

SANDVIK MINING AND ROCK TECHNOLOGY



CAPITAL MARKETS DAY

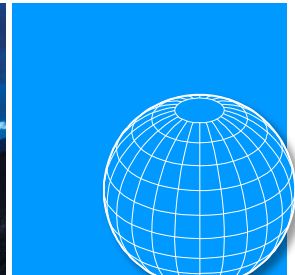
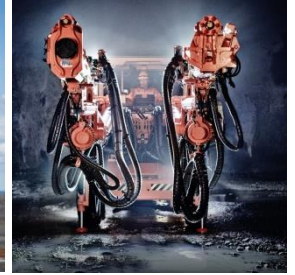
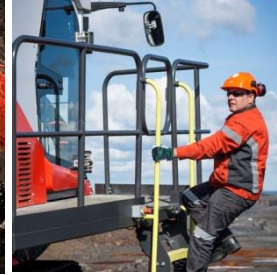
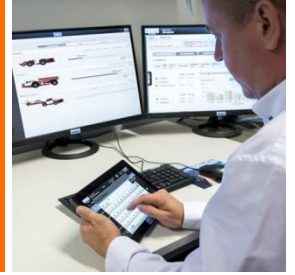
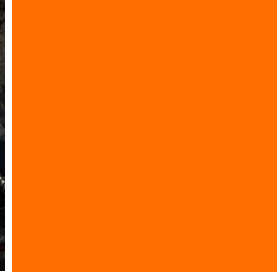
LARS ENGSTRÖM, PRESIDENT

HENRIK AGER, PRESIDENT PRODUCT AREA ROCK TOOLS



TOPICS FOR TODAY

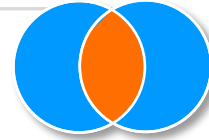
- Business Area Sandvik Mining and Rock Technology overview
- Market outlook and strategy
- Aftermarket and data driven productivity
- Automation and innovation
- Profitability roadmap and summary



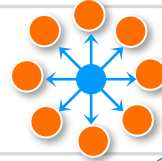
SANDVIK MINING AND ROCK TECHNOLOGY

OPERATING PRINCIPLES

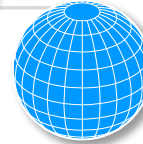
MERGER OF TWO BUSINESS AREAS sharing common products, technology, infrastructure



DECENTRALIZED BUSINESS MODEL with eight application-focused product areas



GLOBAL SALES ORGANIZATION



SMALL BUSINESS AREA COMMON TEAM



SANDVIK MINING AND ROCK TECHNOLOGY

MANAGEMENT TEAM AND PRODUCT AREAS



*Fredrik
Westin*
CFO



Jan Petzold
UNDER-
GROUND
DRILLING



Henrik Ager
ROCK TOOLS
(Including Drilling
& Completion)



Patrick Murphy
ROCK DRILLS &
TECHNOLOGIES



*Johan
Hedlund*
HR



*Riku
Kesäläinen*
LOAD & HAUL



*Joanne
Cooke*
SURFACE
DRILLING



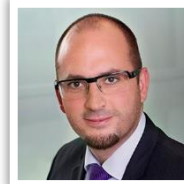
*Ed
Santamaria*
PARTS &
SERVICES



*Snejana
Koleva*
STRATEGY



*Reinhard
Reinartz*
MECHANICAL
CUTTING



*Anders
Svensson*
CRUSHING &
SCREENING



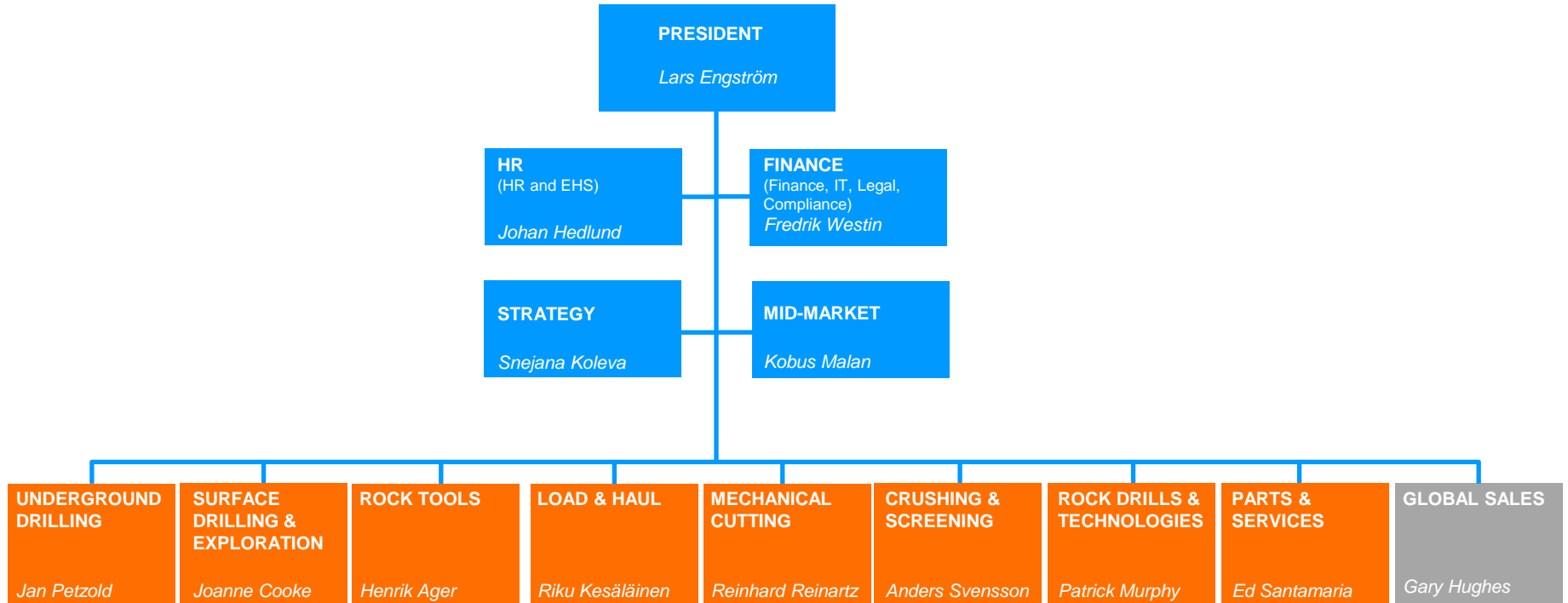
*Gary
Huges*
GLOBAL
SALES



*Kobus
Malan*
MID
MARKET

SANDVIK MINING AND ROCK TECHNOLOGY

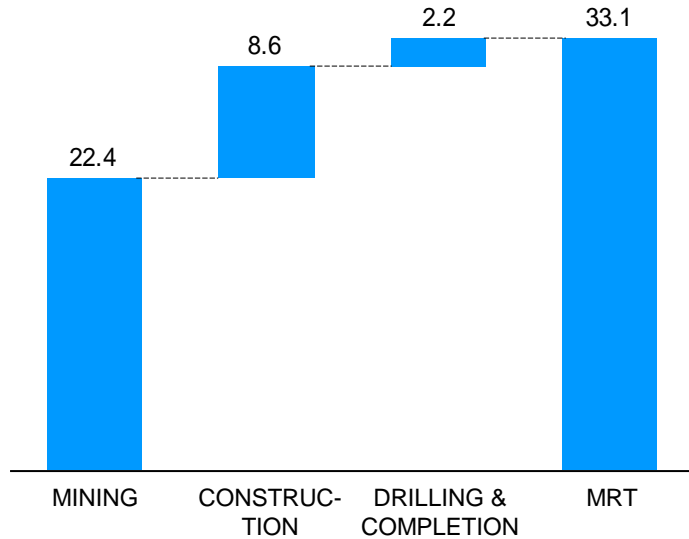
ORGANIZATION



SANDVIK MINING AND ROCK TECHNOLOGY

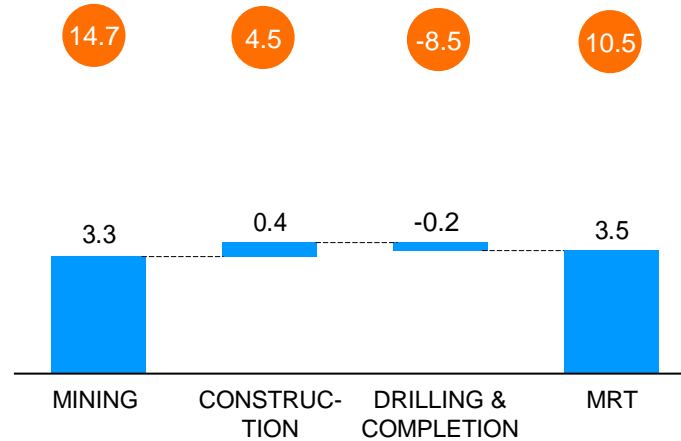
FY 2015

EXTERNAL INVOICING, BSEK



OPERATING PROFIT*, BSEK

MARGIN, PERCENT



* ADJUSTED FOR ONE-OFF ITEMS

SANDVIK MINING AND ROCK TECHNOLOGY

APPLICATIONS OFFERING

UNDERGROUND
HARD ROCK
MINING

SURFACE
DRILLING

COMMI-
NUTION

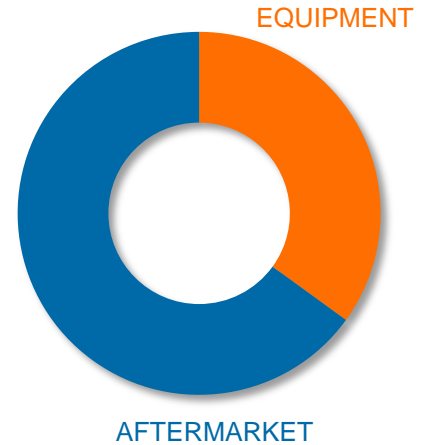
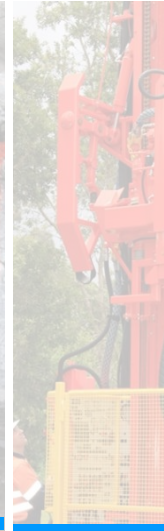
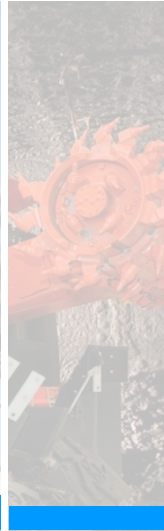
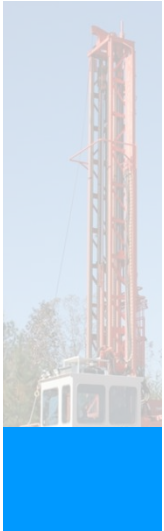
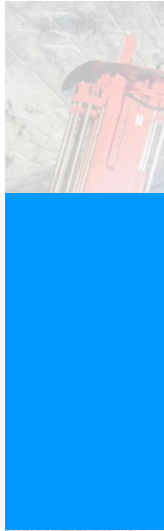
DEMOLITION &
RECYCLING

OIL & GAS

SOFT ROCK
MINING

TUNNELING

MINING
EXPLORA-
TION



↑ STRONG MOMENTUM

→ STABLE MOMENTUM

↓ WEAK MOMENTUM

PRODUCT AREAS

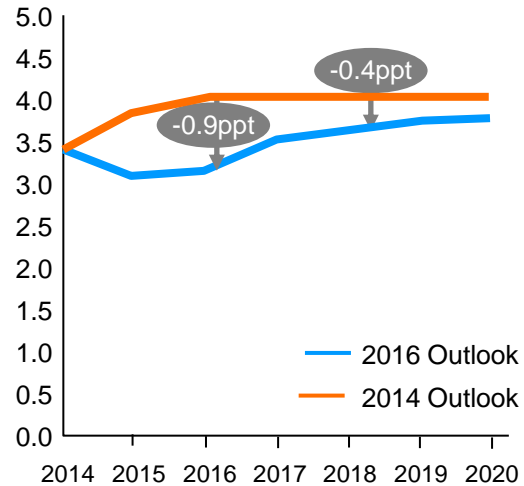
CHALLENGES AND OPPORTUNITIES



MARKET OUTLOOK

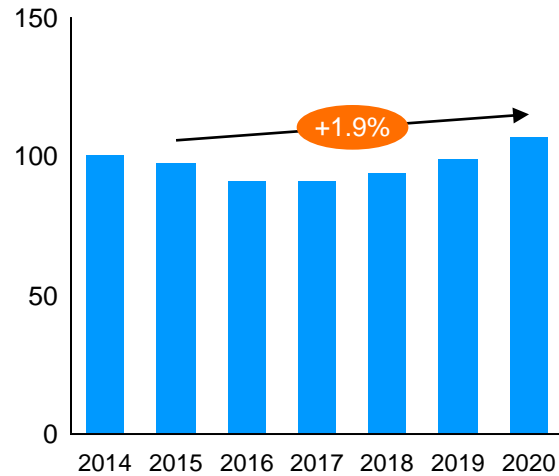
GDP DEVELOPMENT

GDP GROWTH YEAR- ON- YEAR
2014 & 2016 OUTLOOK



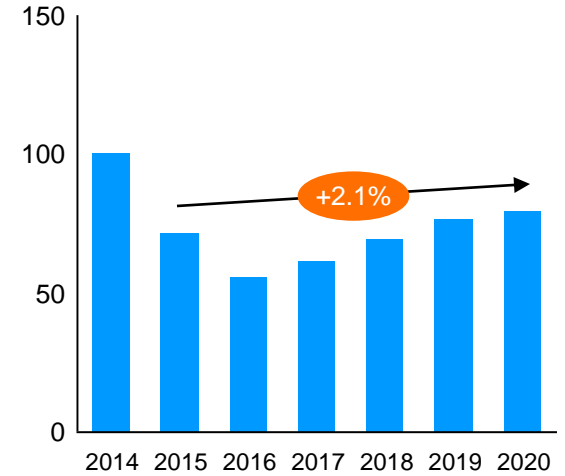
METALS & MINERALS

CAPITAL EXPENDITURE
EXCL. EXPLORATION
INDEX (2014=100)



OIL & GAS

DRILLING ACTIVITY- RIG COUNT¹
INDEX (2014=100)



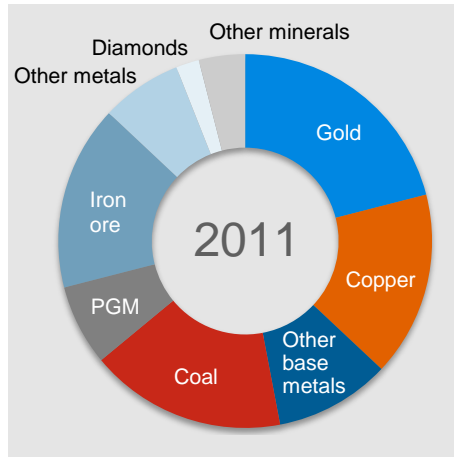
 CAGR 2015-2020

¹ Excluding Russia and Central Asia
SOURCE: Baker Hughes, U.S. Energy Information Administration (EIA), Spears & Associates, IHS Global Insight

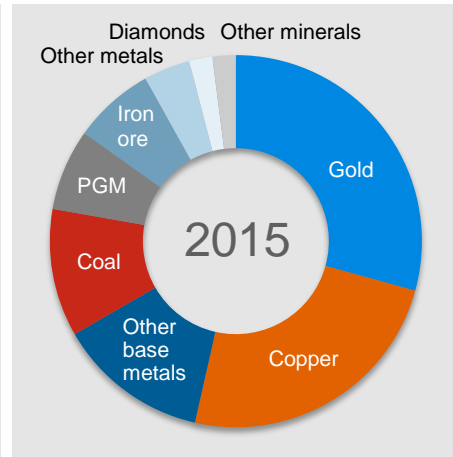
SMRT EXPOSURE

MINING COMMODITY EXPOSURE

INVOICING with Mining Systems

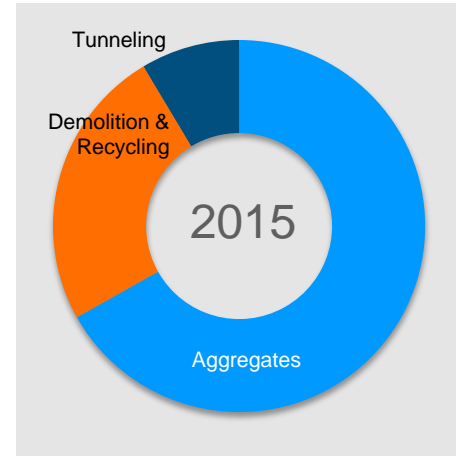


INVOICING without Mining Systems



CONSTRUCTION INDUSTRY EXPOSURE

INVOICING



STRATEGIC FOCUS NEAR TERM

2014-15

*Increase pace
Deliver fundamentals*

2016-18

*Strengthen leadership and
adjust portfolio*

SAFETY

SAFETY CULTURE

WORLD CLASS SAFETY – ZERO HARM

SALES

Sales heat map

Account management, Value selling

**COST/CAPITAL
EFFICIENCY**

Sourcing
Headcount

Decentralization and
end-to-end responsibility

AFTERMARKET

Installed base infrastructure,
Customer service center

Advanced services,
Data driven productivity

OFFERING

Automated equipment

‘Game changer’
New products & features

SUPPLY CHAIN

Product transfers and site closures

Lean transformation
Finalize footprint program

SALES

CHINA IN FOCUS

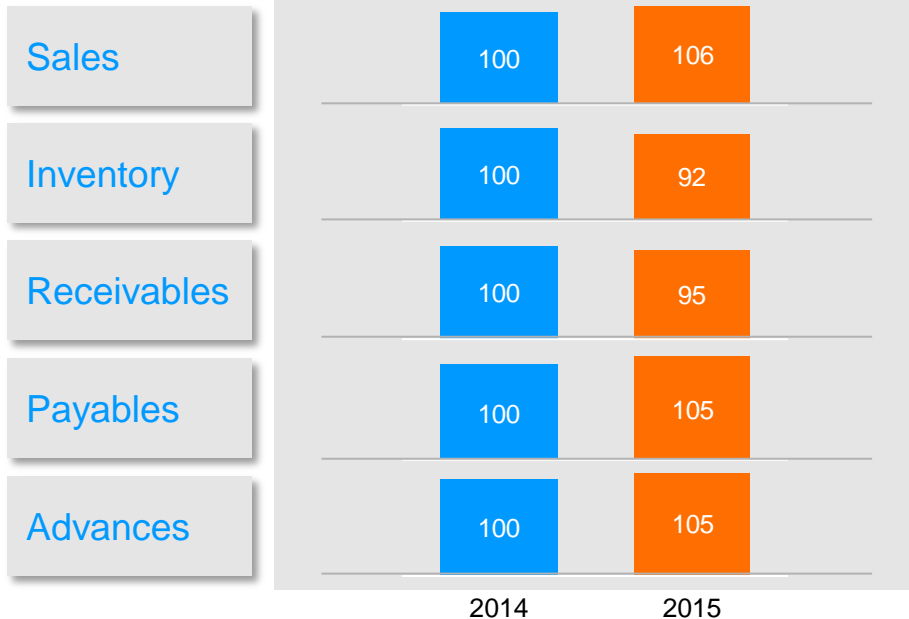
- Focus on improved development and manufacturing of **competitive local premium and mid-market products** – both through Sandvik and through partners
- Build on breakthrough deals in **Surface drilling**
- Capture market share through updated **soft-rock rock tools** offering



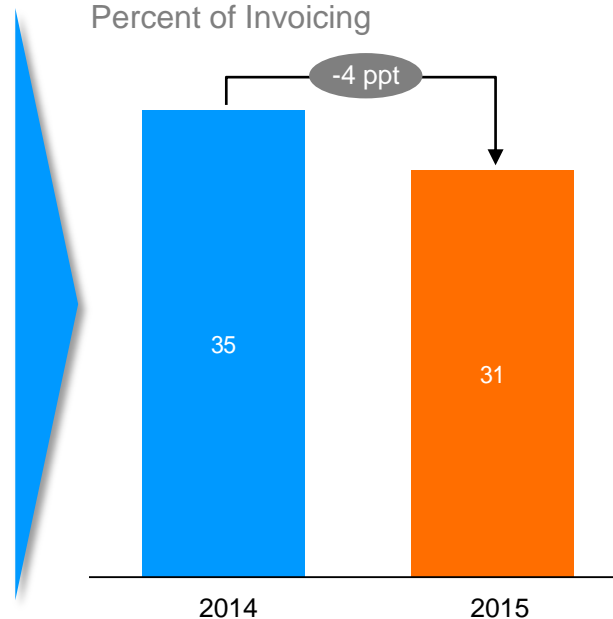
COST/CAPITAL EFFICIENCY

CONTINUED FOCUS ON REDUCING NET WORKING CAPITAL

Indexed*



NET WORKING CAPITAL DEVELOPMENT,
Percent of Invoicing



* Sales: 2014 vs 2015, Inventory, Receivables, Payables, Advances closing numbers for 2014 vs 2015

AFTERMARKET

PRO-ACTIVE IN A CHALLENGING MARKET

Enable effective market share growth

Prioritize targeted customer activities

Tailor customer offering

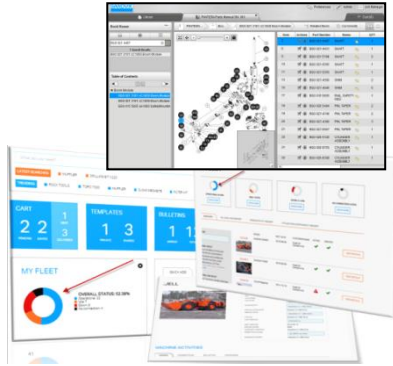
Fit portfolio development to active fleet

>90%

accuracy
of active
fleet

AFTERMARKET LIFTING CUSTOMER EXPERIENCE

NEW CUSTOMER E-SOLUTIONS



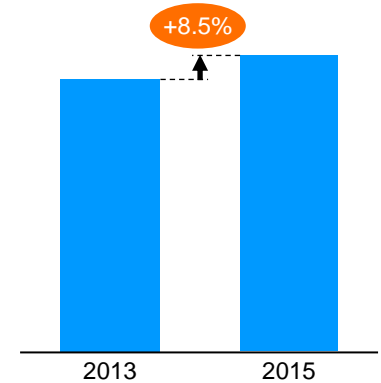
GLOBAL ROLL-OUT CUSTOMER SERVICE CENTERS



REMOTE MONITORING



CAPTURE PARTS POTENTIAL

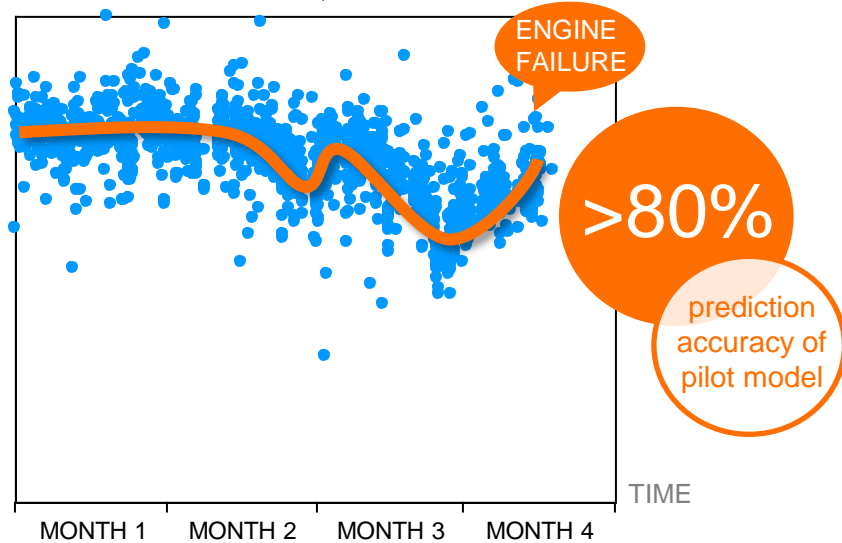


AFTERMARKET

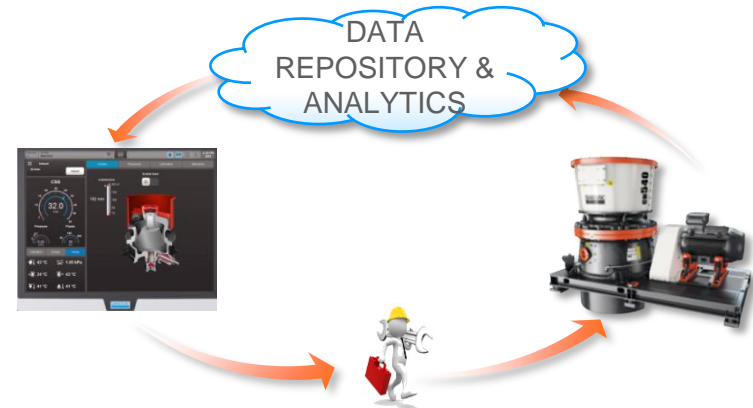
DATA-DRIVEN PRODUCTIVITY: PREDICTIVE MAINTENANCE

DATA-DRIVEN PRODUCTIVITY IN LOAD & HAUL

ENGINE OIL PRESSURE, BAR



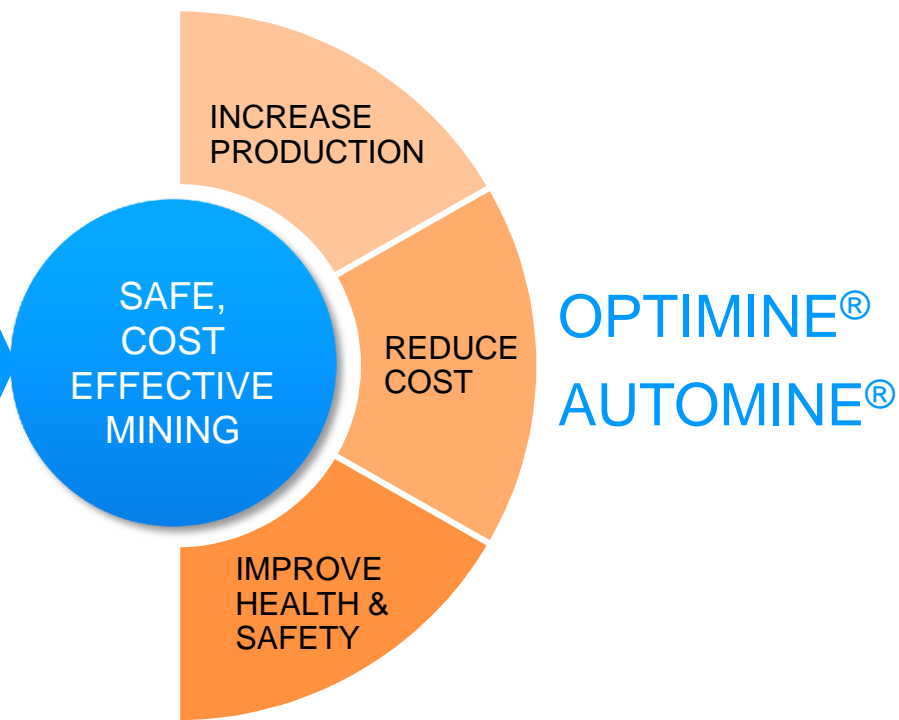
DATA-DRIVEN PRODUCTIVITY IN CRUSHING & SCREENING



- Real-time access to key crusher information
- Parts and service planning
- Reduced down-time

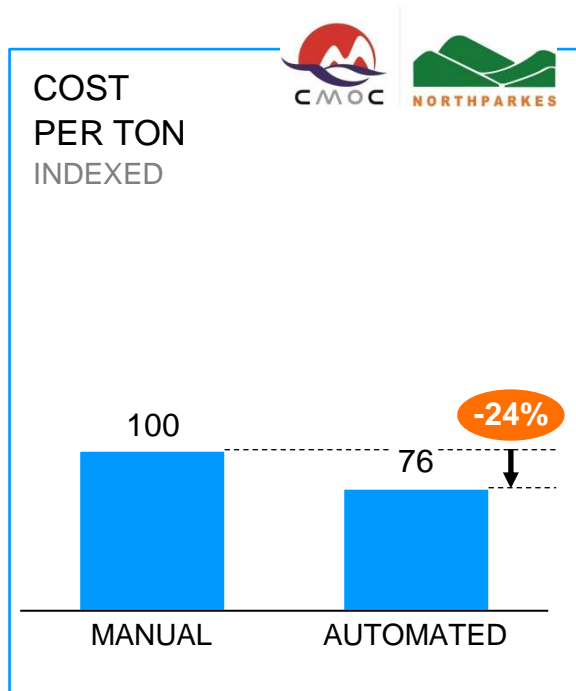
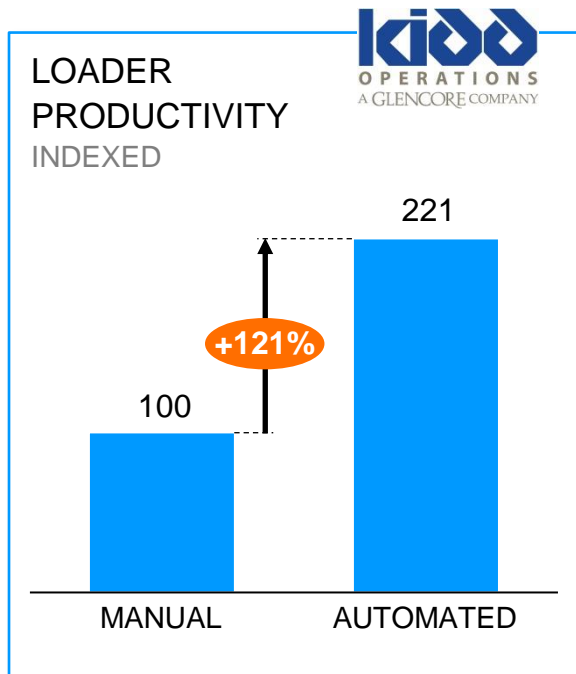
OFFERING

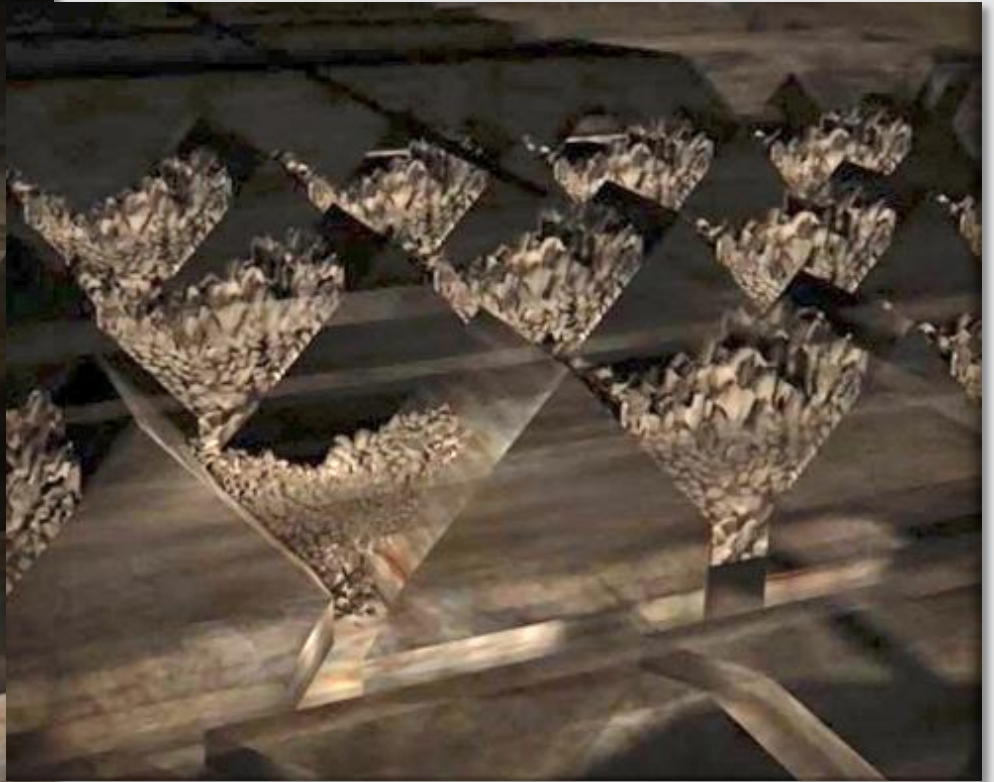
MINING AUTOMATION: INTEGRATED APPROACH



OFFERING

AUTOMINE[®] PRODUCTIVITY IMPROVEMENTS







OFFERING INNOVATION IN DRILLING

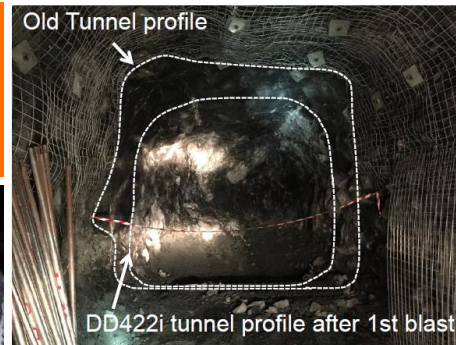


INCREASED
PRODUCTIVITY



~15%

increased
productivity



"With the current autodrilling performance Byrnegut, Australia achieves an extra 40m of lateral advance per month."

OFFERING HARD ROCK CUTTING

Environment, health and safety benefits

Speed and **reduced time to full production**

Improved tunnel quality reducing support and rehabilitation costs

Reduced operating costs – lower manpower requirements



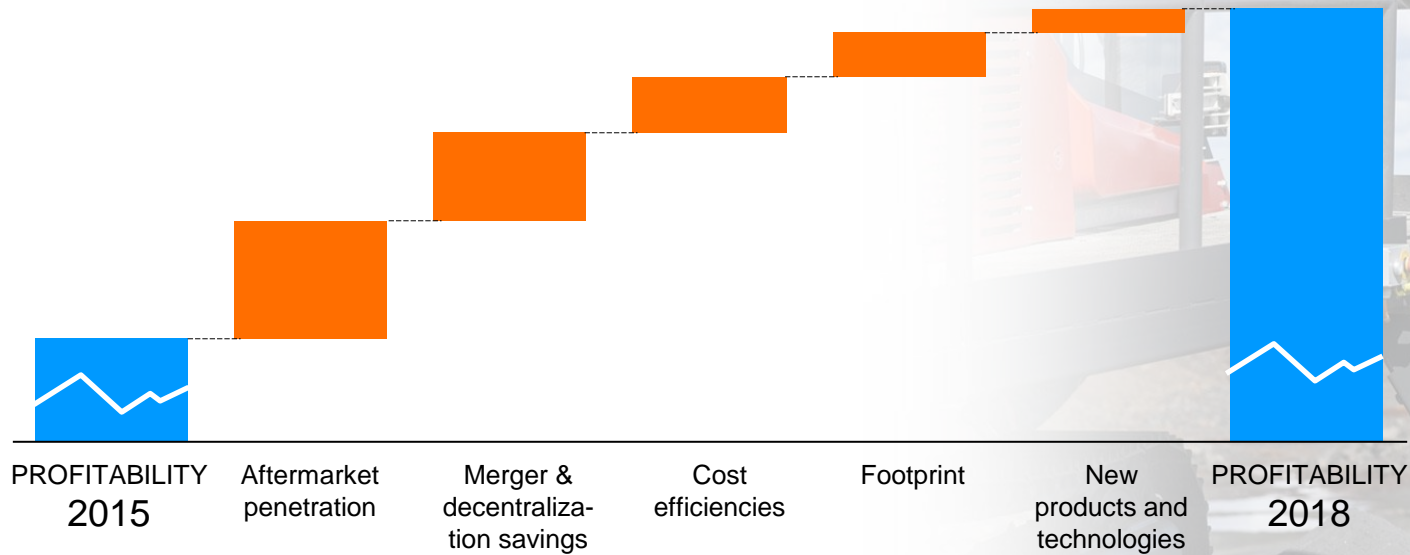
2-4x



Faster
time to
production



SANDVIK MINING AND ROCK TECHNOLOGY EBIT IMPROVEMENT



SUMMARY

- ✓ **Market** continues to be **challenging** across Mining, Construction and Oil&Gas
- ✓ **Decentralized organization** to drive speed and efficiencies
- ✓ **Aftermarket with solid foundation** to drive parts sales/unit
 - >90% transparency on installed fleet
 - **Closeness to customer** through e-solutions, customer service centers
 - **Data analytics**
- ✓ **Automation & innovation** delivering productivity gains to our customers
- ✓ **Execute** profitability and net working capital reduction **through Product Areas**



SANDVIK

The Sandvik logo consists of the word "SANDVIK" in a bold, blue, sans-serif font. The text is contained within a white rectangular box with a thin blue border. Below the text is a solid blue horizontal bar that spans the width of the box.