

Q2

Interim report second quarter and first six months 2024

Stable development and solid strategic progress

- Total order intake grew by 2% and amounted to SEK 32,354 million (31,660). At fixed exchange rates, orders grew by 3%, and organically by 3%
- Total revenues amounted to SEK 31,419 million (32,243), a decline of 3%. At fixed exchange rates, the decline was 2%, of which organic -2%
- Adjusted EBITA decreased by 7% and amounted to SEK 6,149 million (6,599), corresponding to a margin of 19.6% (20.5). Items affecting comparability amounted to SEK -0.1 billion (-0.8)
- Profit for the period amounted to SEK 3,462 million (3,326) and earnings per share, diluted, were SEK 2.76 (2.65). Adjusted earnings per share, diluted, were SEK 3.10 (3.25)^{2, 3)}
- Free operating cash flow amounted to SEK 4,198 million (4,578)
- Four major orders received during the quarter, solid momentum in the software businesses, good innovation pace and three acquisitions announced

-2%

Revenue growth at fixed exchange rates

19.6%

Adj. EBITA margin

1.5

Financial net debt/EBITDA

Financial overview

MSEK	Q2 2023	Q2 2024	Change %	Q1-Q2 2023	Q1-Q2 2024	Change %
Order intake	31,660	32,354	2	66,022	64,336	-3
Revenues	32,243	31,419	-3	63,211	60,421	-4
Adjusted EBITA ¹⁾	6,599	6,149	-7	12,718	11,430	-10
Adjusted EBITA margin	20.5	19.6	-	20.1	18.9	-
Adjusted EBIT ²⁾	6,109	5,688	-7	11,747	10,511	-11
Adjusted EBIT margin	18.9	18.1	-	18.6	17.4	-
Adjusted profit before tax ^{2, 3)}	5,405	5,124	-5	10,514	9,442	-10
Profit for the period	3,326	3,462	4	7,142	4,709	-34
Adjusted profit for the period ^{2, 3)}	4,085	3,897	-5	7,940	7,179	-10
Earnings per share, diluted, SEK	2.65	2.76	4	5.69	3.75	-34
Adjusted earnings per share, diluted, SEK ^{2, 3)}	3.25	3.10	-5	6.32	5.72	-10
Free operating cash flow	4,578	4,198	-8	8,289	7,968	-4

¹⁾ Adjusted for items affecting comparability (IAC) on EBITA of SEK -131 million (-805) in Q2 2024 and SEK -2,639 million (-850) for the first six months 2024 ²⁾ IAC on EBIT of SEK -134 million (-977) in Q2 2024 and SEK -2,763 million (-1,022) for the first six months 2024. ³⁾ Adjusted for IAC regarding tax of SEK -301 million (218) in Q2 2024 and SEK 294 million (225) for the first six months 2024. For full details on IAC, see page 19–20.

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



CEO's comment

We had a stable development in the second quarter, with an increase in orders and a slight decline in revenues. I am proud of how the organization is managing continued volume challenges in parts of our business. A key highlight of the quarter was the very strong momentum in our software business, which grew double digits year on year. We also continued to make solid strategic progress. I am particularly pleased with our cutting tools acquisition in China, which will enable us to expand our local premium footprint in the region, but we also initiated partnerships and launched new solutions linked to our digital- and sustainability shift ambitions.

Total order intake at fixed exchange rates grew by 3%, of which organic 3%. Revenues at fixed exchange rates declined by 2%, of which organic -2%. Adjusted EBITA margin was 19.6%. Free operating cash flow amounted to SEK 4.2 billion.

Sandvik Mining and Rock Solutions experienced solid demand, and the quarter marked the second highest order intake level ever. Organic order intake grew by 4%, driven by double digit growth in parts and services. We also noted strong growth in Surface Drilling and Digital Mining Technologies, two areas where Sandvik has high growth ambitions. Innovation and close customer collaboration are key for Sandvik to maintain strong market positions, and in underground automation where Sandvik is a clear leader, we kept a good innovation pace. We introduced two new AutoMine® solutions with new features for improved operational control and productivity. It is very pleasing to see the customers' investment appetite for new technology such as automation, which continues to drive the industry



forward, and one of our four major orders this quarter included Sandvik's highly advanced automation system AutoMine® Fleet. Another highlight in the quarter was the start of a collaboration with a large customer on a BEV battery pilot project, related to the deployment of a second-life battery energy storage system. This project is one of many intended to support the mining industry's transition towards electrified operations.

“A key highlight of the quarter was the very strong momentum in our software business, which grew double digits year on year. We also continued to make solid strategic progress.”

Sandvik Rock Processing Solutions continued to note stable demand in mining driven by high commodity prices. Demand in infrastructure remained subdued, with regional differences: low activity in Europe, positive sentiment in India, and mixed signals from North America. Organic order intake declined by 8%.

We noted a mixed demand picture in Sandvik Manufacturing and Machining Solutions. Organic order intake grew by 4%, driven by double digit growth in the software business and a strong development in the powder business. Demand for our cutting tools declined by 1% year on year, with a positive development in aerospace offset by declines in automotive and general engineering. During the quarter we took strategically important steps to enhance the growth profile of the business. We strengthened Sandvik's position in the important Chinese local premium market with the acquisition of a majority stake in Suzhou Ahno. In addition, we announced the acquisition of PDQ, a leading US workholding fixtures and tooling company that strengthens our platform for growth through a broader offering and a closer relationship with machine tool builders. During the quarter Sandvik also, as an industry-first, pre-launched a CAM Copilot - a Copilot based on generative artificial intelligence specifically developed for computer aided manufacturing (CAM). This feature has been developed in partnership with Microsoft, and will be made available to our customers in several of our software releases.

Despite the continued uncertain macroeconomic and geopolitical backdrop, we managed to deliver another good quarter with stable financial performance. On top of this, we demonstrated strong strategic execution with progress in areas where we are investing to reshape Sandvik. I am also very pleased to see how our close collaboration with customers translates into a strong innovation pipeline, which is essential for Sandvik to keep, and strengthen, our leading positions. Even though the economic development going forward remains uncertain and is difficult to predict, I am confident that our persistent work to re-position Sandvik into a faster, more flexible, and agile company, will continue to yield strong results.

Stefan Widing
President and CEO



Order intake and revenues

Growth Q2, %	Order intake	Revenues
Organic	3	-2
Structure	0	0
Organic & structure	3	-2
Currency	-1	0
Total	2	-3

Change compared to same quarter last year.

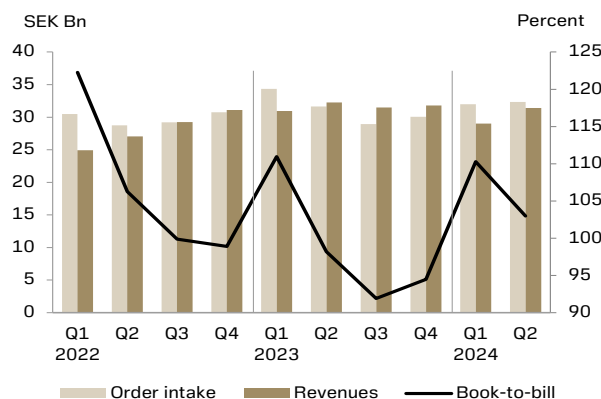


Total growth in order intake was 2% year on year, at fixed exchange rates 3%, of which 3% organically. Total revenues declined by 3%, and at fixed exchange rates by 2%, of which -2% was organic.

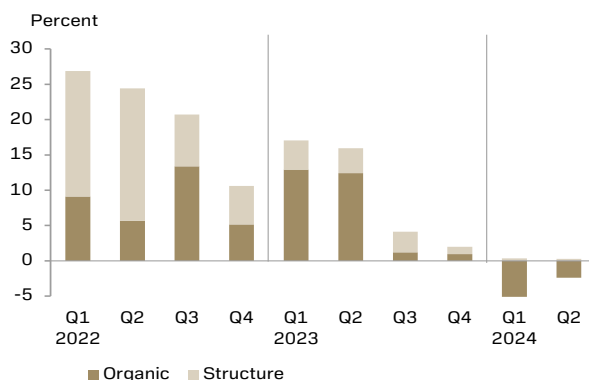
Demand within mining was robust in the quarter. Favorable commodity prices continued to spur high activity levels, which translated into solid development for the parts and services business in Sandvik Mining and Rock Solutions (SMR). Positive sentiment among mining customers was also signified in a strong step up in orders for certain of the equipment divisions. The industry continues to take measures to improve safety and productivity in the mines by investing in advanced technology, driving the strong momentum for Sandvik's automation solutions. Demand in infrastructure continued to be weak, hampered by low investments in Europe and China, as well as high dealer stock levels. SMR reported the strongest growth in Asia as well as in Africa, Middle East. Sandvik Rock Processing Solutions reported growth in North America, while the other regions developed negatively year on year. Strong growth was however seen in India within the Asian region.

Sandvik Manufacturing and Machining Solutions (SMM) continued to see a mixed demand picture in the second quarter. Demand for cutting tools from the aerospace industry continued to be solid, while automotive and general engineering had a negative year on year development. SMM noted strongest growth in Asia, in particular China that grew double digits, partly due to pre-buying on the back of price adjustment in one division. Underlying demand in North America was stable, but with the contribution from software orders, the region was slightly up in the quarter. Europe was stable thanks to strong development in the powder business.

Order intake and revenues



Revenue growth



Q2 Underlying market development	Mining 51% of 2023 revenues		General engineering 20%	Infrastructure 10%	Automotive 7%	Aerospace 4%	Other 8%
		→	↘	↘	↘	↗	→
	% of 2023 Group revenue	Order intake Y/Y (excl. major orders)					
Europe	27%	0% (-4%)	→	↘	↘	↗	↘
North America	25%	-4% (3%)	→	→	↘	↗	↗
Asia	17%	25% (9%)	→	↗	↗	→	→
Africa, Middle East	12%	15% (15%)	→	↘			
Australia	13%	-14% (-12%)	→	↘			
South America	7%	4% (4%)	→	↘			

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



Earnings

Adjusted gross profit amounted to SEK 12,997 million (13,570), corresponding to a margin of 41.4% (42.1). Adjusted sales and administration costs decreased by 3% to SEK 7,266 million (7,475). The ratio to revenues decreased slightly to 23.1% (23.2).

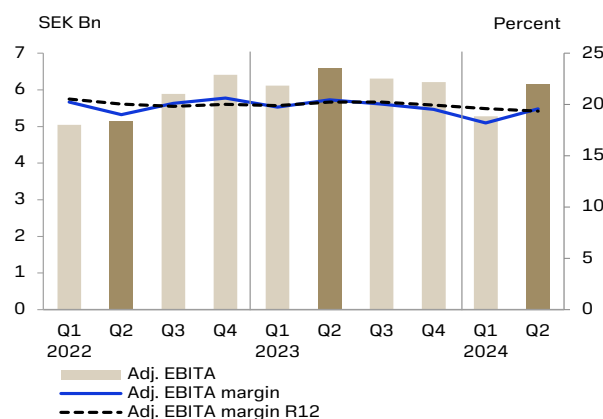
Adjusted EBITA declined by 7% to SEK 6,149 million (6,599). Adjusted EBITA margin was 19.6% (20.5), impacted mainly by lower volumes. The impact from transaction and translation exchange rates was positive SEK 22 million year on year, accretive to the margin with 20 basis points. Savings from the restructuring program communicated in May 2022, amounted to SEK 139 million in the quarter, corresponding to a bridge effect of SEK 107 million. The achieved realized annualized run rate was 71% of total annualized savings of SEK 785 million. Savings from the restructuring program communicated in January 2024, amounted to SEK 136 million in the quarter, corresponding to a realized annualized run rate of 44% of total annualized savings of SEK 1.2 billion. Acquisitions were neutral to the margin. Items affecting comparability amounted to SEK -131 million (-805).

The interest net decreased year on year to SEK -397 million (-415), due to lower borrowing volumes. Net financial items amounted to SEK -563 million (-704), where the higher net financial items in the year earlier period was impacted by temporarily revaluation effects of unrealized hedges.

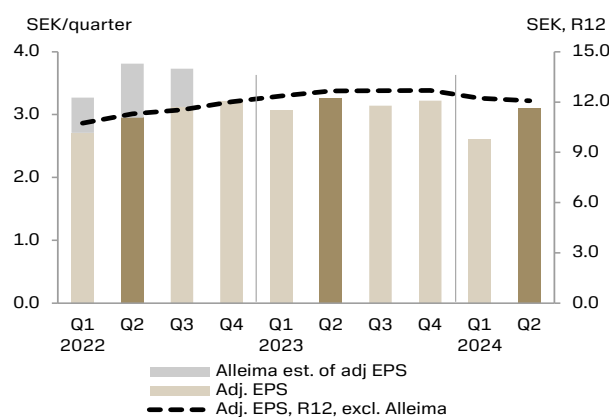
The tax rate, excluding items affecting comparability was 23.9% (24.4). The reported tax rate for continuing operations was 30.6% (24.9), impacted by a provision for a tax audit related to transfer pricing in 2018 and 2019. The normalized tax rate was 23.9% (24.4), in line with guidance.

Profit for the period amounted to SEK 3,462 million (3,326), corresponding to earnings per share, diluted, of SEK 2.76 (2.65) and adjusted earnings per share, diluted, of SEK 3.10 (3.25). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 3.41 (3.57).

Adjusted EBITA



Adjusted earnings per share





Balance sheet and cash flow

Capital employed was stable year on year and amounted to SEK 145.3 billion (145.1). Sequentially, capital employed increased from SEK 141.4 billion mainly driven by higher net working capital. Return on capital employed¹⁾ decreased year on year to 14.1% (16.0), and was stable sequentially 14.0%.

Net working capital decreased year on year to SEK 37.9 billion (38.8) mainly due to reduction in inventories. Sequentially (36.6), net working capital increased, explained by higher accounts receivables. Net working capital in relation to revenues¹⁾ was 30.2% (27.8), an increase year on year due to higher net working capital, and increased sequentially (29.7).

Investments in tangible and intangible assets (capex) amounted to SEK 1.1 billion (1.2). The investments corresponded to 131% of depreciation.

Financial net debt decreased year on year to SEK 40.5 billion (42.6) and increased sequentially (33.9). The sequential increase was due to the dividend payout of SEK 6.9 billion. The financial net debt/EBITDA ratio was 1.5 (1.5), with an increase sequentially (1.3). The net pension liability was in line with preceding year and amounted to SEK 2.5 billion (2.5). Sequentially, the net pension liability increased slightly due to lower discount rates. Total net debt decreased year on year to SEK 49.0 billion (50.4) and increased sequentially (42.2).

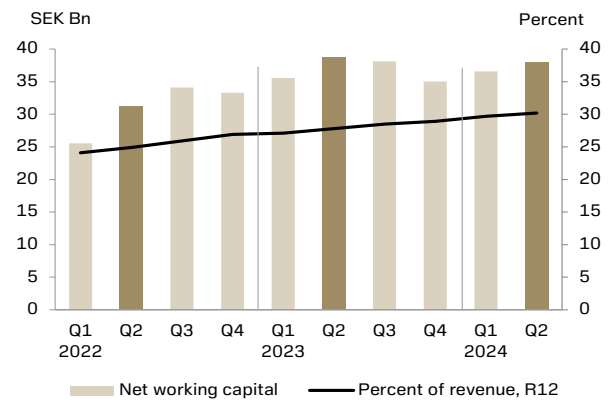
Free operating cash flow decreased year on year to SEK 4.2 billion (4.6). The higher EBITDA was off-set by a less favorable net working capital change.

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

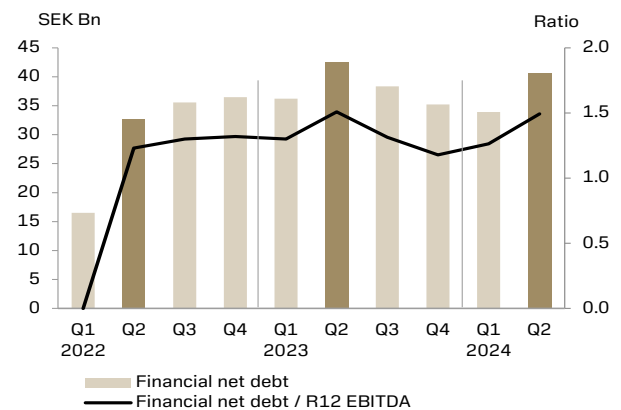
Free operating cash flow, MSEK	Q2 2023	Q2 2024
EBITDA	7,185	7,489
Non-cash and other items ¹⁾	-159	-506
EBITDA adj for non-cash and other items	7,026	6,984
Capex	-1,238	-1,110
Net working capital change	-1,210	-1,676
Free operating cash flow	4,578	4,198

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

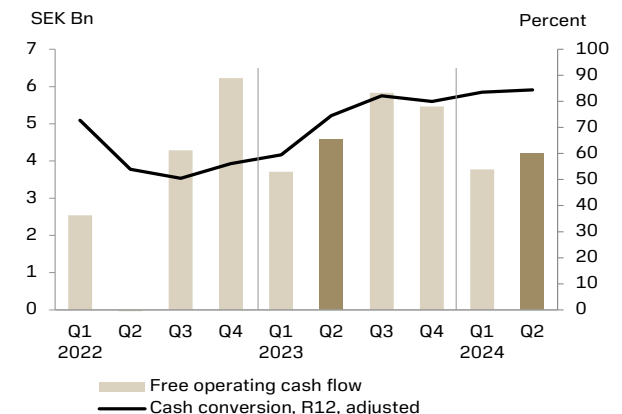
Net working capital*



Financial net debt/EBITDA



Free operating cash flow*



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



Sandvik Mining and Rock Solutions

- Second highest order intake level ever
- Strong demand for parts and services
- Solid momentum in strategic areas



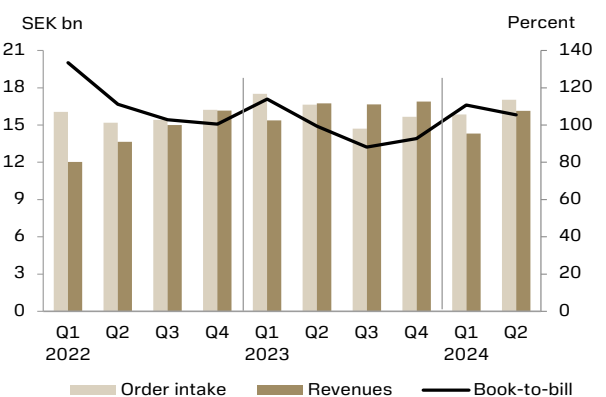
Growth Q2, %	Order intake	Revenues
Organic	4	-3
Structure	-1	-1
Organic & structure	3	-3
Currency	-1	0
Total	2	-4

Change compared to same quarter last year.

Order intake and revenues

- Continued solid demand in mining, and the quarter reached the second highest order intake level ever
- Good momentum in automation with double digit growth in Digital Mining Technologies. Strong growth in Parts & Services, Underground Drilling and Surface Drilling
- Total order intake increased by 2%. At fixed exchange rates, the increase was 3%, of which organic 4%
- Major orders amounted to SEK 1.5 billion (1.1). Excluding major orders, organic order intake increased by 1%
- Strongest growth was noted in Asia of 43%. Africa, Middle East increased by 20% and Europe was stable. Australia and North America declined by 15% and 11%, respectively
- Organic order intake for equipment declined by 5% and increased by 8% for aftermarket
- The aftermarket business accounted for 70% (66) of revenues while the equipment business accounted for 30% (34)

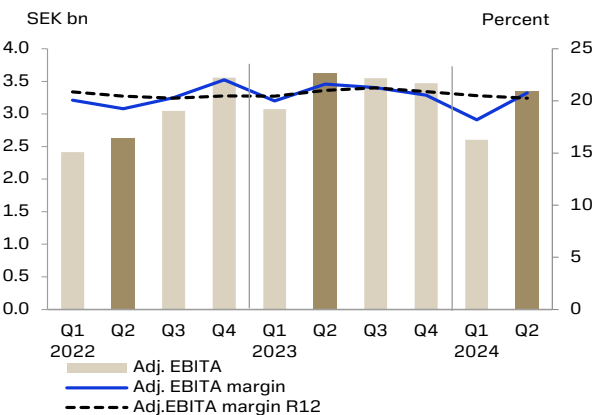
Order intake, revenues and book-to-bill



Adjusted EBITA

- The adjusted EBITA amounted to SEK 3,356 million (3,621), corresponding to a margin of 20.8% (21.6)
- Savings from the 2022 and 2024 restructuring programs amounted to SEK 20 million and 44 million, respectively, corresponding to a total bridge effect of SEK 64 million
- Acquisitions had a slightly positive impact to the margin
- Exchange rates had a positive impact of SEK 55 million year on year corresponding to an accretion of 40 basis points

Adjusted EBITA



Shift to growth

During the quarter, Sandvik initiated, in partnership with Glencore, a pilot project to deploy a second-life battery energy storage system (BESS) at selected Glencore mines. The project aims to support the mining industry's transition towards electrified operations.

Sandvik also introduced two new innovations for AutoMine®. The AutoMine® Lifecycle Support Solutions with comprehensive aftermarket technology support, for enhanced uptime and continuous process optimization for both new and existing AutoMine® customers. The AutoMine® Interoperable Access Control System (ACS) improves productivity and operational flexibility by enabling third-party autonomous equipment to operate in AutoMine® access-controlled zones.

In addition, Sandvik also launched the electric Sandvik DR416iE, the next generation i-series rotary blasthole drill, the fourth and largest electrified rig in Sandvik's intelligent rotary blasthole range. The powerful electric drill is designed to deliver superior performance and sustainability in demanding mining conditions.

Financial overview, MSEK	Q2 2023	Q2 2024	Change %	Q1-Q2 2023	Q1-Q2 2024	Change %
Order intake	16,654	17,043	2	34,164	32,891	-4
Revenues	16,755	16,151	-4	32,121	30,463	-5
Adjusted EBITA ¹⁾	3,621	3,356	-7	6,696	5,960	-11
Adjusted EBITA margin	21.6	20.8	-	20.8	19.6	-
Return on capital employed ²⁾	23.5	21.7	-	23.5	21.7	-
Number of employees ³⁾	16,842	16,891	0	16,842	16,891	0

¹⁾ EBITA adjusted for items affecting comparability of SEK -20 million in Q2 2024 (-127) and for the first six months 2024 the impact was SEK -541 million (-146). For more information see page 19-20. ²⁾ New calculation as of Q2 2024. 2023 is updated accordingly, quarter and the annual number is based on a 12-month average, see Definitions on page 22. ³⁾ Full-time equivalent.



Sandvik Rock Processing Solutions

- Stable demand in mining
- Infrastructure remained weak, yet with regional variations
- Good margin development



Growth Q2, %	Order intake	Revenues
Organic	-8	-5
Structure	0	0
Organic & structure	-8	-5
Currency	-1	0
Total	-8	-6

Change compared to same quarter last year.

Order intake and revenues

- Stable demand in mining. Infrastructure remained weak, although with regional variations
- Total order intake declined by 8% and at fixed exchange rates by 8%, of which organic was -8%
- Organic order intake for equipment declined by 17% and aftermarket by 2%
- Organic order intake grew by 3% in North America and decreased by 14% in Australia. Asia was down 4%, with strong growth in India negatively off-set by a decline in China
- The aftermarket business accounted for 59% (59) of revenues while the equipment business accounted for 41% (41)

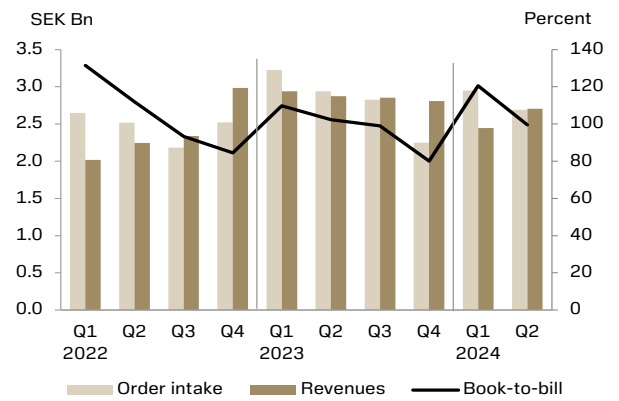
Adjusted EBITA

- The adjusted EBITA amounted to SEK 409 million (394), corresponding to a margin of 15.1% (13.7)
- Savings from the 2022 and 2024 restructuring programs had a positive impact of SEK 23 million and SEK 18 million, respectively, corresponding to a total bridge effect of SEK 41 million
- Exchange rates had a negative impact of SEK 5 million year on year, corresponding to a dilution of 10 basis points

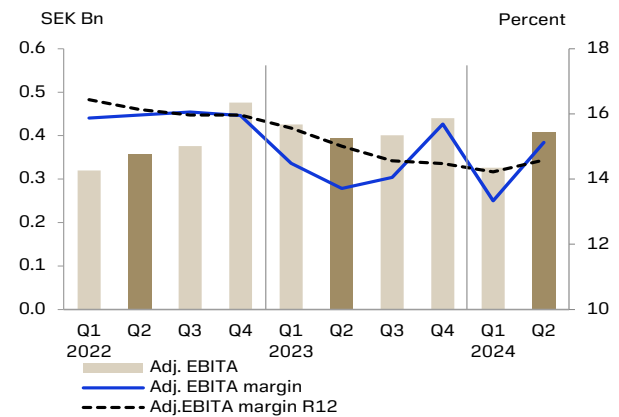
Shift to growth

During the quarter Sandvik introduced magnetic drum separators for mobile screens. A large magnetic surface area enables efficient and clean extraction of ferrous materials. Unwanted ferrous metal particles can be collected and turned into a valuable salable product for metal recycling and at the same time protect downstream equipment.

Order intake, revenues and book-to-bill



Adjusted EBITA



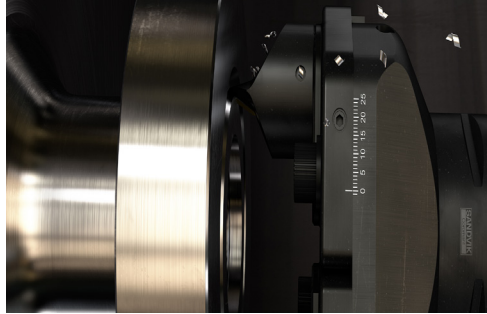
Financial overview, MSEK	Q2 2023	Q2 2024	Change %	Q1-Q2 2023	Q1-Q2 2024	Change %
Order intake	2,939	2,691	-8	6,166	5,639	-9
Revenues	2,872	2,704	-6	5,812	5,150	-11
Adjusted EBITA ¹⁾	394	409	4	820	735	-10
Adjusted EBITA margin	13.7	15.1	-	14.1	14.3	-
Return on capital employed ²⁾	9.1	6.3	-	9.1	6.3	-
Number of employees ³⁾	2,977	2,781	-7	2,977	2,781	-7

¹⁾ EBITA adjusted for items affecting comparability of SEK -12 million in Q2 2024 (-151) and for the first six months 2024 the impact was SEK -407 million (-155). For more information see page 19-20. ²⁾ New calculation as of Q2 2024, 2023 is updated accordingly, quarter and the annual number is based on a 12-month average, see Definitions on page 22. ³⁾ Full-time equivalent.



Sandvik Manufacturing and Machining Solutions

- Double digit growth in software
- Solid demand in aerospace
- Expansion in local premium market in China



Growth Q2, %	Order intake	Revenues
Organic	4	-1
Structure	2	1
Organic & structure	5	0
Currency	0	0
Total	5	0

Change compared to same quarter last year.

Order intake and revenues

- Software business grew by double digits year on year, the powder business had a strong development, and cutting tools declined by 1%
- Continued solid demand in aerospace, while automotive and general engineering developed negatively year on year
- Total order intake growth of 5%. At fixed exchange rates order intake increased by 5%, of which organic 4%
- Strongest growth was noted in Asia of 13%. North America increased by 2%, and Europe by 1%
- The number of working days had a +1% impact on orders and revenues
- Daily order intake in the first two weeks of July was stable compared to the second quarter

Adjusted EBITA

- The adjusted EBITA amounted to SEK 2,579 million (2,810), corresponding to a margin of 20.5% (22.3).
- Volumes impacted the margin negatively year on year. Cost inflation was off-set by pricing in the quarter, but was dilutive year on year
- Acquisitions had a slightly dilutive effect on the margin
- Savings from the 2022 restructuring program had a positive impact of SEK 97 million, corresponding to a bridge effect of SEK 65 million. Savings from the 2024 restructuring program had a positive bridge effect of SEK 74 million
- Exchange rates had a negative impact of SEK 31 million year on year, corresponding to a dilution of 20 basis points

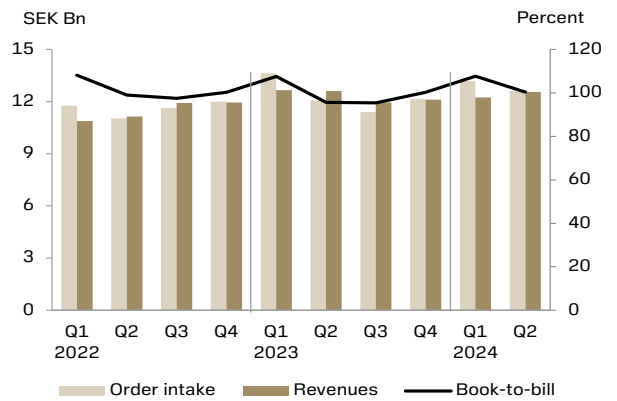
Shift to growth

During the quarter Sandvik took an important step in expanding in the local premium Chinese market with the acquisition of a majority stake in Suzhou Ahno. The company has a leading position in precision cutting tools in the fast-growing local premium segment, with a broad product-and service offering and extensive sales, distribution and production footprint in China.

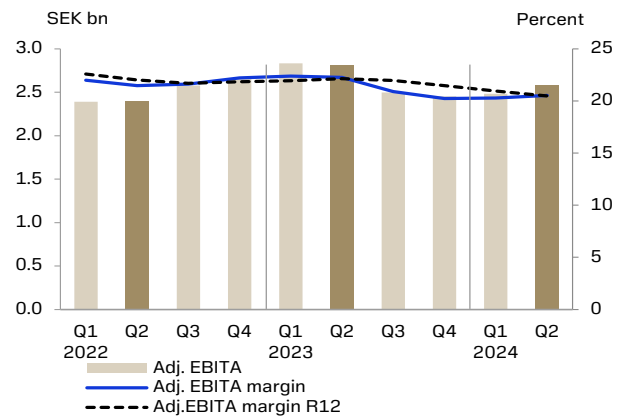
Sandvik also acquired PDQ Workholding LLC, a leading US-based company specializing in custom workholding fixtures and tooling for various industries. The acquisition supports the strategy to grow in advanced machining solutions and lightweight materials and will enhance Sandvik's offering and strengthen growth prospects in the US.

During the quarter Sandvik pre-launched a computer aided manufacturing (CAM) Copilot, being the first in our industry to release a Copilot based on generative artificial intelligence specifically developed for CAM. This new feature has been developed in partnership with Microsoft and will significantly improve the user experience, making programming of machining processes easier and more productive. The feature will be made available to customers with the upcoming releases of Cimatron, GibbsCAM and SigmaNEST.

Order intake, revenues and book-to-bill



Adjusted EBITA



Financial overview, MSEK	Q2 2023	Q2 2024	Change %	Q1-Q2 2023	Q1-Q2 2024	Change %
Order intake	12,067	12,621	5	25,693	25,805	0
Revenues	12,616	12,564	0	25,278	24,808	-2
Adjusted EBITA ¹⁾	2,810	2,579	-8	5,646	5,064	-10
Adjusted EBITA margin	22.3	20.5	-	22.3	20.4	-
Return on capital employed ²⁾	13.6	11.1	-	13.6	11.1	-
Number of employees ³⁾	20,509	20,079	-2	20,509	20,079	-2

¹⁾ EBITA adjusted for items affecting comparability of SEK -99 million in Q2 2024 (-447) and for the first six months 2024 the impact was SEK -1,620 million (-469). For more information see page 19-20. ²⁾ New calculation as of Q2 2024. 2023 is updated accordingly, quarter and the annual number is based on a 12-month average, see Definitions on page 22. ³⁾ Full-time equivalent



Making the sustainability shift

- Positive development in LTIFR
- Improvement in waste circularity
- Digitalized recycling program honored with Sandvik Sustainability Award



During the quarter

Lost time injury frequency rate (LTIFR) improved by 5%, while the Total recordable injury frequency rate (TRIFR) weakened by 2% compared to the year earlier period. The transition of recent acquisitions to more advanced Sandvik safety systems and culture will gradually reduce the number of incidents to established Sandvik site levels.

Greenhouse gas emissions (GHG) decreased by 3% compared to the same period last year, primarily driven by reductions in scope 2 emissions. Energy efficiency measures contributed to the positive development.

Waste circularity improved year on year. During the quarter, Sandvik and SKF formed a partnership on circular design and product use extension in the Nordic Circular Accelerator program, hosted by Nordic innovation. The program aims to build capacity and knowledge on data sharing in the circular transition.

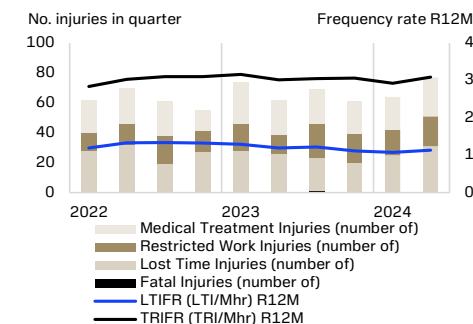
Second quarter

- TRIFR increased to 3.1 (3.0) compared to the same period last year
- LTIFR improved to 1.1 (1.2) compared to the same period last year
- Greenhouse gas emissions (GHG) amounted to 34.8 kton (36.0) in the quarter
- The share of circular waste improved to 75% (73)
- The share of female managers improved to 20.5% (20.1)

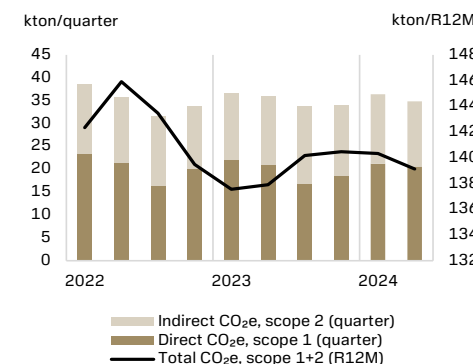
Customer Recycling Program honored with Sandvik Sustainability Award

The Sandvik Sustainability Award in Memory of Sigrid Göransson for 2024 highlighted Sandvik Machining Solutions' Customer Recycling Program for its contribution to sustainability. Sandvik has been running buy-back programs for many years to retrieve used carbide tools, such as round tools, drills or inserts, from customers and recycle them into new products. The new program, with the purpose to increase the circular business model and retrieve more than 90 percent of the sold carbide volumes, has digitalized the buyback process for used tools, enhancing compliance and efficiency, and reduced the need for virgin materials. Examples of advantages for the customer is the seamless experience with quick logistics and payouts. Customers can also measure their contribution to CO₂ reductions and get information on volumes sent back. For Sandvik, the upgrade entails benefits such as increased traceability and knowledge of the origin of the material. This innovation promotes profitable growth, embodying operational excellence and customer satisfaction.

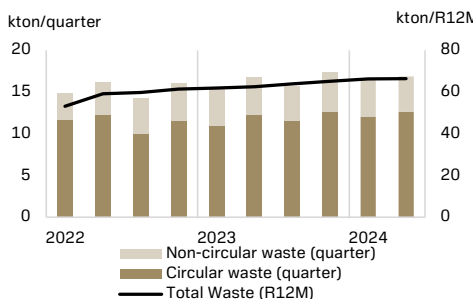
Safety



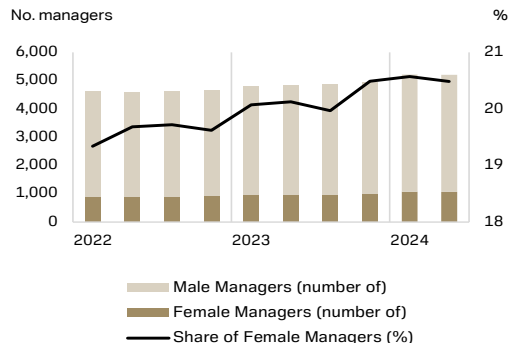
Net zero



Circularity



Share of female managers



Sustainability overview

	Q2 2023	Q2 2024	Change %	R12M
Total waste, thousand tonnes ¹⁾	16.8	16.9	0	66.3
Waste circularity, % of total	73.0	74.8	-	73.6
Total CO ₂ , thousand tonnes ¹⁾	36.0	34.8	-3	139.1
Total recordable injury frequency rate, R12M frequency / million working hours	3.0	3.1	2	3.1
Lost time injury frequency rate, R12M frequency / million working hours	1.2	1.1	-5	1.1
Share of female managers, %	20.1	20.5	-	20.4

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	Postability Inc.	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
2024				
Sandvik Manufacturing and Machining Solutions	pro-micron GmbH	February 1, 2024	88 MSEK in 2022	56
Sandvik Manufacturing and Machining Solutions	Cimquest, Inc.	March 1, 2024	26 MUSD in 2023	55
Sandvik Manufacturing and Machining Solutions	Almü Präzisions-Werkzeug GmbH	May 1, 2024	7.1 MEUR* in 2023	44
Sandvik Manufacturing and Machining Solutions	PDQ Workholding LLC	June 1, 2024	36 MUSD in 2023	107

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

The acquisitions were made through the purchase of 100% of shares and voting rights. 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 2024	1,076	509	352

Contributions from companies acquired in 2024

MSEK	
Contributions as of acquisition date	
Revenues	141
Profit/loss for the year	-9
Contributions if the acquisition date would have been January 1, 2024	
Revenues	363
Profit/loss for the year	-9

Divestments during last 12 months

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

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



Significant events

During the second quarter

- On April 23, Sandvik announced the agreement to acquire the majority stake in Suzhou Ahno Precision Cutting Tool Technology Co., Ltd. (Ahno), a China-based company with leading position in precision cutting tools. Ahno will form the basis of a new China-based division and will be reported within the business area segment Sandvik Machining Solutions.
- On May 3, Sandvik announced the completion of the previously announced acquisition of Almu Präzisions-Werkzeug GmbH.
- On June 4, Sandvik announced the acquisition of PDQ Workholding LLC (PDQ), a leading US-based company specializing in custom workholding fixtures and tooling. PDQ will be reported in Walter, a division within business area Sandvik Manufacturing and Machining Solutions.

After the second quarter

- On July 1, Sandvik announced the completion of the acquisition of a majority stake in the leading China-based company Suzhou Ahno Precision Cutting Tool Technology Co., Ltd. from the current majority owner, Ningbo Baosi Energy Equipment Co., Ltd and related parties.

FIRST SIX MONTHS

The first six months showed a varied demand picture both regionally and by customer segments. Demand in mining continued to be stable on high levels, with particular strong growth for parts and services and digital solutions. The infrastructure market continued to be challenging on a broad-based scale, in combination with high customer inventory levels. Demand in aerospace was solid, while volumes declined in the general engineering and automotive segments.

Total order intake declined by 3% and at fixed exchange rates by 1%, of which organic -2%. Total revenues declined by 4%, and at fixed exchange rates by 3%, of which organic was -4%.

Adjusted EBITA declined by 10% year on year to SEK 11,430 million (12,718) and the adjusted EBITA margin was 18.9% (20.1). The reported EBITA declined by 26% to SEK 8,790 million (11,868) resulting in a margin of 14.5% (18.8), the decrease in EBITA is mainly related to cost taken in the first quarter for the restructuring program launched in January, 2024.

Net financial items amounted to SEK -1,070 million (-1,233) and profit before tax was SEK 6,678 million (9,492). The tax rate, excluding items affecting comparability, was 24.0% (24.5) The reported tax rate was 29.5% (24.8). The normalized tax rate for was 24.0% (24.0), in line with guidance.

Profit for the period amounted to SEK 4,709 million (7,142). Earnings per share, diluted amounted to SEK 3.75 (5.69). The financial net debt decreased year-on-year to SEK 40.5 billion (42.6) resulting in a financial net debt to EBITDA ratio of 1.5 (1.5).

During the first six month four acquisitions were completed. Sandvik acquired pro-micron GmbH, Cimquest, Almu Präzisions-Werkzeug GmbH and PDQ Workholding LLC.



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

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

Growth

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

Adjusted EBITA range

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

Dividend payout ratio

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

Financial net debt/EBITDA

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

Sustainability

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

Accounting policies

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

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

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

IAS 12 Pillar II

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

Transactions with related parties

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

Risk assessment

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

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

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



Financial reports summary

The Group

Income statement

MSEK	Q2 2023	Q2 2024	Change %	Q1-Q2 2023	Q1-Q2 2024	Change %
Revenues	32,243	31,419	-3	63,211	60,421	-4
Cost of goods and services sold	-19,140	-18,410	-4	-37,183	-36,445	-2
Gross profit	13,103	13,009	-1	26,028	23,975	-8
% of revenues	40.6	41.4		41.2	39.7	
Selling expenses	-4,230	-3,968	-6	-8,058	-8,170	1
Administrative expenses	-2,495	-2,128	-15	-4,586	-4,850	6
Research and development costs	-1,156	-1,168	1	-2,283	-2,605	14
Other operating income and expenses	-90	-191	N/M	-376	-602	60
Operating profit	5,132	5,554	8	10,725	7,748	-28
% of revenues	15.9	17.7		17.0	12.8	
Financial income	334	140	-58	494	315	-36
Financial expenses	-1,038	-703	-32	-1,727	-1,385	-20
Net financial items	-704	-563	-20	-1,233	-1,070	-13
Profit before tax	4,428	4,990	13	9,492	6,678	-30
% of revenues	13.7	15.9		15.0	11.1	
Income tax	-1,102	-1,528	39	-2,349	-1,969	-16
Profit for the period	3,326	3,462	4	7,142	4,709	-34
% of revenues	10.3	11.0		11.3	7.8	
Profit (loss) for the period attributable to						
Owners of the parent company	3,328	3,462	4	7,145	4,710	-34
Non-controlling interest	-2	0	N/M	-2	0	-90
Earnings per share, SEK						
Group total, basic	2.65	2.76	4	5.70	3.75	-34
Group total, diluted	2.65	2.76	4	5.69	3.75	-34
Other comprehensive income						
<i>Items that will not be reclassified to profit (loss)</i>						
Actuarial gains (losses) on defined benefit pension plans	-439	-109		-143	228	
Tax relating to items that will not be reclassified	78	26		16	-39	
Total items that will not be reclassified to profit (loss)	-362	-84		-127	189	
<i>Items that may be reclassified subsequently to profit (loss)</i>						
Translation differences	4,680	-1,034		5,264	4,147	
Hedge reserve	-303	-58		-302	-1,054	
Tax relating to items that may be reclassified	62	12		62	217	
Total items that may be reclassified subsequently to profit (loss)	4,439	-1,081		5,025	3,310	
Total other comprehensive income	4,078	-1,164		4,897	3,499	
Total comprehensive income	7,404	2,298		12,040	8,208	
Total comprehensive income attributable to						
Owners of the parent company	7,404	2,297		12,042	8,207	
Non-controlling interest	0	0		-2	1	



The Group

Balance sheet

MSEK	Dec 31, 2023	Jun 30, 2023	Jun 30, 2024
Intangible assets	64,495	69,367	67,412
Property, plant and equipment	22,234	22,949	23,116
Right- of use assets	5,384	5,195	5,707
Financial assets	9,980	10,362	11,062
Inventories	34,301	39,066	35,712
Current receivables	33,298	33,097	35,380
Cash and cash equivalents	4,363	6,280	5,375
Assets held for sale	154	-	210
Total Assets	174,210	186,316	183,974
Total equity	87,697	86,936	89,029
Non-current interest-bearing liabilities	36,931	44,596	40,464
Non-current non-interest-bearing liabilities	5,704	6,394	6,071
Current interest-bearing liabilities	12,240	13,278	15,336
Current non-interest-bearing liabilities	31,602	35,112	33,039
Liabilities held for sale	36	-	34
Total equity and liabilities	174,210	186,316	183,974

Changes in equity

MSEK	Equity related to owners of the parent company	Non-controlling interest	Total equity
Equity at January 1, 2023	81,227	43	81,270
Adjustment on correction of error	204	-	204
Equity at January 1, 2023	81,431	43	81,474
Total comprehensive income (loss) for the period	12,678	0	12,678
Change in fair value of put option to acquire non-controlling interest	-86	-	-86
Change in non-controlling interest	-23	23	-
Share based program	-109	-	-109
Dividend	-6,261	-	-6,261
Equity at December 31, 2023	87,631	66	87,697
Equity at January 1, 2024	87,631	66	87,697
Total comprehensive income (loss) for the period	8,207	1	8,208
Change in fair value of put option to acquire non-controlling interest	-8	-	-8
Change in non-controlling interest	-5	5	-
Share based program	12	-	12
Dividend	-6,880	-	-6,880
Equity at June 30, 2024	88,958	71	89,029



The Group

Cash flow statement

MSEK	Q2 2023	Q2 2024	Q1-Q2 2023	Q1-Q2 2024
<i>Cash flow from operating activities</i>				
Profit before tax	4,428	4,990	9,492	6,678
Adjustment for depreciation, amortization and impairment losses	2,053	1,936	3,804	4,061
Other adjustments for non-cash items	850	-1,045	1,845	1,332
Payment to pension fund	-101	-90	-249	-262
Income tax paid	-1,948	-1,709	-3,575	-3,705
Cash flow from operating activities before changes in working capital	5,282	4,083	11,317	8,105
<i>Changes in working capital</i>				
Change in inventories	-203	50	-1,970	-257
Change in operating receivables	-417	-975	-1,636	-1,234
Change in operating liabilities	-590	-750	317	-186
Cash flow from changes in working capital	-1,210	-1,676	-3,289	-1,677
Investments in rental equipment	-279	-312	-452	-616
Proceeds from sale of rental equipment	23	65	161	139
Cash flow from operating activities, net	3,816	2,160	7,737	5,951
<i>Cash flow from investing activities</i>				
Acquisitions of companies and shares, net of cash acquired	-406	-850	-1,541	-1,063
Acquisitions of tangible assets	-864	-756	-1,707	-1,599
Proceeds from sale of tangible assets	55	31	124	171
Acquisitions of intangible assets	-374	-354	-681	-697
Proceeds from sale of intangible assets	2	5	3	5
Acquisitions of financial assets	-	-	-7	-
Proceeds from sale of financial assets	-	16	-	16
Other investments, net	-544	85	-894	75
Cash flow from investing activities	-2,131	-1,825	-4,703	-3,091
<i>Cash flow from financing activities</i>				
Repayment of borrowings	-16	-590	-313	-3,748
Proceeds from borrowings	2,046	9,371	43	9,384
Amortization, lease liabilities	-302	-380	-607	-697
Repurchase of own shares	-242	-61	-242	-61
Dividends paid	-6,261	-6,880	-6,261	-6,880
Cash flow from financing activities, net	-4,776	1,460	-7,380	-2,003
Total cash flow	-3,091	1,795	-4,346	857
Cash and cash equivalents at beginning of the period	9,214	3,577	10,489	4,363
Exchange-rate differences in cash and cash equivalents	157	3	137	155
Cash and cash equivalents at the end of the period	6,280	5,375	6,280	5,375



The Parent company

The parent company's invoiced sales for the first six months of 2024 amounted to SEK 7,544 million (7,428) and the operating result was SEK 499 million (2,629), the decline is mainly related to change of royalty allocations. Result from shares in Group companies of SEK 312 million (489) for the first six months consists mainly of dividends.

Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 42,871 million (34,316). Investments in property, plant and machinery amounted to SEK 239 million (190).

Income statement

MSEK	Q2 2023	Q2 2024	Q1-Q2 2023	Q1-Q2 2024
Revenues	3,921	3,649	7,428	7,544
Cost of goods and services sold	-712	-1,858	-1,494	-3,889
Gross profit	3,209	1,791	5,934	3,655
Selling expenses	-340	-142	-664	-467
Administrative expenses	-682	-537	-1,398	-1,142
Research and development costs	-401	-368	-831	-918
Other operating income and expenses	-229	-260	-412	-629
Operating result	1,557	484	2,629	499
Result from shares in group companies	394	312	489	312
Result from shares in associated companies	2	-	2	-
Interest income/expenses and similar items	-212	-461	-424	-819
Result after financial items	1,741	335	2,696	-8
Appropriations	27	81	53	142
Income tax	-256	603	-505	655
Result for the period	1,512	1,019	2,244	789

Balance sheet

MSEK	Dec 31, 2023	Jun 30, 2023	Jun 30, 2024
Intangible assets	312	379	245
Property, plant and equipment	3,064	3,025	3,062
Financial assets	83,550	85,777	83,694
Inventories	1,082	1,251	1,211
Current receivables	12,406	3,402	8,285
Cash and cash equivalents	0	0	0
Total assets	100,414	93,834	96,497
Total equity	29,249	26,051	23,161
Untaxed reserves	1,057	1,017	914
Provisions	1,178	1,143	1,444
Non-current interest-bearing liabilities	26,649	28,230	24,346
Non-current non-interest-bearing liabilities	416	884	566
Current interest-bearing liabilities	30,712	33,400	42,401
Current non-interest-bearing liabilities	11,153	3,109	3,665
Total equity and liabilities	100,414	93,834	96,497
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	38,011	34,316	42,871
Investments in fixed assets	384	190	239



Market overview, the Group

Order intake by region

MSEK	Q2 2024	Change*		Share %	Q1-Q2 2024	Change*		Share %
		%	% ¹⁾			%	% ¹⁾	
The Group								
Europe	8,235	0	-4	25	17,463	-5	-5	27
North America	7,964	-4	3	25	15,586	-9	-2	24
South America	2,268	4	4	7	4,779	10	2	7
Africa/Middle East	3,788	15	15	12	7,528	6	6	12
Asia	6,073	25	9	19	11,417	12	4	18
Australia	4,059	-14	-12	13	7,594	-9	-8	12
Total²⁾	32,354	3	1	100	64,336	-2	-2	100
Sandvik Mining and Rock Solutions								
Europe	1,850	0	-19	11	3,612	-12	-13	11
North America	3,556	-11	4	21	6,989	-17	-3	21
South America	1,584	7	7	9	3,388	12	3	10
Africa/Middle East	3,394	20	20	20	6,651	9	9	20
Asia	3,186	43	6	19	5,761	19	2	18
Australia	3,472	-15	-12	20	6,490	-9	-8	20
Total	17,043	4	1	100	32,891	-2	-1	100
Sandvik Rock Processing Solutions								
Europe	442	-7	-7	16	1,059	-5	-10	19
North America	603	3	3	22	1,233	-7	-7	22
South America	368	-5	-5	14	780	8	-1	14
Africa/Middle East	265	-26	-26	10	622	-14	-14	11
Asia	520	-4	8	19	1,020	-9	-9	18
Australia	492	-14	-14	18	925	-14	-9	16
Total	2,691	-8	-6	100	5,639	-7	-8	100
Sandvik Manufacturing and Machining Solutions								
Europe	5,943	1	n/a	47	12,792	-3	n/a	50
North America	3,805	2	n/a	30	7,364	-1	n/a	29
South America	315	0	n/a	2	611	0	n/a	2
Africa/Middle East	129	12	n/a	1	254	1	n/a	1
Asia	2,366	13	n/a	19	4,637	9	n/a	18
Australia	95	7	n/a	1	179	6	n/a	1
Total	12,621	4	n/a	100	25,805	0	n/a	100

*Organic change compared with the year-earlier period

¹⁾ Excluding major orders which is defined as above SEK 200 million for Sandvik Mining and Rock Solutions and SEK 50 million for Sandvik Rock Processing Solutions. ²⁾ Includes rental fleet order intake in Q2 of SEK 344 million and SEK 541 million YTD, recognized according to IFRS 16.

n/a = not applicable



Market overview, the Group

Revenues by region

MSEK	Q2 2024	Change * %	Share %	Q1-Q2 2024	Change *%	Share %
The Group						
Europe	8,315	-2	26	16,464	-5	27
North America	8,084	-6	26	15,460	-6	26
South America	2,255	1	7	4,327	1	7
Africa/Middle East	3,936	-2	13	7,324	-4	12
Asia	4,993	3	16	9,677	-1	16
Australia	3,836	-4	12	7,168	-2	12
Total¹⁾	31,419	-2	100	60,421	-4	100
Sandvik Mining and Rock Solutions						
Europe	1,683	3	10	3,172	-1	10
North America	3,819	-9	24	7,205	-8	24
South America	1,651	2	10	3,129	5	10
Africa/Middle East	3,487	-1	22	6,473	-3	21
Asia	2,234	3	14	4,388	-4	14
Australia	3,277	-5	20	6,095	-3	20
Total	16,151	-3	100	30,463	-3	100
Sandvik Rock Processing Solutions						
Europe	520	-11	19	1,043	-15	20
North America	629	-2	23	1,149	-11	22
South America	320	1	12	637	-7	12
Africa/Middle East	322	-8	12	602	-6	12
Asia	450	-9	17	814	-21	16
Australia	464	-2	17	904	3	18
Total	2,704	-5	100	5,150	-10	100
Sandvik Manufacturing and Machining Solutions						
Europe	6,113	-3	49	12,249	-5	49
North America	3,636	-4	29	7,105	-3	29
South America	284	-4	2	560	-7	2
Africa/Middle East	127	0	1	249	0	1
Asia	2,309	6	18	4,475	6	18
Australia	95	7	1	170	-2	1
Total	12,564	-1	100	24,808	-3	100

*Organic change compared with the year-earlier period

¹⁾ Includes rental fleet revenues in Q2 of SEK 252 million and SEK 476 million YTD, recognized according to IFRS 16.



The Group

Order Intake by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Change	
								%	% *
Sandvik Mining and Rock Solutions	17,510	16,654	14,702	15,661	64,527	15,849	17,043	2	4
Sandvik Rock Processing Solutions	3,227	2,939	2,824	2,248	11,238	2,949	2,691	-8	-8
Sandvik Manufacturing and Machining Solutions	13,626	12,067	11,401	12,154	49,247	13,184	12,621	5	4
Group Total¹⁾	34,363	31,660	28,927	30,062	125,011	31,981	32,354	2	3

Revenues by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Change	
								%	% *
Sandvik Mining and Rock Solutions	15,366	16,755	16,674	16,894	65,690	14,312	16,151	-4	-3
Sandvik Rock Processing Solutions	2,939	2,872	2,854	2,807	11,472	2,446	2,704	-6	-5
Sandvik Manufacturing and Machining Solutions	12,662	12,616	11,948	12,114	49,340	12,244	12,564	0	-1
Group Total¹⁾	30,968	32,243	31,476	31,816	126,503	29,002	31,419	-3	-2

EBITA by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Change %
Sandvik Rock Processing Solutions	421	243	401	452	1,517	-69	397	63
Sandvik Manufacturing and Machining Solutions	2,813	2,364	2,482	2,386	10,045	964	2,480	5
Group activities	-217	-307	-136	-155	-814	-207	-195	-36
Group Total¹⁾	6,074	5,794	6,260	6,402	24,530	2,772	6,018	4

EBITA Margin by Business Area

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

Adjusted EBITA by Business Area

MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1-Q4 2023	Q1 2024	Q2 2024	Change %
Sandvik Rock Processing Solutions	426	394	401	440	1 661	326	409	4
Sandvik Manufacturing and Machining Solutions	2 835	2 810	2 499	2 453	10 597	2 485	2 579	-8
Group activities	-217	-226	-136	-155	-733	-135	-195	-14
Group Total¹⁾	6 119	6 599	6 312	6 211	25 240	5 281	6 149	-7

Adjusted EBITA Margin by Business Area

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

Items Affecting Comparability on EBITA

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

* Organic change compared with the year-earlier period

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



Items affecting comparability on EBITA

2023

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

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

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

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

2024

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

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

Adjusted EBIT and Adjusted EBITA per business area

Q2 2024, MSEK	Reported EBIT,	Reported EBIT, %	IAC ¹⁾	Adjusted EBIT	Adjusted EBIT, %	Amortizations ²⁾	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	3,198	19.8	-20	3,218	19.9	-138	3,356	20.8
Sandvik Rock Processing Solutions	333	12.3	-12	345	12.8	-64	409	15.1
Sandvik Manufacturing and Machining Solutions	2,218	17.6	-102	2,320	18.5	-259	2,579	20.5
Group activities	-195	–	–	-195	–	–	-195	–
Group Total	5,554	17.7	-134	5,688	18.1	-461	6,149	19.6

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

Taxes excluding items affecting comparability

Q2 2023	Reported tax, MSEK	Reported tax, %	IAC, MSEK	IAC, %	Tax excluding IAC, MSEK	Tax excluding IAC, %
Group Total	-1,102	24.9	-218	22.3	-1,320	24.4
Q2 2024						
Group Total	-1,528	30.6	301¹⁾	-224.6	-1,227	23.9

1) Mainly impacted by a provision for a tax audit related to transfer pricing in 2018 and 2019.

Adjusted earnings per share diluted

Q2 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, SEK
Group Total	2.65	-759	3.25	-401	3.57
Q2 2024					
Group Total	2.76	-435	3.10	-389	3.41



Net debt

MSEK	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Interest-bearing liabilities excluding pension and lease liabilities	48,853	43,349	39,578	37,515	45,919
Less cash and cash equivalents	-6,280	-4,998	-4,363	-3,577	-5,375
Financial net debt (net cash)	42,573	38,351	35,215	33,938	40,544
Net Pensions liabilities	2,469	2,162	2,757	2,376	2,496
Leases liabilities	5,397	5,663	5,503	5,839	5,938
Net debt	50,439	46,177	43,475	42,154	48,978
Financial net debt/EBITDA	1.5	1.3	1.2	1.3	1.5

Net working capital & capital employed

MSEK	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Inventories	39,066	37,918	34,305	36,026	35,716
Trade receivables	21,351	20,125	18,499	20,198	20,970
Account payables	-11,794	-10,548	-9,595	-10,070	-9,940
Other receivables	6,919	6,743	6,358	6,032	6,002
Other liabilities	-16,770	-16,103	-14,519	-15,601	-14,830
Net working capital	38,772	38,135	35,048	36,585	37,918
Tangible assets	22,949	22,877	22,254	23,018	23,143
Intangible assets	69,367	68,330	64,586	67,239	67,508
Other assets (incl. cash and cash equivalents)	94,000	90,035	87,369	90,213	93,322
Other liabilities	-41,204	-39,171	-36,833	-39,081	-38,640
Capital employed	145,111	142,072	137,377	141,389	145,334

Key figures

Group total	Q2 2023	Q2 2024	Q1-Q2 2023	Q1-Q2 2024
Return on capital employed, % ¹⁾	16.0	14.1	16.0	14.1
Return on total equity, % ¹⁾	17.9	14.4	17.9	14.4
Shareholders' equity per share, SEK	69.2	70.9	69.2	70.9
Financial net debt / EBITDA	1.5	1.5	1.5	1.5
Net working capital, % ¹⁾	27.8	30.2	27.8	30.2
Earnings per share, basic, SEK	2.65	2.76	5.70	3.75
Earnings per share diluted, SEK	2.65	2.76	5.69	3.75
EBITDA, MSEK	7,185	7,489	14,529	11,809
Cash flow from operations, MSEK	3,816	2,160	7,737	5,951
Number of employees ²⁾	40,882	40,344	40,882	40,344
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)	1,255,966	1,256,120	1,255,740	1,256,112

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



Definitions of alternative performance measures

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

Adjusted EBITA

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

Adjusted EBITA margin

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

Adjusted EPS

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

Adjusted EPS, diluted

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

Adjusted EPS, diluted excluding surplus values

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

Adjusted profit before tax

Profit before tax adjusted from items affecting comparability.

Capital employed

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

Cash conversion

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

EBITA

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

EBITDA

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

Financial net debt/EBITDA

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

Free operating cash flow

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

Items affecting comparability (IAC)

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

Net debt

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

Net Working Capital (NWC)

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

Net working capital in relation to revenues

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

Order intake

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

Organic growth

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

Return on capital employed (ROCE)

Earnings before interest and taxes plus financial income, on a 12 month rolling basis, as a percentage of an average rolling 12 months capital employed.

Disclaimer statement

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

Certification

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

Stockholm July 19, 2024
Sandvik Aktiebolag (publ)

Johan Molin
 Chairman of the Board

Claes Boustedt
 Board member

Marika Fredriksson
 Board member

Fredrik Håf
 Board member

Thomas Lilja
 Board member

Andreas Nordbrandt
 Board member

Susanna Schneeberger
 Board member

Helena Stjernholm
 Board member

Kai Wörn
 Board member

Stefan Widing
 President & CEO
 Board member

The Company's Auditor has not reviewed the report for the first six months of 2024

This information is information that Sandvik AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 12:30 PM CEST on July 19, 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 July 19, 2024 at 2:00 PM CEST. Information is available at home.sandvik/ir

Calendar

October 21, 2024	Report, third quarter, 2024
January 23, 2025	Report, fourth quarter, 2024
April 16, 2025	Report, first quarter, 2025
July 16, 2025	Report, second quarter, 2025
October 20, 2025	Report, third quarter, 2025