvik Coromant, a division within Sandvik Manufacturing and Machining Solutions.
- On December 4, Sandvik completed the acquisition of Buffalo Tungsten, Inc. (BTI). The company will be reported in business area segment Sandvik Machining Solutions.
- On December 28, Sandvik signed an agreement to acquire pro-micron GmbH, a German-based supplier of sensorised tools and automation software. The company will be reported in Sandvik Coromant, a division within Sandvik Manufacturing and Machining Solutions. The transaction is expected to close during the first quarter 2024.

After the quarter

- On January 25, Sandvik announced a new restructuring program to strengthen operational efficiency and resilience. The program will generate annual savings of about SEK 1.2 billion.

Full year 2023

The demand for Sandvik's products and solutions was overall stable during 2023, with variations between segments and regions. Demand in mining was on stable high levels, with decline in equipment orders, compensated by solid aftermarket growth. Strong momentum was noted in the automation and battery electric solutions. On the back of a more challenging environment, with increased interest rates and inflationary pressure, the infrastructure segment displayed soft demand in all Sandvik's major regions. The slow-down in manufacturing activities, also signaled in the global PMIs, had a negative impact on volumes in general engineering. Solid demand was noted in the aerospace segment, while the development in automotive was stable.

Total order intake grew by 5% and, at fixed exchange rates, 1%. Organically order intake declined by 2%. Total revenue grew by 13%, at fixed exchange rates, by 9%, of which organic was 6%.

Adjusted EBITA increased by 12% year on year to SEK 25,240 million (22,486) and the adjusted EBITA margin was 20.0% (20.0), in line with target range. The reported EBITA increased by 22% to SEK 24,530 million (20,145) resulting in a margin of 19.4% (17.9).

Net financial items amounted to SEK -2,623 million (-854) and profit before tax was SEK 19,794 million (17,738).

The tax rate, excluding items affecting comparability, for continuing operations was 22.9% (25.4). The reported tax rate for continuing operations was 22.7% (27.5). The normalized tax rate for continuing operations was 23.4% (24.1), in line with guidance.

Profit for the period amounted to SEK 15,301 million (12,854). Earnings per share, diluted amounted to SEK 12.18 (10.24).

For the Group total, financial net debt decreased year-on-year to SEK 35.2 billion (36.5) resulting in a financial net debt to EBITDA ratio of 1.2 (1.3).

During the year seven acquisitions were completed. Sandvik acquired 95% of the shares in PMT Premier Machine Tools Limited. In addition, Sandvik acquired Polymathian, Norgalv and the remaining 70% of MCB Services and Minerals (MCB). MCB and Deswik, which Sandvik acquired in April 2022, have previously operated on a joint venture basis and Deswik acquired 30% of the shares in 2019. In August, the acquisition of Postability was completed. In November Sandvik acquired esco GmbH engineering solutions consulting and Buffalo Tungsten, Inc. in December.



Guidance and financial targets

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

Capex (cash)	Estimated at approx. SEK 5.0 billion for 2024.
Currency effects	Based on currency rates at the end of December 2023, it is estimated that transaction and translation currency effects will have an impact of about SEK -360 million on EBITA for the first quarter of 2024, compared with the year-earlier period
Interest net	Estimated at SEK approximately -1.3 billion in 2024.
Tax rate	Estimated at 23–25% for 2024, normalized.

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

Growth

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

Adjusted EBITA range

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

Dividend payout ratio

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

Financial net debt/EBITDA

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

Sustainability

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

Accounting policies

Sandvik Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. With exception for new and revised standards and interpretations effective from January 1, 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.

Changes in accounting policies 2023

IASB has published amendments of standards that are effective as of January 1, 2023. The standards have not had any material impact on the financial reports.

IAS 12 Deferred tax,

A company shall recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment is effective from January 1, 2023.

IAS 12 Pillar II

Sandvik applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes, as provided in the amendments to IAS 12 issued in May 2023. The amendment is effective immediately.

Changes in accounting policies 2024 or later

A number of new or amended accounting standards and interpretations have been published and is effective from 2024 or later. None of these are considered to have a material impact on the financial statements.

IAS 1 Disclosure of Supplier Finance Arrangements

The amendment requires specific disclosures regarding supplier finance arrangements (SFAs). The amendment is effective from January 1, 2024.

Transactions with related parties

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

Risk assessment

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

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

For a more detailed description of Sandvik's analysis of risks and risk universe, see the Annual Report for 2022.



Financial reports summary

The Group

Income statement

MSEK	Q4 2022	Q4 2023	Change %	Q1-Q4 2022 ¹⁾	Q1-Q4 2023	Change %
Continuing operations						
Revenues	31,094	31,816	2	112,332	126,503	13
Cost of goods and services sold	-18,578	-18,721	1	-66,962	-74,456	11
Gross profit	12,516	13,094	5	45,370	52,046	15
% of revenues	40.3	41.2		40.4	41.1	
Selling expenses	-4,039	-3,930	-3	-14,635	-15,876	8
Administrative expenses	-2,194	-2,088	-5	-7,918	-8,794	11
Research and development costs	-1,141	-1,157	1	-4,185	-4,489	7
Other operating income and expenses	17	10	-43	-40	-470	N/M
Operating profit	5,159	5,929	15	18,592	22,418	21
% of revenues	16.6	18.6		16.6	17.7	
Financial income	353	162	-54	936	808	-14
Financial expenses	-743	-793	7	-1,790	-3,431	92
Net financial items	-390	-630	62	-854	-2,623	N/M
Profit before tax	4,769	5,298	11	17,738	19,794	12
% of revenues	15.3	16.7		15.8	15.6	
Income tax	-1,335	-1,040	-22	-4,884	-4,493	-8
Profit for the period, continuing operations	3,435	4,259	24	12,854	15,301	19
% of revenues	11.0	13.4		11.4	12.1	
Profit for the period, discontinued operations	16	-	-100	-1,628	-	-100
Profit for the period, Group total	3,451	4,259	23	11,225	15,301	36
Profit (loss) for the period attributable to						
Owners of the parent company	3,436	4,260	24	11,212	15,300	36
Non-controlling interest	15	-1	N/M	13	1	-89
Earnings per share, SEK						
Continuing operations, basic	2.74	3.40	24	10.25	12.20	19
Continuing operations, diluted	2.73	3.39	24	10.24	12.18	19
Group total, basic	2.75	3.40	23	8.95	12.20	36
Group total, diluted	2.75	3.39	23	8.94	12.18	36
Other comprehensive income						
<i>Items that will not be reclassified to profit (loss)</i>						
Actuarial gains (losses) on defined benefit pension plans	-760	-599		3,405	-510	
Tax relating to items that will not be reclassified	1	178		-786	167	
Total items that will not be reclassified to profit (loss)	-759	-421		2,620	-344	
<i>Items that may be reclassified subsequently to profit (loss)</i>						
Translation differences	-923	-6,400		7,616	-3,113	
Hedge reserve	-286	1,455		-98	1,052	
Tax relating to items that may be reclassified	59	-300		34	-217	
Fair value adjustment		-2			-2	
Total items that may be reclassified subsequently to profit (loss)	-1,150	-5,247		7,552	-2,279	
Total other comprehensive income	-1,909	-5,668		10,172	-2,623	
Total comprehensive income	1,542	-1,409		21,398	12,678	
Total comprehensive income attributable to						
Owners of the parent company	1,540	-1,407		21,385	12,678	
Non-controlling interest	2	-2		13	0	

¹⁾ Including Alleima Q1-Q3 2022.

N/M = Non-meaningful. For definitions see [home.sandvik](https://www.sandvik.com)



The Group

Balance sheet, Continuing and discontinued operations

MSEK	Dec 31, 2022	Dec 31, 2023
Intangible assets	66,134	64,495
Property, plant and equipment	21,683	22,234
Right- of use assets	4,941	5,384
Financial assets	8,931	9,980
Inventories	35,019	34,301
Current receivables	29,363	33,298
Cash and cash equivalents	10,489	4,363
Assets held for sale	121	154
Total Assets	176,682	174,210
Total equity	81,270	87,697
Non-current interest-bearing liabilities	45,822	36,931
Non-current non-interest-bearing liabilities	6,365	5,704
Current interest-bearing liabilities	9,693	12,240
Current non-interest-bearing liabilities	33,436	31,602
Liabilities held for sale	97	36
Total equity and liabilities	176,682	174,210

Changes in equity

MSEK	Equity related to owners of the parent company	Non-controlling interest	Total equity
Equity at January 1, 2022	77,200	132	77,332
Adjustment on correction of error	-172		-172
Equity at January 1, 2022	77,028	132	77,160
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
Change in non-controlling interest	-44	-103	-147
Share based program	-135	-	-135
Dividend	-5,955	0	-5,955
Distribution of Alleima	-11,039	-	-11,039
Equity at December 31, 2022	81,227	43	81,270
Equity at January 1, 2023	81,227	43	81,270
Adjustment on correction of error	204	-	204
Equity at January 1, 2023	81,431	43	81,474
Total comprehensive income (loss) for the period	12,678	0	12,678
Change in fair value of put option to acquire non-controlling interest	-86	-	-86
Change in non-controlling interest	-23	23	-
Share based program	-109	-	-109
Dividend	-6,261	-	-6,261
Equity at December 31, 2023	87,631	66	87,697



The Group

Cash flow statement, continuing and discontinued operations

MSEK	Q4 2022	Q4 2023	Q1-Q4 2022 ¹⁾	Q1-Q4 2023
Continuing operations				
<i>Cash flow from operating activities</i>				
Profit before tax	4,769	5,298	17,738	19,794
Adjustment for depreciation, amortization and impairment losses	1,892	1,789	6,643	7,459
Other adjustments for non-cash items	3,105	-662	315	1,834
Payment to pension fund	-143	-77	-408	-509
Income tax paid	-1,108	-2,086	-5,042	-6,852
Cash flow from operating activities before changes in working capital	8,515	4,262	19,245	21,726
<i>Changes in working capital</i>				
Change in inventories	-187	1,827	-6,876	292
Change in operating receivables	534	540	-2,067	-171
Change in operating liabilities	29	-1,329	1,389	-2,527
Cash flow from changes in working capital	376	1,039	-7,554	-2,406
Investments in rental equipment	-208	-211	-923	-910
Proceeds from sale of rental equipment	26	106	324	387
Cash flow from operating activities, net	8,710	5,196	11,092	18,797
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash acquired	-7,342	-224	-15,542	-1,877
Proceeds from sale of companies and shares, net of cash disposed	22	-164	-34	-164
Acquisitions of tangible assets	-1,170	-1,215	-3,288	-3,872
Proceeds from sale of tangible assets	57	68	728	315
Acquisitions of intangible assets	-358	-483	-946	-1,482
Proceeds from sale of intangible assets	6	1	6	6
Acquisitions of financial assets	-	-5	-	-113
Proceeds from sale of financial assets	0	10	0	10
Other investments, net	-323	-34	-806	-1,327
Cash flow from investing activities	-9,109	-2,048	-19,882	-8,505
<i>Cash flow from financing activities</i>				
Repayment of borrowings	-4,462	-3,187	-17,640	-8,457
Proceeds from borrowings	1,082	37	31,929	78
Amortization, lease liabilities	-305	-392	-1,157	-1,323
Repurchase of own shares	-	-	-270	-242
Dividends paid	-	-	-5,955	-6,261
Cash flow from financing activities, net	-3,686	-3,542	6,906	-16,206
Cash flow from continuing operations	-4,084	-394	-1,884	-5,913
Cash flow from discontinued operations ¹⁾	-	-	-1,733	-
Cash and cash equivalents at beginning of the period	14,933	4,998	13,585	10,489
Exchange-rate differences in cash and cash equivalents	-360	-241	521	-213
Cash and cash equivalents at the end of the period	10,489	4,363	10,489	4,363
Group Total				
Cash flow from operations	8,708	5,196	10,465	18,797
Cash flow from investing activities	-9,107	-2,048	-20,304	-8,505
Cash flow from financing activities	-3,685	-3,542	6,222	-16,206
Group total cash flow	-4,084	-394	-3,617	-5,913

1) Including Alleima Q1-Q3, 2022.

For definitions see home.sandvik



The Parent company

For full year 2023 the parent company's invoiced sales amounted to SEK 13,705 million (13,139) and the operating result was SEK -6,868 million (4,906). A change in allocation of royalties between Group companies has had a negative impact on the parent company's operating result in 2023. Result from shares in Group companies of

SEK 12,855 million (11,166) for the year consists mainly of dividends and contributions. Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 38,011 million (16,147). Investments in property, plant and machinery amounted to SEK 384 million (320).

Income statement

MSEK	Q4 2022	Q4 2023	Q1-Q4 2022	Q1-Q4 2023
Revenues	3,552	3,271	13,139	13,705
Cost of goods and services sold	-162	-12,873	-2,094	-14,616
Gross profit	3,390	-9,602	11,045	-911
Selling expenses	-312	48	-1,098	-938
Administrative expenses	-608	-540	-2,338	-2,313
Research and development costs	-418	-431	-1,591	-1,599
Other operating income and expenses	-566	-472	-1,112	-1,107
Operating result	1,486	-10,997	4,906	-6,868
Result from shares in group companies	1,973	9,417	11,166	12,855
Interest income/expenses and similar items	-102	-439	241	-1,242
Result after financial items	3,357	-2,019	16,313	4,745
Appropriations	-25	-28	1	13
Income tax expenses	-535	1,728	-1,792	638
Result for the period	2,797	-319	14,522	5,396

Balance sheet

MSEK	Dec 31, 2022	Dec 31, 2023
Intangible assets	447	312
Property, plant and equipment	3,022	3,064
Financial assets	71,044	83,550
Inventories	1,105	1,082
Current receivables	7,250	12,406
Cash and cash equivalents	0	0
Total assets	82,868	100,414
Total equity and liabilities	30,213	29,249
Untaxed reserves	1,070	1,057
Provisions	865	1,178
Non-current interest-bearing liabilities	30,232	26,649
Non-current non-interest-bearing liabilities	881	416
Current interest-bearing liabilities	16,490	30,712
Current non-interest-bearing liabilities	3,117	11,153
Total equity and liabilities	82,868	100,414
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	16,147	38,011
Investments in fixed assets	320	384



Market overview, the Group

Order intake by region

MSEK	Q4 2023	Change *		Share %	Q1-Q4 2023	Change *		Share
		%	% ¹⁾			%	% ¹⁾	
The Group								
Europe	8,086	0	-3	27	33,460	2	0	27
North America	7,533	-9	-6	25	31,583	-5	-1	25
South America	2,051	10	10	7	8,849	4	8	7
Africa/Middle East	3,307	-20	-21	11	14,041	-2	-1	11
Asia	5,662	6	-2	19	21,282	-7	-5	17
Australia	3,422	-1	-1	11	15,796	2	1	13
Total²⁾	30,062	-4	-5	100	125,011	-2	-1	100
Sandvik Mining and Rock Solutions								
Europe	1,619	13	-5	10	6,907	11	2	11
North America	3,650	-11	-4	23	15,524	-5	-1	24
South America	1,506	19	19	10	6,239	6	6	10
Africa/Middle East	2,966	-21	-22	19	12,203	-2	-2	19
Asia	2,928	8	-6	19	10,163	-9	-10	16
Australia	2,992	2	2	19	13,491	3	2	21
Total	15,661	-3	-5	100	64,527	-1	-1	100
Sandvik Rock Processing Solutions								
Europe	531	-13	-15	24	2,221	-17	-17	20
North America	431	-12	-12	19	2,171	-17	-15	19
South America	266	-6	-6	12	1,390	2	2	12
Africa/Middle East	201	-33	-33	9	1,325	-2	-2	12
Asia	464	-18	-29	21	2,161	-17	-15	19
Australia	354	-29	-29	16	1,970	-14	-21	18
Total	2,248	-18	-20	100	11,238	-13	-12	100
Sandvik Manufacturing and Machining Solutions								
Europe	5,936	-1	-1	49	24,332	1	1	49
North America	3,451	-7	-7	28	13,888	-4	-4	28
South America	279	-13	-13	2	1,220	-3	-3	2
Africa/Middle East	140	29	29	1	513	21	21	1
Asia	2,270	10	10	19	8,957	-3	-3	18
Australia	76	-3	-3	1	336	-10	-10	1
Total	12,154	-1	-1	100	49,247	-1	-1	100

*Organic change compared with the year-earlier period

¹⁾ Excluding major orders which is defined as above SEK 200 million for Sandvik Mining and Rock Solutions and SEK 50 million for Sandvik Rock Processing Solutions. ²⁾ Includes rental fleet order intake in Q4 of SEK 223 million and SEK 727 million YTD, recognized according to IFRS 16.



Revenues by region

MSEK	Q4 2023	Change * %	Share %	Q1-Q4 2023	Change * %	Share
The Group						
Europe	8,293	0	26	33,574	3	27
North America	7,764	0	24	31,840	7	25
South America	2,163	-4	7	8,939	8	7
Africa/Middle East	3,833	5	12	15,205	16	12
Asia	5,615	-1	18	21,046	-2	17
Australia	4,146	7	13	15,896	11	13
Total¹⁾	31,816	1	100	126,503	6	100
Sandvik Mining and Rock Solutions						
Europe	1,864	9	11	6,809	9	10
North America	3,861	7	23	15,551	17	24
South America	1,524	-2	9	6,285	11	10
Africa/Middle East	3,375	5	20	13,442	16	20
Asia	2,714	-1	16	9,967	3	15
Australia	3,557	8	21	13,637	12	21
Total	16,894	5	100	65,690	12	100
Sandvik Rock Processing Solutions						
Europe	472	-18	17	2,187	-5	19
North America	505	-25	18	2,426	-3	21
South America	372	-10	13	1,485	4	13
Africa/Middle East	342	11	12	1,269	12	11
Asia	610	-23	22	2,188	-13	19
Australia	507	8	18	1,917	5	17
Total	2,807	-13	100	11,472	-3	100
Sandvik Manufacturing and Machining Solutions						
Europe	5,950	-2	49	24,571	3	50
North America	3,398	-2	28	13,863	-1	28
South America	267	-5	2	1,169	-1	2
Africa/Middle East	124	12	1	502	22	1
Asia	2,292	5	19	8,890	-4	18
Australia	81	-14	1	342	-7	1
Total	12,114	-1	100	49,340	0	100

*Organic change compared with the year-earlier period

¹⁾ Includes rental fleet revenues in Q4 of SEK 214 million and SEK 919 million YTD, recognized according to IFRS 16.



The Group

Order Intake by Business Area

MSEK	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3	Q4	Change		Q1-Q4
	2022	2022	2022	2022	2022	2023	2023	2023	2023	%	% *	2023
Sandvik Mining and Rock Solutions	16,060	15,182	15,419	16,234	62,895	17,510	16,654	14,702	15,661	-4	-3	64,527
Sandvik Rock Processing Solutions	2,650	2,517	2,184	2,523	9,874	3,227	2,939	2,824	2,248	-11	-18	11,238
Sandvik Manufacturing and Machining Solutions	11,764	11,042	11,629	11,993	46,428	13,626	12,067	11,401	12,154	1	-1	49,247
Continuing operations	30,474	28,740	29,231	30,751	119,196	34,363	31,660	28,927	30,062	-2	-4	125,011
Discontinued operations ¹⁾	5,858	6,293	2,670	1	14,822	-	-	-	-	-	-	-
Group Total²⁾	36,332	35,033	31,902	30,752	134,019	34,363	31,660	28,927	30,062	-2	-4	125,011

Revenues by Business Area

MSEK	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3	Q4	Change		Q1-Q4
	2022	2022	2022	2022	2022	2023	2023	2023	2023	%	% *	2023
Sandvik Mining and Rock Solutions	12,029	13,658	15,001	16,156	56,843	15,366	16,755	16,674	16,894	5	5	65,690
Sandvik Rock Processing Solutions	2,016	2,247	2,340	2,985	9,587	2,939	2,872	2,854	2,807	-6	-13	11,472
Sandvik Manufacturing and Machining Solutions	10,877	11,145	11,926	11,954	45,901	12,662	12,616	11,948	12,114	1	-1	49,340
Continuing operations	24,921	27,050	29,267	31,094	112,332	30,968	32,243	31,476	31,816	2	1	126,503
Discontinued operations ¹⁾	4,085	4,608	2,428	-	11,122	-	-	-	-	-	-	-
Group Total²⁾	29,006	31,658	31,694	31,095	123,453	30,968	32,243	31,476	31,816	2	1	126,503

EBITA by Business Area

MSEK	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3	Q4	Change %	Q1-Q4
	2022	2022	2022	2022	2022	2023	2023	2023	2023		2023
Sandvik Mining and Rock Solutions	2,508	1,889	2,430	3,553	10,379	3,056	3,494	3,514	3,719	5	13,783
Sandvik Rock Processing Solutions	360	281	354	335	1,330	421	243	401	452	35	1,517
Sandvik Manufacturing and Machining Solutions	2,300	2,136	2,578	2,074	9,088	2,813	2,364	2,482	2,386	15	10,045
Group activities	-124	-267	18	-278	-651	-217	-307	-136	-155	-44	-814
Continuing operations	5,044	4,039	5,380	5,683	20,145	6,074	5,794	6,260	6,402	13	24,530
Discontinued operations ¹⁾	850	1,306	154	16	2,326	-	-	-	-	N/M	-
Group Total²⁾	5,894	5,344	5,534	5,699	22,471	6,074	5,794	6,260	6,402	12	24,530

EBITA Margin by Business Area

%	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1-Q4
	2022	2022	2022	2022	2022	2023	2023	2023	2023	
Sandvik Mining and Rock Solutions	20.8	13.8	16.2	22.0	18.3	19.9	20.9	21.1	22.0	21.0
Sandvik Rock Processing Solutions	17.8	12.5	15.1	11.2	13.9	14.3	8.5	14.0	16.1	13.2
Sandvik Manufacturing and Machining Solutions	21.1	19.2	21.6	17.3	19.8	22.2	18.7	20.8	19.7	20.4
Continuing operations	20.2	14.9	18.4	18.3	17.9	19.6	18.0	19.9	20.1	19.4
Discontinued operations ¹⁾	20.8	28.3	6.3	N/M	20.9	-	-	-	-	-
Group Total²⁾	20.3	16.9	17.5	18.3	18.2	19.6	18.0	19.9	20.1	19.4

* Organic change 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	Q2 2023	Q3 2023	Q4 2023	Change %	Q1-Q4 2023
Sandvik Mining and Rock Solutions	2,413	2,628	3,046	3,557	11,643	3,075	3,621	3,548	3,472	-2	13,716
Sandvik Rock Processing Solutions	320	359	376	476	1,530	426	394	401	440	-8	1,661
Sandvik Manufacturing and Machining Solutions	2,392	2,394	2,580	2,657	10,023	2,835	2,811	2,499	2,453	-8	10,597
Group activities	-82	-239	-113	-277	-711	-217	-226	-136	-155	-44	-733
Continuing operations	5,043	5,141	5,889	6,413	22,486	6,119	6,599	6,312	6,211	-3	25,240
Discontinued operations ¹⁾	710	1,195	64	16	1,984	-	-	-	-	N/M	-
Group Total²⁾	5,752	6,336	5,953	6,429	24,470	6,119	6,599	6,312	6,211	-3	25,240

Adjusted EBITA Margin by Business Area

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023
Sandvik Mining and Rock Solutions	20.1	19.2	20.3	22.0	20.5	20.0	21.6	21.3	20.6	20.9
Sandvik Rock Processing Solutions	15.9	16.0	16.1	16.0	16.0	14.5	13.7	14.1	15.7	14.5
Sandvik Manufacturing and Machining Solutions	22.0	21.5	21.6	22.2	21.8	22.4	22.3	20.9	20.2	21.5
Continuing operations	20.2	19.0	20.1	20.6	20.0	19.8	20.5	20.1	19.5	20.0
Discontinued operations ¹⁾	17.4	25.9	2.6	N/M	17.8	-	-	-	-	-
Group Total²⁾	19.8	20.0	18.8	20.7	19.8	19.8	20.5	20.1	19.5	20.0

Items Affecting Comparability on EBITA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023
Sandvik Mining and Rock Solutions	95	-739	-616	-4	-1,264	-19	-127	-34	246	67
Sandvik Rock Processing Solutions	40	-78	-22	-141	-201	-5	-151	-	11	-144
Sandvik Manufacturing and Machining Solutions	-92	-259	-2	-583	-935	-21	-447	-17	-66	-552
Group activities	-42	-28	131	-1	60	-	-81	-	-	-81
Continuing operations	1	-1,103	-509	-730	-2,341	-45	-805	-51	191	-710
Discontinued operations ¹⁾	140	111	90	-	341	-	-	-	-	-
Group Total²⁾	142	-992	-419	-730	-1,999	-45	-805	-51	191	-710

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 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.

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

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

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

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.

Items affecting comparability on net profit

During Q3, 2022 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 2023, MSEK	Reported EBIT,	Reported EBIT, %	IAC ¹⁾	Adjusted EBIT	Adjusted EBIT, %	Amortizations ²⁾	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	3,570	21.1	246	3,324	19.7	-149	3,472	20.6
Sandvik Rock Processing Solutions	378	13.5	11	367	13.1	-74	440	15.7
Sandvik Manufacturing and Machining Solutions	2,136	17.6	-66	2,202	18.2	-251	2,453	20.2
Group activities	-155	-	-	-155	-	-	-155	-
Group Total	5,929	18.6	191	5,738	18.0	-473	6,211	19.5

1) For full details on IAC, see page 20–21. 2) Adjusted for amortization, depreciation, impairment and other accounting effects arising from business combinations. Primary related to costs within COGS and Sales.

Taxes excluding items affecting comparability

Q4 2022, MSEK	Reported tax	Reported tax, %	IAC	IAC, %	Tax excluding IAC	Tax excluding IAC, %
Continuing operations	-1,335	28.0	212	25.9	-1,547	27.7
Group Total	-1,335	27.9	212	25.9	-1,547	27.6

Q4 2023, MSEK	Reported tax	Reported tax, %	IAC	IAC, %	Tax excluding IAC	Tax excluding IAC, %
Continuing operations	-1,040	19.6	21	11.0	-1,061	20.8
Group Total	-1,040	19.6	21	11.0	-1,061	20.8

Adjusted earnings per share diluted

Q4 2022	Reported EPS, diluted, SEK	IAC on net profit, MSEK	Adjusted EPS, diluted, SEK	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Continuing operations	2.73	-606	3.22	-356	3.50
Group Total	2.75	-606	3.23	-356	3.51

Q4 2023	Reported EPS, diluted, SEK	IAC on net profit, MSEK	Adjusted EPS, diluted, SEK	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Continuing operations	3.39	212	3.22	381	3.53
Group Total	3.39	212	3.22	381	3.53

Net debt, continuing operations and Group total

MSEK	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023
Interest-bearing liabilities excluding pension and lease liabilities	46,954	45,449	48,853	43,349	39,578
Less cash and cash equivalents	-10,489	-9,214	-6,280	-4,998	-4,363
Financial net debt (net cash)	36,466	36,236	42,573	38,351	35,215
Net Pensions liabilities	2,384	1,990	2,469	2,162	2,757
Leases liabilities	5,102	5,155	5,397	5,663	5,503
Net debt	43,952	43,381	50,439	46,177	43,475

Group Total

Financial net debt (net cash)	36,466	36,236	42,573	38,351	35,215
Net debt	43,952	43,381	50,439	46,177	43,475
Financial net debt/EBITDA	1.3	1.3	1.5	1.3	1.2



Net working capital & capital employed continuing operations

MSEK	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023
Inventories	35,022	36,956	39,066	37,918	34,305
Trade receivables	18,685	20,270	21,351	20,125	18,499
Account payables	-11,746	-11,968	-11,794	-10,548	-9,595
Other receivables	6,417	6,421	6,919	6,743	6,358
Other liabilities	-15,077	-16,123	-16,770	-16,103	-14,519
Net working capital	33,302	35,558	38,772	38,135	35,048
Tangible assets	21,683	21,805	22,949	22,877	22,254
Intangible assets	66,134	66,625	69,367	68,330	64,586
Other assets (incl. cash and cash equivalents)	88,746	92,129	94,000	90,035	87,369
Other liabilities	-39,373	-40,309	-41,205	-39,171	-36,833
Capital employed	137,190	140,250	145,111	142,072	137,377

Key figures

Continuing Operations	Q4 2022	Q4 2023	Q1-Q4 2022	Q1-Q4 2023
Return on capital employed, % ¹⁾	16.0	17.4	15.8	16.5
Net working capital, % ¹⁾	27.1	28.8	26.1	28.6
Earnings per share, basic, SEK	2.74	3.40	10.25	12.20
Earnings per share, diluted, SEK	2.73	3.39	10.24	12.18
EBITDA, MSEK	7,051	7,717	25,235	29,877
Cash flow from operations, MSEK	8,710	5,196	11,092	18,797
Number of employees ²⁾	40,489	40,877	40,489	40,877

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

Group total	Q4 2022	Q4 2023	Q1-Q4 2022	Q1-Q4 2023
Return on capital employed, % ¹⁾	16.0	17.4	16.5	16.5
Return on total equity, % ¹⁾	17.1	19.2	14.2	17.7
Shareholders' equity per share, SEK	64.8	69.9	64.8	69.9
Financial net debt / EBITDA	1.3	1.2	1.3	1.2
Net working capital, % ¹⁾	27.1	28.8	26.4	28.6
Earnings per share, basic, SEK	2.75	3.40	8.95	12.20
Earnings per share diluted, SEK	2.75	3.39	8.94	12.18
EBITDA, MSEK	7,067	7,717	27,560	29,877
Cash flow from operations, MSEK	8,708	5,196	10,465	18,797
Number of employees ²⁾	40,489	40,877	40,489	40,877
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)	1,255,219	1,256,180	1,255,325	1,255,916

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, tax and amortizations, adjusted for items affecting comparability, also excluding other accounting effects arising from business combinations.

Adjusted EBITA margin

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

Adjusted EPS

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

Adjusted EPS, diluted

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

Adjusted EPS, diluted excluding surplus values

Profit for the period adjusted for items affecting comparability 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.

Cash conversion

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

EBITA

Earnings before interest, tax and amortizations, also excluding other accounting effects arising from business combinations.

EBITDA

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

Financial net debt/EBITDA

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

Free operating cash flow

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

Items affecting comparability (IAC)

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

Net debt

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

Net Working Capital (NWC)

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

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 January 25, 2024
Sandvik Aktiebolag (publ)

The Board of Directors

Annual General Meeting

The 2024 Annual General Meeting will be held in Sandviken, Sweden on April 29, 2024. The notice to convene the Annual General Meeting will be made in the prescribed manner.

Dividend

The Board of Directors proposes a dividend of SEK 5.50 per share (5.00), or a total of SEK 6,899 million (6,261) for 2023. The proposed record date to receive dividends is May 2, 2024. Assuming the General Meeting accepts the dividend proposal, the date to receive dividends is May 7, 2024

The Company's Auditor has not reviewed the report for the full year 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 08:00 AM CET on January 25, 2024.

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

A webcast and telephone conference will be held on January 25, 2024 at 10:00 AM CET. Information is available at home.sandvik/ir

Calendar

March 13, 2024	Annual Report 2023
April 22, 2024	Report, first quarter, 2024
April 29, 2024	Annual General Meeting
May 2, 2024	Proposed record date to receive dividends
May 7, 2024	Proposed date to receive dividends
July 19, 2024	Report, second quarter, 2024
October 21, 2024	Report, third quarter, 2024