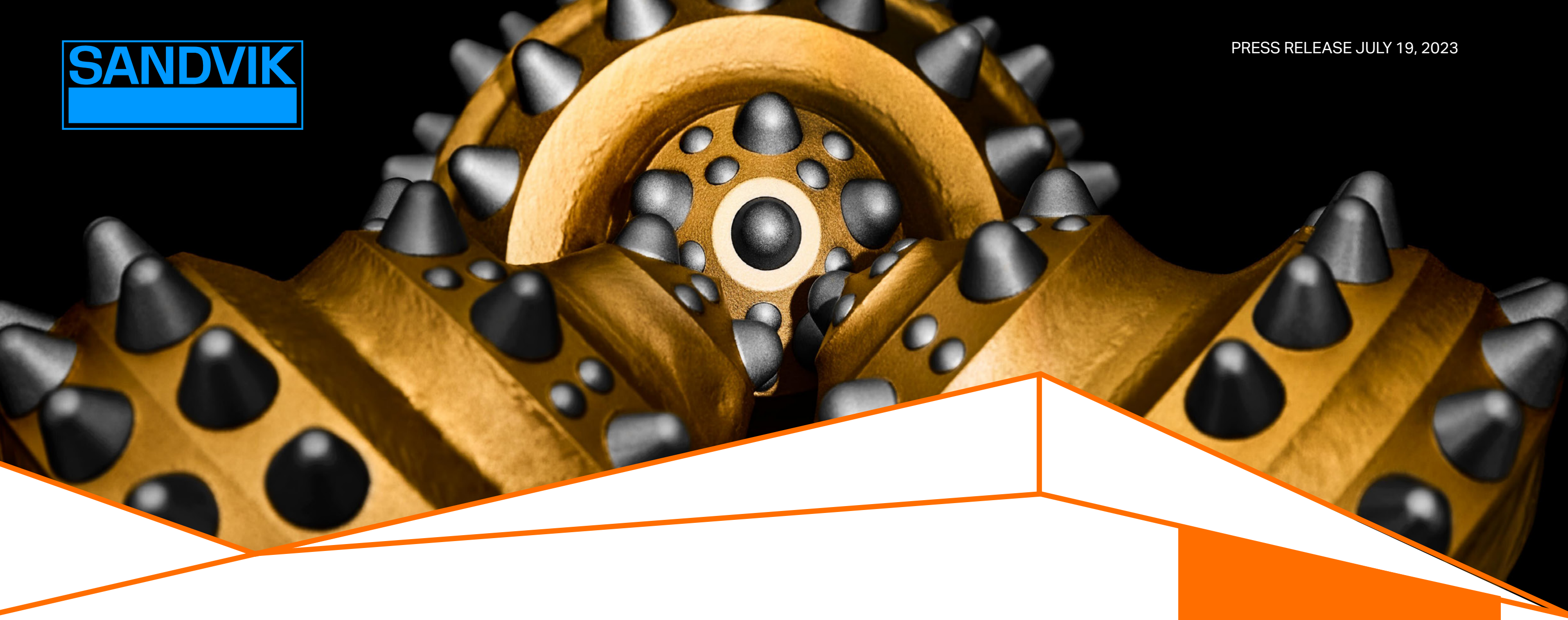


INTERIM REPORT SECOND QUARTER
AND FIRST SIX MONTHS 2023

9TH CONSECUTIVE QUARTER WITH DOUBLE-DIGIT REVENUE GROWTH

- Total order intake amounted to SEK 31,660 million (28,740), corresponding to total growth of 10%, and 7% at fixed exchange rates, of which organic 3%
- Total revenues amounted to SEK 32,243 million (27,050), a total growth of 19%. At fixed exchange rates, growth was 16%, of which organic 12%
- Adjusted EBITA grew by 28% and amounted to SEK 6,599 million (5,141), corresponding to a margin of 20.5% (19.0)[1)]. Items affecting comparability on EBITA amounted to SEK -0.8 billion (-1.1)
- Profit for the period amounted to SEK 3,326 million (2,627) and earnings per share, diluted were SEK 2.65 (2.10). Adjusted earnings per share, diluted were SEK 3.25 (2.95)[2) 3)]
- Free operating cash flow amounted to SEK 4,578 million (-49)
- Strong momentum in mining automation with two significant orders received totaling SEK 220 million

16%
Revenue growth at fixed exchange rates

20.5%
Adj. EBITA margin

1.50
Financial net debt/EBITDA Group total

FINANCIAL OVERVIEW CONTINUING OPERATIONS

MSEK	Q2 2022	Q2 2023	CHANGE %	Q1-Q2 2022	Q1-Q2 2023	CHANGE %
Order intake	28,740	31,660	10	59,214	66,022	11
Revenues	27,050	32,243	19	51,971	63,211	22
Adjusted EBITA [1)]	5,141	6,599	28	10,184	12,718	25
Adjusted EBITA margin	19.0	20.5	–	19.6	20.1	–
Adjusted EBIT [2)]	4,794	6,109	27	9,524	11,747	23
Adjusted EBIT margin	17.7	18.9	–	18.3	18.6	–
Adjusted profit before tax [1, 2)]	4,812	5,405	12	9,243	10,514	14
Profit for the period	2,627	3,326	27	6,023	7,142	19
Adjusted profit for the period [2, 3)]	3,680	4,085	11	7,082	7,940	12
Earnings per share, diluted, SEK	2.10	2.65	26	4.80	5.69	19
Adjusted earnings per share, diluted, SEK [2, 3)]	2.95	3.25	10	5.65	6.32	12
Free operating cash flow	-49	4,578	N/M	2,243	8,289	N/M

__1)__ Adjusted for items affecting comparability (IAC) on EBITA of SEK -805 million in Q2 2023 (-1,103) and SEK -850 million YTD 2023 (-1,101). __2)__ IAC on EBIT of SEK -977 million in Q2 2023 (-1,103) and SEK -1,022 million YTD 2023 (-1,101). __3)__ Adjusted for IAC regarding tax of SEK 218 million in Q2 2023 (51) and SEK 225 million YTD 2023 (43). For full details on IAC, see page 21-22.

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 25. For more information see home.sandvik.

N/M = not meaningful

CEO'S COMMENT

We delivered a solid set of results in the second quarter. Revenues grew by double digits for the 9th consecutive quarter, leverage was strong and operating margin was within our target range. We made progress in our shift to growth strategic focus areas. For example, we saw strong momentum in mining automation, and we won important business in surface mining. A few acquisitions were made, adding strength to our competence and offering. We also kept a good innovation pace, launched a higher-capacity battery for our BEV loaders and trucks and new steel turning grades, specifically tailored to capture opportunities within the mid-market.

Total order intake, at fixed exchange rates grew by 7%, of which organic 3%. Revenues at fixed exchange rates grew by 16%, of which organic 12%. Adjusted EBITA margin was 20.5%. Free operating cash flow amounted to SEK 4.6 billion.

Sandvik Mining and Rock Solutions continued to note robust demand, both in the equipment and in the aftermarket business. Organic order intake grew by 6% year on year, resulting in our second highest order intake level to date. Important progress was made in our shift to growth focus areas. Our Rotary Drilling division recorded strong growth in the quarter, supporting our ambition to gain further ground in surface mining. Through our automation solutions we are helping our customers to improve safety, productivity, and reliability in their mine operations, and Sandvik secured two significant automation deals for our loaders and trucks, at a total value of SEK 220 million. Revenues reached an all-time high and grew organically by 18%.

The demand within Sandvik Rock Processing Solutions was mixed. While a positive sentiment was noted from mining customers, slower activity in infrastructure continued in the second quarter. The newly acquired SP Mining had a strong order intake development, contributing to approximately 30% year on year growth and was accretive to SRP's operating margin. Total order intake, at fixed exchange rates, grew by 12%. Organic order intake and revenues decreased by 16% and 2%, respectively.

The organic order intake in Sandvik Manufacturing and Machining Solutions decreased by 1% year on year. The cutting tools divisions reported 3% organic order intake growth supported by aerospace and automotive. Organic revenues grew by 3%, ahead of orders, mainly explained by timing of orders in our powder business. Sandvik Manufacturing Solutions' software revenues grew by mid-single digit. A positive order intake development was seen in North America and Europe. The recovery in China after the re-opening has been slower than expected, with a weaker sentiment also signaled in the recent PMIs. The daily order intake in the first two weeks of July was stable compared to the second quarter.

In summary, we leave yet another quarter with double-digit growth and a strong operating margin behind us. We are continuously making progress in our shift to growth strategy, adding acquisitions that keep strengthening our position for growth, while maintaining a good innovation pace, and tight cost control. I want to thank the organization for their strong commitment to delivering on our strategy. It is evident that Sandvik is an agile, high-quality company.

Stefan Widing
President and CEO

ORDER INTAKE AND REVENUES

GROWTH

Q2, %	ORDER INTAKE	REVENUES
Organic	3	12
Structure	4	4
Organic & structure	**7**	**16**
Currency	3	4
Total	**10**	**19**

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

The Group delivered solid order intake and revenue growth in the second quarter. Total growth in order intake was 10%, at fixed exchange rates 7%, of which organic 3%. Total revenues grew by 19%, at fixed exchange rates 16%, of which organic 12%.

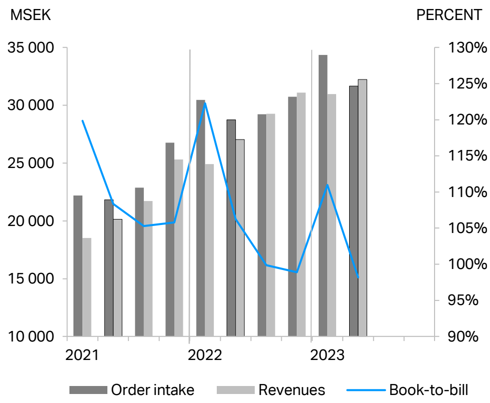
Continued robust and broad-based demand was noted in the mining segment. Mining customers' ambition to improve productivity, safety and reliability continued to drive investments in Sandvik's automation solutions. Demand within infrastructure was soft in all major regions, impacted by weaker macro conditions. Sandvik Mining and Rock Solutions (SMR) noted strongest growth in Australia, with positive development also in Europe and South America. Sandvik Rock Processing Solutions (SRP) reported the highest order growth in Australia and South America, while the other regions were down year on year.

Strong demand continued in aerospace driven by higher activity post covid, and consequently increased investments. Solid backlogs within automotive drove demand in North America and Europe, however off-set by negative impact from China. General engineering and energy were stable year on year, with lower volumes compensated by pricing. In Europe, energy demand was positive. Sandvik Manufacturing and Machining Solutions noted overall stable development in North America and Europe, while Asia continued to show a negative development year on year.

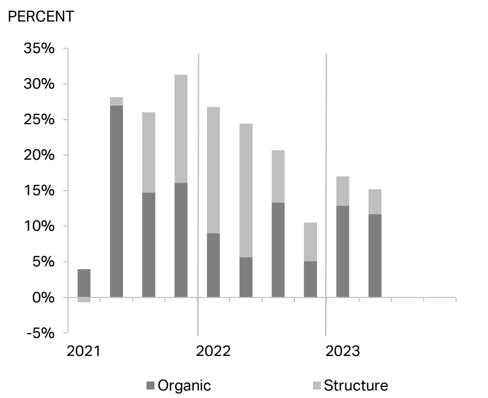
The Group reported strong growth in Australia. South America and Europe were also positive, while North America showed a stable development. Africa, Middle East and Asia were down year on year.

Changed exchange rates had a positive impact of 3% on orders and 4% on revenues.

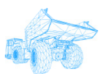
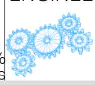
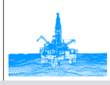
ORDER INTAKE AND REVENUES*



REVENUE GROWTH



Q2
UNDERLYING MARKET DEVELOPMENT

			MINING	GENERAL ENGINEERING	AUTOMOTIVE	ENERGY	INFRA-STRUCTURE	AERO	OTHER
			 48% of 2022 revenues	 22%	 7%	 2%	 11%	 3%	 7%
			→	↘	→	↘	↘	↗	↘
	% of 2022 Group revenue	Order intake Y/Y (excl. large orders)							
Europe	27%	+3% (+3%)	→	↘	↗	↗	↘	↗	↘
North America	25%	-2% (-2%)	→	↘	↗	↘	↘	↗	↗
Asia	19%	-6% (-5%)	→	↘	↘	↘	↘	↘	↘
Africa/Middle East	12%	-5% (-5%)	→	↘	↗	↗			
Australia	12%	+32% (+19%)	→						
South America	7%	+7% (+7%)	→						

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

EARNINGS

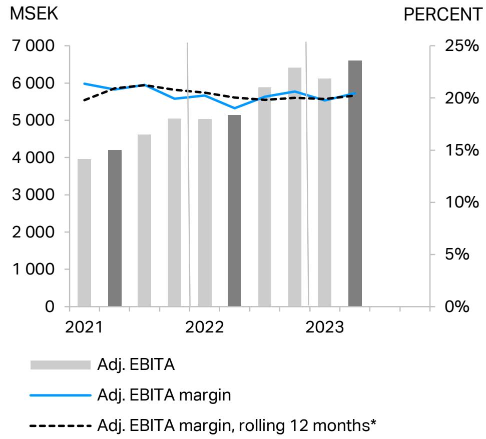
Adjusted gross profit amounted to SEK 13,570 million (11,125), corresponding to a margin of 42.1% (41.1). Adjusted sales and administration costs increased by 16% to SEK 7,475 million (6,452). The ratio to revenues improved to 23.2% (23.9). Adjusted EBITA increased by 28% to SEK 6,599 million (5,141), with a margin of 20.5% (19.0). Higher volumes, pricing and reduced air freight contributed positively to the margin. The impact from transaction and translation exchange rates was positive SEK 232 million year on year, but had a negative margin impact of 30 basis points. Structure was dilutive to the margin by 10 basis points. Items affecting comparability amounted to net of SEK -977 million on EBIT, of which SEK -805 million on EBITA, primarily related to the restructuring program communicated last year. The total cost of the program amounts to SEK 1.7 billion, with updated expected savings of approximately SEK 785 million annually at full run-rate, and a reduction of around 870 FTEs.

The interest net increased to SEK -411 million (-154) due to higher interest rates and increased borrowing volumes compared to the year earlier period and increased sequentially due to a higher debt level and higher interest rates (-361). Net financial items increased to SEK -704 million (18), explained by the higher interest net and temporarily positive revaluation effects from hedging of currencies in the year earlier period.

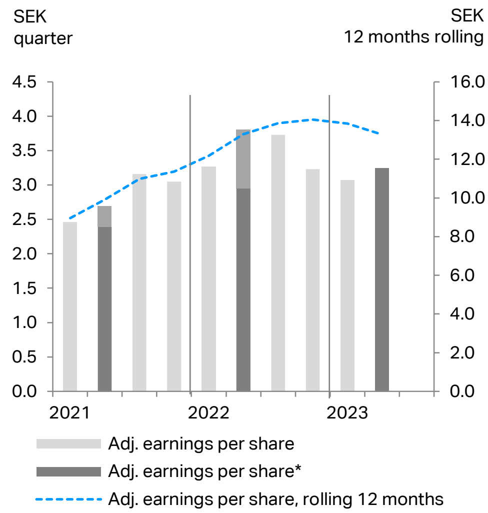
The tax rate, excluding items affecting comparability, for continuing operations was 24.4% (23.5). The reported tax rate for continuing operations was 24.9% (29.2). The normalized tax rate was 24.4% (23.5), in line with guidance.

Profit for the period amounted to SEK 3,326 million (2,627), corresponding to earnings per share, diluted, of SEK 2.65 (2.10) and adjusted earnings per share, diluted, of SEK 3.25 (2.95). Adjusted earnings per share, diluted, excluding surplus values, amounted to SEK 3.57 (3.18).

ADJUSTED EBITA (%)*



ADJUSTED EARNINGS PER SHARE, DILUTED*



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

BALANCE SHEET AND CASH FLOW

To facilitate underlying capital employed and free operating cash flow analysis, the comparative period has been adjusted to exclude Alleima for the following KPIs: Capital employed, return on capital employed, net working capital, net working capital in relation to revenues, investments and free operating cash flow, also applicable to the full time period in the graphs.

Capital employed increased year on year to SEK 145.1 billion (122.2), mainly due to acquisitions, exchange rates and higher net working capital. Sequentially, capital employed increased from 140.2 billion mainly driven by exchange rates. Return on capital employed increased year on year to 15.3% (13.4) but decreased sequentially (16.6).

Net working capital increased year on year to SEK 38.8 billion (31.2) mainly due to higher inventories and exchange rates. Sequentially (35.6), net working capital increased driven by exchange rates and reduced accounts payable. Net working capital in relation to revenues of 28.8% (26.2) increased year on year and sequentially (27.8).

Investments in tangible and intangible assets increased to SEK 1.2 billion (0.9), compared to the preceding year but was on the same level as in the first quarter (1.2). The investments corresponded to 131% of scheduled depreciations.

The financial net debt of SEK 42.6 billion (32.8) increased year on year and sequentially (36.2). Free operating cash flow contribution of SEK 4.6 billion was negatively off-set by dividend payout of SEK 6.3 billion. The financial net debt/ EBITDA ratio was 1.50 (1.23), representing an increase versus the first quarter (1.30).

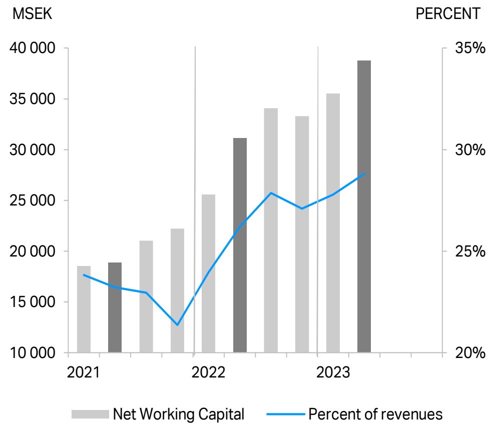
The net pension liability increased year on year to SEK 2.5 billion (2.1) primarily due to lower discount rates in Sweden, and increased sequentially (2.0). Total net debt increased year on year to SEK 50.4 billion (39.4) and sequentially (43.4).

Free operating cash flow increased year on year to SEK 4.6 billion (-0.0), due to higher earnings and less unfavourable change in net working capital.

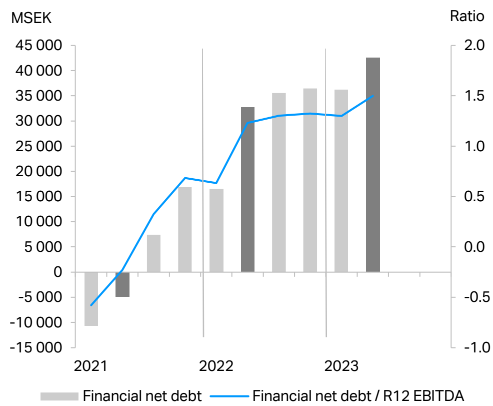
FREE OPERATING CASH FLOW, MSEK	Q2 2022	Q2 2023
EBITDA, adj.[1)]	5,265	6,783
Non cash items	-597	442
Net Working Capital change	-3,633	-1,210
Capex [2)]	-1,083	-1,436
FREE OPERATING CASH FLOW [3)]	**-49**	**4,578**

__1)__ Adjusted for cash items related to certain acquisitions costs __2)__ Including investments and disposals of rental equipment of SEK -256 million (-175) and tangible and intangible assets of SEK -1,181 million (-908). __3)__ Free operating cash flow before acquisitions and disposals of companies, financial items and paid taxes.

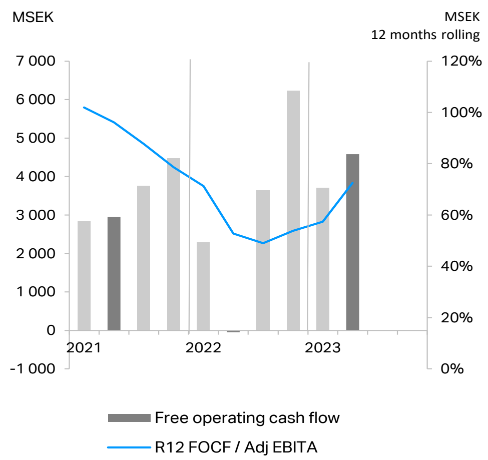
NET WORKING CAPITAL*



FINANCIAL NET DEBT / EBITDA



FREE OPERATING CASH FLOW*



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

SANDVIK MINING AND ROCK SOLUTIONS

AUTOMATION ORDER MOMENTUM

STRONG GROWTH IN ROTARY DRILLING

RECORD REVENUE QUARTER

GROWTH

Q2, %	ORDER INTAKE	REVENUES
Organic	6	18
Structure	0	0
Organic & structure	**7**	**19**
Currency	3	3
TOTAL	**10**	**23**

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

Order intake and revenues

Key items impacting order intake and revenues year on year:

- Second highest order intake ever with solid growth in both equipment and aftermarket. Particularly strong growth seen in Rotary Drilling
- Total order intake growth was 10%, and 7% at fixed exchange rates, of which 6% was organic
- Solid momentum in automation with two significant automation orders secured in the quarter, totaling SEK 220 million
- Two major orders booked in the quarter, totaling SEK 1.0 billion (0.5). Excluding major orders, organic order intake grew by 3% year on year
- Organic order intake for equipment increased by 8% (-2% excl. major orders) and aftermarket order intake increased organically by 5%
- Regional order intake development was strongest in Australia at 34%, followed by Europe 8% and South America 5%
- Revenues reached a record level
- The aftermarket business accounted for 66% (71) of revenues while the equipment business accounted for 34% (29)

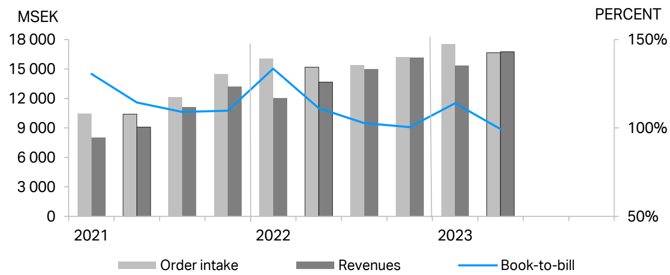
Adjusted EBITA:

- The adjusted EBITA margin was 21.6% (19.2)
- Strong operational leverage with good price execution
- Exchange rates had a negative impact of SEK 53 million year on year, corresponding to 110 basis points margin dilution

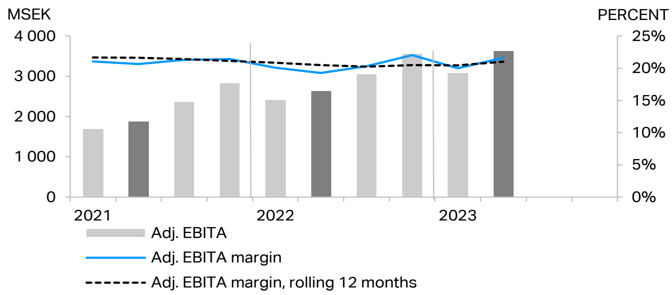
Shift to growth

Sandvik continued to strengthen its position as underground mining's leading battery-electric innovator by introducing a higher-capacity battery for its BEV loaders and trucks. The battery, based on high-safety LFP cells, delivers 36 percent more energy on equivalent battery size. Sandvik further expanded its battery center of excellence in the US, and expanded its technology portfolio by developing a diesel-electric range of underground loaders and trucks to complement its leading BEV offering. My Sandvik Onsite was launched, a powerful solution for optimizing drill and blast operations, with benefits such as production management, operational efficiency, maintenance and availability for open pit mines and large quarries in surface

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



ADJUSTED EBITA



FINANCIAL OVERVIEW, MSEK	Q2 2022	Q2 2023	CHANGE %	Q1-Q2 2022	Q1-Q2 2023	CHANGE %
Order intake	15,182	16,654	10	31,241	34,164	9
Revenues	13,658	16,755	23	25,687	32,121	25
Adjusted EBITA[1)]	2,628	3,621	38	5,041	6,696	33
Adjusted EBITA margin	19.2	21.6	–	19.6	20.8	–
Return on capital employed [2)]	16.8	24.6	–	25.5	23.3	–
Number of employees [3)]	16,114	16,842	5	16,114	16,842	5

1) *EBITA adjusted for items affecting comparability of SEK -127 million in Q2 2023 (-739) and YTD 2023 SEK -146 million (-644). For more information see page 21-22.* **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

ACQUISITIONS CONTRIBUTED WITH APPROXIMATELY 30% GROWTH

SOLID DEVELOPMENT WITHIN MINING

SOFT DEMAND IN INFRASTRUCTURE

GROWTH

Q2, %	ORDER INTAKE	REVENUES
Organic	-16	-2
Structure	28	25
Organic & structure	**12**	**23**
Currency	5	5
TOTAL	17	28

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

Order intake and revenues

Key items impacting order intake and revenues year on year:

- Demand within mining remained robust, with particulary good development in Australia, while soft broad-based demand was noted in infrastructure
- With strong contribution from acquisitions, total order intake growth was 17%, and at fixed exchange rates 12%, of which organic growth was -16%
- One major order was booked in the quarter of SEK 61 million (135). Excluding major orders, organic order intake was -12%
- Organic order intake for equipment decreased by 23% and for aftermarket by 8%
- Strongest order intake growth was noted in South America of 15% followed by Australia 10%. Europe declined by 24%, and North America by 12%
- The aftermarket business accounted for 58% (55) of revenues while the equipment business accounted for 42% (45)

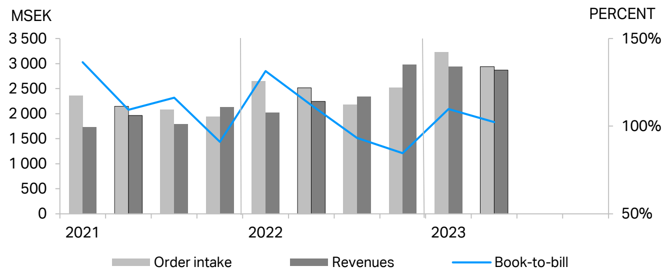
Adjusted EBITA:

- The adjusted EBITA amounted to SEK 394 million (359), corresponding to a margin of 13.7% (16.0)
- Lower volumes, integration costs, and IT investments had a negative impact on the margin
- SP Mining's underlying margin was accretive to the margin, though integration and carve-out costs diluted the margin by 110 basis points
- Exchange rates had a positive impact of SEK 39 million year on year, corresponding to 160 basis points margin accretion

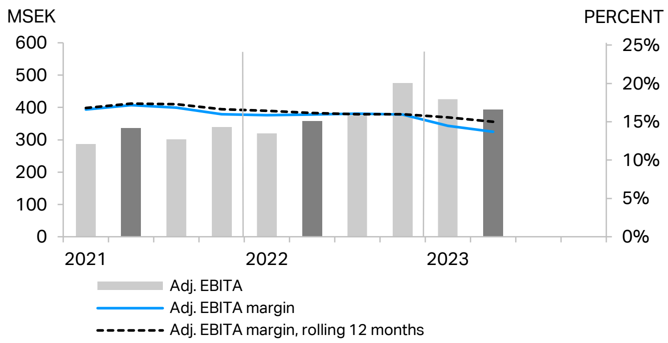
Shift to growth

SAM by Sandvik, the digital tool for Sandvik Rock Processing Solution's customers, continues to evolve. Improvement in data resolution gives users access to data points every second. It helps users when analyzing the operation of the crushers in search for potential areas of improvements. Another new feature is parts recommendations, allowing users to create wish lists for spare parts.

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



ADJUSTED EBITA



FINANCIAL OVERVIEW, MSEK	Q2 2022	Q2 2023	CHANGE %	Q1-Q2 2022	Q1-Q2 2023	CHANGE %
Order intake	2,517	2,939	17	5,167	6,166	19
Revenues	2,247	2,872	28	4,262	5,812	36
Adjusted EBITA[1)]	359	394	10	679	820	21
Adjusted EBITA margin	16.0	13.7	–	15.9	14.1	–
Return on capital employed [2)]	20.9	4.8	–	26.5	9.8	–
Number of employees [3)]	2,161	2,977	38	2,161	2,977	38

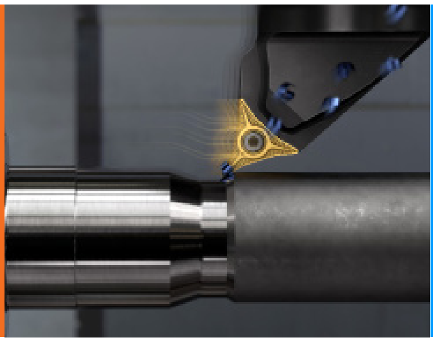
1) *EBITA adjusted for items affecting comparability of SEK -151 million in Q2 2023 (-78) and YTD 2023 SEK -155 million (-38). For more information see page 21-22.* **2)** *Quarter is quarterly annualized and the year to date numbers are based on a four quarter average.* **3)** *Full-time equivalent.*

SANDVIK MANUFACTURING AND MACHINING SOLUTIONS

GROWTH IN CUTTING TOOLS AND SOFTWARE

DOUBLE-DIGIT GROWTH IN AERO-SPACE

SOLID LEVERAGE



GROWTH

Q2, %	ORDER INTAKE	REVENUES
Organic	-1	3
Structure	3	3
Organic & structure	**3**	**7**
Currency	7	7
TOTAL	**9**	**13**

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

Order intake and revenues

Key items impacting order intake and revenues year on year:

- Double-digit growth in aerospace and good support from automotive. Lower volumes in general engineering and energy compensated by price
- Positive order growth in cutting tools off-set by negative growth in the powder business driven primarily by timing of larger orders
- Total order intake grew by 9%, and at fixed exchange rates, by 3%, of which organic was -1%
- Positive software revenue growth
- Slightly positive order intake development in North America of 1% while Europe was flat and Asia was down -4% year on year
- The number of working days had a year-on-year impact of -1.3% on orders and revenues
- Daily order intake in the first two weeks of July was stable compared to the second quarter

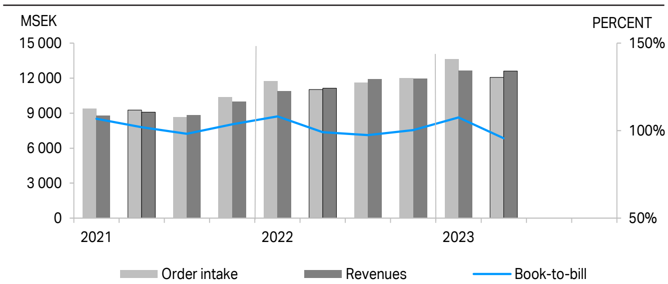
Adjusted EBITA:

- Adjusted EBITA margin was 22.3% (21.5), with strong leverage due to pricing and cost control
- Acquisitions were neutral to the margin
- Changed exchange rates had a positive impact of SEK 228 million year on year, corresponding to 40 basis points margin accretion

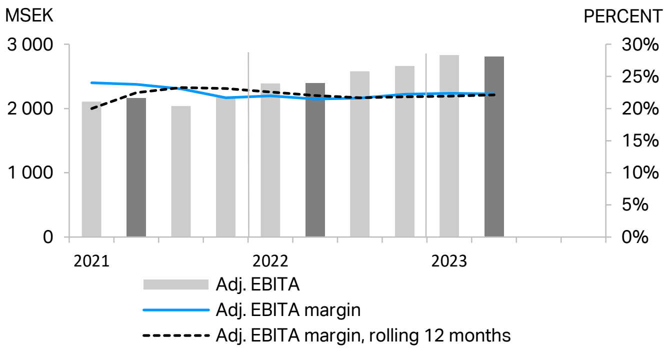
Shift to growth

During the quarter, Sandvik Coromant's CoroPlus® Tool Library was integrated into Cimatron 2024 and Mastercam 2024. With CoroPlus® Tool Library, users can access an extensive database of Sandvik Coromant tools, 3D tool assemblies, and cutting data by importing the information directly into Mastercam or Cimatron. In Mastercam, users get a unified interface and can manage tools and create toolpaths efficiently, which reduces programming time and increases overall efficiency. In Cimatron, users can experience a quick and easy way of creating Cutters, Holders and Machining Parameters by importing data directly from CoroPlus® Tool Library.

ORDER INTAKE, REVENUES AND BOOK-TO-BILL



ADJUSTED EBITA



FINANCIAL OVERVIEW, MSEK	Q2 2022	Q2 2023	CHANGE %	Q1-Q2 2022	Q1-Q2 2023	CHANGE %
Order intake	11,042	12,067	9	22,806	25,693	13
Revenues	11,145	12,616	13	22,022	25,278	15
Adjusted EBITA[1)]	2,394	2,810	17	4,786	5,646	18
Adjusted EBITA margin	21.5	22.3	–	21.7	22.3	–
Return on capital employed [2)]	13.5	11.8	–	16.8	13.6	–
Number of employees [3)]	20,208	20,509	1	20,208	20,509	1

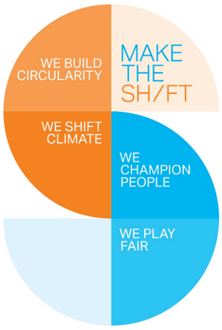
1) *EBITA adjusted for items affecting comparability of SEK -447 million in Q2 2023 (-259) and SEK -469 million YTD 2023 (-350). For more information see page 21-22.* **2)** *Quarter is quarterly annualized and the year to date numbers are based on a four quarter average.* **3)** *Full-time equivalent.*

SHIFTING TO A MORE SUSTAINABLE BUSINESS

IMPROVEMENT IN LTIFR OF 10%

SANDVIK INCLUDED IN ALLBRIGHT'S GREEN LIST 2023

IMPROVED SAFETY WITH NEW HIGH-CAPACITY BATTERY



During the quarter, TRIFR remained stable and LTIFR improved by 10% compared to the same period last year. Several EHS activities took place, such as initiatives to improve safety and training in hazards. Actions to replace fossil fuels and natural gas with Hydrated Vegetable Oil (HVO) and biogas resulted in energy improvements in the powder coat process at one of the participating sites.

Sandvik Mining and Rock Solutions introduced a higher-capacity battery for BEV loaders and trucks, with 36% more energy on equivalent battery size. With the same high-safety lithium iron phosphate chemistry, ideal for underground mining, the new battery is a leap forward in safety, reliability, and performance.

Sandvik was once again included in Allbright's 2023 green list, covering listed companies in Sweden that have an equal gender distribution at board and executive management level.

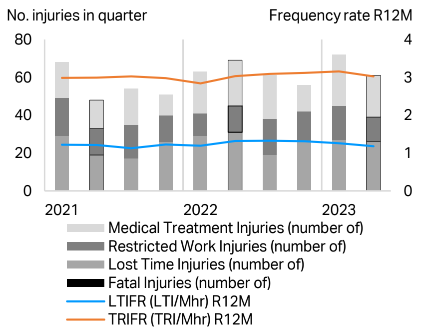
Second quarter 2023

- TRIFR was stable at 3.0 (3.0) compared to the same period last year
- LTIFR developed positively and improved by 10%, to 1.2 (1.3) compared to the same period last year
- Greenhouse gas emissions (GHG) was stable and amounted to 36 ktonne (36) in the quarter
- The share of circular waste decreased to 73% (76). Waste recycling in less mature regions remains a challenge, initiatives are ongoing to identify local recycling partners and technical solutions to increase circularity
- Share of female managers continued its positive development and was 20.1 (19.7), at the end of the quarter

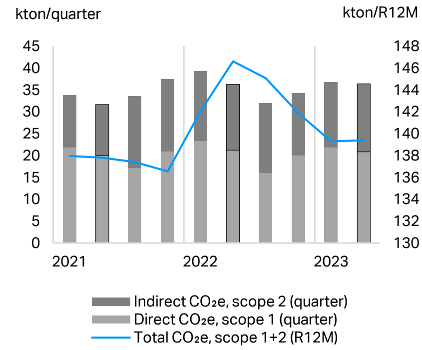
Case of the quarter

"Charging while drilling", an innovation from Sandvik Mining and Rock Solutions contributes towards the shift to a more sustainable mining industry. The patented technology allows for intelligent charging control and efficient utilization of a mine's infrastructure. As the drill rig utilizes the drilling cycle to simultaneously charge the battery, battery charging time is minimized. Power consumption from the electricity grid is also optimized, and the use of battery electric equipment improves the environment and working conditions by reducing emissions, heat, and noise. The technology has proven to remove approximately 12 tons of CO_2 emissions per drill rig and year. It can also reduce the drilling cycle time by around 15% and increase productivity for the drill with 18%. This innovation was honored with the Sandvik Sustainability Award in memory of Sigrid Göransson at the Annual General Meeting 2023.

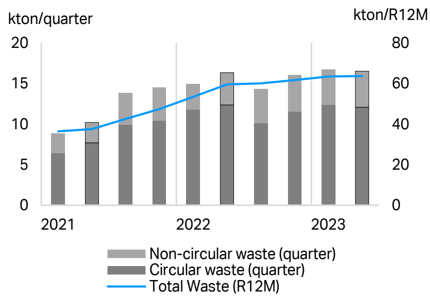
ZERO HARM



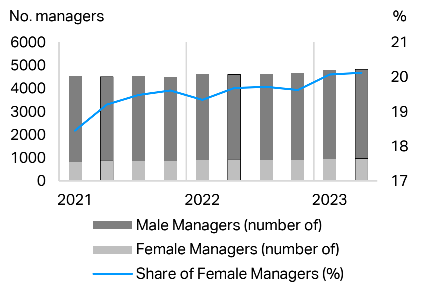
GHG EMISSIONS



CIRCULARITY



DIVERSITY



SUSTAINABILITY OVERVIEW		Q2 2022 [1]	Q2 2023	CHANGE %	R12 months
Climate	Total CO_2e, thousand tonnes [2]	36.3	36.4	0.3	139.4
Circularity	Total waste, thousand tonnes [3]	16.3	16.5	1.2	63.6
Circularity	Waste circularity, % of total	75.7	73.0	-3.5	72.4
People	Total recordable injury frequency rate, R12M frequency / million working hours	3.0	3.0	-0.3	3.0
People	Lost time injury frequency rate, R12M frequency / million working hours	1.3	1.2	-10.1	1.2
People	Share of female managers, %	19.7	20.1	2.2	19.8

1) Comparative figures excluding Alleima 2) Market based. The market-based method quantifies scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporting entity contractually purchases electricity bundled with instruments, or unbundled instruments on their own (for example Energy Attribute Certificates, I-RECs and Guarantees of origin) 3) Excluding tailings, digestion sludge and slag to disposal

For definitions see home.sandvik

FIRST SIX MONTHS

CONTINUING OPERATIONS

For the first six months of 2023, development was solid across the business. Mining sentiment remained robust as commodity prices were favourable and demand for minerals was high, but the infrastructure segment was affected by softer market conditions. Demand within aerospace was fuelled by increased activity levels as the aerospace industry is still catching up from depressed demand during the pandemic. There was good support from energy as well as automotive where production levels are rising after semi-conductor shortages have eased. General engineering held up well. Of the major markets, Europe saw the strongest development, and North America was stable, while Asia was down year over year impacted by soft demand in China post the re-opening. Positive contribution from acquisitions and tailwinds from currency translated into total growth in order intake for continuing operations of 11% and, at fixed exchange rates, 7%, of which organic growth was 3%. Total revenues increased by 22%, and at fixed exchange rates, by 17%, of which organic was 13%.

Adjusted EBITA increased by 25% year on year to SEK 12,718 million (10,184) and the adjusted EBITA margin was 20.1% (19.6). The reported EBITA increased by 31% to SEK 11,868 million (9,083) resulting in a margin of 18.8% (17.5).

Net financial items amounted to SEK -1,233 million (-281) and profit after net financial items was SEK 9,492 million (8,141). The tax rate, excluding items affecting comparability, for continuing operations was 24.5% (23.4). The reported tax rate for continuing operations was 24.8% (26.0). The normalized tax rate for continuing operations was 24.0% (24.1).

Profit for the period amounted to SEK 7,142 million (6,023). Earnings per share, diluted amounted to SEK 5.69 (4.80).
For the Group total, financial net debt increased year-on-year to SEK 42.6 billion (32.8) resulting in a financial net debt to EBITDA ratio of 1.50 (1.23).

During the first six months four acquisitions were completed. Sandvik acquired 95% of the shares in PMT Premier Machine Tools Limited. Further, Sandvik acquired Polymathian, Norgalv and the remaining 70% of MCB Services and Minerals ("MCB"). MCB and Deswik, which Sandvik acquired in April 2022, have operated on a joint venture basis and Deswik acquired 30% of the shares in 2019.

ACQUISITIONS AND DIVESTMENTS

ACQUISITIONS DURING THE LAST 12 MONTHS

BUSINESS AREA	COMPANY/UNIT	ACQUISITION DATE	REVENUES	NO. OF EMPLOYEES
2022				
Sandvik Manufacturing and Machining Solutions	Preziss	July 1, 2022	10 MEUR in 2021	75
Sandvik Manufacturing and Machining Solutions	Peterson Tool Company[1]	July 14, 2022	9 MUSD in 2021	73
Sandvik Manufacturing and Machining Solutions	Balax[1]	August 1, 2022	10 MUSD in 2021	66
Sandvik Manufacturing and Machining Solutions	Sphinx Tools	August 8, 2022	292 MSEK in 2021	115
Sandvik Manufacturing and Machining Solutions	Frezite	September 1, 2022	450 MSEK in 2021	450
Sandvik Rock Processing Solutions	SP Mining	October 31, 2022	1,967 MSEK in 2022	630
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 MAR22-FEB23	42

1) Asset deal.

The acquisitions were made through the purchase of 100% of shares and voting rights except for MCB where Sandvik purchased the remaining 70% of the shares and voting rights, and Peterson Tool Company and Balax where net assets were acquired. Prior to the acquisition of MCB in April, Sandvik owned 30% of the shares and now owns 100% of the shares. Sandvik received control over the operations upon the date of closing. No equity instruments have been issued in connection with the acquisitions. The acquisitions have been accounted for using the acquisition method.

MSEK	Purchase price on cash and debt free basis	Preliminary goodwill and other surplus values
Acquisitions 2023	1,681	1,568

FAIR VALUE RECOGNIZED IN THE GROUP 2023[1]

MSEK	Polymathian
Property, plant and equipment	0
Receivables	22
Cash and cash equivalents	12
Other liabilities and provisions	-14
Deferred tax assets/liabilities, net	-21
Net identifiable assets and liabilities	**-1**
Goodwill and surplus values	1,114
Purchase consideration	**-1,113**
Cash and cash equivalents in the acquired business	12
Net cash outflow	**-1,101**

1) The purchase price allocations are preliminary.

CONTRIBUTIONS FROM COMPANIES ACQUIRED IN 2023

MSEK	
Contributions as of acquisition date	
Revenues	89
Profit for the year	2
Contributions if the acquisition date would have been January 1, 2023	
Revenues	172
Profit for the year	-2

DIVESTMENTS DURING LAST 12 MONTHS

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

SIGNIFICANT EVENTS

DURING THE SECOND QUARTER

– On April 3, it was announced that Sandvik Mining and Rock Solutions signed and completed the acquisition of MCB Services and Minerals ("MCB"), a seller of mining software and services and exclusive reseller partner to Deswik in Brazil. Sandvik acquired Deswik in April 2022, and MCB and Deswik have operated on a joint venture basis in supporting customers across Latin America – primarily in Brazil, but also in Chile, Peru, Argentina and Mexico. Deswik acquired 30% of MCB's shares in 2019 and Sandvik acquired the remaining 70%.

– On April 21, it was announced that Sandvik has appointed Mattias Nilsson as President of Business Area segment Sandvik Manufacturing Solutions and new member of the Sandvik Group Executive Management, effective May 8, 2023.

– On April 21, it was announced that Sandvik has appointed Björn Roodzant as Executive Vice President and Head of Group Communications and Sustainability, and new member of the Sandvik Group Executive Management, effective May 1, 2023.

AFTER THE SECOND QUARTER

There were no significant events after the second quarter.

GUIDANCE AND FINANCIAL TARGETS

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

CAPEX (CASH)	Estimated at approximately SEK 4.5 billion for 2023
CURRENCY EFFECTS	Based on currency rates at the end of June 2023, it is estimated that transaction and translation currency effects will have an impact of about SEK -100 million on EBITA for the third quarter of 2023, compared with the year-earlier period
INTEREST NET	Estimated at SEK approximately -1.7 billion in 2023
TAX RATE	Estimated at 23% - 25% for 2023, normalized

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

GROWTH

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

ADJUSTED EBITA RANGE

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

DIVIDEND PAYOUT RATIO

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

FINANCIAL NET DEBT/EBITDA

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

SUSTAINABILITY

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

ACCOUNTING POLICIES

Sandvik Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. With exception for new and revised standards and interpretations effective from January 1, 2023 the same accounting and valuation policies were applied as in Sandvik Group Annual Report 2022. There are no new accounting policies applicable from 2023 that significantly affects Sandvik Group. This report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2, Reporting for Legal Entities.

TRANSACTIONS WITH RELATED PARTIES

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

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	Q2 2022	Q2 2023	CHANGE %	Q1-Q2 2022	Q1-Q2 2023	CHANGE %
Continuing operations						
Revenues	27,050	32,243	19	51,971	63,211	22
Cost of goods and services sold	-16,313	-19,140	17	-30,716	-37,183	21
Gross profit	**10,737**	**13,103**	**22**	**21,255**	**26,028**	**22**
% of revenues	39.7	40.6	–	40.9	41.2	–
Selling expenses	-3,782	-4,230	12	-7,021	-8,058	15
Administrative expenses	-2,142	-2,495	16	-3,870	-4,586	18
Research and development costs	-1,074	-1,156	8	-2,081	-2,283	10
Other operating income and expenses	-48	-90	88	139	-376	N/M
Operating profit	**3,691**	**5,132**	**39**	**8,423**	**10,725**	**27**
% of revenues	13.6	15.9	–	16.2	17.0	–
Financial income	239	334	40	368	494	34
Financial expenses	-221	-1,038	N/M	-649	-1,727	N/M
Net financial items	**18**	**-704**	**N/M**	**-281**	**-1,233**	**N/M**
Profit before tax	**3,709**	**4,428**	**19**	**8,141**	**9,492**	**17**
% of revenues	13.7	13.7	–	15.7	15.0	–
Income tax	-1,082	-1,102	2	-2,119	-2,349	11
Profit for the period, continuing operations	**2,627**	**3,326**	**27**	**6,023**	**7,142**	**19**
% of revenues	9.7	10.3	–	11.6	11.3	–
Profit for the period, discontinued operations[1)]	1,163	–	–	1,978	–	–
Profit for the period, Group total	**3,790**	**3,326**	**-12**	**8,001**	**7,142**	**-11**
Profit (loss) for the period attributable to						
Owners of the parent company	3,795	3,328	-12	7,990	7,145	-11
Non-controlling interest	-4	-2	-53	11	-2	-121
Earnings per share, SEK						
Continuing operations, basic	2.10	2.65	26	4.80	5.70	19
Continuing operations, diluted	2.10	2.65	26	4.80	5.69	19
Group total, basic	3.03	2.65	-13	6.38	5.70	-11
Group total, diluted	3.03	2.65	-13	6.37	5.69	-11

OTHER COMPREHENSIVE INCOME

MSEK	Q2 2022	Q2 2023	CHANGE %	Q1-Q2 2022	Q1-Q2 2023	CHANGE %
Items that will not be reclassified to profit (loss)						
Actuarial gains (losses) on defined benefit pension plans	3,555	-439		4,120	-143	
Tax relating to items that will not be reclassified	-722	78		-853	16	
Total items that will not be reclassified to profit (loss)	**2,833**	**-362**		**3,267**	**-127**	
Items that may be reclassified subsequently to profit (loss)						
Foreign currency translation differences	4,679	4,680		6,224	5,264	
Net investment hedge	-353	-303		13	-302	
Tax relating to items that may be reclassified	17	62		11	62	
Total items that may be reclassified subsequently to profit (loss)	**4,343**	**4,439**		**6,249**	**5,025**	
Total other comprehensive income	**7,176**	**4,078**		**9,516**	**4,897**	
Total comprehensive income	**10,966**	**7,404**		**17,518**	**12,040**	
Total comprehensive income attributable to						
Owners of the parent company	10,969	7,404		17,505	12,042	
Non-controlling interest	-3	0		13	-2	

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

N/M = not meaningful.
For definitions see home.sandvik

THE GROUP

BALANCE SHEET, CONTINUING AND DISCONTINUED OPERATIONS

MSEK	DEC 31, 2022	JUN 30, 2022	JUN 30, 2023
Intangible assets	66,134	56,517	69,367
Property, plant and equipment	21,683	19,965	22,949
Right- of use assets	4,941	4,146	5,195
Financial assets	8,931	8,602	10,362
Inventories	35,019	32,772	39,066
Current receivables	29,363	28,364	33,097
Cash and cash equivalents	10,489	7,772	6,280
Assets held for distribution[1]	–	23,944	–
Assets held for sale	121	107	–
Total Assets	**176,682**	**182,190**	**186,316**
Total equity	81,270	72,792	86,936
Non-current interest-bearing liabilities	45,822	38,889	44,596
Non-current non-interest-bearing liabilities	6,365	5,042	6,394
Current interest-bearing liabilities	9,693	10,517	13,278
Current non-interest-bearing liabilities	33,436	31,333	35,112
Resolved distribution of Alleima[1]	–	15,700	–
Liabilities held for distribution[1]	–	7,808	–
Liabilities held for sale	97	109	–
Total equity and liabilities	**176,682**	**182,190**	**186,316**

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
Changes in non-controlling interest	-44	-103	-147
Share based program	-135	–	-135
Dividend	-5,955	0	-5,955
Resolved distribution of Alleima[1]	-11,039	–	-11,039
Equity at December 31, 2022	**81,227**	**43**	**81,270**
Equity at January 1, 2023	**81,227**	**43**	**81,270**
Total comprehensive income (loss) for the period	12,042	-2	12,040
Change in fair value of put option to acquire non-controlling interest	33	–	33
Changes in non-controlling interest	-64	64	0
Share based program	-145	–	-145
Dividend	-6,261	0	-6,261
Equity at June 30, 2023	**86,831**	**106**	**86,936**

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

For definitions see home.sandvik

THE GROUP

CASH FLOW STATEMENT

CONTINUING AND DISCONTINUED OPERATIONS

MSEK	Q2 2022	Q2 2023	Q1-Q2 2022	Q1-Q2 2023
Continuing operations				
Cash flow from operating activities				
Profit before tax	3,709	4,428	8,141	9,492
Adjustment for depreciation, amortization and impairment losses	1,655	2,053	3,108	3,804
Other adjustments for non-cash items	-1,482	850	-1,595	1,845
Payment to pension fund	-105	-101	-219	-249
Income tax paid	-1,474	-1,948	-2,974	-3,575
Cash flow from operating activities before changes in working capital	**2,302**	**5,282**	**6,461**	**11,317**
Changes in working capital				
Change in inventories	-2,636	-203	-5,673	-1,970
Change in operating receivables	-1,570	-417	-2,704	-1,636
Change in operating liabilities	573	-590	1,710	317
Cash flow from changes in working capital	**-3,633**	**-1,210**	**-6,668**	**-3,289**
Investments in rental equipment	-249	-279	-406	-452
Proceeds from sale of rental equipment	75	23	186	161
Cash flow from operating activities, net	**-1,506**	**3,816**	**-426**	**7,737**
Cash flow from investing activities				
Acquisitions of companies and shares, net of cash acquired	-6,020	-406	-6,050	-1,541
Proceeds from sale of companies and shares, net of cash disposed	5	–	5	–
Acquisitions of tangible assets	-696	-864	-1,297	-1,707
Proceeds from sale of tangible assets	18	55	586	124
Acquisitions of intangible assets	-231	-374	-404	-681
Proceeds from sale of intangible assets	0	2	0	3
Acquisitions of financial assets	–	–	–	-7
Other investments, net	-275	-544	-290	-894
Cash flow from investing activities	**-7,198**	**-2,131**	**-7,449**	**-4,703**
Cash flow from financing activities				
Repayment of borrowings	-6,975	-4,664	-12,141	-12,210
Proceeds from borrowings	15,823	6,693	22,070	11,940
Amortization, lease liabilities	-298	-302	-559	-607
Change in hedge option programs, net	-270	-242	-270	-242
Dividends paid	-5,953	-6,261	-5,955	-6,261
Cash flow from financing activities, net	**2,328**	**-4,776**	**3,144**	**-7,380**
Cash flow from continuing operations	**-6,376**	**-3,091**	**-4,731**	**-4,346**
Cash flow from discontinued operations [1]	-267	–	-386	–
Cash flow for the period, Group total	**-6,643**	**-3,091**	**-5,117**	**-4,346**
Cash and cash equivalents at beginning of the period	13,804	9,214	13,585	10,489
Exchange-rate differences in cash and cash equivalents	448	157	632	137
Cash and cash equivalents, discontinued operations	162	–	-1,328	–
Cash and cash equivalents at the end of the period	**7,772**	**6,280**	**7,772**	**6,280**
Group Total				
Cash flow from operations	-1,469	3,816	-447	7,737
Cash flow from investing activities	-7,460	-2,131	-7,768	-4,703
Cash flow from financing activities	2,286	-4,776	3,098	-7,380
Group total cash flow	**-6,643**	**-3,091**	**-5,117**	**-4,346**

1) *Including Alleima Q1-Q3, 2022.*

For definitions see home.sandvik

THE PARENT COMPANY

For the first six months 2023 the parent company's invoiced sales amounted to SEK 7,428 million (6,638) and the operating result was SEK 2,629 million (1,940). Result from shares in Group companies of SEK 489 million (3,215) for the first six month consists mainly of dividends.

Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 34,316 million (23,348). Investments in property, plant and machinery amounted to SEK 190 million (169).

INCOME STATEMENT

MSEK	Q2 2022	Q2 2023	Q1-Q2 2022	Q1-Q2 2023
Revenues	3,530	3,921	6,638	7,428
Cost of goods and services sold	-800	-712	-1,647	-1,494
Gross profit	**2,730**	**3,209**	**4,991**	**5,934**
Selling expenses	-279	-340	-559	-664
Administrative expenses	-757	-682	-1,315	-1,398
Research and development costs	-404	-401	-835	-831
Other operating income and expenses	-148	-229	-342	-412
Earnings before interest and tax	**1,142**	**1,557**	**1,940**	**2,629**
Result from shares in group companies	207	394	3,215	489
Result from shares in associated companies	–	2	–	2
Interest income/expenses and similar items	109	-212	171	-424
Profit after net financial items	**1,458**	**1,741**	**5,326**	**2,696**
Appropriations	16	27	23	53
Income tax expenses	-309	-256	-500	-505
Profit for the period	**1,165**	**1,512**	**4,849**	**2,244**

BALANCE SHEET

MSEK	DEC 31, 2022	JUN 30, 2022	JUN 30, 2023
Intangible assets	447	516	379
Property, plant and equipment	3,022	3,066	3,025
Financial assets	71,044	77,109	85,777
Inventories	1,105	1,072	1,251
Current receivables	7,250	3,561	3,402
Cash and cash equivalents	0	–	0
Total assets	**82,868**	**85,324**	**93,834**
Total equity	30,213[1)]	20,475	26,051
Untaxed reserves	1,070	1,048	1,017
Provisions	865	852	1,143
Non-current interest-bearing liabilities	30,232	26,064	28,230
Non-current non-interest-bearing liabilities	881	60	884
Current interest-bearing liabilities	16,490	21,432	33,400
Current non-interest-bearing liabilities	3,117	15,393	3,109
Total equity and liabilities	**82,868**	**85,324**	**93,834**
Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing assets	16,147	23,348	34,316
Investments in fixed assets	320	169	190

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

MARKET OVERVIEW, THE GROUP

ORDER INTAKE BY REGION

MSEK	Q2 2023	CHANGE * %	CHANGE * % [1)]	SHARE %	Q1-Q2 2023	CHANGE * %	CHANGE * % [1)]	SHARE %
THE GROUP								
Europe	8,176	3	3	26	18,268	10	8	28
North America	8,057	-2	-2	25	16,721	1	1	25
South America	2,338	7	7	7	4,657	15	15	7
Africa/Middle East	3,249	-5	-5	10	7,133	3	3	11
Asia	5,009	-6	-5	16	10,549	-10	-7	16
Australia	4,831	32	19	15	8,695	7	5	13
Total	**31,660**	**3**	**1**	**100**	**66,022**	**3**	**3**	**100**
SANDVIK MINING AND ROCK SOLUTIONS								
Europe	1,832	8	8	11	4,030	17	8	12
North America	3,956	-4	-5	24	8,297	3	2	24
South America	1,602	5	5	10	3,275	16	16	10
Africa/Middle East	2,777	-4	-4	17	6,150	3	3	18
Asia	2,314	-3	-3	14	4,982	-14	-10	15
Australia	4,173	34	19	25	7,430	7	5	22
Total [2)]	**16,654**	**6**	**3**	**100**	**34,164**	**3**	**3**	**100**
SANDVIK ROCK PROCESSING SOLUTIONS								
Europe	476	-24	-24	16	1,106	-20	-20	18
North America	579	-12	-12	20	1,322	-15	-12	21
South America	412	15	15	14	773	17	17	13
Africa/Middle East	353	-22	-22	12	722	-12	-12	12
Asia	549	-27	-12	19	1,148	-19	-11	19
Australia	570	10	10	19	1,094	13	-6	18
Total	**2,939**	**-16**	**-12**	**100**	**6,166**	**-12**	**-10**	**100**
SANDVIK MANUFACTURING AND MACHINING SOLUTIONS								
Europe	5,868	0	n/a	49	13,132	6	6	51
North America	3,522	1	n/a	29	7,102	-1	-1	28
South America	324	1	n/a	3	608	4	4	2
Africa/Middle East	118	16	n/a	1	262	26	26	1
Asia	2,146	-4	n/a	18	4,419	-4	-4	17
Australia	88	9	n/a	1	171	-12	-12	1
Total	**12,067**	**-1**	**n/a**	**100**	**25,693**	**2**	**2**	**100**

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

1) *Excluding major orders which is defined as above SEK 200 million for Sandvik Mining and Rock Solutions and SEK 50 million for Sandvik Rock Processing Solutions.* ***2)*** *Includes rental fleet order intake in Q2 of SEK 156 million and SEK 333 million YTD, recognized according to IFRS 16.*

n/a= not applicable.

For definitions see home.sandvik

REVENUES BY REGION

MSEK	Q2 2023	CHANGE*, %	SHARE %	Q1-Q2 2023	CHANGE*, %	SHARE %
THE GROUP						
Europe	8,476	9	26	17,251	10	27
North America	8,384	15	26	16,016	15	25
South America	2,383	30	7	4,558	25	7
Africa/Middle East	3,958	17	12	7,649	24	12
Asia	4,967	0	15	10,139	4	16
Australia	4,076	13	13	7,598	12	12
Total	**32,243**	**12**	**100**	**63,211**	**13**	**100**
SANDVIK MINING AND ROCK SOLUTIONS						
Europe	1,614	8	10	3,174	9	10
North America	4,172	32	25	7,748	27	24
South America	1,741	43	10	3,233	29	10
Africa/Middle East	3,483	15	21	6,751	24	21
Asia	2,229	3	13	4,679	9	15
Australia	3,517	14	21	6,535	12	20
Total [1]	**16,755**	**18**	**100**	**32,121**	**18**	**100**
SANDVIK ROCK PROCESSING SOLUTIONS						
Europe	581	5	20	1,216	4	21
North America	636	-8	22	1,283	8	22
South America	337	-2	12	724	18	12
Africa/Middle East	344	23	12	640	21	11
Asia	503	-10	18	1,061	2	18
Australia	471	-6	16	888	-6	15
Total	**2,872**	**-2**	**100**	**5,812**	**7**	**100**
SANDVIK MANUFACTURING AND MACHINING SOLUTIONS						
Europe	6,281	5	50	12,861	7	51
North America	3,575	2	28	6,985	3	28
South America	305	1	2	600	6	2
Africa/Middle East	132	44	1	258	39	1
Asia	2,235	-2	18	4,398	-1	17
Australia	88	-2	1	175	7	1
Total	**12,616**	**3**	**100**	**25,278**	**4**	**100**

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

1) Includes rental fleet revenues in Q2 of SEK 226 million and SEK 481 million YTD, recognized according to IFRS 16.

N/M = Non-meaningful.

THE GROUP

ORDER INTAKE BY BUSINESS AREA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023	CHANGE %	CHANGE % *
Sandvik Mining and Rock Solutions	16,060	15,182	15,419	16,234	62,895	17,510	16,654	10	6
Sandvik Rock Processing Solutions	2,650	2,517	2,184	2,523	9,874	3,227	2,939	17	-16
Sandvik Manufacturing and Machining Solutions	11,764	11,042	11,629	11,993	46,428	13,626	12,067	9	-1
Continuing operations	**30,474**	**28,740**	**29,231**	**30,751**	**119,196**	**34,363**	**31,660**	**10**	**3**
Discontinued operations[1]	5,858	6,293	2,670	1	14,822	–	–	–	–
Group Total [2]	**36,332**	**35,033**	**31,902**	**30,752**	**134,019**	**34,363**	**31,660**	**-10**	**-16**

REVENUES BY BUSINESS AREA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023	CHANGE %	CHANGE % *
Sandvik Mining and Rock Solutions	12,029	13,658	15,001	16,156	56,843	15,366	16,755	23	18
Sandvik Rock Processing Solutions	2,016	2,247	2,340	2,985	9,587	2,939	2,872	28	-2
Sandvik Manufacturing and Machining Solutions	10,877	11,145	11,926	11,954	45,901	12,662	12,616	13	3
Continuing operations	**24,921**	**27,050**	**29,266**	**31,094**	**112,331**	**30,968**	**32,243**	**19**	**12**
Discontinued operations[1]	4,085	4,608	2,428	0	11,122	–	–	–	–
Group Total [2]	**29,006**	**31,658**	**31,694**	**31,095**	**123,453**	**30,968**	**32,243**	**2**	**-5**

EBITA BY BUSINESS AREA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023	CHANGE %
Sandvik Mining and Rock Solutions	2,508	1,889	2,430	3,553	10,379	3,056	3,494	85
Sandvik Rock Processing Solutions	360	281	354	335	1,330	421	243	-13
Sandvik Manufacturing and Machining Solutions	2,300	2,136	2,578	2,074	9,088	2,813	2,364	11
Group activities	-124	-267	18	-278	-651	-217	-307	15
Continuing operations	**5,044**	**4,039**	**5,380**	**5,683**	**20,145**	**6,074**	**5,794**	**43**
Discontinued operations[1]	850	1,306	154	16	2,326	–	–	–
Group Total [2]	**5,894**	**5,344**	**5,534**	**5,699**	**22,471**	**6,074**	**5,794**	**8**

EBITA MARGIN BY BUSINESS AREA

%	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023
Sandvik Mining and Rock Solutions	20.8	13.8	16.2	22.0	18.3	19.9	20.9
Sandvik Rock Processing Solutions	17.8	12.5	15.1	11.2	13.9	14.3	8.5
Sandvik Manufacturing and Machining Solutions	21.1	19.2	21.6	17.3	19.8	22.2	18.7
Continuing operations	**20.2**	**14.9**	**18.4**	**18.3**	**17.9**	**19.6**	**18.0**
Discontinued operations[1]	20.8	28.3	6.3	N/M	20.9	–	–
Group Total [2]	**20.3**	**16.9**	**17.5**	**18.3**	**18.2**	**19.6**	**18.0**

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

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

N/M = Non-meaningful.

THE GROUP

ADJUSTED EBITA BY BUSINESS AREA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023	CHANGE %
Sandvik Mining and Rock Solutions	2,413	2,628	3,046	3,557	11,643	3,075	3,621	38
Sandvik Rock Processing Solutions	320	359	376	476	1,530	426	394	10
Sandvik Manufacturing and Machining Solutions	2,392	2,394	2,580	2,657	10,023	2,835	2,810	17
Group activities	-82	-239	-113	-277	-711	-217	-226	-6
Continuing operations	**5,043**	**5,141**	**5,889**	**6,413**	**22,486**	**6,119**	**6,599**	**28**
Discontinued operations[1)]	710	1,195	64	16	1,984	–	–	–
Group Total [2)]	**5,752**	**6,336**	**5,953**	**6,429**	**24,470**	**6,119**	**6,599**	**4**

ADJUSTED EBITA MARGIN BY BUSINESS AREA

%	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023
Sandvik Mining and Rock Solutions	20.1	19.2	20.3	22.0	20.5	20.0	21.6
Sandvik Rock Processing Solutions	15.9	16.0	16.1	16.0	16.0	14.5	13.7
Sandvik Manufacturing and Machining Solutions	22.0	21.5	21.6	22.2	21.8	22.4	22.3
Continuing operations	**20.2**	**19.0**	**20.1**	**20.6**	**20.0**	**19.8**	**20.5**
Discontinued operations[1)]	17.4	25.9	2.6	N/M	17.8	–	–
Group Total [2)]	**19.8**	**20.0**	**18.8**	**20.7**	**19.8**	**19.8**	**20.5**

ITEMS AFFECTING COMPARABILITY ON EBITA

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1-Q4 2022	Q1 2023	Q2 2023
Sandvik Mining and Rock Solutions	95	-739	-616	-4	-1,264	-19	-127
Sandvik Rock Processing Solutions	40	-78	-22	-141	-201	-5	-151
Sandvik Manufacturing and Machining Solutions	-92	-259	-2	-583	-935	-22	-447
Group activities	-42	-28	131	-1	60	0	-81
Continuing operations	**1**	**-1,103**	**-509**	**-730**	**-2,341**	**-45**	**-805**
Discontinued operations[1)]	140	111	90	–	341	–	–
Group Total	**142**	**-992**	**-419**	**-730**	**-1,999**	**-45**	**-805**

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

N/M = Non-meaningful.

Items affecting comparability on EBITA

CONTINUING OPERATIONS

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

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

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

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

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

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.

DISCONTINUING OPERATIONS

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

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

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

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

ADJUSTED EBIT AND ADJUSTED EBITA PER BUSINESS AREA

Q2, MSEK	Reported EBIT,	Reported EBIT, %	IAC[1]	Adjusted EBIT	Adjusted EBIT, %	Amortizations[2]	Adjusted EBITA	Adjusted EBITA, %
Sandvik Mining and Rock Solutions	3,354	20.0	-127	3,481	20.8	-140	3,621	21.6
Sandvik Rock Processing Solutions	172	6.0	-151	322	11.2	-72	394	13.7
Sandvik Manufacturing and Machining Solutions	1,913	15.2	-619	2,532	20.1	-278	2,810	22.3
Group activities	-307	–	-81	-226	–	–	-226	–
Group Total	**5,132**	**15.9**	**-977**	**6,109**	**18.9**	**-490**	**6,599**	**20.5**

1) IAC including SEK -172 million impact on EBIT related to the structural measures to support resilience ambitions announced in May 2022. 2) Adjusted for amortization and other accounting effects arising from business combinations.

TAXES EXCLUDING ITEMS AFFECTING COMPARABILITY

Q2 2022, MSEK	Reported tax	Reported tax, %	IAC	IAC, %	Tax excluding IAC	Tax excluding IAC, %
Continuing operations	-1,082	29.2	51	-4.6	-1,132	23.5
Discontinued operations[1]	-394	25.3	-32	-28.4	-362	25.1
Group total	**-1,475**	**28.0**	**19**	**-1.9**	**-1,495**	**23.9**
Q2 2023, MSEK						
Continuing operations	-1,102	24.9	218	22.3	-1,320	24.4
Group total	**-1,102**	**24.9**	**218**	**22.3**	**-1,320**	**24.4**

1) Including Alleima Q1-Q3 2022.

ADJUSTED EARNINGS PER SHARE DILUTED

Q2 2022	Reported EPS, diluted	IAC on net profit, MSEK	Adjusted EPS, diluted	Adjustment for surplus values, MSEK	Adj EPS, diluted excluding surplus values
Continuing operations	2.10	-1,052	2.95	-293	3.18
Group total[1]	**3.03**	**-973**	**3.81**	**-295**	**4.04**
Q2 2023					
Continuing operations	2.65	-759	3.25	-401	3.57
Group total	**2.65**	**-759**	**3.25**	**-401**	**3.57**

1) Including Alleima Q1-Q3 2022.

NET DEBT, CONTINUING OPERATIONS AND GROUP TOTAL

MSEK	JUN 30, 2022	SEP 30, 2022	DEC 31, 2022	MAR 31, 2023	JUN 30, 2023
Interest-bearing liabilities excluding pension and lease liabilities	41,847	50,493	46,954	45,449	48,853
Less cash and cash equivalents	-7,772	-14,933	-10,489	-9,214	-6,280
Financial net debt (net cash)	**34,076**	**35,559**	**36,466**	**36,236**	**42,573**
Net pensions liabilities	1,614	1,666	2,384	1,990	2,469
Leases liabilities	4,302	4,635	5,102	5,155	5,397
Net debt	**39,991**	**41,861**	**43,952**	**43,381**	**50,439**
Group total					
Financial net debt/ net cash	32,761	35,559	36,466	36,236	42,573
Net debt	39,379	41,861	43,952	43,381	50,439
Financial net debt/EBITDA	1.23	1.30	1.32	1.30	1.50

N/M = Non-meaningful.

NET WORKING CAPITAL & CAPITAL EMPLOYED CONTINUING OPERATIONS

MSEK	JUN 30, 2022	SEP 30, 2022	DEC 31, 2022	MAR 31, 2023	JUN 30, 2023
Inventories	32,773	35,239	35,022	36,956	39,066
Trade receivables	17,914	18,620	18,685	20,270	21,351
Account payables	-11,012	-11,230	-11,746	-11,968	-11,794
Other receivables	6,046	6,427	6,417	6,421	6,919
Other liabilities	-14,560	-14,967	-15,077	-16,123	-16,770
Net working capital	**31,161**	**34,088**	**33,302**	**35,558**	**38,772**
Tangible assets	19,965	21,257	21,683	21,805	22,949
Intangible assets	56,517	61,002	66,134	66,625	69,367
Other assets (incl. cash and cash equivalents)	81,657	93,881	88,746	92,129	94,000
Other liabilities	-35,907	-37,161	-39,373	-40,309	-41,205
Capital employed	**122,232**	**138,979**	**137,190**	**140,250**	**145,111**

KEY FIGURES

CONTINUING OPERATIONS	Q2 2022	Q2 2023	Q1-Q2 2022	Q1-Q2 2023
Return on capital employed, % [1]	13.4	15.3	17.9	16.1
Net working capital, % [1]	26.2	28.8	24.0	28.0
Earnings per share, basic, SEK	2.10	2.65	4.80	5.70
Earnings per share, diluted, SEK	2.10	2.65	4.80	5.69
EBITDA, MSEK	5,346	7,185	11,531	14,529
Cash flow from operations, MSEK	-1,506	3,816	-426	7,737
Number of employees [2]	39,036	40,882	39,036	40,882

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

GROUP TOTAL	Q2 2022	Q2 2023	Q1-Q2 2022	Q1-Q2 2023
Return on capital employed, % [1]	15.7	15.3	18.2	15.8
Return on total equity, % [1]	19.4	15.4	21.2	12.7
Shareholders' equity per share, SEK	58.0	69.2	58.0	69.2
Financial net debt / EBITDA	1.23	1.50	1.23	1.50
Net working capital, % [1]	27.1	28.8	25.1	28.5
Earnings per share, basic, SEK	3.03	2.65	6.38	5.70
Earnings per share diluted, SEK	3.03	2.65	6.37	5.69
EBITDA, MSEK	6,653	7,185	13,687	14,529
Cash flow from operations, MSEK	-1,469	3,816	-447	7,737
Number of employees [2]	44,768	40,882	44,768	40,882
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)	1,255,144	1,255,966	1,255,396	1,255,740

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

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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

ADJUSTED EBITA

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

ADJUSTED EBITA MARGIN

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

ADJUSTED EBITA EXCLUDING METAL PRICE EFFECTS

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

ADJUSTED EPS

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

ADJUSTED EPS, DILUTED

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

ADJUSTED EPS, DILUTED EXCLUDING SURPLUS VALUES

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

ADJUSTED PROFIT BEFORE TAX

Profit before tax adjusted from items affecting comparability.

CAPITAL EMPLOYED

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

EBITDA

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

FINANCIAL NET DEBT /EBITDA

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

FREE OPERATING CASH FLOW

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

ITEMS AFFECTING COMPARABILITY (IAC)

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

NET DEBT

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

NET WORKING CAPITAL (NWC)

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

ORDER INTAKE

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

ORGANIC GROWTH

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

RETURN ON CAPITAL EMPLOYED (ROCE)

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

DISCLAIMER STATEMENT

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

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, 2023
Sandvik Aktiebolag (publ)

Johan Molin
Chairman of the Board

Jennifer Allerton
Board member

Thomas Andersson
Board member

Claes Boustedt
Board member

Marika Fredriksson
Board member

Thomas Lilja
Board member

Andreas Nordbrandt
Board member

Helena Stjernholm
Board member

Kai Wärn
Board member

Stefan Widing
President & CEO
Board member

The Company´s Auditor has not reviewed the report for the first six months of 2023.

This information is information that Sandvik AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 11:30 AM CEST on July 19, 2023.

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

A webcast and telephone conference will be held on July 19, 2023 at 1:00 PM CEST.

Information is available at home.sandvik/investors

CALENDAR

October 23, 2023	Report, third quarter, 2023
November 28, 2023	Capital Markets Day
January 25, 2024	Report, fourth quarter, 2023
April 22, 2024	Report, first quarter, 2024
July 19, 2024	Report, second quarter, 2024
October 21, 2024	Report, third quarter, 2024

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

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