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Important events

- Sandvik showed continued strong performance despite challenging market conditions. Order intake grew by 5 percent to SEK 125,011 million and revenues by 13 percent to SEK 126,503 million.
- Adjusted EBITA increased by 12 percent to SEK 25,240 million and the adjusted EBITA margin was 20.0 percent (20.0), within our target range.
- Numerous product innovations were launched in strategic areas, such as electrification, automation and digital manufacturing.
- We acquired 7 companies within, for example, mine optimization, CAM solutions, electrification, powder solutions, and medical.
- Record orders for electric, automated and surface drilling mining equipment.
- We updated our sustainability strategy and the Science Based Targets initiative approved our greenhouse gas targets.
- The Total Recordable Injury Frequency Rate (TRIFR) declined to 3.0 (3.1). However, a tragic fatality underlines the importance of continuous focus on safety.
- A new brand identity and logotype was launched to reflect the transformation Sandvik has undergone.

Cover photo: Detail of round metal machinery. The formal Annual Report comprises pages 40–136. The Statutory Sustainability Report and Sustainable Business Report include pages 2–3, 7, 13, 58–66, 142–160.

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

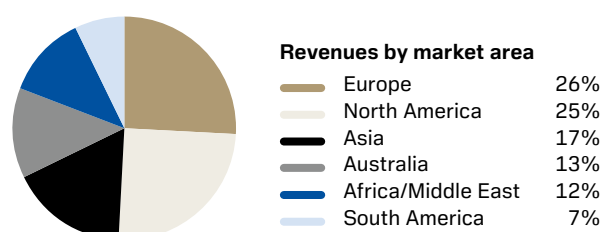
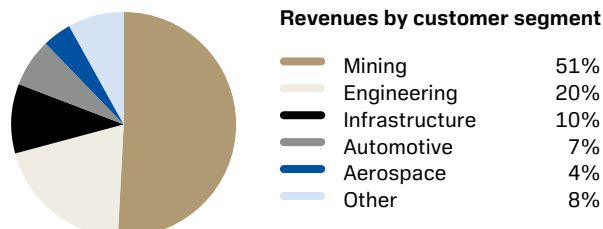




2023 in brief

Key figures

	2022	2023
Order intake, MSEK	119,196	125,011
Revenues, MSEK	112,332	126,503
EBITA, MSEK	22,471	24,530
EBITA margin, %	18.2	19.4
Adjusted EBITA ¹ , MSEK	22,486	25,240
Adjusted EBITA margin ¹ , %	20.0	20.0
Free operating cash flow, MSEK	12,103	19,582
Return on capital employed, %	15.8	16.5
Earnings per share, diluted, SEK	10.24	12.20
Adjusted earnings per share, diluted, SEK ¹	11.98	12.69
Greenhouse gas emissions (scope 1–2), ktons	139	141
Waste circularity, %	73	71
Total Recordable Injury Frequency Rate, TRIFR ²	3.1	3.0
Number of employees ³	40,489	40,877
Share of women, %	20.2	20.6



1) Adjusted for items affecting comparability, see page 47.
For definitions of alternative performance measures, see page 155.
2) Total number of recordable injuries per million hours worked.
3) Full-time equivalent.

9%

Revenue growth, CAGR vs 2019, at fixed exchange rates

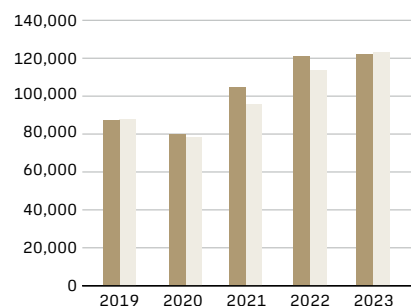
20.0%

Adjusted EBITA margin

1.2

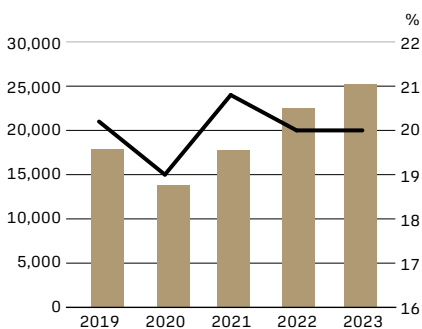
Financial net debt/EBITDA

Order intake and revenues, MSEK, revenue growth, %, fixed exchange rates



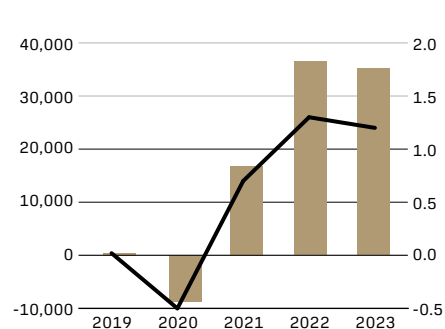
Order intake
Revenues

Adjusted EBITA, MSEK and adjusted EBITA margin, %



EBITA, adjusted
EBITA margin, adjusted

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



Financial net debt
Financial net debt/EBITDA

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 about 170 countries.

Business areas and divisions

52%

Share of revenues

53%

Share of adjusted EBITA



Sandvik Mining and Rock Solutions

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

Divisions

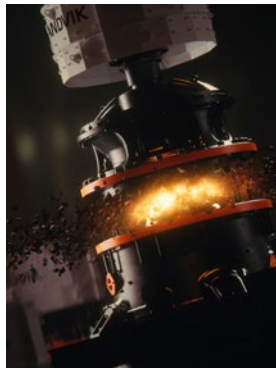
- Digital Mining Technologies
- Ground Support
- Load and Haul
- Mechanical Cutting
- Parts and Services
- Rock Tools
- Rotary Drilling
- Surface Drilling
- Underground Drilling

9%

Share of revenues

6%

Share of adjusted EBITA



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

- Stationary Crushing and Screening
- Mobile Crushing and Screening
- Attachment Tools

39%

Share of revenues

41%

Share of adjusted EBITA



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.

Sandvik Machining Solutions¹

- Sandvik Coromant
- Seco
- Walter
- Dormer Pramet
- Powder Solutions
- Tool Flow Solutions
- GWS²

Sandvik Manufacturing Solutions¹

- Design and Planning Automation
- Industrial Metrology

1) Business area segments
2) As of January 1, 2024

Adjusted EBITA is excluding Group activities and items affecting comparability.



Key customer segments and share of revenues



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, service and sustainability-driving technologies to increase digitalization, automation, safety and customer productivity.



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.



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.



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, for example, engines and transmissions.



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.



Other

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

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

Sandvik provides proof of quality

Sandvik performed well in 2023 and we made important strategic progress. Our strong performance contributed to favorable growth in many of our strategic focus areas and generated good profitability, despite a challenging external operating environment.

We have a clear strategy and growth focus where the solutions we offer contribute to making our customers more productive and more sustainable. Through our leading market positions, a growing share of parts, services and consumables, and a targeted expansion within our customers' value chains, we have become a more agile and resilient business with a strengthened platform for long-term growth.

Our performance in 2023 is clear evidence of that transformation. Revenues, at fixed exchange rate, grew by a strong 9 percent and we delivered an all-time high adjusted operating profit (EBITA) of SEK 25.2 billion, an increase of 12 percent.

The world is changing and Sandvik is changing with it. We have a strong platform to build on with world-leading market positions, strong brands and a winning culture. Based on this foundation, we are well positioned to capture future growth opportunities and drive digital and sustainability shifts in the industries in which we operate.

We continued to see good progress in many strategic focus areas during the year. There continues to be strong customer demand for our battery-electric and automated mining solutions and we won several major orders as well as a large number of repeat orders, underscoring the quality and strength of our offering. We have increased our focus on surface drilling and in 2023 we made good progress, including several product launches and a record order in the fourth quarter.

Our machining solutions business is building a stronger position to meet external trends, such as the increasing demand for aluminium machining for electric vehicles, as well as increasing interest in automation and digital solutions. Productivity, sustainability and safe operations are at the core of Sandvik. With our unique offering that combines world-leading equipment, tools and software solutions, we have great potential to create value for our customers.

A new face

Sandvik has in many aspects become a new company in recent years. To reflect this, we launched a new, modern brand identity and logotype that represents our purpose, our world-leading positions and our strategic direction. The new face of Sandvik means that we are even better equipped to live up to our purpose: We make the shift – advancing the world through engineering.

An agile company

Our efforts over the past few years to strengthen the resilience, flexibility and speed of our decentralized structure

continue to pay off. We actively work with maintaining resilient revenue streams and have a constant cost focus to make Sandvik even more competitive, more efficient and less complex. All parts of our business have contingency plans in place, enabling quick responses to different scenarios. In a multifaceted demand environment, with geopolitical tension, lingering inflation pressure and supply chain disruptions, I am proud that we managed to keep our adjusted EBITA margin at 20.0 percent, within our target range.

Building on innovation


Sandvik is built on world-leading research and development (R&D), and this continues to be essential to ensure our future success. Our R&D investments amounted to SEK 4.8 billion in 2023, corresponding to 3.8 percent of the Group's revenue. Organic revenue growth was 6 percent, with continuing strong momentum in highly strategic areas such as manufacturing software, parts, services and consumables, automation and battery-electric vehicles. Some of the innovations introduced were the first of their kind in the industries we serve, and it is clear from the developments in strategic focus areas that our innovative product portfolio is stronger than ever.

Platform for growth

We aim to grow both organically and through acquisitions, and in recent years we have been very active in establishing a strong acquisition agenda. The seven acquisitions made in 2023 further enhance our strong positions in the marketplace and strengthened our position in areas such as mine optimization, CAM solutions, electrification, powder solutions and medical.

Previously acquired companies have added great value to the Sandvik Group. The acquisition of SP Mining within Sandvik Rock Processing Solutions in 2022, for example, increased our exposure towards the mining industry and also increased the share of parts, services and consumables sales, adding positively to the 2023 results. The acquisition of Deswik in 2022, the world's leading mine planning software company, made it possible for us to provide a unique end-to-end customer offering.

We are making continued progress in our work to leverage the world-class assets we have within Sandvik and to gradually realize our goal of helping our customers in component manufacturing automate the entire production cycle – from design and planning to manufacturing and verification.



“The world is changing and Sandvik is changing with it.”

Sustainable development

In September, our targets to reduce greenhouse gas emissions were validated by the Science Based Targets initiative. This third-party validation of our emission targets is essential as we set the strategic direction of Sandvik. We also see that we have a big opportunity to drive sustainability through our customer offerings.

The total recordable injury frequency rate was 3.0 (3.1). We have a zero harm vision for accidents in the workplace and have intensified our focus on this area to continue our long-term positive trend. Sandvik continues to support the principles of the United Nations Global Compact and contributes to the UN Sustainable Development Goals.

A stronger company

In 2023, we continued to build a stronger Sandvik and it is clear that we are making good progress. With the performance this year we have again proven our ability to navigate challenges that come our way, and we look forward with confidence to the opportunities ahead of us. I would like to thank our fantastic employees, whose continued outstanding efforts are the main reason that we can look back at another strong year. I would also like to extend a big thank you to our shareholders and customers for your continued trust.

Stefan Widing
President and CEO



A changing world

Sandvik has defined key external factors and drivers that impact our company. Together with customers and other stakeholders, we will seize the opportunities they create in order to generate profitable growth, manage risks and minimize our 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 puts higher 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. New technology, digitalization and metrology are leading to the integration of the three phases to form a seamless, automated end-to-end value chain.

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 mining equipment.

Economic and political developments

Macro factors such as globalization, political governance and cyclicity impact Sandvik. 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. 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.



New technologies

A number of emerging technologies will affect our industries. The rapidly expanding demand for battery-electric vehicles offers vast business opportunities for Sandvik within its mining operations but also headwinds in some parts of its business, for example in component manufacturing for the automotive sector.

Artificial intelligence (AI) and machine learning will be used for increasingly complex tasks and the implementation of 5G will contribute to more intelligent equipment. Sandvik is investing in AI and machine learning models where applications include, for example, the monitoring of tools or the ability to identify a need for maintenance to avoid mining equipment breakdowns, before it happens.

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.

Sandvik has a deep knowledge of additive manufacturing, a technology that requires fewer manufacturing steps and, by producing lighter products with fewer raw materials, reduces the environmental impact.

Sustainability

The Paris Climate Agreement's goal to limit global warming to 1.5° C 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 a world leader 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. Sandvik aims to increase circularity by using more secondary material in production. We repurchase customers' used cemented carbide inserts, drill bits and rock tools, turning them into tungsten carbide powders and new tools.

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

Our share

During 2023, the share price increased by 16 percent, while the OMXS30 index on Nasdaq Stockholm increased by 17 percent.

Sandvik shares are listed on Nasdaq Stockholm, Sweden. At year-end 2023, the share price was quoted at SEK 218.10 (188.4), corresponding to a market capitalization of SEK 274 billion, placing Sandvik as the 12th (12) largest company on Nasdaq Stockholm.

Share trading

In 2023, a total of 2.1 billion shares (2.5) were traded for a total value of SEK 433 billion (470). Trading in Sandvik shares on Nasdaq Stockholm accounted for 25 percent (24) of the total volume of shares traded. Other markets, for example, BATS Chi-X and Turquoise, accounted for 75 percent (76). 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 2023, the average daily ADR trading volume was 86,364 (145,756). At the end of 2023 there were 22,700,848 ADRs outstanding (21,518,410).

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 5.50 per share (5.00) to the 2024 Annual General Meeting, corresponding to approximately SEK 6.9 billion (6.3) and a dividend return of 2.5 percent based on the share price at year-end. The dividend proposal corre-

sponds to 43 percent of adjusted earnings per share after dilution for continuing operations.

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 2023 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, Ethibel Excellence Europe 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

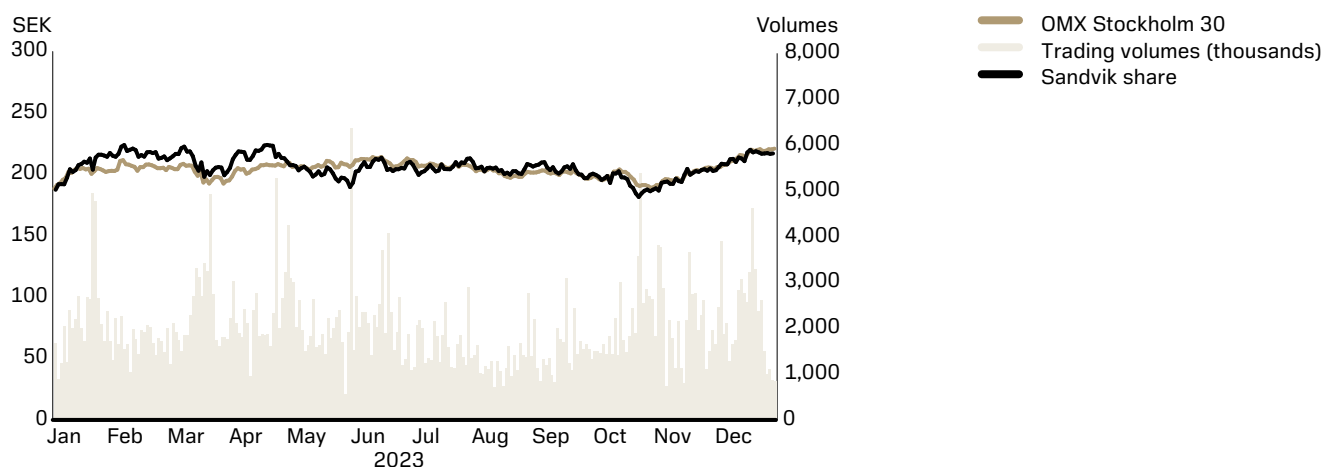
In 2023 the number of shareholders decreased to 138,399 (143,065). There are shareholders in 79 (76) countries, and the total ownership outside of Sweden amounted to 40 percent (41) at year-end. The ten largest individual shareholders accounted for 39 percent of the share capital on the same date. As of December 31, 2023, members of the Group Executive Management owned a total of 138,147 shares in Sandvik. Members of the Board of Directors owned a total of 1,034,343 shares in Sandvik (including deputy board members, excluding the CEO). Total ownership of Group Executive Management and the Board corresponds to about 0.09 percent of the capital and voting rights.

5.50

Proposed dividend per share, SEK



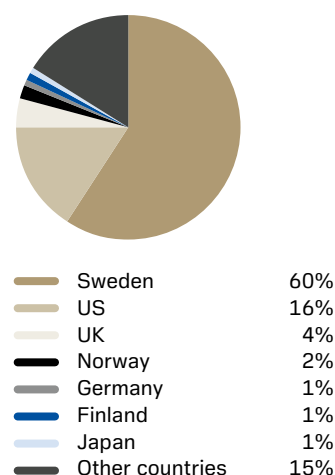
The Sandvik share, 2023



Key figures	2022	2023
Number of shares at year-end, million	1,254	1,254
Market capitalization at year-end, billion	236	274
Number of shareholders	143,065	138,399
Share price at year-end, SEK	188.4	218.1
Earnings per share after dilution, SEK ¹⁾	10.24	12.18
Adjusted earnings per share, after dilution, SEK ¹⁾	11.98	12.69
P/E ratio at year-end ¹⁾	18.4	17.9
Change in share price during the year, %	-23.5	15.8
Dividend, SEK/share	5.00	5.50 ²⁾
Dividend payout ratio, ¹⁾ %	42 ³⁾	43 ²⁾
Total return (price increase + dividend), %	-22	18
Proportion of shares in Sweden, %	59	60
Proportion of shares owned by the ten largest shareholder groups, %	41	39

1) Continuing operations. 2) Proposed dividend. 3) The dividend payout ratio is only related to cash dividends and does not take into consideration the distributed value from Alleima to shareholders. Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

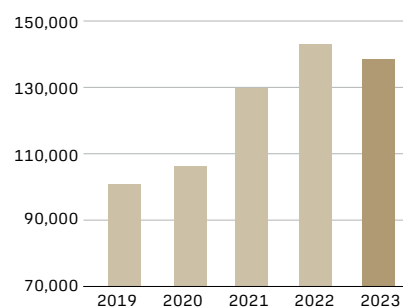
Distribution of shareholding by country, December 31, 2023



The ten largest shareholder groups, as of December 31, %	2022	2023
AB Industrivärden	13.7	14.1
Alecta Pension Insurance	4.8	4.5
Swedbank Robur Funds	3.9	4.3
Vanguard	3.0	3.2
Lundbergföretagen AB	2.8	2.9
BlackRock	2.8	2.9
Handelsbanken Funds	1.5	2.4
SEB Funds	1.7	1.9
Norges Bank	1.4	1.7
Fidelity International (FIL)	-	1.4

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

Number of shareholders, December 31, 2019–2023



Sandvik as an investment

Sandvik has world leading positions and brands in the market segments where we operate. Through solid strategy execution we have built a leading digital and software platform and with our expertise, innovative offerings, and close customer relationships, we continue to support in our customers' transition to a more digital, automated and sustainable business. 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. Innovation is at the core of our culture and strategy and a lever to maintaining our leading positions. It supports organic growth and value-based pricing. We have accelerated our R&D investments in recent years, and in 2023 investments amounted to SEK 4.8 billion.

Our ambition is to deliver profitable growth by staying agile throughout the cycle and executing on our shift to growth priorities. To reach our growth target of 7 percent, we will continue to expand and strengthen our positions in fast-growing regions and segments and in our customer's value chain. Today's important shifts towards digitalization, automation and sustainability, are an integral part of our strategy for growth and we will continue to be at the forefront of digitalization and offering sustainable solutions. We have set out to expand our digital offering to SEK 6.5 billion in revenue by 2025 and during 2023 Sandvik's targets for reducing greenhouse gas (GHG) emissions was validated by the Science Based Targets initiative (SBTi) as aligned with the latest climate science and consistent with the goals of the Paris Agreement.

We see several global trends in our favor. The growing middle class and rapid urbanization drives the need for metals, minerals, and infrastructure investments. The need for infrastructure in turn, drives the demand for industrial production and manufacturing. The green transition requires electrification minerals and 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 growth target of 7 percent will come from organic growth and acquisitions. Sandvik has made good progress and has since 2019 added SEK 19 billion in revenues through strategic acquisitions. In 2023 revenues grew by 13 percent, of which 6 percent was organic. To achieve profitable growth we need to stay agile. Our decentralized organization enables us to respond faster to market trends, economic fluctuations and customer needs. We work continuously with improving our own operational efficiency and have increased the share of variable costs to reduce earnings volatility. Cash-flow generation is strong in the Group, and for the year 2023 free operating cash-flow amounted to SEK 19.6 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 2023, the Board of Directors suggested a dividend of SEK 5.50 per share, corresponding to a payout ratio of 43 percent, well-aligned with our ambition to distribute 50 percent of adjusted EPS 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 position, capital intensity, materials know-how and customer relationships

Shift to growth

- A solid balance sheet, good cash-flow generation
- Growth target of at least 7 percent through a business cycle to come from organic and acquired growth
- Capex at <SEK 5.4 billion in 2023, for 2024 approximately SEK 5.0 billion
- Investments in product development
- Acquisitions to broaden our value-creating offering, lead digitalization and automation and expand geographically in fast-growing markets



Dialogue with analysts

Twentyfive analysts cover Sandvik on a continuous basis. Below are some of the most frequent questions discussed in 2023, and our answers.

Q: Sandvik has a market-leading position in underground mining. During the year you talked about your strong position in automation and batteri-electric vehicles (BEVs) and the advantage of having an integrated digital platform throughout the customers' value chain. Could you elaborate on your progress in these areas?

A: We have a clear number one position in tele-remote and autonomous underground mining solutions, with over 65 percent market share, and we have continued to increase the number of sites connected to our Automine® platform during 2023. With over 20 years experience in this field, Sandvik is the only original equipment manufacturer (OEM) that can provide large-scale underground automation. During the fourth quarter of 2023, Sandvik enhanced the already well-proven Automine® platform for trucks and loaders, with the introduction of Automine® for underground drills. With this, we became the first OEM to offer a unified traffic management system for mining equipment underground.

The progress on battery-electric vehicles has also been significant. Sandvik won 75 percent of the total BEV tenders in 2023. Our more than 10 years of experience in learning, developing and improving the technology, combined with our dedication in integrating BEVs into customer operations (site preparation, business case, simulation studies, and service), are key factors to this success. With our BEVs, we provide value in terms of improved working environment, higher productivity and lower CO₂ emissions.

With our strong automation and operational planning offering, combined with our recent software acquisitions, Deswik and Polymathian, Sandvik now has a fully integrated digital platform in underground mining. Being a full end-to-end solutions provider to our customers, digitalizing and automating their value chain further strengthens our position in underground mining.

Q: While the shift to electric vehicles (EVs) will contribute positively to the mining business, it is a headwind for your cutting tools business in terms of less cutting tools potential for EV than traditional internal combustion engines (ICEs). During the fall

you provided a slightly more positive view on this development than previously, and that you will actually grow your automotive business?

A: By 2030, the cutting tool potential mix will change significantly with different vehicle types, while keeping the overall potential almost at the 2022 level. The machining intensity, i.e., the amount of cutting tools required to produce one vehicle, as compared to one ICE-powered light vehicle, varies by vehicle type, leading to different requirements for cutting tools by each sub segment. The cutting tool requirements in medium and heavy commercial vehicles (MHCV) compared to light vehicles (LVs) are almost five times greater. This is positive for Sandvik, taken into consideration the expected CAGR growth of LVs and MHCVs of 2 percent and 3 percent, respectively, as well as our exposure (60 percent towards LVs and 40 percent towards MHCVs). In addition, Sandvik will continue to expand its capabilities into lightweight/aluminum cutting tools, which has a greater potential in the manufacturing of components in electric vehicles. To conclude, Sandvik will continue to grow our automotive business until 2030.

Q: During the year, Sandvik updated the financial targets specifically for Sandvik Manufacturing Solutions (SMF). Why, and are you lowering your ambitions here?

A: After having built a solid platform of software assets, identified as key levers to grow our business in the component manufacturing area, we are taking the next step. One of these steps was to change the organizational set-up slightly with, for example, the move of the powder business closer to the core: from the Sandvik Manufacturing Solutions business area segment to the Sandvik Machining Solutions business area segment. With these changes, there will be a sharper focus on developing the software business with enabling hardware in SMF. For that reason, the previous SMF revenue target SEK 6 billion in 2025, of which 60 percent was coming from software, was revised to a new target of having software revenues of SEK 4 billion in 2025. With a more concentrated share of software in the SMF portfolio, we also increased our margin target from 20.0 percent to 22.0 percent.

Agile through cycle

- Solid adjusted EBITA margin in 2023 of 20.0 percent, within 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 43 percent for the year, with the average payout ratio for a three-year period amounting to 42 percent and for a five-year period to 39 percent
- Adjusted earnings per share growth of 6 percent over one year, 14 percent over three years and 5 percent over five years

Annual General Meeting

Annual General Meeting

The Annual General Meeting will be held on Monday, April 29, 2024, 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 Friday, April 19, 2024, and
- give notice of their intention to participate in the Meeting, not later than Tuesday, April 23, 2024.

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 Friday, April 19, 2024.

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](https://www.home.sandvik.com).

Dividend

The Board of Directors proposes that the 2024 Annual General Meeting declare a dividend of SEK 5.50 per share.

The proposed record date is Thursday, May 2, 2024. If the proposal is adopted by the Annual General Meeting, it is expected that dividends will be paid on Tuesday, May 7, 2024. 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](https://www.home.sandvik.com), 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)

Key figures, Group total

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue, MSEK	88,821	90,822	84,430	93,906	100,924	103,533	86,409	99,110	123,453	126,503
Change, %	2	2	-7	11	8	3	-17	15	25	2
of which organic, %	-2	-6	-6	10	11	-1	-11	12	3	5
of which structural, %	2	0	0	0	-6	-1	-1	6	10	-6
of which currency, %	2	8	-1	1	2	4	-4	-3	10	4
EBIT, MSEK	10,120	6,062	9,657	18,011	18,103	13,182	11,184	18,644	20,912	22,418
as % of revenue	11	7	11	19	18	13	13	19	17	18
Adjusted EBITA, MSEK ¹⁾	-	-	-	-	-	-	14,846	19,364	24,470	25,240
as % of revenue ¹⁾	-	-	-	-	-	-	17	20	20	20
Profit before tax, MSEK	8,264	4,059	7,996	16,940	17,315	11,945	11,238	18,451	16,983	19,794
as % of revenue	9	4	9	18	17	12	13	19	17	16
Consolidated net profit for the year, MSEK	5,992	2,194	5,468	13,160	12,669	8,523	8,721	14,484	11,225	15,301
Equity, MSEK	36,672	34,060	39,290	48,722	58,163	61,858	65,082	77,332	81,270	87,697
Net debt/equity ratio, multiple	1.0	1.0	0.7	0.3	0.2	0.2	0.0	0.3	0.5	0.5
Financial net debt/EBITDA ¹⁾							-0.5	0.7	1.3	1.2
Capital turnover, %	89	86	83	90	89	85	72	76	72	70
Cash and cash equivalents, MSEK	6,327	6,376	8,818	12,724	18,089	16,987	23,752	13,585	10,489	4,363
Return on total equity, %	17.4	6.2	15.2	31.3	23.3	13.9	13.6	20.5	14.2	17.7
Return on capital employed, %	13.4	7.9	12.9	23.8	22.0	15.0	13.3	19.5	16.5	16.5
Investments in non-current assets, MSEK	4,703	4,161	3,691	3,578	3,984	4,147	3,278	3,598	4,530	5,354
Total investments, MSEK	7,537	4,168	3,722	3,578	8,615	6,018	6,552	27,195	20,213	7,345
Cash flow from operations, MSEK	9,515	11,952	12,032	14,286	14,914	16,894	15,347	13,177	10,465	18,797
Cash flow, MSEK	1,039	79	2,288	3,963	5,382	-1,188	7,261	-10,527	-3,617	-5,913
Number of employees, December 31 ²⁾	47,318	45,808	43,732	43,024	41,705	40,246	37,125	44,136	40,489	40,877

1) New financial target from 2022, historical values presented for two years.

2) Full-time equivalent.

Data per share

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Earnings, basic, SEK ¹⁾	4.79	1.79	4.39	10.50	10.11	6.81	6.96	11.53	8.95	12.20
Earnings, diluted, SEK ²⁾	4.79	1.79	4.39	10.49	10.09	6.79	6.95	11.52	8.94	12.18
Equity, SEK	29.1	27.1	31.2	38.8	46.4	49.3	51.9	61.6	64.8	69.9
Dividend, SEK (2023 as proposed)	3.50	2.50	2.75	3.50	4.25	-	6.50	4.75	5.00	5.50
Dividend yield, % ³⁾	4.6	3.4	2.4	2.4	3.4	-	3.2	1.9	2.7	2.5
<i>Quoted prices, Sandvik share:</i>										
highest, SEK	97	107	116	153.9	165.3	190.4	205.6	255.4	256.6	227.40
lowest, SEK	74	68	65	113.5	123.1	122.7	115.5	194.9	145.3	175.65
year-end, SEK	76.40	74.05	112.70	143.7	126.4	182.7	201.3	252.6	188.4	218.10
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 ⁴⁾	15.9	41.4	25.7	13.7	12.5	26.9	28.9	22.0	21.1	17.9
Quoted price, % of equity ⁵⁾	261	273	361	370	273	370	388	410	291	312

1) Profit for the year per share.

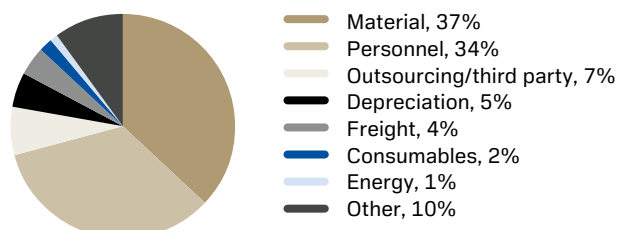
2) Profit for the year per share, after dilution of outstanding share-based program.

3) Dividend by quoted price at year-end.

4) Market price of share at year-end in relation to earnings per share after dilution.

5) 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.