SANDVIK

Sandvik Annual Report 2024

We make the shift
– advancing the world through engineering

Contents

Indices Sandvik is included in several prestigious sustainability indices and is a signatory of the UN Global Compact (UNGC).

The formal Annual Report comprises pages 46–132. The Statutory Sustainability Report and Sustainable Business Report include pages 6–7, 11, 18, 62–69 and 138–154.

2024 in brief **3**
Year in brief 4
About Sandvik 6
Letter from the CEO 8
Financial targets 10
Sustainability targets 11
Trends and driving forces 12

Strategy **14**
A value-creating strategy 15
Strategic risk landscape 22
Our share 23

Our operations **27**
Sandvik Mining and Rock Solutions 28
Sandvik Rock Processing Solutions 34
Sandvik Manufacturing and Machining Solutions 40

Directors' Report **46**
Group 47
Business areas 51
Corporate governance report 52
Board of Directors 58
Group Executive Management 60
Risk management 62
Sustainability governance 65

Financial statements and notes **70**
Consolidated financial statements 71
Consolidated financial notes 75
Financial statements Parent Company 114
Financial notes Parent Company 117
Board statement on dividend proposal 131
Proposed appropriation of profits 132
Auditors' report 133
Non-financial notes 138
Assurance report 155
Annual General Meeting 156
Definitions 157
Key financial figures 158

SANDVIK

2024 in brief
Year in brief
About Sandvik
Letter from the CEO
Financial targets
Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

2024 in brief

2024 in brief
> Year in brief
About Sandvik
Letter from the CEO
Financial targets
Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

2024 in brief

MSEK	2023	2024
Order intake, MSEK	125,011	124,694
Revenues, MSEK	126,503	122,878
EBITA, MSEK	24,530	20,493
EBITA margin %	19.4	16.7
Adjusted EBITA[1], MSEK	25,240	23,583
Adjusted EBITA margin[1], %	20.0	19.2
Free operating cash flow, MSEK	19,582	21,194
Return on capital employed, %	16.4	13.4
Return on capital employed, excl. amortizations of surplus values, %	17.9	14.8
Earnings per share, diluted, SEK	12.18	9.75
Adjusted earnings per share, diluted, SEK[1]	12.69	11.90
Number of employees[2]	40,877	41,447
Greenhouse gas emissions (Scope 1–2), ktons	145	148
Waste circularity, %	73	74
Total Recordable Injury Frequency Rate (TRIFR)[3]	3.2	3.0
Share of female managers, %	20.5	20.5

1) Adjusted for items affecting comparability, see page 51. For definitions of alternative performance measures, see page 157.
2) Full-time equivalent.
3) Total number of recordable injuries per million hours worked.

7%
Revenue growth (CAGR 2019–2024)

Order intake and revenues, BSEK

19.2%
Adjusted EBITA margin

Adjusted EBITA, BSEK and adjusted EBITA margin, %

1.2
Financial net debt/EBITDA

Financial net debt, BSEK, and financial net debt/EBITDA

Revenues by customer segment

Mining	51%
Gen. Engineering	20%
Infrastructure	9%
Automotive	6%
Aerospace	4%
Other	10%

Revenues by market area

Europe	26%
North America	25%
Asia	18%
Australia	12%
Africa/Middle East	12%
South America	7%

2024 in brief
> Year in brief
About Sandvik
Letter from the CEO
Financial targets
Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

Year highlights

Stable financial performance in a challenging market. Solid momentum in mining and favorable demand for our software offerings.

A new restructuring program contributed significantly to the year-end result.

A high number of product innovations in strategic areas such as electrification, automation, digital manufacturing and AI.

Expansion into the fast-growing local premium market in China with the acquisition of cutting tools manufacturer Suzhou Ahno. We also strengthened our mining automation offering with the acquisition of Universal Field Robots.

Good progress towards our target to increase our digital offering to SEK 6.5 billion by 2025. Full year revenues exceeded SEK 5 billion.

We introduced a global parental leave benefit to support our employees' work-life balance.

2024 in brief
Year in brief
> About Sandvik
Letter from the CEO
Financial targets
Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

Value-creating offerings

Sandvik is a global, high-tech engineering group providing solutions that enhance productivity, profitability and sustainability for the manufacturing, mining and infrastructure industries. We have approximately 41,000 employees and sales in more than 150 countries.

Business areas and divisions

Sandvik Mining & Rock Solutions

A global leading supplier of equipment and tools, parts, service, digital solutions and sustainability-driving technologies for mining and infrastructure industries.

Divisions
- Load and Haul
- Underground Drilling
- Mechanical Cutting
- Surface Drilling
- Rotary Drilling
- Digital Mining Technologies
- Rock Tools
- Ground Support
- Parts and Services

Share of revenues

51%

Share of adjusted EBITA[2)]

54%

Sandvik Rock Processing Solutions

A leading supplier of equipment, service and technical solutions for processing rock and minerals in the mining and infrastructure industries.

Divisions
- Crushing Solutions
- Screening Solutions
- Mobile Crushing and Screening
- Attachment Tools

Share of revenues

9%

Share of adjusted EBITA[2)]

6%

Sandvik Manufacturing & Machining Solutions

A market-leading manufacturer of tools and tooling systems for advanced metal cutting, expanding into digital manufacturing and software solutions, as well as metal powder and technologies such as in-line metrology.

Sandvik Machining Solutions[1)]
- Sandvik Coromant
- Seco
- Walter
- Dormer Pramet
- GWS
- China
- Powder Solutions
- Tool Flow Solutions

Sandvik Manufacturing Solutions[1)]
- Design and Planning Automation
- Industrial Metrology

Share of revenues

40%

Share of adjusted EBITA[2)]

40%

1) Business area segments. 2) Adjusted EBITA is excluding Group activities and items affecting comparability

2024 in brief
Year in brief
> About Sandvik
Letter from the CEO
Financial targets
Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

Key customer segments

Share of revenues 2024

Mining

We deliver drill rigs, rock drilling tools and systems, load and haul machines, tunneling equipment, continuous mining and mechanical cutting equipment, crushing and screening, parts and service, mine planning software, and ground support for increased customer productivity, safety, digitalization, automation and sustainability.

51%

General engineering

Our tools and tooling systems for metal cutting and manufacturing software are used in engineering industries worldwide, improving productivity, profitability, quality and safety as well as reducing environmental impact. We are also a global leader in high-alloy metal powder.

20%

Infrastructure

We offer solutions that increase safety and customer productivity in breaking, drilling, cutting, crushing and screening. Application areas include tunneling, quarrying, demolition and recycling.

9%

Automotive

Our software solutions, tools and tooling systems for turning, milling and drilling in metals, as well as our industrial metrology offering, increase productivity when manufacturing components used in, for example, engines and transmissions.

6%

Aerospace

We work closely with the world's aerospace companies. As they apply new materials to manufacture airplanes that are lighter, safer and more fuel efficient, advanced tooling solutions and end-to-end optimization are critical.

4%

Other

Includes mainly energy, die and mold, electronics, medical, pump and valve, rail and defense.

10%

Sandvik Mining and Rock Solutions **Sandvik Rock Processing Solutions** **Sandvik Manufacturing and Machining Solutions**

2024 in brief
Year in brief
About Sandvik
> Letter from the CEO
Financial targets
Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

Solid performance in an uncertain environment

Sandvik made important progress in 2024. In an environment where macroeconomic uncertainty and geopolitical volatility dampened business activity, we proved the resilience of our business. Despite lower demand in several key end markets, we delivered solid profitability and a strong cashflow, while continuing to advance our strategy.

Sandvik comprises 23 divisions, grouped in three business areas within the mining, infrastructure and manufacturing industries. These are world-leading businesses that share a common purpose and business models to help our customers become more efficient, productive and sustainable. Our decentralized operating model offers the best prospects for our businesses to develop close to customers while leveraging the full benefit of being part of the Sandvik Group. Our strong financial position, renowned brands, performance-oriented culture and global presence provide a unique platform for achieving success, scaling operations and growing profitably.

Solid performance
Our performance during the year showed that our transformation into a more resilient, flexible and fast-moving company, with an enhanced potential for long-term growth, has continued to yield results. Order intake increased by 2 percent, at fixed exchange rates, while revenues declined by 1 percent to SEK 123 billion. We delivered an adjusted operating profit (EBITA) of SEK 23.6 billion, corresponding to a robust 19.2 percent margin and a strong free operating cash flow of SEK 21 billion.

Innovating for success
Sandvik is built on world-leading innovations, and our ability to develop and supply our customers with value-creating solutions will remain core to our future success. Our R&D investments amounted to SEK 5.1 billion in 2024, corresponding to about 4 percent of the Group's revenue. We continued to build on the strong innovation pipeline across our businesses. We saw solid growth in many of the strategic areas identified as particularly important for future growth, including parts, services and consumables, software

2024 in brief
Year in brief
About Sandvik
> Letter from the CEO
Financial targets
Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

"In macroeconomic uncertainty and geopolitical volatility, we proved the resilience of our decentralized organization."

solutions for both mining and manufacturing operations, automation solutions and surface drilling operations.
Our customers' industries are experiencing a major technology shift in which digital technologies and developments in areas such as artificial intelligence provide new opportunities for Sandvik to further enhance the value we provide with our solutions. A great example of how we lead the way was the launch of an industry-first AI-based Manufacturing Copilot for computer aided manufacturing (CAM) software.

In a world of fast-paced change, we have a clear strategy for driving long-term growth and resilience. The parts, services and consumables business is a priority area for Sandvik, as it strengthens our position with customers and provides a more stable revenue and high earnings profile. Our focus in this area is clearly paying off, which was evident in 2024. Parts, services and consumables showed strong growth throughout the year, as mining customers maintained high activity in the mines. The combination, with a favorable momentum in software, is very positive as we aim to increase the share of recurring revenues in the business.

Strengthened portfolio
A central piece of our strategy includes expanding our presence in faster-growing geographies outside Europe and in growth segments where we have been underrepresented. In 2024, we acquired a majority stake in Suzhou Ahno, a leading local premium company in China. The addition of Suzhou Ahno is an important step for us to achieve our ambitions in the important Chinese market for cutting tools. Their strong market position, combined with our leading competence and the international presence of our brands, will form an attractive growth platform in China.

We continuously look at means of improving ways of working, and took several steps to optimize our organizational structure and strengthen our operational efficiency. This contributed significantly to the resilient earnings performance in 2024.

Sustainable business
Sustainability is a major business opportunity for Sandvik, and our solutions help our customers improve productivity, safety, and resource efficiency in their operations. Through our technology leadership and innovation capabilities in areas such as automation, digitalization and electrification, we have a unique opportunity to drive the sustainability shift in our customers' industries.

Minerals are a necessity to enable the green transition and we have an important role to play in supplying our customers with solutions to maximize output in an efficient, safe and sustainable way. The year included several strong innovations and customer collaborations that support the mining industry's shift towards automated and electrified operations. Another example of how we drive sustainable business was this year's winner of the 'Sandvik Sustainability Award in Memory of Sigrid Göransson', awarded to a digitalized solution for carbide tool buyback programs. This sustainable business solution benefits both the customers and Sandvik, while also reducing waste.

Safety always comes first at Sandvik. We have a zero vision for accidents in the workplace and continuously review initiatives to ensure that we continue the long-term positive trend in this area. The total recordable injury frequency rate was 3.0 (3.2) during the year. Sandvik continues to support the principles of the United Nations Global Compact and contributes to the UN Sustainable Development Goals.

A stronger Sandvik
In 2024, we continued to build a stronger Sandvik, in a complex and challenging external environment, through solid execution of our strategic priorities. I would like to thank our employees whose outstanding efforts are the reason for this progress. I also want to extend a big thank you to our shareholders and customers for your continued trust.

Stefan Widing
President and CEO

2024 in brief
Year in brief
About Sandvik
Letter from the CEO
> Financial targets
Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

Financial targets

Sandvik has long-term financial targets focusing on growth, profitability, financial position and dividend.

Growth

Target
A growth of 7 percent through a business cycle, organically and through acquisitions.

Outcome
A revenue growth (CAGR vs 2019) of 7 percent. In 2024, total growth at fixed exchange rates was -1 percent, of which organic growth was -2 percent. Revenue growth was 9 percent over a three-year period and 7 percent over a five-year period.

7%
Revenue growth, CAGR 2019–2024

Revenue growth, %

Actual
Target

EBITA margin range

Target
An adjusted EBITA margin range through a business cycle of 20–22 percent.

Outcome
The adjusted EBITA margin amounted to 19.2 percent (20.0).

19.2%
Adjusted EBITA margin 2024

Adjusted EBITA margin, %

Actual
Target corridor

Financial net debt/EBITDA

Target
A financial net debt/EBITDA ratio below 1.5.

Outcome
The target was achieved as the financial net debt/EBITDA ratio was 1.2 (1.2).

1.2
Financial net debt/EBITDA 2024

Financial net debt/EBITDA ratio

Net debt/EBITDA (R12)
Target

Dividend payout ratio[1)]

Target
A dividend payout ratio of 50 percent of earnings per share, adjusted for items affecting comparability, through a business cycle.

Outcome
A solid performance in 2024 resulted in a proposed dividend of SEK 7.2 billion (6.9) corresponding to a payout ratio of 48 percent. The average payout ratio for a three-year period amounted to 44 percent and for a five-year period to 49 percent.

48%
Dividend payout ratio 2024

Dividend payout ratio, %

Actual
Target

1) The dividend payout ratio is only related to cash dividends and does not consider the distributed value from Alleima to shareholders in 2022. The ratio is calculated on adjusted earnings per share, diluted, for the total Group for all years except 2022, when it excludes earnings related to Alleima.

2024 in brief
Year in brief
About Sandvik
Letter from the CEO
Financial targets
> Sustainability targets
Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

Sustainability targets

We have set sustainability targets in selected focus areas and we report on KPIs for our operations to track progress towards targets. In addition to our own operations, we also work with customers and suppliers to achieve the targets.

Net zero

Target
Our target is to reduce our Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 50 percent by 2030, compared to 2019.

Outcome
In 2024, we reduced our GHG emissions by 3 percent (comparable data). Compared to the base year 2019, GHG emissions have been reduced by 47 percent and we are on track to reach the 2030 target.

3%
Emissions reduction 2024

GHG emissions, ktons (comparable data)

Circularity

Target
Our target is to increase our waste circularity to 90 percent by 2030.

Outcome
We achieved 74 percent (73) waste circularity. Total waste increased by 12 percent to 371 ktons.

74%
Waste circularity 2024

Waste circularity, %

Safety

Target
Our target is to reduce the Total Recordable Injury Frequency Rate (TRIFR) to 1.6 by 2030, representing a 50 percent reduction from the 2019 baseline.

Outcome
The TRIFR amounted to 3.0 (3.2). Compared to the 2019 baseline it has decreased by 6 percent. Acquisitions continue to negatively impact both TRIFR and LTIFR (Lost Time Injury Frequency Rate) trends.

3.0
TRIFR 2024

Total Recordable Injury Frequency Rate (TRIFR)

2024 in brief
Year in brief
About Sandvik
Letter from the CEO
Financial targets
Sustainability targets
> Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

A changing world

Sandvik has defined key external factors and drivers that impact our company. We will seize the opportunities they bring to generate profitable growth while managing risks and minimizing environmental impact.

Digitalization and automation
The manufacturing and mining industries are experiencing a shift to digitalization and automation. Access to big data, sophisticated analytical tools, robotics and artificial intelligence are creating new business opportunities and improved business intelligence. New ways for people to interact with machines and the ability to transfer digital instructions into physical products or equipment enable real-time decisions in the machining process. Such developments contribute to reduced costs, increased productivity and improved management of fluctuations in demand. It also places greater demands on our coworkers' expertise. Sandvik offers digitalized solutions and services to optimize its customers' operations pertaining to costs, productivity and environmental impact.

Historically, design, machining and analysis have been three clearly defined phases in the manufacturing of components. Digitalization and technology, such as AI and metrology, are leading to the integration of the three phases to form a seamless, automated end-to-end value chain.

2024 in brief
Year in brief
About Sandvik
Letter from the CEO
Financial targets
Sustainability targets
> Trends and driving forces

Strategy

Our operations

Directors' report

Financial statements and notes

In the mining industry, digitalization and automation are used across the value chain, from mine planning through mining and crushing operations to the extraction of minerals. Data collection, for example in mining equipment, enables advanced analysis to optimize processes and predict maintenance needs. We are the market leader in automated solutions for underground mining equipment.

Economic and political developments
Macro factors such as regionalization, political situation and cyclicality impact Sandvik. 2024 was characterized by financial and political uncertainty, with elections in more than 70 countries, and geopolitical tension.

Regionalization and protectionism affect trade regulations, such as customs duties or new legal requirements. Our global and local presence and our decentralized way of working allow us to be flexible and adapt to changing conditions. All of our business areas have action plans in place to manage changes in market conditions.

A growing middle class and rapid urbanization increase the demand for metals and minerals, the need for infrastructure investments, and the demand for consumer and industrial goods.

New technologies
A number of emerging technologies are affecting our industries. The rise of artificial intelligence is rapidly transforming the business landscape, with generative AI emerging as a powerful productivity driver that can perform increasingly complex tasks. Sandvik is investing in AI and machine-learning models across all its operations where applications include, for example, optimized component manufacturing, monitoring of tools or mining equipment, or the ability to identify a need for maintenance to avoid equipment breakdowns before they happen.

The expanding demand for battery-electric vehicles offers vast business opportunities for Sandvik within its mining operations but also headwinds in other parts of its business, for example in component manufacturing for the automotive sector.

Multi-axis technology, enabling the machining of a material from several different angles, improves efficiency and allows for products with, for example, more complex design.

Sustainability
The Paris Climate Agreement places demands on companies and society for change and new thinking. One consequence is the rapid electrification of society, increasing demand for electrification minerals and the need for fossil fuel-free energy sources. Sandvik is world-leading in electric mining equipment, and supplies tools and tooling systems for the energy industry, including renewable energy.

Sandvik has set a clear goal of reducing its greenhouse gas impact across the entire value chain. Our largest impact is through our products and solutions, and we continuously strive to increase productivity and minimize the environmental impact. We aim to increase circularity by using more secondary material in production. We repurchase customers' used cemented carbide inserts, drill bits and rock tools and use them to manufacture new tools.

Today's customers and stakeholders require ethical conduct from businesses and Sandvik is committed to the highest business standards.

SANDVIK

2024 in brief

Strategy

A value-creating strategy

Strategic risk landscape

Our share

Our operations

Directors' report

Financial statements and notes

Strategy

2024 in brief

Strategy
> A value-creating strategy
Strategic risk landscape
Our share

Our operations

Directors' report

Financial statements and notes

A value-creating strategy

Our strategy aims to create benefits for all our stakeholders – customers, employees and communities, ultimately leading to shareholder value. It rests on our core values, explicit target setting and a decentralized way of working.

The strategy includes six strategic objectives for which Sandvik has defined 2025 targets and key results. We have a solid platform to build on with market-leading positions and strong brands.

The strategy relies on a number of common strengths across our Group: accountability and staying close to the customer through a decentralized way of working, leading brands, codes of conduct, a strong performance culture and modern leadership that focuses on ensuring high employee engagement.

Sandvik strives to be an enabler in our customers' shifts through a strong focus on innovation and a leading offering in new technologies, digitalization, automation and sustainable solutions.

In recent years, Sandvik has been on a transformation journey that has strengthened the company, both in terms of growth potential and improved resilience. Our solid financial position and strong cash-flow generation enable us to continue to drive this transformation and consistently deliver on our strategy and targets.

Our purpose: We make the shift – advancing the world through engineering

Our purpose captures our ambition whereby our innovative solutions make the shift in areas such as digitalization and sustainability, creating value for customers, employees and communities, ultimately leading to shareholder value.

Our **core values** of customer focus, innovation, fair play and passion to win, capture the culture of the company and they guide us in our actions and daily business decisions.

Customer focus
We constantly strive to exceed our customers' expectations and enable them to excel in their business. We are decentralized and decisions are made close to customers.

Innovation
We always strive for technology leadership and successful partnerships. We work to ensure everyday advancements and innovative shifts.

Fair play
We put health and safety first. We are ethical and compliant with high standards for business conduct.

Passion to win
We strengthen our market leadership through strong performance management, continuous improvement and empowered people. We are passionate about making our company number one.

2024 in brief

Strategy

> A value-creating strategy

Strategic risk landscape

Our share

Our operations

Directors' report

Financial statements and notes

Shift to growth

Sandvik has a long-term target to grow 7 percent over a business cycle, organically and through acquisitions. Since 2019, we have had an annual growth of 7 percent (CAGR 2019–2024) and become a SEK 123 billion company, a strong achievement considering macro-economic challenges and our exit from Russia. Organic growth is paramount to achieving our targets and in 2024 we continued to launch ground-breaking innovations connected to electrification, digitalization and automation (see pages 32, 38 and 44). Our New Sales Ratio (NSR) target of 30–35 percent by 2025, defined as the share of sales from products launched in the last five years, was 24 percent (25) in 2024. Investments in R&D amounted to 4.1 percent (3.8) of revenues. We have also strengthened our portfolio through acquisitions, and since 2020 added SEK 22 billion in revenues from acquisitions with strong strategic rationale.

Our ambition is to grow faster than the market, and our Group target relies on specific growth initiatives in all our businesses. With both Sandvik Mining and Rock Solutions and Sandvik Rock Processing Solutions, we aim to grow (CAGR versus 2019) 10 percent, and 5 percent with the Sandvik Machining Solutions business area segment. Business area segment Sandvik Manufacturing Solutions has a growth target to reach SEK 4 billion in software revenues by 2025.

Sandvik has continued to make progress in the "shift to growth" strategy in 2024. We have invested in innovation and acquired important assets, strengthening our foundation to capture the growth opportunities we see ahead.

Growth areas

Sandvik has identified prioritized growth areas for each of its businesses, with digitalization and sustainability as common denominators.

Sandvik Mining and Rock Solutions is industry-leading regarding the electrification of underground mining equipment, with the ambition that 50 percent of underground hard rock equipment sales should be electric by 2030. In 2024, we continued to develop our unique battery-electric offering with a new trolley solution for battery-electric vehicle (BEV) trucks, as well as an upgraded Lithium Iron Phosphate (LFP) battery module with enhanced performance and safety. To ensure new technologies are optimized for specific customer demands, close collaboration is of the essence.

In 2024, Sandvik acquired Universal Field Robots (UFR), a provider of autonomous interoperable solutions for the surface mining and underground mining markets. The acquisition will increase the addressable market and further strengthen the market position of AutoMine® – the leading mining automation platform. Adding to the platform's existing capabilities to integrate third-party equipment, UFR will significantly expand the number of compatible systems. This will reinforce our underground position and provide opportunities to grow within surface mining, a segment where we have the target of doubling our revenues from 2022 by 2028.

The key focus areas for Sandvik Rock Processing Solutions are to expand in mining and increase the share of parts, services and consumables, and the acquisition of SP Mining in 2022 was an important step in that direction. With a strengthened position as a full-service provider of crushers and screens, we will expand across customers and geographically.

Sandvik Rock Processing Solutions is shaping eco-efficient rock processing solutions. By replacing some of the high-energy-consuming grinding with fine crushing solutions we expand our offering in the value chain and reduce energy use at the customer's site. Our leading crusher technology is an enabler to make this shift for customers currently using legacy techniques in grinding. During the year, we launched an upgraded cone crusher series with improved capabilities in terms of higher crushed volumes and finer particles sizes.

The business area segments Sandvik Manufacturing Solutions and Sandvik Machining Solutions have the common aspiration of providing end-to-end optimization and automation within component manufacturing, but they also address separate strategic areas for future growth. Sandvik Machining Solutions' priority areas are to strengthen our position in inserts, take a leading position in round tools and the mid-market segment, and to expand outside of Europe. There is also an ambition to be the industry leader in digital solutions, and to master the automotive shift towards electric vehicles (EVs).

Sandvik Machining Solutions made important progress in strategic execution with the acquisition of leading US-based workholding fixtures and tooling company PDQ. Furthermore, by acquiring a majority stake in the leading round tools company Suzhou Ahno, Sandvik established a strong foothold in the fast-growing local premium segment in China. The shift towards electric vehicles within the automotive industry requires new capabilities and solutions, and we continued to build on our offering through the acquisitions of Pro-micron, a supplier of sensorized tools and automation software, and Almü, a solutions provider for aluminium machining.

Sandvik Manufacturing Solutions is growing through the offering of an end-to-end agnostic digital offering with a portfolio of strong brands. In 2024, our software businesses had strong momentum and grew by mid single digits, despite challenging markets. We also enhanced our ability to serve our customers through the acquisition of Cimquest, a US-based reseller of Computer Aided Manufacturing (CAM) solutions and the largest reseller to our CAM brand, Mastercam®.

2024 in brief

Strategy

> A value-creating strategy

Strategic risk landscape

Our share

Our operations

Directors' report

Financial statements and notes

Digital shift

A key strategic priority for Sandvik is to expand the digital offering and we strive to become leading in the industries we serve. In recent years, we have accelerated our digital focus, acquired assets that fit with our core offering, and built a solid platform for growth. Our target for 2025 is to reach SEK 6.5 billion in digital offering revenues. At year-end 2024, with revenues totaling SEK 5.1 billion (4.9), we are well on track to deliver on the target.

Our strategy is to combine hardware and software to create optimized solutions for the manufacturing, mining and infrastructure industries. Our equipment and tools are increasingly becoming intelligent and automated, gathering data and enabling predictive maintenance, resulting in improved productivity and sustainability for our customers.

Sandvik Mining and Rock Solutions is creating value through leading autonomous solutions and a digital platform that supports customers across the value chain. During the year, we saw solid growth in the Digital Mining Technologies division. We also introduced a number of innovations connected to our automation platform AutoMine®. We took one step closer to an OEM (Original Equipment Manufacturer) agnostic approach for mine automation through the acquisition of Universal Field Robots.

Sandvik Rock Processing Solutions has set a target to have 60 percent of customers utilizing its automated and digital solutions by 2025, and by the end of 2024 we had already reached this target.

The digital shift opens opportunities for new business models. During the year, Sandvik Rock Processing Solutions started offering remote monitoring as a service, enabling customers to access predictive insights, technical support and optimization. This improves uptime as well as increases productivity.

Sandvik Manufacturing Solutions launched an industry-first Manufacturing Copilot, based on generative artificial intelligence specifically developed for computer aided manufacturing (CAM), in alliance with Microsoft. This will significantly improve the user experience, making programming of machining processes easier and more productive.

Internally, we drive digitalization to enable efficient, intelligent, data-driven end-to-end processes, including interactions with customers and suppliers. During the year, we started a number of AI initiatives to optimize and automate steps in our supply chain and customer experience. We have deployed Enterprise Resource Planning (ERP) systems at critical sites and improved our analytics capabilities and data accessibility for more data-driven supply chain optimization.

2024 in brief

Strategy
> A value-creating strategy
Strategic risk landscape
Our share

Our operations

Directors' report

Financial statements and notes

Sustainability shift

Sandvik aims to be a positive force in shaping the industries of the future, using our expertise and skills to solve the biggest challenges of our time. In each of our businesses and value chains, we have the opportunity to enable the transformation through innovative sustainable solutions, collaboration with our customers and suppliers, and incorporating responsibility and transparency at every level.

Sustainable solutions
The largest contribution we can make is to help our customers undergo a sustainable transition in mining, infrastructure and manufacturing through the solutions we provide. About 65 percent of the emissions in our value chain derive from the use of our products.

In 2024, we developed a framework that will serve as the basis for a common way of working and target-setting within sustainable solutions. We introduced numerous innovations with a focus on automation, digitalization and electrification. These improve efficiency and productivity while reducing emissions and waste. Read more about our sustainable innovations on pages 30, 36 and 42.

Net zero
We have committed to reaching net-zero greenhouse gas (GHG) emissions by 2050 at the latest, reducing absolute emissions from our own operations (Scope 1 and 2) by 50 percent by 2030 and 90 percent by 2040. We will also reduce absolute emissions from customers, suppliers and transport (Scope 3) by 30 percent by 2030. All of these targets have been approved by the Science Based Targets initiative (SBTi).

Our target is to reduce GHG emissions by 25 percent by 2025 compared to the base year 2019. In 2024, we reduced GHG emissions by 3 percent and since 2019 we have reduced emissions by 47 percent in comparable data and by 20 percent in actual data. We are in line with our 2030 targets. See note NF8 for more information.

Circularity
Our goal is 90 percent waste circularity by 2030. Metal raw materials, which can be melted and reused without losing quality, are our primary waste source. We aim to increase recycled content in our products and run buyback programs to reuse materials. We also partner with waste companies to innovate recycling methods. Waste circularity increased to 74 percent (73). See note NF8 for more information.

Waste circularity is much more than recycling. It covers areas such as design, sourcing, use, and resource recovery. In countries without strong waste management infrastructure we work to identify alternatives to landfill. This year's 'Sandvik Sustainability Award in Memory of Sigrid Göransson' was awarded to the team behind a digitalized tool recycling program for customers.

Ecosystems
The biodiversity impact of our sites is relatively limited. They are predominantly situated in urban industrial locations, minimizing the impact on biodiversity-sensitive areas. Most of the biodiversity impact is located in our value chain and related to sourced raw material and the use of equipment within our mining and rock processing businesses. Our own mining operation Wolfram Bergbau und Hütten (Austria) has been assessed as having no direct negative impact on biodiversity.

Responsible business
Sandvik is committed to maintaining the highest standards of business conduct and responsibility built into our operations and throughout our value chain. We constantly aim higher in ethics and transparency and ensure that these same high standards are embedded within our supplier management and procurement practices. Our work is supported by a variety of tools, such as the Sandvik Code of Conduct, the Supplier Code of Conduct, our risk-based compliance programs, policies, training and a whistleblowing system – Speak Up.

During the year, we worked to strengthen our human rights processes and investigate human rights impacts across our value chain. See notes NF3–NF5 for more information.

People and communities
We aim to have a positive impact on society, including people and communities throughout our value chain. We actively participate in local communities through partnerships, education and volunteering to bring our values to life. In 2024, we engaged in approximately 160 (170) community projects.

2024 in brief

Strategy

> A value-creating strategy

Strategic risk landscape

Our share

Our operations

Directors' report

Financial statements and notes

Agile through cycle

Being agile through the cycle starts with resilient revenues through, for example, a higher share of parts, services and consumables or increased software revenues. During 2024, Sandvik made good progress with, for example, double-digit growth in our parts, services and consumables business and the strong momentum of our software solutions.

Due to leading positions and solutions that help our customers run more sustainable and productive operations, Sandvik successfully mitigated cost inflation with pricing.

Sandvik continuously seeks ways to strengthen operational efficiency and resilience. At the beginning of the year, we implemented a new program of restructuring measures, supporting the strategy and the financial targets of the Group. These measures included consolidation of production units and optimizing the structure of the organization globally. The program is estimated to generate annual savings of about SEK 1.2 billion, and at year-end, we had delivered almost 80 percent of the program. The 2022 program is also tracking as planned, with annualized run-rate savings achieved of approximately 90 percent at year-end 2024.

The transformation of Sandvik includes a repositioning into faster-growing areas and also a successful portfolio optimization which has resulted in reduced volatility in profitability. Since 2017, we have added more than SEK 20 billion in revenues through acquisitions and divested or spun out revenues of SEK 30 billion, including Alleima. This work continued during the year as we made a strategic decision to focus on software solutions in Sandvik Manufacturing Solutions. We also revised our additive manufacturing strategy to focus mainly on metal powders. As a consequence, we divested the engineer-to-order business DWFritz Automation and decided to seek an exit of our minority stake in AM service provider BEAMIT.

The key measurement for success is our target of an adjusted EBITA margin ranging between 20–22 percent through a business cycle. The EBITA corridor is to be seen as a guide for when additional corrective measures may be necessary or what may not be seen as long-term sustainable margins during the peak of a cycle. Our decentralized organization helps us act quickly on market changes and all business areas have well-prepared contingency plans for different scenarios. In 2024, we showed margin resilience in a weaker market with an EBITA margin amounting to 19.2 percent (20.0).

Customer's first choice

Delivering customer value is the cornerstone of long-term business success. With an ambition to be number one or two in the markets in which we operate, we are utilizing our strong brand portfolio to drive innovation and enhance our customers' experiences. We create seamless experiences, gain valuable insights, push our R&D innovations to set new industry standards, and adapt to changing market conditions to be our customer's first choice.

In 2024, we expanded our portfolio, inaugurated new production plants, and engaged in a number of customer collaborations that will enhance our capacity to deliver cutting-edge, sustainable solutions. Examples of this were the testing of our battery-electric concept surface drill rig at mining company Boliden's Kevitsa mine and our development of diesel-electric underground mining equipment with both contract miner Byrnecut and mining service provider Perenti.

We continue to drive digital transformation in the manufacturing sector through the integration of software and hardware solutions. Our deployment of artificial intelligence-driven customer assistance tools and the development of advanced metrology systems help customers improve efficiency and sustainability in their operations.

Across the organization, we have advanced the way we measure and improve customer value and satisfaction. This has been instrumental in enhancing customer interactions and ensuring access to Sandvik services is seamless.

2024 in brief

Strategy

> A value-creating strategy

Strategic risk landscape

Our share

Our operations

Directors' report

Financial statements and notes

Employer of choice

Sandvik aims to be the employer of choice within our industries and attract, retain and develop diverse talents to drive our shift strategy. A very respectable 44th position in Forbes magazine's "World's Best Employer" list proves we are on the right track.

Work-life balance is important to Sandvik and in 2024 we rolled out a new global parental leave benefit. The benefit provides 14 weeks of paid leave with 90 percent of base salary to all employees in countries where no equivalent benefit already exists.

We implemented an enhanced global recruitment process where we introduced tools like screening assessments, structured interviews, and improved candidate sourcing strategies. We also provided training to recruiters and hiring managers.

Sandvik pursues a continuous dialogue with its employees and in 2024 we started using a new engagement insights tool, Workday Peakon. The engagement rate was 7.7 (7.6) at year-end.

Inclusion is high on the agenda. We offer online and offline trainings and engage in initiatives such as #SandvikTrueColors where we share and highlight different perspectives. We believe in diversity in all its forms. In 2024, the share of female managers was 20.5 percent (20.5) and we had 32 percent (29) women within "next generation leaders".*

Safety is a top priority and we have a vision of zero harm. For 2025, our goal is a Total Recordable Injury Frequency Rate at 2.7, and in 2024 it amounted to 3.0 (3.2).

*Career stream for members of a business area/division management team, or employees reporting to the Group Executive Management team or a business area management team and in a position deemed to have the same complexity as roles within a business area/division management team.

2024 in brief

Strategy

> A value-creating strategy

Strategic risk landscape

Our share

Our operations

Directors' report

Financial statements and notes

	2025 targets	2024 key results
Shift to growth	— Total growth of 7 percent (CAGR) at fixed exchange rates over a business cycle — New Sales Ratio of 30–35 percent, defined as share of sales of products younger than 5 years	— Total growth was 7 percent (9), CAGR vs 2019 at fixed exchange rates — New Sales Ratio of 24 percent (25)
Digital shift	— Software and digital sales (rolling 12M) of SEK 6.5 billion — 70 percent of our sites to have modern Enterprise Resource Planning (ERP) platforms implemented to enable a seamless flow	— Software and digital sales amounted to SEK 5.1 billion (4.9) — 52 percent (45) of our sites had implemented modern seamless flow platforms
Sustainability shift	— Reduce greenhouse gas emissions in Scope 1–2 by 25 percent, compared to baseline 2019 — 80 percent waste circularity	— Compared to the baseline 2019, GHG emissions in Scope 1–2 have decreased by 47 percent (comparable data). The corresponding reduction in actual data is 20 percent — Waste circularity amounted to 74 percent (73)
Agile through cycle	— Adjusted EBITA margin within the range of 20–22 percent over a business cycle	— Adjusted EBITA margin amounted to 19.2 percent (20.0)
Customer's first choice	— 100 percent of our divisions measure customer satisfaction and show verified improvements	— All divisions have established methods to measure customer satisfaction
Employer of choice	— 25 percent female managers — Employee engagement rate above 7.6 — Total Recordable Injury Frequency Rate (TRIFR) at 2.7	— At year-end, 20.5 percent (20.5) of our managers were women — The employee engagement score was 7.7 (7.6) of a maximum 10 — The Total Recordable Injury Frequency Rate was 3.0 (3.2) Compared to the baseline 2019 it has decreased by 6 percent

2024 in brief

Strategy

A value-creating strategy

> Strategic risk landscape

Our share

Our operations

Directors' report

Financial statements and notes

Strategic risk landscape

Achieving the Sandvik strategy is dependent on continuously managing the risks associated with it. These risks can be driven by external factors where our ability to influence them is limited and risk mitigation is therefore focused on agility and adaptability. Others can be more directly within our own control. Sandvik continues to run its well-established Enterprise Risk Management (ERM) process which is used in all parts of the Group for analyzing risks in the local entity, business unit, division, or business area. These local risk analyses are heavily influenced by the strategy and key objectives for each part of the business, in accordance with our decentralized way of working, but the total outcome is aggregated into a bottom-up summary of the most significant risks at Group level. You can read more about this process on pages 62–63. The bottom-up process is complemented with a strategic analysis by the Group Executive Management to identify key risk areas that are tied to our ability to execute on our strategy. This is done to achieve a more focused, strategic risk landscape for the Group to enable good follow-up of the various risk mitigating activities in relation to the Group strategic goals. The Sandvik Key Risks map details the individual risks we are actively addressing to achieve long-term success and strategy fulfillment. When we deliver on our strategic targets, many of the risks will be fully mitigated. The Sandvik Key Risks map is also coupled with a follow-up model for tracking the initiatives that will lead to improved risk mitigation (see page 64). The tracking model is regularly reviewed and discussed in the Group Executive Management team, thus creating a more dynamic and strategically relevant risk management discussion at the highest level of the company.

Geographical agility
— Lower growth projections in key markets
— Heavy European footprint

Geopolitical developments
— Regionalization/ nationalization
— Increasing trade tariffs
— Extreme weather events/climate change

Business transformation
— Electrification of the mine
— Closed loop manufacturing
— Execution of digital shift and data-driven productivity

Digital disruption
— Cyber security
— Information security
— Disruption by digital players
— Embracing AI

Key talent attraction/retention
— New talent (digital, electrification, sustainability)
— Reskill existing workforce

Manage downturn
— Meeting target EBITA range
— Contingency fatigue

Acquisition value creation
— Business case delivery
— Ensure efficient administrative integration

Inventory build-up/ cash conversion
— Access to cash
— M&A agenda realization

Compliance/ regulatory requirements
— Increased regulatory requirements
— Third-party risks
— Stricter financing requirements
— Trade sanctions

Understanding changing customer needs/requirements
— Customer centricity
— Adapting to market transformation
— Customer requirements on digital compliance

Change management
— Operating structure
— Transformative leadership capabilities

The illustration shows which strategic area each key risk relates to, although several risks are relevant for more than one strategic area. The proximity to the center shows how actively we operationally work with the risk. The further out from the center, the more long-term/ strategic the risk is. Many risks are both short and long term and require both short and long-term mitigation.

2024 in brief

Strategy

A value-creating strategy

Strategic risk landscape

> Our share

Our operations

Directors' report

Financial statements and notes

Our share

During 2024, the share price decreased by 9 percent, while the OMXS30 index on Nasdaq Stockholm increased by 4 percent.

Sandvik shares are listed on Nasdaq Stockholm, Sweden. At year-end 2024, the share price was quoted at SEK 198.30 (218.10), corresponding to a market capitalization of SEK 249 billion, placing Sandvik as the 12th (12) largest company on Nasdaq Stockholm.

Share trading

In 2024, a total of 1.9 billion shares (2.1) were traded for a total value of SEK 407 billion (433). Trading in Sandvik shares on Nasdaq Stockholm accounted for 25 percent (25) of the total volume of shares traded. Other markets, for example CBOE and London Stock Exchange, accounted for 75 percent (75). The Sandvik share can be traded in the US in the form of American Depositary Receipts (ADRs), a process handled by Deutsche Bank Trust Company Americas as a depository bank. In 2024, the average daily ADR trading volume was 105,516 (86,364). At the end of 2024 there were 14,382,658 ADRs outstanding (22,700,848).

Dividend and total shareholder return

Our target is that the dividend will amount to 50 percent of adjusted earnings per share, through a business cycle. The Board has proposed a dividend of SEK 5.75 per share (5.50) to the 2025 Annual General Meeting, corresponding to approximately SEK 7.2 billion (6.9) and a dividend yield of 2.9 percent (2.5) based on the share price at year-end. The dividend proposal corresponds to 48 percent (43) of adjusted earnings per share after dilution.

Share capital

The number of Sandvik shares amounts to 1,254,385,923. Each share has a nominal value of SEK 1.2 and the share capital amounts to SEK 1,505,263,108. Sandvik's share capital comprises one series of shares, with each share carrying equal voting rights and equal rights to a dividend. Sandvik does not hold any shares in treasury.

Authorization on acquisition of the company's own shares

The 2024 Annual General Meeting resolved to authorize the Board of Directors, for the period until the next Annual General Meeting, to decide on acquisitions of Sandvik shares, on one or more occasions, up to a maximum of 10 percent of all the shares in the company. The purpose of the authorization is to enable the Board of Directors to continuously adapt the company's capital structure and thereby contribute to increased shareholder value.

Sustainability indices

Sandvik is included in several sustainability indices, such as FTSE4Good and CDP. These are international indices analyzing global companies that assume their responsible business practices. Inclusion in these indices confirms the Group's achievements in relation to sustainable business practices.

Owners

In 2024, the number of shareholders decreased to 134,622 (138,399). There are shareholders in 81 (79) countries, and the total ownership outside of Sweden amounted to 40 percent (40) at year-end. The ten largest individual shareholders accounted for 40 percent (39) of the share capital on the same date. As of December 31, 2024, members of the Group Executive Management owned a total of 189,510 shares in Sandvik. Members of the Board of Directors owned a total of 1,044,375 shares in Sandvik (including deputy board members, excluding the CEO). Total ownership of Group Executive Management and the Board corresponds to about 0.10 percent of the capital and voting rights.

5.75

Proposed dividend per share, SEK

2024 in brief

Strategy

A value-creating strategy

Strategic risk landscape

> Our share

Our operations

Directors' report

Financial statements and notes

The Sandvik share, 2024

Key figures

Key figures	2023	2024
Number of shares at year-end, million	1,254	1,254
Market capitalization at year-end, billion	274	249
Number of shareholders	138,399	134,622
Share price at year-end, SEK	218.1	198.3
Earnings per share after dilution, SEK	12.18	9.75
Adjusted earnings per share, after dilution, SEK	12.69	11.90
P/E ratio at year-end	17.9	20.3
Change in share price during the year, %	15.8	-9.1
Dividend, SEK/share	5.50	5.75[1]
Dividend payout ratio, %	43	48[1]
Total return (price increase + dividend), %	18	-7
Proportion of shares in Sweden, %	60	60
Proportion of shares owned by the ten largest shareholder groups, %	39	40

1) Proposed dividend.

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar, and the Swedish Financial Supervisory Authority.

Distribution of shareholding by country, December 31, 2024

- Sweden, 60%
- US, 16%
- Norway, 3%
- Great Britain, 2%
- Finland, 1%
- Canada, 1%
- Germany, 1%
- Unknown countries, 12%
- Other countries, 4%

Number of shareholders, December 31, 2020–2024

The ten largest shareholder groups, as of December 31, %

The ten largest shareholder groups, as of December 31, %	2023	2024
Industrivärden	14.1	14.6
Alecta Pension Insurance	4.5	4.5
BlackRock	2.9	3.5
Swedbank Robur Funds	4.3	3.4
Vanguard	3.2	3.3
Lundbergföretagen	2.9	3.1
Handelsbanken Funds	2.4	2.7
Norges Bank Investment Management	1.7	1.9
SEB Investment Management	1.9	1.9
Folksam	1.4	1.4

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar, and the Swedish Financial Supervisory Authority.

2024 in brief

Strategy

A value-creating strategy

Strategic risk landscape

> Our share

Our operations

Directors' report

Financial statements and notes

Sandvik as an investment

Sandvik has a strong platform to leverage on, with global market leading positions, a decentralized structure, a strong corporate culture, and financial strength. With solid strategic execution and a winning mindset, the company has gone through a significant transformation, strengthening the growth platform and building a more resilient business model. We have set an ambitious growth target of 7 percent through a cycle, consisting of organic growth and growth through acquisitions, and to date we have delivered on that target.

Innovation based on customer insights and relationships is at core of our business and our strong innovation capabilities supports organic growth and value-based pricing. During 2024, we maintained a good level of R&D investments of about 4 percent of total revenues, and investments amounted to SEK 5.1 billion. Part of our growth ambitions are related to acquired growth, where the aim is to extend our capabilities and offerings in faster growing regions, segments and applications. Since 2017, we have added over SEK 20 billion in revenues through acquisitions. A big focus for Sandvik is also to be a technology leader in the industries we serve. Today's shifts towards digitalization, automation and the use of new technologies, are an integral part of our growth strategy, and we have set an ambition to expand our digital offering to SEK 6.5 billion in revenue by the end of 2025. In 2024, revenues from the digital offering exceeded SEK 5 billion. Sustainability is embedded in our business model and our solutions support mines to run safer and more efficient, rock processing to extract maximum value with less energy consumption, and the manufacturing industry to be more productive and resource efficient.

Sandvik is well-positioned to continue to deliver profitable growth with several global trends in our favor. The growing middle class and rapid urbanization drives the need for metals and minerals and for infrastructure investments, and it underpins demand for industrial production and manufacturing. Additionally, the green transition requires electrification minerals and increases demand for machining of lightweight materials. Demand for increased productivity, efficiency and sustainability through new technology, digitalization and automation is in line with our purpose and strategy.

Our market-leading positions and strong customer relationships, combined with a decentralized organization, enable us to respond faster to market trends and customer needs. In a dynamic and complex world, our decentralized business model helps us become more flexible, reduce earnings volatility and increase predictability; and we have increased our share of recurring revenues by expanding our parts, services and consumables business and our software business.

We continuously strive to improve our own operational efficiency and have increased the share of variable costs to reduce earnings volatility and improve our flexibility. Cash flow generation is strong in the Group, and in 2024, free operating cash flow amounted to SEK 21.2 billion. With a solid balance sheet, good cash flow generation and margin resilience, Sandvik has a strong platform to build from and is well-positioned to capture future growth opportunities.

Our purpose is to advance the world through our engineering capabilities, creating value for all our stakeholders: customers, employees and communities – ultimately leading to shareholder value. For 2024, the Board of Directors has proposed a dividend of SEK 5.75 (5.50) per share, corresponding to a payout ratio of 48 percent, well aligned with our ambition to distribute 50 percent of adjusted earnings per share through a business cycle.

The customer's first choice

- By focusing on improving customers' productivity and sustainability we secure market-leading positions and can maintain value-based pricing
- Strategic and long-term relationships with our customers combined with a decentralized decision model enable us to adapt faster to current and future needs
- About 4 percent of our annual revenues are spent on R&D to ensure a leading product offering
- High barriers to entry, resulting from leading technology positions, capital intensity, materials know-how and customer relationships

Shift to growth

- A solid balance sheet, good cash-flow generation
- Growth target of 7 percent through a business cycle to come from organic and acquired growth
- Investments in product development
- Capex at SEK 4.8 billion in 2024
- Acquisitions to broaden our value-creating offering, lead digitalization and automation and expand geographically in fast-growing markets

2024 in brief

Strategy

A value-creating strategy

Strategic risk landscape

> Our share

Our operations

Directors' report

Financial statements and notes

Dialogue with analysts

Twenty-five analysts cover Sandvik on a continuous basis. Below are some of the most frequent questions discussed in 2024, and our answers.

Q: Demand has been mixed throughout the year, could you walk us through the demand in key regions and customer segments?

A: 2024 was a challenging year, with geopolitical and macroeconomic instability – and as a result we have seen weakened demand in key segments. Lower industrial activity and specific challenges in Europe and automotive impacted the demand for our cutting tools negatively. We also had a tough year for infrastructure, although with a more positive sentiment at the end of the year. The mining side was more stable. High metal prices drove high activity in the mines and led to a strong momentum in our parts, services and consumables business. Overall, we saw good momentum for our software solutions, despite a tougher macro-economic environment.

Q: In April, Sandvik acquired a majority stake in the Chinese company Suzhou Ahno, could you elaborate on that?

A: With the acquisition of Suzhou Ahno, we have established an important position in the local premium segment in China. The company has a leading position in precision cutting tools, with a broad product- and service offering and extensive sales, distribution and production footprint. Ahno's competitive assortment and closeness to customers is a great platform to drive further growth of our tooling business in the region, and much of the offering is focused on fast-growing segments, like electric vehicles and medical, which makes Ahno a perfect fit with our strategy. It also enhances our local production capabilities, making it a great addition to Sandvik.

Q: You also strengthened your automation offering with the acquisition of Universal Field Robots, what value does it bring to Sandvik?

A: Universal Field Robots (UFR) is a fast-growing Australia-based provider of autonomous interoperable solutions for the surface mining and underground mining markets. Its solutions portfolio is built on a common autonomy platform, which is a strong complement to our own automation offering and includes OEM (Original Equipment Manufacturer) agnostic robotic and autonomous solutions for trucks, loaders and auxiliary equipment. The acquisition will help increase the addressable market for Sandvik and further strengthen the market position of AutoMine® – our world-leading mining automation platform. Adding to the platform's existing capabilities to integrate third-party equipment, UFR will significantly expand the number of compatible third-party equipment types, providing customers with flexible opportunities to optimize the performance of their full mining equipment fleets. UFR is an important strategic addition to Sandvik Mining and Rock Solutions that will strengthen the growth potential and provide key capabilities in the development of our mining automation solutions portfolio going forward.

Q: Sandvik promotes end-to-end optimization and automation in the component manufacturing value chain. What does that mean and how far are you in that work?

A: Our vision is to enable fully interconnected manufacturing operations using digital threads. Today, Sandvik provides solutions that connect important parts of the operation by integrating products to create more seamless solutions for our customers, where data from one solution is used to increase productivity for the other. One example are the integrations of the Sandvik Coromant tool library in our various CAM products, where the programmer will get direct access to the right product data in the CAM environment when programming a machining process. We will continue to build on that, adding to the scope we cover step by step, directed by customer value and feasibility. And, because we intimately understand our customer's operations, we can package, sell and deliver our solutions in ways that for the customer are simple to implement and realize the benefits from.

Our recent product releases in CAM and in industrial metrology include numerous improvements for automation, more seamless use of integrated solutions, and improved user interfaces. It proves we are on the right track, and we have many interesting developments in the pipeline.

Agile through cycle

- Solid adjusted EBITA margin in 2024 of 19.2 percent in a weak market, slightly below our target range of 20–22 percent
- Strengthened margin resilience and reduced sales cyclicality by growing our parts, services and consumable businesses including software offerings
- Flexible cost structures to ensure resilience in downturns
- Continuous work to improve cost structures and operational efficiency

Shareholders rewarded

- Responsible and value-creating capital allocation
- Dividend payout policy of 50 percent of adjusted earnings per share through a business cycle
- Payout ratio of 48 percent for the year, with the average payout ratio for a three-year period amounting to 44 percent and for a five-year period to 49 percent

SANDVIK

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Our operations

2024 in brief

Strategy

Our operations

> Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Sandvik Mining and Rock Solutions

2024 in figures

Overview	2023	2024
Order intake, MSEK	64,527	64,404
Revenues, MSEK	65,690	63,607
Adjusted EBITA[1], MSEK	13,716	12,950
Adjusted EBITA margin[1] %	20.9	20.4
Return on capital employed, %	24.4	21.6
Return on capital employed, excluding amortizations of surplus values, %	25.4	22.5
Number of employees[2]	17,019	17,278
Gender balance (men/women), %	81/19	81/19
Women in managerial positions, %	20.1	20.7
Lost Time Injury Frequency Rate (LTIFR)	1.0	0.9
Total Recordable Injury Frequency Rate (TRIFR)	3.3	3.6

1) Adjusted for items affecting comparability of SEK -507 million (67).
2) Full-time equivalent.

Commodity split

Gold	37%
Copper	23%
Coal	11%
Zinc	6%
Platinum	5%
Iron ore	4%
Diamonds	1%
Other metals	6%
Other minerals	4%
Other base metals	3%

Revenues by market area

North America	23%
Africa/Middle East	21%
Australia	20%
Asia	16%
Europe	10%
South America	10%

2024 in brief

Strategy

Our operations

> Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Sandvik Mining and Rock Solutions

Favorable mineral prices drove solid demand in parts, services and consumables while equipment revenues declined. Solid momentum was noted in Digital Mining Technologies. Strategic progress was achieved through innovations and an acquisition that strengthens our automation offering.

Sandvik Mining and Rock Solutions is a globally leading supplier of equipment and tools, parts, services, digital solutions and sustainability-driving technologies for the mining and infrastructure industries. We provide high-performing products and services that increase our customers' productivity and safety, extend uptime and reduce costs and environmental impact. Our offering includes solutions for mine planning, rock drilling, rock cutting, loading and hauling, tunneling, ground support and quarrying.

We are shaping the sustainable mine of the future through our electric and autonomous solutions, and we provide end-to-end optimization via connected digital solutions, including mine planning and remote monitoring services. Our mine automation systems cover all aspects of automation, from single pieces of equipment to full fleet control.

Market overview

Favorable mineral prices spurred demand across regions throughout the year. Macro economic uncertainty made mining customers more cautious to invest in new equipment and instead they prioritized maximizing the usage of existing machines, leading to increased maintenance needs. Our customers continuously look to improve safety, and maximize uptime and productivity, resulting in strong demand for our digital and autonomous solutions.

Shift to growth

Solid market demand translated into another year of growth for Sandvik Mining and Rock Solutions and we are on track to achieve our CAGR growth target of 10 percent for 2019–2025. We made good progress in the strategic priority areas of electrification, automation and digitalization, and also moved closer to our target of doubling our surface mining revenue from 2022 by 2028.

During 2024, Sandvik acquired Universal Field Robots (UFR), a fast-growing Australia-based company that offers interoperable autonomous solutions for underground and surface applications. The acquisition complements our leading autonomous platform AutoMine®, and strengthens our capability to integrate third-party equipment, providing customers with opportunities to optimize the performance of their mining equipment fleets.

Innovation and close customer collaboration are key to maintaining strong market positions. Sandvik is a clear market leader in underground automation and we launched a large number of innovations during the year. Sandvik secured several significant orders for the autonomous AutoMine® platform during the year.

We enhanced our surface mining offering with the introduction of new rotary drill rigs and automation capabilities. The drill rig, Sandvik® DR416iE, for example, is the fourth and largest electrified rig in our intelligent rotary blasthole drill range. Product development and other targeted efforts led to a stronger position within surface mining.

Sandvik addresses different customer needs in the shift towards electrification in mining. During the year, we introduced a new trolley solution for battery-electric (BEV) trucks designed for large fleets with predictable traffic and long ramps. We also introduced LFP (lithium iron phosphate) battery technology for our BEV underground drills and an upgraded LFP battery for trucks and loaders with a 36 percent longer run time compared to the previous version.

Digital shift

Digitalization plays a critical role in enhancing productivity and safety in mining operations. Sandvik offers an integrated digital platform that supports customer needs across the value chain, allowing for data feedback and automated end-to-end process optimization. In 2024, the Digital Mining Technologies division achieved solid growth, and mine-planning software from Sandvik-owned Deswik gained increased traction from surface mining customers. Mine optimization software provider Polymathian, acquired in 2023, has been fully integrated with Deswik, completing the feedback loop from mining production to planning. OptiMine®, our real-time monitoring platform, which includes solutions for collision avoidance, was enhanced with sensors for mine personnel.

Sandvik continued to expand its Remote Monitoring Service (RMS), a suite of advanced digital services that can translate vast amounts of data from underground mining equipment into actionable recommendations. The solution helps customers reduce operating costs and improve productivity and sustainability. In 2024, mining customer Barrick decided to roll out RMS to its entire global underground fleet of more than 200 trucks, loaders and drill rigs.

During the year, we launched My Sandvik Onsite, a new solution for optimization of surface drilling. The system supports wireless drill-plan transfer and is easily integrated into any surface mining system.

We also partnered with Ambra Solutions, a leading provider of private LTE/5G wireless network industrial telecommunications, to strengthen our customer offering. This collaboration aims to transform communication capabilities tailored for our product families for the AutoMine® platform. The initiative aims to enhance efficiency and safety in underground mining operations by addressing critical communications challenges.

2024 in brief

Strategy

Our operations

> Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Sustainability shift

Our battery-electric vehicles (BEVs) increase our customers' productivity, while reducing their environmental impact, and help mining customers to reach their sustainability targets. This is becoming increasingly important as sustainability data, the ability to measure emissions or circularity, for example, is a requirement in all tender processes.

Digitalization and automation is expected to become even more vital in solving the industry's challenges of safety, productivity and profitability. Sandvik introduced a number of solutions that contribute to increased uptime and productivity, such as AutoMine® Lifecycle Support Solutions, a scalable service designed to ensure technology support for customers, and AutoMine® Interoperable ACS through which a mixed fleet of equipment can be managed with one seamless safety system.

We also aim to improve sustainability in our own operations, for example through carbide recycling programs, recycling of packaging, waste sorting, and increased use of renewable energy.

Agile through cycle

Recurring revenue from parts, services and consumables contributes significantly to business resilience. In recent years, Sandvik has grown its active mining fleet, which secures long-term revenue from parts, services and consumables, a prioritized growth area. In 2024, our parts, services and consumables business, including digital services, reached record-high order levels and increased its share of revenues to 69 percent (66).

The competitiveness of our products and solutions enabled us to mitigate cost inflation with pricing. Sandvik protected the margin well through the flexibility provided by outsourced assembly at our production sites, prudent overall cost control and strong support from our restructuring programs.

In the Group-wide program of restructuring measures that was initiated during the year, Sandvik Mining and Rock Solutions is expected to deliver annualized savings of SEK 0.4 billion, and a run-rate of approximately 80 percent was already achieved in 2024. Coupled with the 2022 program, which delivered a run-rate of 80 percent, it supported margin resilience in a high-cost inflation market, and despite volume declines we managed to achieve an adjusted EBITA margin of 20.4 percent (20.9).

Customer's first choice

Sandvik collaborates with our customers for mutual benefit. In 2024, we signed a collaboration agreement with our customer Boliden for field testing and development of our battery-electric concept surface drill rig at its Kevitsa mine. The concept drill rig was introduced in 2023, combining the flexibility of battery operation with the endurance of a power cable. The harsh arctic conditions in northern Finland proved ideal for testing.

Diesel-electric mining equipment is seen by many within the industry as a way of achieving cleaner, more sustainable and more reliable mining, without the structural changes required for a fully electric operation. Diesel-electric equipment has a proven ability to combine the low-maintenance benefits of electric machines with the flexibility of diesel. In May 2024, global mining contractor Byrnecut signed a collaboration agreement with Sandvik to develop diesel-electric loaders and trucks, with the aim to boost sustainability, efficiency and productivity underground. In September 2024, global mining services provider Perenti signed a memorandum of understanding (MOU) with Sandvik, also centered on developing diesel-electric equipment for underground mines.

Sandvik won a SEK 1.9 billion order from mining company BHP to supply potash continuous mining systems to the Jansen potash project located in Saskatchewan, Canada. The project has the potential to become the largest potash-producing mine in the world, yielding potassium, a key ingredient of fertilizer.

Employer of choice

Our ambition is to create a climate where employees feel they can thrive and pursue a career within Sandvik. In 2024, we saw high levels of employee engagement as well as an increase in the share of female managers, supported by initiatives such as a global partnership with International Women in Mining.

We run several global mentorship programs, pairing our leaders across Sandvik Mining and Rock Solutions with younger, less experienced employees. Incorporating a mixture of different backgrounds, geographies, and experience, these programs aim to foster a culture that values innovative thinking and diverse perspectives.

We continued our efforts to secure the competence and skills required for the ongoing technology shifts within electrification, automation, and digitalization. Staying in close dialogue with our customers to understand and map the expertise and training needed is key, and we invest in international university collaborations. In 2024, more than 400 service technicians graduated from Sandvik academy programs around the world.

During the year, we received external and internal recognition for being a family-friendly workplace. One example was the launch of a digital platform that guides employees through each stage of their family life.

Safety is our top priority and we conducted targeted campaigns and trainings to advance our zero harm vision.

Meet our employees

Elen Toodu, director strategic product portfolio at the Digital Mining Technologies division, has the task of bringing together, for example, automation, mine planning, and collision avoidance to create the mine of the future.

Listen at home.sandvik/podcast

2024 in brief

Strategy

Our operations

> Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Overview

Our offering

- Underground drilling
- Loading and hauling
- Surface drilling
- Rotary drilling
- Rock tools and systems
- Continuous mining and tunnelling
- Ground support
- Digital mining technologies
- Parts and services

Rock excavation value chain

Product portfolio
Equipment for drilling, bolting, cutting, loading and hauling. Drilling consumables (rock tools), service, spare and wear parts. Comprehensive digital solutions to drive efficiency and process optimization.

Market characteristics

Mining
Consolidated customer base of some 200 global major and junior miners. Remote locations, decreasing ore grades and deeper mines as well as safety requirements drive demand for more advanced solutions, including semi-automated to fully automated solutions. Significant parts, services and consumables business.

Infrastructure
Sandvik is active in the niche area of rock excavation. The customer base is fragmented with more than 25,000 individual customers. Localized offering and local competition.

Demand drivers

Mining
- GDP growth rate and resource-intensive industry development
- A growing middle class
- Metal and mineral prices
- Electrification for the green transition
- Declining ore grades
- Production levels in existing mines and expansion projects (greenfield and brownfield)
- Productivity improvements and new technology, for example automation and electrification
- Demand in the areas of environment, health and safety

Infrastructure
- GDP growth/urbanization
- Infrastructure investments and spending
- Government stimulus programs
- Aggregates production
- Cement consumption

Competitive landscape/ Major competitors

Mining
Mainly global competitors such as Epiroc, Caterpillar and Komatsu Mining.

Infrastructure
Some global competitors present in several niches: Epiroc, Caterpillar and Furukawa. Many local players.

Go-to-market model

Mining
Approximately 95 percent direct sales with worldwide service network.

Infrastructure
Due to a fragmented customer base, 50 percent of sales is via distributors. Global sales and service organization.

Growth strategy
Grow the parts, services and consumables business on the installed base. Expand market share in surface drilling. Climb the service ladder by data-driven productivity and advanced services. Automation, electrification and exploring complementary technologies and offerings through mergers and acquisitions.

Strategic risk management
Various forms of business environment risk with an impact on the mining and infrastructure market in general, such as increased market competition with new technological developments and the emergence of new competitors, fluctuations in commodity prices and compliance-related risks. Political uncertainty in some parts of the world.

2024 in brief

Strategy

Our operations

> Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Innovations creating customer value

Sandvik partners with our customers on their electrification, digitalization and automation journeys. We are committed to offering comprehensive solutions that integrate products and services for maximized productivity and efficiency.

The year was characterized by a high level of innovation and integration of offerings from our divisions. Sandvik presented several new features in our digital underground drilling offering, including the Sandvik DrillConnect mobile application. The app is integrated with My Sandvik File Transfer, enhancing the data flow between drill rigs and devices, and allowing operators to download and assign drill plans and receive drilling reports back from the rig.

AutoMine® ACS is an innovation designed to improve productivity and increase flexibility by allowing third-party equipment to operate seamlessly within automated zones. We also introduced new compatibility between software from Sandvik-owned mine planning company Deswik and Sandvik® DL422i, Sandvik® DL422iE and Sandvik® DL432i production drills. With this integration, drill plans can be transferred automatically from Deswik to the drill rig.

AutoMine® Concept Underground Operator Desk is an autonomous simulator capable of simultaneously managing up to four machines. While the simulator is designed for this threshold, the AutoMine® Fleet system can support up to 15 machines concurrently, with an expansion to 30 machines planned in 2025.

We also introduced a trolley solution for large battery-electric (BEV) trucks where no battery swaps are needed. The platform supports modular electric systems and is ideal for large fleets with high power needs, predictable traffic, and long ramps.

Sandvik introduced LFP (lithium iron phosphate) technology for battery-electric underground drills. By incorporating LFP technology during field testing at Agnico Eagle's Kittilä mine in northern Finland, operators were able to tram 50 percent further and achieve 20 percent more speed in uphill tramming. The two onboard battery packs offered 36 percent more usable energy than the existing battery technology, and charging time was reduced by 55 percent during the testing period.

Sandvik® DR411i is a rotary blasthole drill rig equipped with the full suite of Sandvik i-series technology and an optional automation system, AutoMine®, ensuring precise clean blast holes. This drill rig helps customers improve productivity and reduces costs in even the most challenging applications. Its intelligent system load management also helps to reduce carbon emissions and extend component life.

In October, we introduced Sandvik® DD212i, our first intelligent i-series narrow vein drill and the industry's most advanced underground drill in this category. The drill ensures operational efficiency with precise electronic positioning and instrumentation for hole measurements and is optimal in narrow vein and medium-sized drift drilling applications.

Shank adapters encounter harsh conditions in many underground mines due to the use of highly corrosive water as flushing media. In 2024, Sandvik introduced Golden Shank, which features a patented corrosion-protection coating that helps increase service life and reduce drilling cost per meter. Field tests confirm 30–100 percent longer product life.

Examples of innovations

AutoMine® ACS

The automation solution AutoMine® ACS is designed to improve productivity and increase flexibility by allowing third-party, non-Sandvik equipment to operate seamlessly within automated zones.

Golden Shank

Golden Shank is an adapter with a patented corrosion protection coating that increases service life and reduces drilling cost per meter.

Trolley solution

No battery swaps are needed in our trolley solution for large battery-electric trucks. The platform is ideal for large fleets with high power needs, predictable traffic, and long ramps.

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

> Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Sandvik Rock Processing Solutions

2024 in figures

Overview	2023	2024
Order intake, MSEK	11,238	11,103
Revenues, MSEK	11,472	10,704
Adjusted EBITA[1], MSEK	1,661	1,562
Adjusted EBITA margin[1], %	14.5	14.6
Return on capital employed, %	8.5	6.4
Return on capital employed, excluding amortization of surplus values, %	10.6	8.4
Number of employees[2]	2,946	2,739
Gender balance (men/women), %	82/18	81/19
Women in managerial positions, %	20.8	19.6
Lost Time Injury Frequency Rate (LTIFR)	2.8	2.5
Total Recordable Injury Frequency Rate (TRIFR)	7.1	5.6

1) Adjusted for items affecting comparability of SEK -411 million (-144).
2) Full-time equivalent.

Revenues by customer segment

Mining	56%
Infrastructure	43%
Other	1%

Revenues by market area

North America	20%
Europe	20%
Australia	18%
Asia	17%
South America	12%
Africa/Middle East	13%

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

> Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Sandvik Rock Processing Solutions

Sandvik Rock Processing Solutions noted stable demand in mining while the infrastructure market was challenging. Profitability improved, despite lower volumes, supported by a higher share of parts, services and consumables, restructuring- and contingency measures. We continued to expand our digital and automation offerings.

Sandvik Rock Processing Solutions provides high-performing products and services to customers primarily in the mining and infrastructure industries. We have world-leading products and services for applications in crushing, screening, feeding, train loading, breaking, demolition and recycling. Our products, services and flexible maintenance programs increase productivity, safety and uptime, and reduce costs. Based on our strong innovation capabilities, in combination with a deep knowledge of our customers' processes and needs, we introduce products, energy-efficient solutions and new digital technologies that enable our customers to run more sustainable operations. A strategic priority is to continue to leverage our fine crushing technology, with the aim of reducing the industry's high energy usage.

Market overview

Demand in mining was stable throughout the year, driven by favorable mineral prices. The infrastructure market continued to be challenging, with macroeconomic uncertainty, high inflation and interest rates, leading to low investments in combination with high dealer stock levels.

Shift to growth

Despite 2024 being a challenging year with weaker demand in infrastructure and, consequently, declining order intake and revenues, we made strategic progress. One strategic ambition is to leverage our offering in the crushing and screening business, which was strengthened by the acquisition of SP Mining in 2022. The ability to provide a full-service crushing and screening offering opens opportunities to expand in mining, and we have identified over EUR 150 million in synergies.

Sandvik is committed to addressing the energy challenge in the mining industry. More than 600 mines in the world use legacy grinding techniques and we see strong potential in our leading crushing technology and fast pace of innovation.

In 2024, we launched the upgraded 800i cone crusher series which enables higher crushed volumes and finer particles sizes. The crusher was well received among customers and, consequently, order intake for this model nearly doubled during the year.

Another strategic ambition is to increase the share of revenues from parts, services and consumables. During the year, revenues from parts, services and consumables grew to 61 percent (59) of total revenue.

Digital shift

Digital solutions are key to ensuring that we meet customer demands in terms of resource efficiency and productivity. Our digital platform, SAM by Sandvik, provides valuable information needed to keep crushing and screening equipment running, available and productive. In 2024, the platform's usage rate increased by 40 percent and the number of active users nearly doubled.

During the year, we launched ACS-s, a series of energy-harvesting wireless sensors, connected with the digital platform SAM® and attached at strategic locations on a machine's vibrating screen and feeder. The system provides operators and service technicians with real-time, easily comprehensible data on the condition of their equipment, enabling proactive maintenance decisions. The solution reduces downtime and high-impact repairs, leading to improved operational efficiency.

The digital shift creates opportunities for new business models. During the year, we began offering remote monitoring as a service. Benefits from this, such as access to predictive insights, technical support and optimization, enable increased productivity and availability for the customer. We noted strong interest from customers and foresee strong growth potential in this area.

Sandvik has a leading position in autonomous crushing equipment, built on solid experience gained since 1967 when our first automation system was introduced. Today, all models of cone crushers and the majority of hammers are automation-enabled and the degree of automated equipment in operation at our customers' sites increased by 40 percent during the year.

We also launched ACS-c 5, a new automation system for the Sandvik® 800i cone crusher series. The new role-based interaction functionality facilitates the work of operators, maintenance personnel, and engineers by offering guidance, access to valuable data, and tools for proactive maintenance and optimization.

Customer response to our digital and automated offering has been better than expected and we reached the target of 60 percent of customers using digital and

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

> Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

automated solutions by 2025, a full year ahead of schedule.

Sustainability shift

Sandvik provides mining and infrastructure customers with eco-efficient rock processing solutions that reduce their environmental impact. Through continuous improvements to our offering, we reduce the energy used per ton of material crushed at the customer site and extend service intervals.

In the mining value chain, where the ore is broken down into a fine powder, the grinding phase is very energy consuming. By working close to customers to optimize comminution circuits and incorporating the latest technology, Sandvik can reduce the material size from the crushing plant and facilitate the continued grinding. This leads to a more efficient process, where the grinding is partially replaced by fine crushing. Crushing is up to 10 times more energy efficient compared to conventional grinding, and as such reduces CO_2 emissions.

Sandvik already provides a fully electric stationary crushing equipment offering. In our commitments to a more sustainable future and to lowering our customers' operating costs, we offer a wide range of electric and hybrid solutions within our mobile crushing and screening offering.

We aim to reduce greenhouse gas (GHG) emissions in our own operations by enhancing energy efficiency and increasing the use of fossil-free energy. At our manufacturing facility in Svedala (Sweden), a heat recovery system reuses excessive heat from production, and an additional unit was installed in 2024. By sequencing the painting of mobile units at the Ballygawley (Northern Ireland) site, energy usage and costs were reduced.

Agile through cycle

Our mindset of preparedness to act on business changes in combination with our strategic priorities served us well during a challenging year. Improved revenue resilience was achieved through an increased share of revenues from parts, services and consumables, as well as through organic expansion towards larger mining customers.

Despite the volume drop, we managed to show good margin resilience thanks to the activation of contingency plans and restructuring initiatives. We also initiated measures for increased control of our supply chain, such as insourcing.

As part of the Group restructuring programs announced in 2022 and 2024, Sandvik Rock Processing Solutions achieved SEK 160 million in savings during 2024. The annualized run rate at the end of the year was 98 percent for the 2022 program, and 63 percent for the 2024 program.

Customer's first choice

We are dedicated to creating value for our customers and have processes in place for interacting with customers, collecting their feedback, and transforming these insights into concrete actions that add value. We gather customer feedback and conduct customer surveys and deep customer interviews. By sharing key takeaways and action plans, we ensure that our customers' voices are heard and acted upon.

By providing digital solutions that enhance customer performance and leverage technologies, Sandvik helps customers streamline their processes and thereby achieve their goals.

At Alamos Gold's La Yaqui Grande mine, our crushing equipment has delivered impressive results, surpassing production targets while driving sustainability. Thanks to the almost doubled lifespan of its crushing chambers, and strong technical support from Sandvik, La Yaqui Grande maintained high equipment availability of 92–93 percent, contributing to its owner's ambitious 2030 emissions-reduction goals.

Employer of choice

Providing development and career opportunities, along with following up on employee surveys with targeted activities help us attract and retain top talent. We strive towards diversity and gender balance throughout the organization and DEI (diversity, equity and inclusion) networks across our divisions run initiatives.

Employees should feel they can develop within Sandvik and we have focused on implementing individual development plans for all employees. To attract people with skills in, for example, digitalization and automation, we cooperate with local technical universities. We also offer students the opportunity to write theses and use targeted advertisements with the support of artificial intelligence to reach the right candidates.

Through an increased focus on safety, we saw a positive trend in our Total Recordable Injury Frequency Rate (TRIFR) which was reduced to 5.6 (7.1).

Meet our employees

Simone Tomaz, vice president aftermarket, shares her journey and insights on how parts, services and consumables, also called aftermarket, prolong equipment life and contribute to customer success and sustainability.

Listen at home.sandvik/podcast

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

> Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Overview

Our offering

- Crushing solutions
- Screening solutions
- Mobile crushing and screening
- Hydraulic breakers, booms and demolition tools
- Parts, services and consumables
- Digital services and solutions

Rock processing value chain (mining)

Sandvik operations

Product portfolio
Equipment for crushing, screening, feeding, train loading, breaking, demolition, tools, service, spare parts, wear parts, digital solutions and sustainability-driving technologies for rock processing.

Market characteristics

Mining
Consolidated customer base of some 200 global major and junior mining companies. Remote locations, decreasing ore grades as well as increased safety requirements drive demand for more advanced solutions. Increasing need for eco-efficient comminution as customers focus on energy and water conservation. Significant business in parts, services and consumables.

Infrastructure
Sandvik is active in the rock processing areas of crushing, screening, feeding, demolition and recycling. The customer base is fragmented with thousands of individual customers. However, there is an ongoing consolidation towards larger capacity quarries driven by productivity, cost per ton, sustainability and safety. Regional offerings and regional competition.

Demand drivers

Mining
- GDP growth rate and resource-intensive industry development
- A growing middle class
- Metal and mineral prices
- Declining ore grades (fewer minerals extracted per ton)
- Production levels in existing mines and expansion projects (greenfield and brownfield)
- Productivity improvements and new technology, for example digital solutions and electrification
- Demand in the areas of environment, health and safety, for example eco-efficient comminution, energy and water conservation.

Aggregates
- GDP growth/urbanization
- Infrastructure investments and spending
- EHS and sustainability trend for premium technology
- Aggregates and cement production
- Growth in emerging markets.

Demolition and recycling
- Laws and regulations
- Transformation in customers' demand
- Focus on recycle and reuse

Competitive landscape/ Major competitors

Mining
Mainly global competitors such as Metso, FLSmidth, WEIR and Terex.

Infrastructure
Some global competitors present in several niches: Metso, Terex, Keestrack, Furukawa and Epiroc. Many regional players.

Go-to-market model

Mining
Approximately 90 percent direct sales with worldwide service network.

Infrastructure
Due to a fragmented customer base, approximately 75–80 percent of sales is via distributors.

Growth strategy
Eco-efficient rock processing offering, automation, digitalization, electrification and exploring complementary technologies and offerings through mergers and acquisitions. Grow sales of parts, services and consumables on the installed base and new offerings. Sales channel optimization, direct sales, distributor sales and OEM (Original Equipment Manufacturer).

Strategic risk management
Various forms of business environment risks with an impact on the mining and infrastructure market in general, such as increased market competition with new technological developments and the emergence of new competitors, fluctuations in commodity prices and compliance-related risks. Political uncertainty in some parts of the world.

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

> Sandvik Rock Processing Solutions

Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Innovations creating customer value

We develop eco-efficient rock processing solutions in close collaboration with our customers, ensuring productive, sustainable and cost-effective crushing, screening, breaking and demolition solutions.

In 2024 we launched DeckMapp™, a digital platform for screen deck maintenance. The platform ensures that all tasks centered around screening media are managed within one seamless digital interface, providing customers with real-time data on laptop, tablet or mobile phone. The information provided enables smarter, data-driven decisions to optimize screening media maintenance.

An appreciated feature of the platform is the optional add-on WearApp™, an innovative wear assessment system powered by artificial intelligence (AI). Users simply capture images of worn screening media panels with a smartphone or a tablet. The system then applies AI to automatically assess each aperture, calculating amount of wear, panel efficiency and remaining wear life. The application makes substantial time savings and delivers far greater accuracy over traditional manual wear-assessment methods.

ACS-s is a series of energy-harvesting wireless sensors with magnetic mounts attached at strategic locations on the machine's vibrating screen or feeder. These robust sensors are easy to install and do not require battery replacement. Customers have the option to either use their own teams to monitor alerts or leverage our global network of specialist engineers and maintenance teams to provide remote monitoring and situation response direction.

We upgraded the 800i crusher series with the ACS-c 5 automation system. The new role-based interaction functionality facilitates the work of operators, maintenance personnel, and engineers by offering guidance, access to valuable data, and tools for proactive maintenance and optimization – leading to productivity and uptime gains.

Screens, feeders and exciters are used in the harshest of mining environments and undergo a great deal of wear and tear. Our refurbishment program brings new life into aging mining equipment, offering a sustainable alternative to purchasing new machinery. By refurbishing and upgrading key components, the program not only extends the lifespan of equipment but also significantly reduces its environmental impact. This initiative supports the circular economy, cutting waste and minimizing the need for new raw materials.

Examples of innovations

ACS-c 5

The 800i crusher series was upgraded with the ACS-c 5 automation system. The new solution facilitates the work of operators, maintenance personnel, and engineers by offering guidance, access to valuable data, and tools for proactive maintenance and optimization – leading to productivity and uptime gains.

Deckmapp™ and WearApp™

We launched DeckMapp™, a digital platform for screen deck maintenance. The platform provides customers with real-time data on laptop, tablet or mobile phone and the information provided enables smarter, data-driven maintenance decisions to optimize screening media strategy.
An optional add-on is WearApp™, a wear assessment system powered by artificial intelligence (AI). The system applies AI to automatically assess and calculate the amount of wear, panel efficiency and remaining wear life. The application makes substantial time savings and delivers far greater accuracy over traditional manual wear-assessment methods.

ACS-s

We launched ACS-s, a series of energy-harvesting wireless sensors connected with the digital platform SAM® and attached at strategic locations on the machine's vibrating screen or feeder. The system provides operators and service technicians with real-time, easily comprehensible data on the condition of their equipment, enabling proactive maintenance decisions.

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

> Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Sandvik Manufacturing and Machining Solutions

2024 in figures

Overview	2023	2024
Order intake, MSEK	49,247	49,187
Revenues, MSEK	49,340	48,567
Adjusted EBITA[1], MSEK	10,597	9,718
Adjusted EBITA margin[1], %	21.5	20.0
Return on capital employed, %	13.7	9.6
Return on capital employed, excluding amortization of surplus values, %	15.6	11.6
Number of employees[2]	20,326	20,801
Gender balance (men/women), %	79/21	79/21
Women in managerial positions, %	19.6	19.2
Lost Time Injury Frequency Rate (LTIFR)	1.2	1.4
Total Recordable Injury Frequency Rate (TRIFR)	2.6	2.1

1) Adjusted for items affecting comparability of SEK -2,104 million (-552).
2) Full-time equivalent.

Revenues by customer segment

Engineering	52%
Automotive	14%
Aerospace	10%
Other[1]	24%

1) Mainly die and mold, electronics, medical, pump and valve, rail and defense.

Revenues by market area

Europe	48%
North America	28%
Asia	20%
South America	2%
Africa/Middle East	1%
Australia	1%

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

> Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Sandvik Manufacturing and Machining Solutions

Macroeconomic uncertainty resulted in weaker demand in general engineering and automotive, while aerospace and software solutions developed positively. Despite significant volume declines, Sandvik Manufacturing and Machining Solutions managed to deliver a resilient margin and capitalize on strategic opportunities.

Sandvik Manufacturing and Machining Solutions offers leading solutions for the component manufacturing industry, with general engineering, automotive and aerospace as its major customer segments. Our world-leading positions are based on extensive know-how and we continuously innovate in close collaboration with our customers. Our machining and software solutions enable component manufacturing to be more productive, energy efficient and less resource intensive.

The business area consists of two segments: Sandvik Machining Solutions and Sandvik Manufacturing Solutions. Sandvik Machining Solutions provides tools, tooling systems and services that optimize machining operations, such as turning, milling and drilling, as well as tool management solutions. Sandvik Manufacturing Solutions provides digital manufacturing and software solutions for design and planning automation and industrial metrology. Through an end-to-end agnostic digital offering, Sandvik can automate and connect the component manufacturing value chain, from design and planning to preparation, production and verification.

The two business area segments face both common and distinct opportunities and challenges. One major opportunity is to leverage their respective strengths and work together to automate, digitalize and optimize the machining process in the component manufacturing industry.

Market overview

Demand was mixed, both regionally and across customer segments. Macroeconomic challenges and geopolitical unrest led to lower industrial activity, and consequently weaker demand in general engineering. Challenges in the automotive industry negatively affected demand for our solutions while aerospace continued on a positive track, despite temporary supply issues in the sector. The tougher market conditions led to overall volume declines, with the most negative impact in Europe. North America remained the most resilient region, where we saw especially good momentum for our software solutions.

Shift to growth

Sandvik Machining Solutions has a number of strategic priorities, including expansion outside of Europe, a leading position in round tools, as well as in the mid-market segment, and to take action to master the shift to electric vehicles (EVs) within automotive. During 2024, progress was made in all these areas.

North America, our second-largest market, is of significant importance. With support from key growth fundamentals, such as production being moved back to the US (re-shoring) and positive forecasts for segments, such as aerospace and medical, we have built a solid position and strengthened our exposure in the region. In 2024, a special tools division with focus on the North American market was created, GWS, and we enhanced our offering with the acquisition of PDQ, the leading US-based workholding fixtures and tooling company.

Asia is another important market, particularly the fast-growing local premium segment in China. In 2024, Sandvik acquired a majority stake in Suzhou Ahno Precision Cutting Tool Technology. Suzhou Ahno holds a leading position in the local premium segment, with a broad product and service offering and an extensive sales, distribution and production footprint. With this acquisition, Sandvik took a big leap towards becoming leading in round tools and strengthened its exposure in China. A new China division, based on Suzhou Ahno and focused on the local premium market, was created.

The shift in the automotive industry towards EVs requires lighter materials, such as aluminum, which in turn requires new tool assortments and machining solutions. The acquisitions of Pro-micron and Almü were both completed during the year. They add market-leading capabilities in sensorized tools, automation software, and aluminum machining solutions, and strengthen our capabilities and position in the automotive segment. Sensorized tools is a high-growth market, with strong underlying drivers such as the accelerated shift to automated production and increasing demand for production data from our customers.

In recent years, Sandvik Manufacturing Solutions has invested in building a solid offering within digital manufacturing with software solutions for design and planning automation, and industrial metrology. This work continued in 2024, as we strengthened our ability to serve our customers through the acquisition of Cimquest, a US-based reseller of Computer Aided Manufacturing (CAM) solutions and one of the largest resellers in the network of our CAD/CAM software solutions provider Mastercam®.

Sandvik divested its engineer-to-order business DWFritz Automation and decided to exit its minority ownership in BEAMIT, a provider of additive manufacturing services. The decisions were motivated by portfolio optimization and our focus on software and powder technology, respectively.

Digital shift

Sandvik has increased its focus on software solutions in Sandvik Manufacturing Solutions' offering to better leverage synergies within product integration and development, as well as synergies from common business models. Software revenue in Sandvik Manufacturing Solutions showed mid single digit growth, and we are on track to meet the 2025 target of SEK 4 billion.

Product innovation is key to our growth and a number of digital solutions were launched during the year. Sandvik Manufacturing Solutions launched a Manufacturing Copilot based on generative artificial intelligence (AI)

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

> Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

in alliance with Microsoft. This new capability is available in several of our CAD/CAM software solutions, and will gradually be integrated into more brands, enabling a shift in the customer experience by simplifying their machining processes.

The business area agreed on a common roadmap for the development of software integrations, AI, and the modernization of products, and started to expand its R&D hub in India to ensure a cutting-edge position within AI and cloud solutions.

We continued to add combined software and tooling offerings as well as combined industrial metrology software and hardware.

Sustainability shift

By introducing new, more efficient cutting tools, and combining them with software solutions, we help minimize our customers' energy consumption and raw material waste. At our Gimo (Sweden) site, the integration of Vericut™ Force software for analyzing and optimizing cutting conditions during component manufacturing reduced energy consumption by 15 percent, for example.

Sandvik Coromant introduced new features in its Productivity Analyzer tool to help manufacturers measure their energy consumption and carbon footprint. The enhanced tool provides data-driven insights into increased productivity, details the exact savings achievable by using Sandvik tools and offers suggestions for further improvement.

Circularity includes all parts of the product lifecycle, from design and sourcing to use, and resource recovery. For many years, Sandvik has been buying back used tools from customers for recycling into new tools. In 2024, the customer recycling program was recognized with the 'Sandvik Sustainability Award in Memory of Sigrid Göransson' for digitalizing the process and making it much simpler for the customer, with increased transparency and traceability. We also enhanced the overall circularity rate of our metal powders and made significant progress in our reconditioning services.

Agile through cycle

We continuously implement measures to improve revenue resilience and support the margins. During the year, we worked on product management, price structures and how we go to market within our software business. We increased our share of software sales and also improved the recurring revenue stream through higher attraction rates and more subscription-based revenue. We redirected capabilities towards previously mentioned growth areas, adapting as necessary to evolving business scenarios.

We enhanced productivity within our operations by process and consolidation measures, actively managed procurement processes, and increased control over our supply chain. Staffing models were adjusted and we decided on where to employ our own expertise and where to outsource or work with partners. We also optimized the overhead structure and reduced administrative costs in several areas.

As part of the Group-wide program of restructuring measures launched in 2024, Sandvik Manufacturing and Machining Solutions is expected to deliver annualized savings of SEK 0.7 billion by the end of 2025. A run-rate of 82 percent was achieved already in 2024. Coupled with the 2022 program, which delivered a run-rate of 91 percent, it supported margin resilience in a challenging market environment.

Despite significant volume declines, we managed to achieve a margin of 20.0 percent (21.5).

Customer's first choice

Our decentralized business approach ensures that we remain closely connected to both our customer base and distributor network. We have structured processes in place to gather feedback and input from our customers and many of our products and solutions are developed based on direct customer feedback.

IMTS 2024 is a major trade show for the manufacturing industry and this year it attracted nearly 80,000 attendees from over 110 countries. Several Sandvik brands were featured at the show and the participation generated strong interest.

We ensure that we can be a partner in our customers' digital journey, regardless of their development stage, and offer relevant solutions and expertise to support them. Digital solutions are becoming increasingly important, as many customers have difficulties finding skilled personnel, and components are becoming more complex to produce. In 2024, the US National Institute for Aviation Research (NIAR) joined the Lighthouse program, a program designed to support small and medium-sized component manufacturers.

Employer of choice

Our recruitment efforts aim to attract the necessary skills for future needs, including machining knowledge, cloud-based solutions, AI and automation. Sandvik engages in targeted initiatives to enhance diversity, equity and inclusion in our workforce. We strive to increase the proportion of female employees at all levels and we launched, for example, a female talent encouragement program in 2024.

To monitor employee engagement, we conduct monthly and quarterly surveys. Employee health and well-being are also assessed through these surveys, and we maintain local health and well-being programs at all major sites.

We invest in employee learning and development through extensive training programs, and make sure that acquired companies are included in these programs. To foster cross-learning, we have instituted mentorship programs across our businesses, and host collective intelligence workshops with the intention of sharing expert knowledge and encouraging customer-driven innovation.

Meet our employees

Patrik Eurenius, head of sustainability and EHS at Sandvik Coromant talks about the benefits of being a leader in sustainability and productivity within component manufacturing. And the key to success is spelled data.

Listen at home.sandvik/podcast

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

> Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Overview

Our offering

- Metal cutting (milling, turning and drilling)
- CAD/CAM and simulation software
- Tool management solutions
- Metal powder
- Industrial metrology

Manufacturing and machining value chain

Product portfolio
Providing customers with a leading and sustainable offer delivered via multiple divisions and brands in the form of metal cutting tools, digital manufacturing and software solutions, metal powders, and industrial metrology.

Market characteristics
Cutting tools represent a small share of the total manufacturing cost for customers, however they are significant for productivity and quality. Service levels and product solutions are the main differentiators for the premium market. The mid-market is more price sensitive but requires a lower degree of service.

Demand drivers
- Regionalization
- Urbanization
- Demography challenges
- Material evolution
- Complex component designs require more advanced tooling solutions
- Skills gap due to an ageing workforce drive demand for automation and software solutions
- Sustainability

Competitive landscape/Major competitors
- Competitors in the premium market: IMC Group (ISCAR brand), Kennametal
- Fragmented in the mid-market including global premium players present with their mid-market brands: Mitsubishi, IMC Group (TaeguTec brand), Kennametal (Widia brand)
- Hexagon, Autodesk, Dassault, Siemens within CAM. Hexagon, Zeiss, Innovmetric within metrology solutions.

Go-to-market model
Direct sales approximately 55–60 percent. Distribution sales are predominant in North America, whereas direct sales are predominant in Europe. In Asia, mainly distribution sales with a limited service offering in the mid-market segment and direct sales, with a high service level in the premium market.

Growth strategy
Expansion through organic growth, innovation and focused acquisitions, strengthen our position in the fast-growing sub-segments of our core business. Expansion into digital and software solutions and industrial metrology, supporting customer value chains.

Strategic risk management
Systematic management and mitigation of business environment risks with an impact on the metal cutting market in general, including changes in customer behavior, acquisition-related risks, trade/geopolitical risks, structural changes in our industry, information security risks and compliance-related risks.

2024 in brief

Strategy

Our operations

Sandvik Mining and Rock Solutions

Sandvik Rock Processing Solutions

> Sandvik Manufacturing and Machining Solutions

Directors' report

Financial statements and notes

Innovations creating customer value

Component manufacturing of the future is digitalized and automated, from design to the finished product, a transformation that will make the industry more productive, energy efficient and less resource intensive. Our innovative products are designed to support our customers on this journey.

We offer integrated hardware and software solutions that increase productivity and value for our customers. In 2024, Sandvik Coromant launched MS20, a two-edged milling tool with superior properties. Its new insert interface boosts reliability, and improved tool accuracy and minimal runout enhances component quality and surface finish. The extended tool life lowers tool consumption and improves productivity, contributing to cost efficiency, and reduced energy consumption and environmental impact.

Thrill·tec™ from Walter is a 3-in-1 solution designed for thread milling. This versatile tool can perform chamfering, core hole drilling, and threading, all with high efficiency and reliability.

Dormer Pramet launched E55 tool taps which are designed for general engineering purposes and produced in Ankleshwar (India). Made from high-quality recycled high-speed steel (HSS), these taps suit various handheld power tools. Launched in September, the product line has already generated substantial sales.

Seco introduced a boring head equipped with a digital reader, designed to enhance ease of use, efficiency, and quality. This innovative tool is prepared with Bluetooth capabilities for data communication, offering improved, automated functionalities that increase customer value. By eliminating human errors, this product is set to increase precision in machining.

During the year, Sandvik launched generative AI in its manufacturing software in alliance with Microsoft. An industry-first Manufacturing Copilot was included in the latest releases of CAD/CAM softwares GibbsCAM™, Cimatron® and SigmaNEST®. The copilot will simplify the user experience and onboarding.

Cross-fertilization and integration of tools and software continued. Mastercam launched its 2025 version with the addition of Y-axis turning capability from Sandvik Coromant. The addition enables machining of complex shapes. Integrating the GibbsCAM™ software to Vericut® makes verifying Numerical Control (NC) programs and simulating CNC machines a more efficient process. The integration of the quality intelligence product QDM with the metrology softwares Metrolog X4®, Silma® and Viewer gained high interest from customers looking to improve their productivity in quality management.

Examples of innovations

MS20

MS20 is a two-edged milling tool from Sandvik Coromant with superior properties. Its new insert interface boosts reliability, and improved tool accuracy and minimal runout enhances component quality and surface finish. The extended tool life lowers tool consumption and improves productivity, contributing to cost efficiency, reduced energy consumption and environmental impact.

Thrill·tec™

Thrill·tec™ from Walter is a 3-in-1 solution designed for thread milling. This versatile tool can perform chamfering, core hole drilling, and threading, all with high efficiency and reliability.

Mastercam® with Y-axis turning

The 2025 version of Mastercam® software was launched with the addition of Y-axis turning capability from Sandvik Coromant, an integration of tools and software that enables machining of complex shapes.

Boring head with digital reader

Seco introduced a boring head equipped with a digital reader, designed to enhance ease of use, efficiency, and quality. This innovative tool is prepared with Bluetooth capabilities for data communication, offering enhanced functionalities that increase customer value through automation. By eliminating human errors, this product is set to enhance precision in machining.

SANDVIK

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Directors' report

2024 in brief

Strategy

Our operations

Directors' report

> Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Group

Order intake and revenue
2024 had a mixed demand picture, with regional variations as well as between key customer segments. Demand in the mining segment was stable on a high level, with strong momentum in parts, services and consumables compensating for lower mining equipment investments. On the back of geopolitical and macroeconomic uncertainties, the infrastructure market remained challenging throughout the year, with declining demand in all regions. Lower industrial activity and specific challenges in automotive led to a decline in demand for cutting tools, most notable in Europe. Demand in aerospace was slightly subdued, mainly due to temporary issues in North America during the second half of the year. The powder business developed strongly during the year, and Sandvik software solutions grew mid- to high-single digits. Group volumes were down year on year, partly compensated by good price execution and cost control. The order intake amounted to SEK 124,694 million (125,011), corresponding to an increase of 2 percent at fixed exchange rates, of which organic growth was 1 percent. Revenues amounted to SEK 122,878 million (126,503), a decline by 3 percent, corresponding to a 1 percent decrease at fixed exchange rates, of which organic development was -2 percent. The book-to-bill ratio was 101 percent (99).

Earnings and return
EBITA decreased to SEK 20,493 million (24,530), corresponding to 16.7 percent (19.4) of revenues. The adjusted EBITA decreased to SEK 23,583 (25,240) and the adjusted EBITA margin decreased to 19.2 percent (20.0) compared to the previous year. Changes in foreign exchange rates affected adjusted EBITA negatively by SEK -434 million (601) compared with the preceding year. Net financial items amounted to SEK -1,959 million (-2,623). The result before taxes was SEK 16,461 million (19,794). Income tax had a total impact of SEK -4,216 million (-4,493) on earnings, corresponding to 25.6 percent (22.7) of profit before taxes. Profit for the year attributable to owners of the Parent Company was SEK 12,243 million (15,300). Basic earnings per share amounted to SEK 9.76 (12.20). Return on capital employed was 13 percent (16) and return on equity was 13 percent (18).

Working capital
Relative net working capital for the year was 30 percent (29) of revenues. In absolute terms net working capital amounted to SEK 35,902 million (35,048) at the end of the year. In terms of volume, net working capital decreased by SEK -1,256 million compared with the preceding year. Changed currency rates increased net working capital by SEK 1,519 million compared with the preceding year. The structural effect from acquisitions and divestments increased working capital by SEK 591 million.

Earnings and return	2023	2024
EBITA, MSEK	24,530	20,493
EBITA margin, %	19.4	16.7
Adjusted EBITA[1], MSEK	25,240	23,583
Adjusted EBITA margin[1], %	20.0	19.2
Profit before tax, MSEK	19,794	16,461
Profit for the period	15,301	12,245
Return on capital employed, %	16.4	13.4
Return on capital employed, excl. amortizations of surplus values, %	17.9	14.8
Return on total equity, %	17.6	13.3
Earnings per share, basic, SEK	12.20	9.76
Earnings per share, diluted, SEK	12.18	9.75
Items affecting comparability in EBITA[2]	-710	-3,090

1) Adjusted for items affecting comparability.
2) 2023 is mainly related to structural measures to support resilience ambitions, applicable for all business areas, with the main portion related to SMM and SRP. It also includes the wind-down of operations in Russia and M&A costs. 2024 is mainly related to the restructuring program announced in January 2024, applicable for all BA's, a capital loss from the divestment of DWFritz ETO business within SMM and M&A costs. The line items affected are mainly Cost of goods and services sold SEK -1,108 million, Sales expenses SEK -329 million, Administrative expenses SEK -572 million, Other operating income SEK 88 million and Other operating expenses SEK -878 million.

Quarterly trend of revenue and profit before tax

	2023				2024			
MSEK	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	30,968	32,243	31,476	31,816	29,002	31,419	30,306	32,151
Profit before tax	5,063	4,428	5,004	5,298	1,688	4,990	4,402	5,381
Net margin, %	16	14	16	17	6	16	15	17

2024 in brief

Strategy

Our operations

Directors' report

> Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Cash flow and financing
Cash flow from operating activities increased to SEK 20,607 million (18,797). Net cash flow after investing activities was SEK 12,936 million (10,293). At the end of the year, cash and cash equivalents amounted to SEK 4,528 million (4,363) and free operating cash flow was SEK 21,194 million (19,582).
Financial net debt was SEK 32,116 million (35,215) and the financial net debt/EBITDA ratio was 1.2 (1.2).

At the end of 2024, Sandvik had unutilized committed credit facilities SEK 11,000 million consisting of a revolving credit facility. The remaining duration for the Group's outstanding bonds is currently 3.3 years.

According to the international credit-rating agency Standard & Poor's, Sandvik Group held a long-term rating of BBB+ with a stable outlook at year-end 2024. The rating was changed from A- with negative outlook during the year. The short-term rating is A-2 and K1 on the domestic Nordic scale.

Equity
Equity at year-end amounted to SEK 96,999 million (87,697), or SEK 77.3 per share (69.9). The equity ratio was 53 percent (50).

Investments
Investments in non-current assets for the full year 2024 amounted to SEK 4,841 million (5,354) corresponding to 140 percent of scheduled depreciation. Proceeds from the sale of companies and shares, net of cash, amounted to SEK -22 million (-164). Investments in internally generated intangible assets were SEK 964 million (1,085). Investments in companies and shares, net of cash acquired, amounted to SEK -3,187 million (-1,877).

Acquisitions during the year
In February, Sandvik acquired Pro-micron GmbH, a German-based supplier of sensorized tools and automation software.

In March, Sandvik acquired Cimquest, a US-based reseller of Computer Aided Manufacturing (CAM) solutions and one of the largest resellers in the Mastercam network.

In May, Sandvik acquired Almü Präzisions-Werkzeug GmbH, a Germany-based cutting tools and solutions provider within high-precision drilling, reaming, milling and tooling systems.

In June, Sandvik acquired PDQ Workholding LLC, a leading US-based company specializing in custom workholding fixtures and tooling.

In July, Sandvik acquired the majority stake in Suzhou Ahno Precision Cutting Tool Technology Co., Ltd., a China-based company with leading position in precision cutting tools.

In December, Sandvik acquired Universal Field Robots, a fast-growing Australia-based provider of autonomous interoperable solutions for the surface mining and underground mining markets.

Divestments during the year
In August, Sandvik divested the engineer to-order business of DWFritz.

Parent Company[1)]
The Parent Company's revenues for 2024 amounted to SEK 13,427 million (13,705) and the operating result was SEK 793 million (-6,868). The result from shares in Group companies of SEK 9,147 million (12,855) for the year consists mainly of dividends and contributions. Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 36,753 million (38,011). The Parent Company's total assets decreased by SEK 3,508 million, from SEK 100,414 million to SEK 96,906 million. Investments in non-current assets amounted to SEK 438 million (384).

The number of employees in the Parent Company and the subsidiaries operating on commission for Sandvik AB as of December 31, 2024, was 3,569 (3,641).

1) The Parent Company includes subsidiaries operating on commission for Sandvik AB. These are presented in Note P12.

Dividend
The Board of Directors proposes a dividend of SEK 5.75 per share (5.50) to the 2025 Annual General Meeting, corresponding to approximately SEK 7.2 billion (6.9)

Dividend 5.75 SEK per share	
× number of shares	1,254,385,923
	=7,212,719,057
Profit carried forward	20,777,279,022
Distributable equity, SEK	27,989,998,079

Employees
The average number of employees, full-time equivalent, amounted to 41,162 (40,686), of which 21 percent (21) were women. The employee turnover rate was 11 percent (10). Wages, salaries and other remunerations for the year totaled SEK 26,798 million (26,323).

Guidelines for the remuneration of senior executives
The below remuneration guidelines were approved by the Annual General Meeting 2024, and apply until the Annual General Meeting 2028, unless any changes are proposed. The Board of Directors does not propose any new guidelines.

Scope of the guidelines
These guidelines encompass the President and other members of the Group Executive Management. The guidelines do not apply to any remuneration decided on or approved by the General Meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability
A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified

Capital expenditure, Group total	2023	2024
Investments in non-current assets, MSEK	5,354	4,841
% of revenue	4.2	3.9
% of scheduled depreciation	158	140

Financial position	2023	2024
Cash flow from operating activities, MSEK	18,797	20,607
Cash flow after investing activities, MSEK	10,293	12,936
Cash and cash equivalents as of December 31, MSEK	4,363	4,528
Financial net debt as of December 31, MSEK	35,215	32,116
Net financial items, MSEK	-2,623	-1,959
Financial net debt/ EBITDA	1.2	1.2
Equity as of December 31, MSEK	87,697	96,999
Equity ratio, %	50	53
Equity per share as of December 31, SEK	69.9	77.3

2024 in brief

Strategy

Our operations

Directors' report

> Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer senior executives a competitive total remuneration. For more information regarding the Company's business and sustainability strategy, please see the Company's website: home.sandvik.

Types of remuneration

The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as the Group's earnings trend. The remuneration may consist of fixed salary, variable remuneration, pension benefits and other benefits.

Fixed salary

The purpose of the fixed salary is to attract and retain senior executives with the right competence for the respective positions. The salary level should be determined by comparing the salary to similarly complex positions within a defined peer group.

Variable remuneration

– Variable share related remuneration

The Company may offer long-term share related or share price related remuneration. Such programs are adopted by the General Meeting and are therefore not covered by these guidelines. There are currently ongoing long-term share related incentive programs for senior executives and key employees in the Group. For more information on these programs, see the Company's website: home.sandvik.

–Variable cash remuneration

The Company may offer short or long-term variable cash remuneration. The fulfillment of objectives for awarding such remuneration shall be measured over a period of one to three years. Such remuneration may amount to not more than 75 percent of the fixed annual salary per year.

Variable cash remuneration shall be conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the Company's business strategy and performance as well as its long-term interests, including its sustainability. At the beginning of each year the Board of Directors and the Remuneration Committee shall establish the criteria, including key performance indicators (KPIs) and the target ranges, deemed relevant for the upcoming measurement period. The criteria may be financial, with at least three KPIs, and non-financial, and shall always be related to business performance. At least 80 percent of the variable cash remuneration shall be linked to the financial criteria. The President and Group Function heads shall be measured on Group level KPIs and the Business Area Presidents shall be measured on both Group level and Business Area level KPIs. The established KPIs shall be presented on the Company's website: home.sandvik. The extent to which the criteria for awarding variable cash remuneration have been fulfilled shall be determined when the measurement period has ended and will be published in the Report on Evaluation of Remuneration the following year. For financial criteria, the evaluation shall be based on the latest financial information made public by the Company.

–Special arrangements

In specific cases, the Company may offer one-off remuneration provided that such remuneration is only made on an individual basis, for the purpose of recruiting or retaining senior executives, does not exceed an amount corresponding to 100 percent of the individual's fixed annual salary and maximum variable cash remuneration, and is not paid more than once per year and individual.

–Right to withhold or reclaim remuneration

Terms and conditions for variable remuneration shall be designed so that the Board of Directors (i) has the right to limit or refrain from payment of variable remuneration if exceptional economic circumstances prevail and such a measure is considered reasonable, and (ii) has the right to withhold or reclaim variable remuneration paid to an executive based on results that afterwards were found to have been misstated because of wrongdoing or malpractice (so called malus and clawback).

Pension benefits

For the President, the pension benefit shall be defined contribution and the pension premiums shall amount to not more than 37.5 percent of the fixed annual salary. For the other senior executives, pension benefits shall be defined contribution and amount to not more than 35 percent of the fixed annual salary.

Other benefits

Other benefits may include, for example, life insurance, medical insurance and company car benefit. Such benefits may amount to not more than 5 percent of the fixed annual salary. For senior executives in need of double accommodation, paid accommodation, etc. may be added in line with Sandvik's regulations and such benefits may amount to not more than 20 percent of the fixed annual salary.

Termination of employment

Severance pay may be paid when employment is terminated by Sandvik. The President and the other senior executives may have a period of notice of not more than 12 months, in combination with severance pay corresponding to 6–12 months fixed salary. When employment is terminated by the senior executive, the notice period may not exceed six months and no severance pay shall be paid.

In case a senior executive is not entitled to severance pay, but is covered by a non-compete undertaking, the senior executive may instead be compensated for such a non-compete undertaking. Any remuneration paid as compensation for a non-compete undertaking shall not exceed 60 percent of the fixed salary at the time of notice of termination of the employment and shall not be paid for a longer period than 18 months. Fixed salary during the notice period together with any compensation for the non-compete undertaking shall not exceed an amount equivalent to the senior executive's fixed salary for 24 months.

Consideration of remuneration to the Company's employees

When preparing the proposal for these guidelines, the employment conditions applied within the Company as a whole have been used as a benchmark, following the principle that the remuneration packages of all Sandvik employees should be based on the complexity of the position, performance and market practice. In general, the same combination of remuneration components such as fixed salary, variable remuneration, pension and other benefits are offered within Sandvik.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration. The Board of Directors shall prepare a proposal for guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for senior

2024 in brief

Strategy

Our operations

Directors' report

> Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its executive management. The President and the other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters to the extent that they are affected by such matters.

Decisions on remuneration to the President are taken by the Board of Directors, based on proposals from the Remuneration Committee, and decisions on remuneration to the other senior executives are taken by the Remuneration Committee.

Adjustments to local rules

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration- related matters. This includes any resolutions to derogate from the guidelines.

For information concerning the current remuneration of senior executives, including ongoing long-term incentive programs, refer to note G4.

Research and development (R&D)

Each business area is responsible for its own R&D activities. Focus areas are machining materials and process development, powder metallurgy, electrification and digital solutions. Sandvik has a portfolio of 8,264 (6,921) active patents. In 2024, 1,157 (722) new patents were granted. The increase of active and granted patents is partly due to use of European Patents with unitary effect, so called Unitary Patents, which cover a large number of countries. Investments in R&D were SEK 5,053 million (4,803), corresponding to 4.1 percent (3.8) of revenues. The number of employees in R&D, including Quality Assurance, was 3,075 (3,134).

Tax

Sandvik is a multinational group with many intercompany transactions. The OECD has issued guidelines for transfer pricing of cross-border transactions in multinational groups. Sandvik adheres to these guidelines and also to the local legislation of each country to ensure that a correct pricing model is deployed and that a correct amount of tax is paid in each country. Sandvik monitors the OECD's tax reform work and the EU initiatives on tax transparency carefully and observes these standards as and when enacted. Sandvik strives to have good relations with our stakeholders, such as tax authorities, non-governmental organizations and investors.

Sandvik has initiated cooperation with tax authorities in several countries. We are convinced that an open discussion and cooperation with tax authorities around the globe will help us to reduce uncertainty about the taxes we are obliged to pay. We contribute to the local communities and countries in which we operate in the form of, for example, taxes and employment opportunities. In 2024, the Group paid SEK 5,474 million (6,852) in income taxes globally. Income tax comprises just a portion of all taxes paid by Sandvik worldwide. In addition, we pay social security contributions, environmental and energy taxes, property taxes, etc. Furthermore, Sandvik collects and pays taxes at the request of governments and authorities, including indirect taxes and withholding taxes.

Environment

In Sweden, Sandvik operates under licenses at eight sites in accordance with the Swedish Environmental Code, with each site holding the necessary environmental permits. During the year, there were a couple minor environmental incidents, along with a bigger oil spill and one exceedance of regulatory limits. All incidents were managed in consultation with the respective local supervisory authorities. In 2023, Sandvik Rock Tools in Sandviken applied for new permits, and the permit process was still ongoing at the end of 2024.

Statutory sustainability report

Sandvik has, in accordance with the Annual Accounts Act, prepared a statutory sustainability report, approved for issue by the Board of Directors and the President and CEO. The Statutory Sustainability Report and Sustainable Business Report comprise pages 6–7, 11, 18, 62–69, 138–154.

Events after the end of the period

On January 3, 2025, Sandvik acquired the assets of FASTech, a US based reseller of Computer Aided Manufacturing (CAM) solutions in the Mastercam network.

On January 10, 2025 Sandvik announced that Åsa Thunman, Executive Vice President and General Counsel of Sandvik, had decided to leave the company. The recruitment process to find a successor is under way.

On February 3, Sandvik acquired ShopWare, MCAM Northwest and the CAD/CAM solutions business line of OptiPro Systems, three US-based resellers of CAM solutions in the Mastercam network.

On March 3, 2025 Sandvik acquired three US-based resellers of CAM solutions in the Mastercam network, Barefoot CNC, CAD/CAM Solutions and CamTech Engineering Services. Additionally, Sandvik acquired the probing and post processor business lines of CIMCO Group, a Denmark-based developer of software solutions for computer-integrated manufacturing.

2024 in brief

Strategy

Our operations

Directors' report

Group

> Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Business areas

Sandvik is a decentralized Group and consists of three business areas: Sandvik Mining and Rock Solutions (SMR), Sandvik Rock Processing Solutions (SRP) and Sandvik Manufacturing and Machining Solutions (SMM).

Sandvik Mining and Rock Solutions
A global leading supplier of equipment and tools, parts, services, digital solutions and sustainability-driving technologies for the mining and infrastructure industries. Order intake for the business area amounted to SEK 64,404 million (64,527), an organic increase of 2 percent. Revenue totaled SEK 63,607 million (65,690), an organic decrease of 1 percent. The EBITA margin was 19.6 percent (21.0) and the adjusted EBITA margin was 20.4 percent (20.9) of revenues. The items affecting comparability of SEK -507 million (67) were primarily related to restructuring program and M&A costs.

Financial overview, MSEK	2023	2024
Order intake	64,527	64,404
Revenue	65,690	63,607
EBITA	13,783	12,443
EBITA margin, %	21.0	19.6
Adjusted EBITA[1)]	13,716	12,950
Adjusted EBITA margin[1)], %	20.9	20.4
Return on capital employed, %	24.4	21.6
Return on capital employed, excl. amortizations of surplus values, %	25.4	22.5
Number of employees[2)]	17,019	17,278

1) Adjusted for items affecting comparability of SEK -507 million for 2024 (67) primarily related to the restructuring program and M&A costs.
2) Full-time equivalent.

Sandvik Rock Processing Solutions
A leading supplier of equipment, service and technical solutions for processing rock and minerals in the mining and infrastructure industries. Order intake for the business area amounted to SEK 11,103 million (11,238), an organic increase of 1 percent. Revenue totaled SEK 10,704 million (11,472), an organic decrease of 5 percent. The EBITA margin was 10.7 percent (13.2) and the adjusted EBITA margin was 14.6 percent (14.5) of revenues. The items affecting comparability of SEK -411 million (-144) were mainly related to restructuring program.

Financial overview, MSEK	2023	2024
Order intake	11,238	11,103
Revenue	11,472	10,704
EBITA	1,517	1,150
EBITA margin, %	13.2	10.7
Adjusted EBITA[1)]	1,661	1,562
Adjusted EBITA margin[1)], %	14.5	14.6
Return on capital employed, %	8.5	6.4
Return on capital employed, excl. amortizations of surplus values, %	10.6	8.4
Number of employees[2)]	2,946	2,739

1) Adjusted for items affecting comparability of SEK -411 million for 2024 (-144), primarily related to the restructuring program.
2) Full-time equivalent.

Sandvik Manufacturing and Machining Solutions
A market-leading manufacturer of tools and tooling systems for advanced metal cutting, expanding into digital manufacturing and software solutions, as well as technologies such as additive manufacturing and in-line metrology. Order intake amounted to SEK 49,187 million (49,247), a organic decrease of 2 percent. Revenue totaled SEK 48,567 million (49,340), an organic decrease of 3 percent. The EBITA margin was 15.7 percent (20.4) and the adjusted EBITA margin was 20.0 percent (21.5). The items affecting comparability of SEK -2,104 million (-552) were mainly related to restructuring program, capital loss from the divestment of DWFritz ETO business and M&A costs.

Financial overview, MSEK	2023	2024
Order intake	49,247	49,187
Revenue	49,340	48,567
EBITA	10,045	7,614
EBITA margin, %	20.4	15.7
Adjusted EBITA[1)]	10,597	9,718
Adjusted EBITA margin[1)], %	21.5	20.0
Return on capital employed, %	13.7	9.6
Return on capital employed, excl. amortizations of surplus values, %	15.6	11.6
Number of employees[2)]	20,326	20,801

1) Adjusted for items affecting comparability of SEK -2,104 million for 2024 (-552). mainly related to the restructuring program, capital loss from the divestment of DWFritz ETO business and M&A costs
2) Full-time equivalent.

Order intake by business area

			Change	
MSEK	**2023**	**2024**	**%**	**%[1)]**
SMR	64,527	64,404	0	2
SRP	11,238	11,103	-1	1
SMM	49,247	49,187	0	-2
Group total	**125,011**	**124,694**	**0**	**1**

1) Organic change.

Revenue by business area

			Change	
MSEK	**2023**	**2024**	**%**	**%[1)]**
SMR	65,690	63,607	-3	-1
SRP	11,472	10,704	-7	-5
SMM	49,340	48,567	-2	-3
Group total	**126,503**	**122,878**	**-3**	**-2**

1) Organic change.

Adjusted EBITA by business area

MSEK	2023	2024	Change, %
SMR	13,716	12,950	-6
SRP	1,661	1,562	-6
SMM	10,597	9,718	-8
Group activities	-733	-647	N/A
Group total	**25,240**	**23,583**	**-7**

Adjusted EBITA margin by business area

% of revenue	2023	2024
SMR	20.9	20.4
SRP	14.5	14.6
SMM	21.5	20.0
Group total	**20.0**	**19.2**

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

> Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Corporate governance report

Sandvik AB has its head office in Stockholm and is the Parent Company of the Sandvik Group, with subsidiaries in about 70 countries. The Group has about 41,000 employees and revenues in more than 150 countries. Sandvik AB is a public company with its shares listed on Nasdaq Stockholm.

Corporate governance within Sandvik is based on external rules such as the Swedish Companies Act, the Nordic Main Market Rulebook for Issuers of Shares, the Swedish Code of Corporate Governance (the "Code") and other relevant laws and regulations. The Code is available at corporategovernanceboard.se. In 2024, Sandvik applied the Code without deviating from any of its regulations.

The Sandvik Way

The corporate governance framework at Sandvik, The Sandvik Way, implements the external rules previously mentioned and also sets out the internal rules and principles for governance that apply specifically within Sandvik. It is based on three segments, as set forth in the model below, and describes how common ways of working have been implemented throughout the entire organization.

Governance structure

This segment outlines how the Sandvik Group is led and governed. The Board of Directors, elected at the Shareholders' Meeting, sets the strategic direction for the Group. The President carries this out through the Group Executive Management whose members manage and oversee the operations of the Group. The main operational responsibility in the Group lies with the business areas and divisions, whereas the Group functions are responsible for functional policies and processes supporting the business.

The Sandvik Way is implemented in the respective business areas, with additional requirements cascaded down in the operational structure of each business area.

The Sandvik Way

Operations

The detailed controls and risk frameworks common across the Group are detailed in this segment. This includes many aspects such as strategy and risk management, policies, financial forecasting and scenario planning, as well as compliance, internal controls and audits. Performance management, controls and continuous improvements provide a solid basis for our ways of working.

Corporate culture

This segment sets the foundation for how we all shape our culture in the company and enable a customer-oriented and responsible business. Our operational controls and risk frameworks are supported by the ambitions and requirements of our purpose, core values, Code of Conduct and leadership model.

Ownership structure

As of December 31, 2024, the Sandvik share capital amounted to SEK 1,505,263,107.60 represented by 1,254,385,923 shares. At year-end, Sandvik had about 135,000 shareholders and AB Industrivärden was the largest owner with about 14.6 percent of the share capital. Of the total share capital at year-end, about 40 percent was owned by investors outside Sweden.

Shareholders' meeting

The General Meeting of Shareholders is the highest decision-making body. At the Annual

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

> Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Corporate governance model

General Meeting, the shareholders are given the possibility to exercise their voting rights in relation to, for example, the Annual Report, dividends, election of the Board and appointment of auditor, and other matters stipulated in the Companies Act, the Articles of Association and, where applicable, the Code.

All shareholders who have been entered in the share register and have informed the company of their participation within the time limit stated in the notice of the General Meeting are entitled to participate at the General Meeting and vote according to the number of shares held. Shareholders are also entitled to be represented by a proxy at a General Meeting. According to the Articles of Association, the Board may also decide to allow shareholders to exercise their voting rights through postal voting before the General Meeting.

All shares in Sandvik carry equal voting rights with one vote per share.

Ten largest shareholders, December 31, 2024, %

Industrivärden	14.6
Alecta Pension Insurance	4.5
BlackRock	3.5
Swedbank Robur Funds	3.4
Vanguard	3.3
Lundbergföretagen	3.1
Handelsbanken Funds	2.7
Norges Bank Investment Management	1.9
SEB Investment Management	1.9
Folksam	1.4

Source: Monitor by Modular Finance AB

2024 Annual General Meeting
Shareholders representing 61.6 percent of the share capital and votes participated at the Annual General Meeting held on April 29, 2024. Resolutions included the following:

- Dividend of SEK 5.50 per share
- Election of Susanna Schneeberger as new Board member and re-election of Board members Claes Boustedt, Marika Fredriksson, Johan Molin, Andreas Nordbrandt, Helena Stjernholm, Stefan Widing and Kai Wärn as well as re-election of Johan Molin as Chairman of the Board
- Re-election of PricewaterhouseCoopers AB as auditor
- Approval of the Board's remuneration report
- Guidelines for the remuneration of senior executives
- Long-term incentive program in the form of a performance share program for about 350 senior executives and key employees in the Group
- Authorization for the Board to decide on the acquisition of the company's own shares up to a maximum of 10 percent of all the shares in the company

For additional information about the Annual General Meeting, including the minutes, visit home.sandvik.

2025 Annual General Meeting
The next Annual General Meeting will be held in Sandviken, Sweden, on April 29, 2025. More information can be found in the notice convening the General Meeting and at home.sandvik.

Nomination Committee
The Nomination Committee is a preparatory body that prepares proposals for, among other things, the election of the Board, the Chairman of the Board and auditors, as well as fees for adoption at the General Meeting. The Annual General Meeting has adopted instructions for the Nomination Committee, which include procedures for appointing the Nomination Committee, valid until the General Meeting resolves on a change. In accordance with these instructions, the Nomination Committee shall consist of members appointed by each of the four largest shareholders in terms of the number of votes on the final business day in August plus the Chairman of the Board (convener).

Nomination Committee for 2025 AGM
For the 2025 Annual General Meeting, the Nomination Committee consists of Fredrik Lundberg, Chairman (Industrivärden), Daniel Kristiansson (Alecta), Marianne Nilsson (Swedbank Robur Funds), Lars Pettersson (Lundbergs) and Johan Molin (the Sandvik Chairman of the Board).

Up to the date of this Annual Report, the Nomination Committee met on three occasions. The Nomination Committee was informed of the results of the Board's own evaluation. The Committee met with the President and CEO and Mats Eriksson, President of the Sandvik Mining and Rock Solutions business area, who presented the company's strategy. The Nomination

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

> Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

The 2024 Annual General Meeting was held at the Göransson Arena in Sandviken, Sweden.

Nomination Committee's tasks ahead of the 2025 Annual General Meeting

- Proposal concerning the Chairman of the Meeting
- Proposal concerning the number of Board members
- Proposal concerning remuneration of each Board member
- Proposal concerning the Board and Chairman of the Board
- Proposal concerning auditor and remuneration of the auditor
- If deemed necessary, proposal for changes to the Nomination Committee's instruction concerning the procedure for appointment of the Nomination Committee for the forthcoming Annual General Meeting and its assignment

Committee discussed the general criteria that Board members should fulfill, including the independence requirement, and reviewed the number of Board assignments that each Board member has in other companies. The Nomination Committee applied rule 4.1 of the Code as the diversity policy. This rule states that the Board shall have an appropriate composition in view of the company's operations, phase of development and other relevant circumstances, display diversity and breadth in terms of qualifications, experience and background of the Board members elected by the General Meeting and that the company shall strive for gender balance.

Board of Directors

The Board is responsible for the company's organization and the management of the company's business. The Board is required to continuously monitor the company's and the Group's financial position.

The Board is to ensure that the company's organization is designed in a way that ensures that the financial statements, the management of assets and the company's financial condition in general are controlled in a satisfactory manner. The Board also adopts the strategy for the Group and monitors the performance and compliance with relevant rules and strategic plans.

The President is appointed by the Board and is responsible for the daily operations pursuant to guidelines and instructions issued by the Board. The distribution of responsibilities between the Board and the President is laid down in the Board's Procedural Guidelines which are reviewed and adopted each year. The review is based on such aspects as the Board's evaluation of the individual and collective work that the Board performs.

In addition to financial reporting and the monitoring and follow-up of daily operations and profit trend, Board meetings address the goals and strategies for the operations, significant acquisitions and investments, as well as matters relating to the capital structure. Senior executives report business plans and strategic issues to the Board on an ongoing basis.

Composition

As of December 31, 2024, the Sandvik Board consisted of eight members elected by the Annual General Meeting. The Nomination Committee communicated before the 2024 Annual General Meeting that the Nomination Committee had applied rule 4.1 of the Code as the diversity policy. The current Board composition is the result of the work of the Nomination Committee prior to that General Meeting. The Board consists of members with experience from different geographic areas and different industry sectors. Excluding the President, 43 percent of the Board members elected by the General Meeting are women. No Board member represents any under-represented social groups.

Pursuant to Swedish legislation, trade unions are entitled to representation on the Board and they have appointed two members and two deputies.

The Board members are presented on pages 58–59.

Independence

Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company and Stefan Widing is not regarded as independent in relation to the company and its executive management. The other five Board members elected by the General Meeting are all independent in relation to Sandvik and its executive management, as well as the company's major shareholders. Accordingly, the composition of the Board complies with the independence requirements of the Code. The President is the only executive member of the Board.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

> Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Attendance at Board and Committee meetings in 2024

Member	Board	Audit Committee	Remuneration Committee	Acquisitions and Divestitures Committee
Total number of meetings	*12*	*5*	*4*	*4*
Jennifer Allerton[1]	6			
Thomas Andersson[1]	6			
Claes Boustedt	12	5		4
Marika Fredriksson	12			
Fredrik Håf	12			
Carl-Åke Jansson[2]	6			
Erik Knebel[1]	6			
Thomas Lilja	12			
Johan Molin	12	5	4	4
Andreas Nordbrandt	12			
Susanna Schneeberger[2]	6			
Jessica Smedjegård[2]	6			
Helena Stjernholm	12	5	4	4
Stefan Widing	12			
Kai Wärn	12		4	

1) Resigned in April 2024.
2) Appointed in April 2024.

Composition of the Board as of December 31, 2024

Name	Function	In-dependent	Shareholding, number[1]	Elected	Audit	Remuneration Committee	Acquisitions and Divestitures Committee
Claes Boustedt	Member	Yes	50,000	2015	Chairman		Member
Marika Fredriksson	Member	No[3]	2,500	2017			
Fredrik Håf	Member[2]		2	2022			
Carl-Åke Jansson	Deputy[2]		1,120	2024			
Thomas Lilja	Member[2]		5,197	2016			
Johan Molin	Chairman	Yes	965,000[4]	2015	Member	Chairman	Chairman
Andreas Nordbrandt	Member	Yes	2,400	2021			
Susanna Schneeberger	Member	Yes	1,000	2024			
Jessica Smedjegård	Deputy[2]		156	2024			
Helena Stjernholm	Member	No[3]	5,000	2016	Member	Member	Member
Stefan Widing	Member	No[3]	89,327	2020			
Kai Wärn	Member	Yes	12,000	2020		Member	

1) Pertains to own and closely related persons' shareholdings in Sandvik AB.
2) Employee representatives (both members and deputy members participate in Board meetings). Thomas Lilja (member) and Carl-Åke Jansson (deputy) represent Unionen/Ledarna/Swedish Association of Graduate Engineers. Fredrik Håf (member) and Jessica Smedjegård (deputy) represent IF Metall.
3) Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company and Stefan Widing is not regarded as independent in relation to the company and its executive management.
4) In addition 1,000,000 call options in Sandvik AB.

Board proceedings during 2024

During the year, the Board held 12 meetings. The Board addressed matters related to the strategic objectives for the year, CSRD and sustainability reporting, the Sandvik digital shift, enterprise risk management, EHS, succession planning and talent management, investments and review of previously made investments.

During the year, there was a special focus on strategy updates within the framework of the Sandvik overall strategy. The Presidents of all business areas presented their goals and strategies, and the Board also reviewed the strategies and results from a number of the divisions. Furthermore, the Board handled matters relating to the acquisition of a majority holding in Suzhou Ahno Precision Tool Technology Co., Ltd.

The Remuneration Committee, Audit Committee and the Acquisitions and Divestitures Committee reported from their respective meetings. With respect to the Audit Committee, reported matters included accounting principles, financial outcome, ERM, compliance, Speak Up and Code of Conduct, internal control and internal audit, as well as the result of the external audit. The Committees also submitted matters for resolution by the Board and the minutes and reports from these meetings were made available to the Board members.

In the autumn of 2024, the Board traveled to India to visit Sandvik Machining and Manufacturing Solutions production sites as well as a local customer.

Remuneration of the Board

As resolved at the 2024 Annual General Meeting, the fee to the Chairman of the Board was SEK 3,000,000 and the fee to each of the non-executive Board members elected by the General Meeting was SEK 800,000.

In addition, SEK 352,000 was paid to the Chairman of the Audit Committee and SEK 200,000 to each of the other Committee members, in total SEK 752,000. The Chairman of the Remuneration Committee was paid SEK 167,000 and each of the other Committee members SEK 132,000, in total SEK 431,000. The Chairman of the Acquisitions and Divestitures Committee was paid SEK 226,000 and each of the other Committee members SEK 167,000, in total SEK 560,000.

For more detailed information on remuneration of the Board members, see note G4.

Evaluation of the work of the Board

To ensure the quality of the work of the Board, optimize the work processes and identify the possible need for further expertise and experience, the work of the Board and its members is evaluated annually. In 2024, the evaluation was led by the Chairman of the Board, without the involvement of an independent third party, and was carried out by each Board member responding anonymously to an online questionnaire. The Chairman also held separate evaluation discussions with all Board members. The compiled results of the evaluations were analyzed and subsequently presented to the Board as well as to the Nomination Committee.

Board Committees

The tasks of the Committees and their work procedures are stipulated in written instructions issued by the Board. The Committees' primary task is to prepare issues and present them to the Board for resolution.

The members of each Committee, including the Committee Chairman, are appointed annually by the Board at its constituent meeting held after the Annual General Meeting.

Remuneration Committee

During 2024, the members of the Remuneration Committee were Johan Molin (Chairman of the

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

> Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Committee), Helena Stjernholm and Kai Wärn. The tasks of the Remuneration Committee are, among others, those prescribed by the Code, which include preparing the proposal for guidelines for remuneration of senior executives. The Committee also prepares the remuneration report as well as the proposal for the long-term incentive program for senior executives.

The Remuneration Committee decides on the remuneration to be paid to the Group Executive Management. Based on the recommendations of the Remuneration Committee, the Board decides the remuneration and terms of employment for the President.

For guidelines, remuneration and other benefits payable to the Group Executive Management, refer to the Guidelines for the remuneration of senior executives on pages 48–50 and note G4.

In 2024, the Remuneration Committee held four meetings.

Audit Committee

During 2024, the members of the Audit Committee were Claes Boustedt (Chairman of the Committee), Johan Molin and Helena Stjernholm. Areas addressed by the Audit Committee mainly related to:

- Monitoring the financial reporting and ensuring its reliability
- Effectiveness of the system of internal control and internal audit
- Planning, scope and follow-up of the internal and external audit for the year
- Assistance to the Nomination Committee with regards to proposal for auditor
- Monitoring of the external auditor's independence and objectivity vis-à-vis the company, including the extent to which the auditor provides other services than auditing services to the company
- The Group's systematic processes for overall corporate risk management, as well as more detailed risk management matters including legal disputes, compliance, corporate investigations, IT security, Group Digital Security Improvement, accounting procedures, taxation, treasury, finance operations, insurance coverage and pension issues
- The development and effectiveness of compliance processes, with special focus on ensuring operational stability of the compliance program
- The Sandvik Code of Conduct, the Sandvik global whistleblowing system, some specific cases managed through Speak Up as well as the overall effectiveness of the system
- The Sandvik sustainable business strategy and materiality analysis

In 2024, the Audit Committee held five meetings at which the Sandvik external auditor and representatives of the company's management were present.

Acquisitions and Divestitures Committee

During 2024, the members of the Acquisitions and Divestitures Committee were Johan Molin (Chairman of the Committee), Claes Boustedt and Helena Stjernholm. The purpose of the Committee is to prepare matters relating to major or strategically important acquisitions and divestitures for Board decisions. The Committee meets on an ad hoc basis, at the request of the President and CEO in consultation with the Chairman of the Board.

In 2024, the Acquisitions and Divestitures Committee held four meetings, during which the Committee reviewed matters including the acquisition of Suzhou Ahno Precision Tool Technology Co., Ltd.

President and Group Executive Management

The President is accountable for Group decision-making in all areas delegated by the Board. In order to ensure a full Group perspective in these matters, the President has appointed the Group Executive Management as an advisory forum, focusing on how to achieve Group targets, strategies, structure and organization. The Group Executive Management meets each month and its members are accountable for implementing the President's decisions.

In 2024, the Group Executive Management consisted of:

- Stefan Widing, President and CEO, and President of Sandvik Manufacturing and Machining Solutions
- Cecilia Felton, Executive Vice President and Chief Financial Officer
- Mats Eriksson, President of Sandvik Mining and Rock Solutions
- Richard Harris, President of Sandvik Rock Processing Solutions
- Nadine Crauwels, President of the Sandvik Machining Solutions business area segment
- Mattias Nilsson, President of the Sandvik Manufacturing Solutions business area segment
- Johan Kerstell, Executive Vice President and Head of Human Resources
- Björn Roodzant, Executive Vice President and Head of Group Communications and Sustainability
- Sofia Sirvell, Executive Vice President and Chief Digital Officer
- Åsa Thunman, Executive Vice President and General Counsel

In February 2025, Johan Kerstell, Head of Human Resources, was succeeded by Björn Axelsson. It has also been announced that Åsa Thunman, General Counsel, will leave Sandvik no later than July 2025.

The members of the Group Executive Management are presented further on pages 60–61.

Business areas

The Sandvik operational structure is based on a decentralized business model. There are three separate business areas – Sandvik Mining and Rock Solutions, Sandvik Rock Processing Solutions and Sandvik Manufacturing and Machining Solutions – each based on distinct product offerings. Each business area has full responsibility and accountability for its respective business results.

Sandvik Manufacturing and Machining Solutions is divided into two business area segments – Sandvik Machining Solutions and Sandvik Manufacturing Solutions. Furthermore, each of the three business areas is organized in a number of divisions based on product offering or brand. The division is the highest operational entity in the Sandvik organizational structure. Certain divisions that are based on a product offering are divided into business units representing a defined part of the product offering.

For an overview of the Sandvik organizational model, refer to page 6 and visit home.sandvik for more detailed information relating to the Group's business activities and product portfolios.

Group functions

There are five Group functions within Sandvik: Communications and Sustainability, Finance, IT, HR and Legal. Group functions specifically focus on setting the appropriate enabling structures and processes that are common for the Group or cover a specific area for which the Group is responsible.

External auditor

At the 2024 Annual General Meeting, the audit firm PricewaterhouseCoopers AB was re-elected auditor of Sandvik AB for the period until the 2025 Annual General Meeting. Anna Rosendal is the auditor-in-charge.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

> Corporate governance report

Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

The auditor continuously audits and monitors the company's general accounting and the execution by the Board and the President of their respective responsibilities.

The progress of the audit is reported regularly during the year to the management teams of individual companies and the business areas, the Audit Committee and the Board. The auditor meets with the Board at least once a year without the President or any other member of the Group Executive Management attending.

The independence of the external auditor is guaranteed by the Audit Committee having determined the principles for allowing non-audit services to be provided by the auditor and, in some cases, pre-approving non-audit services.

Audit fees are paid continuously over the period in office on an approved current account basis. For detailed information on fees paid to the auditor, see note G5.

Internal control over financial reporting

The Sandvik organization manages a well-established financial reporting process aimed at ensuring a high level of internal control.

The internal control system aligns with the conceptual framework of COSO, which is based on five key components that provide an effective framework for describing and designing the internal control system implemented in the organization. The five components are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring and Follow-up. The application of the COSO framework is described below.

The Sandvik Board is ultimately responsible for the governance of risk management including internal control over financial reporting.

Control environment

Sandvik internal control over financial reporting forms an integral part of the operations, described in The Sandvik Way, which also includes risk assessments, policies, procedures and compliance.

The Sandvik Financial Reporting Policies and Procedures govern control over financial reporting. These documents contain detailed instructions regarding accounting policies and financial reporting procedures to be applied by all Sandvik reporting entities.

A Sandvik Financial Internal Control Framework has been developed and includes key components such as well-defined roles and responsibilities, internal control procedures and the risk and control matrix which defines a mandatory minimum of control activities that contribute to the mitigation of risks to acceptable levels. The implementation of internal controls has been completed for key entities within the scope of internal controls over financial reporting. For future implementations (including new acquisitions) the respective business areas will handle the process according to the scoping and integration plan.

Risk assessment

The design of internal control over financial reporting begins with a risk assessments process at the respective business area/division/entity level. Risk assessment is the identification of factors or conditions that threaten the achievement of Sandvik objectives.

Key risks noted in local assessments and observations made by Internal and External Audit are also taken into consideration to ensure that adequate controls exist to mitigate these risks.

Control activities

Mandatory control activities include business process controls, IT controls and corporate governance controls focusing on compliance with policies and procedures. Internal controls are tailored per each operational entity based on risks and applicability. Entity management and process owners are responsible for ensuring that internal controls are operated as per agreed design.

At Group level, Group Control manages the reporting process to ensure the completeness and accuracy of financial reporting and compliance with IFRS requirements.

Controllers in the divisions and business areas perform analytical reviews and investigations, conduct business trend analyses and update forecasts.

Information and communication

Policies and procedures related to financial reporting are updated and communicated on a regular basis to all entities.

Results of monitoring and the status of improvement activities related to internal controls are included in the CFO report which is part of the agenda for the Audit Committee meetings.

Quarterly interim reports are published externally and are supplemented by investor meetings attended by members of the Group Executive Management.

Monitoring and follow-up

Entity management, as well as local and global process owners, are responsible for testing the effectiveness of internal controls through self-assessments every six months and according to the requirements in the Sandvik Internal Control Framework. The results of the self-assessment testing of controls including test evidence are reported and consolidated in a Governance, Risk and Compliance IT tool. The tool also requires the reporting of action plans with the purpose to remediate ineffective controls.

Business areas and divisions are to monitor the remediation of ineffective controls. The Audit Committee monitors the effectiveness of internal controls related to financial reporting presented by management with potential deficiencies and suggested actions.

The Board reviews all quarterly interim reports as well as the Annual Report prior to publishing. The Audit Committee reports to the Board regarding internal control matters including matters for resolution. Minutes from Audit Committee meetings are made available to Board members.

Internal audit

Internal Audit is subordinated to the Audit Committee and the Vice President of Internal Audit reports to the Audit Committee.

Internal audits include, as a basis, the Group's policies for corporate governance, risk management and internal control regarding areas such as financial reporting, compliance with the Code of Conduct and IT.

The outputs of the audits include action plans and programs for improvement. Findings are reported to the business area management and to the Audit Committee.

Internal Audit interacts with External Audit on a periodic basis to discuss and share audit plans and audit results.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

> Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Board of Directors

Johan Molin

Born 1959. Chairman of the Board since 2015. Chairman of the Remuneration Committee and the Acquisitions and Divestitures Committee and member of the Audit Committee.

Education and business experience: M.Sc. in Business and Economics. President and CEO of Assa Abloy 2005–2018. President and CEO of Nilfisk-Advance 2001–2005. Various positions within Atlas Copco 1983–2001.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 965,000 as well as 1,000,000 call options.

Claes Boustedt

Born 1962. Board member since 2015. Chairman of the Audit Committee and member of the Acquisitions and Divestitures Committee.

Education and business experience: M.Sc. in Business and Economics. Executive Vice President of L E Lundbergföretagen AB since 1997. President of L E Lundberg Kapitalförvaltning AB since 1995.
Current board assignments: Board member of Hufvudstaden AB, Förvaltnings AB Lunden and Alleima AB.
Shareholding in Sandvik (own and closely related persons): 50,000.

Marika Fredriksson

Born 1963. Board member since 2017.

Education and business experience: Master of Business Administration. CFO and Group Executive Vice President of Vestas Wind Systems A/S 2013– 2022. CFO of Gambro AB 2009–2012. CFO of Autoliv Inc. 2008–2009. Various positions within Volvo 1996–2008, including CFO and Senior Vice President Finance and Strategy at Volvo Construction Equipment Corporation.
Current board assignments: Chairman of the board of Emagine A/S and board member of AB Industrivärden, A.P. Møller-Mærsk A/S., KONE Oyj and Ecolean AB.
Shareholding in Sandvik (own and closely related persons): 2,500.

Andreas Nordbrandt

Born 1971. Board member since 2021.

Education and business experience: M.Sc. in Mechanical Engineering and Hydraulics. President of the Underground Rock Excavation Division within Epiroc 2016–2018. Various positions within Atlas Copco 1995–2018, including President of the Rocktec Division.
Current board assignments: Chairman of the board of Alleima AB and SaltX Technology Holding AB.
Shareholding in Sandvik (own and closely related persons): 2,400.

Susanna Schneeberger

Born 1973. Board member since 2024.

Education and business experience: M.Sc. in International Business and MBA. Senior advisor and partner at Executive Interim Partners GmbH since 2022. Business area president as well as Chief Digital Officer for KION 2018–2020. CEO of Demag Cranes & Components 2015–2018. Various positions within Trelleborg 2007–2014.
Current board assignments: Chairman of the Board of Yunex GmbH and board member of SKF AB and Modulaire Group.
Shareholding in Sandvik (own and closely related persons): 1,000.

Helena Stjernholm

Born 1970. Board member since 2016. Member of the Audit Committee, the Remuneration Committee and the Acquisitions and Divestitures Committee.

Education and business experience: M.Sc. in Business and Economics. President and CEO of AB Industrivärden since 2015. Investment manager and subsequently partner at IK Partners 1998–2015. Consultant at Bain & Company 1997–1998.
Current board assignments: Chairman of the board of SCA and board member of AB Industrivärden, AB Volvo, the Confederation of Swedish Enterprise and the Stockholm School of Economics.
Shareholding in Sandvik (own and closely related persons): 5,000.

Information regarding board assignments and holdings of shares as of December 31, 2024.
Current board assignments refer to assignments in companies or organizations outside the Sandvik Group.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

> Board of Directors

Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Employee representatives

Stefan Widing

Born 1977. Board member since 2020.

Education and business experience: M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. President and CEO, Sandvik AB, and President of the Sandvik Manufacturing and Machining Solutions business area since 2020. Various positions within Assa Abloy 2006–2020, including Executive Vice President HID Global division. Various positions within Saab 2001–2006.
Current board assignments: Board member of the Swedish Association of Industrial Employers (Industriarbetsgivarna).
Shareholding in Sandvik (own and closely related persons): 89,327.

Kai Wärn

Born 1959. Board member since 2020. Member of the Remuneration Committee.

Education and business experience: M.Sc. in Mechanical Engineering. President and CEO of Husqvarna AB 2013–2020. Operations partner at IK Investment Partners Norden AB 2011–2013. President and CEO of Seco Tools AB 2004–2010. Various positions within ABB 1985–2004.
Current board assignments: Chairman of the board of Electrolux Professional AB and SunStreet Energy AB.
Shareholding in Sandvik (own and closely related persons): 12,000.

Fredrik Håf

Born 1983. Board member since 2024, deputy Board member since 2022 (employee representative, IF Metall).

Education and business experience: Chairman of the Union Committee, Metal Workers' Union, division Rock Tools, Sandviken, Sweden. Various operator positions at division Rock Tools since 2002.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 2.

Thomas Lilja

Born 1975. Board member since 2016 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business experience: Technical College Graduate, Mechanical Engineering. Chairman Trade Union, Unionen Sandvik Sweden and Unionen Coromant & SMM. Various purchasing positions within Sandvik 2000–2010. Various production and logistics positions within Scania 1995–2000.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 5,197.

Carl-Åke Jansson

Born 1972. Deputy board member since 2024 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business experience: B.Sc. in Mechanical Engineering. Board member of Swedish Association of Graduate Engineers, Sandvik in Västberga, and the Swedish Academic Association within Sandvik. Various positions within Sandvik Coromant since 2004, including product owner and designer of process equipment.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 1,120.

Jessica Smedjegård

Born 1981. Deputy board member since 2024 (employee representative, IF Metall).

Education and business experience: Chairman of the Metal Worker´s Union club, Sandvik Coromant Gimoverken Sweden. Chairman of IF Metall´s joint union club within Sandvik Sweden. Various operator positions at Sandvik Coromant since 2004.
Current board assignments: –
Shareholding in Sandvik (own and **closely related persons):** 156.

HONORARY CHAIRMAN

Percy Barnevik
Born 1941. Chairman of the Board of Sandvik AB 1983–2002.

BOARD SECRETARY

Åsa Thunman
Born 1969. Executive Vice President and General Counsel, Sandvik AB, since 2014.

AUDITOR

PricewaterhouseCoopers AB
Auditor-in-charge: Anna Rosendal, Authorized Public Accountant.
Other auditing assignments: Indutrade, Sdiptech and Nobia.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

> Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Group Executive Management

Stefan Widing

Born 1977. President and CEO, Sandvik AB, President of the Sandvik Manufacturing and Machining Solutions business area since 2020.

Education and business experience: M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. Various positions within Assa Abloy 2006–2020, including Executive Vice President HID Global division. Various positions within Saab 2001–2006.
Current board assignments: Board member of the Swedish Association of Industrial Employers (Industriarbetsgivarna).
Shareholding in Sandvik (own and closely related persons): 89,327.

Björn Axelsson

Born 1981. Executive Vice President and Head of Human Resources, Sandvik AB, since February 2025.

Education and business experience: Executive MBA and Bachelor in Social Science. Vice President HR & EHS of Sandvik Mining and Rock Solutions 2019–2025. Chief Human Resources Officer of Maxon 2018–2019. Vice President HR of RUAG Space 2015–2018. Various positions within Volvo 2000–2015, including HR & EHS Director and HR Business Partner roles.
Current board assignments: –
Shareholding i Sandvik (own and closely related persons): 9,027.

Nadine Crauwels

Born 1971. President of the Sandvik Machining Solutions business area segment since 2020.

Education and business experience: M.Sc. in Mechanical Engineering. President of Sandvik Coromant 2017–2020. Various other positions within Sandvik Coromant since 2000, including Vice President Customized Solutions and Strategic Relations, and Sandvik Coromant Manager Switzerland. Project Engineer and Consultant for the metal cutting industry at WTCM (today Sirris) 1995–2000.
Current board assignments: Board member of Alfa Laval AB.
Shareholding in Sandvik (own and closely related persons): 12,031.

Mats Eriksson

Born 1962. President of the Sandvik Mining and Rock Solutions business area since 2022.

Education and business experience: B.Sc. in Computer Science. President of the Load and Haul division 2016–2022. President and CEO of Cencorp Oyj 2010–2012 and Salcomp Oyj 1998–2006 as well as leading positions for several other companies.
Current board assignments: Board member of Sandvik Pension Fund in Finland.
Shareholding in Sandvik (own and closely related persons): 6,383.

Cecilia Felton

Born 1984. Executive Vice President and Chief Financial Officer, Sandvik AB, since 2022.

Education and business experience: B.Sc. Environmental Policy with Economics. Various positions within Sandvik since 2013, including acting Chief Financial Officer, Vice President Group Control and Director Group M&A and Investments, and Director Group Business Control. Various positions within Ernst & Young, Operational Transaction Services, London, 2007–2013.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 6,509.

Richard Harris

Born 1970. President of the Sandvik Rock Processing Solutions business area since 2022.

Education and business experience: Bachelor of Engineering and Chartered Engineer. Various positions within Sandvik since 2002, including President of the Walter division 2019–2022, President of the Wolfram division 2016–2019 and different Supply and Production Director roles. Various positions within manufacturing companies, including Production Manager at Land Rover and Plant Manager at Keiper UK Ltd.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 6,361.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

> Group Executive Management

Risk management

Sustainability governance

Financial statements and notes

Mattias Nilsson

Born 1972. President of the Sandvik Manufacturing Solutions business area segment since 2023.

Education and business experience: B.Sc. in Business Administration, Finance and Accounting. Various positions within Sandvik since 2007, including Vice President Offer Management and R&D at Sandvik Coromant 2021–2023.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 5,237.

Björn Roodzant

Born 1969. Executive Vice President and Head of Group Communications and Sustainability, Sandvik AB, since 2023.

Education and business experience: M.Sc. in Economics, Strategy and Marketing. Various positions within Sandvik since 2004, including Vice President Marketing and Communications at Sandvik Coromant.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 8,660.

Sofia Sirvell

Born 1974. Executive Vice President and Chief Digital Officer (CDO), Sandvik AB, since 2023.

Education and business experience: M.Sc. in Industrial Engineering. Various positions within H&M 2006–2021 including Deputy Chief Technical Officer 2020–2021 and Head of Strategy IT 2019–2020.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 2,858.

Åsa Thunman

Born 1969. Executive Vice President and General Counsel, Sandvik AB, since 2014.

Education and business experience: Master of Laws (LL.M), Sweden and the Netherlands. Various positions within Securitas 2009–2014, including General Counsel, Elekta AB 1999–2009, including General Counsel, and Lagerlöf & Leman law firm 1996–1999.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 5,608.

Changes in the Group Executive Management

In February 2025, Johan Kerstell, Head of Human Resources, was succeeded by Björn Axelsson.

In January 2025, it was announced that Åsa Thunman, General Counsel, will leave Sandvik no later than July 2025.

Information regarding board assignments and holdings of shares as of December 31, 2024. Current board assignments refer to assignments in companies or organizations outside the Sandvik Group.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

> Risk management

Sustainability governance

Financial statements and notes

Risk management

The Sandvik risk management process aims to support our business in managing and mitigating critical risks which may impact our ability to achieve our financial targets and strategic objectives.

ERM – a part of our strategic work

To effectively identify and manage risk is an important element of business success for all parts of the Sandvik business.

Supporting the day-to-day risk management in the operations, Sandvik has an Enterprise Risk Management (ERM) program that covers all business areas, divisions, and functions within the Group. The Sandvik Board of Directors is ultimately responsible for the governance of risk management and the Sandvik Group Executive Management ensures there is a common and efficient process in place. All management teams are responsible for their own risk management. The teams must follow the minimum requirements outlined in The Sandvik Way, which requires reviewing the strategic and operational risks at least annually. The ERM methodology is also used as a tool for decision-making, operationally and within projects, as well as in the strategy process in various levels of the Group.

Managing and mitigating critical risks is an important element for business success.

Sandvik Group risk profile and key risks

The Sandvik Group risk profile is based on the bottom-up ERM process where the divisions, business areas and functions first make their assessment and the Group Risk Management Network then makes recommendations for a new Group risk profile based on the outcome of these assessments.

The ERM process is complemented with a strategic analysis by the Group Executive Management to more specifically identify key risk areas that are tied to our ability to execute on our Group strategy. The purpose is to get a focused and concrete risk landscape for the Group to enable good follow-up of the different risk-mitigating activities in relation to the strategic goals.

The Sandvik Key Risk map is presented on page 22. The map is coupled with a follow-up model for tracking the different initiatives that lead to better risk mitigation, which the Group Executive Management team review and discuss regularly. This creates a more dynamic and strategically relevant risk management discussion at the highest levels of the company.

The outcome of the strategic analysis is presented in the table on page 64.

An ERM report, summarizing key risks and mitigating activities across our business, was provided to the Sandvik Audit Committee and Board of Directors in December 2024.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

> Risk management

Sustainability governance

Financial statements and notes

The Board of Directors' and the Audit Committee's involvement in the ERM process is further described on page 56.

Insurance as a risk management tool
Sandvik has tailored insurance programs that transfer the risks associated with, amongst others, the Group's property, cargo, and liability exposures. Insurable risks are continuously evaluated, and actions are taken to reduce these risks as part of the Sandvik loss-prevention strategy. Supported by our loss-prevention procedure and guidelines, risk evaluations highlight opportunities to reduce the potential for business interruption and to ensure the Group's ability to deliver to its customers. To ensure cost efficient and tailored insurance solutions, selected risks are reinsured through the Group's captive insurance company.

Business continuity and crisis management
The Global Risk Management Policy and related procedures for business continuity and crisis management set the requirements for local management teams to ensure their ability to successfully respond to disruptive events and continue their business operations on an acceptable level when faced with challenges. Once a risk materializes, our crisis and business continuity management priorities are to minimize harm to people, to the environment, and to minimize damage to the Sandvik business, as well as ensuring a swift return to normal activities and safeguarding the company brands.

Internal audit and internal control as part of Sandvik risk management
The internal audit function regularly follows up the implementation of different risk management programs such as ERM, business continuity, crisis management and the insurance programs. Sandvik applies Group-wide internal controls to monitor risk mitigations. Read more about the internal controls program at Sandvik on page 57.

Sustainability and climate change
Assessment and management of sustainability risks, including extreme weather events and climate change, are integrated parts of the ERM- and property loss prevention programs and are set out in the Sandvik Key Risks map and Risk Profiles in different parts of the organization. Sandvik has assessed current and future natural and climate change-related hazards for our locations covering 285 individual sites and 94 percent of the overall Total Insured Value (TIV). The assessment reflects the current situation and models the evolution of Natural Hazards under different climate change scenarios and at different future time horizons.

The goals with the assessment are to provide an overview of the physical climate risks facing the portfolio of sites at different time horizons and under different climate change scenarios, and to establish a ranking of locations from high to low climate risk based on climate data and insured values. The assessment is used to support in the identification and prioritization of management actions within the loss prevention program, which may include in-depth assessments of sites and investments in resilience measures, as upcoming steps in the Sandvik climate resilience journey.

Read more about the strategic risk landscape on page 22.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

> Risk management

Sustainability governance

Financial statements and notes

Strategic objective	Key risk	What does this mean?	Examples of what do we do (mitigation)
Shift to growth	Geopolitical development	Regionalization/nationalization Increasing trade tariffs Extreme weather events/climate change	Tariff mitigation plans from all business areas. Property loss prevention and environmental resilience review.
	Geographical agility	Lower growth projections in key markets Heavy European footprint	Footprint optimization. Regional growth strategy and segments.
	Acquisition value creation	Business case delivery Ensure efficient administrative integration	Capital allocation.
	Business transformation	Electrification of the mine Closed loop manufacturing Execution of digital shift and data driven productivity	Business area M&A strategies. Six moves/Digital strategy.
	Inventory build-up/cash conversion	Access to cash M&A agenda realization	Inventory management projects in all business areas and divisions. Incentive fine-tuning
Digital shift	Digital disruption	Cyber security Information security Disruption by digital players Embracing AI	Cyber security improvement program. Implementation of NIS2 EU directive. Data management projects. Establishing Sandvik Manufacturing Solutions. Execution of Digital Mining and digital offering. AI adoption plans for all parts of the business.
Sustainability shift	Compliance/regulatory requirements	Increased regulatory requirements Third party risks Stricter financing requirements Trade sanctions	Intermediary management program. Update digital tools for third parties. Compliance digital improvement project.
Agile through cycle	Managing downturn	Meeting EBITA range Contingency fatigue	Restructuring projects. Contingency plans, four phases, performance management. Pricing initiatives and follow-up. Your Voice actions on employee engagement.
Customer's 1st choice	Understand changing customer needs/ requirements	Customer centricity Adapting to market transformation Customer requirements on digital compliance	Cyber security improvement program/NIS2 implementation.
	Change management	Operating structure Transformative leadership capabilities	Leadership education for change.
Employer of Choice	Key talent attraction /retention	New talent (digital, electrification, sustainability) Re-skill existing workforce	Business areas, divisions and Group functions have competency plans in place. Group common employer branding initiatives targeting new competence areas.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

> Sustainability governance

Financial statements and notes

Sustainability governance

Sustainability governance at Sandvik is grounded in its business strategy, business model, and international frameworks. Relevant goals are established to address material areas and effectively manage associated impacts, risks, and opportunities. Policies and management systems have been set to ensure financial, environmental, and social compliance.

Governance structure

The Sandvik Board of Directors holds primary responsibility for sustainability oversight within Sandvik and the Audit Committee monitors the sustainability reporting. Implementation is delegated to the President and CEO of Sandvik.

The Group Executive Management is responsible for the overall sustainability strategy and agenda of Sandvik. Implementation and follow-up are managed by the Group functions, business areas, and divisions. Business areas are responsible for assessing and managing sustainability risks within their operations. Coordination within the Group is managed by the Group Communications and Sustainability function. Key performance indicators (KPIs) are consolidated and reported to track goals at both Group and business area levels. We assess our performance annually, targets are set and focus actions are outlined for the upcoming year.

The Sustainability Council serves as a collaborative forum for cooperation and best practice sharing across Sandvik, with representation from both business areas and Group functions. Group Sustainability coordinates the sustainability agenda together with the business areas and Group functions.

Board's sustainability competence

The Board is composed of members with experience from various geographic areas and industry sectors. All Board members have long experience from managing different positions in global, industrial companies in different functions, which includes the topics generally covered by the sustainability concept. Many Board members have extensive experience in managing environmental, social, and governance-related impacts throughout the business value chain from previous positions as CEOs or senior managers of other global and industrial companies.

Board's role in overseeing sustainability impacts

The Board oversees the due diligence and other processes to manage the impact Sandvik has on the economy, environment and people through many different processes, managed through the Board's Procedural Guidelines and the policies and procedures in The Sandvik Way. The normal Board processes include regular reports to the Board and its Committees on risk management, human resource management, sustainable supplier management, compliance and environment, and health and safety reporting. Key KPIs within the areas are tracked and reported to the Board on a quarterly basis, both through the interim reports and the Key Objectives tracking. The Audit Committee supports the Board in reviewing performance in these areas.

Stakeholder engagement is managed through the operational structure. This includes Investor Relation meetings with key shareholders, dialogues with the Board union representatives as well as considering external analyst and shareholder reports.

The Board uses this information in the strategic planning for the Group and updates the guidance to management as appropriate, considering the overall balance of the different interests.

Evaluation and reporting

The effectiveness of the processes described above is evaluated using, for example, the internal controls framework, internal and external audits in different parts of the value chain (including supplier audits), as well as the feedback from the Speak Up system and investigations conducted as part of that process.

Sustainability is an integrated part of the reports submitted to the Audit Committee and sustainability reports are also made available to the Board on at least a quarterly basis. These reports include stakeholder engagement and results of the evaluation of the effectiveness of processes.

Materiality assessment

Sandvik has performed a double materiality assessment (DMA) to identify material topics. This assessment was supported by topics included in the Corporate Sustainability Reporting Directive (CSRD) and Global Reporting Initiative (GRI) and considered dependencies on natural, social, and human resources. The assessment resulted in material impacts, risks, and opportunities, forming the basis of this year's GRI reporting.

The impact assessment evaluated positive, negative, actual, and potential impacts, focusing on the value chains where impacts were most likely to occur. Upstream, this included transportation of products and sourcing of minerals and metals from high-risk countries, as well as sourcing of conflict minerals and cobalt. Downstream, the focus was on transportation of products and people, the mining sites in high-risk areas, and the end-of-life of our business areas' products.

Impacts were evaluated using scale, scope and irremediability determining the severity of an impact as well as likelihood for potential impacts. The evaluation relied on internal expertise from various areas, such as supplier management, environment, human resources, health and safety, community involvement, and law. Participants from different business areas, functions, and geographies within

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

> Sustainability governance

Financial statements and notes

Sandvik brought diverse perspectives and experience on ESG (Environmental, Social, and Governance) topics in the value chain. The assessment also considered external reports, legislation, and frameworks. These sources included the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the OECD Due Diligence Guidance for Responsible Mineral Supply Chains, as well as supplier risk screening through EcoVadis and supplier audits, and were used when engaging directly with affected stakeholders was not possible or not appropriate. The impact assessment involved workshops and interviews.

In the financial materiality assessment, risks and opportunities were assessed by the magnitude of the financial consequence as well as likelihood. The financial materiality assessment was based on a short-term perspective which highlighted the most urgent topics, as well as the mid- and long-term perspective that highlight risks and opportunities that may materialize in the longer term. Based on the input collected, a threshold value for the topics was defined, above which the topics were deemed material and as such a basis for our reporting.

Sandvik has a multitude of interactions across the value chain: suppliers, customers, and our own operations and interactions related to the end-of-life process. Our supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks, and opportunities.

Material topics

- Affected communities
- Biodiversity and ecosystems
- Business conduct
- Climate change
- Equal treatment and opportunities for all
- Health and safety
- Pollution and air pollution
- Recycled materials
- Reconditioning and refurbishment
- Waste
- Water and marine resources
- Workers in the value chain

A topic is material if the company has an actual or potential significant impact on people or the environment connected to the topic, or if it triggers financial effects on the company that are likely to influence its future cash flow.

Code of Conduct

Sandvik believes that ethical and sustainable business practices are a crucial foundation for a successful business. Sandvik has a long history of working in accordance with applicable laws and internationally recognized principles, as well as in partnership with our local communities. Our Code of Conduct is built on our internal core values and external principles, such as the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact. We are also committed to adhering to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Code of Conduct is a vital component in The Sandvik Way, our governance framework. It guides our actions as individual employees and as a company in our daily work, it sets the ethical standards we adhere to and plays a key role in achieving our 2030 Sustainability Goals.

Speak Up

Employees and external parties who witness a violation of the Code of Conduct, laws, or our policies, can report the violation anonymously, through the global whistleblowing tool Speak Up. Each report is assigned to an investigator from the relevant business area, ensuring an independent and impartial investigation. The Ethics Office oversees the effectiveness of the Speak Up process. Reports, investigations and remediations are recorded, monitored, and included in reporting to the Audit Committee.

In accordance with the Sandvik Speak Up policy, no retaliation will be taken against any employee or business partner who raises concerns in good faith.

Our reporting tool, Speak Up, is publicly and directly accessible to all stakeholders, enabling them to report any negative impacts, including human rights concerns that Sandvik caused or contributed to. This process ensures that suspected breaches are identified and addressed appropriately. Additionally, certain countries have local grievance mechanisms and other support systems for employees that go beyond legal requirements, such as foundations providing rehabilitation and financial support related to health and well-being. The European Works Councils and relevant local unions have been involved in establishing local whistleblowing channels and appointing investigators.

Compliance

The Sandvik Compliance Program encompasses four key areas: Anti-Bribery and Corruption, Competition Law, Trade & Third-Party Management, and Data Privacy. The purpose is to establish a well-functioning structure for effectively managing primary compliance risks in all countries where Sandvik operates. Group Compliance sets the compliance program requirements, including risk identification, policies, relevant training and communication, monitoring and assurance, reporting, and more. These requirements are then implemented by each business area. The Group Compliance function reports to the Sandvik Group General Counsel, the Group Executive Management and the Audit Committee.

For coordinating efforts, identifying synergies, and driving continuous improvements, a Compliance Functional Council has been established. This council, comprising representatives from both the Group and business areas, has been operational for several years and typically meet on a quarterly basis.

Sandvik operates in countries and industries with elevated corruption and sanctions risks, both directly and indirectly through business relationships. This situation underscores the potential significant impact the company could have on the economy, people, and the environment. To address these challenges, Sandvik runs a compliance program based on a zero-tolerance approach. Key guiding documents shaping the anti-corruption part of this program include the Code of Conduct, an anti-corruption policy, and procedures governing commercial and administrative intermediaries, gifts, hospitality, travel and entertainment, and conflicts of interest. The commitment to identify and prevent corruption is not limited to these; it is also integrated into other steering documents such as the M&A procedure and the Community Involvement, Sponsorship and Donations procedure. The Speak Up policy and its underlying investigation procedure are vital components of the program.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

> Sustainability governance

Financial statements and notes

All operational entities within Sandvik have a mandate to assess and collaboratively address their compliance risks together with the compliance organization. The aim is to identify and prevent potential negative impacts stemming from compliance-related issues. The actions taken by these entities undergo scrutiny from both internal and external audits. Any perceived negative impacts and weaknesses can also be raised, and where relevant, remediated through the Speak Up process. Where possible, this process supports the identification of concerns and enables a dialogue with individuals reporting issues. To measure and assess progress, targets and indicators are established annually through the Compliance Functional Council. These may include self-assessments covering various aspects, including anti-corruption, sanctions, export control, data privacy, and competition law efforts. Action plans are then formulated based on identified gaps, with a commitment to completing them within specified deadlines. This systematic approach, where possible, ensures ongoing evaluation and improvement in our compliance practices. In 2024, the compliance program was subject to an external review focusing on Anti-bribery and Corruption, Competition Law, and Trade & Third Party Management. Recommendations from this review will help us enhance the program further in the coming years.

Human rights and fair labor conditions

Our commitment to human rights and fair labor conditions is confirmed in both our Code of Conduct and Supplier Code of Conduct. These guiding documents endorse key international frameworks, including the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Sandvik Code of Conduct, aligned with our core values, serves as a guide in the identification, prevention, and mitigation of risks associated with human rights and fair labor conditions.

To mitigate risks related to human rights, we continuously work to ensure compliance with national legislation and internationally agreed upon human rights standards and regulations. We regularly evaluate our processes and procedures for identifying, preventing, and mitigating these risks in the Group's operations and in our value chain. The double materiality analysis has taken consideration of human rights across our value chain. Our work on human rights and fair working terms is integrated into our regular processes and procedures in different ways, for example, in our Sustainable Supplier Management, our safety work and in our diversity, equity and inclusion work. We have zero tolerance for modern slavery in all its forms, forced labor, slave labor and/or child labor. We support children's rights and the right to education.

Every employee has the right to join a union and be covered by a collective agreement and we support the right to organize. Our commitment extends to rejecting all forms of harassment or bullying. We firmly believe in fostering a diverse workforce and maintain a zero-tolerance policy against discrimination based on sex, gender identity or expression, sexual orientation, ethnicity, national origin, age, disability, belief, marital status, social group, or any other characteristics. We believe that all employees should have the right to fair working conditions and wages.

Speak Up is our grievance mechanism that is available for employees and external partners for our entire value chain.

Employees

Sandvik is dedicated to providing a diverse, equal, and inclusive workplace, ensuring fair remuneration and working terms that consider individual needs. Our People policy underscores our commitment to employees, outlining our approach to attracting, developing, and retaining staff, and, when necessary, managing their exit from the business.

Leadership development

Our managers are key to driving team performance, team development, individual growth, and delivering results. Through our Leadership Model and global programs, we set clear, actionable expectations for leadership skills and behaviors, ensuring leaders are equipped to inspire and achieve excellence.

Young talent

With our Global Graduate Program, we attract young professionals and offer training across various segments of the Sandvik organization. One of the program's main objectives is to develop and prepare graduates for future key positions. Upon completion, participants transition into different roles within our business.

Diversity, Equity and Inclusion

Diversity, Equity, and Inclusion are vital aspects of our people strategy, integral to the 2030 Sustainability Goals and stipulated by our Code of Conduct and core value fair play.

The business is responsible for implementing and communicating the 2030 goals, ensuring resource allocation, and taking necessary measures for goal achievement. Sandvik has established a Diversity, Equity, and Inclusion forum comprising representatives from business areas and the Group. The forum collaborates to cultivate a diverse organization, an equal workplace, and a culture of inclusion. Joint initiatives, best practices, and experiences are shared among forum members.

Environment, Health, and Safety (EHS)

Our Environmental, Health, and Safety (EHS) policy aligns with the principles of the Code of Conduct and core values, aiming to realize our vision of Zero Harm. We have established Group EHS procedures focusing on hazard identification, risk management, incident reporting, performance measurement, and training. Each procedure clearly defines roles, responsibilities, and performance management indicators. Regular internal and external audits are conducted to review compliance with legislation, policies, and procedures. Our EHS policy covers employees, contractors and visitors at our locations and extends to services provided at customer locations.

Our EHS policy, along with Group EHS objectives and the 2030 Sustainability Goals, guides our EHS initiatives. Each business area develops plans to meet these objectives, with annual targets set to drive performance at all organizational levels.

The Sandvik EHS Council, comprising representatives from all business areas, serves as a key forum to facilitate collaboration across the company, advancing our progress toward our EHS vision. While EHS activities are decentralized within the business areas, the EHS Council identifies, reaches consensus on, and implements common initiatives and procedures. Additionally, the Council drafts documents, including the EHS policy and objectives, for consideration and approval by the Group Executive Management. The council also has the authority to appoint working groups to address specific EHS issues, such as environmental working groups.

Our EHS management systems are based on ISO 14001 and ISO 45001. The management of individual topics adheres to the criteria of established frameworks but may extend beyond them. The EHS management systems extend to relationships beyond company boundaries, emphasizing our responsibility to uphold high

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

> Sustainability governance

Financial statements and notes

standards in environments under the company's control. This involves actively identifying and mitigating risks to prevent work-related injuries, occupational illnesses and enhance environmental performance. Sites with a lower risk profile are not obligated to undergo external certification. Nevertheless, these sites must comply with the requirements outlined in the Group procedure for small sites and offices.

For specific local environmental issues, such as effluent discharge limits or environmental permits not addressed in certifications or Group procedures, we implement local initiatives tailored to the specific needs of each production unit or business division.

Environmental criteria are integrated into the sustainable supplier management process, and both environmental and safety criteria are integrated in the product development processes.

Every Sandvik-controlled location will establish and uphold formal systems and processes for conducting risk assessments, covering environmental, health and safety risks. All employees are empowered and encouraged to report observed hazards. The system facilitates the proper handling of all hazards, ensuring a comprehensive process from identification to resolution. The most senior Sandvik manager at each location bears responsibility for the proper management of registered hazards. Every business area/location operates its Incident Reporting and Investigation system, with the responsibility of disseminating the findings from incident investigations throughout the organization. Each employee has access to a colleague within their immediate workplace or organization who serves as a representative of the EHS function within Sandvik.

Local EHS committees are organized based on the specific structure of the local organization and the prevailing issues within the region. These committees typically include representatives from local management, employees, and EHS professionals.

EHS-related training is incorporated into the induction process for all employees. Additionally, EHS issues are integrated into training programs for specific roles. Our training packages encompass various formats, including in-house classroom sessions, external training, and self-learning opportunities, such as e-learning.

Access to medical, and healthcare services and Employee Assistance Programs are tailored to local needs, ranging from on-site professional healthcare to external partnerships providing services like vaccinations and health checks for our employees. We offer health and well-being programs that are adapted to local needs, covering various aspects including fitness, nutrition, mental health, and disease prevention.

Sustainable supplier management

Sandvik is committed to sustainable procurement practices that minimize our social and environmental impacts, improve the sustainability performance of our suppliers, and create value for the business, our customers and society at large. It is important for us to partner with suppliers who understand and embrace our sustainability standards in areas such as environment, labor, human rights, anti-corruption, circularity of materials, and carbon footprint. Our requirements are part of our 2030 Sustainability Goals and are outlined in our Supplier Code of Conduct.

Community involvement

Sandvik engages in diverse community relation projects worldwide with three primary focus areas: 1) Sustainability Shift: Organizations, projects and activities related to climate change, resources and waste management, or the clean and sustainable development of communities. 2) Digital Shift: Organizations, projects and activities that build technical and digital skills, support innovations that contribute to global advancement, or introduce people to new technologies. 3) Societal Impact: Projects that support equality and inclusion, improve health and well-being, or contribute to positive development in the local communities where we operate.

We view our community involvement projects as investments, for which we require contracts, clear target groups and objectives with measurable results. We have a Community Involvement, Sponsorship and Donations procedure to guide all Sandvik entities engaged in community relations projects. All activities must comply with our Code of Conduct, which means that we do not engage in any activities of a political or religious nature, or in projects that may be viewed as hazardous to health or the environment. All our partners must sign the Sandvik Supplier Code of Conduct and undergo the same screening process as our suppliers. As part of our 2030 Sustainability Goals, we promote employee engagement in community initiatives that contribute positively to society.

2024 in brief

Strategy

Our operations

Directors' report

Group

Business areas

Corporate governance report

Board of Directors

Group Executive Management

Risk management

> Sustainability governance

Financial statements and notes

Examples of contributions to the Sustainable Development Goals

Sandvik contributes to achieving the Sustainable Development Goals (SGDs) according to the UN's 2030 Agenda.
By integrating the SDGs into our operations and strategy, we work to create a positive impact on society and the environment.

SDG 3
Good health and well-being
Sandvik is committed to a healthy and safe work environment with a vision of zero harm. There are health and well-being programs accessible for all employees and health and safety issues are fully integrated into our operations. Our battery-electric underground offering reduces heat and emissions, thereby improving working conditions and lowering mining customers' ventilation costs.

SDG 5
Gender equality
Sandvik is aiming to have women representing one-third of its managerial positions by 2030. We have formed partnerships with organizations such as Female Leader Engineer and International Women in Mining.

SDG 6
Clean water and sanitation
We recognize water as a shared resource and manage the withdrawal and discharge processes in adherence to local permits. All wastewater from production processes either undergoes appropriate treatment (within our facilities or through third-party operations) before being released back to recipients, or is circulated and reused. We support local community engagement projects to improve water quality and availability.

SDG 7
Affordable and clean energy
Sandvik has signed agreements to procure fossil-free energy across various markets. We are continuously implementing measures to enhance energy efficiency and increase the use of renewable energy at our sites.

SDG 8
Decent work and economic growth
We are focused on creating a diverse and inclusive workforce where innovation and new perspectives can thrive. We support all employees through identifying their talents and providing the right tools for personal growth and career development in a learning culture.

We are committed to achieving zero harm to people. Our mining automation solutions offer the potential for remote work and contribute to a safer and healthier work environment.

SDG 9
Industry, innovation, and infrastructure
Digitalized manufacturing enables a closed-loop production system that yields increased productivity, minimized waste, and enhanced quality. Sandvik has expanded its digital offering to automate and connect the entire component manufacturing value chain, from design and planning, to production and verification. Our goal is to establish an end-to-end digital offering that is agnostic and automates the machining process.

SDG 12
Responsible consumption and production
Contributing to a circular society is material to Sandvik. The 'Sandvik Sustainability Award in Memory of Sigrid Göransson' for 2024 highlighted Sandvik Machining Solutions' Customer Recycling Program. 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.

Our Screening Solutions division in Jandakot (Australia) has developed a process to refurbish and reuse screens, feeders and exciters, thereby extending the life of the equipment and improving sustainability.

SDG 13
Climate action
In 2023, our GHG reduction targets received approval from the Science Based Targets initiative (SBTi). We are committed to achieving net-zero GHG emissions across the entire value chain by no later than 2050. Our near-term objectives include achieving a 50 percent reduction in absolute Scope 1 and 2 GHG emissions by 2030, a 30 percent reduction in absolute Scope 3 emissions and a 90 percent reduction in absolute Scope 1 and 2 GHG emissions by 2040. All targets have 2019 as the base year.

Upstream (sourcing)

SDG

Own operations

SDG

Downstream (customers)

SDG

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Financial statements and notes

The Group

Consolidated income statement	71
Consolidated balance sheet	72
Consolidated changes in equity	73
Consolidated cash flow statement	74

Consolidated notes

G1	Significant accounting principles	75
G2	Segment information	76
G3	Categories of revenue	78
G4	Personnel information and remuneration of management	79
G5	Remuneration to auditors	83
G6	Other operating income	83
G7	Other operating expenses	83
G8	Operating expenses	83
G9	Net financial items	83
G10	Income tax	84
G11	Earnings per share	86
G12	Intangible assets	87
G13	Property, plant and equipment	90
G14	Right-of-use assets	92
G15	Shares in associates, joint ventures and financial assets	93
G16	Non-current receivables	95
G17	Inventories	95
G18	Trade receivables	95
G19	Other current receivables	95
G20	Capital and reserves	95
G21	Provisions for pension and other non-current post-employment benefits	96
G22	Other interest-bearing liabilities	99
G23	Other provisions	100
G24	Other liabilities	101
G25	Accrued expenses	101
G26	Contingent liabilities and pledged assets	101
G27	Supplementary information – financial risk management	102
G28	Transactions with related parties	108
G29	Supplementary information to the cash flow statement	108
G30	Business combinations	109
G31	Divestments and assets held for sale	112
G32	Government grants	112
G33	Events after the end of the period	112

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

> Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Consolidated income statement

MSEK	Note	2023	2024
Revenue	G2, G3	126,503	122,878
Cost of goods and services sold		-74,456	-73,742
Gross profit		**52,046**	**49,136**
Selling expenses		-15,876	-15,832
Administrative expenses		-8,794	-8,915
Research and development expenses		-4,489	-4,808
Share of results of associates and joint ventures		16	-208
Other operating income	G6	681	297
Other operating expenses	G7	-1,166	-1,249
Operating profit	**G2**	**22,418**	**18,420**
Financial income		808	827
Financial expenses		-3,431	-2,787
Net financial items	**G9**	**-2,623**	**-1,959**
Profit before tax		**19,794**	**16,461**
Income tax	G10	-4,493	-4,216
Profit for the year		**15,301**	**12,245**
Profit for the year attributable to:			
Owners of the Parent Company		15,300	12,243
Non-controlling interests		1	2
Basic earnings per share, SEK	G11	12.20	9.76
Diluted earnings per share, SEK		12.18	9.75

MSEK	Note	2023	2024
Consolidated statement of comprehensive income			
Profit for the year		**15,301**	**12,245**
Other comprehensive income			
Items that will not be reclassified to profit/loss for the year			
Actuarial gains/losses on defined-benefit pension plans	G21	-510	-117
Tax relating to items that cannot be reclassified	G10	167	-5
Total items that will not be reclassified to profit or loss		**-344**	**-122**
Items that may be reclassified to profit/loss for the year			
Translation differences during the year		-3,113	5,627
Fair-value changes in cash flow hedges		1,052	-1,622
Tax related to fair-value changes in cash-flow hedges	G10	-217	334
Fair value adjustment		-2	-14
Total items that may be reclassified subsequently to profit or loss		**-2,279**	**4,326**
Total other comprehensive income for the year		**-2,623**	**4,204**
Total comprehensive income		**12,678**	**16,449**
Total comprehensive income for the year attributable to:			
Owners of the Parent Company		12,678	16,445
Non-controlling interests		0	4

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
> Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

Consolidated balance sheet

MSEK	Note	Dec 31, 2023	Dec 31, 2024
Assets			
Non-current assets			
Intangible assets	G12	64,495	70,323
Property, plant and equipment	G13	22,234	24,678
Right-of use assets	G14	5,384	5,877
Shares in associates and joint ventures	G15	459	134
Financial assets	G15	947	516
Deferred tax assets	G10	3,461	4,115
Non-current receivables	G16	5,113	5,239
Total non-current assets		**102,093**	**110,883**
Current assets			
Inventories	G17	34,301	34,827
Trade receivables	G18	18,477	19,836
Income tax receivables	G10	3,065	3,627
Other receivables	G19	9,947	8,529
Prepaid expenses and accrued income		1,809	1,761
Cash and cash equivalents		4,363	4,528
Assets held for sale	G31	154	395
Total current assets		**72,117**	**73,502**
Total assets		**174,210**	**184,384**

MSEK	Note	Dec 31, 2023	Dec 31, 2024
Equity and Liabilities			
Equity			
Share capital		1,505	1,505
Other paid-in capital		7,678	7,678
Reserves		11,420	15,962
Retained earnings incl. profit (loss) for the period		67,028	71,779
Equity attributable to owners of the Parent Company		**87,631**	**96,924**
Non-controlling interest		66	75
Total equity	**G20**	**87,697**	**96,999**
Non-current liabilities			
Provision for pensions	G21	4,089	4,382
Interest-bearing liabilities	G22, G27	32,842	36,486
Deferred tax liabilities	G10	3,586	3,553
Other provisions	G23	887	1,199
Other liabilities	G24	1,231	739
Total non-current liabilities		**42,635**	**46,359**
Current liabilities			
Interest-bearing liabilities	G22, G26	12,240	6,269
Accounts payable		9,488	10,077
Income tax liabilities	G10	3,024	3,031
Other liabilities	G24	8,641	11,075
Other provisions	G23	2,429	2,552
Accrued expenses	G25	8,020	7,978
Liabilities directly attributed to assets held for sale	G31	36	43
Total current liabilities		**43,878**	**41,026**
Total liabilities		**86,513**	**87,385**
Total equity and liabilities		**174,210**	**184,384**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
> Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

Consolidated changes in equity

	Equity attributable to Equity holders of the Parent Company						
MSEK	**Share Capital**	**Other paid-in capital**	**Reserves**	**Retained earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
Equity at January 1, 2023	**1,505**	**7,678**	**13,698**	**58,346**	**81,227**	**43**	**81,270**
Adjustment on correction of error	–	–	–	204	**204**	–	**204**
Equity at January 1, 2023	**1,505**	**7,678**	**13,698**	**58,551**	**81,431**	**43**	**81,475**
Profit for the year	–	–	–	15,300	**15,300**	1	**15,301**
Other comprehensive income	–	–	-2,278	-344	**-2,622**	-1	**-2,623**
Total comprehensive income (loss) for the period	**–**	**–**	**-2,278**	**14,956**	**12,678**	**–**	**12,678**
Transactions with owners							
Change in fair value of put option to acquire non-controlling interest	–	–	–	-86	**-86**	–	**-86**
Changes in non-controlling interest	–	–	–	-23	**-23**	23	**–**
Share based program	–	–	–	-109	**-109**	–	**-109**
Dividend	–	–	–	-6,261	**-6,261**	–	**-6,261**
Equity at December 31, 2023	**1,505**	**7,678**	**11,420**	**67,028**	**87,631**	**66**	**87,697**
Equity at January 1, 2024	**1,505**	**7,678**	**11,420**	**67,028**	**87,631**	**66**	**87,697**
Adjustment on correction of error	–	–	–	-77	**-77**	–	**-77**
Equity at January 1, 2024	**1,505**	**7,678**	**11,420**	**66,952**	**87,555**	**66**	**87,620**
Profit for the year	**–**	**–**	–	12,243	**12,243**	2	**12,245**
Other comprehensive income	–	–	4,542	-340	**4,202**	2	**4,204**
Total comprehensive income (loss) for the period	**–**	**–**	**4,542**	**11,903**	**16,445**	**4**	**16,449**
Transactions with owners							
Change in fair value of put option to acquire non-controlling interest	–	–	–	-219	**-219**	–	**-219**
Changes in non-controlling interest	–	–	–	-6	**-6**	6	**–**
Share based program	–	–	–	29	**29**	–	**29**
Dividend	–	–	–	-6,880	**-6,880**	–	**-6,880**
Equity at December 31, 2024	**1,505**	**7,678**	**15,962**	**71,779**	**96,924**	**75**	**96,999**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
> Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

Consolidated cash flow statement

MSEK	Note	2023	2024
Cash flow from operating activities			
Profit before tax		19,794	16,461
Adjustment for depreciation, amortization and impairment losses		7,459	7,981
Other adjustments for non-cash items	G29	1,834	1,822
Payment to pension fund		-509	-395
Income tax paid		-6,852	-5,474
Cash flow from operating activities before changes in working capital		**21,726**	**20,395**
Changes in working capital			
Change in inventories		292	1,189
Change in operating receivables		-171	347
Change in operating liabilities		-2,527	-280
Cash flow from changes in working capital		**-2,406**	**1,256**
Investments in rental equipment		-910	-1,407
Proceeds from sale of rental equipment		387	363
Cash flow from operating activities, net		**18,797**	**20,607**
Cash flow from investing activities			
Acquisitions of companies and shares, net of cash acquired	G30	-1,877	-3,187
Proceeds from sale of companies and shares, net of cash disposed	G31	-164	-22
Acquisitions of tangible assets		-3,872	-3,565
Proceeds from sale of tangible assets		315	257
Acquisitions of intangible assets		-1,482	-1,276
Proceeds from sale of intangible assets		6	7
Acquisitions of financial assets		-113	-23
Proceeds from sale of financial assets		10	18
Other investments, net		-1,327	122
Cash flow from investing activities		**-8,505**	**-7,671**

MSEK	Note	2023	2024
Cash flow from financing activities			
Repayment of borrowings		-8,457	-10,535
Proceeds from borrowings		78	5,928
Amortization, lease liabilities		-1,323	-1,439
Repurchase of own shares		-242	-61
Dividends paid		-6,261	-6,880
Cash flow from financing activities, net	**G29**	**-16,206**	**-12,988**
Cash flow for the year		**-5,913**	**-51**
Cash and cash equivalents at beginning of year		10,489	4,363
Exchange-rate differences in cash and cash equivalents		-213	216
Cash and cash equivalents at the end of year	**G29**	**4,363**	**4,528**

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

> Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Group notes

G1 Significant accounting principles – assessments and assumptions for accounting purposes

The consolidated financial statements comprise Sandvik AB, corporate registration number 556000-3468, (the Parent Company) and all its subsidiaries (jointly the Group), with registered office in Stockholm, Sweden. The address for the head quarter is Box 510, 101 30 Stockholm. The Group also includes the share of investments in associated companies.

The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency of the Group. Accordingly, the financial statements are presented in SEK. All amounts are in million SEK unless otherwise stated. Amounts in tables and calculations in the financial statements and notes do not always agree exactly with the totals due to rounding.

Accounting principles are presented in this note or in connection to the note of which they aim to describe.

§ Accounting principles

The symbol and heading show where the accounting principles are described in each note.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards adopted by the International Accounting Standards Board (IASB) as endorsed by the EU. In addition, the recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Corporate Reporting Board, has been applied.

The Parent Company has applied the same accounting principles as those applied in the consolidated financial statements except as set out in note P1 on page 117 in the section "Accounting principles, Parent Company.

The financial statements are presented on pages 46-132 in the printed Annual Report. The Parent Company's Annual Report and the consolidated financial statements were approved for issuance by the Board of Directors on March 6, 2025. The Group's and the Parent Company's income statements and balance sheets are subject to adoption at the Annual General Meeting on April 29, 2025.

Basis of measurement

Assets and liabilities are stated on a historical cost basis except for certain financial assets and liabilities, which are stated at their fair value. Financial assets and liabilities measured at fair value are comprised of derivative instruments and plan assets in the defined benefit plans. Receivables and liabilities and items of income and expense are offset only when required or expressly permitted in an accounting standard.

Events after the balance sheet date refer to both favorable and unfavorable events that have occurred after the balance sheet date but before the date the financial statements were authorized for issue by the Board of Directors.

Significant non-adjusting events, that is, events indicative of conditions that arose after the balance sheet date, are disclosed in the financial statements. Only adjusting events, that is, those that provide evidence of conditions that existed at the balance sheet date, have been considered in the final establishment of the financial statements. The most significant accounting policies for the Group, as set out below and in the notes, have been applied consistently to all periods presented in these consolidated financial statements except as specifically described. Moreover, the Group's accounting policies have been consistently applied in the Group reporting by all members of the Group and in the Group reporting of associated companies, where necessary, by adaptation to Group policies.

Basis of consolidation

The consolidated financial statements are prepared in accordance with the Group's accounting principles and include the accounts of the Parent Company and all Group companies.

Foreign currency

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair-value adjustments arising on consolidation, are translated from the foreign operation's functional currency to the Group's reporting currency, SEK, at foreign exchange rates prevailing at the balance sheet date. Revenues and expenses of foreign operations are translated to SEK at average rates that approximate the foreign exchange rates prevailing at each of the transaction dates. Translation differences arising from the translation of the net investment in foreign operations are recognized in other comprehensive income and are accumulated in a separate component of equity, a translation reserve. If the foreign operation is divested, the accumulated translation differences attributable to the divested foreign operation is reclassified from equity to profit or loss for the year as a reclassification adjustment at the date on which the profit or loss of the divestment is recognized. For cases in which divestments made include a residual controlling influence, the proportionate share of accumulated translation differences from other comprehensive income is transferred to non-controlling interests.

Changes in accounting policies 2024

IASB has published amendments of standards that are effective 2024. These have not had any material impact on the financial statements.

IFRS 7 Disclosure of Supplier Finance Arrangements (SFAs)

The amendment requires specific disclosures regarding SFAs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

Changes in accounting policies 2025 or later

A number of new or amended accounting standards and interpretations have been published and are effective from 2025 or later.

IFRS 18 Presentation and Disclosure in Financial Statements.

The implementation of IFRS 18 will not impact Sandvik's net income, however it will impact the presentation of revenues and expenses within the new categories in the income statement. The standard will be applied from January 1, 2027.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G1, continued

Critical accounting estimates and judgments
In order to prepare the financial statements, management and the Board make various judgments and estimates that can affect the amounts recognized in the financial statements for assets, liabilities, revenues and expenses as well as information in general, including contingent liabilities.

The judgments and estimates discussed in notes where applicable are those deemed to be most important for an understanding of the financial statements, considering the level of significant estimations and uncertainty. The conditions under which Sandvik operates are gradually changing, meaning that the judgments also change. Climate change has been assessed to not have a significant impact on the financial statements nor on the estimates and assumptions made when preparing the annual report and consolidated financial statements.

! Critical estimates and judgments

The symbol and heading show where the estimates and judgments are described in each separate note. The notes and critical estimates and judgments refers to:

Note	Critical estimates and judgments
G10	Income tax
G12	Impairment tests of goodwill and of other non-current assets
G13	Impairment tests of other non-current assets
G21	Post employment benefits
G23	Disputes
G30	Allocation of goodwill and other surplus values

G2 Segment information

Information on business areas

2023	SMR	SRP	SMM	Group activities	Eliminations	Group total
External revenues	65,690	11,472	49,340	–	–	**126,503**
Internal revenues	16	1	373	–	-390	**–**
Total revenue	**65,707**	**11,473**	**49,713**	**–**	**-390**	**126,503**
Share of results of associates and joint ventures	19	–	-3	–	–	**16**
Operating profit	**13,215**	**1,225**	**8,792**	**-814**	**–**	**22,418**
Net financial items	–	–	–	–	–	**-2,623**
Income tax expense for the year	–	–	–	–	–	**-4,493**
Profit for the year	**13,215**	**1,225**	**8,792**	**-814**	**–**	**15,301**
Assets	69,687	16,595	70,333	1,668	–	**158,284**
Investments in associates and joint ventures	170	–	289	–	–	**459**
Assets held for sale	–	–	154	–	–	**154**
Unallocated assets	–	–	–	–	–	**15,313**
Total assets	**69,856**	**16,595**	**70,777**	**1,668**	**–**	**174,210**
Liabilities	17,208	3,194	11,099	1,369	–	**32,868**
Liabilities held for sale	–	–	34	2	–	**36**
Unallocated liabilities	–	–	–	–	–	**53,646**
Total liabilities	**17,208**	**3,194**	**11,133**	**1,369**	**–**	**86,549**
Other disclosures						
Capital expenditure	-2,056	-428	-2,778	-92	–	**-5,354**
Depreciation and amortization	-2,446	-579	-3,691	-67	–	**-6,783**
Impairment losses	-94	-48	-488	-47	–	**-676**
Other non-cash expenses	-251	-19	-533	2,636	–	**1,834**
Restructuring costs	-75	-148	-402	–	–	**-625**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G2, continued

Information on business areas

2024	SMR	SRP	SMM	Group activities	Eliminations	Group total
External revenues	63,607	10,704	48,567	–	–	**122,878**
Internal revenues	16	1	517	–	-533	**–**
Total revenue	**63,623**	**10,705**	**49,084**	**–**	**-533**	**122,878**
Share of results of associates and joint ventures	26	–	-109	–	–	**-84**
Operating profit	**11,934**	**883**	**6,318**	**-715**	**–**	**18,420**
Net financial items	50	-32	-123	-7	–	**-1,959**
Income tax expense for the year	–	–	–	–	–	**-4,216**
Profit for the year	**11,984**	**851**	**6,195**	**-721**	**–**	**12,245**
Assets	73,048	16,401	77,245	2,119	–	**168,813**
Investments in associates and joint ventures	72	–	62	–	–	**134**
Assets held for sale	122	–	273	–	–	**395**
Unallocated assets	–	–	–	–	–	**15,042**
Total assets	**73,242**	**16,401**	**77,580**	**2,119**	**–**	**184,384**
Liabilities	18,259	3,644	11,325	1,838	–	**35,067**
Liabilities held for sale	–	–	38	5	–	**43**
Unallocated liabilities	–	–	–	–	–	**52,275**
Total liabilities	**18,259**	**3,644**	**11,363**	**1,844**	**–**	**87,385**
Other disclosures						
Capital expenditure	-1,800	-175	-2,805	-60	–	**-4,841**
Depreciation and amortization	-2,513	-528	-3,639	-80	–	**-6,760**
Impairment losses	-357	-139	-671	-55	–	**-1,221**
Other non-cash expenses	20	151	711	940	–	**1,822**
Restructuring costs	-494	-395	-1,725	-67	–	**-2,681**

All transactions between the business areas are on market terms. For information regarding business combinations, see note G30

Information by country

Revenue by country	2023	2024
USA	18,425	17,739
Australia	15,247	14,285
China	8,280	9,123
Canada	8,406	7,699
Germany	7,195	6,542
Mexico	5,007	5,145
South Africa	5,324	4,823
Italy	3,855	3,603
India	3,075	3,561
Indonesia	3,702	3,550
Brazil	3,313	3,052
France	3,000	2,873
Chile	2,571	2,516
Sweden	2,232	2,427
Poland	1,937	1,919
UK	1,879	1,890
Ghana	1,749	1,691
Spain	1,497	1,448
Japan	1,455	1,387
Peru	1,378	1,301
Zimbabwe	1,122	1,281
Türkiye	1,371	1,255
Switzerland	1,189	1,179
Tanzania	1,262	1,131
Austria	1,278	1,129
Other countries	20,754	20,329
Total	**126,503**	**122,878**

Revenue is specified by country based on where customers are.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G2, continued

Non-current asset by country	2023	2024
USA	27,923	30,475
Australia	14,716	15,013
Sweden	12,978	13,240
Luxembourg	8,341	8,450
China	2,584	6,181
France	4,354	4,402
Germany	3,605	3,699
Austria	2,893	3,046
Finland	2,653	2,850
Canada	2,568	2,671
UK	2,082	2,121
India	1,905	2,082
Switzerland	1,616	1,604
Ireland	1,220	1,414
Czech Republic	814	945
Other	1,861	2,686
Total	**92,113**	**100,879**

Non-current assets are specified by country based on where the assets are located. Non-current assets consists of intangible assets, property, plant and equipment and right-of-use assets.

G3 Categories of revenue

Information on revenue

	2023				2024			
Primary geographical markets	**SMR**	**SRP**	**SMM**	**Total**	**SMR**	**SRP**	**SMM**	**Total**
Europe	6,809	2,187	24,573	**33,569**	6,531	2,083	23,247	**31,861**
North America	15,551	2,426	13,863	**31,840**	14,586	2,158	13,838	**30,583**
South America	6,285	1,485	1,169	**8,939**	6,096	1,326	1,092	**8,514**
Africa and Middle East	13,442	1,269	502	**15,213**	13,349	1,374	509	**15,232**
Asia	9,967	2,188	8,890	**21,046**	10,260	1,854	9,548	**21,662**
Australia and New Zealand	13,637	1,917	342	**15,896**	12,785	1,909	332	**15,026**
Total	**65,690**	**11,472**	**49,340**	**126,503**	**63,607**	**10,704**	**48,567**	**122,878**
Major goods/service lines								
Sale of goods	59,124	10,463	45,277	**114,864**	56,748	9,703	44,407	**110,858**
Rendering of services	5,631	997	4,030	**10,658**	5,859	996	4,134	**10,989**
Rental income	903	11	6	**919**	970	3	4	**978**
Other non product related Revenue	33	1	28	**62**	30	2	21	**53**
Total	**65,690**	**11,472**	**49,340**	**126,503**	**63,607**	**10,704**	**48,567**	**122,878**
Order backlog to be recognized as revenue after 2025	2,360	23	–	2,383	2,444	92	-17	2,519

§ Accounting principles

The Group's operations are organized in three business areas, based on products and services. The Group's chief operating decision-maker, the CEO, monitors the business result and decides on the distribution of resources based on the products the Group manufactures and sell as well as the service it provides, these constitute the Group's operating segments. Each operating segment has a president, responsible for day-to-day activities and who reports to the CEO.

Segment results, assets and liabilities include only those items that are directly attributable to the segment and the relevant portions of items that can be allocated on a reasonable basis to the segments. Unallocated items comprise of interest, gains/losses on disposal of financial investments, interest expense, income tax expense and certain administrative expenses. Unallocated assets and liabilities include income and deferred tax receivables and payables, financial investments and financial liabilities.

§ Accounting principles

Sale of goods
Revenue from goods sold (e.g., metal cutting tools, mining equipment) is recognized at a point in time when the control has been transferred to the customer. For sale of goods the transfer of control usually occurs when the significant risks and rewards are transferred in accordance to the Incoterms. For changes in contract assets and liabilities, see note G19 and G24.

When goods sold are highly customized and there is an enforceable right to payment for performances completed to date, the goods are recognized over time. Progress of satisfaction of each performance obligation is used to measure the revenue by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

Payment is generally due between 30–90 days from the transfer of control. In some contracts, short-term advances are required before the equipment is delivered.

Rendering of services
Revenue from service contracts (e.g., installation, support and maintenance) is recognized over time since the customer receives and consumes the benefits as it is being provided. Progress of satisfaction of each performance obligation is used to measure the revenue by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

Payment is generally due between 30–90 days after completion.

Variable consideration
Some customer contracts contain right of return, late delivery penalties, volume rebates and trade-in, which give rise to variable consideration subject to constraint. Such variable consideration have been considered as part of the revenue recognition.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

> Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

→ G3, continued

Significant financing component
Sandvik applies the practical expedient to not calculate and account for significant financing component if the period between the transfer of a good or service to a customer and payment is 12 months or less.

Licenses
Revenue from licenses is recognized at point in time if the customer can use the license in its current functionality and no further updates or improvements are expected or required. If the customer has the right to access the license including future updates with improved functionality, the revenue from those licenses is recognized over the contract period.

G4 Personnel information and remuneration of management

Average number of employees, full-time equivalent

	2023		2024	
	Number	**Women %**	**Number**	**Women %**
Sweden	5,472	28	5,325	29
Rest of Europe	12,828	21	12,599	22
Total Europe	**18,300**	**23**	**17,923**	**24**
North America	6,364	22	6,317	20
South America	2,633	19	2,709	20
Africa, Middle East	3,049	20	3,219	20
Asia	8,156	16	8,708	18
Australia	2,184	20	2,286	20
Total	**40,686**	**21**	**41,162**	**21**

Wages, salaries and other remuneration and social costs

	2023	**2024**
Wages, salaries and other remuneration	-26,323	-26,798
Social costs	-3,384	-3,455
Pension costs	-1,975	-1,596
Total	**-31,682**	**-31,850**

A total of SEK 70 million (34) of the Group's pension costs relates to Boards and presidents. The Group's pension liability to these persons amounted to SEK 191 million (189).

Gender distribution in senior management

Proportion of women, %	**2023**	**2024**
Gender distribution in senior management	20	19
Other senior executives	26	26

Wages, salaries and other remuneration by market area

	2023	**2024**
Sweden	-4,041	-3,829
Rest of Europe	-9,521	-9,632
Total Europe	**-13,562**	**-13,461**
North America	-5,694	-5,767
South America	-1,045	-1,029
Africa, Middle East	-1,351	-1,408
Asia	-2,461	-2,769
Australia	-2,211	-2,365
Total	**-26,323**	**-26,798**
of which, to Boards of Directors and presidents		
Salaries and other remuneration	-1,050	-971
of which, variable salary	-171	-157

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G4, continued

Remuneration to the board of directors
Fees to the Chairman and other external Board members are paid in accordance with the resolution at the Annual General Meeting. No Board fees are paid to the President and the employee representatives. In accordance with the resolution of the 2024 Annual General Meeting, the total fee to the external Board members elected at the Meeting amounts to in total SEK 7,800,000 on an annual basis.

	2023				
SEK	**Board fee**	**Audit Committee fee**	**Remuneration Committee**	**Acquisition and Divestitures Committee**	**Total Board and Committee fee**
Chairman of the Board (Johan Molin)	-2,875,000	-192,000	-161,000	-218,000	**-3,446,000**
Jennifer Allerton[1)]	-770,000	–	–	–	**-770,000**
Claes Boustedt	-770,000	-338,000	–	-161,000	**-1,269,000**
Marika Fredriksson	-770,000	–	–	–	**-770,000**
Helena Stjernholm	-770,000	-192,000	-127,000	-161,000	**-1,250,000**
Kai Wärn	-770,000	–	-127,000	–	**-897,000**
Andreas Nordbrandt	-770,000	–	–	–	**-770,000**
Total	**-7,495,000**	**-722,000**	**-415,000**	**-540,000**	**-9,172,000**

	2024				
SEK	**Board fee**	**Audit Committee fee**	**Remuneration Committee**	**Acquisition and Divestitures Committee**	**Total Board and Committee fee**
Chairman of the Board (Johan Molin)	-3,000,000	-200,000	-167,000	-226,000	**-3,593,000**
Claes Boustedt	-800,000	-352,000	–	-167,000	**-1,319,000**
Marika Fredriksson	-800,000	–	–	–	**-800,000**
Andreas Nordbrandt	-800,000	–	–	–	**-800,000**
Susanna Schneeberger[2)]	-800,000	–	–	–	**-800,000**
Helena Stjernholm	-800,000	-200,000	-132,000	-167,000	**-1,299,000**
Kai Wärn	-800,000	–	-132,000	–	**-932,000**
Total	**-7,800,000**	**-752,000**	**-431,000**	**-560,000**	**-9,543,000**

1) Resigned in April 2024
2) Appointed in April 2024

President and other senior executives
Guidelines for remuneration
For information on the current guidelines for remuneration of senior executives, adopted by the 2024 Annual General Meeting, please refer to pages 48–50.

President and CEO
The Sandvik President and CEO, Stefan Widing, was paid an annual fixed salary of SEK 16,420,272 and received a fringe benefit value of a car provided by the company. In addition, an annual variable cash based salary of maximum 75 percent of the fixed salary is payable. The variable salary for 2024 amounted to SEK 1,477,824 being 12 percent of the maximum amount.

Stefan Widing is entitled to retire at age 65. A pension premium of 37.5 percent of his annual fixed salary is reserved annually.
In the event of termination of employment by the company, Stefan Widing has a notice period of 12 months and 12 months' severance pay.

Other senior executives
The members of the Group Executive Management in Sweden receive an occupational pension plan limited to 35 percent of their annual base salary. One member of the Group Executive Management based in Sweden carries an additional legacy pension plan, where a supplement of 5 percent of the salary portions in excess of 7.5 income base amounts applies. The pension plan entails savings to pension, contributions for disability pension, insurance and supplementary disability and survivor's pension. One member of the Group Executive Management based in Switzerland is covered by a Swiss pension plan amounting to 21 percent of annual base salary, whereof 75 percent is paid by the company and 25 percent by the employee, and one member based in the UK is covered by a UK salary supplement plan amounting to 12 percent of the annual base salary. The retirement age is minimum 62.

Severance pay is paid in the event that the company terminates employment. The severance pay equals 6–12 months fixed salary in addition to the notice period, which is 6–12 months. Any other income from employment may be deducted from the severance pay.

External remuneration market data for benchmarking is used as guidance. No sign-on bonus nor other extra incentive payments have been paid in 2024.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G4, continued

Remuneration and other benefits pertaining to 2023 expensed during the year, in SEK

Position	Fixed salary	Annual variable salary[3]	Other benefits[4]	Long-term variable salary[5]	Pension costs[6]
President and CEO	-15,800,641 [1]	-9,294,494	-125,462	-8,922,783	-5,344,644
Other senior executives [7]	-43,634,905 [2]	-12,926,478	-1,417,873	-14,002,256	-12,145,441
Total	**-59,435,546**	**-22,220,972**	**-1,543,335**	**-22,925,040**	**-17,490,085**

1) The fixed salary during 2023 for Stefan Widing amounts to SEK 15,490,824. The remaining amount relates to vacation pay, etc.
2) Fixed salaries for other Senior Executives pertaining to 2023.
3) Amount pertaining to 2023 and expected to be paid in 2024.
4) Relates mainly to fringe benefit and company car.
5) The amounts pertain to changes in provisions made for the 2021, 2022 and 2023 LTI programs at year-end.
6) Amounts pertaining to company paid contributions for the President and other senior executives. For the President and CEO the pension contributions for 2023 were based on the 2022 base salary.
7) Pertains to the following persons in 2023: Cecilia Felton, Åsa Thunman, Johan Kerstell, Nadine Crauwels, Richard Harris, Mats Eriksson, Sofia Sirvell (Mar–Dec), Björn Roodzant (May–Dec), Mattias Nilsson (May–Dec), Christophe Sut (Jan–Apr) and Jessica Alm (Jan–Apr)

Remuneration and other benefits pertaining to 2024 expensed during the year, in SEK

Position	Fixed salary	Annual variable salary[3]	Other benefits[4]	Long-term variable salary[5]	Pension costs[6]
President and CEO	-16,748,678 [1]	-1,477,824	-159,196	-5,465,050	-7,345,166
Other senior executives [7]	-45,582,334 [2]	-4,887,342	-1,426,931	-9,562,355	-13,433,296
Total	**-62,331,012**	**-6,365,166**	**-1,586,127**	**-15,027,405**	**-20,778,462**

1) The fixed salary during 2024 for Stefan Widing amounts to SEK 16,420,272. The remaining amount relates to vacation pay, etc.
2) Fixed salaries for other Senior Executives pertaining to 2024.
3) Amount pertaining to 2024 and expected to be paid in 2025.
4) Relates mainly to fringe benefits and company car.
5) The amounts pertain to changes in provisions made for the 2022 and 2023 LTI programs at year-end. Provisions made for the LTI 2024 program forfeited at year end.
6) Amounts pertaining to company paid contributions for the President and other senior executives. For the President and CEO the pension contributions included a pending payment of SEK 1,008,245 for the years 2022 and 2023..
7) Pertains to the following persons in 2024: Cecilia Felton, Åsa Thunman, Johan Kerstell, Sofia Sirvell, Björn Roodzant, Nadine Crauwels, Richard Harris, Mats Eriksson, Mattias Nilsson.

Long-term incentive programs (LTI)
Share-based incentive program 2021–2024
The 2021–2024 Annual General Meetings approved the Board's proposal to adopt a performance share program for each year for a maximum 350 senior executives and key individuals in the Sandvik Group, divided into four categories. For all participants, a personal investment is required in each separate program and the programs encompass a grant of a maximum total of 4,737,288 shares.

All program participants have invested in Sandvik shares ("investment shares"), up to an amount corresponding to 10 percent of their fixed annual pre-tax salary at the time of the investment.

Performance shares
In LTI 2021-2024, provided certain performance targets are met, Sandvik shares may be allotted ("performances shares"). The maximum number of performance shares that may be allotted for each acquired investment share depends on the category to which the participant belongs.

The number of performance shares that will finally be allotted to the participant for each acquired investment share is dependent on the development of the Sandvik Group adjusted Earnings Per Share ("EPS") during the financial year that the investment shares were acquired, compared to adjusted EPS for the previous financial year.

In January 2021-2024 respectively the Board of Directors established the levels regarding adjusted EPS for the performance year in question that had to be attained for allotment of a certain number of performance shares.

Performance outcome 2020–2023
LTI 2021: Performance shares will be allotted since the performance targets set by the Board of Directors were met. The LTI adjusted EPS for the financial year 2021 amounted to SEK 11.07.

LTI 2022: Performance shares will be allotted since the performance targets set by the Board of Directors were met. The LTI adjusted EPS for the financial year 2022 amounted to SEK 12.89.

LTI 2023: Performance shares were partly allotted since the performance targets set by the Board of Directors were partly met. The adjusted EPS for the financial year 2023 amounted to SEK 14.04.

LTI 2024: No performance shares were allotted since the performance targets set by the Board of Directors were not met. EPS for the financial year 2024 amounted to SEK 13.11. This means that there will be no allotment of shares under LTI 2024.

The number of allotted performance shares under the 2021–2024 LTI programs for the President and other members of the Group Executive Management on December 31, 2024, corresponds to the number of outstanding performance shares at year-end.

The allotments of performance shares in ongoing programs requires continuous employment and that all investment shares are held during a period of three years from the acquisition of the investment shares.

Costs for the programs
The following IFRS 2 provisions were established during the year: For LTI 2022 SEK 49.0 million (excluding social costs), of which SEK 9.7 million for the President and CEO and other Senior Executives. For LTI 2023 SEK 39.7 million (excluding social costs), of which SEK 5.3 million for the President and CEO and other Senior Executives. For LTI 2024, no IFRS2 provisions were made since the performance targets set by the Board of Directors were not met.

Preparation and decision-making process
The Board's Remuneration Committee prepares issues relating to the Group Executive Management's remuneration. The Committee met four times during the year. Items dealt with included the distribution between fixed and variable salary, the magnitude of any pay increases and both the short-term and long-term variable incentive programs.

The Board discussed the Remuneration Committee's proposals and made a decision, using the Committee's proposal as a basis. Based on the Remuneration Committee's proposals, the Board decided on the remuneration of the President for 2024. The President decided on remuneration to other senior executives after consultation with the Remuneration Committee. The Remuneration Committee performed its task supported by expertise on remuneration levels and structures. For information on the composition of the Committee, refer to the Corporate Governance Report.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G4, continued

Assumptions for determining the value, 2021–2024 LTI Programs

Assumptions	Program 2021 (on date of issue)	Program 2022 (on date of issue)	Program 2023 (on date of issue)	Program 2024 (on date of issue)
Share price, SEK	219.40	201.60	198.35	238.10
Present value of forecasted future dividends, SEK [1]	16.70	17.32	16.77	18.09
Risk-free interest rate, %	-0.22	0.40	3.23	3.74

1) Based on analysts' 3 year combined expectations.

Number of Performance Shares, Group (including Parent Company), 2021–2024 LTI programs

	2021	2022	2023	2024
Outstanding at beginning of year	784,450	1,135,985	603,901	–
Allotted during the period	–	–	–	1,222,888
Vested during the year	-763,942	–	–	–
Forfeited during the year	-20,508	-112,775	-41,718	-1,222,888
Transferred during the year	–	–	–	–
Outstanding at year-end	–	1,023,210	562,183	–
Theoretical value when allotted, SEK	202.70	184.28	181.58	220.01

Number of Performance Shares, Parent Company, 2021–2024 LTI programs

	2021	2022	2023	2024
Outstanding at beginning of year	153,631	212,791	96,571	–
Allotted during the period	–	–	–	198,605
Vested during the year	-134,992	–	–	–
Forfeited during the year	-18,639	-16,609	–	-198,605
Transferred during the year	–	–	872	–
Outstanding at year-end	–	196,182	97,443	–
Theoretical value when allotted, SEK	202.70	184.28	181.58	220.01

§ Accounting principles

Share-based payments refer to remuneration to employees in accordance with employee share saving programs.

The costs for the employee performance shares are expensed as an employee expense (excluding social costs) over the vesting period and are recognized directly against equity. The amount recognized is continuously revised throughout the vesting period of each program. Social costs are expensed during the vesting period of each program based on the change in value of the employee performance shares.

The share-based program, performance share consists of the rights to provide entitlement to shares subject to the same conditions and if goals relating to operating performance are achieved. The amount recognized as an expense is adjusted to reflect the actual number of shares vested.

In order to meet its commitments under the share saving program, Sandvik has entered into an equity swap agreement with a financial institution. Under the agreement, the financial institution undertakes to distribute Sandvik shares to participants in the program when the date for allotment occurs in accordance with the terms and conditions of the program.

The fair value of the Sandvik share when the swap agreement was signed is recognized as a financial liability and as a reduction of equity in accordance with IAS 32. Social costs relating to share-based payments to employees are expensed over the accounting periods during which the services are provided. The charge is based on the fair value of the options at the reporting date. The fair value is calculated using the same formula as that used when the options were granted.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G5 Remuneration to auditors

Fees and remuneration to the auditors for the Group were as follows:

	2023	2024
PwC		
Audit fees	-89	-94
Audit activities other than the audit assignment	–	-6
Tax consultancy services	-18	-10
Other Services	-12	-2
Total	**-119**	**-112**
Other Audit firms		
Audit fees	-15	-23
Audit activities other than the audit assignment	-3	-3
Tax consultancy services	-28	-42
Other Services	-74	-57
Total	**-120**	**-125**

Audit refers to the statutory audit of the financial statements, the accounting records and the administration of the business by the Board of Directors and the President and CEO, and auditing and other review procedures performed in accordance with agreements or contracts. This includes other procedures required to be performed by the company's auditors as well as other services caused by observations during the performance of such examination and other procedures.

Tax consultancy services relate to services in the tax area. Other services essentially comprise advice in areas closely related to the audit, such as other assurance, advice on accounting issues and due diligence services in connection with acquisitions.

G6 Other operating income

Other operating income amounted to SEK 297 million (681). The amount consists mainly of SEK 74 million gain on write off of earn-out and SEK 55 million gain on disposal of equipment and right of use assets.

For 2023 the amount is mainly related to SEK 243 million gain on the divestment of business, SEK 160 million gain on disposal of buildings, equipment and right of use assets, and SEK 69 million gain due to valuation of hedges.

G7 Other operating expenses

Other operating expenses amounted to SEK -1,249 million (-1,166). The amount consists of SEK -220 million loss on the divestment of business, SEK -178 million for external M&A transaction costs, SEK -119 million loss due to valuation of hedges, SEK -74 million loss on foreign exchange and SEK -61 million loss on disposal of land and buildings.

For 2023 the amount is mainly related to loss on foreign exchange of SEK -789 million, external M&A transaction costs of SEK -156 million and SEK -83 million for impairment of goodwill.

G8 Operating expenses

	2023	2024
Cost of goods and material	-42,964	-40,685
Employee benefit expense	-31,682	-31,850
Depreciation and amortization	-7,211	-7,489
Impairment losses, inventories	-206	-495
Impairment losses and reversal impairment losses, non-current assets	-301	-408
Impairment losses, doubtful receivables	-92	-126
Other expenses	-22,327	-23,493
Total	**-104,781**	**-104,546**

Other expenses mainly relate to purchases of services and consumables.

G9 Net financial items

	2023	2024
Interest income	603	622
Dividend	14	3
Other investments including derivatives		
Net gain on remeasurements of financial assets/liabilities	1	115
Gain on disposal of financial assets	10	1
Other financial income	180	85
Financial income	**808**	**827**
Interest expense	-2,622	-2,551
Other investments including derivatives		
Net loss on remeasurements of financial assets/liabilities	-400	-42
Foreign Exchange losses	-210	-80
Other financial expenses	-198	-113
Financial expenses	**-3,431**	**-2,787**
Net financial items	**-2,623**	**-1,959**

Net interest income/expense from financial assets and liabilities not measured at fair value through profit or loss amounted to SEK -1,926 million (-2,005). No inefficiencies in cash-flow hedges impacted profit for the year (0). For further information regarding valuation policies for financial instruments, refer to note G27.

§ Accounting principles

Financial expenses consist of interest expense on borrowings, interest income and expenses on interest swaps that are recognized net as an interest expense. Credit losses on financial assets and foreign exchange gains and losses on hedging instruments are recognized in profit or loss for the year.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G10 Income tax

Recognized in the income statement

Income tax expense for the year	2023	2024
Current tax	-5,479	-4,369
Adjustment of taxes attributable to prior years	608	-502
Total current tax expense	**-4,871**	**-4,871**
Deferred taxes relating to temporary differences and tax losses carried forward	378	655
Total tax expense	**-4,493**	**-4,216**

The Group's recognized tax expense for the year amounted to SEK 4,216 million (4,493) or 25.6 percent (22.7) of profit before tax.

Reconciliation of the tax expense

The Group's weighted average tax rate, calculated in accordance with the statutory tax rate in each country, was 22.2 percent (22.6). The tax rate in Sweden was 20.6 percent (20.6).

Reconciliation of the Group's weighted average tax rate, based on the tax rate in each country, and the Group's actual tax expense:

	2023		2024	
	MSEK	%	MSEK	%
Profit before tax	19,794		16,461	
Weighted average tax based on each country's tax rate	-4,481	-22.6	-3,654	-22.2
Tax effect of				
Non-deductible expenses	-387	-2.0	-385	-2.3
Tax-exempt income	141	0.7	162	1.0
Adjustments relating to prior years	608	3.1	-502	-3.1
Effects of tax losses carried forward, net	-49	-0.2	-84	-0.5
Other	-325	-1.7	247	1.5
Total recognized tax expense	**-4,493**	**-22.7**	**-4,216**	**-25.6**

Tax items attributable to other comprehensive income

	2023			2024		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Actuarial gains/losses attributable to defined-benefit pension plans	-510	167	-344	-117	-5	-122
Translation differences	-3,113	–	-3,113	5,627	–	5,627
Fair-value changes in cash flow hedges	1,052	-217	835	-1,622	334	-1,288
Fair-value adjustment	-2	–	-2	-14	–	-14
Other comprehensive income	**-2,573**	**-50**	**-2,623**	**3,874**	**329**	**4,204**

Recognized in the balance sheet

Deferred tax assets and liabilities

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following assets and liabilities.

	2023			2024		
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	139	-3,211	-3,072	196	-3,180	-2,984
Property, plant and equipment	265	-1,339	-1,074	195	-1,387	-1,192
Financial non-current assets	203	-410	-207	154	-359	-205
Inventories	1,358	-186	1,172	1,426	-162	1,264
Receivables	176	-183	-7	168	-107	61
Interest-bearing liabilities [1]	831	-51	780	833	-52	781
Non interest-bearing liabilities [2]	1,715	-42	1,673	1,811	-48	1,763
Other	–	-54	-54	–	-19	-19
Tax losses carried forward	618	–	618	914	–	914
Tax credits etc	46	–	46	179	–	179
Total	**5,351**	**-5,476**	**-125**	**5,876**	**-5,314**	**562**
Offsetting within companies	-1,890	1,890	–	-1,761	1,761	–
Total deferred tax assets and liabilities	**3,461**	**-3,586**	**-125**	**4,115**	**-3,553**	**562**

1) Mainly related to pensions
2) Mainly related to provisions

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G10, continued

Unrecognized deferred tax assets
Tax losses carried forward for which no deferred tax asset has been recognized amounted to SEK 2,445 million and were allocated as follows:

SEK thousand Company	Country	Unrecognized tax losses	Theoretical DTA
SigmaTEK Pty. Ltd.	Australia	11,050	3,315
FREZITE Ferramentas de Corte LTDA	Brazil	1,023	348
Sandvik Holding do Brasil Ltda	Brazil	44,097	14,993
Svk Coromant do Br Industr e Comerc de Ferram Ltda	Brazil	111,190	37,804
Norgalv Limited	Canada	8,205	2,174
Sandvik Chile S.A.	Chile	603,575	162,965
Suzhou SPD Precision	China	63	16
Wuhan Yongpu Carbide Tools	China	664	166
Cimatron (Beijing) Technologies Co. Ltd.	China	732	183
Suzhou Yongpu Precision Technology	China	4,583	1,146
Sandvik Mining and Construction (Luoyang) Co., Ltd	China	6,146	1,537
Zhuzhou Ke'ernuo New Materials Co., Ltd	China	8,887	2,222
SigmaTEK Systems China, LLC	China	10,842	2,710
Suzhou Ahno Precision Cutting Tool Technology Co.	China	32,014	8,004
OSK (Kunshan Ousike Precision Tools Co., Ltd)	China	88,307	22,077
Shanghai Jianshe Luqiao machinery Co., Ltd	China	328,993	82,248
Sandvik China Holding Co. Ltd	China	403,757	100,939
DSI Underground Multitex s.r.o.	Czech Republic	80	17
Akkurate	Finland	6,812	1,362
SigmaNEST France	France	2,169	560
Seco Ressources et Finances SA	France	4,703	1,214
Schaum-Chemie Beteiligungen 1 GmbH	Germany	68	20
Esco Gmbh engineering solutions consulting	Germany	1,006	302
Protomedical GmbH	Germany	82,193	24,658

SEK thousand Company	Country	Unrecognized tax losses	Theoretical DTA
SigmaTEK Japan LTD.	Japan	1,179	361
Rocbolt Technologies Holdings Mongolia S.à r.l.	Luxembourg	625	156
DSI Underground IP Holding Luxembourg S.à r.l	Luxembourg	1,834	457
Jupiter LuxCo 2 S.à r.l.	Luxembourg	6,555	1,635
DSI Underground SMART S.à r.l	Luxembourg	13,601	3,392
DSI Underground Holdings S.à r.l.	Luxembourg	625,509	156,002
Rocbolt of Mauritius Ltd	Mauritius	1,115	167
Mansour Mining Technolog De Mexico S.A DE C.V	Mexico	1	0
Mansour Mining Tech De Mexico Servic. S.A. de C.V.	Mexico	7	2
Terelion de Mexico S.A. de C.V.	Mexico	6,936	2,081
Rocbolt Technologies Mongolia LLC	Mongolia	1,354	339
Sandvik Mining and Construction Papua New Guinea	Papua New Guinea	4,592	1,378
Sandvik Philippines Inc	Philippines	786	197
Seco Tools Portugal Lda	Portugal	2,269	477
Sandvik SRP Holdings South Africa (Pty) Ltd	South Africa	5	1
Rocbolt Technologies Holdings Pty. Ltd.	South Africa	973	263
Seco Tools South Africa (Pty) Ltd	South Africa	2,138	577
Rocbolt Technologies Pty. Ltd	South Africa	5,277	1,425
Preziss	Spain	1,506	377
Sandvik Holding AG	Switzerland	1,644	247
Walter Cutting Tools Industry & Trade LLC	Turkey	3,214	803
Edvirt UK Limited	UK	35	9
LLC Seco Tools Ukraina	Ukraine	1,078	194
Metrologic Group Services, Inc.	USA	1,296	337
Total		**2,444,688**	**641,857**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G10, continued

The expiry dates of these tax losses carried forward are allocated as follows:

Year	MSEK
2025	30
2026	544
2027	65
2028	39
2029	208
No expiry date	1,559
Total	**2,445**

In addition, the Group had unrecognized deferred tax assets which amounted to SEK 240 million related to interest deduction limitations in the USA.

Change of deferred tax in temporary differences and unutilized tax losses carried forward

	2023	2024
Balance at the beginning of the year, net	-632	-125
Recognized in profit and loss	378	655
Acquisitions/disposals of subsidiaries	3	-274
Recognized in other comprehensive income	-50	329
Recognized in equity	199	–
Translation differences	-23	-23
Balance at end of year, net	**-125**	**562**

In addition to the deferred tax assets and liabilities, Sandvik reports the following tax liabilities and receivables:

	2023	2024
Income tax liabilities	-3,024	-3,031
Income tax receivables	3,065	3,627
Tax liabilities/receivables, net	**41**	**596**

OECD Pillar Two model rules
The group is within the scope of the OECD Pillar Two model rules. In Sweden, the jurisdiction in which Sandvik AB is incorporated, the Pillar Two legislation came into effect from 1 January 2024. 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.

The Group estimates that it will not be liable to any material Pillar Two taxes as most jurisdictions in which the group operates have an effective tax rate of 15 percent or higher.

§ Accounting principles

Income tax comprises current and deferred tax. Income tax is recognized in income statement for the year except when the underlying transaction is recognized in other comprehensive income. In these cases, the associated tax effects are recognized in other comprehensive income.

Current tax liabilities are offset against current tax receivables and deferred tax assets are offset against deferred tax liabilities when the entity has a legal right to offset these items and intends to do so.

! Critical estimates and key judgments

Significant estimates are made to determine both current and deferred tax liabilities/assets, not least the value of deferred tax assets.

The actual results may differ from these estimates, for instance due to changes in the business climate, changed tax legislation, or the outcome of the final review by tax authorities and tax courts of tax returns.

The recognized provision for tax litigations and other uncertainties amounted to SEK 80 million (439) and was based on management's best estimate of the outcome.

G11 Earnings per share

Basic and diluted earnings per share, SEK

	Basic		Diluted	
	2023	2024	2023	2024
Earnings per share	12.20	9.76	12.18	9.75

The calculation of the numerators and denominators used in the above calculations of earnings per share is presented below:

MSEK	2023	2024
Profit for the year attributable to the equity holders of the Parent Company	15,300	12,243

Number of shares, in thousands of shares	2023	2024
Total number of ordinary shares at January 1	1,254,386	1,254,386
Weighted average number of shares outstanding, basic	1,254,386	1,254,386
Effect of share options	1,530	1,600
Weighted average number of shares outstanding, diluted	1,255,916	1,255,986

Diluted earnings per share is related to outstanding share-based LTI programs for 2022 and 2023. For LTI program for 2024 no performance shares were allotted since the performance targets set by the Board of Directors were not met. Further information about the LTI programs are found in note G4.

§ Accounting principles

The calculation of basic earnings per share is based on the profit (loss) attributable to ordinary equity holders of the Parent Company divided by the weighted average number of ordinary shares outstanding during the year.

When calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the effects of all dilutive potential ordinary shares, which during reported periods relates to share-based payment arrangements issued to employees. All LTI programs within Sandvik are performance-based and are regarded as giving a potential dilutive effect. The shared-based awards are dilutive if the exercise price is less than the quoted stock price and increases with the size of the difference.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G12 Intangible assets

	Internally generated intangible assets				Acquired intangible assets							Total
	Capitalized R&D expenditure	**IT software**	**Other**	**Subtotal**	**Capitalized R&D expenditure**	**IT software**	**Patents and licenses**	**Trademarks**	**Goodwill**	**Other**	**Subtotal**	
Cost												
January 1, 2023	**4,380**	**3,499**	**408**	**8,287**	**899**	**1,301**	**1,863**	**3,001**	**47,572**	**15,184**	**69,820**	**78,107**
Additions	314	754	16	**1,085**	249	102	3	5	0	40	**398**	**1,482**
Business combinations	–	–	–	–	33	3	1	141	712	759	**1,649**	**1,649**
Divestments and disposals	-94	-35	0	**-129**	-1	-93	-25	0	-72	-13	**-204**	**-333**
Impairment losses	–	–	-2	**-2**	–	–	–	-13	-83	-77	**-173**	**-174**
Reclassifications	12	-20	-8	**-16**	-12	87	-2	30	0	32	**135**	**119**
Translation differences	-28	26	-13	**-15**	-18	-21	-57	-110	-1,474	-558	**-2,238**	**-2,253**
December 31, 2023	**4,584**	**4,223**	**402**	**9,209**	**1,151**	**1,378**	**1,782**	**3,053**	**46,656**	**15,367**	**69,388**	**78,598**
Accumulated amortizations and impairments losses												
January 1, 2023	**3,450**	**2,455**	**267**	**6,173**	**313**	**782**	**674**	**526**	**–**	**3,506**	**5,801**	**11,973**
Divestments and disposals	-76	-35	0	**-111**	0	-78	-20	–	0	-11	**-108**	**-220**
Impairment losses	16	–	–	**16**	–	0	–	–	–	–	**0**	**16**
Reversal of impairment losses	–	–	1	**1**	–	–	–	–	–	0	**0**	**1**
Reclassifications	4	-16	-1	**-14**	-4	19	0	30	–	1	**46**	**31**
Amortization for the year	223	267	12	**502**	101	154	154	126	–	1,490	**2,025**	**2,527**
Translation differences	-17	21	-8	**-4**	-7	-12	-27	-13	–	-162	**-220**	**-224**
December 31, 2023	**3,599**	**2,691**	**272**	**6,561**	**404**	**866**	**780**	**669**	**0**	**4,825**	**7,544**	**14,104**
Net carrying amount												
December 31, 2023	**985**	**1,532**	**131**	**2,648**	**747**	**512**	**1,002**	**2,384**	**46,656**	**10,542**	**61,844**	**64,495**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G12, continued

	Internally generated intangible assets				Acquired intangible assets							Total
	Capitalized R&D expenditure	IT software	Other	Subtotal	Capitalized R&D expenditure	IT software	Patents and licenses	Trademarks	Goodwill	Other	Subtotal	
Cost												
January 1, 2024	**4,584**	**4,223**	**402**	**9,209**	**1,151**	**1,378**	**1,782**	**3,053**	**46,656**	**15,367**	**69,388**	**78,598**
Additions	245	685	34	**964**	238	42	7	–	–	24	**311**	**1,276**
Business combinations	–	–	–	**–**	9	5	5	1,014	1,848	814	**3,695**	**3,695**
Divestments and disposals	-9	-29	–	**-38**	-1	-57	-14	-34	-78	-190	**-375**	**-413**
Impairment losses	–	–	-59	**-59**	–	–	–	–	–	-5	**-5**	**-64**
Reclassifications	118	-1	-5	**112**	–	59	-8	–	–	135	**185**	**298**
Translation differences	101	11	19	**132**	45	36	118	270	2,753	910	**4,133**	**4,265**
December 31, 2024	**5,039**	**4,890**	**391**	**10,321**	**1,443**	**1,463**	**1,890**	**4,303**	**51,181**	**17,055**	**77,333**	**87,655**
Accumulated amortizations and impairment losses												
January 1, 2024	**3,599**	**2,691**	**272**	**6,561**	**404**	**866**	**780**	**669**	**–**	**4,825**	**7,544**	**14,104**
Divestments and disposals	-3	-29	–	**-34**	–	-51	-10	-1	–	-2	**-65**	**-99**
Impairment losses	41	103	–	**143**	–	–	–	7	–	–	**7**	**150**
Reclassifications	74	2	-74	**2**	–	1	–	–	–	90	**92**	**94**
Amortization for the year	218	194	12	**425**	119	166	138	146	–	1,499	**2,068**	**2,493**
Translation differences	67	5	11	**84**	18	25	54	53	–	352	**501**	**587**
December 31, 2024	**3,996**	**2,966**	**222**	**7,184**	**540**	**1,008**	**962**	**874**	**–**	**6,764**	**10,147**	**17,330**
Net carrying amount												
December 31, 2024	**1,043**	**1,924**	**170**	**3,136**	**903**	**455**	**927**	**3,429**	**51,181**	**10,290**	**67,185**	**70,323**

Amortization for the year is included in the following lines in the income statement

	2023	2024
Cost of goods and services sold	-771	-761
Selling expenses	-1,284	-1,291
Administrative expenses	-205	-187
Research & development	-267	-255
Total	**-2,527**	**-2,493**

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

> Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

→ G12, continued

Goodwill

	Carrying amount	
Goodwill by cash-generating unit	**2023**	**2024**
Sandvik Manufacturing and Machining Solutions		
Walter Group	4,319	4,989
Seco Tools	621	646
Sandvik Coromant	4,016	4,389
Dormer Pramet	275	292
SMS China Division	–	1,250
Business area level	15,166	16,461
Total	**24,397**	**28,028**
Sandvik Mining and Rock Solutions		
Business area level	16,095	16,811
Total	**16,095**	**16,811**
Sandvik Rock Processing Solutions		
Business area level	6,127	6,300
Total	**6,127**	**6,300**
Other Operations	39	42
Group total	**46,657**	**51,181**

Impairment tests of goodwill

As previously stated, the carrying amount of goodwill in the consolidated balance sheet is SEK 51,181 million (46,657), essentially related to a number of major business combinations.

In 2024, there were no changes to the business areas that have caused the cash generating units (CGUs) that existed during 2023 to change. However, the new SMS China Division, that was set-up following the acquisition of Suzhou Ahno, constitutes a new CGU within Sandvik Manufacturing and Machining Solutions. That means that goodwill is tested for impairment on business area level for Sandvik Mining and Rock Solutions and Sandvik Rock Processing Solutions and on division/business area level for Sandvik Manufacturing and Machining Solutions with the following CGUs: Sandvik Coromant, Seco Tools, Dormer Pramet, Walter Group, SMS China Division and Sandvik Manufacturing and Machining Solutions business area level.

Consolidated goodwill is allocated to the CGUs stated above. The recoverable amount of all of the CGUs has been assessed based on estimates of value in use. Calculations of value in use are based on the estimated future cash flows using forecasts covering a four-year period, which are based on the business plans prepared annually by each of the business areas and approved by Sandvik Group Executive Management.

These plans are founded on the business areas' strategies and an analysis of the current and anticipated business climate, and the impact this is expected to have on the market in which the business area operates. A range of economic indicators, which differ for each market, and external and internal studies of these, are used in the analysis of the business situation. The forecasts form the basis for how the values of the material assumptions are established. The forecasts consider potential significant climate related risks (as well as other types of risks recognized in the Sandvik Key Risk map) and the group's ongoing and future mitigating activities.

The assumptions mentioned below reflect past experience and the current and future situation and are consistent with external information. The most material assumptions when determining the value in use include anticipated demand, growth rate, operating margin, working capital requirements and the discount rate. Assumptions on growth rate and margins are at normal levels in relation to outcomes for all CGUs in recent years. The future revenues in 2025 are somewhat higher due to the acquisitions in 2024, but in 2026 and onwards the revenues and margins are assumed to be normalized.

The factor used to calculate growth in the terminal period after four years was 2 percent for all CGUs. Need of working capital beyond the four-year period is deemed to increase approximately at the same rate as the expected growth in the terminal period. The discount rate consists of a weighted average cost of capital for borrowed capital and shareholders' equity. Sandvik calculates a pre-tax discount rate for each CGU, which varied between 10.0 percent and 12.4 percent; Sandvik Mining and Rock Solutions 11.3 percent (11.2), Sandvik Rock Processing Solutions 12.4 percent (11.0), Walter Group 10.0 percent (11.0), Seco Tools 10.5 percent (10.0), Sandvik Coromant 10.5 percent (9.7), Dormer Pramet 11.1 percent (10.5), SMS China Division 10.0 and Sandvik Manufacturing and Machining Solutions 10.5 percent (10.0). The specific risks of the CGUs have been adjusted for future cash flow forecasts.

The impairment testing of goodwill performed during the fourth quarter 2024 did not indicate any impairment requirements. Sensitivity in the calculations implies that the goodwill value would be maintained even if the discount rate was increased by 2 percentage points or if the long-term growth rate was lowered by 2 percentage points. The goodwill value would also be maintained, given an operating margin drop of 2 percentage points.

§ Accounting principles

Intangible asset

Goodwill

Goodwill is allocated to CGUs that are expected to benefit from the synergies of the business combination. Goodwill arising on the acquisition of an associated company is included in the carrying amount of participation in associated companies.

Other intangible assets

Capitalized expenditure for the development and purchase of software for the Group's IT operations are included here.

Amortization of intangible assets

Amortization is charged to profit or loss for the year on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

The estimated useful lives are as follows:

– Patents	10–20 years
– Trademarks	3–20 years and some with indefinite useful life
– Customer Relationships	3–12 years
– Capitalized development costs	3–10 years
– Software for IT operations	3 years

Borrowing costs

Borrowing costs attributable to the construction of qualifying assets are capitalized as a portion of the qualifying asset's cost. A qualifying asset is an asset that takes a substantial time period to get ready for its intended use or sale. The Group considers a period in excess of one year to be a substantial time period. For the Group, the capitalization of borrowing costs relating to intangibles is mainly relevant for capitalized expenditure for the development of new data systems.

Cloud computing arrangements

Sandvik applies the IFRS IC's agenda decision for cloud computing arrangements from 2021. Configuration or customization costs in cloud computing arrangements that Sandvik can control will be capitalized.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

> Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

→ G12, continued

! Critical estimates and key judgments

Impairment tests of goodwill
Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired, for example due to a changed business climate or a decision taken either to sell or close down certain operations. In order to determine if the value of goodwill has been impaired, the CGU to which goodwill has been allocated must be valued using present value techniques. When applying these valuation techniques, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. As can be deduced from this description, changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill.

Impairment tests of other non-current assets
The Sandvik intangible assets – excluding goodwill and certain trademarks– are stated at cost less accumulated amortization and any impairment losses. Other than goodwill and certain trademarks, Sandvik has not identified any intangible assets with indefinite useful lives. The assets are amortized over their estimated useful lives to their estimated residual values. Both the estimated useful life and the residual value are reviewed at least at each financial year-end.

The carrying amount of the Group's non-current assets is tested for impairment whenever events or changes in circumstances indicate that the carrying amount will not be recovered. The carrying amount of intangible assets not yet available for use is tested annually. If such analysis indicates an excessive carrying amount, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the asset's fair value less selling costs, and its value in use. Value in use is measured as the discounted future cash flows of the asset, alternatively the CGU to which the asset belongs.

G13 Property, plant and equipment

	Land and buildings	Plant and machinery	Rental fleet	Equipment, tools, fixtures and fittings	Construction in progress	Total
Acquisition cost						
At January 1, 2023	**13,727**	**30,715**	**2,621**	**6,243**	**3,017**	**56,325**
Additions	316	871	910	434	2,249	**4,781**
Business combinations	147	127	–	25	1	**299**
Divestments and disposals	-175	-864	-578	-347	-127	**-2,091**
Reclassifications	591	1,026	-272	119	-1,992	**-527**
Translation differences for the year	-263	-668	-64	-123	-79	**-1,198**
At December 31, 2023	**14,344**	**31,207**	**2,619**	**6,350**	**3,069**	**57,590**
Accumulated depreciations and impairments						
At January 1, 2023	**6,604**	**22,277**	**1,294**	**4,428**	**39**	**34,642**
Divestments and disposals	-112	-819	-379	-320	–	**-1,631**
Impairment losses	5	101	20	0	–	**126**
Reclassifications	50	-95	-181	-60	–	**-286**
Depreciation for the year	483	1,715	534	526	–	**3,258**
Translation differences for the year	-150	-484	-34	-85	–	**-753**
At December 31, 2023	**6,880**	**22,694**	**1,254**	**4,489**	**39**	**35,356**
Net carrying amount						
At December 31, 2023	**7,463**	**8,513**	**1,365**	**1,860**	**3,030**	**22,234**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G13, continued

	Land and buildings	Plant and machinery	Rental fleet	Equipment, tools, fixtures and fittings	Construction in progress	Total
Acquisition,cost						
At January 1, 2024	**14,344**	**31,206**	**2,619**	**6,350**	**3,069**	**57,590**
Additions	156	853	1,407	353	2,203	**4,972**
Business combinations	85	887	–	37	139	**1,147**
Divestments and disposals	-199	-1,201	-584	-512	-124	**-2,618**
Reclassification	352	1,367	-310	350	-2,286	**-526**
Translation differences for the year	551	1,181	82	197	107	**2,117**
At December 31, 2024	**15,289**	**34,293**	**3,215**	**6,775**	**3,108**	**62,681**
Accumulated depreciations and impairments						
At January 1, 2024	**6,880**	**22,694**	**1,254**	**4,489**	**39**	**35,356**
Divestment and disposals	-99	-1,134	-433	-469	-39	**-2,174**
Impairment losses	27	72	4	5	–	**108**
Reversal of impairment losses	–	-34	–	–	–	**-34**
Reclassifications	13	-7	-124	5	–	**-113**
Depreciation for the year	491	1,807	767	532	–	**3,598**
Translation differences for the year	262	816	36	146	–	**1,261**
At December 31, 2024	**7,575**	**24,214**	**1,505**	**4,708**	**–**	**38,002**
Net carrying amount						
At December 31, 2024	**7,715**	**10,079**	**1,710**	**2,067**	**3,108**	**24,678**

Impairment tests
Property, plant and equipment with a definite useful life are tested for impairment when an indication for impairment is identified. The tests resulted in impairment losses of SEK -108 million (-126).

Additional information
Items of property, plant and equipment totaling SEK 247 million (238) have been pledged as security for liabilities. In 2024, contractual commitments for the acquisition of property, plant and equipment amounted to SEK 460 million (561).

§ Accounting principles

Rental fleet
The fleet is balanced between underground drills, loaders and trucks followed by surface drills. The largest fleets are based in northern Europe, Canada, the US and Australia.

Depreciation of property, plant and equipment
Property, plant and equipment are depreciated over their estimated useful lives. Land is not depreciated. Depreciation is recognized on a straight-line basis (unless otherwise described) based on the cost of the assets, adjusted by residual value when applicable, and estimated useful lives. The following depreciation periods are applied:

Land and buildings:
– Land — indefinite useful life
– Buildings — 10–50 years
– Site improvements — 20 years

Plant and machinery:
– Plant and machinery — 5–15 years
– Rental fleet — 3 years

Equipment, tools, fixtures and fittings:
– Depreciated over the estimated useful lives
– Computer equipment is depreciated over 3–5 years using the reducing balance method

If an item of property, plant and equipment comprises components with different useful lives, each such significant component is depreciated separately. Depreciation methods and estimated residual values and useful lives are reviewed at each year-end.

Borrowing costs
The capitalization of borrowing costs relating to tangibles are mainly relevant for the construction of production buildings on a proprietary basis.

! Critical estimates and key judgments

Impairment tests of non-current assets
The Sandvik tangible assets are stated at cost less accumulated depreciation and impairment losses. The assets are depreciated over their estimated useful lives to their estimated residual values. Both the estimated useful life and the residual value are reviewed at least at each financial year-end.

The carrying amount of the Group's non-current assets is tested for impairment whenever events or changes in circumstances indicate that the carrying amount will not be recovered. The rental fleets of Sandvik Mining and Rock Solutions are subject to special examination considering their dependence on the business climate in the mining and oil industry and the risk that rental agreements may be cancelled. The carrying amount of the rental fleets at the end of 2024 was SEK 1,710 million (1,365).

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G14 Right-of-use assets

Leases with Sandvik as lessee

	Land and buildings	Plant and machinery	Fixture and fittings	Total
Accumulated acquisition cost				
At January 1, 2023	**6,028**	**454**	**1,254**	**7,740**
Additions	1,064	158	497	1,719
Remeasurements	258	9	-9	257
Business combinations	0	–	-19	-19
Divestments and disposals	-372	-68	-316	-755
Reclassifications	42	-3	0	39
Translation differences for the year	-228	-10	-25	-266
At December 31, 2023	**6,792**	**541**	**1,383**	**8,716**
Depreciation and impairment losses				
At January 1, 2023	**1,922**	**223**	**653**	**2,798**
Depreciation for the year	901	113	351	1,364
Impairment losses	15	0	0	16
Reversal of impairment losses	-12	0	0	-12
Divestments and disposals	-328	-66	-309	-702
Reclassifications	-5	-4	-23	-32
Translation differences for the year	-82	-7	-9	-98
At December 31, 2023	**2,410**	**258**	**663**	**3,332**
Net carrying amount				
At December 31, 2023	**4,382**	**283**	**720**	**5,384**

	Land and buildings	Plant and machinery	Fixture and fittings	Total
Accumulated acquisition cost				
At January 1, 2024	**6,792**	**541**	**1,383**	**8,716**
Additions	926	103	502	1,530
Remeasurements	423	0	25	449
Business combinations	151	–	–	151
Divestments and disposals	-796	-112	-318	-1,226
Reclassifications	-4	-1	3	-2
Translation differences for the year	237	18	43	299
At December 31, 2024	**7,729**	**550**	**1,638**	**9,918**
Depreciation and impairment losses				
At January 1, 2024	**2,410**	**258**	**663**	**3,332**
Depreciation for the year	965	114	402	1,481
Impairment losses	121	–	0	121
Reversal of impairment losses	-2	–	0	-2
Divestments and disposals	-618	-112	-296	-1,025
Reclassifications	23	-9	5	19
Translation differences for the year	85	8	23	115
At December 31, 2024	**2,985**	**259**	**797**	**4,040**
Net carrying amount				
At December 31, 2024	**4,745**	**291**	**842**	**5,877**

Amounts recognized in the income statement

	2023	2024
Depreciations for the year	-1,364	-1,481
Impairment losses / reversal of impairment losses	-4	-119
Interest expenses related to lease liabilities	-225	-268
Expenses for low value assets	-38	-41
Expenses for short-term leases	-24	-22
Expenses related to variable lease expenses not included in the lease liability	-24	-92
Gains/losses related to sale and leaseback transactions	-1	0
Total amounts recognized in the income statement	**-1,680**	**-2,022**
The total cash outflow for leases during the year	**-1,617**	**-1,877**

Contracts not yet commenced
Contracts not yet commenced amounted to SEK 14 million (641). For maturity analysis of the lease liability, see note G27.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G14, continued

Sandvik as lessor
Investments in financial leases amounted to SEK 6,839 million (6,449). During 2024, the selling profit for equipment subject to finance lease contracts amounted to SEK 927 million (1,248) and are recognized within sale of goods. Finance income amounted to SEK 420 million (357).

During 2024, the selling profit for equipment subject to operational lease contacts is presented in note G3 under Rental income. The planned residual value of the Group's rental fleet amounted to SEK 1,710 million (1,366). Depreciation for the year amounted to SEK -767 million (-534). Gain on disposed assets amounted to SEK 23 million (60).

Maturity analysis of lease payments receivable	Finance leases	Operating leases
2025	3,393	649
2026	1,935	309
2027	919	171
2028	431	26
2029	142	2
2030 or later	19	3
Total undiscounted lease payments	**6,839**	**1,160**

§ Accounting principles

Sandvik as a lessee
Lease contracts are recognized as Right-of-Use (RoU) assets and interest-bearing liabilities. The lease liability is presented within other interest-bearing liabilities and measured by the present value of future unpaid lease payments. The RoU asset is presented within non-current assets and valued at cost less amortization and impairment, if applicable. The asset is depreciated on a straight-line basis over the estimated contract period.

Sandvik separates non-lease components from the lease components in contracts referring to buildings. For all other asset classes, non-lease components are included in the calculation of a RoU asset and lease liability.

Sandvik applies the two expedients concerning leases, leases shorter than one year and low-value assets that are not considered in the RoU assets and lease liabilities.

Sandvik as a lessor
In a financial lease contract Sandvik recognizes a non-current and current customer-financing receivable at an amount equal to the net investment in the lease. Expected credit losses is reflected in the valuation of the customer-financing receivable at initial recognition and the provision is reassessed during the contract period. Revenue is recognized in accordance with revenue recognition principles.

In an operating lease contract the asset is classified as rental fleet and is subject to the Group's depreciation policies. The cost of an asset comprises the acquisition value and any initial direct costs related to the contract. The lease revenue is recognized on a straight-line basis over the lease contract period.

Sandvik Financial Services offers financing of equipment, mainly to customers in the mining and construction sectors. Sandvik Financial Services is responsible for identifying and assessing its key risks related to end customer financing, as well as managing and monitoring them. Risk management is carried out in accordance with the Sandvik policies. For more information, see note G27.

G15 Shares in associates, joint ventures and financial assets

Shares in associates and joint ventures

	2023	2024
Accumulated share of equity		
At the beginning of the year	415	459
Reclassification	-41	–
Acquisition of associates and JV's	64	–
Disposal	–	-2
Transfer to assets held for sale	–	-122
Capital injection	29	0
Write-down	–	-125
Share of profits for the year	15	-84
Less dividend received	-15	-10
Translation differences during the year	-7	17
Carrying amount at the end of year	**459**	**134**

Additional information
Associates and joint ventures are recognized one month in arrears with the exception of for Beam IT Spa, which is recognized with a year in arrears and Eimco Elecon, which is reported once a year. The close of the reporting period for Eimco Elecon is at March 31, as no financial statements as of a later date have been obtained. During 2024, Sandvik has written down the full value of Beam IT Spa.

The dividends paid are included in the calculation of the proportion of equity.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G15, continued

Summarized financial information of associates and joint ventures, and the Group's share

		2023						2024					
	Country	**Revenue**	**Profit**	**Assets**	**Liabilities**	**Equity**	**Group's share, %**	**Revenue**	**Profit**	**Assets**	**Liabilities**	**Equity**	**Group's share, %**
Associates													
3C Metrologic	Mexico	8	0	10	4	6	40.0	11	2	13	6	7	40.0
AWV Informatik AG	Switzerland	15	0	6	0	6	26.0	16	2	9	0	8	26.0
Beam IT Spa	Italy	-1	0	734	386	348	33.2	154	-83	517	405	112	33.2
Eimco Elecon	India	213	25	467	46	418	25.1	290	50	577	83	494	24.7
Fagersta Seco AB	Sweden	–	–	3	2	1	50.0	–	–	3	2	1	50.0
Fagerstahälsan AB	Sweden	9	0	8	5	3	33.3	9	0	7	5	2	33.3
Joint ventures													
Rocbolt Resins Pty Ltd.	Australia	217	12	100	48	52	50.0	280	24	124	58	67	50.0
Shanghai Innovatools Co. Ltd.	China	0	-1	7	0	7	47.1	–	0	8	0	8	47.1
Talleres Sema-Dur, SL	Spain	51	6	44	13	32	50.0	52	7	51	13	38	50.0
VWR Cutting Tools	Romania	7	-5	22	25	-3	50.0	2	-1	28	24	-4	50.0

Financial assets	**2023**	**2024**
Long-term receivables associated companies	85	16
Other financial assets	862	500
Total	**947**	**516**

Other financial assets

	2023		2024	
	Measured at fair value through OCI	**Measured at fair value through P&L**	**Measured at fair value through OCI**	**Measured at fair value through P&L**
At the beginning of the year	**507**	**297**	**569**	**293**
Acquisition and Capital injection	113	–	23	–
Disposal	–	–	–	-28
Revaluation	-4	-3	-14	115
Reclassification	-10	–	-482	-1
Translation differences during the year	-38	-1	24	2
Carrying amount at the end of year	**569**	**293**	**120**	**380**

§ Accounting principles

Associates and joint venture
Associates and joint ventures are recognized in accordance with the equity method in the consolidated financial statements. The share that belongs to Sandvik of the associated company and joint venture's income, adjusted for dissolution of acquired surplus or deficit values, is recognized as a separate item in the consolidated income statement.

Other financial assets
Other financial assets are holdings in investees over which the Group does not hold a significant influence. Other financial assets are recognized as financial assets and are measured at fair value either through other comprehensive income or profit or loss, depending on the business model applicable for the type of holding. Dividends received are recognized in the income statement.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G16 Non-current receivables

	2023	2024
Derivatives designated as hedging instruments	5	4
Funded pension plans	1,333	1,495
Other non-interest-bearing receivables	584	428
Other interest-bearing receivables	3,191	3,312
Total	**5,113**	**5,239**

G17 Inventories

	2023	2024
Raw materials and consumables	7,345	6,671
Work in progress	5,475	4,894
Finished goods	21,481	23,261
Total	**34,301**	**34,827**

Cost of goods and services sold includes write-down of inventories of SEK -1,235 million (-841) and reversal of write-down of inventories of SEK 724 million (638).

§ Accounting principles

Inventories are stated at the lowest end of cost and net realizable value, with due consideration of obsolescence.

Cost is either based on the first-in/first-out (FIFO) principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, or the weighted average cost formula. All inventories having a similar nature are valued with the same formula. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

G18 Trade receivables

	2023		2024	
	Gross	Impaired	Gross	Impaired
Current	14,881	-101	16,069	-68
1–30 days past due	1,997	-29	2,044	-32
31–60 days past due	700	-19	667	-23
61–90 days past due	302	-18	350	-45
91–180 days past due	489	-98	517	-57
181–360 days past due	370	-105	374	-106
More than 360 days past due	538	-432	644	-500
Total	**19,279**	**-802**	**20,665**	**-830**

Trade receivables, net, amounted to SEK 19,836 million (18,477) and are reported net of expected credit losses and other impairments, which amounted to SEK -830 million (-802). Credit risk and expected credit loss related to financial leases are presented in note G27.

§ Accounting principles

Trade receivables are recognized at amortized cost when the consideration is unconditional, less loss allowance.

G19 Other current receivables

	2023	2024
Contract assets	370	422
Derivatives designated as hedging instruments	2,105	550
Other non-interest-bearing receivables	4,033	3,917
Other interest-bearing receivables	3,106	3,237
Advances to suppliers	333	403
Total	**9,947**	**8,529**

§ Accounting principles

A contract asset is recognized when the right to consideration for a performance obligation is conditional on completion of promises other than the passage of time.

G20 Capital and reserves

Details of reserves	**2023**	**2024**
Translation reserve		
At the beginning of the year	13,806	10,693
Translation differences during the year	-3,113	5,846
At the end of the year	**10,693**	**16,539**
Hedging reserve		
At the beginning of the year	-108	727
Net investment hedges recognized in OCI	839	-1,254
Cash-flow hedges recognized in OCI	-4	-34
At the end of the year	**727**	**-561**
Total reserves		
Reserves at the beginning of the year	13,698	11,420
Changes in reserves:		
Translation reserve	-3,113	5,846
Hedging reserve	835	-1,288
Fair value reserve	0	-16
Reserves at the end of the year	**11,420**	**15,962**

The Board of Directors proposes an ordinary dividend of SEK 5.75 per share (5.50). The proposal corresponds to 48 percent (43) of Sandvik Group's total adjusted earnings per share. The proposed record date to receive dividends is May 2, 2025. Assuming the General Meeting accepts the dividend proposal, the date to receive dividends will be May 7, 2025, and the dividend will be paid in one installment. The Annual General Meeting will be held on April 29, 2025.

No changes were made to the processes for managing capital during the year. Neither the Parent Company nor any of its subsidiaries have to comply with externally imposed capital requirements.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

> Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

→ G20, continued

§ Accounting principles

Reserves

Translation reserve

The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign operations stated in a currency different from the Group's presentation currency.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash-flow hedging instruments and net investment hedges related to hedged transactions that have not yet occurred. The change in cash-flow hedges that was transferred to profit (loss) for the year amounted to SEK 17 million (0).

Put options issued to owners with non-controlling interests

Put options issued to owners with non-controlling interests refer to agreements that give the owner the right to sell interests in the company, either at a fixed price or a fair value at a future period in time. The amount to be paid if the option is exercised is initially recognized, at present value, as a financial liability. The liability is remeasured and any change in present value is recognized in equity. If the option is not exercised by maturity the liability is derecognized with a corresponding adjustment in equity.

G21 Provisions for pension and other non-current post-employment benefits

Sandvik provides direct pension solutions or participates in defined benefit, defined contribution and other plans for post-employment benefits to all employees. These plans are structured in accordance with local regulations and practices. The Group's most significant defined-benefit pension plans are described below per country.

Sweden

The Swedish pension plan is funded through a foundation and is based on salary at the time of retirement. It is partly closed for new participants, meaning that only new employees born prior to 1979 have the option of joining the plan. There are no funding requirements for the defined-benefit plan. Payments to retirees are made directly from Sandvik.

The commitment for family pension, also a defined-benefit plan, is insured with Alecta. Sufficient information to use defined-benefit accounting for this plan is not available, and therefore recognized as a defined-contribution plan. At the end of 2024, Alecta reported a preliminary plan surplus of 162 percent (157). The Group's share of Alecta's saving premiums is 0.1 percent, the total share of active members in Alecta is 0.5 percent. For 2025, the expected contribution to Alecta is SEK 16 million (17).

The Group's mutual responsibility as a credit-insured company of PRI Pensionsgaranti in Sweden is classified as a contingent liability and amounts to SEK 79 million (72). This mutual responsibility can only be imposed in the instance that PRI Pensionsgaranti has consumed all of its assets, and it amounts to a maximum of 2 percent of the Group's pension liability in Sweden.

UK

The main pension plan in the UK is based on salary at the time of retirement and closed for new participants. The plan is funded through a foundation and the funding level is revalued every third year. If the valuation indicates a requirement to increase the funding, Sandvik contributes with funding to the plan over a certain period of time. The plan is governed by trustees and investment decisions are made after consulting with Sandvik. Payments to retirees are made from the plan.

US

Sandvik US pensions plan are based on salary at the time of retirement and closed for new participants. The funding level is revalued every year with a target of restoring the funding level over a seven-year period. Those eligible for the pension plan are also eligible for the retiree medical plan at the time of retirement. Pension payments to retirees are made from the plan.

During 2024, the asset ceiling has been resolved since Sandvik intends to use the remaining surplus (after a gradual run out of the plan) to provide a qualified replacement plan.

Finland

In Finland, Sandvik sponsors a defined-benefit pension plan funded through a foundation. The benefits offered include an old-age pension and disability pension. In addition to the benefits guaranteed by the Finnish subsidiary, there is also a defined-contribution pension component. Pension payments to retirees are made from the plan. The pension increase rate does not follow the inflation but depends on the average yield of the Finnish statutory pension providers and therefore follows more or less directly the interest rate, explaining the remeasurements for 2024.

Germany

The Sandvik pension plan in Germany contains employer- and employee-financed contributions. The employer provides pension contributions. For each employee, the employer administrates the cash balance in an individual capital account per employee. Pension payments to retirees are generally made directly from Sandvik. In Germany, there are, in general, no funding requirements. The pension assets are covered as plan assets and protected against insolvency in the Sandvik Pension Trust, a Contractual Trust Arrangement held by Sandvik.

Reconciliation of change in present value of defined benefit obligation for funded and unfunded plans

	2023	2024
Opening Balance, January 1	**23,167**	**23,685**
Current service cost	284	325
Past service cost	-8	-24
Gain/ loss on settlements	-1	-0
Interest cost (DBO)	1,058	1,029
Contributions by plan participants	33	32
Benefits paid	-1,272	-1,299
Remeasurements loss/(gain) arising from:		
-Financial assumptions	644	142
-Demographic assumptions	-76	-10
-Experience adjustments	72	238
Acquisition	68	3
Other	-5	-7
Exchange differences	-279	1,305
Closing balance, December 31	**23,865**	**25,419**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G21, continued

Reconciliation of change in the fair value of plan assets, including asset ceiling

	2023	2024
Opening Balance, January 1	**21,001**	**21,127**
Interest income	1,003	967
Contributions by the employer	276	184
Benefits paid directly by employer	233	243
Contributions by plan participants	33	32
Benefits paid	-1,272	-1,299
Return on plan asset exkl interest income	85	-526
Effect of Asset ceiling	34	664
Acquisition	57	0
Other	-8	-8
Exchange differences	-316	1,381
Closing balance, December 31	**21,127**	**22,765**

Other information

	2023	2024
Actual return on plan assets	160	906
Consolidation ration, funded plans, %	98	95
Consolidation ration, all plans, %	88	89
Estimated contributions, next year	399	418
Unfunded pension commitments	1,379	1,448

Information by country December 31, 2023	SE	GB	US	FI	DE	Other	Total
Amounts included in the balance sheet							
Present value of funded and unfunded obligations	4,932	5,160	5,658	3,922	2,247	1,767	23,685
of which for actives	2,048	0	1,080	1,162	886	1,270	6,446
of which for vested deferred	1,566	2,282	638	773	328	46	5,631
of which for retirees	1,318	2,878	3,939	1,987	1,033	452	11,608
Plan assets	2,464	5,375	6,175	4,734	1,713	1,330	21,791
Asset ceiling	–	–	-661	–	–	-3	-664
Total surplus (deficit)	**-2,468**	**215**	**-144**	**812**	**-535**	**-440**	**-2,558**
Pension plans recognized according to local rules	–	–	–	–	–	–	-199
Total net liability	**–**	**–**	**–**	**–**	**–**	**–**	**-2,757**
Provision for pensions	–	–	–	–	–	–	4,089
Over funded pension plans recognized as asset, non-current receivable	–	–	–	–	–	–	1,333
Funding level, %	50	104	97	121	76	75	88
Net medical plans surplus(deficit)	–	–	-204	–	–	-41	-244
Weighted average duration of the obligation, years	22	12	10	16	7	N/A	14
Amount included in the income statement/other comprehensive income							
Total service cost	-75	–	-3	-117	-23	-57	-275
Net interest	-72	8	-8	29	-24	-35	-101
Remeasurements	-559	-13	-16	227	-161	13	-510
Total expense for defined benefits (pretax)	**-706**	**-5**	**-27**	**139**	**-209**	**-78**	**-886**
Cash flows							
Contributions by the employer	-3	-106	–	-3	-125	-39	-276
Benefits paid	-103	–	-31	–	-65	-34	-233
Major assumptions for the valuation of the liability							
Longevity, years % [1]	23	23	22	23	22	N/A	N/A
Inflation, %	1.75	3.05	2.50	2.00	2.00	N/A	2.28
Discount rate, % (weighted average)	3.45	4.80	4.95	3.60	3.90	N/A	4.24
Future salary increase, % (weighted average)	3.00	N/A	N/A	3.00	3.25	N/A	3.14

1) Expressed as the expected remaining life expectancy of a 65-year-old in number of years.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G21, continued

Information by country December 31, 2024	SE	GB	US	FI	DE	Other	Total
Amounts included in the balance sheet							
Present value of funded and unfunded obligations	5,433	5,145	5,793	4,635	2,478	1,935	25,419
of which for actives	2,319	0	1,041	1,498	1,028	1,385	7,271
of which for vested deferred	1,842	2,308	650	916	402	51	6,169
of which for retirees	1,272	2,837	4,102	2,221	1,047	499	11,978
Plan assets	2,772	5,198	6,451	5,004	1,923	1,418	22,765
Total surplus(deficit)	**-2,661**	**53**	**658**	**369**	**-555**	**-517**	**-2,653**
Pension plans recognized according to local rules	–	–	–	–	–	–	-235
Total net liability	–	–	–	–	–	–	**-2,888**
Provision for pensions	–	–	–	–	–	–	4,383
Over funded pension plans recognized as asset, non-current receivable	–	–	–	–	–	–	1,495
Funding level, %	51	101	111	108	78	73	89
Net medical plans surplus(deficit)	–	–	-202	–	–	-44	-245
Weighted average duration of the obligation, years	22	12	10	17	7	N/A	14
Amount included in the income statement/Other comprehensive income							
Total service cost	-98	–	-3	-123	-28	-49	-301
Net interest	-81	13	-7	30	-20	-32	-97
Remeasurements	-123	-290	804	-380	-55	-73	-117
Total expense for defined benefits (pretax)	**-302**	**-277**	**794**	**-473**	**-103**	**-154**	**-514**
Cash flows							
Contributions by the employer	-3	-101	–	4	-40	-44	-184
Benefits paid	-111	–	-21	–	-63	-16	-211
Major assumptions for the valuation of the liability							
Longevity, years %[1)]	23	23	22	25	22	N/A	N/A
Inflation, %	2.00	3.15	2.50	2.00	2.00	N/A	2.32
Discount rate, % (weighted average)	3.55	5.55	5.55	3.60	3.20	N/A	4.39
Future salary increase, % (weighted average)	3.25	N/A	N/A	3.00	3.25	N/A	3.23

1) Expressed as the expected remaining life expectancy of a 65-year-old in number of years.

Risks and cash flows
Three main categories of risks are associated with the Company's defined-benefit pension plans.

Future pension payments
Greater life expectancy, increased inflation assumptions and higher salaries can increase future pension payments and thus also the liability for the pension obligation.

Return on assets
Lower returns on assets in the foundations that are funded may, in the future, result in lower returns which are insufficient for covering future pension payments.

Measurement method
The measurement methods, primarily regarding the discount rate, being utilized in the measurement of the present value of the pension obligations. The discount rate, can fluctuate between periods, and affect expenses and the net pension liability.

Discount rate
To determine the discount rate, AA credit rated corporate bonds are used that correspond to the duration of the pension obligation. If there is no deep market for corporate bonds, government bonds are used. In Sweden, mortgage bonds are used to determine the discount rate.

Sensitivity analysis
The weighted average duration for the group-funded pension liability is 14 years, whilst the weighted average duration for the interest-bearing assets is 10 years. Due to the asset allocation and differences in duration, Sandvik is exposed to interest rate fluctuations both when discounting the liability and when revaluing the interest-bearing assets.

A sensitivity analysis of the most important assumptions affecting the recognized pension liability is provided below. Note that this sensitivity analysis is not intended to be the expression of an opinion by the company regarding the probability of such events occurring.

Sensitivity analysis, change in pension liability

	SE	GB	US	FI	DE	Total
Life expectancy, +1 year	225	139	159	176	56	779
Discount rate, -50 bps	604	302	302	414	91	1,806
Inflation rate, +50 bps	623	100	–	10	37	772
Equities, -20%	154	54	129	321	84	750

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G21, continued

Plan assets
The fair value of plan assets December 31, 2024, included loans of SEK 0 million (0) to Sandvik companies and the value of properties leased to Sandvik of SEK 232 million (202).

Class of assets, %

	2023	2024
Interest bearing securities	61	61
Shares	17	17
Properties	9	9
Other	9	9
Cash and cash equivalents	4	4

Governance
The defined-benefit and defined contribution-plans are governed through the Pension Supervisory Board (PSB) at Sandvik. The PSB meets twice a year and has the following areas of responsibility:
– Implement policies and directives
– Ensure efficient administration of the major pension plans and efficient management of reserved plan assets
– Approve establishment of new plans, material changes or closure of existing plan
– Approve guidelines for management of assets

The Group Pension Committee (GPC) is an operating body, which is also preparatory to the PSB. It has representatives from Group functions who are approved by the PSB. The GPC's task is to monitor developments in countries, submit proposals on changes to pension plans to the PSB and approve the principle of how to establish actuarial assumptions. The GPC meets twice a year.

Investment strategy
The aim of the investment decisions made in the foundations' managing plan assets are:
– Ensure plan assets are sufficient to cover the foundation's future pension commitments
– Achieve optimal returns with a reasonable level of risk

Each foundation must have a written investment policy approved by the GPC. Reviews are performed annually. The foundation makes its own decisions on its investment strategy and takes into consideration the composition of the pension commitments, requirements of cash and cash equivalents, and available investment opportunities. The investment strategy shall be long-term and in line with the guidelines established by the PSB. An investment committee is to be in place.

§ Accounting principles

Defined-contribution plans
A defined-contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Defined-benefit plans
The Group's net obligation in respect to defined-benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have vested in return for their service in the current and prior periods. This benefit is discounted to its present value. In addition, the fair value of any plan assets is assessed. The calculation is performed annually by a qualified actuary.

The above method of accounting is applied to the most significant defined-benefit plans in the Group. A number of plans, which neither individually nor in the aggregate are significant in relation to the Group's total pension obligations, are still recognized in accordance with local regulations.

In measuring the present value of pension obligations and the fair value of plan assets, actuarial gains and losses may accrue either because the actual outcome differs from earlier assumptions (so called experience adjustments) or the assumptions are changed. These actuarial gains and losses are recognized in the balance sheet and in profit or loss under other comprehensive income.

! Critical estimates and key judgments

Post-employment benefits
Actuarial assumptions are used to measure pension obligations and they significantly affect the recognized net liability and the annual pension cost. One critical assumption, the discount rate. For the upcoming year, the discount rate affects the expense and the estimate of return on plan assets. For the current year, it affects the present value of the defined-benefit obligation. The discount ate is reassessed quarterly. All other assumptions, both financial and demographic, are reassessed at least annually.

G22 Other interest-bearing liabilities

	2023	2024
Non-current liabilities		
Bond issues	26,648	24,062
Lease liabilities	4,389	4,814
Long-term loans from financial institutions	1,746	7,564
Other	58	46
Total	**32,842**	**36,486**
Current liabilities		
Bond issues	3,832	3,712
Lease liabilities	1,114	1,297
Short-term from financial institutions	7,175	1,210
Other	119	51
Total	**12,240**	**6,269**

§ Accounting principles

Financial liabilities excluding derivatives are classified and subsequently measured at amortized cost. Any difference between the loan amount, net of transaction costs, and the repayable amount is allocated to profit or loss for the year over the term of the loan using the effective interest method.

For information on contractual terms, scheduled repayments and the exposure to interest risk and foreign-currency risk, refer to note G27.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

> Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

G23 Other provisions

	Warranties	Restructuring	Employee benefits	Environmental obligations	Legal disputes	Other obligations	Total
Balance at January 1, 2023	**524**	**1,532**	**774**	**250**	**323**	**369**	**3,772**
Provisions made during the year	448	482	662	46	42	254	**1,934**
Provisions used during the year	-304	-673	-442	-17	-77	-280	**-1,792**
Unutilized provisions reversed during the year	-98	-174	-71	0	-37	-109	**-490**
Reclassifications	9	-126	-8	1	37	176	**88**
Business combinations	7	–	1	–	3	–	**11**
Divestments	0	-68	–	–	-57	–	**-126**
Translation differences	-14	-28	-20	-7	-5	-7	**-82**
Balance at December 31, 2023	**572**	**945**	**898**	**272**	**227**	**402**	**3,316**
of which current	457	863	512	52	205	340	**2,429**
of which non-current	115	82	386	220	22	62	**887**
Balance at January 1, 2024	**572**	**945**	**898**	**272**	**227**	**402**	**3,316**
Provisions made during the year	399	1,468	508	101	126	423	**3,024**
Provisions used during the year	-323	-1,140	-475	-67	-19	-340	**-2,363**
Unutilized provisions reversed during the year	-115	-23	-38	-7	-1	-46	**-230**
Reclassifications	–	–	-126	–	–	74	**-52**
Business combinations	1	–	8	–	–	7	**15**
Divestments	-1	–	–	–	–	-54	**-55**
Translation differences	25	36	14	17	-7	11	**95**
Balance at December 31, 2024	**558**	**1,286**	**789**	**315**	**326**	**477**	**3,751**
of which current	448	998	375	44	301	385	**2,552**
of which non-current	110	287	413	271	24	93	**1,199**

§ Accounting principles

Other provisions are recognized in the the Balance sheet when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliable estimated. If the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Other provisions are mainly related to the following:

Warranties
A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

Restructuring
A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Employee benefits
A provision for personnel-related benefits is recognized in accordance with agreements entered for long-term incentive programs, local bonus programs, part-time pensions and other personnel obligations.

Environmental obligations
An environmental provision is recognized when there is a legal obligation for a clean up or site restoration.

Legal disputes
Legal disputes include provisions for claims which, at the balance sheet date, had not been closed, such as value-added tax issues, and customer and supplier claims relating to ongoing or finished projects.

Other obligations
Other obligations include provisions for onerous contracts and obligations within the scope of Sandvik Försäkring AB's operations.

! Critical estimates and key judgments

Disputes
Sandvik is party to a number of disputes and legal proceedings in the ordinary course of business. Management consults with legal experts on issues related to legal disputes and with other experts internal or external to the Company on issues related to the ordinary course of business. It is our best judgment assessment that neither the Parent Company, nor any subsidiary, is involved in legal proceedings or arbitration that may be deemed to have a materially negative effect on the business, the financial position or results of operations.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G24 Other liabilities

	2023	2024
Other non-current liabilities		
Derivatives designated as hedging instruments	422	246
Other	809	493
Total	**1,231**	**739**
Other current liabilities		
Derivatives designated as hedging instruments	1,467	1,747
Bills payable	83	19
Contract liabilities	4,054	5,105
Other	3,037	4,204
Total	**8,641**	**11,075**

Other non-current liabilities include deferred consideration regarding business combinations and liability to non-controlling interest, see note G30.

§ Accounting principles

Other liabilities
Other liabilities excluding derivatives are classified and subsequently measured at amortized cost.

Derivatives
Classified at fair value through profit and loss, with the exception of those that are designated as hedging instruments in a cash-flow hedge.

Contract liabilities
Recognized when a payment is received before the performance obligation has been satisfied.

G25 Accrued expenses

	2023	2024
Personnel related	4,793	4,929
Other accrued expenses	3,227	3,049
Total	**8,020**	**7,978**

G26 Contingent liabilities and pledged assets

On occasion, Sandvik is party to litigation and administrative proceedings related to its operations, including responsibility for products, the environment, health and safety. However, Sandvik does not deem that any of these ongoing proceedings and processes will significantly affect Sandvik.

Contingent liabilities	2023	2024
Guarantees issued for customers and others	2,183	2,292
Other contingencies	676	618
Total	**2,859**	**2,910**

Contingent liabilities amounted to SEK 2,910 million (2,859) and were mainly comprised of guarantees for customers and others as well as ongoing procedures. Banks and financial institutions have guaranteed obligations arising in the normal course of business on behalf of Group companies.

The table provides data for the maximum potential payments of third party guarantees and does not reflect management's expected outcomes.

Pledged assets
Pledged assets for own liabilities and provisions.

Pledged assets	2023	2024
Property mortgages	238	247
Total	**238**	**247**

§ Accounting principles

Contingent liabilities
A contingent liability is recognized when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events.

A contingent liability is also recognized when there is a present obligation that cannot be recognized as a liability or provision because it is not probable that an outflow of resources will be required, alternatively because the amount of the obligation cannot be measured with sufficient reliability.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

> Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

G27 Supplementary information – financial risk

Financial risk management

Through its comprehensive international operations, Sandvik is exposed to financial risks.

Group Treasury is the function responsible for managing most of the Group's financial risks. The primary objectives of the function are to contribute to the creation of value by managing the financial risks to which the Group is exposed to during the ordinary course of business, and to optimize the Group's financial net.

The Board of Directors is responsible for establishing the Group's finance policy, which comprises guidelines, objectives, and limits for financial risk management within Group Treasury as well as the management of financial risks within the Group.

Group Treasury supports subsidiaries with loans, deposits, foreign exchange deals, banking solutions, and acts as an advisor in financial matters. The function conducts internal banking operations and is based at the head office in Stockholm. It is also responsible for the Group's bank account arrangements.

In addition, Group Treasury conducts payment advice and payment solutions, and is responsible for the Group's global policy for granting credit to customers in conjunction with sales. The customer finance activity is carried out through the business area Sandvik Mining and Rock Solutions at selected locations worldwide.

Finally, Group Treasury also manages the financial risks associated with the Group's defined-benefit pension plans, is presented in note G21.

Only institutions with a solid financial position and solid credit ratings are accepted as the Sandvik counterparties in financial transactions.

Currency risk – Transaction exposure

Risk

Transaction exposure is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Sandvik annual transaction exposure, meaning the Group's net flow of currencies, after full offsetting of the counter-value in the exporting companies' local currencies, and measured at the average exchange rate, amounted to SEK 14,919 million (15,242) in 2024. The most important currencies for one year of exposure are shown in the following graph.

Exposure

Net flow in foreign currencies

Sandvik generally offers customers the possibility to pay in their own currencies through the global sales organization. As a result, the Group is continuously exposed to currency risks associated with account receivables denominated in foreign currency and with future sales to foreign customers. Since a large percentage of production is concentrated to a few countries, while sales occur in many countries, Sandvik is exposed to a large net inflow of foreign currencies.

In order to mitigate the currency risk, pricing is adjusted against both customers and suppliers in circumstances where Sandvik is affected negatively by currency movements. To further reduce exposure to foreign currencies, currencies received are used to pay for purchases in the same currency via a monthly netting structure.

The net flow of all sales and purchases in non-functional currencies is hedged through financial instruments and bank account balances in accordance with guidelines set in the Group's finance policy. In addition, major project orders are currency hedged to protect the gross margin. Under the finance policy, the Chief Financial Officer has a mandate to hedge the annual transaction exposure. At year-end, the total hedged amount was SEK 2,342 million (1,786). The average duration for the hedged volume of foreign currency was 2 months (2). Unrealized results from outstanding currency contracts for hedging of future net flows amounted to SEK -26 million (-67) at year-end. This amount consists of SEK -29 million in losses related to contracts maturing in 2025 and SEK 2 million in profit related to contracts maturing in 2026 or later.

If all exchange rates for the exposure currencies were to change by 5 percent in an unfavorable direction, total EBIT over a 12-month period would change by approximately SEK -2,066 million (-2,331), assuming that the composition is the same as it was at year-end.

Sensitivity analysis by currency

AUD	CAD	CHF	CNY	EUR	USD	ZAR	Other	Total
-277	-168	-4	-107	-546	-752	-84	-129	**-2,066**

Currency risk – Translation exposure

Risk

Translation exposure occurs when assets and liabilities are denominated in different currencies.

Since the Swedish krona (SEK) is the Sandvik functional currency, a translation risk related to the valuation of the net assets in foreign subsidiaries and the profit/loss in foreign currency achieved during the period occurs. The net assets, which usually consist of the foreign subsidiaries' shareholders equity, are translated to SEK at the rates applied at the balance sheet date. At December 31, the Group's net assets in subsidiaries in local currencies amounted to SEK 110,735 million (113,876).

Exposure

Group's external debt by currency

Net assets by foreign currency

Comments

To avoid translation risk in the balance sheets of subsidiaries, they are financed in their functional currency through the internal bank. External borrowing often takes place in a specific currency, as shown in the first graph. The currency risk that arises in the internal bank as a result of this is managed using various derivatives.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G27, continued

Sandvik has chosen not to hedge future profits in foreign subsidiaries. Sandvik has since 2023 started to hedge net investment in foreign currency. At year end there is USD 1,540 million hedged of a USD net asset. The second graph shows the distribution of net assets among various currencies.

If exchange rates were to change by 5 percent in an unfavorable direction, the net effect on other comprehensive income would be approximately SEK -4,690 million (-4,927). This net effect primarily comprises of translation exposure in equity.

Sensitivity analysis by currency

AUD	CHF	CNY	EUR	GBP	INR	USD	Other	Total
-450	-31	-260	-1,834	-259	-168	-914	-775	**-4,690**

Interest rate risk

Risk

Interest rate risk is defined as the impact that changes in market interest rates will have on the Group's net interest items. That impact depends on the interest terms of assets and liabilities. Sandvik measures interest rate risk as the change over the forthcoming 12 months given a 1 percentage point change in interest rates.

Interest rate risk arises in two ways:
- The Company may have invested in interest-bearing assets, the value of which changes when the interest rate changes.
- The cost of the Company's borrowing fluctuates when the general interest rate situation changes.

Exposure

If market rates were to rise by 1 percentage point across all tenors, in relation to loans for which the interest rate will be reset during the coming year, interest costs would be impacted by SEK -157 million (-182).

An interest-rate sensitivity analysis of interest rate swap agreements valid at year-end, and to which hedge accounting was applied, shows that other comprehensive income would change by SEK 0 million (0) and interest cost in the income statement would change by SEK -69 million (-67) as a result of a 1 percentage point rise in the interest rate curve.

Interest rates and fixed-interest terms on outstanding loans

Including effect of interest-rate derivatives	Effective rate of interest, %	Fixed-interest term, months	Recognized liability, MSEK
Bond loans, MTN	3.0	26	27,772
Commercial papers	2.8	1	832
Other loans from banks	3.6	4	8,040
Total loans	**3.2**	**20**	**36,644**
Interest effect of currency derivatives	1.8		
Total incl. currency derivatives	**5.0**		

Comments

The Group's interest rate risk arises mainly in connection with borrowing. Interest rate swap agreements are sometimes used to achieve the desired fixed interest term. The Group Chief Financial Officer has a mandate to vary the average fixed-interest term of the Group's debt portfolio within an interval of 6–36 months. The average fixed-interest term on the Sandvik borrowing was 20 months (23) at year-end, with consideration given to interest rate swap agreements entered into.

In line with the Group's finance policy, internal lending to foreign subsidiaries is hedged with currency derivatives. Consequently, there is an interest-rate effect in currency derivatives of 1.8 percentages points between the currencies the Group borrows and the currencies the Group lends. The Group's average interest expense, including other loans and effects of various derivatives, was 5.0 percent (4.8).

Hedge accounting is applied when an effective link exists between hedged loans and interest rate swaps. To the extent that fair value hedges are effective, the value of the hedged items are adjusted and the effects on the profit for the year are reduced. When cash flow hedges are effective, the effects are transferred from profit for the year to other comprehensive income.

The Group has interest rate swap agreements with a notional amount of EUR 1,000 million to which it applies fair value hedging and interest-rate swap agreements with a notional amount of SEK 0 million to which it applies cash flow hedging. The hedge relationships for these are 100 percent effective. Further information of all interest rate derivatives can be found at the end of this note.

The Sandvik loan conditions do not currently include financial covenants linked to key figures. Only under exceptional circumstances are assets pledged in connection with debt raising. Such pledging is disclosed in note G26.

In the event that Sandvik has surplus liquidity, it is placed in bank deposits or in short-term money market instruments (durations of up to 90 days), which means that the interest-rate risk (the risk of a change in value) is low.

Liquidity and refinancing risk

Risk

Liquidity and refinancing risk is defined as the risk that financing possibilities will be limited when loans are to be refinanced, and that payment commitments cannot be honored as a result of insufficient liquidity.

Exposure

Maturity profile for borrowing and liquid assets

Nominal amount

Borrowing and remaining credit periods

	Currency	Recognized liability, MSEK	Average remaining credit periods, years
Bond loans, MTN	EUR, SEK	27,772	3.3
Commercial papers	EUR, SEK	832	0.1
Other loans from banks	Other	8,040	5.8
Total borrowings		**36,644**	**3.7**

Comments

According to the finance policy, the Group's liquidity reserve, comprising of unutilized committed credit facilities and accessible cash and cash equivalents, should at all times exceed 10 percent of the Group's projected annual revenues. The liquidity reserve should also exceed the amount of loans maturing within 12 months. At year-end, the Group's committed long-term credit facilities and accessible cash amounted to SEK 14,763 million. Loans maturing in 2025 are SEK 4,974 million (11,311).

Sandvik has a revolving credit facility totaling SEK 11,000 million maturing in 2029.

The aim of the Sandvik financing strategy is to achieve a well-balanced maturity profile for liabilities to thereby minimize the refinancing risk. The finance policy further stipulates that the debt portfolio's weighted average duration should exceed 3 years. At year-end 2024, the weighted average duration amounted to 3.7 years. The

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G27, continued

maturity structure for the Group's financial liabilities and derivatives is presented further down in this note.

At year-end, Standard & Poor's, the international credit rating agency, had assigned an BBB+ credit rating to the Sandvik long-term borrowing and A-2 for its short-term borrowing. For a continuous update on the Sandvik credit rating, please visit home.sandvik.

Credit risk

Risk

The Group's commercial and financial transactions give rise to credit risk in relation to the Sandvik counterparts. Credit risk or counterpart risk is defined as the risk for losses if the counterpart does not honor its commitments.

The credit risk to which Sandvik is exposed to can be divided into three categories:

– Financial credit risk
– Credit risk in trade receivables
– Credit risk in customer financing

Total credit risk	2023	2024
Cash and cash equivalents [1]	4,363	4,528
Derivatives [1]	2,137	212
Other receivables [1]	1,503	753
Trade receivables [2]	18,477	19,836
Customer finance	5,908	6,186
Total	**32,388**	**31,514**

1) Financial credit risk
2) The age structure of trade receivables are further described in note G18

Expected credit loss

	2023	2024
Opening balance, January 1	**-1,107**	**-971**
Provisions made during the year	-761	-287
Provisions used during the year	701	164
Unutilized provisions reversed during the year	78	208
Business combination	68	-50
Translation difference	49	-40
Closing balance, December 31	**-971**	**-975**

Comments

Sandvik has entered into agreements with the company's most significant banks, covering such matters as the right to offset assets and liabilities that arise from financial derivative transactions, so-called ISDA agreements. This means that the company's counterpart exposure to the financial sector is limited to the unrealized net gains that arise in derivative agreements, investments and bank balances. At December 31, the value of these amounted to SEK 4,740 million (5,030).

Sandvik companies are generally exposed to credit risk associated with outstanding trade receivables from ongoing sales. The credit risk is normally spread over a large number of customers within different segments in the business areas. The total credit losses belonging to Sandvik, defined as the total of receivables written off and change in bad debt reserve, amounted to SEK -71 million (-100), equivalent to 0.1 percent of sales. The gross value of trade receivables was SEK 20,665 million (19,300) at December 31. Total impairment of these was SEK -828 million (-804). An age analysis of trade receivables at December 31, is presented in note G18.

Sandvik offers short-term and long-term customer financing through its own Financial Services companies and in partnership with financial institutions and banks. At year-end, the value of outstanding credits referring to finance leases amounted to SEK 6,332 million (6,602), of which SEK -147 million (-154) was reserved for doubtful receivables.

In addition to the traditional financing of equipment, Sandvik also offers operational leases for equipment as well as short-term rentals. At year-end, the net carrying amount of the operational lease portfolio was SEK 877 million (696) and the short-term rentals was SEK 833 million (670).

The Group's financial instruments measured at fair value in the balance sheet

	2023	2024
Financial assets		
Derivatives		
Foreign exchange contracts	2,074	555
Electricity and other derivatives	36	–
Total [1]	**2,110**	**555**
Financial liabilities		
Derivatives		
Foreign exchange contracts	1,464	1,747
Interest-rate swaps	413	246
Electricity and other derivatives	11	–
Total [2]	**1,888**	**1,993**

1) Included in other receivables and financial assets.
2) Included in other liabilities.

Financial assets and liabilities are not offset in the balance sheet. Derivative contracts are subject to framework agreements governing offsetting, and the carrying amounts of assets not offset in the balance sheet amounted to SEK 555 million. The carrying amount of corresponding liabilities was SEK -1,993 million. No collateral has been received or pledged. In the event of a default by a derivative counter party, assets and liabilities for a total value of SEK 342 million would be offset in accordance with the framework agreement governing offsetting.

Calculation at fair value of the Group's non-current borrowings would decrease the total carrying amount by SEK 263 million (373). When measuring interest-bearing liabilities, the company's Swedish and European bond loans have been remeasured using observable market prices for identical securities to value the Group's marketable debt instruments. Other non-current debt has been remeasured in accordance with the principles described below. For short-term loans and deposits, no remeasurement was carried out, given that the carrying amount is considered to represent a good approximation of the fair value due to the short duration.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G27, continued

Financial assets and liabilites by valuation category

	Fair value through OCI		Fair value through profit or loss		Amortized costs		Hedge Accounting		Total carrying amount	
Balance sheet items	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Financial assets										
Financial investments	569	120	321	380	–	–	–	–	890	500
Trade receivables [1]	–	–	–	–	18,477	19,836	–	–	18,477	19,836
Other receivables [2]	–	–	–	–	6,668	6,971	–	–	6,668	6,971
Derivatives [3]	–	–	660	555	–	–	1,449	–	2,110	555
Cash and cash equivalents	–	–	–	–	4,363	4,528	–	–	4,363	4,528
Total financial assets	**569**	**120**	**981**	**935**	**29,508**	**31,334**	**1,449**	**–**	**32,507**	**32,389**
Financial liabilities										
Borrowings	–	–	227	377	39,578	36,644 [4]	–	–	39,806	37,021
Derivatives [5]	–	–	1,475	494	–	–	413	1,499 [6]	1,888	1,993
Accounts payable [1]	–	–	–	–	9,488	10,077	–	–	9,488	10,077
Due to associates	–	–	–	–	1	2	–	–	1	2
Other liabilities [7]	–	–	232	146 [8]	6,157	6,515	–	–	6,389	6,661
Total financial liabilities	**–**	**–**	**1,935**	**1,017**	**55,225**	**53,239**	**413**	**1,499**	**57,572**	**55,755**

1) Excludes assets held for sales.
2) Comprises parts of the Group's other receivables and accrued income from contract assets, financial leasing, and customer financing recognized in the balance sheet.
3) Derivatives form part of the other receivables and financial assets, recognized in the balance sheet.
4) Recognized in the balance sheet as non-current and current liabilities to financial institutions and other liabilities. Notional EUR 1,000 million is part of a fair value hedge.
5) Derivatives form part of the other liabilities recognized in the balance sheet.
6) Whereof SEK 1,218 million is the Fair Value of a Net Investment Hedge.
7) Form part of the Group's other liabilities and accrued expenses from leasing recognized in the balance sheet.
8) Contingent considerations measured according to Level 3. The liabilities are valued to fair value through profit or loss, using an internal model where the likelihood of the consideration payout is assessed and the expected payout is discounted to present value each reporting period, using an applicable discount rate specific for each transaction.

Net result per valuation category

	2023	2024
Fair value through profit or loss	-299	-1,872
Amortized costs	-3,272	-2,426
Hedge accounting	835	-1,288

Maturity structure relating to un-discounted cash flows for financial liabilities and derivatives, nominal amounts

		2023				2024			
		<6 months	**6–12 months**	**1–5 years**	**>5 years**	**<6 months**	**6–12 months**	**1–5 years**	**>5 years**
Bank loans	EUR, Other	-157	-183	-300	-1,809	-567	-139	-1,250	-7,838
Commercial papers	EUR, SEK	-7,213	–	–	–	-834	–	–	–
Bond loans, MTN	EUR, SEK	-3,850	-886	-22,029	-8,731	-3,229	-1,310	-24,115	-2,723
Derivatives									
- Currency derivatives		-616	8	0	–	1,245	-48	-4	–
whereof outflow		-2,069	-4	-1	–	-411	-139	-4	–
whereof inflow		1,453	12	1	–	1,656	91	0	–
- Interest rate derivatives		-119	-467	-581	–	-18	-119	-265	–
- Electricity and other derivatives		1	10	19	–	–	–	–	–
Leases		-657	-649	-3,220	-1,658	-768	-756	-3,643	-1,801
Accounts payable[1]		-9,488	–	–	–	-10,077	–	–	–
Total		**-22,099**	**-2,167**	**-26,111**	**-12,198**	**-14,248**	**-2,372**	**-29,277**	**-12,362**

1) Excludes assets held for sales.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G27, continued

Periods when hedged cash flows in the hedge reserve are expected to occur and impact earnings

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	2027 and later
Currency derivatives	-35	-9	0	-1	1	0	0	0	2
Total	**-35**	**-9**	**0**	**-1**	**1**	**0**	**0**	**0**	**2**

Derivative financial instruments – interest rate swaps

	Cash flow hedges		Fair value hedges		Total	
	2023	2024	2023	2024	2023	2024
Carrying amount (included in other liabilities)	–	–	-413	-246	-413	-246
Notional amount	500	–	11,050	11,478	11,550	11,478
Change in fair value since 1 January	-5	–	473	167	468	167

Supply chain finance programs (SCF)
Since 2013 and ongoing, Sandvik engages in programs characterized by finance institutions offering to pay owed amounts to suppliers, the Sandvik entity owing the amount agreeing to pay it back to the finance institutions according to the terms and conditions at the same date as the suppliers are paid, or later. These programs are typically designed to provide Sandvik with extended payment terms and the suppliers with terms earlier than the original invoice payment due date, if suppliers choose to discount the invoices with the financial institution. In the most sizeable program where Sandvik participates, the financial institution in question is in good financial standing, representing very low liquidity risk. In other programs, exposed liquidity risk is limited.

The outstanding amounts confirmed under the programs are recognized in the balance sheet as part of accounts payable. Neither have any guarantees been issued as security for the finance providers, nor have any assets been pledged.

Liabilities under SCF	90–170 days after invoice date (average)
Normal trade payables other than SCF	30–60 days after invoice date
Carrying amount of liabilities, 31 December 2024	1,471 MSEK
Submitted amount during 2024*	3,576 MSEK

**Total value of all new payments submitted by buyer and accepted by the finance provide*

§ Accounting principles

Financial instruments
Financial instruments recognized in the balance sheet include assets, such as account receivables, financial investments and derivatives, and liabilities such as loan liabilities, account payables, and derivatives.

Recognition and derecognition
A financial asset or a financial liability is recognized on the balance sheet when the entity becomes a party to the contractual provisions of the instrument. Account receivables are recognized upon issuance of the invoice. A liability is recognized when the counterpart has performed under the agreement and the company is contractually obliged to settle the obligation, even if no invoice has been received.

At initial recognition, the Group measures financial assets and liabilities at its fair value plus or minus, in the case of a financial asset or liability not at fair value through profit or loss (FVPL), transaction costs including all fees, premiums and discounts that are directly attributable to the acquisition or issue of the financial asset and liability. Transaction costs of financial assets and liabilities carried at FVPL are expensed in the income statement.

A financial asset is derecognized when the rights to receive cash flows under the agreement have expired, or have been transferred and the Group has substantially transferred all of the risks and rewards. A financial liability is derecognized when the obligation specified in the contract is discharged or otherwise expires.

A financial asset and a financial liability are offset and presented in a net amount in the balance sheet only if there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Classification and measurement
Financial assets excluding derivatives, include equity and debt instruments. The Group classifies its financial assets as those to be measured at fair value, and those to be measured at amortized cost.

Equity instruments are measured at fair value, and gains and losses are recorded in the income statement. For those that are not FVPL, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

For debt instruments, which includes accounts receivables, the classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Amortized Cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the income statement. Fair Value through profit and loss: Assets that do not meet the criteria for amortized cost are measured as fair value through profit and loss.

Financial instruments measured at fair value in the balance sheet
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Under the IFRS 13 disclosure requirements, the method applied to the valuation of assets and liabilities measured at fair value in the balance sheet is presented below. The valuation is divided into three levels:

Level 1: Fair value is determined according to prices listed on an active market for the same instrument.

Level 2: Fair value is determined based on either directly (as a price) or indirectly (derived from prices) observable market data that is not included in level 1.

Level 3: Fair value is determined based on input data that is not observable in the market.

Almost all of the Sandvik financial instruments measured at fair value are measured according to Level 2. Some minor liabilities are measured at Level 3.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G27, continued

Measurements of fair value
The fair value of foreign exchange contracts is determined based on observable market prices. The fair value of interest-rate swaps is based on discounting estimated future cash flows under the contractual terms and conditions and maturity dates and based on the market interest rate for similar instruments on the balance sheet date. Where discounted cash flows are used, the future cash flows are calculated on the best assessments of company management. The discount rate applied is the market-based interest rate of similar instruments at the closing date.

All valuation techniques applied are accepted in the market and take into account all parameters that the market would consider in its pricing. These techniques are reviewed regularly to ensure their reliability. Applied assumptions are compared against actual outcomes to identify any needs for adjusting the measurement or forecasting tools.

For means of payment, receivables and payables with variable interest and current receivables and payables (for example, trade receivables and accounts payable), the fair value has been considered to correspond to the carrying amount.

Hedge accounting
Hedge accounting is applied in accordance with IFRS9 to decrease volatility in the income statement. To meet the criteria there must be a clear relationship between the hedging instrument and the hedged item. The relationship is expected to be highly effective and it must be possible to reliably measure such effectiveness. Moreover, the hedge must be formally designated and documented. Gains and losses on remeasurement of derivatives used for hedging purposes are recognized as described below under cash flow hedges and fair value hedges.

Cash flow hedges
Hedge accounting is applied when hedging a particular risk associated with highly probable future cash flows. The effective portion of the change in fair value for the year, of derivatives that are qualified as cash flow hedges in the hedge transaction, is recognized in other comprehensive income and the accumulated changes in a separate component of shareholders' equity. The ineffective portion of a gain or loss is immediately recognized in the income statement. When the hedged item impacts income statement, the accumulated changes in value of the hedging instrument are reclassified to the income statement. The gain or loss relating to the effective portion of hedging instruments is recognized in the income statement within the same line as the hedged item.

Fair-value hedges
A fair value hedge is a hedge of the risk for changes to the fair value of a financial asset or liability. When a hedging instrument is used to hedge the exposure to changes in fair value, changes to the fair value of the instrument are recognized in the income statement for the year. The gain or loss on the hedged item attributable to the hedged risk, adjusts the carrying amount of the hedged liability and the change for the period is recognized in profit or loss. Realized and unrealized interest is reported in the income statement for the year for both the hedge and the hedged item.

Sandvik applies fair-value hedges to hedge the fair value of fixed rate funding recognized in the balance sheet, provided that the hedged item is otherwise recognized at amortized cost. The derivative instrument used is interest rate swaps. If the hedge relationship is discontinued, the carrying amount of the hedged item is adjusted with the accumulated amount referring to the hedge relationship.

Expected credit losses
Sandvik evaluates its trade receivables, contract assets and financial leases on a collective basis for each category, respectively. Each reporting entity classifies their receivables in suitable risk categories according to the Group policy.

Expected credit loss provisions are based on the full lifetime expected credit loss model with a provision matrix where fixed provision rates are applied depending on the number of days outstanding. The entities consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring the expected credit losses.

Credit risks are classified based on credit information provided by credit agencies, identified payment behavior of the customer and other relevant information available, such as lost contracts, changes in company management and other customer-specific information. Additionally, a macroeconomic evaluation is conducted on the outlook of industries and countries relevant for our customers. Changes to the allowance for expected credit losses for accounts receivables are recognized in selling expenses.

Confirmed credit losses
The Sandvik principles for the writing off of receivables are based on several prerequisites, such as proof of write-off, insolvency or failed legal and other collection processes. An assessment is made whether one or several of these prerequisites are fulfilled before the write-off takes place.

Credit securities
The Group selectively utilizes different forms of credit securities, such as letters of credit, retention of title or credit insurance.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G28 Transactions with related parties

Related-party transactions
The Group's sales to associates and joint ventures amounted to SEK 8 million (7). The Group's purchases from associated companies amounted to SEK 151 million (97). Interest income from associates and joint ventures amounted to SEK 0 million (1) and loan receivables from associates and joint ventures amounted to SEK 16 million (85). Loan payables to associates and joint ventures amounted to SEK 2 million (1). No guarantees have been made for the obligations of associates and joint ventures. All transactions are carried out on market terms.

Transactions with key management personnel
Sandvik did not enter into any significant transactions with Board members or members of Group Executive Management during the year. For information on remuneration, see note G4.

G29 Supplementary information to the cash flow statement

		Cash Flow		Non-cash flow changes						
	January 1, 2023	**New loans**	**Amortization**	**Reclassification**	**New leases**	**Acquisition**	**Disposal**	**Currency/ FX**	**Other**	**December 31, 2023**
Interest-bearing liabilities	38,321	5	-6,598	-3,855	–	27	–	552	–	**28,452**
Current interest-bearing liabilities	8,633	73	-1,859	3,855	–	145	-47	325	–	**11,126**
Lease liabilities	5,102	–	-1,323	–	1,986	-13	–	-199	-50	**5,503**
Dividends paid	–	–	-6,261	–	–	–	–	–	–	**–**
Total	**52,057**	**78**	**-16,041**	**–**	**1,986**	**159**	**-47**	**678**	**-50**	**45,081**

		Cash Flow		Non-cash flow changes						
	January 1, 2024	**New loans**	**Amortization**	**Reclassification**	**New leases**	**Acquisition**	**Disposal**	**Currency/ FX**	**Other**	**December 31, 2024**
Interest-bearing liabilities	28,452	5,832	-99	-3,750	–	128	–	1,107	–	**31,672**
Current interest-bearing liabilities	11,126	95	-10,435	3,731	–	464	–	25	-34	**4,972**
Lease liabilities	5,503	–	-1,439	2	1,953	104	-172	207	-47	**6,111**
Dividends paid	–	–	-6,880	–	–	–	–	–	–	**–**
Total	**45,081**	**5,928**	**-18,854**	**-17**	**1,953**	**697**	**-172**	**1,339**	**-81**	**42,755**

Cash and cash equivalents	**2023**	**2024**
Cash and bank	3,541	3,583
Short-term investments comparable to cash and cash equivalents	822	945
Total in the balance sheet	**4,363**	**4,528**
Total in the cash flow statement	**4,363**	**4,528**

Interest paid and received and dividend received	**2023**	**2024**
Dividend received	14	3
Interest received	583	678
Interest paid	-2,593	-2,737
Total	**-1,996**	**-2,056**

Other adjustments for non-cash items, etc	**2023**	**2024**
Unappropriated results of associated companies	-16	208
Other provisions	-348	305
Changes in value of financial instruments	2,186	748
Gains and losses on disposal of companies and shares	-243	220
Gains and losses on disposal of non-current assets	-139	-63
Provisions for pensions	275	301
Other	119	102
Total	**1,834**	**1,822**

§ Accounting principles

The consolidated cash flow statement is prepared in accordance with the indirect method. A short-term investment is classified as a cash and cash equivalent if:
– The risk of changes in value is insignificant
– It is readily convertible into cash
– It has a maturity of no more than three months from the date of acquisition.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G30 Business combinations

The acquisitions of business combinations executed in 2023 and 2024 are set out below. Annual revenue and number of employees reflect the latest available information at the time of the transaction.

Business area	Cash generating unit	Company/unit	Country	Acquisition date	Annual revenue	No. of employees
2023						
Sandvik Manufacturing and Machining Solutions	Seco Tools	Premier Machine Tools[1]	Ireland	February 1, 2023	120 MSEK in 2022	14
Sandvik Mining and Rock Solutions	Sandvik Mining and Rock Solutions	Polymathian	Australia	February 1, 2023	100 MSEK 12M Q3 21-Q2 22	50
Sandvik Mining and Rock Solutions	Sandvik Mining and Rock Solutions	MCB Services and Minerals[2]	Brazil	April 1, 2023	60 MSEK in 2022	53
Sandvik Mining and Rock Solutions	Sandvik Mining and Rock Solutions	Norgalv	Canada	June 1, 2023	58 MSEK 12M MAR 22-FEB 23	42
Sandvik Manufacturing and Machining Solutions	Sandvik Manufacturing and Machining Solutions	Postability	Canada	August 1, 2023	30 MSEK in 2022	13
Sandvik Manufacturing and Machining Solutions	Sandvik Coromant	esco	Germany	November 2, 2023	14 MSEK in 2022	17
Sandvik Manufacturing and Machining Solutions	Sandvik Manufacturing and Machining Solutions	Buffalo Tungsten	USA	December 1, 2023	333 MSEK in 2022	48
2024						
Sandvik Manufacturing and Machining Solutions	Sandvik Coromant	pro-micron GmbH	Germany	February 1, 2024	88 MSEK in 2022	56
Sandvik Manufacturing and Machining Solutions	Sandvik Manufacturing and Machining Solutions	Cimquest, Inc.	USA	March 1, 2024	26 MUSD in 2023	55
Sandvik Manufacturing and Machining Solutions	Sandvik Coromant	Almü Präzisions-Werkzeug GmbH	Germany	May 1, 2024	7.1 MEUR[3] in 2023	44
Sandvik Manufacturing and Machining Solutions	Walter Group	PDQ Workholding LLC	USA	June 1, 2024	36 MUSD in 2023	107
Sandvik Manufacturing and Machining Solutions	SMS China Division	Suzhou Ahno Precision Cutting Tool Technology Co., Ltd.	China	July 1, 2024	1.2 BSEK in 2023	1,200
Sandvik Mining and Rock Solutions	Sandvik Mining and Rock Solutions	Universal Field Robots	Australia	December 2, 2024	80 MSEK 12M Q3 23-Q2 24	40

1) Acquisition of 95 percent of the shares in Premiere Machine Tools, with a call/put option to buy the remaining part after one year.
2) Acquisition of the remaining 70 percent of the shares in MCB Services and Minerals. Prior to the transaction, Sandvik owned 30 percent of the shares.
3) Of which EUR 1.7 million refers to sales to Sandvik.

Acquisitions
The acquisitions were made through the purchase of 100% of shares and voting rights except for Suzhou Ahno. Sandvik acquired 60% of the shares in Suzhou Ahno during 2024, as well as call and put options of the remaining 28%. Prior to the acquisition, Sandvik owned a minority stake of 12% and thus, Sandvik owns a majority stake of 72% post acquisition. The remaining shares are expected to be acquired during 2025.

Sandvik received control over the operations on the date of closing. No equity instruments have been issued in connection with the acquisitions. All acquisitions have been accounted for using the acquisition method.

The amounts presented in the following tables detail the recognized amounts aggregated by business area. The relative amounts of the individual acquisitions are not considered significant except for the Suzhou Ahno acquisition which is disclosed separately. Sandvik is in the process of reviewing the final values for certain of the recently acquired businesses. No adjustments are expected to be material.

Total fair value of assets and liabilities of acquired businesses in 2024
The fair value of acquired assets and assessed liabilities has been preliminarily established for all acquisitions made during 2024. Only minor IFRS adjustments were made to the acquisition values.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G30, continued

Fair value recognized in the Group 2024

	SMR	SMM	Total
Intangible assets	10	9	**19**
Property, plant and equipment	5	1,003	**1,009**
Other non-current assets	16	140	**155**
Inventories	3	323	**327**
Receivables	6	923	**930**
Cash and cash equivalents	2	241	**244**
Interest bearing loans and borrowings	-13	-682	**-695**
Other liabilities and provisions	-9	-606	**-615**
Deferred tax assets/liabilities, net	-11	-220	**-231**
Net identifiable assets and liabilities	**10**	**1,132**	**1,141**
Goodwill	170	1,696	**1,866**
Other surplus values	142	1,821	**1,963**
External liability to minority shareholders	–	-1,096	**-1,096**
Purchase consideration	**-322**	**-3,553**	**-3,874**
Contingent and deferred considerations	–	28	**28**
Cash and cash equivalents in the acquired business	2	241	**244**
Net cash outflow	**-319**	**-3,283**	**-3,603**

Acquisitions made by Sandvik Mining and Rock Solutions
During 2024, Sandvik Mining and Rock Solutions has completed the acquisition of Universal Field Robots, a fast-growing Australia-based provider of autonomous interoperable solutions for the surface mining and underground mining markets. The relative amounts of the individual acquisition are not considered significant.

Acquisitions made by Sandvik Manufacturing and Machining Solutions
In July, Sandvik Manufacturing and Machining Solutions acquired a majority stake in the leading China-based company Suzhou Ahno Precision Cutting Tool Technology Co., Ltd. (Ahno) from the majority owner, Ningbo Baosi Energy Equipment Co., Ltd and related parties. The company will be reported within the business area segment Sandvik Machining Solutions.

Ahno 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. With this acquisition Sandvik Machining Solutions further strengthens its leading position within round tools.

Ahno was founded in 2002, has approximately 1,200 employees and is headquartered in Suzhou, China. In 2023, the company generated revenues of approximately CNY 812 million (SEK 1.2 billion), mainly from China. Preliminary goodwill of SEK 1,205 million and other surplus values of SEK 1,356 million was recorded on the purchase.

Fair value recognized in 2024, Sandvik Manufacturing and Machining Solutions

	Total SMM	Whereof Suzhou Ahno
Intangible assets	9	9
Property, plant and equipment	1,003	821
Other non-current assets	140	106
Inventories	323	264
Receivables	923	795
Cash and cash equivalents	241	182
Interest bearing loans and borrowings	-682	-527
Other liabilities and provisions	-606	-491
Deferred tax assets/liabilities, net	-220	-189
Net identifiable assets and liabilities	**1,132**	**971**
Goodwill	1,696	1,205
Other surplus values	1,821	1,356
External liability to minority shareholders	-1,096	-1,096
Purchase consideration	**-3,553**	**-2,436**
Contingent and deferred considerations	28	–
Cash and cash equivalents in the acquired business	241	182
Net cash outflow	**-3,283**	**-2,254**

Contribuitions from companies acquired in 2024 by business area

	SMR	SMM	Total
Contributions as of acquisition date			
Revenues	3	1,083	**1,086**
Profit (loss) for the year	-1	-79	**-79**
Contributions if the acquisition date would have been January 1			
Revenues	65	1,912	**1,978**
Profit (loss) for the year	10	3	**13**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ G30, continued

Change of total fair values recognized in the Group in 2024 from businesses acquired during 2023

	SMR			SMM			Total		
	2023	**2024**	**Change**	**2023**	**2024**	**Change**	**2023**	**2024**	**Change**
Intangible assets	0	0	–	–	–	–	0	0	–
Property, plant and equipment	105	105	–	20	20	–	125	125	–
Other non-current assets	16	16	–	3	3	–	19	19	–
Inventories	11	11	–	127	122	-5	138	133	-5
Receivables	37	37	–	70	68	-2	107	105	-2
Other current assets	–	–	–	32	32	–	32	32	–
Cash and cash equivalents	23	23	–	26	26	–	48	48	–
Interest bearing loans and borrowings	-144	-145	-1	-17	-17	–	-161	-162	-1
Other liabilities and provisions	-26	-26	–	-63	-63	0	-89	-89	0
Deferred tax assets/liabilities, net	-56	-74	-18	3	-22	-25	-53	-96	-43
Net identifiable assets and liabilities	**-33**	**-53**	**-20**	**199**	**167**	**-31**	**165**	**114**	**-51**
Goodwill	782	792	10	266	239	-28	1,049	1,031	-18
Other surplus values	760	770	10	120	179	59	880	949	69
External liability to minority shareholders	–	–	–	-4	–	4	-4	–	4
Purchase consideration	**-1,509**	**-1,509**	**-1**	**-580**	**-585**	**-5**	**-2,089**	**-2,094**	**-5**
Contingent and deferred considerations	87	75	-12	75	33	-41	162	108	-53
Cash and cash equivalents in the acquired business	23	23	–	26	26	–	48	48	–
Net cash outflow	**-1,399**	**-1,411**	**-12**	**-480**	**-526**	**-46**	**-1,879**	**-1,938**	**-59**

The fair value of the acquisitions made during 2023 have changed due to the establishment of a final purchase price allocation during 2024.

§ Accounting principles

The consolidated financial statements are prepared in accordance with the acquisition method. In business combinations, acquired assets and assumed liabilities are identified and classified, and measured at fair value on the date of acquisition (also known as a purchase price allocation).

Transaction costs in conjunction with acquisitions are reported directly in profit or loss for the year as other operating expenses.

Contingent considerations are recognized as financial liabilities and at fair value on the acquisition date. Contingent considerations are remeasured at each reporting period with any change recognized in profit or loss for the year.

In step acquisitions, when a controlling interest is achieved, any net assets acquired earlier in the acquired units are remeasured at fair value and the result of the remeasurement is recognized in profit or loss. If the controlling interest is lost upon divestment, net profit is recognized in profit or loss. Any residual holding in the divested business is then measured at fair value on the date of divestment and its effect is recognized in profit or loss for the year.

! Critical estimates and judgments

The business areas use estimates and judgments regarding allocation of goodwill and other surplus values in a business combination.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
> Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

G31 Divestments and assets held for sale

The divestments of operations executed in 2023 and 2024 are specified below.

Business area	Company/Unit	Divestment date	Annual revenue	No. of employees
2023				
Sandvik Mining and Rock Solutions	Fero Reinforcing	July 12, 2023	307 MSEK in 2022	41
Sandvik Mining and Rock Solutions	Siberia GT LLC	November 23, 2023	N/A	N/A
Sandvik Mining and Rock Solutions	DSI Tunneling	November 30, 2023	145 MSEK in 2022	24
2024				
Sandvik Manufacturing and Machining Solutions	DWFritz Automation	August 28, 2024	590 MSEK in 2023	228
Sandvik Mining and Rock Solutions	Eimco Elecon[1]	December 13-19, 2024	N/A	N/A

1) Shares in associated company.

Divestments and assets held for sale
Sandvik had no divestments with major impact during 2024. During the year, Sandvik divested the engineer-to-order business of DWFritz, following the communicated intention to exit non-strategic businesses. The divestment incurred a capital loss, including transactional costs, of SEK 248 million in the third quarter of 2024 and had a negative cash flow effect on the Group of SEK 30 million. Sandvik acquired DWFritz in 2021, with the intention to grow the business of DWFritz related to the trademark ZeroTouch®. The trademark ZeroTouch® was not part of the divestment, and will remain a part of Sandvik. During 2024, Sandvik also divested a minor portion of its shares in the associated company Eimco Elecon.

As of December 31, 2024, the Group recognizes SEK 395 million of assets held for sale and SEK 43 million of liabilities directly attributed to assets held for sale. The amounts are attributable to the Advanced Theodolite Technology business, reported within Sandvik Manufacturing Solutions, and shares in the associated company Eimco Elecon, reported within Sandvik Mining and Rock Solutions. Closing of the transactions is expected during 2025.

Assets and liabilities included in divestments 2024

	2023	2024
Intangible assets	6	224
Property, plant and equipment	20	79
Other non-current assets	-1	2
Inventories	36	29
Receivables	20	150
Cash and cash equivalents	216	1
Interest-bearing loans and borrowings	47	172
Other liabilities and provisions	–	-17
Deferred tax assets/liabilities, net	-61	–
Net identifiable assets	**283**	**638**
Gain/loss on divested operations	243	-220
Consideration received after divestment costs	**52**	**-22**
Less: Cash and cash equivalents in the divested operations	-216	-1
Impact on the Group's cash and cash equivalents, divested operations	**-164**	**-22**

§ Accounting principles

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

G32 Government grants

Sandvik has received various forms of government grants in countries where the Group operates of SEK 116 million (144) during 2024. The main part of the received amount of the grants in 2024 has been recognized as a reduced cost to which the grant is attributable to, as in 2023.

In 2024, 58 percent of the government grants were related to R&D projects and development costs. The remaining 42 percent were mainly related to personnel costs. In 2023, the main part was related to R&D projects and development costs.

The majority of the grants have no unfulfilled conditions or contingencies attached to them.

§ Accounting principles

Government grants are recognized as deferred income in the balance sheet when there is reasonable assurance that the grant will be received, and that the entity will comply with the conditions attached to them. Grants are recognized in profit or loss for the year in the same way and over the same periods as the related costs that they are intended to compensate, on a systematic basis.

Grants related to assets are presented by deducting the grant from the carrying amount of the asset.

G33 Events after the end of the period

On January 3, 2025, Sandvik acquired the assets of FASTech, a US based reseller of Computer Aided Manufacturing (CAM) solutions in the Mastercam network.

On January 10, 2025 Sandvik announced that Åsa Thunman, Executive Vice President and General Counsel of Sandvik, had decided to leave the company. The recruitment process to find a successor is under way.

On February 3, 2025 Sandvik acquired ShopWare, MCAM Northwest and the CAD/CAM solutions business line of OptiPro Systems, three US-based resellers of CAM solutions in the Mastercam network.

On March 3, 2025 Sandvik acquired three US-based resellers of CAM solutions in the Mastercam network, Barefoot CNC, CAD/CAM Solutions and CamTech Engineering Services. Additionally, Sandvik acquired the probing and post processor business lines of CIMCO Group, a Denmark-based developer of software solutions for computer-integrated manufacturing.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

> Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Financial statements

Parent Company

Income statement	114
Balance sheet	115
Changes in equity	116
Cash flow statement	116

Financial notes, Parent Company

P1	Accounting principles	117
P2	Categories of revenue	117
P3	Personnel information and remuneration to management	117
P4	Remuneration to auditors	118
P5	Other operating income and expenses	118
P6	Financial income and expenses	118
P7	Income tax	119
P8	Intangible assets	120
P9	Property, plant and equipment	121
P10	Leases	121
P11	Shares in Group companies	122
P12	Non-current receivables and other current receivables	128
P13	Inventories	128
P14	Capital and reserves	128
P15	Provisions for pensions and other non-current post-employment benefits	129
P16	Other provisions	129
P17	Non-current interest-bearing liabilities	130
P18	Accrued expenses and deferred income	130
P19	Contingent liabilities and pledged assets	130
P20	Transactions with related parties	130
P21	Supplementary information to the cash flow statement	130
P22	Events after the end of the period	130
	Proposed appropriation of profits	132

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

> Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Parent Company income statement

MSEK	Note	2023	2024
Revenue	P2	13,705	13,427
Cost of sales and services		-14,616	-7,117
Gross profit		**-911**	**6,310**
Selling expenses		-938	-945
Administrative expenses		-2,313	-2,024
Research and development costs		-1,599	-1,609
Other operating income	P5	32	78
Other operating expenses	P5	-1,139	-1,017
Operating profit	P3, P4, P10	**-6,868**	**793**
Result from shares in Group companies	P6	12,855	9,147
Interest income and similar items	P6	468	106
Interest expenses and similar items	P6	-1,710	-1,753
Profit after financial items		**4,745**	**8,293**
Appropriations		13	128
Income tax	P7	638	296
Profit for the year		**5,396**	**8,717**

Profit for the year corresponds to total comprehensive income for the year.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

> Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Parent Company balance sheet

MSEK	Note	31 Dec. 2023	31 Dec. 2024
ASSETS			
Non-current assets			
Intangible assets	P8	312	186
Property, plant and equipment	P9	3,064	3,082
Financial assets			
Shares in Group companies	P11	58,004	58,007
Due from Group companies		25,408	24,717
Other investments		0	0
Non-current receivables	P12	20	24
Deferred tax assets	P7	117	207
Total non-current assets		**86,925**	**86,223**
Current assets			
Inventories	P13	1,082	1,062
Current receivables			
Trade receivables		265	372
Due from Group companies		8,566	5,798
Income tax receivables	P7	2,038	1,955
Other receivables	P12	510	440
Prepaid expenses and accrued income		1,028	1,056
Cash and cash equivalents		0	0
Total current assets		**13,489**	**10,683**
TOTAL ASSETS		**100,414**	**96,906**

MSEK	Note	31 Dec. 2023	31 Dec. 2024
EQUITY AND LIABILITIES			
Equity			
Non-distributable equity			
Share capital		1,505	1,505
Statutory reserve		1,611	1,611
Distributable equity			
Profit brought forward		20,737	19,273
Profit for the year		5,396	8,717
Total equity	P14	**29,249**	**31,106**
Other untaxed reserves		1,057	929
Provisions for pensions	P15	848	945
Other provisions	P16	330	401
Non-current interest-bearing liabilities			
Loans from Group companies	P17	1	1
Other liabilities	P17	26,648	24,062
Non-current non-interest-bearing liabilities			
Other liabilities		416	246
Current interest-bearing liabilities			
Loans from Group companies		26,880	31,185
Other liabilities		3,832	3,710
Total current interest-bearing liabilities		**30,712**	**34,895**
Current non-interest-bearing liabilities			
Advance payments from customers		88	48
Accounts payable		991	1100
Due to Group companies		528	738
Income tax liabilities	P7	0	0
Other liabilities		186	295
Accrued expenses and deferred income	P18	9,359	2,140
Total current non-interest-bearing liabilities		**11,152**	**4,321**
EQUITY AND LIABILITIES		**100,414**	**96,906**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
> Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

Parent Company changes in equity

MSEK	Share capital	Statutory reserve	Distributable equity	Total equity
Equity at 1,January 2023	**1,505**	**1,611**	**27,097**	**30,213**
Comprehensive income for the year	–	–	5,396	5,396
Dividend	–	–	-6,260	-6,260
Share-based payment settled by equity instruments	–	–	-100	-100
Equity at 31,December 2023	**1,505**	**1,611**	**26,133**	**29,249**
Equity at 1,January 2024	**1,505**	**1,611**	**26,133**	**29,249**
Comprehensive income for the year	–	–	8,717	8,717
Dividend	–	–	-6,880	-6,880
Share-based payment settled by equity instruments	–	–	20	20
Equity at 31,December 2024	**1,505**	**1,611**	**27,990**	**31,106**

1) The parent company do not apply IFRS 5 nor IFRIC 17.

Parent Company cash flow statement

MSEK	Note	2023	2024
Cash flow from operating activities			
Profit before tax		4,759	8,422
Adjustment for depreciation, amortization and impairment losses		368	557
Adjustment for non-cash items, etc.	P21	7,778	-5,850
Income tax paid		-1,614	288
Cash flow from operating activities before changes in working capital		**11,291**	**3,417**
Changes in working capital			
Changes in inventories		23	19
Changes in operating receivables		5,278	-214
Changes in operating liabilities		759	103
Cash flow from operating activities		**17,351**	**3,325**
Cash flow from investing activities			
Acquisition of companies and shares, net of cash acquired		-16,473	-13
Acquisition of property, plant and equipment		-384	-438
Proceeds from sale of companies and shares, net of cash disposed of		0	11
Proceeds from sale of property, plant and equipment		27	29
Net cash used in investing activities		-16,830	-411
Net cash flow after investing activities		**521**	**2,914**
Cash flow from financing activities			
Changes in advances/loans to Group companies		-4,605	3,500
Changes in advances/loans from Group companies		11,671	4,304
Proceeds from external borrowings		0	0
Repayment of external borrowings		-1,326	-3,838
Dividend paid		-6,261	-6,880
Net cash used in financing activities		**-521**	**-2,914**
Cash flow for the year		**0**	**0**
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at end of year		**0**	**0**

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

> Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

P1 Accounting principles, Parent Company

The Parent Company has prepared its Annual Report in accordance with the Annual Accounts Act (1995:1554) and the standard, RFR 2 Reporting by a legal entity, issued by the Swedish Financial Reporting Board. The interpretations issued by the Financial Reporting Board valid for listed companies have also been applied. Under RFR 2, the Parent Company in its Annual Report is to apply all the IFRS and IFRIC interpretations approved by the EU to the extent possible within the framework of the Annual Accounts Act, the Act on Income Security, and taking into account the close tie between financial reporting and taxation. The standard specifies what exceptions from or additions to the IFRS shall be made.

The Parent Company generally applies accounting principles as the consolidated financial statements. When an exception is made the accounting principle applied for the Parent Company is presented in the respective note.

§ Accounting principles

The symbol and heading show where the accounting principles are described in the note.

Changed accounting principles
The Parent Company's accounting principles has changed in accordance with the amendments described for the Group in note G1.

Classification and presentation
The Parent Company's income statement and balance sheet adhere to the presentation included in the Annual Accounts Act. The differences compared with IAS 1 Presentation of Financial Statements applied when presenting the consolidated financial statements mainly pertain to the presentation of finance income and expenses, non-current assets, equity and the presentation of provisions as a separate heading in the balance sheet.

P2 Categories of revenue

	2023	2024
Primary geographical markets		
Europe	12,769	12,582
North America	262	174
South America	64	102
Africa and Middle East	84	69
Asia	418	421
Australia and New Zealand	108	79
Total	**13,705**	**13,427**
Major goods/service lines		
Sale of goods	13,589	13,306
Rendering of services	72	92
Rental income	44	29
Total	**13,705**	**13,427**

Contract asset and contract liability balances are not disclosed for the Parent Company, due to the small balances and corresponding small movements.

P3 Personnel information and remuneration to management

The average number of employees was 3,605 (3,680) of which 29 percent were women (28). All personnel in the Parent Company are based in Sweden.

Wages, salaries, other remuneration and social costs

	2023	2024
Wages, salaries and other remuneration	2,896	2,664
Social costs	1,005	804
Pension costs	970	563
Total	**4,871**	**4,031**
of which to Board of Directors, President and members of Group Executive Management[1]		
Salaries and other remunerations	44	47
Variable salary	13	2
Pension costs	15	19

1) The Parent Company's pension liability relating to these persons amounted to SEK 3 million (3).

Gender distribution in senior management

Proportion of women, %	2023	2024
Senior management	30	30
Other senior executives	44	44

For information regarding incentive programs see note G4.

§ Accounting principles

Employee benefits
The Parent Company calculates expenses for defined-benefit pension plans differently from the manner prescribed in IAS 19. The Parent Company applies the Act on Income Security and regulations issued by the Swedish Financial Supervisory Authority, which is a prerequisite for income tax purposes. Compared to IAS 19, the most significant differences relate to the determination of the discount rate and the fact that the obligation is calculated based on the current salary level disregarding assumptions about future levels.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

P4 Remuneration to auditors

	2023	2024
PwC		
Audit fees	-14	-16
Audit activities other than the audit assignment	–	0
Other services	-7	-6
Total	**-21**	**-22**
Other audit firms		
Tax consultancy services	-1	-1
Other services	-34	-29
Total	**-35**	**-30**

P5 Other operating income and expenses

The Parent Company's other operating income amounted to SEK 78 million (32). The amount is mainly related to Transfer Price Adjustment SEK 45 million (-240) between group companies, gain on disposals of assets SEK 15 million (11) and unrealized hedges SEK 11 million (-13).

The Parent Company's other operating expenses amounted to SEK -1,017 million (-1,139). The amount is mainly related to royalties between Group companies of SEK -957 million (-834) and costs for acquisitions of SEK -42 million (-38).

P6 Financial income and expenses

Result from shares in Group companies

	2023	2024
Dividend, net of withholding tax	8,400	7,629
Group contributions paid/received	4,501	1,518
Impairment	-46	–
Total	**12,855**	**9,147**

Interest income and similar items

	2023	2024
Interest income, Group companies	412	24
Derivatives, Group companies	37	30
Other	19	52
Total	**468**	**106**

Interest expense and similar items

	2023	2024
Interest expense, Group companies	-453	-677
Other interest expense	-1,131	-1,060
Derivatives, Group companies	-66	-16
Other	-60	0
Total	**-1,710**	**-1,753**

§ Accounting principles

Group contributions and shareholders' contributions in legal entity accounts
Group contributions that a Parent Company receives from a subsidiary are recognized in the Parent Company in accordance with the same policies as normal dividends from subsidiaries. Shareholder contributions paid by the Parent Company to subsidiaries are recognized as investments in shares in the subsidiaries.

Anticipated dividends
Anticipated dividends from subsidiaries are recognized in cases where the Parent Company unilaterally may determine the size of the dividend, provided that the Parent Company has made such a decision before it published its financial statements.

Financial guarantee
The Parent Company applies a relaxation rule permitted by the Swedish Financial Reporting Board to the reporting of financial guarantees as opposed to the rules stipulated by IFRS 9. This relaxation rule pertains to financial guarantee agreements issued for the benefit of subsidiaries, associated companies and joint ventures. The Parent Company recognizes financial guarantees as a provision in the balance sheet when the company has an obligation for which payment is probably necessary to settle the commitment.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

P7 Income tax

Recognized in profit and loss

Income tax expense for the year	2023	2024
Current tax	-1,023	-371
Adjustment of taxes attributable to prior years	1,544	577
Total current tax expense	**521**	**206**
Deferred taxes relating to temporary differences and tax losses carried forward	117	90
Total tax expense	**638**	**296**

Reconciliation of the Parent Company's tax expense

The Parent Company's effective tax rate is lower than the nominal tax rate in Sweden, mainly due to received dividends from shares in Group companies which are non-taxable incomes.

Reconciliation of the Parent Company's nominal tax rate and actual tax expense:

	2023		2024	
	MSEK	%	MSEK	%
Profit after financial items	4,759		8,421	
Weighted average tax based on each country's tax rate	-980	-20.6	-1,735	-20.6
Tax effect of				
Non-deductible expenses	-1,626	-34.2	-126	-1.5
Tax-exempt income	1,833	38.5	1,578	18.7
Adjustments relating to prior years	1,544	32.5	577	6.9
Other	-133	-2.8	2	0.0
Total recognized tax expense	**638**	**13.4**	**296**	**3.5**

Recognized in the balance sheet

Deferred tax assets and liabilities

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following assets and liabilities.

	2023			2024		
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Property, plant and equipment	–	-24	-24	–	-24	-24
Inventories	14	–	14	23	–	23
Provisions	–	-27	-27	–	-22	-22
Non-interest-bearing assets and liabilities	160	-6	154	241	-11	230
Total	**174**	**-57**	**117**	**264**	**-57**	**207**
Offsetting	-174	174	–	-264	264	–
Total deferred tax assets and liabilities	**–**	**117**	**117**	**–**	**207**	**207**

Change of deferred tax in temporary differences and unutilized tax losses carried forward

	2023	2024
Balance at the beginning of the year, net	1	117
Recognized in profit and loss	116	90
Balance at end of year, net	**117**	**207**

In addition to the deferred tax assets and liabilities, Sandvik reports the following tax liabilities and receivables:

	2023	2024
Income tax liabilities	–	–
Income tax receivables	2,038	1,955
Net tax liabilities/receivables	**2,038**	**1,955**

Accounting principles

Income tax

The Parent Company recognizes untaxed reserves including the deferred tax component.

In the consolidated financial statements, untaxed reserves are recognized in their equity and deferred tax components. Correspondingly, portions of appropriations are not allocated to deferred tax expenses in the Parent Company's income statement.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

P8 Intangible assets

	Patents and other intangible assets	Goodwill	Total
Cost			
At January 1, 2023	**754**	**139**	**893**
At December 31, 2023	**754**	**139**	**893**
Accumulated amortization			
At January 1, 2023	**307**	**139**	**446**
Amortization for the year	135	–	135
At December 31, 2023	**442**	**139**	**581**
Net carrying amount			
At December 31, 2023	**312**	**–**	**312**

	Patents and other intangible assets	Goodwill	Total
Cost			
At January 1, 2024	**754**	**139**	**893**
Additions	8	–	8
Divestments and disposals	-10	–	-10
At December 31, 2024	**752**	**139**	**891**
Accumulated amortization			
At January 1, 2024	**442**	**139**	**581**
Amortization for the year	134	–	134
Divestments and disposals	-10	–	-10
At December 31, 2024	**566**	**139**	**705**
Net carrying amount			
At December 31, 2024	**186**	**–**	**186**

Amortization for the year is included in the following lines in the income statement

	2023	2024
Cost of goods and services sold	0	0
Research and development costs	-135	-134
Total	**-135**	**-134**

§ Accounting principles

Intangible assets
The Parent Company recognizes all expenditure for research and development conducted on a proprietary basis as an expense in profit or loss.

Amortization of intangible assets
Intangible assets are amortized on a straight-line basis over the estimated useful lives. Intangible assets are amortized from the date they are available to use. The estimated useful lives are as follows:
– Patents 10–20 years
– Goodwill 10 years

Borrowing costs
In the Parent Company, borrowing costs are expensed in the periods to which they relate. Borrowing costs for assets are not capitalized.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

P9 Property, plant and equipment

	Land and buildings	Plant and machinery	Equipment, fixtures and fittings	Construction in progress	Total
Cost					
At January 1, 2023	**1,546**	**5,560**	**1,066**	**612**	**8,784**
Additions	7	97	22	295	421
Divestments and disposals	-3	-201	-7	–	-211
Reclassifications	42	225	29	-304	-8
At December 31, 2023	**1,592**	**5,681**	**1,110**	**603**	**8,986**
Revaluations					
At January 1, 2023	**32**	**–**	**–**	**–**	**32**
Divestments and disposals	0	–	–	–	0
At December 31, 2023	**32**	**–**	**–**	**–**	**32**
Accumulated depreciation and impairment losses					
At January 1, 2023	**740**	**4,281**	**773**	**–**	**5,794**
Divestments and disposals	-3	-187	-6	–	-196
Reclassifications	-4	-4	-1	–	-9
Depreciation for the year	46	244	62	–	352
Impairment losses	–	13	–	–	13
At December 31, 2023	**779**	**4,347**	**828**	**–**	**5,954**
Net carrying amount					
At December 31, 2023	**845**	**1,334**	**282**	**603**	**3,064**

	Land and buildings	Plant and machinery	Equipment, fixtures and fittings	Construction in progress	Total
Cost					
At January 1, 2024	**1,592**	**5,681**	**1,110**	**603**	**8,986**
Additions	24	197	56	189	466
Divestments and disposals	-13	-206	-83	-2	-304
Reclassifications	48	112	36	-207	-11
At December 31, 2024	**1,651**	**5,784**	**1,119**	**583**	**9,137**
Revaluations					
At January 1, 2024	**32**	**–**	**–**	**–**	**32**
Divestments and disposals	0	–	–	–	0
At December 31, 2024	**32**	**–**	**–**	**–**	**32**
Accumulated depreciation and impairment losses					
At January 1, 2024	**779**	**4,347**	**828**	**–**	**5,954**
Divestments and disposals	-11	-198	-81	–	-290
Reclassifications	19	-8	-11	–	0
Depreciation for the year	48	253	67	–	368
Impairment losses	9	43	3	–	55
At December 31, 2024	**844**	**4,437**	**806**	**–**	**6,087**
Net carrying amount					
At December 31, 2024	**839**	**1,347**	**313**	**583**	**3,082**

§ Accounting principles

Borrowing costs
In the Parent Company, borrowing costs are expensed in the periods to which they relate. Borrowing costs for assets are not capitalized.

P10 Leases

Operating leases with Sandvik as lessee according to RFR 2

Operating leases with Sandvik as lessee	2023	2024
Within one year	168	174
Between one and five years	487	501
Later than five years	309	321
Net carrying amount	**964**	**996**

Leasing fees for assets under operating leases, such as leased premises, machinery and office equipment are recognized within operating expenses. In 2024, the Parent Company expensed SEK 159 million.

Operating leases with Sandvik as lessor
No future minimum lease payments under non-cancellable operating lease contracts (0).

§ Accounting principles

Leased assets
The Parent Company recognizes all lease contracts according to the rules for operating leases.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

P11 Shares in Group companies

	2023	2024
Cost		
At the beginning of the year	42,284	58,522
Additions	0	0
Capital contributions	16,473	13
Capital reductions	-235	0
Divestment	0	-10
Total	**58,522**	**58,525**
Accumulated impairment losses		
At the beginning of the year	-707	-518
Impairment losses for the year	-46	0
Impairment reversed for the year	235[1]	0
Total	**-518**	**-518**
Accumulated revaluations		
At the beginning of the year	0	0
Total	**0**	**0**
Carrying amount at year-end	**58,004**	**58,007**

1) Reversal of impairment related to divestment of Russia

Sandvik AB's holdings of shares and participations in subsidiaries, direct holdings, according to balance sheet at December 31

		2023			2024		
Company, domicile	**Corp. Reg. number**	**No. of shares**	**Holding, %[2]**	**Carrying amount 000s SEK**	**No. of shares**	**Holding, %[2]**	**Carrying amount 000s SEK**
SWEDEN							
Gimo Utbildningsaktiebolag, Gimo	556061–4041	910	91	16,882	910	91	19,377
Industri AB Skomab, Sandviken	556008–8345	2,000	100	21,946	2,000	100	21,946
Sandvik Global Purchasing AB, Stockholm	556052–4315	1,000	100	50	1,000	100	50
AB Sandvik Coromant, Sandviken[1]	556234–6865	1,000	100	50	1,000	100	50
Sandvik Coromant Sverige AB, Stockholm[1]	556350–7846	1,000	100	100	1,000	100	100
Sandvik Far East Ltd. AB, Sandviken	556043–7781	10,000	100	10,000	—	—	—
Sandvik Försäkrings AB, Sandviken	516401–6742	1,500	100	81,000	1,500	100	81,000
Sandvik Besöksservice AB, Sandviken[1]	556235–3838	1,000	100	50	1,000	100	50
Sandvik Intellectual Property AB, Sandviken	556288–9401	1,000,000	100	3,499,950	1,000,000	100	3,499,950
AB Sandvik International, Sandviken[1]	556147–2977	1,000	100	50	1,000	100	50
Sandvik Mining and Construction Sverige AB, Sandviken[1]	556288–9443	1,000	100	50	1,000	100	50
Sandvik Mining and Construction Tools AB, Sandviken[1]	556234–7343	1,000	100	50	1,000	100	50
Sandvik Rotary Tools AB, Köping	556191–8920	101,000	100	103,230	101,000	100	103,230
AB Sandvik Skogsfastigheter, Sandviken	556579–5464	1,000	100	51	1,000	100	51
AB Sandvik Steel Investment, Sandviken	556350–7853	1,000	100	100	—	—	—
Sanrip AB, Sandviken[1]	556692–0038	1,000	100	100	—	—	—
Sandvik Machining Solutions AB, Sandviken[1]	556692–0053	1,000	100	100	1,000	100	100
Sandvik Utbildnings AB, Sandviken	556304–8791	910	91	67,601	910	91	78,203
Dormer Pramet AB, Halmstad	556240–8210	80,000	100	46,145	80,000	100	46,145
Walter Norden AB, Halmstad	556752–4698	15,000	100	6,839	15,000	100	6,839
Sandvik Group IT, Sandviken[1]	556788–9059	1,000	100	100	1,000	100	100
Sandvik Venture AB, Stockholm	556868–7155	1,000	100	281,048	1,000	100	281,048
Sandvik Financial Services AB, Stockholm	556843–7296	10,000	100	75,000	10,000	100	75,000
Seco Tools AB, Fagersta	556071–1060	145,467,690	100	15,658,859	145,467,690	100	15,658,859
Sandvik Invest Aktiebolag, Sandviken	556020–6517	1	0	0	1	0	—
Sandnest 3 AB, Stockholm	559291–1035	25,000	100	25	25,000	100	25

1) Subsidiaries conducting business on behalf of the Parent Company.
2) Refers to voting rights, which also equals share of capital unless otherwise indicated.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ P11, continued

Sandvik AB's holdings of shares and participations in foreign subsidiaries, direct holdings, according to balance sheet at December 31

		2023			2024		
Country/location	Company	No. of shares	Holding, % [1]	Carrying amount KSEK	No. of shares	Holding, % [1]	Carrying amount KSEK
Brazil	Sandvik Holding Do Brasil Ltda	339,135,756	100	1,080,289	339,135,756	100	1,080,289
Bulgaria	Sandvik Bulgaria Ltd	—	100	0	—	100	0
Chile	Sandvik Financial Services S.A.	9,900	99[2]	165,331	9,900	99[2]	165,331
	Sandvik Rock Processing Chile S.A.	1	0[2]	8	1	0[2]	8
China	Sandvik China Holding Co Ltd.	—	100	2,009,106	—	100	2,009,106
Czech Republic	Sandvik CZ s.r.o.	—	100	0	—	100	0
Democratic Republic of Congo	Sandvik Mining and Construction DRC S.P.R.L.	9,990	100	43,235	9,990	100	43,235
Hungary	Sandvik Magyarorszag Kft.	—	100	3,258	—	100	3,258
India	Sandvik Coromant India Private Ltd.	1,801,241	75[2]	252,482	1,801,241	75[2]	252,482
	Sandvik Mining and Rock Technology India Private Limited	1,801,241	75[2]	2,084	1,801,241	75[2]	2,084
Ireland	Sandvik Mining and Construction Logistics Ltd.	100	100	5,508	100	100	5,508
Japan	Sandvik K.K.	8,000	100	224,207	8,000	100	224,207
Luxembourg	DSI Underground Holdings SA.	1,539,861	100	7,435,652	1,539,861	100	7,435,652
	Rocbolt Technologies Holdings Mongolia S.à.r.l.	6,000	50[2]	1	—	—	—
Mali	Sandvik Mining and Construction Mali Ltd	25,000	100	3,462	25,000	100	3,462
Mauritius	Rocbolt of Mauritius Ltd	956,768	50[2]	0	956,768	50[2]	0
Mexico	Sandvik de Mexicana S.A.	406,642,873	90[2]	712,312	406,642,873	90[2]	712,312
Mongolia	Sandvik Mongolia LLC.	400,000	100	2,682	400,000	100	2,682
Netherlands	Sandvik Finance B.V.	18,788	100	23,552,902	18,788	100	23,552,902
Peru	Sandvik del Peru S.A.	6,562,795	90[2]	26,025	6,562,795	90[2]	26,025
Portugal	Frezigest SGPS S.A.	1,001,069	100	1,071,546	1,001,069	100	1,071,546
Republic of Korea	Sandvik Korea Ltd.	752,730	100	5,992	752,730	100	5,992
Serbia	Sandvik Mining and Rock Technology LLC Belgrade	—	100	7,898	—	100	7,898
Slovakia	Sandvik Slovakia s.r.o.	—	100	1,238	—	100	1,238
South Africa	Sandvik Holding Southern Africa (Pty) Ltd	1,107,501	100	1,377,126	1,107,501	100	1,377,126
	Rocbolt Technologies Holdings Pty Ltd	500,000	50[2]	125,966	500,000	50[2]	125,966
Türkiye	Sandvik Endüstriyel Mamüller Sanayi ve Ticaret A.S.	125,154,588	100	3,200	125,154,588	100	3,200
UAE	Sandvik Middle East FZE.	1	100	19,886	1	100	19,886
Zimbabwe	Sandvik Mining and Construction Zimbabwe (Pty) Ltd.	233,677	100	3,269	233,677	100	3,269
Total				**58,004,042**			**58,006,938**

1) Refers to voting rights, which also equals share of capital unless otherwise indicated.
2) Remaining shares are held by other Group companies.

Sandvik AB's holdings[1] of shares and participations in subsidiaries, indirect holdings in % [1]

Country/ Location	Company	2023	2024
Sweden	DSI Underground Nordics AB	100	100
	Edvirt AB	100	100
	Metrolog Services Nordic AB	100	100
	Pramet Scandinavia AB	100	100
	Sandvik Financial Services SPV AB	100	100
	Sandvik Invest Aktiebolag	100	100
	Sandvik Mining and Construction Haparanda AB	100	0
	Sandvik SRP AB	100	100
	Sandvik Treasury AB	100	100
	Seco AB	100	100
	SETP Invest AB	100	0
Argentina	DSI Underground Argentina S.A.	100	100
	Sandvik Argentina S.A.	100	100
	Sandvik Mining and Construction Argentina S.A.	100	100
	Seco Tools Argentina S.A.	100	100
Armenia	Sandvik Mining and Rock Technology AM LLC	100	100
Australia	Deswik Brazil Holdings Pty Ltd	100	100
	Deswik Group Pty Ltd	100	100
	Deswik Mining Consultants (Australia) Pty Ltd	100	100
	Deswik Software Solutions Pty Ltd	100	100
	DSI Australia (Holdings) Pty Ltd	100	100
	DSI Holdings 1 Australia Pty Ltd	100	100
	DSI Holdings 2 Australia Pty Ltd	100	100
	DSI Underground Australia Pty Limited	100	100
	Fero Group (Queensland) Pty Ltd	100	100
	Fero Group Pty Ltd	100	100
	Fero Reinforcing Pty Ltd	100	100
	Fero Strata Systems Pty Ltd	100	0
	Heintzmann Australia Pty Ltd	100	0
	NTX Australia Pty Ltd	100	100

1) Refers to share of capital, which also corresponds to voting rights for the total number of shares unless otherwise stated.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ P11, continued

Sandvik AB's holdings[1] of shares and participations in subsidiaries, indirect holdings in %[1]

Country/ Location	Company	2023	2024
	Polymathian Pty Ltd	100	0
Australia	Sandvik Australia Holdings Pty Ltd	100	100
	Sandvik Australia Pty Ltd	100	100
	Sandvik Financial Services Pty Ltd	100	100
	Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd	100	100
	Sandvik Mining and Construction Australia Pty Ltd	100	100
	Sandvik Rock Processing Australia Pty Limited	100	100
	Seco Tools Australia Pty Ltd	100	100
	SigmaTEK Pty. Ltd. (Australia)	100	100
	S-Process Equipment Australia Pty Limited	100	100
	Stratabolt Resins Australia Pty Ltd	100	100
	Terelion (Australia) Pty Ltd	100	100
	Tricon Drilling Solutions Pty Ltd	100	100
	UFR Holdings Pty Ltd	0	100
	UFR Technology Pty Ltd	0	100
	Universal Field Robots Pty Ltd	0	100
Austria	DSI Underground Austria GmbH	100	100
	Sandvik in Austria Gesellschaft GmbH	100	100
	Sandvik Mining and Construction GmbH	100	100
	Seco Tools Gesellschaft GmbH	100	100
	Walter Austria GmbH	100	100
	Wolfram Bergbau und Hütten AG	100	100
	WBH Holding GmbH	0	100
Belgium	S.A. Seco Tools Benelux N.V.	100	100
	Walter Benelux N.V./S.A.	100	100
Botswana	Sandvik Botswana (Pty) Ltd	100	100
Brazil	CGTech Brasil Consultoria de Software Eireli	100	100
	Dormer Pramet Solucoes Para Usinagem Ltda	100	100
	DSI Underground System Brasil Indústria e Comercio Ltda	100	100
	Frezite Ferramentas de Corte LTDA	100	100
	MCB Serviços e Mineração Ltda.	100	100
	Sandvik Coromant Do Brasil Industria e Comercio de Ferramentas Ltda	100	100
	Sandvik Mining and Rock Technology do Brasil Ltda	100	100
	Sandvik Rock Processing Brasil Ltda	100	100
	Seco Tools Indústria e Comércio Ltda.	100	100
	SigmaTEK Systems Brasil Ltda.	100	100
	Walter do Brazil Ltda	100	100
Burkina Faso	Sandvik Mining and Rock Technology Burkina Faso SARL	100	100
Canada	11740750 Canada Limited	100	100
	Artisan Vehicles, Inc.	100	100
	Cimatron Technologies Inc (Canada)	100	100
	Deswik (Canada) Inc	100	100
	DSI Underground Canada Ltd.	100	100
	ICAM Technologies Corporation	100	100
	Indexable Cutting Tools of Canada LLC	100	100
	Inrock Ltd.	100	100
	Newtrax Holdings Inc	100	100
	Newtrax Technologies Inc	100	100
	Norgalv Limited	100	100
	Norprop Limited	100	100
	Postability Inc.	100	100
	Sandvik Canada, Inc.	100	100
	SigmaTEK Canada, LLC (Delaware)	100	100
Chile	Deswik Chile SpA	100	100
	DSI Underground Chile SpA	100	100
	DSI Underground Ventilation Systems S.p.A.	51	51
	NTX Chile SpA	100	100
	Sandvik Chile S.A.	100	100
	Sandvik Financial Services S.A.	1	1
	Sandvik Mining and Construction Chile S.A.	100	100
	Sandvik Rentals Chile SPA	100	100
	Sandvik Rock Processing Chile S.A.	100	100
China	Beijing CGTech Software Co., Ltd.	100	100
	Chuzhou OMK Carbide Tools Co., Ltd.	72	72
	Chuzhou Yongpu Carbide Tools Co., Ltd.	72	72
	Cimatron (Beijing) Technologies Co. Ltd.	100	100
	Dormer Tools (Shanghai) Co Ltd	100	100
	DSI Underground Consulting (Shanghai) Co., Ltd.	100	100
	DWFritz Precision Automation	100	0
	DWFritz Technology Limited	100	0
	Jinan Lingong Mining and Rock Technology Co Ltd	85	85
	Kunshan OSK Precision Tools Co., Ltd	100	100
	Sandvik (Jining) Rocbolt Technologies China Co., Ltd	100	100
	Sandvik Coromant Cutting Tools (Shanghai) Co., Ltd	100	100
	Sandvik Industrial Equipment (Shanghai) Co., Ltd.	100	100
	Sandvik Industry Equipment (ChangZhou) Co., Ltd.	100	100
	Sandvik Logistics (Shanghai) Co. Ltd	100	100
	Sandvik Mining and Construction (China) Co Ltd	100	100
	Sandvik Mining and Construction (Luoyang) Co Ltd	100	100
	Sandvik Mining and Construction Trading (Shanghai) Co.	100	100
	Sandvik Mining Technology (Tianjin) Co., LTD	100	100
	Sandvik Rock Tools Technology (Wuxi) Co., Ltd	100	100
	Sandvik Tooling Production (Langfang) Co. Ltd	100	100
	Seco Tools (Shanghai) Co Ltd	100	100
	Seco Tools Manufacturing (Shanghai) Co Ltd	100	100

1) Refers to share of capital, which also corresponds to voting rights for the total number of shares unless otherwise stated.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ P11, continued

Country/ Location	Company	2023	2024
	Shanghai Jianshe Luqiao Machinery Co. Ltd	100	100
	SigmaTEK Systems China, LLC	100	100
China	Suzhou Xinlan Nano Technology Co., Ltd.	72	72
	Suzhou Yongpu Precision Technology Co., Ltd.	72	72
	Suzhou Yongpu Technology Management Co., Ltd.	72	72
	Walter Wuxi Co. Ltd.	100	100
	Wuhan Yongpu Carbide Tools Co., Ltd.	72	72
	Yongpu Global Trading Shanghai Co., Ltd.	72	72
	Suzhou Ahno Precision Cutting Tool Technology Co. Ltd	0	72
	Ahno (Beijing) Precision Tool Co., Ltd.	0	72
	Chongqing Ahno-Well Cutting Tool Co., Ltd.	0	72
	Access Precision Tools (Suzhou) Co., Ltd	0	72
	Changshu Ahno Cutting Tools Co., Ltd.	0	72
	Changshu Wanke Precision Tools Technology Co., Ltd.	0	72
	Hangzhou Bino Precision Cutting Tool Co., Ltd	0	72
	Hefei Ahno Precision Tool Co., Ltd.	0	72
	Jinan Ahno Cutting Tool Co., Ltd	0	72
	Ningbo Ahno Precision Tool Co., Ltd.	0	72
	Suzhou Ahno Cutting Tool Technology Co., Ltd	0	72
	Suzhou Ahno Medical Devices Co., Ltd.	0	72
	Suzhou Jiheng Nano Technology Co., Ltd.	0	72
	Guangdong Jiheng Nano Technology Co., Ltd.	0	72
	Tianjin Jiheng Nano Technology Co., Ltd.	0	72
	Wuhan Ahno Precision Tool Co., Ltd.	0	72
	Yantai Ahno Cutting Tool Co., Ltd.	0	72
	Zhuzhou Ke'ernuo New Materials Co., Ltd.	0	72
	Chongqing Ahno-Well Cutting Tool Co., Ltd.	0	72
Colombia	Deswik Colombia S.A.S	100	100
	DSI Underground Colombia S.A.S.	100	100
	Sandvik Colombia S.A.S.	100	100
Côte d'Ivoire	Sandvik Mining and Rock Solutions Cote d'Ivoire SARLU	0	100

Country/ Location	Company	2023	2024
Czech Republic	Dormer Pramet s.r.o.	100	100
	FREZITE s.r.o.	100	100
	Seco Tools CZ s.r.o.	100	100
	WALTER CZ s.r.o.	100	100
Denmark	Sandvik A/S	100	100
	Seco Tools A/S	100	100
DR Congo	Sandvik DRC Services SASU	49	49
Finland	Oy Tampella Ab	100	100
	Sandvik Coromant Finland Oy	100	100
	Sandvik Mining and Construction Finland Oy	100	100
	Sandvik Mining and Construction Oy	100	100
	Seco Tools Oy	100	100
	Tammerfors Linne och Jern Ab	100	100
	Tamrock Oy	100	100
	Velroq Oy	100	100
France	A.O.B. S.A.S	100	100
	CGTech SARL	100	100
	Industrial Metrology Solutions SAS	100	100
	Financiere Metrolog SAS	100	100
	Gunther Tools	100	100
	Metrologic Group SAS	100	100
	Metrologic Services SAS	100	100
	Sandvik Coromant Inserts France S.A.S	100	100
	Sandvik Holding France S.A.S	100	100
	Sandvik Mining and Construction France S.A.S	100	100
	Sandvik Mining and Construction Lyon S.A.S	100	100
	Sandvik Tooling France S.A.S	100	100
	Seco Ressources et Finances SA	100	100
	Seco Tools France S.A.S.	100	100
	Seco Tools Reaming SAS	100	100
	SECO Tools Tooling Systems SAS	100	100
	SigmaNEST France	100	100
	Walter France S.A.S.	100	100

Country/ Location	Company	2023	2024
Germany	Almü Präzisions-Werkzeug GmbH	0	100
	CGTech Deutschland GmbH	100	100
	Cimatron Technologies GmbH	100	100
	DSI Underground GmbH	100	100
	esco GmbH engineering solutions consulting	100	0
	FMT Frezite Metal Tooling GmbH	100	100
	Gold Werkzeugfabrik GmbH	100	100
	Metrologic Group GmbH	100	100
	pro-micron GmbH	0	100
	Protomedical GmbH	100	100
	Prototyp-Werke GmbH	100	100
	Sandvik Holding GmbH	100	100
	Sandvik Mining and Construction Central Europe GmbH	100	100
	Sandvik Mining and Construction Deutschland GmbH	100	100
	Sandvik Tooling Deutschland GmbH	100	100
	Schaum-Chemie Beteiligungen 1 GmbH	100	100
	Seco Tools GmbH	100	100
	SigmaNEST GmbH	100	100
	TDM Systems GmbH	100	100
	Walter AG	100	100
	Walter Deutschland GmbH	100	100
	WALTER Deutschland Service GmbH	100	100
	Werner Schmitt PKD-Werkzeug GmbH	100	100
Ghana	Sandvik Mining & Construction Ghana Limited	100	100
Hong Kong	DWFritz Hong Kong Limited	100	0
	Sandvik Hongkong Ltd	100	100
Hungary	Pramet Kft	100	0
	Seco Tools Kereskedelmi Kft	100	100
	Walter Hungaria Kft	100	100
India	CGTech India Software Solutions PLC	100	100
	Cimatron Technologies Pvt. Ltd.	100	0
	Deswik Software Solutions India Private Limited	100	100
	Dormer Pramet India Private Limited	100	100

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ P11, continued

Country/ Location	Company	2023	2024
India	DSI Underground India Pvt. Ltd.	100	0
	Sandvik Coromant India Private Ltd.	25	25
	Sandvik Mining and Rock Technology India Private Limited	25	25
	Seco Tools India Private Limited	100	100
	SigmaTEK Systems India Private Limited	100	100
	Vaal Triangle Systems Private Limited	100	100
	Walter Tools India Private Limited	100	100
Indonesia	Pt. DSI Indonesia	100	100
	Pt. DSI Underground	100	100
	PT Sandvik Indonesia	100	100
	PT Sandvik Mining and Construction Indonesia	100	100
	PT Sandvik SMC	100	100
	PT Seco Tools Indonesia	100	100
Ireland	Premier Machine Tools (Ireland)	95	100
Israel	Cimatron Limited	100	100
Italy	CGTech srl	100	100
	Cimatron Technologies srl (Italy)	100	100
	Metrologic Group Italia S.R.L.	100	100
	Preziss, SRL	100	100
	Sandvik Italia S.p.A.	100	100
	Seco Tools Italia S.p.A SU	100	100
	SigmaTEK Srl (Italy)	100	100
	SSC Holding Italia SRL	100	100
	Walter Italia SRL	100	100
Japan	KK CGTech	100	100
	Sandvik Tooling Supply Japan K.K.	100	100
	Seco Tools Japan K.K.	100	100
	SigmaTEK Japan LTD.	100	100
	Walter Japan K.K.	100	100
Kazakhstan	Deswik Kazakhstan LLP	100	100
	Sandvik Mining and Construction Kazakhstan Ltd	100	100
Korea	CGTech Co. Ltd	100	100
	Sandvik SuhJun Ltd	100	100
	Seco Tools Korea Ltd	100	100

Country/ Location	Company	2023	2024
	SigmaTEK Systems LLC Korea	100	100
	Walter Korea Ltd	100	100
Luxembourg	DSI Underground IP Holding Luxembourg S.à r.l	100	100
	DSI Underground SMART S.à r.l	100	100
	Jupiter LuxCo 2 S.à r.l.	100	100
	Rocbolt Technologies Holdings Mongolia S.à r.l.	50	100
Malaysia	Sandvik Equipment Sdn Bhd	100	100
	Sandvik Mining And Construction (M) Sdn Bhd	100	100
	Seco Tools Sdn Bhd	100	100
	Walter Malaysia Sdn Bhd	100	100
Mauritius	Rocbolt of Mauritius Ltd	50	50
Mexico	Deswik Mexico S.A de C.V	100	100
	DSI Underground Mexico S.A. de C.V.	100	100
	FMT Tooling Systems S de RL de CV	100	100
	Mansour Mining Technolog De Mexico S.A DE C.V	100	100
	Mansour Mining Technolog De Mexico Servicios S.A. de C.V.	100	100
	NTX Mining Services S de RL de CV	100	100
	Preziss Tools de Mexico, S de R.L. de C.V.	100	100
	Sandvik de Mexicana S.A.	10	10
	Sandvik Hard Materials de Mexico S.A. de C.V.	100	100
	Sandvik Mining and Construction de Mexico S.A. de C.V.	100	100
	Sandvik SA de CV	100	100
	Seco Tools de Mexico S.A. de C.V.	100	100
	SigmaTEK Systems Mexico S. de R.L. de C.V.	100	100
	Terelion de Mexico S.A. de C.V.	100	100
	Valenite de Mexico	100	0
	Walter Tools S.A. de C.V.	100	100
Mongolia	Rocbolt Technologies Mongolia LLC	100	100
	Sandvik Mongolia Engineering Solutions LLC	0	100
Morocco	Seco Tools S.A.	100	100

Country/ Location	Company	2023	2024
Mozambique	Sandvik Mining & Construction Mozambique Lda	100	100
Namibia	Sandvik Namibia (Pty) Ltd	100	100
Netherlands	Sandvik Benelux B.V.	100	100
	Sandvik Mining and Construction B.V.	100	100
	Seco Tools BV	100	100
Nigeria	Sandvik Mining & Construction Nigeria Limited	100	100
Norway	Sandvik Norge AS	100	100
	Sandvik Coromant AS	100	100
	Seco Tools AS	100	100
Papua New Guinea	Sandvik Mining and Construction PNG Limited	100	100
Peru	Deswik Peru S.A.C	100	100
	DSI Underground Peru S.A.C.	100	100
	Sandvik del Peru S.A.	10	10
	Sandvik Forestal S.A.	100	100
	Terelion, LLC Sucursal Del Peru	100	100
Philippines	Sandvik Philippines Inc	100	100
	Sandvik Tamrock Philippines Inc	100	100
Poland	"DSI Schaum Chemie" Sp. z o.o.	100	100
	DSI Underground Chemicals sp. z o.o.	100	100
	DSI Underground Merol Sp. z.o.o.	100	100
	DSI Underground Poland Sp. z.o.o. w likwidacji	100	100
	Fabryka Narzędzi FANAR S.A.	100	100
	Pramet Sp. Z.o.o.	100	100
	Sandvik Polska Sp. Z.o.o.	100	100
	Seco Tools Sp Z.o.o.	100	100
	Walter Polska SP. Z.o.o.	100	100
Portugal	FHP – Frezite High Performance, Unipessoal, LDA	100	100
	Frezite – Ferramentas de Corte S.A.	100	100
	Sandvik SRL	100	100
	Seco Tools Portugal Lda	100	100
	Seri – Sociedade de Estudos E Realizações Industriais, Unipessoal, LDA	100	100
Romania	Sandvik SRL	100	100

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ P11, continued

Country/ Location	Company	2023	2024
Romania	Seco Tools Romania SRL	100	100
	Walter Tools SRL	100	100
Russia	Deswik RUS	100	0
Serbia	Seco Tools SRB d.o.o.	100	100
Singapore	Ahno Precision Cutting Tools Pte. Ltd.	0	72
	Sandvik Mining and Construction S.E. Asia Pte Ltd	100	100
	Sandvik South East Asia Ptd Ltd	100	100
	Seco Tools (SEA) Pte Ltd	100	100
	Walter AG Singapore Pte Ltd	100	100
Slovakia	PRAMET Slovakia, spol. s r.o.	100	100
	Seco Tools SK, s.r.o.	100	100
	Walter Slovakia s.r.o.	100	100
Slovenia	Seco Tools SI trgovina d.o.o.	100	100
	Walter Tools, d.o.o.	100	100
South Africa	Business Venture Investments No 2263 (Pty) Ltd	0	75
	Deswik Mining Consultants (Pty) Ltd	100	100
	Kwatani (Pty) Ltd	75	75
	Kwatani Global (Pty) Ltd	75	75
	Kwatani Holding Pty Ltd	75	75
	Mine & Quarry Supplies (Pty) Ltd	100	100
	Newtrax Pty. Ltd	100	100
	RB Technology Holdings (Pty) Ltd	65	65
	Rocbolt Technologies Africa Pty Ltd	100	100
	Rocbolt Technologies Holdings Pty. Ltd.	50	50
	Rocbolt Technologies Pty. Ltd	75	75
	Sandvik (Pty) Ltd	100	100
	Sandvik Financial Services (Pty) Ltd	100	100
	Sandvik Mining & Construction Delmas (Pty) Ltd	100	100
	Sandvik Mining RSA (Pty) Ltd	75	75
	Sandvik Rock Processing Solutions International (PTY) LTD	100	100
	Sandvik SRP Holdings South Africa	100	100
	Sandvik SRP RSA (PTY) LTD	75	75
	Schenck Process Africa (Pty) Limited	100	100

Country/ Location	Company	2023	2024
	Schenck Process South Africa (Pty) Limited	100	100
	Seco Tools South Africa (Pty) Ltd	100	100
	Zebenza Kanzima (Pty) Ltd	49	49
Spain	DSI Underground Spain SAU	100	100
	Frezite Herramientas de Corte SL	100	100
	Herramientas Preziss, S.L.	100	100
	Metrologic Group Spain S.L.	100	100
	Preziss Diamant S.L.	100	100
	Sandvik Española	100	100
	Seco Tools España S.A.	100	100
	Walter Tools Iberica S.A.U.	100	100
Switzerland	HC Holding Alpha AG	100	100
	P. Rieger Werkzeugfabrik AG	100	100
	Sandvik AG	100	100
	Sandvik Holding AG	100	100
	Santrade Ltd	100	100
	Seco Tools AG	100	100
	Sphinx Werkzeuge AG	100	100
	Walter (Schweiz) AG	100	100
Taiwan	Sandvik Taiwan Ltd	100	100
Tanzania	Sandvik Mining & Construction Tanzania Limited	80	80
Thailand	Sandvik Thailand Limited	91	91
	Seco Tools (Thailand) Co Ltd	100	100
	Walter (Thailand) Co Ltd	100	100
Türkiye	Seco Tools Kesici Takimlar Makina San. Tic.A.S.	100	100
	Walter Cutting Tools Industry and Trade LLC	100	100
Ukraine	LLC Seco Tools Ukraine	100	0
	Sandvik Ukraine	100	100
United Kingdom	BTA Heller Drilling Systems Ltd	100	0
	CGTech Limited	100	100
	Deswik Europe Ltd	100	100
	Dormer Pramet Ltd	100	100
	DSI Underground UK Holdings Ltd.	100	100

Country/ Location	Company	2023	2024
	DSI Underground UK Ltd.	100	100
	Edvirt UK Limited	100	100
	Extec Mobile Crushers and Screens Limited	100	100
	Fintec Crushing and Screening Limited	100	100
	FMT Tooling Systems Limited	100	100
	Inrock Ltd. (UK)	100	100
	Mastercam UK Limited	100	100
	Premier Machine Tools (UK)	95	100
	Sandvik Holdings Ltd	100	100
	Sandvik Ltd	100	100
	Sandvik Materials Limited	100	100
	Sandvik Mining and Construction LTD	100	100
	Sandvik Osprey Ltd	100	100
	Sandvik Services Limited	100	100
	Seco Tools (UK) Limited	100	100
	SigmaTEK Europe Limited	100	100
	Tamrock Great Britain Holdings Ltd	100	100
	Walter GB Ltd	100	100
USA	Advanced Theodolite Technology, Inc.	100	100
	Alliance CNC LLC	100	100
	Artisan Vehicle Systems, Inc.	100	100
	Benchmark Carbide LLC	100	100
	Buffalo Tungsten Inc	100	100
	Cambrio Acquisition, LLC	100	100
	CGTech	100	100
	Cimatron Gibbs LLC (California)	100	100
	Cimatron Technologies, Inc. (Michigan)	100	100
	Cimquest, Inc.	0	100
	CJT Tool LLC	100	100
	CNC Software, LLC	100	100
	CTMI Tool LLC	100	100
	Deswik USA Inc.	100	100
	Diamond Tool Coating, LLC	100	100
	Dimensional Control Systems, Inc.	100	100
	Dormer Pramet LLC	100	100
	DWFritz Automation, LLC	100	0

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ P11, continued

Country/ Location	Company	2023	2024
USA	DWFritz International, Inc.	100	0
	Industrial Metrology Solutions LLC	100	100
	GWS Tool Group LLC	100	100
	GWS Tool LLC	100	100
	Indexable Holding LLC	100	100
	Inrock Acquisitions, Inc.	100	100
	Inrock Drilling Systems, inc.	100	100
	Intrepid LLC	100	100
	Melin Tool Company, Inc.	100	100
	Metrologic Group Services, Inc.	100	100
	MG USA Properties, Inc.	100	100
	Monster Tool LLC	100	100
	NATC LLC	100	100
	Niagara Cutter LLC	100	100
	PDQ Workholding LLC	0	100
	Sandvik Financial Services LLC	100	100
	Sandvik Machining Solutions USA LLC	100	100
	Sandvik Mining and Construction USA LLC	100	100
	Sandvik Rock Processing Solutions North America	100	100
	Sandvik, Inc.	100	100
	Seco Tools, LLC	100	100
	SigmaTEK Systems, LLC (Delaware)	100	100
	ST Acquisition Co.	100	100
	STF Precision LLC	100	100
	Taurus Tool LLC	100	100
	TDM Systems Inc	100	100
	Terelion LLC	100	100
	uFab LLC	100	100
	Valenite LLC	100	100
	Walter USA LLC	100	100
	Wetmore Tool and Engineering Company	100	100
Vietnam	Sandvik Vietnam Company Ltd	100	100
	Seco Tools Vietnam Co Ltd	100	100
Zambia	Sandvik Mining and Construction Zambia Limited	100	100

§ Accounting principles

Shares in Group companies and associated companies
The Parent Company recognizes shares in Group companies and associated companies in accordance with the cost model, meaning that transaction costs are included in the carrying amount of holdings in subsidiaries and associated companies. Transaction costs related to shares in Group companies are recognized directly in profit or loss in the consolidated financial statements when they arise. Contingent consideration is valued based on the probability that the consideration will be paid. Any changes in the provision/receivable are added to/deducted from the cost. Contingent consideration is measured at fair value in the consolidated financial statements with changes in value recognized in profit or loss. Dividends from subsidiaries are recognized in full as income in profit or loss for the year.

P12 Non-current receivables and other current receivables

	2023	2024
Non-current receivables		
Derivatives	3	2
Other interest-bearing receivables	17	22
Total	**20**	**24**
Other current receivables		
Derivatives	22	0
Other non-interest-bearing receivables	488	440
Other interest-bearing receivables	0	0
Total	**510**	**440**

P13 Inventories

	2023	2024
Raw materials and consumables	684	672
Work in progress	331	277
Finished goods and goods for resale	67	113
Total	**1,082**	**1,062**

P14 Capital and reserves

Share capital
According to the Articles of Association of Sandvik AB, the share capital shall amount to a minimum of SEK 700,000,000 and a maximum of SEK 2,800,000,000. All issued shares are fully paid, have the same voting rights and are equally entitled to the Company's assets. Share capital has changed as follows over the past two years:

Share capital at:	No. of shares	Quotient value SEK/share	Share capital SEK
December 31, 2022	1,254,385,923	1.20	1,505,263,108
December 31, 2023	1,254,385,923	1.20	1,505,263,108
December 31, 2024	1,254,385,923	1.20	1,505,263,108

A dividend is proposed by the Board of Directors in accordance with the stipulations in the Swedish Companies' Act, and is approved at the Annual General Meeting. The proposed dividend for 2024 is estimated to amount to SEK 7,213 million, corresponding to SEK 5.75 per share. The amount has not been recognized as a liability.

No shares have been reserved for transfer under options or other agreements.

The Sandvik share is officially listed only on Nasdaq Stockholm. Shares can also be traded in the US in the form of ADRs (American Depositary Receipts).

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ P14, continued

The following information is presented in accordance with the provisions of Chapter 6, Section 2.a. of the Swedish Annual Accounts Act.

The Parent Company has issued one series of shares and each share carries one vote. The total number of shares shall be no less than 1,000,000,000 and no more than 4,000,000,000.

At the end of 2024, 1,254,385,923 shares (1,254,385,923) with a quotient value of SEK 1.20 per share had been issued. Shareholders have a preferential right to subscribe to newly issued shares issued for cash or with terms and conditions concerning rights of set off. All shares are fully negotiable.

§ Accounting principles

Undistributable equity
Undistributable equity may not be paid to the shareholders in the form of dividends.

Statutory reserve
The purpose of the statutory reserve has been to tie up part of the net profit that is not needed to cover an accumulated deficit. The statutory reserve includes amounts that before January 1, 2006, were included in the share premium reserve.

Distributable equity
Share premium reserve
Comprises the value of shares that have been issued at a premium, meaning the price paid was in excess of the share's quotient value. The amount received in excess of the quotient value was transferred to the share premium reserve.

Retained earnings
Retained earnings comprise the distributable reserves recognized in the preceding year less any dividend declared. The total of such profits brought forward and the profit for the year constitute the total distributable reserves, that is the maximum amount available for distribution to the shareholders.

P15 Provisions for pension and other non-current post-employment benefits

The Parent Company's recognized pension provision was SEK 946 million (848). The Parent Company's PRI pensions are secured through the pension foundation belonging to Sandvik, the Sandvik Pension Foundation in Sweden. Sandvik AB and most of its Swedish subsidiaries are members of the foundation. The deficit was recognized as a liability in the companies. The Parent Company's funded obligations mainly comprise ITP Plans.

Present value of funded and unfunded pension obligations

	2023	2024
Present value of funded and unfunded pension obligations	2,655	2,915
Plan assets	1,884	2,068
Deficit in the assets of the pension foundation	-79	-99
Net amount recognized for pension obligations	**-848**	**-946**

P16 Other provisions

	Warranties	Restructuring	Employee benefits	Environmental obligations	Legal disputes	Other obligations	Total
Balance at January 1, 2023	**3**	**175**	**135**	**2**	**0**	**0**	**315**
Provisions made during the year	–	90	125	–	–	0	215
Provisions used during the year	0	-115	-82	-2	–	–	-199
Unutilized provisions reversed during the year	–	0	–	–	–	–	0
Reclassifications	–	-1	–	–	–	–	-1
Balance at December 31, 2023	**3**	**149**	**178**	**0**	**0**	**0**	**330**
Balance at January 1, 2024	**3**	**149**	**178**	**0**	**0**	**0**	**330**
Provisions made during the year	8	323	128	1	–	1	461
Provisions used during the year	-3	-250	-136	–	–	–1	-390
Unutilized provisions reversed during the year	–	–	–	–	–	0	0
Reclassifications	–	0	–	–	–	–	0
Balance at December 31, 2024	**8**	**222**	**170**	**1**	**0**	**0**	**401**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
> Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

P17 Non-current interest-bearing liabilities

Non-current interest-bearing liabilities fall due as follows:

	2023			2024		
	Within one to five years	**Later than five years**	**Total**	**Within one to five years**	**Later than five years**	**Total**
Loans from Group companies	–	1	1	–	1	1
Other liabilities [1]	18,583	8,065	26,648	21,670	2,392	24,062
Total	**18,583**	**8,066**	**26,649**	**21,670**	**2,393**	**24,063**

1) Other liabilities mainly comprise bond loans.

P18 Accrued expenses and deferred income

	2023	**2024**
Personnel related	1,379	1,072
Expense related to finance	393	267
Other	7,587	801
Total	**9,359**	**2,140**

P19 Contingent liabilities and pledged assets

Contingent liabilities	**2023**	**2024**
Guarantees issued for customers and others	72	80
Other contingencies	16,981	17,684
Total	**17,053**	**17,764**

The Parent Company's surety undertakings and contingent liabilities amounted to SEK 17,764 million (17,053), of which SEK 8,294 million (8,877) related to the Parent Company's guarantees for Sandvik Treasury AB's financial borrowings. The remainder comprised mainly indemnity bonds for commitments of Group companies to their customers and vendors on advances received and various types of performance bonds and guarantees to financial institutions relating to local borrowings, and guarantee facilities as well as to pension commitments.

No assets of the Parent Company had been pledged in 2023 and 2024.

P20 Transactions with related parties

Sales to Group companies from the Parent Company amounted to SEK 11,826 million (12,284), or 88 percent (90) of total sales. The share of exports was 60 percent (58). The Parent Company's purchases from Group companies amounted to SEK 2,325 million (2,044), or 12 percent (18) of total purchases. The Parent Company granted no loans to associated companies. Guarantees have been made for obligations of associated companies in the amount of SEK 0 million (0). All transactions are effected at "arm's length" basis.

For information regarding employment agreements see note G4.

P21 Supplementary information to the cash flow statement

Cash and cash equivalents	**2023**	**2024**
Cash and cash equivalents comprise:		
Cash and bank	0	0
Total in the balance sheet	**0**	**0**
Total in the cash flow statement	**0**	**0**

Interest and dividend paid and received	**2023**	**2024**
Dividend received	8,400	1,518
Interest received	458	49
Interest paid	-1,690	-1,627
Total	**7,168**	**-60**

Other adjustments for non-cash items, etc.	**2023**	**2024**
Changes in value if financial instruments	-302	-161
Unappropriated results of associated companies	–	–
Gains and losses on disposal of non-current assets	-22	-42
Gains on disposal of companies and shares	-2	0
Provision for pensions	298	97
Other provisions	15	71
Other	7,791	-5,814
Total	**7,778**	**-5,849**

P22 Events after the end of the period

No major events to report after the end of the reporting period.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
> Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

Board statement on dividend proposal

Board statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The nature and extent of the company's operations are stated in the Articles of Association and issued annual reports. Such nature and extent do not entail risks over and above those inherent, or reasonably to be expected, in the industry or otherwise inherent in business operations. For information on significant events, reference is made to the Directors' Report.

The company's financial position as of December 31, 2024, is apparent from this Annual Report. The proposed dividend does not infringe on investments deemed to be required. In addition, the company's main liquidity reserve is in the form of an unutilized revolving credit facility amounting to SEK 11,000 million, which means that the company should reasonably be able to meet unexpected events and temporary fluctuations in cash flows of reasonable proportions. The company's financial position supports the assessment that the company will be able to continue its business and meet its obligations in both the short and long term.

In view of the above and based on what the Board is otherwise aware of, the proposed dividend in the Board's opinion is justified considering the requirements which the nature, extent and risks associated with the operations place on the size of the equity of the company, and also taking into consideration the company's need to strengthen its balance sheet, liquidity and financial position in general.

Stockholm, March 6, 2025

Sandvik Aktiebolag (publ)
BOARD OF DIRECTORS

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
> Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

Proposed appropriation of profits

The Board of Directors proposes that the profits at the disposal of the Annual General Meeting:

profits carried forward	19,273,190,868
and result for the year	8,716,807,211
SEK	27,989,998,079

be appropriated as follows:

a dividend of 5.75 SEK per share to the shareholders	7,212,719,057
profits carried forward	20,777,279,022
SEK	27,989,998,079

The proposed record date for dividends is Friday, May 2, 2025.

The income statements and the balance sheets of the Group and of the Parent Company are subject to adoption by the Annual General Meeting on Tuesday, April 29, 2025.

The Board of Directors and the President hereby certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden, and that the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in the regulation (EU) no. 1606/2002 of the European Parliament and Council dated July 19, 2002 on the application of international accounting standards. The Annual Report and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results. The Report of the Directors pertaining to the Parent Company and the Group gives a fair overview of the development 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, March 6, 2025

Johan Molin
Chairman

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 Wärn
Board member

Stefan Widing
Board member
President and CEO

Our auditors' report was submitted on March 7, 2025
PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant
Partner in charge

Martin By
Authorized Public Accountant

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

> Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Auditors' report

Unofficial Translation

To the general meeting of the shareholders Sandvik AB (publ), corporate identity number 556000-3468

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sandvik AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 47-132 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and its financial performance and cashflow for the year then ended in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the EU, and the Annual Accounts Act.

A Corporate Governance statement has been prepared. The Directors report and the Corporate Governance statement are consistent with the annual accounts and the consolidated accounts, and the Corporate Governance statement has been prepared in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing ('ISA') and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management

override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Our audit strategy is built on our knowledge and understanding of the Sandvik operations, strategy, governance and overall control environment. With this as a foundation, we tailor our Group audit with a focus on the key audit matters and other risks with the purpose of gaining audit comfort in order to express an opinion on the consolidated Financial statements. Our business understanding, risk assessment and section of entities to be included in the group audit is a continuous process which is updated once a year during our planning phase.

We build our overall understanding of Sandvik for the purpose of our Group audit, by interviewing Management for the Business Areas, Divisions and Group Functions and by updating our process understanding and understanding of relevant controls and systems that support the financial reporting. We also obtain and read management reports, policies and procedures etc.

The Group audit team coordinates the Group audit by issuing Group audit instructions to component auditors of selected entities in scope. We obtain and read reporting deliverables and conduct component calls with selected teams in order to ensure adherence to the overall Group audit strategy. The Group audit team is also responsible for auditing the consolidation process, the parent company accounts and for reporting to the Audit Committee and the Board of Directors (once per year). The interim report for the third quarter is subject to an ISRE 2410 review. In addition, most legal entities in the Group are subject to statutory audit requirements based on local regulation.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Missaments may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

> Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition in the appropriate period The Group manufactures and sells products and services to its customers globally, mainly through its own distribution network. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. The Group has analyzed its various sales contracts and concluded on the principles for deciding in which period or periods the Group's sales transactions should be recognized as revenue. Disclosures in notes G2, G3 and P2 provide additional information on how the Group accounts for its revenue.	Our audit included but was not limited to the following activities: – Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls. – Evaluated whether the Group accounting principles for revenue recognition comply with IFRS. – Tested a sample of sales transactions for compliance with the Group accounting principles. – Performed data analytical procedures to identify and evaluate a sample of manual and automatic journal entries. – Traced disclosure information to accounting records and other supporting documentation.
Measurement of goodwill and intangible assets with an indefinite life including acquired intangible assets The majority of the Sandvik intangible assets have been acquired externally, mostly through acquiring businesses, and represent significant amounts. Assets with indefinite useful life such as goodwill are not subject to yearly depreciation. Instead, an annual test will show whether the carrying amount for the cash generating unit can still be supported. Sandvik has acquired several businesses containing intangible assets during 2024. There are a number of instances where management's judgment is decisive for the accounting treatment, both in connection with acquiring businesses and in connection with annual impairment tests. Note G12 contains additional information on the Group's intangible assets and the significant assumptions applied in the annual impairment tests. In note G30 there is additional information about business combinations, accounting principles and acquired intangible assets	Our audit included but was not limited to the following activities: – Assessed the model used by the Group for impairment testing and evaluated the significant assumptions for establishing forecasted cash flows and discount interest rates used for calculating the value-in-use of the cash generating units. In our evaluation, we have compared with the historic business performance and the Group's forecasts and strategic planning as well as with external data sources when possible and relevant. – Evaluated whether the purchase price allocations of the Significant acquisitions made during the year meet the Requirements of IFRS and have been prepared according to generally accepted practices. Assessed that significant assumptions used to measure values of acquired assets are reasonable. We have involved valuation specialists when conducting our work. – Traced disclosure information to accounting records and other supporting documentation.
Measurement of inventory Sandvik keep significant stock of raw materials, spare parts and work-in-progress at its production units and stores of finished goods mostly at its sales units and distribution centres. The inventory balance is material and measurement of inventory is important for a fair presentation of gross margin. A due process is required to prepare accurate reporting of the acquisition cost when procurement, production and logistical processes are complex. Establishing product costing requires many instances of management judgment with effect on the reported values. This includes assessing normal production levels, foreign currency, prices of raw materials and allocation of other direct and indirect costs. For finished goods, assessment is needed of obsolescence and how sellable the products are. Finally, there is a complexity in monitoring and measuring volumes particularly for some raw materials and work in progress as well as eliminating effects from intra Group transactions. Notes G17 and P13 provide information about the the Group's accounting principles for measuring inventory and additional information on the line item.	Our audit included but was not limited to the following activities: – Mapped and evaluated selected systems and processes for inventory and tested a sample of key controls for establishing cost. – Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of the product costing for work in progress and finished goods. – Participated, on a sample basis, in stock takes at locations and tested the cut-off of deliveries in or out of inventory. – Obtained the Group's monitoring controls of slow movers and assessments of obsolescence as well as net selling prices. – Traced disclosure information to accounting records and other supporting documentation
Costs for efficiency measuresy During the year, Sandvik has taken a number of structural measures to increase efficiency and strategic resilience, activities that are expected to generate savings in both the short and long term. The efficiency measures include activities in all business areas. Appropriate accounting and reporting linked to a savings program is based on management's assessments of the timing and amount of personnel reductions, agreements for dismissals and other costs that the savings measures give rise to, as well as the presentation of the effects on the business going forward. Note G23 provides the company's principles for reporting costs for savings measures and further information on the balance sheet item.	Our audit included but was not limited to the following activities: – Read the detailed plans for efficiency measures presented to the board as documentation to support the decisions. – Obtained evidence, on a sample basis, that the criteria for recording provisions were met. – Assessed management's measurement of provisions through evaluation of a sample of supporting documentation. – Tested actual costs to contracts, payments and other evidence on a sample basis. – Traced disclosure information to accounting records and other supporting documentation and read the presentation of the costs relating to programs for efficiency measures in the annual report.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

> Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-46 and 156-158, and the Statutory sustainability report and sustainable Business Report on pages 11-13, 18, 65-69 and 138-154.

The other information also contains the Remuneration report which we expect to receive after the release of the Auditor's Report. The board of directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially in consistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The board of directors and Managing Director are also responsible for such internal control as they determined is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts,The Board of Directors and the Managing Directors are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of directors and the Managing Director intend to liquidate the company. The company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sandvik AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and Managing Director will be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect.

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- In any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the audit of the proposal appropriation of the company's profit or loss, and therefore thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability for the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

> Auditors' report

Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Securities Market Act (2007:528) for Sandvik AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sandvik AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Securities Market Act (2007:528), and for maintaining such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standard and applicable legal and regulatory requirements.

The examination involves obtaining evidence through various procedures that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statements of financial performance, financial position, changes in equity, cashflow and disclosures in the Ésef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97, Stockholm, was appointed auditor of Sandvik AB (publ) by the general meeting of the shareholders on 29 April 2024 and has been the company's auditor since 27 April 2018.

Stockholm March 7th, 2025
PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant
Auditor in charge

Martin By
Authorized Public Accountant

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

> Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

Non-financial notes

NF1	About this report	138
NF2	Stakeholder dialogues	138
NF3	Code of Conduct	138
NF4	Whistleblowing	138
NF5	Compliance	139
NF6	Employees	139
NF7	Health and safety	141
NF8	Environmental footprint	143
NF9	Sustainable supplier management	146
NF10	Community involvement	147
NF11	EU Taxonomy	148
NF12	GRI Index	152

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

> Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

NF1 About this report

This is our nineteenth consecutive year of sustainability reporting, and our commitment to annual sustainability reporting remains unchanged. The report was published on March 10, 2025. The data presented refers to the fiscal year 2024. The most recent Sustainable Business Report was published in March 2024. The non-financial notes include information on strategy, management approaches, stakeholder dialogues, and sustainability data.

Information meeting the Swedish legal requirements on sustainability reporting, the Statutory Sustainability Report, and Sandvik Sustainable Business Report, are found on pages 6–7, 11, 18, 62–69, 138–154. Please refer to note P11 for a list of entities included in the figures unless otherwise specified.

This report adheres to the Global Reporting Initiative, GRI Standards 2021. The figures presented are accumulated for the 2024 fiscal year for all active reporting units, unless stated otherwise. An operational control approach was used for consolidations. The report covers material aspects defined in the materiality assessment described on page 65 and has undergone external review. No restatements of information from previous reporting periods have been made.

Sandvik has been a signatory to the UN Global Compact (UNGC) since 2013, reporting on the ten principles in accordance with the UN Global Compact advanced level criteria.

In 2023, the Science Based Targets initiative (SBTi) approved Sandvik science-based greenhouse gas emission reduction targets. Our climate impact is disclosed through the non-profit organization CDP.

An independent assurance provider, engaged by the Board of Directors and the CEO of Sandvik, has undertaken a combined assurance of the Sandvik Annual Report 2024.

The Sandvik Code of Conduct, Sandvik Supplier Code of Conduct, and Sandvik Business Partner Code of Conduct are publicly accessible on home.sandvik/sustainability. Group policies, classified as internal documents, are available on the company intranet, having received approval from the Group Executive Management team. 14 policies, including the Anti-Bribery and Corruption Policy, have also been approved by the Board of Directors. These commitments apply organization-wide, including for business relationships, and are communicated via the line organization.

For additional details on our reporting, please visit home.sandvik/sustainability.

NF 2 Stakeholder dialogues

Sandvik has identified a range of stakeholders who are anticipated to be impacted by the company or have the potential to influence Sandvik. We actively engage with these stakeholders to gain insights into their relationships with Sandvik and to identify potential impacts, risks, and opportunities as part of our materiality assessment. Stakeholders include customers, employees and investors as well as affected stakeholders in our value chain.

In 2024, Sandvik actively engaged with analysts, investors, and shareholders to discuss the implementation of strategic initiatives, the impact of the 2030 Sustainability Goals on Sandvik business, specific targets and outcomes, and our contributions to the UN Sustainable Development Goals. We continued to prioritize ongoing dialogues with customers, focusing on key areas such as product development for enhanced safety, increased energy efficiency, and encouraging electrification. Continuous communication with employees is ensured through regular meetings, employee surveys, and performance dialogues, and sustainability-related perspectives are integrated into Sandvik employee surveys. Furthermore, Sandvik maintains regular interactions and discussions with unions around the sustainability agenda.

Membership in organizations

Sandvik is a signatory of the UN Global Compact and is active in various industry associations, such as Jernkontoret (steel producers), Svemin (mines, minerals, and metal producers), the International Council of Swedish Industry (NIR), the Cobalt Institute, the International Tungsten Industry Association, the Responsible Minerals Initiative, and The Tungsten Industry Conflict Minerals Council.

NF 3 Code of Conduct

The Sandvik Code of Conduct, rooted in our core values, underscores our strong commitment to ethical and responsible business practices, ensuring compliance with relevant laws and regulations across all our markets. The Code of Conduct defines the principles governing individual and corporate behavior, providing guidance for our actions and everyday business decisions.

To uphold these standards, Sandvik has set a target to train 100 percent of employees and long-term contractors who have been employed for over 90 days, in the Code of Conduct. This training covers critical topics such as anti-bribery, corruption, diversity and inclusion, among others. The target is monitored via compliance reports and training dashboards. By the end of 2024, 94 percent (97) of employees and long-term contractors had completed the Code of Conduct training. All members of the Group Executive Management and the Board of Directors have undergone training in the Code.

The goal for onboarding new employees is to train 90 percent within three months of their hiring. By the end of 2024, the outcome was 79 percent (83). Additionally, refresher training, reinforcing Code of Conduct principles, is automatically deployed to employees who completed the training more than two years previously. As of December 31, 2024, 87 percent (91) of the invited population had successfully completed this refresher training.

NF 4 Whistleblowing (Speak Up)

Employees and external stakeholders who observe any potential breach of the Code of Conduct, laws, or our policies are encouraged to report such violations, anonymously if preferred, through the global reporting tool, Speak Up. The act of speaking up is a crucial element of the Sandvik culture, fostering trust, enhancing the work environment, and mitigating risks for the company.

According to our employee engagement survey, employees rated the statement, "If I report a serious misconduct in Speak Up, I'm confident Sandvik would take action to rectify the situation," at 7.8, which falls within the benchmark middle range.

Speak Up is accessible through our intranet and web portals, as well as via telephone hotlines in all major countries where Sandvik operates. Reports submitted through Speak Up undergo screening, and each case is subsequently assigned to an investigator. These investigators conduct the necessary investigations with support from the Business Integrity specialist investigation function.

In 2024, there were 412 (343) reported Speak Up incidents excluding inquiries (see distribution in chart) with 68 percent (83) closed within 90 days.

The substantiation rate for closed cases, including partially substantiated, was 37 percent (29). Zero cases (0) concerned human rights, and 32 (21) cases involved bribery and kickbacks. All Speak Up cases undergo investigation, resulting in either substantiated or unsubstantiated findings based on the allegations. The consequences for substantiated cases vary from warnings and enhanced controls/training to employee dismissal, contract termination, non-renewal for business partners, or referral to relevant authorities for further investigation. The execution of the consequences is carefully managed within the remit of the law and our policies, including the obligation to protect the identity of the whistleblower and relevant data privacy regulations.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF4, continued

	Number	
Speak Up reports	**2023**	**2024**
Human relations	165	179
Compliance	73	103
Theft and misappropriation	20	27
Business records and information	28	34
Environment, health and safety	24	24
Inquiries	24	25
Other	33	45
Total	**367**	**437**

NF 5 Compliance

In 2024, the focus was on a review of the compliance program and identification of improvement areas. Risk-based efforts to counteract Russian entities from accessing Sandvik products through third parties outside of Russia also remained high on the agenda.

In addition to the external risk assessment referred to above, the Compliance House serves as a tool allowing, among other things, each Sandvik entity to understand and address its compliance risks to increase transparency in control implementation. At year-end 2024, the Compliance House included all business entities, except for a few recently acquired entities that underwent compliance-risk assessment during the due diligence process. Additionally, certain entities, primarily engaged in administrative tasks and internal services, deemed low risk, were excluded. 81 percent of the operational units in the tool conducted a self-assessment review during the year.

The Compliance House requires that each entity communicates annually with its employees in four compliance areas. As of December 31, 2024, 69 percent of the entities had reported during 2024 that they had communicated about anti-corruption compliance in the last 12 months. The corresponding figures for competition law, trade compliance and data privacy communication were 65 percent, 54 percent and 64 percent, respectively.

Compliance training was provided to employees through various formats, including e-learning, webinars, and classroom sessions. Over 20,603 training records were generated, with 6,296 focusing on anti-corruption, 5,825 on competition law, 6,708 on data privacy and 1,774 on trade compliance. The Group Executive Management team participated in a workshop on compliance risks, which has been substantially replicated in the business areas.

Sandvik has zero tolerance for bribery and corruption. The Anti-bribery and corruption policy mandates all employees, managers and directors to identify and disclose any conflicts of interest. No members of the Board of Directors have declared any conflict of interest with respect to cross-shareholding with suppliers and other stakeholders. The risk assessment conducted through the Compliance House, including action plans and existing controls, did not reveal any significant residual corruption risks. Sandvik requires its business partners to adhere to its supplier/business partner Code of Conduct. It requires suppliers/business partners to comply with relevant rules and principles concerning anti-corruption, competition law, data privacy, and international sanctions.

Sandvik also requires that relevant commercial intermediaries sign an anti-corruption and export control/trade clause in the contract. The use of the anti-corruption clause and the Business Partner Code of Conduct is followed up through Compliance House. Out of the entities during 2024 who responded that they were using commercial intermediaries, 82 percent responded that all their commercial intermediaries had signed the Sandvik Business Partner Code of Conduct and 67 percent that all commercial intermediaries had signed a contract including an anti-corruption clause. The entities' responses are audited and confirmed by the internal and external Audit functions as part of the regular audit programs.

In 2024, there were no major public legal cases regarding potential non-compliance with laws and regulations brought against Sandvik and neither did Sandvik receive any significant fines or non-monetary sanctions for non-compliance with laws or regulations.

NF 6 Employees

At year-end 2024, the number of employees (FTEs) amounted to 41,447 (40,877).

Competence development
Sandvik provides diverse opportunities for growth, including stretch assignments, mentorship, digital learning platforms, and face-to-face programs. Our global offering includes leadership and expert programs, learning academies, digital workshops, and e-learning modules, all designed to upskill and reskill employees for current and future needs, aligning with our 2025 strategy.

Global Graduate program
The Global Graduate Program is a 15-month initiative designed to attract top talent and provide young professionals with hands-on experience across Sandvik global operations. Targeting top students from key markets, the program strengthens our employer brand and integrates new talent into our organization. In 2023, the sixth program started with 12 participants from China, India, Finland, Sweden, Brazil, Germany, and the U.S., with a 50/50 gender balance. A new program will start in September 2025.

Internal job market
As a Sandvik employee, you are responsible for steering your own career development. Our organization provides a broad spectrum of career opportunities. Through our internal job market, employees have the opportunity to transition to different divisions within Sandvik or explore opportunities in other countries, fostering both personal and professional growth. In 2024, 3,015 (3,599) new employees were hired and a significant portion of the job openings were advertised within our Sandvik internal job market.

Diversity, Equity, and Inclusion
Sandvik strives to create an equitable workplace with an inclusive culture for diverse, talented individuals to thrive and bring their authentic selves to work, which creates benefits all the way to our communities, value chains and customers. This commitment is evident in our recruitment, people development, and retention efforts, with ongoing initiatives detailed on pages 30, 36 and 42, and we regularly monitor our inclusion levels though our Your Voice surveys.

We recognize that it is essential to start from the top. Our Executive Management team exemplifies this, representing 5 (5) nationalities and diverse backgrounds. As part of our goals, we aim to achieve 25 percent female representation among our managers by 2025, and as of 2024, we reached 20.5 percent (20.5). Additionally, in 2024, 22 percent (32) of external executive recruits were female, and 32 percent (27) of the successor talent pool for division management were women. In terms of nationality, 19 percent (14) of business area management team members were non-Europeans.

In 2024, we continued the integration of Equity into our Diversity and Inclusion efforts. As a key milestone, all HR employees and managers across our business areas were trained on the concept of Equity and Allyship with our updated introduction training to Diversity, Equity and Inclusion (DEI). This will continue to be offered to all newly hired or acquired employees. Our online toolbox was renewed and complemented with equity-specific topics embedded into our employee journey. Our Bridge program continues to focus on leadership across diverse cultures, and all internal global leadership programs include training on creating an inclusive work environment and promoting diversity.

To instill a curious conversation beyond gender, we ran quarterly global awareness campaigns #SandvikTrueColor. In 2024, Group executive team members, employees and external specialists discussed how we create a psychologically safe and inclusive workplace for the LGBTQIA+ community, indigenous people and persons with disabilities.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF6, continued

To underscores our commitment to an inclusive, equal opportunity workplace and foster well-being and more equal societies, Sandvik offers (since 2024), 14 weeks of gender-neutral paid parental leave to all our employees, who recently had or adopted a baby. This includes single parents, LGBTQ+ families, and other family arrangements.

Employee engagement
Sandvik conducts regular Engagement Surveys (QPulse) to measure employee engagement and recognize improvement possibilities in identified priority areas. At year-end, the Engagement Index was 7.7 (7.6), (measured on a scale of 0 to 10, with a measurement of 7 or above indicating a positive score) and the Inclusion Index was 8.0 (8.0), with a response rate of 88 percent. In 2024, we added health & well-being to our Engagement Surveys to improve productivity and engagement and reduce absenteeism and work-related disease, which reached a score of 7.9 (7.8). All key performance indicators based on results continue to be implemented in each business area and Group functions. In the third quarter, we introduced a monthly survey frequency to our office-based employees, to enhance the user experience and enable an ongoing dialogue. Workers in production environments continue with their quarterly frequency.

Every Sandvik employee is offered at least one annual individual performance dialogue with their manager, focusing on past performance, new goals, and development plans for the upcoming years. In 2024, 97 percent (94) of employees participated in these dialogues and performance management bias training for managers and HR was embedded into the process.

In 2024, 44 percent (42) of employees were covered by collective bargaining agreements.

Remuneration
The ratio of the annual total compensation for the President and CEO to the average remuneration per employee in the Parent Company (excluding the President and CEO) is 28 to 1. The ratio of the percentage increase in these respective compensations for 2024 compared to 2023 is 1.0 to 1. Regarding remuneration, see note G4.

Top 300 managers, nationalities

Share of women in managerial positions, %

Employees by employment contract and gender

	Women		Men		Total	
	2023	**2024**	**2023**	**2024**	**2023**	**2024**
Permanent	7,043	7,349	27,400	28,577	34,443	35,926
Temporary	345	322	1,007	1,161	1,352	1,483
Total	**7,388**	**7,671**	**28,407**	**29,738**	**35,795**	**37,409**

Employees by employment type and gender

	Women		Men		Total	
	2023	**2024**	**2023**	**2024**	**2023**	**2024**
Full time	6,785	7,079	27,890	29,216	34,675	36,295
Part time	603	592	517	522	1,120	1,114
Total	**7,388**	**7,671**	**28,407**	**29,738**	**35,795**	**37,409**

Employees by employment contract and region

	Permanent		Temporary		Total	
	2023	**2024**	**2023**	**2024**	**2023**	**2024**
Europe	17,428	17,383	516	471	17,944	17,854
North America	4,492	4,776	27	20	4,519	4,796
South America	2,310	2,558	32	47	2,342	2,605
Africa & Middle East	2,122	2,424	380	465	2,502	2,889
Asia	6,671	6,805	362	448	7,033	7,253
Australia	1,434	1,994	36	33	1,470	2,027
Total	**34,457**	**35,940**	**1,353**	**1,484**	**35,810**	**37,424**

Employees by employment type and region

	Full time		Part time		Total	
	2023	**2024**	**2023**	**2024**	**2023**	**2024**
Europe	16,895	16,824	1,049	1,030	17,944	17,854
North America	4,503	4,786	16	10	4,519	4,796
South America	2,323	2,576	19	29	2,342	2,605
Africa & Middle East	2,497	2,887	5	2	2,502	2,889
Asia	7,028	7,243	5	10	7,033	7,253
Australia	1,444	1,994	26	33	1,470	2,027
Total	**34,690**	**36,310**	**1,120**	**1,114**	**35,810**	**37,424**

Employee hires by age

	2023		2024	
	Hired	**%**	**Hired**	**%**
Under 30	1,146	32	1,016	34
30–50	2,141	59	1,771	59
Over 50	310	9	226	7
Total	**3,597**	**100**	**3,013**	**100**

Employee hires by gender

	2023		2024	
	Hired	**%**	**Hired**	**%**
Women	832	23	712	24
Men	2,763	77	2,298	76
Total	**3,599**	**100**	**3,010**	**100**

Employee hires by region

	2023		2024	
	Hired	**%**	**Hired**	**%**
Europe	1,176	33	880	29
North America	865	24	663	22
South America	452	13	403	13
Africa & Middle East	268	7	225	8
Asia	557	15	507	17
Australia	281	8	337	11
Total	**3,599**	**100**	**3,015**	**100**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF6, continued

Employee turnover by age

	2023		2024	
	Left	**%**	**Left**	**%**
Under 30	547	15	623	17
30–50	1,887	9	2,178	10
Over 50	946	10	1,210	13
Total	**3,380**	**10**	**4,011**	**11**

Employee turnover by gender

	2023		2024	
	Left	**%**	**Left**	**%**
Women	716	10	839	12
Men	2,665	10	3,172	11
Total	**3,381**	**10**	**4,011**	**11**

Employee turnover by region

	2023		2024	
	Left	**%**	**Left**	**%**
Europe	1,325	8	1,541	9
North America	762	17	841	18
South America	328	15	487	20
Africa & Middle East	216	10	221	10
Asia	508	8	587	9
Australia	243	19	334	19
Total	**3,382**	**10**	**4,011**	**11**

Employees by gender and employee category, %

	Women		Men		Total	
	2023	**2024**	**2023**	**2024**	**2023**	**2024**
Staff	27	27	73	73	57	57
Workers	12	12	88	88	43	43
Total	**20**	**20**	**80**	**80**	**100**	**100**

Employees by age group and employee category, %

	Under 30		30–50		Over 50		Total	
	2023	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Staff	8	8	64	64	28	28	57	57
Workers	17	17	58	58	25	25	43	43
Total	**12**	**12**	**63**	**62**	**25**	**26**	**100**	**100**

Share of women and age structure

		Age structure, %		
	Share of women, %	**Under 30**	**30–50**	**Above 50**
Board of Directors	33 (25)	0 (0)	33 (25)	67 (75)
Management	21 (21)	1 (1)	67 (68)	31 (31)
Other employees	20 (21)	14 (14)	60 (60)	26 (26)

§ Reporting principles

Employee statistics regarding Full Time Equivalent (FTE) are sourced from the financial reporting system. To align with financial reporting standards, we specifically report on continuing operations. All additional employee metrics, such as age distribution, turnover rates, new hires, part-time/full-time status, gender demographics, and performance dialogues, are extracted from the Group's centralized HR system, covering 91 percent of the workforce at Sandvik.

These figures are compiled annually and serve as the basis for various calculations, including performance reviews. Differences in the total number of employees in tables are due to incomplete data. The gender-related charts do not include 15 employees (15) who are reported as non-binary or not disclosed. We define a manager as an employee responsible for overseeing an organizational unit. Sandvik does not have a substantial portion of workers who are not categorized as formal employees.

NF 7 Health and Safety

Management systems
Each non-administrative Sandvik facility with more than 25 individuals is required to attain external ISO 45001 certification. At the end of 2024, about 80 percent of the established sites had this certification (recently commenced and acquired sites excluded).

Health and safety metrics
We utilize a wide range of leading and lagging indicators to assess health and safety performance across all Sandvik locations. Notable metrics include the Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR), both of which have exhibited positive long-term trends. In 2024, the LTIFR (LTIs per million hours worked) remained stable at 1.2 (1.2), and the TRIFR (total number of recordable injuries per million hours worked) decreased to 3.0 (3.2). Hand and finger cuts and pinches were the most common injury types.

Acquisitions continue to have a negative impact on both TRIFR and LTIFR trends, and we are working actively to bring these numbers down to the same level as more established Sandvik sites. We continue our strong focus on health and safety.

Training
We strive to equip every employee with the necessary skills, knowledge, and competencies to execute their tasks safely, thereby reducing the risk of occupational injury, illness, and environmental harm. In each Sandvik location, we identify and document the qualifications and competencies required for each occupation and analyze training needs. Attendance at crucial training sessions is mandatory and records of attendance are maintained.

Occupational health and well-being
Sandvik offers health and well-being programs to its employees across all locations. These initiatives cover a diverse range of topics, including work/life balance, healthy eating, and stress management. Access to medical and healthcare services and Employee Assistance Programs are tailored to local needs, ranging from on-site professional healthcare to external partnerships providing services like vaccinations and health checks for our employees.

Occupational risk management
All Sandvik locations are required to incorporate occupational health risks, such as exposure to noise, dust, fumes, and other hazardous materials in their location risk assessments as an integral part of their EHS Management Systems.

We consistently strive to substitute hazardous materials in our production with less harmful alternatives. Where replacement is not

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

> Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

→ NF7, continued

feasible, we actively minimize the use of hazardous materials. We invest in new equipment and refining processes to diminish employee exposure to hazards, including noise, dust, and gases. Our products and solutions are thoughtfully designed with a focus on enhancing operators' health and safety, reducing their exposure to hazards. For example, our battery-driven underground mining equipment plays a crucial role in mitigating potential health impacts from diesel particulate matter and other engine emissions. Our mining automation solutions offer the potential for remote work and contribute to a safer and healthier environment.

§ Reporting principles

Health and safety data is sourced from our EHS reporting system on a monthly basis. The key figures compiled are based on information available at the date of the most recent year-end accounts, which may require that historical figures are adjusted. All EHS data refers to continuing operations. Acquisitions are included in the actual data set once they are merged with Sandvik and start reporting EHS data.

An LTI (Lost Time Injury) refers to an incident resulting in a full shift away from work. An RWI (Restricted Work Injury) involves an injury where an individual can be at work but cannot perform all of their regular duties. An MTI (Medical Treatment Injury) is an injury requiring medical treatment but allowing the individual to perform all of their usual work tasks. Worked hours are defined as exposure hours, i.e. all hours exposed to risk by employees, contractors, and subcontractors. These exposure hours are collected and entered into the EHS database on a monthly basis.

Incidents categorized as "high-consequence injury/illness" in GRI reports are integrated into our data for Lost Time Injuries. In 2024, we recorded two incidents meeting the criteria for a six-month absence. Our approach to mitigate these low frequency/high severity injuries/illnesses is a key part of our management system and is handled within the processes for serious potential incident management including, for example, in our work with critical controls.

Information on occupational illnesses and frequency rates is an integral part of our EHS reporting processes. Capturing illness data can be challenging, often surrounded by regulatory obligations, particularly concerning worker privacy. Complicating matters is the fact that occupational illnesses may not be detected until some time after exposure, and there may be non-work-related factors contributing to the illness, making it challenging to recognize as work-related. This uncertainty increases the complexity of handling illness data. Occupational illness is defined as physical or mental harm or disease that develops over time during the course of work, not resulting from a single instantaneous event. Determining an illness as work-related is a complex process.

TRIFR by business area

LTIFR by business area

Safety indicators, Group

Work-related incidents

	2023			2024		
	Employees	**Non-employees [1]**	**Total workforce**	**Employees**	**Non-employees [1]**	**Total workforce**
Number of fatalities	1	0	1	0	0	0
Number of LTI	93	8	101	98	10	108
LTIFR [2]	1.2	0.73	1.2	1.3	0.84	1.2
Number of TRI	247	32	279	241	26	267
TRIFR [2]	3.2	2.9	3.2	3.1	2.2	3.0
Exposure hours, hazards and near misses						
Million exposure hours	76.5	10.9	87.4	77.7	11.9	89.5
Hazards reported	–	–	71,294	–	–	70,140
Hazards closed out	–	–	70,091	–	–	65,621
Hazard close out ratio (%)	–	–	98.31	–	–	93.56
Near misses reported	–	–	3,908	–	–	3,772
NMFR	–	–	44.7	–	–	42.1

1) All who are not employees but whose work and/or workplace is controlled by Sandvik.
2) Normalization factor = 1,000,000 hours worked.

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

> Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

NF 8 Environmental footprint

Management systems

Each non-administrative Sandvik facility with more than 25 individuals is required to attain external ISO 14001 certification. At the end of 2024, about 80 percent of the established sites had this certification (recently commenced and acquired sites excluded).

Greenhouse gas emissions and energy

Sandvik is actively working to ensure that each individual site in the company has an action plan in place to enhance energy efficiency and reduce greenhouse gas (GHG) emissions.

In 2024, there were over 100 Environmental Improvement Projects (EIPs) in progress, with many focused on reducing GHG emissions and promoting circularity. These projects target the most material topics for each business area, division, or site. Initiatives such as improved insulation in buildings, implementation of LED lighting, switching to electric forklifts, and the installation of solar rooftop panels exemplify the ongoing efforts.

Our transition plan to net zero

Since 2023, our GHG reduction targets have been approved by the Science Based Targets initiative (SBTi), confirming their alignment with the latest climate science and adherence to the objectives of the Paris Climate Agreement. The baseline for our GHG emissions reduction targets is set at 2019, and our 2030 objectives include a 50 percent reduction in absolute Scope 1 and 2 (own operations respective heating and electricity) GHG emissions, along with a 30 percent reduction in absolute Scope 3 GHG emissions (customers, suppliers and transport).

We have a number of activities, so-called decarbonization levers, that support us in our transition plan towards net zero. In Scope 1, fuel switching and electrification of transportation and production processes are essential in order to reach our targets. For instance, diesel forklifts were replaced by electric forklifts at several sites during 2024, for example in Khanbogd (Mongolia), Balikpapan (Indonesia) and Suhjun (South Korea). Sites in Lahti (Finland) and Svedala (Sweden) continued to replace natural gas with biogas.

To reduce emissions in Scope 2, we build upon activities such as energy efficiency measures, roof-top solar panels and sourcing of fossil-free electricity. In 2024, our own renewable electricity production (roof-top solar panels) increased by 35 percent, compared to 2023.

Reductions in Scope 3 are enabled by our development of more sustainable solutions across all our industries, including electric mining equipment, energy-efficient rock processing solutions and productivity-enhancing manufacturing and machining solutions for optimized energy and resource efficiency.

During the year, we launched our new Sandvik LFP battery technology specially developed for underground mining environments. The battery was designed with sustainability in mind, reducing customers dependency on fossil fuels while improving efficiency.

Sourcing of low-carbon materials and circularity/ecodesign initiatives are other integral parts of our transition. In 2024, we launched the industry's first dump box for mining trucks manufactured using SSAB Zero™ steel. We create circular business models to keep valuable materials in circulation, for instance by running buyback/recycling programs for our used tools and carbide drill bits. Our Bergla® tungsten carbide powder is made entirely of recycled material. We run reconditioning programs for our solid round tools and refurbishment programs to prolong the life of our mining and rock processing equipment.

For a more detailed transition plan to net zero, visit our website home.sandvik/sustainability or scan the QR code.

2024 developments

In 2024, GHG emissions within Scope 1 and 2 increased by 2 percent, compared to the preceding year (actual data). This increase can be attributed primarily to growth. Compared to our 2019 baseline, we have decreased our Scope 1 and 2 emissions by 20 percent. We are on track to meet the ambitious 2030 goal for Scope 1 and 2 emissions. Within Scope 2, we monitor both location-based and market-based greenhouse gas emissions, where the difference is due to the purchase of renewable or fossil-free energy via renewable energy certificates and/or guarantees of origin.

On the next page lie our Scope 3 inventories for the baseline year (2019) and 2024. The primary Scope 3 categories are "Purchased goods and services" and "Use of sold products". The "Purchased goods and services" category is primarily influenced by the procurement of steel and cemented carbide.

The "Use of sold products" category relates to fuel consumption, including diesel, and electricity in our sold mining and rock processing equipment. The data is based on sales volumes and the anticipated lifespan of these products. Collaborating closely with quality assurance, services, and repair teams allows us to extend the operational lifespan of our products. These activities will, however, increase the category 11 emissions as the emissions account for the entire life expectancy of the product. For electric equipment, the GHG emissions are closely linked to the electric grid mix of the country the product is sold to. Sales of electric equipment to countries with cleaner electric grids result in lower GHG emissions.

Despite the uncertainties associated with these data points, it is essential to calculate and report Scope 3 GHG emissions. This practice not only identifies emission hotspots but also guides which initiatives to focus on to achieve our net-zero goals.

Energy by energy source

Energy consumption

TJ	2023	2024
Non-renewable fuels	**1,282**	**1,304**
Gasoline	190	195
Diesel	332	325
Liquefied petroleum gas (LPG)	43	50
Natural gas	668	688
Fuel oil	50	46
Renewable fuels	**51**	**46**
Ethanol	7	5
HVO	28	18
Biogas	15	20
Biopropane	1	2
Total energy from fuels	**1,333**	**1,349**
Grid electricity	2,322	2,427
Own renewable electricity	29	40
Purchased heat and steam	219	200
Sold heat	-26	-14
Total electricity heat and steam	**2,544**	**2,654**
Total energy consumption	**3,877**	**4,003**

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF8, continued

Renewable vs. Non-renewable energy

Energy intensity

Total energy use in relation to revenues	2023	2024
GJ/MSEK	31	33

Energy consumption by business area

GHG emissions, Scope 1 and 2 (actual)

Ktons CO_2e	2023	2024
Scope 1	80	81
Scope 1 Biogenic Fraction	5	5
Scope 2 (location based)	185	205
Initiatives to source low-emission electricity	-120	-138
Scope 2 (market based)	65	67
Gross total (location based)	**265**	**285**
Net total (market based)	**145**	**148**

GHG emissions 2020–2024, ktons (actual)

GHG emissions by business area (Scope 1 and 2)

Emission intensity (Scope 1 and 2)

Total CO_2e in relation to revenues	2023	2024
Tons CO_2e/MSEK	1.1	1.2

Scope 3 inventory	2019 (base-line year), kton CO_2e	2024 kton CO_2e	Difference, %
Category 1: Purchased goods and services	1,800	2,200	22
Category 2: Capital goods	60	40	-33
Category 3: Fuel and energy-related actions	50	78	56
Category 4: Upstream transportation and distribution	300	383	28
Category 5: Waste generated in operation	30	22	-27
Category 6: Business travel	80	55	-31
Category 7: Employee commuting	60	57	-5
Category 8: Upstream leased assets	8	6	-25
Category 9: Downstream transportation and distribution	11	4	-64
Category 10: Processing of sold goods	6	5	-17
Category 11: Use of sold products	5,700	5,300	-7
Category 12: End-of-life treatment of sold products	7	7	0
Category 13: Downstream leased assets	0	0	-
Category 14: Franchises	0	0	-
Category 15: Investments	0	0	-
Total Scope 3 emissions	**8,100**	**8,200**	**1**

Other emissions to air

Emissions to air of nitrogen oxides (NOx) and sulfur oxides (SOx) from usage of fossil fuels are material for Sandvik. Emissions of NOx and SOx are managed via our GHG reduction commitments and as we reduce carbon emissions from our own operations, the emissions of NOx and SOx decrease.

Other emissions to air (tons)	2023	2024
NO_x	120	115
SO_x	0.7	0.6

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF8, continued

Water

Water usage is carefully monitored, and steps are taken to minimize withdrawal, including the circulation of process and cooling water to reduce the reliance on fresh water.

In manufacturing operations, particularly in hot environments, a certain amount of water will naturally transpire and evaporate. However, the volumes evaporated are negligible in comparison to overall consumption and water quantities. All wastewater from production processes is either released following appropriate treatment (either in our own facilities or through third-party treatment operations) or is recirculated and reused. Water withdrawal and discharges are executed with control and adhere to applicable permits.

Sandvik employs the WWF tool, the Water Scarcity Risk Map, to identify sites situated in water stress areas. We have mapped sites representing 95 percent of our water consumption, with 10 facilities located in areas experiencing high to very high water stress risk. These specific sites account for approximately 6 percent of our total water consumption.

Water intensity

Water withdrawal in relation to revenues	2023	2024
m^3/MSEK	31	33

Water withdrawal, 1,000 m3

Fresh water by source of withdrawal	All areas		Water stressed areas	
	2023	2024	2023	2024
Surface	2,354	2,202	0	0
Ground	460	503	30	33
Third party	1,142	1,314	196	197
Rain	3	6	3	4
Total withdrawal	**3,959**	**4,025**	**228**	**234**

Waste

Circularity is a material topic for Sandvik and we reuse and recycle to minimize the use of virgin raw materials and reduce waste. Our most significant waste input is various forms of metal raw materials as our products are refined products based on metal handling. A metal raw material can be melted down and used many times, without compromising quality, which creates favorable conditions for circular material handling. We strive to increase recycled material in our products.

We systematically collect and categorize waste generated from our production processes to facilitate the reuse or recycling of the materials. Through buyback programs with our tooling customers, we retrieve and reintegrate the collected material back into our production cycles. Our commitment to sustainable waste management includes partnerships with external entities, including waste service companies, with whom we collaborate to explore innovative recycling methods for our waste streams. Each of our locations bears the responsibility of ensuring that third-party waste companies handle the waste in strict accordance with contractual and legislative obligations. Furthermore, all employees and contractors are responsible for accurate waste sorting and disposal.

Total actual waste increased by 12 percent to 371 ktons in 2024, primarily driven by an increased amount of tailings, digestion sludge and slag. With a few exceptions, waste is treated off-site.

Our overarching objective is to achieve a waste circularity of 90 percent by 2030. The current waste circularity rate stands at 74 percent (73). Circular waste is defined as reuse and recycling. In circularity rate reporting, we exclude tailings, digestion sludge, foundry sand and slag because we assess that it is not feasible in the foreseeable future to take further actions to avoid sending these fractions to landfill.

Waste intensity

Total waste in relation to revenues	2023	2024
Tons/MSEK	2.6	3.0

Waste by type and disposal method

Tons	2023	2024
Hazardous waste	**20,300**	**20,551**
Circular waste	**7,009**	**6,514**
to reuse	116	112
to recycling	6,893	6,402
Non-circular waste	13,291	14,037
to energy recovery	775	505
to incineration	981	1,139
to landfill	10,725	11,715
whereof digestion sludge	*5,465*	*6,293*
disposal method unknown	811	678
Non-hazardous waste	**311,745**	**350,349**
Circular waste	**41,760**	**45,056**
to reuse	7,685	11,726
to recycling	34,075	33,330
Non-circular waste	**269,985**	**305,293**
to energy recovery	3,534	3,061
to incineration	291	450
to landfill	265,497	300,313
whereof slag and foundry sand	*2,130*	*8,937*
whereof mining tailings and digestion sludge	*257,824*	*285,739*
disposal method unknown	663	1,468
Total waste	**332,046**	**370,900**
Waste excluding landfilled slag, foundry sand, tailings and digestion sludge	*66,627*	*69,931*

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

> Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

→ NF8, continued

Total waste by business area

Disclosure related to sustainability-linked loan

In 2022, Sandvik signed a SEK 11 billion revolving credit facility with a group of 14 banks. The new credit facility has a clear link to our sustainability targets for 2030 with regards to the ambitions to reduce carbon emissions by 50 percent and increase waste circularity to 90 percent. The annual KPIs are aligned with those goals and the interest margin on the facility is affected positively or negatively depending on whether the KPI levels are met. The targets are based on comparable data, which means we adjust the data for a more accurate reflection of the outcome. Acquisitions are included once their historical baseline data has been recalculated. At the end of 2024, we reached a 47 percent reduction in Scope 1 and 2 GHG emissions, compared to the 2019 baseline (using the comparable dataset). Waste circularity reached 74 percent (using the comparable dataset).

§ Reporting principles

Environmental data is sourced from our EHS reporting system, with reporting occurring quarterly for environmental indicators. To ensure accuracy, the environmental data is offset by one month, allowing time for data collection, quality control, and consolidation. The data encompasses the period from December 2023 to November 2024. The key figures presented are based on information available as of December 2024, and adjustments to historical figures may be necessary based on subsequent updates. All EHS data refers to continuing operations. Acquisitions are incorporated into the dataset once they are integrated with Sandvik and start reporting EHS data.

In calculating our Scope 1–3 GHG emissions, we adhere to the GHG Protocol, employing an operational control consolidation approach. Scope 1 and 3 calculations encompassed CO_2, CH_4, N_2O, HFCs, PFCs, SF6, and NF_3. The Scope 2 calculations were limited to CO_2 emissions since it is the only emission that energy companies are obligated to report, thus the emission factors are also limited to CO_2. This exclusion is estimated to represent less than 1 percent of total emissions.

Scope 1 and 2 calculations are based on reported energy consumption data. Scope 1 biogenic emissions are restricted to use of biofuels, such as ethanol, biogas and bio-based fractions of gasoline and diesel. We account for a reduction in fossil GHG Scope 1 emissions following our purchase of biogas, which takes place through contractual instruments.

In our Scope 3 calculations, we employ a hybrid approach combining both screening and inventory-based methodologies. It is important to apply caution when analyzing Scope 3 data, as it represents a complex methodology and includes data uncertainty. Spend-based emission factors, including the influence of inflation and currency fluctuation, causes data uncertainty and we aim to move away from spend-based data in order to enhance data reliability. Emission factors sourced from DEFRA, ecoinvent, IEA, US EPA's Power Profiler, Canada National Inventory Report, and Exiobase are utilized, along with supplier-specific data. Emission factors represent GWP100. For market-based emissions (Scope 2), consumption data incorporates specific emission factors when available; otherwise, it relies on the same factors used for location-based emissions.

Emissions of NOx and SOx are calculated using emission factors from the Swedish Environmental Protection Agency.

In our waste management framework, reportable waste disposal methods are defined based on the disposal codes outlined in the EU Regulation (EC) No 1013/2006 of the European Parliament and Council dated June 14, 2006, concerning shipments of waste. These definitions are applied by our reporting entities.

The determination of waste disposal method varies in the company but primarily relies on information provided by waste disposal companies.

NF 9 Sustainable supplier management

At Sandvik, we are committed to sustainable procurement practices, with a focus on minimizing negative social and environmental impacts while enhancing the sustainability performance of our suppliers. Our sourcing and procurement operations are crucial in realizing our Sandvik sustainability goals. We focus on managing risk and opportunities, addressing adverse sustainability impacts through due diligence and setting priorities, exercising positive influence.

It is important for us to partner with suppliers who understand and embrace our sustainability standards. The standards include environmental protection, climate-change mitigating, building circularity as well as respecting human and labor rights and conducting business with high ethical integrity. The Sandvik Supplier Code of Conduct, accessible at Supplier Code of Conduct (home.sandvik), imposes sustainability requirements on our suppliers. We also pursue continuous improvement in collaboration and partnership with our suppliers.

With a global presence and a vast supply chain comprising approximately 45,000 suppliers across 100 countries, Sandvik places a strong emphasis on a risk-based approach and responsible procurement practices. We strategically source raw materials, components, products and services, integrating sustainability in a comprehensive manner. In this work, Sandvik collaborates with EcoVadis, a globally recognized assessment platform that rates businesses' sustainability risk and performance. This solution supports our due diligence process and in evaluating our supplier base. It provides us with updated risk mapping of our supply chain and monitors suppliers' compliance with the Sandvik Supplier Code of Conduct. We consider digitalization and data management important when systematically screening suppliers for risk related to environmental, labor and human rights, ethics, and procurement risks.

Supplier spend per region

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

> Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

→ NF9, continued

Supplier risk management

In 2024, 33,098 of our suppliers, representing 91 percent of our supplier spend, underwent sustainability risk screening. Furthermore, 1,675 of these suppliers completed (remote) deep sustainability assessments. Approximately 7 percent of our supplier spend (4,099 suppliers) was identified as high risk, with most of it located in China, India, Brazil, South Africa and Indonesia.

An integral component of our sustainability strategy, we are dedicated to ensuring that all suppliers accept and comply with our Supplier Code of Conduct. The Supplier Code of Conduct outlines our expectations for suppliers in the areas of health and safety, labor and human rights, environment, compliance with applicable laws, and anti-corruption. Suppliers are urged to transmit our requirements throughout their respective supply chains. Suppliers neglecting to address critical issues run the risk of not being rewarded contracts or facing termination of their existing contracts. In 2024, no supplier contracts were terminated due to violations of the Supplier Code of Conduct. A supplier in compliance with our Supplier Code of Conduct is one that is identified as low risk based on inherent risk screening, or has been audited for compliance, or meets our scoring criteria when undergone a deep sustainability assessment in EcoVadis. A deep sustainability assessment is based on a comprehensive questionnaire, supporting documentation, expert analysis and publicly available resources such as media articles and stakeholder reports.

We prioritize suppliers with high-risk profiles for proactive and mitigation measures, such as on-site audits and corrective actions. As a result of these assessments, we have gained comprehensive insights into our suppliers' sustainability practices, enabling us to identify areas for improvement and collaboration with our supply chain in the upcoming year.

On-site audits are an effective way to assess the alignment of a supplier's practices with our sustainability principles and to identify actions to address any risk. The advantage of on-site audits is that they reveal opportunities that may not be visible through remote or self-assessments. In 2024, 24 on-site audits (22) were carried out, all conducted by independent third-party auditors. While issues may vary across the supply chain, depending on country and business, the majority of identified risks were related to labor rights, particularly working hours and compensation. The supplier is responsible for improvements and corrective actions related to audit findings, while the responsible buyer and the audit coordinator manage and monitor non-compliance cases until they are resolved.

Responsible sourcing of minerals and metals

Sandvik is committed to contributing to sustainable development for present and future generations, including the ethical sourcing of minerals and metals. Sandvik condemns any activities in the raw material sector associated with illegal or unlawful exploitation of ores, which directly or indirectly finance armed groups in conflict areas, or contribute to human rights violations, including child labor. Our commitment to responsible sourcing is reflected in the Supplier Code of Conduct and the Sandvik Statement on Responsible Sourcing of Minerals and Metals (home.sandvik/mineralsourcing), both aligning with the OECD Due Diligence Guidance. These documents serve as the foundation for responsible sourcing and outline supplier requirements for 3TG (Tantalum, Tin, Tungsten, and Gold) and cobalt.

Wolfram Bergbau und Hütten AG (WBH), a Sandvik subsidiary based in Austria, operates one of the world's largest tungsten refineries and is recognized as a Responsible Mineral Initiative (RMI) compliant tungsten facility under the Responsible Minerals Assurance Process (RMAP Conformant Tungsten Smelters at responsiblemineralsinitiative.org). WBH maintains its own Responsible Sourcing Statement, adheres to annual reporting based on the OECD Step 5 guideline, and undergoes third-party assurance assessments annually.

Our commitment to responsible sourcing for 3TG and cobalt, along with associated due diligence activities, is geared towards increasing supply chain transparency and mitigating potential risks, while also fostering continuous improvement in supplier performance. We work continuously with selected suppliers to proactively prevent and mitigate risk. We regularly communicate externally, and Sandvik annually publishes a Report on Responsible Sourcing of Minerals and Metals.

Sandvik actively participates in industry forums to advocate for the responsible sourcing of minerals and collaborates in the development of common industry tools and standards to amplify impact. This engagement includes conflict-affected and high-risk areas, either directly or through our subsidiaries. Our involvement includes memberships in the Responsible Minerals Initiative, the Cobalt Institute, and The Tungsten Industry Conflict Minerals Council.

The company's efforts in 2024 focused on risk mitigation plans and engaging with stakeholders.

Navigating the legislative landscape

In anticipation of evolving sustainability and supply chain legislation, Sandvik is proactively enhancing data management and software support to ensure future compliance. Throughout 2024, substantial effort was put on ensuring alignment with CSRD social standards for workers in the supply chain. A gap analysis and roadmap for improving processes and transparency in relation to labor rights was put in place. We have worked to update our Procurement Policy and Sustainable Supplier Evaluation Procedure, and deepened the analysis on salient human rights to reflect the work that is already ongoing but also need more focus. CSRD and the upcoming CSDDD requirement will continuously guide our work in the coming year.

We steadily work to develop sustainable procurement practices. Throughout the year, 32 percent (33) of our procurement team underwent internal training, enhancing their competence in our supplier sustainability requirements. Several trainings focused on the implementation of tools and procedures and strengthen due diligence through analyzing supplier performance, risks and impacts, and corrective actions. Throughout the organization, we coordinated a range of activities aimed at our suppliers to convey our sustainability requirements and objectives as well as mutual learning on shared sustainability challenges and opportunities.

Our overarching focus remains on developing a sustainable supplier base, responsible sourcing practices, and fostering strong partnerships with our suppliers.

NF 10 Community involvement

Our platform for community involvement includes three focus areas: sustainability shift, digital shift and societal impact. In 2024, we were involved in about 160 projects (170). Our community involvement activities are governed via a digital tool that allows for mapping, tracking and follow-up.

Community projects, investments by focus area

Community projects, investments by region

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements

Consolidated financial notes

Financial statements Parent Company

Financial notes Parent Company

Board statement on dividend proposal

Proposed appropriation of profits

Auditors' report

> Non-financial notes

Assurance report

Annual General Meeting

Definitions

Key financial figures

NF 11 EU Taxonomy

The EU Taxonomy identifies specific activities in certain sectors that contribute significantly to at least one of the EU's environmental goals. These activities must also avoid causing significant harm to any of the other objectives and adhere to minimum social safeguards (Taxonomy-aligned). Sandvik has assessed its operations to determine applicable eligible activities, as outlined by the criteria in the EU delegated acts and supporting NACE code information. Applying the precautionary principle, any activities not clearly defined in the EU Taxonomy have been left out. Changes from the previous year's reporting is the exclusion of some of the activities related to Repair, refurbishment and remanufacturing as eligible. In 2024, the NACE codes where reassessed with the conclusion that our activities related to the Sandvik Mining and Rock Solutions and Sandvik Rock Processing Solutions business areas are not included in the EU Taxonomy definition and therefore not eligible.

Only a few Sandvik activities qualify for reporting on climate change mitigation. Parts of Sandvik Rock Processing are included within Manufacture of steel but the majority of the Group's eligible activities are related to owned and leased facilities (real estate). Energy efficiency and solar panels are considered separate activities related to real estate, as activities deemed eligible are focused on climate mitigation. Certain limitations in the evaluation of alignment arise from the fact that European reporting standards are not applied globally. In such cases, activities are deemed eligible but not aligned. Over the past year, the focus has been on enhancing processes related to the Minimum Safeguards. While our company policies and procedures align with taxonomy requirements, we have opted to maintain a conservative compliance approach to the Minimum Safeguards, resulting in a reported zero percent alignment across all three KPIs. We closely monitor developments regarding the taxonomy and, as reporting practices and guidelines evolve, we may reassess our current stance.

The assessment of aligned activities, including turnover, capital expenditures (CapEx), and operational expenditures (OpEx), has been determined by reviewing the EU criteria for substantial contribution, review of applicable Do no significant harm (DNSH) criteria and requirements for Minimum Safeguards.

Sandvik has used the Platform on Sustainable Finance's Final report on Minimum Safeguards to assess compliance with the minimum safeguards laid down in Article 18 in Regulation (EU) 2020/852. There are processes in place to secure minimum safeguards relating to anti-corruption, fair competition and taxation, as well as following the OECD's six steps for due diligence of human rights. For more information, see pages 65–68 and 138–139. There have been no court convictions in any of these areas.

Nuclear and fossil gas-related activities

Row	Nuclear energy-related activities	YES/ NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat and cool using fossil gaseous fuels.	NO

§ Reporting principles

Total turnover included in the denominator includes external reported revenue (line revenues). The allocation of the eligible activities has been prepared using product accounts.

Total CapEx included in the denominator includes additions through acquisitions and business combinations in property, plant and equipment (note G13), intangible assets, excluding goodwill (note G12) and right-of-use assets (note G14). The allocation of the eligible activities has been prepared by using cost types.

Total OpEx included in the denominator are R&D, short-term leases, maintenance and repairs and other direct expenditure relating to maintenance of buildings. The allocation of the eligible activities has been prepared using cost types.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF11, continued

Proportion of Taxonomy-aligned economic activities

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities.

Financial year 2024		Year		Substantial Contribution Criteria						DNSH criteria ('Do no significant harm')									
Economic Activities	Code	Turnover	Proportion of Turnover, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of iron and steel	CCM 3.9	560	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Sorting and material recovery of non-hazardous waste	CE 2.7	212	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Repair, refurbishment and remanufacturing	CE 5.1	448	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								12%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,220	1%	1%	–	–	–	0%	–								12%		
A. Turnover of Taxonomy-eligible activities (A1+A2)		1,220	1%	1%	–	–	–	0%	–								12%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		121,658	99%																
TOTAL		122,878	100%																

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF11, continued

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities.

Financial year 2024		Year		Substantial Contribution Criteria						DNSH criteria (Do no significant harm')									
Economic Activities	Code	CapEx	Proportion of CapEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of iron and steel	CCM 3.9	27	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	29	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	3	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	17	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	1,192	12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								14%		
Repair, refurbishment and remanufacturing	CE 5.1	27	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,296	13%	13%	–	–	–	0%	–								14%		
A. CapEx of Taxonomy-eligible activities (A1+A2)		1,296	13%	13%	–	–	–	0%	–								15%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		9,023	87%																
TOTAL		10,319	100%																

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF11, continued

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities.

Financial year 2024		Year		Substantial Contribution Criteria						DNSH criteria ('Do no significant harm')									
Economic Activities	Code	OpEx	Proportion of OpEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of iron and steel	CCM 3.9	34	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	5	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Acquisition and ownership of buildings	CCM 7.7	499	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6%		
Repair, refurbishment and remanufacturing	CE 5.1	17	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								2%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		556	6%	6%	–	–	–	0%	–								6%		
A. OpEx of Taxonomy-eligible activities (A1+A2)		556	6%	6%	–	–	–	0%	–								9%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		9,332	94%																
TOTAL		9,888	100%																

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

NF12 GRI Index

GRI Content Index	Sandvik has reported in accordance with the GRI standards for the period 2024.01.01–2024.12.31
Statement of use	GRI 1: foundation 2021
GRI 1 used	N/A
Applicable GRI Sector Standards	

General disclosures

Standard and disclosure	Page	Comments
GRI 2: General disclosures 2021		
The organization and its reporting practices		
Disclosure 2-1 Organizational details	23, 52–57, 122–128	
Disclosure 2-2 Entities included in the organization's sustainability reporting	122–128, 138–147	
Disclosure 2-3 Reporting period, frequency and contact point	138	
Disclosure 2-4 Restatements of information	138	
Disclosure 2-5 External assurance	56–57, 138, 155	
Activities and workers		
Disclosure 2-6 Activities, value chain and other business relationships	6–7, 28–45, 146–147	
Disclosure 2-7 Employees	139–141	iii and e) Information unavailable/incomplete We lack a Group-wide system for collection of number of non-guaranteed workers.
Disclosure 2-8 Workers who are not employees	139–141	Entire disclosure 2-8 not applicable. Sandvik does not have a significant portion of workers who are not employees.
Governance		
Disclosure 2-9 Governance structure and composition	52–62, 65–68	
Disclosure 2-10 Nomination and selection of the highest governance body	53–54, 58–59, 65	
Disclosure 2-11 Chair of the highest governance body	54–55	

Standard and disclosure	Page	Comments
Disclosure 2-12 Role of the highest governance body in overseeing the management of impact	52–62, 65–68	
Disclosure 2-13 Delegation of responsibility for managing impacts	52–62, 65–68	
Disclosure 2-14 Role of the highest governance body in sustainability reporting	55–56, 65–68	
Disclosure 2-15 Conflicts of interest	24, 53–54, 58–59, 108, 139	
Disclosure 2-16 Communication of critical concerns	55–56	Not disclosed, due to confidentiality.
Disclosure 2-17 Collective knowledge of the highest governance body	65	
Disclosure 2-18 Evaluation of the performance of the highest governance body	55–56, 65	
Disclosure 2-19 Remuneration policies	55	
Disclosure 2-20 Process to determine remuneration	48–50, 58–59, 81	
Disclosure 2-21 Annual total compensation ratio	80–83	
Strategy, polices and practices		
Disclosure 2-22 Statement on sustainable development strategy	9	
Disclosure 2-23 Policy commitments	57, 65–68	ii) Information incomplete/unavailable. Due diligence is not one single defined process but part of many different polices and procedures across Sandvik and an integrated part of The Sandvik Way.
Disclosure 2-24 Embedding policy commitments	52–57, 65–68	
Disclosure 2-25 Processes to remediate negative impacts	65–68, 138–139	

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF12, continued

Standard and disclosure	Page	Comments
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	138–139	
Disclosure 2-27 Compliance with laws and regulations	139	a, b) Data unavailable/incomplete. We report on significant fines
Disclosure 2-28 Membership associations	138	
Stakeholder engagement		
Disclosure 2-29 Approach to stakeholder engagement	65–68, 138	
Disclosure 2-30 Collective bargaining agreements	67, 139–141	b) Data unavailable/incomplete. The working conditions and terms of employment of employees not covered by collective bargaining agreements are based on the Sandvik Code of Conduct and local country legislation
GRI 3: Material topics 2021		
Disclosures on material topics		
Disclosure 3-1 Process to determine material topics	65–66	
Disclosure 3-2 List of material topics	66	
Disclosure 3-3 Management of material topics	18, 21, 65–69, 138–147	
GRI 205: Anti-corruption 2016		
Disclosure 3-3 Management of material topics	65–69, 138–147	iii) Not Applicable. Positive impacts are not material.
Disclosure 205-1 Operations assessed for risks related to corruption	66–67, 139	
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	66–67, 139	
Disclosure 205-3 Confirmed incidents of corruption and actions taken	139	c) Information unavailable/incomplete
GRI 301: Materials 2016		
Disclosure 3-3 Management of material topics	18, 21, 65–69, 146–147	
Disclosure 301-1 Materials used by weight or volume		Information unavailable/incomplete for the entire disclosure materials 2016. Data is available in some divisions but not compiled for Sandvik as a whole.
Disclosure 301-2 Recycled input materials used		
Disclosure 301-3 Reclaimed products and their packaging materials		
GRI 302: Energy 2016		
Disclosure 3-3 Management of material topics	65–68, 138, 143–146	
Disclosure 302-1 Energy consumption within the organization	143–144, 146	c, iii and d, iii) Information unavailable/incomplete. No separate data on cooling consumption
Disclosure 302-2 Energy consumption outside of the organization	143–144, 146	Information unavailable/incomplete. Incomplete data of energy consumption outside of the organisation.
Disclosure 302-3 Energy intensity	144	
Disclosure 302-4 Reduction of energy consumption	143–144, 146	Entire disclosure information unavailable/ incomplete
Disclosure 302-5 Reductions in energy requirements of products and services	143–144, 146	Entire disclosure information unavailable/ incomplete
GRI 303: Water and Effluents 2018		
Disclosure 3-3 Management of material topics	65–68, 138, 145–146	
Disclosure 303-3 Water withdrawal	145	
GRI 304: Biodiversity 2016		
Disclosure 3-3 Management of material topics	18, 65–68, 138	
GRI 305: Emissions 2016		
Disclosure 3-3 Management of material topics	18, 21, 65–69, 138, 143–147	
Disclosure 305-1 Direct (Scope 1) GHG emissions	143–144, 146	
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	143–144, 146	
Disclosure 305-3 Other indirect (Scope 3) GHG emissions	143–144, 146	c) Information unavailable/incomplete
Disclosure 305-4 GHG emissions intensity	144	
Disclosure 305-5 Reduction of GHG emissions	143–144, 146	
Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	144, 146	

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
> Non-financial notes
Assurance report
Annual General Meeting
Definitions
Key financial figures

→ NF12, continued

Material topics

Standard and disclosure	Page	Comments
GRI 306: Waste 2020		
Disclosure 3-3 Management of material topics	18, 21, 65–68, 138, 143, 145	
Disclosure 306-1 Waste generation and significant waste-related impacts	65–68, 145	
Disclosure 306-2 Management of significant waste-related impact	145	
Disclosure 306-3 Waste generated	145–146	
Disclosure 306-4 Waste diverted from disposal	145–146	
Disclosure 306-5 Waste directed to disposal	145–146	
GRI 308: Supplier Environmental Assessment 2016		
Disclosure 3-3 Management of material topics	65–68, 146–147	
Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	65–68, 146–147	
GRI 401: Employment 2016		
Disclosure 3-3 Management of material topics	18, 65–68, 138–147	
Disclosure 401-1 New employee hires and employee turnover	67, 139–141	
Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employee		Entire disclosure information unavailable/ incomplete. No global information collected
GRI 403: Occupational Health and Safety 2018		
Disclosure 3-3 Management of material topics	18, 65–68, 138, 141–142	
Disclosure 403-1 Occupational health and safety management system	67–68, 141–142	
Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	67–68, 141–142	
Disclosure 403-3 Occupational health services	141–142	
Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	67–68, 141–142	
Disclosure 403-5 Worker training on occupational health and safety	67–68, 141–142	
Disclosure 403-6 Promotion of worker health	67–68, 141–142	
Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	67–68, 141–142	
Disclosure 403-8 Workers covered by an occupational health and safety management system	67–68, 141–142	
Disclosure 403-9 Work-related injuries	141–142	
Disclosure 403-10 Work-related ill health	142	Entire disclosure information unavailable/ incomplete. Explanation on the omission is available in NF7, under 'reporting principles'
GRI 405: Diversity and Equal Opportunity 2016		
Disclosure 3-3 Management of material topics	20–21, 65–68, 139–141	
Disclosure 405-1 Diversity of governance bodies and employees	139–141	iii) Not applicable. Sandvik does not track information on e.g. minority or vulnerable groups
Disclosure 405-2 Ratio of basic salary and remuneration of women to men		Entire disclosure information unavailable/ incomplete. Not possible to collect information required on significant locations of operations.
GRI 408: Child Labor 2016		
Disclosure 3-3 Management of material topics	65–68, 146–147	
Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	146–147	
GRI 409: Forced or Compulsory Labor 2016		
Disclosure 3-3 Management of material topics	65–68, 146–147	
Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	146–147	
GRI 414: Supplier social assessment 2016		
Disclosure 3-3 Management of material topics	65–68, 146–147	
Disclosure 414-2 Negative social impacts in the supply chain and actions taken	146–147	

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
> Assurance report
Annual General Meeting
Definitions
Key financial figures

Assurance report

This is a literal translation of the Swedish original report

Auditor's Combined Assurance Report on the Sustainable Business Report and Statement on the Statutory Sustainability Report

To the annual general meeting of Sandvik AB (publ), corporate identity number 556000-3468

Introduction
We have been engaged by the Board and the President and CEO to undertake an examination of Sandvik's Sustainable Business Report for 2024 on pages 6–7, 11, 18, 62–69, 138–154, which also constitutes the Statutory Sustainability Report. Within the scope for this assignment and our assurance report note NF11 EU Taxonomy, on pages 148-151, have not been included in our assurance engagement.

Responsibilities of the Board and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Sustainable Business Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024. The criteria are described on page 138 of the Sustainable Business Report, and consists of the Global Reporting Initiative (GRI) Sustainability Reporting Standards which are applicable to the Sustainable Business, the Greenhouse Gas Protocol for CO_2 emissions as well as the accounting and calculation principles that Sandvik has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainable Business Report based on the procedures we have performed, and to provide a statement on the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our engagement in accordance with ISAE3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. We have conducted our examination regarding the Statutory Sustainability Report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Sandvik according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The objective of an audit is to obtain reasonable assurance that the information is free of material misstatements. A reasonable assurance engagement includes examining, on a test basis, evidence supporting the quantitative and qualitative information in the Sustainable Business Report.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainable Business Report, and applying analytical and other limited assurance procedures. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The stated conclusion based on a limited assurance and an examination in accordance with RevR 12, therefore, does not have the security that the conclusion of our reasonable assurance procedures.

Since this assurance engagement is combined, our conclusions regarding the reasonable assurance, the limited assurance and the review according to RevR12 will be presented in separate sections.

Our reasonable assurance engagement includes 2024 data related to the Sustainability Goals "Net zero", "Circularity" and "Fair play", and specifically the following KPIs:
– CO_2 emission in Scope 1 and Scope 2 (page 144)
– Total waste (page 145)
– Share of women in managerial positions (page 140)
Our procedures are based on the criteria defined by the Board of Directors and the Managing Director as described above. We consider these criteria suitable for the preparation of the Sustainable Business Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainable Business Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Managing Director.

In our opinion the information in the Sustainable Business Report which has been subject to our reasonable assurance procedures have, in all material respects, been prepared in accordance with the criteria defined by the Board of Directors and the Managing Director.

A Statutory Sustainability Report has been prepared.

Stockholm, March 7, 2025

PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant

Martin By
Authorized Public Accountant

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
> Annual General Meeting
Definitions
Key financial figures

Annual General Meeting

Annual General Meeting
The Annual General Meeting will be held on Tuesday, April 29, 2025, in Sandviken, Sweden.

Shareholders who wish to participate in the Meeting must:
– be recorded as a shareholder in the share register maintained by Euroclear Sweden AB on Thursday, April 17, 2025, and
– give notice of their intention to participate in the Meeting, not later than Wednesday, April 23, 2025.

Shareholders whose shares are registered in the name of a nominee must, to be entitled to participate in the Meeting, temporarily have re-registered the shares in their own name so that the shareholder is registered in the share register as of Thursday, April 17, 2025.

Further information on the right to participate and notice of participation will be available in the formal notice convening the Meeting. The information will also be available on the company's website, home.sandvik.

Dividend
The Board of Directors proposes that the 2025 Annual General Meeting declare a dividend of SEK 5.75 per share.

The proposed record date is Friday, May 2, 2025. If the proposal is adopted by the Annual General Meeting, it is expected that dividends will be paid on Wednesday, May 7, 2025. Dividends will be sent to those who on the record date are entered in the share register or on the separate list of assignees, etc. To facilitate the distribution of dividends, shareholders who have changed address should report this change to their bank in sufficient time prior to the record date.

Annual Report
The Annual Report is available at home.sandvik, where a printed copy can also be ordered.

Financial targets

Sandvik has long-term financial targets focusing on growth, profitability, dividend and financial position.

Financial targets are excluding discontinued operations, unless otherwise stated.

Growth 7 percent
A growth of 7 percent through a business cycle, organically and through acquisitions, in fixed currency

Adjusted EBITA margin range: 20–22 percent
An EBITA margin range of 20–22 percent through a business cycle, adjusted for items affecting comparability

Dividend payout ratio: 50 percent
A dividend payout ratio of 50 percent of EPS through a business cycle, adjusted for items affecting comparability, (Group total)

Financial net debt / EBITDA: <1.5
A financial net debt / EBITDA <1.5, excluding transformational acquisitions (Group total)

2024 in brief

Strategy

Our operations

Directors' report

Financial statements and notes

Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
> Definitions
Key financial figures

Definitions

Adjusted earnings per share[1)]
Profit/loss for the year 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 EBITA[1)]
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[1)]
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.

Capital turnover
Rolling 12 months revenue divided by the average total assets in the five last quarters.

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

Earnings per share
Profit/loss for the year attributable to equity holders of the Parent Company divided by the average number of shares outstanding during the year.

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

EBITDA
Operating profit (EBIT) less depreciation, amortiztion 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 month EBITDA.

Free operating cash flow
Earnings before interest, taxes and depreciation adjusted for noncash 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.

Lost Time Injury Frequency Rate (LTIFR)
Number of lost time injuries per million worked hours.

Net debt/equity ratio
Interest-bearing current and non-current debts, including net pension liabilities, less cash and cash equivalents divided by total equity.

Net working capital (NWC)
Total of inventories, trade receivables, account payables and other current non-interest-bearing receivables and liabilities, including those classified as asset and liabilites held for sale/distribution, but excluding tax assets and 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, on a 12 month rolling basis, as a percentage of an average rolling 12 months capital employed.

Return on capital employed (ROCE), excluding amortization of surplus values
Earnings before interest and taxes, adjusted for accounting effects arising from business combinations, referring to amortizations, depreciations and impairments, plus financial income, on a 12 month rolling basis, as a percentage of an average rolling 12 months capital employed.

Return on total equity
Consolidated net profit/loss for the year as a percentage of average total equity.

Total Recordable Injury Frequency Rate (TRIFR)
Total number of injuries per million worked hours.

1) Alternative Performance Measures: Sandvik presents certain financial measures that are not defined 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.

2024 in brief
Strategy
Our operations
Directors' report
Financial statements and notes
Consolidated financial statements
Consolidated financial notes
Financial statements Parent Company
Financial notes Parent Company
Board statement on dividend proposal
Proposed appropriation of profits
Auditors' report
Non-financial notes
Assurance report
Annual General Meeting
Definitions
> Key financial figures

Key figures, Group total

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue, MSEK	90,822	84,430	93,906	100,924	103,533	86,409	99,110	123,453	126,503	122,878
Change, %	2	-7	11	8	3	-17	15	25	2	-3
of which organic, %	-6	-6	10	11	-1	-11	12	3	5	-2
of which structural, %	0	0	0	-6	-1	-1	6	10	-7	1
of which currency, %	8	-1	1	2	4	-4	-3	10	4	-2
EBIT, MSEK	6,062	9,657	18,011	18,103	13,182	11,184	18,644	20,912	22,418	18,420
as % of revenue	7	11	19	18	13	13	19	17	18	15
Adjusted EBITA, MSEK[1]	–	–	–	–	–	14,846	19,364	24,470	25,240	23,583
as % of revenue[1]	–	–	–	–	–	17	20	20	20	19
Profit before tax, MSEK	4,059	7,996	16,940	17,315	11,945	11,238	18,451	16,983	19,794	16,461
as % of revenue	4	9	18	17	12	13	19	17	16	13
Consolidated net profit for the year, MSEK	2,194	5,468	13,160	12,669	8,523	8,721	14,484	11,225	15,301	12,245
Equity, MSEK	34,060	39,290	48,722	58,163	61,858	65,082	77,332	81,270	87,697	96,999
Net debt/equity ratio, multiple	1.0	0.7	0.3	0.2	0.2	0.0	0.3	0.5	0.5	0.4
Financial net debt/ EBITDA[1]	–	–	–	–	–	-0.5	0.7	1.3	1.2	1.2
Capital turnover, %	86	83	90	89	85	72	76	72	70	68
Cash and cash equivalents, MSEK	6,376	8,818	12,724	18,089	16,987	23,752	13,585	10,489	4,363	4,528
Return on total equity, %	6.2	15.2	31.3	23.3	13.9	13.6	20.5	14.2	17.6	13.3
Return on capital employed, %	7.9	12.9	23.8	22.0	15.0	13.3	19.5	16.5	16.4	13.4
Return on capital employed, excl. amortizations of surplus values, %[2]	–	–	–	–	–	–	–	–	17,9	14,8
Investments in non-current assets, MSEK	4,161	3,691	3,578	3,984	4,147	3,278	3,598	4,530	5,354	4,841
Total investments, MSEK	4,168	3,722	3,578	8,615	6,018	6,552	27,195	20,213	7,345	8,052
Cash flow from operations, MSEK	11,952	12,032	14,286	14,914	16,894	15,347	13,177	10,465	18,797	20,607
Cash flow, MSEK	79	2,288	3,963	5,382	-1,188	7,261	-10,527	-3,617	-5,913	-51
Number of employees, December 31[3]	45,808	43,732	43,024	41,705	40,246	37,125	44,136	40,489	40,877	41,447

1) New financial target from 2022, historical values presented for two years.
2) New key figure for 2024, historical values presented for one year.
3) Full-time equivalent.

Data per share	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Earnings, basic, SEK[1]	1.79	4.39	10.50	10.11	6.81	6.96	11.53	8.95	12.20	9.76
Earnings, diluted, SEK[2]	1.79	4.39	10.49	10.09	6.79	6.95	11.52	8.94	12.18	9.75
Equity, SEK	27.1	31.2	38.8	46.4	49.3	51.9	61.6	64.8	69.9	77.3
Dividend, SEK (2024 as proposed)	2.50	2.75	3.50	4.25	–	6.50	4.75	5.00	5.50	5.75
Dividend yield, %[3]	3.4	2.4	2.4	3.4	–	3.2	1.9	2.7	2.5	2.9
Quoted prices, Sandvik share:										
highest, SEK[4]	107.00	116.20	153.90	165.05	190.35	205.60	255.40	256.63	227.40	247.30
lowest, SEK[4]	67.95	64.55	113.50	123.05	122.70	115.55	194.85	145.30	175.65	195.55
year-end, SEK	74.05	112.70	143.70	126.35	182.65	201.30	252.60	188.40	218.10	198.30
No. of shares at year-end, million	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4
P/E ratio[5]	41.4	25.7	13.7	12.5	26.9	28.9	22.0	21.1	17.9	20.3
Quoted price, % of equity[6]	273	361	370	273	370	388	410	291	312	257

1) Profit for the year per share.
2) Profit for the year per share, after dilution of outstanding share-based program.
3) Dividend by quoted price at year-end.
4) End of day 2015-2020, intraday from year 2021.
5) Market price of share at year-end in relation to earnings per share after dilution.
6) Market price of share at year-end, as a percentage of equity per share.

Group costs by type

If you have any comments on our Annual Report, please contact Group Communications, +46 (0)8 456 11 00 or info@sandvik.com.

For comments or questions on sustainability-related information, please contact Sustainable Business, +46 (0)8 456 11 00 or info@sandvik.com.

Design and production: Sandvik and Miltton.
Print: Åtta45 Tryckeri AB, 2025.