Our operations

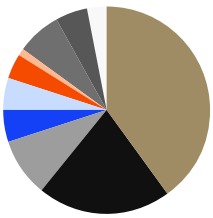
Engineers in the control room of the Sandvik test mine in Tampere (Finland). The test mine contains more than 6 km of tunnels and is used for research, development, and testing of products and future concepts for mining.

2025 in figures

Overview	2024	2025
Order intake, MSEK	64,404	69,204
Revenues, MSEK	63,607	62,971
Adjusted EBITA[1], MSEK	12,950	13,045
Adjusted EBITA margin[1], %	20.4	20.7
Return on capital employed, %	21.6	24.0
Return on capital employed, excluding amortizations of surplus values, %	22.5	24.8
Number of employees[2]	17,278	18,395
Gender balance (men/women), %	81/19	81/19
Women in managerial positions, %	20.7	20.8
Lost Time Injury Frequency Rate (LTIFR)	0.9	0.6
Total Recordable Injury Frequency Rate (TRIFR)	3.6	2.7

1) Adjusted for items affecting comparability of SEK 96 million (-507).
2) Full-time equivalent.

Commodity split



Gold	40%
Copper	21%
Coal	9%
Zinc	5%
Platinum	5%
Iron ore	4%
Diamonds	1%
Other metals	7%
Other minerals	5%
Other base metals	3%

Revenues by region

North America	24%
Africa/Middle East	21%
Australia	20%
Asia	15%
Europe	10%
South America	10%

Mining

Market
Strong demand for minerals, coupled with favorable commodity price levels and lower interest rates, spurred high mining activity during 2025. Sandvik noted very positive order momentum with a significant step up in equipment investments, a mix of brownfields, greenfield, and replacements. Demand for parts and services remained solid, driven by higher technology content, a high production pace, an aging fleet, and increasing fleet size. Digital solutions for enhanced efficiency and safety remained a customer priority and the demand for Sandvik solutions continued to be favorable.

Financial development
Order intake, at fixed exchange rates, grew by 17 percent, of which 17 percent was organic. Mining equipment grew by 46 percent and the aftermarket business grew by 5 percent, organically. Revenues, at fixed exchange rates, grew by 8 percent, of which 8 percent was organic. The Digital Mining Technologies and Parts and Services divisions both grew by double digits. Pricing and tariff surcharges contributed to the positive revenue development.

Adjusted EBITA amounted to SEK 13,045 million. The operating profit margin was 20.7 percent, heavily impacted by currency. Tariffs were fully mitigated thanks to swift implementation of tariff surcharges.

Strong momentum in strategic growth areas
Good momentum was noted during 2025, and Sandvik delivered strong organic order intake growth across equipment and aftermarket businesses. We made significant progress in our strategic priorities in electrification, automation and digitalization, and advanced our position as a productivity partner for both underground and surface mining.

Solid progress on surface
Growing within surface drilling is a strategic focus area for Sandvik, where we have made important progress in recent years. This transformation is driven by rising global demand for surface products and an expanding world-class product portfolio within Sandvik. During 2025, we took additional steps to strengthen our offering and capabilities with the inauguration of a new surface drilling production line at the site in Tampere (Finland). The initiative followed the establishment of a dedicated surface test area in Tampere that brought clear advantages in the development of new equipment as well as for showcasing new solutions to our customers. We also introduced our AutoMine® Surface Fleet,

Strategic priorities

- Advance our leading position in underground
- Grow the aftermarket business
- Strategic growth areas:
  - Surface drilling
  - Automation and mining software and technology
  - Electrification

Market position, solutions and capabilities

Market-leading position with underground trucks and loaders and drill rigs, surface drilling and mechanical cutting. Strong aftermarket business, including parts and services, ground support, rock tools and end-to-end digital solutions.

Brands

Sandvik®, Deswik®, Inrock®, Tricon®, Terelion®, LGMRT®, Velroq®

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.

2019–2025 target

Revenue growth (CAGR)
10%

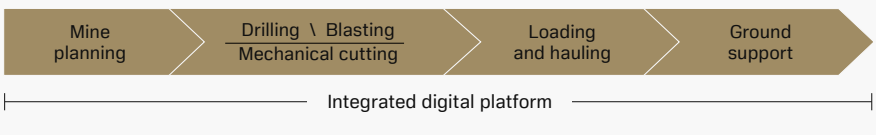
Outcome:
10%

2025–2030 targets

Revenue growth (CAGR)
8%

Adjusted EBITA range
20–22%

Rock excavation value chain



a new automation feature that enables operators to manage a larger number of Sandvik surface i-series drill rigs from any connected site location. These initiatives support the strategic focus to grow within surface drilling and they reinforce our position as a technology leader and productivity partner for the mining industry.

During the year, Sandvik started to deliver on a major surface equipment contract to Vale Base Metals' copper operations in Brazil, worth over SEK 500 million. We were also selected to supply surface rotary blasthole drills for ArcelorMittal Mining's operations in Quebec (Canada), and surface drill rigs to Barrick's Porgera gold mine (Papua New Guinea).

Advanced aftermarket position

On the back of strong demand for Sandvik equipment, we continued to expand the installed fleet, both underground and on the surface, and aftermarket order intake grew by 5 percent, organically. Sandvik also continued to leverage its local presence globally, with continued focus on training and upskilling technicians, penetrating advanced services, and investing in innovation for industry-leading capabilities. These developments strengthened our aftermarket position, a business with higher margins and resilience. In 2025, aftermarket sales accounted for 68 percent of total revenues.

Progress in digital and electrification

During the year, we strengthened our digital range by launching new electrified and intelligent equipment and we advanced our automation and software portfolio. 2025 was also a successful year in terms of customer adoption, and we made good progress in further expanding our intelligent fleet. Among the year's highlights were the implementation of autonomous AutoMine® solutions in customer mines, such as Adriatic Metals at the Vareš silver project (Bosnia), and in one of Asia Cement's surface operations. In addition, mining customer Glencore expanded its use of Sandvik automation and digital technologies with, for example, additional trucks equipped with the autonomous platform AutoMine® and investments in Newtrax collision-avoidance technology. These examples signify the important steps we are taking in our shared commitment to more productive and safer mining operations.

Our Digital Mining Technologies division grew organic revenues by double digits, thereby continuing its strong trajectory. Sandvik also received its largest battery-electric vehicle order ever, valued at SEK 750 million in total, from mining company South32 for its greenfield project in Arizona (US).

Innovations for improved productivity and sustainability

During the year, Sandvik launched several new solutions. A key achievement was the launch of an electric intelligent rotary blasthole drill rig range with modular design and a flexible power pack solution to meet different customer needs. The range is compatible with the autonomous platform AutoMine® and My Sandvik™ systems, and enables customers to leverage complete solutions from Sandvik to enhance performance, productivity and safety.

Other key innovations in 2025 included new features in the autonomous plattform AutoMine®, including surface fleet capabilities and a training simulator. We also introduced safety and efficiency solutions, such as next-generation proximity detection and improved bolting systems. These solutions enable customers to reduce operating costs and downtime, improve safety and productivity and support the transition to low-emission operations.

We made strong progress towards our sustainability goals in 2025. The launch of DataDrive'31, a major initiative to accelerate digital efficiency and circularity, and our enhanced transparency of CO_2-equivalent emission calculations supported measurable emission reductions and lifecycle improvements. We also achieved cybersecurity certification for secure product development, reinforcing our commitment to responsible and safe innovation. In addition, large customer orders for battery-electric equipment demonstrated how our technologies enable the transition to more sustainable mining operations. These initiatives emphasize our leadership in driving environmental responsibility and long-term value creation for our customers and stakeholders.

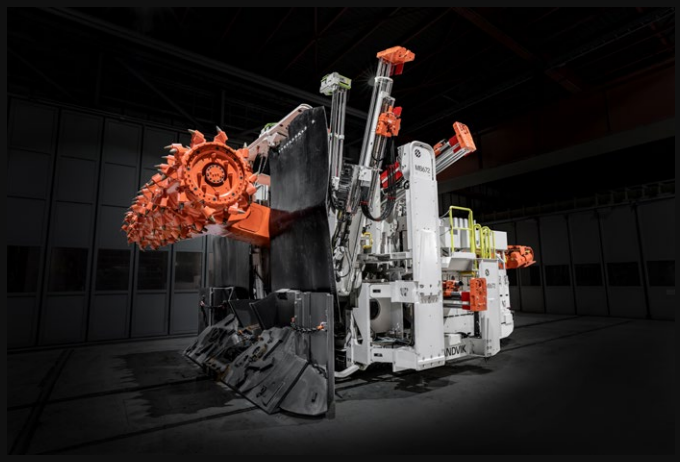
Innovations creating customer value

Industry-leading innovation is at the core of Sandvik and the key growth driver. In 2025, Sandvik expanded its offering with the introduction of fully electric versions across its entire range of next-generation intelligent rotary blasthole drills. This reflects the continued commitment to providing solutions that support the mining industry's transition towards more sustainable operations. The new electric lineup, comprising Sandvik® DR410iE, DR411iE, DR412iE, DR413iE and DR416iE, is built on the same modular platform as the diesel-powered rigs, delivering the environmental benefits of electrification while maintaining the performance and reliability expected in mining conditions.

Sandvik continued to advance surface drilling automation with the introduction of AutoMine® Surface Fleet, a new capability that enables operators to manage more than 15 Sandvik surface i-series drill rigs from any connected location.

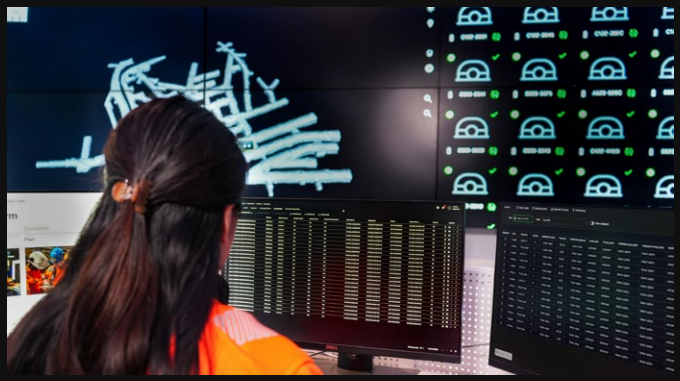
Sandvik also launched DataDrive'31, a major new technology program designed to accelerate the digital transformation of the mining industry. DataDrive'31 enables new services and products through data utilization and commercialization: integrating data-driven capabilities into equipment, operations and aftermarket services, and building predictive and prescriptive operating environments that support smarter, safer and more sustainable mining.

Sandvik® MB672 is a next-generation bolter miner introduced in 2025. Sandvik continues to advance bolting technology with innovative solutions designed to automate the bolting process, and this bolter miner represents a significant step towards achieving near-term bolting automation.



Sandvik has introduced a next-generation bolter miner for longwall mining, Sandvik® MB672. It offers increased productivity, enhanced operator safety, and reduced total cost of ownership.

As part of its ambition to grow in surface drilling, Sandvik has introduced AutoMine® Surface Fleet, a new capability that enables operators to manage more than 15 Sandvik surface i-series drill rigs from any connected location.



DataDrive'31 is a six-year investment program that will accelerate the digital transformation of the mining industry.

Sandvik has introduced the next generation intelligent rotary blasthole drill rigs, all available as electric or diesel versions.

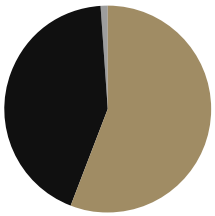
Robert Mendes, Senior Business Development Specialist, and Bruno Almeida, Equipment Sales Manager, visit the Serra Norte Mine in the Carajás region (Brazil). In the background is a Sandvik® CS660 crusher.

2025 in figures

Overview	2024	2025
Order intake, MSEK	11,103	10,694
Revenues, MSEK	10,704	10,435
Adjusted EBITA[1], MSEK	1,562	1,546
Adjusted EBITA margin[1], %	14.6	14.8
Return on capital employed, %	6.4	10.7
Return on capital employed, excluding amortization of surplus values, %	8.4	12.4
Number of employees[2]	2,739	2,779
Gender balance (men/women), %	81/19	81/19
Women in managerial positions, %	19.6	20.3
Lost Time Injury Frequency Rate (LTIFR)	2.5	2.1
Total Recordable Injury Frequency Rate (TRIFR)	5.6	5.2

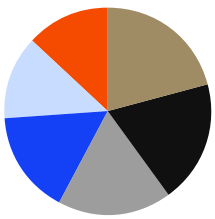
1) Adjusted for items affecting comparability of SEK 10 million (-411).
2) Full-time equivalent.

Revenues by customer segment



Mining	56%
Infrastructure	43%
Other	1%

Revenues by region



North America	21%
Australia	19%
Europe	18%
Asia	16%
South America	13%
Africa/Middle East	13%

Rock Processing

Market
Throughout the year, strong momentum was noted in the mining segment, driven by favorable commodity prices. The quest to improve mining operations from a sustainable and operational perspective continued to spur investments in digital solutions. The infrastructure market was soft at the beginning of the year but improved throughout the second half. This was most evident in the US, but there were also positive signs in Europe. The improvements were noted across both the demolition and recycling, and aggregates segments.

Financial development
Order intake, at fixed exchange rates, increased by 4 percent, of which 3 percent was organic. Equipment grew by 5 percent and the aftermarket business grew by 2 percent. Revenues at fixed exchange rates increased by 5 percent, of which 5 percent was organic. Pricing and tariff surcharges contributed to the positive revenue development.

Adjusted EBITA amounted to SEK 1,546 million. The operating profit margin was 14.8 percent, negatively impacted by currency. Tariffs were fully mitigated thanks to swift implementation of tariff surcharges.

Strategic priorities

- Leveraging on stronger position and offering in mining
- Large untapped potential in mining to address inefficiencies and sustainability, especially related to energy and water consumption
- Expand in the aftermarket
- Continue to expand in niches in downstream mining and in demolition and recycling with higher growth

Market position, solutions and capabilities

Market-leading positions in stationary and mobile crushing and screening solutions – including wear protection, screening media, feeders and train loaders – service, life cycle optimization, digital solutions, and attachment tools.

Digital solutions such as SAM by Sandvik, crushing chamber optimization software, PlantDesigner, DeckMap™, WearApp™ and automation platforms that help customers simulate, configure, and optimize their processes.

Brands

Sandvik®, Rammer®, OSA Demolition®

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.

2019–2025 target

Revenue growth (CAGR)
~10%

Outcome:
6%

2025–2030 targets

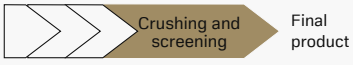
Revenue growth (CAGR)
9%

Aftermarket share
65–70%

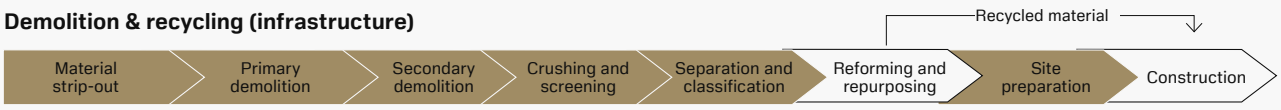
Adjusted EBITA margin
17–19%

Rock processing value chain (mining)

Aggregates (infrastructure)



Demolition & recycling (infrastructure)



Sandvik operations

Major achievements
Rock Processing experienced solid demand from the mining business and continued to make progress in expanding downstream. The increased activity in the demolition and recycling segment in the US drove orders for our premium solutions and we saw good contribution from the attachment tools manufacturer OSA Demolition Equipment, acquired in July 2025.

During the year, the Attachment Tools division secured two large orders for mining boom systems at a total value of SEK 154 million and the Screening Solutions division received a major order for screening equipment to an iron ore mine in Australia at a value of SEK 95 million.

We continued to leverage our superior crusher technology through the upgraded 800i cone crusher series, enabling higher crushed volumes and finer particle sizes. Sandvik crushing technique allows for a more efficient process where fine crushing can partially replace grinding. Fine crushing is up to 10 times more energy efficient than grinding, reducing costs for the customer. Today, hundreds of mines use old legacy techniques, and hence this is a growth area for Sandvik. The number of orders for the 800i series grew during the year, exceeding 2024 record levels. We also made strategic progress in our ambition to grow in the mining and aftermarket businesses by realizing synergies from the 2023 acquisition of SP mining.

We continuously work closely with our customers to improve their operations. One example is mining company Gold Fields that achieved an 18 percent increase in efficiency, and annual savings of more than AUD 1.5 million, after upgrading its crushing and screening circuit at the Agnew Gold Mine in Western Australia. Agnew also won Outstanding Mine Performance and the 2025 Australian Mine of the Year Award.

We continued to increase the aftermarket business' share of total sales, supported by a larger installed base and enhanced service offerings. Aftermarket sales accounted for 59 percent of revenues by the end of 2025.

In addition, we leveraged further on our broadened screening media offering and increased manufacturing capacity closer to our customers, and we expanded our sales and service footprint in key regions such as China, Africa, and Australia. Margins improved, and despite a subdued infrastructure demand, we made substantial savings, and retained good cost control.

Expansion in demolition and recycling
In demolition and recycling, we achieved a key milestone in our strategic ambition to expand in high-growth niches, driving growth across the value chain through both organic initiatives and strategic acquisitions. We successfully gained dealer traction and strengthened our position with the acquisition of OSA Demolition Equipment, an Italy-based manufacturer of demolition tools and hydraulic hammers. With this addition, Sandvik strengthened its presence in Europe, Australia, and the United States with a full-service solution within demolition and recycling.

During the year, we strengthened our offering by introducing Basic Premium for mobile crushing and screening, offering customers more tailored and scalable solutions. The introduction of the Basic Premium range makes our high-quality solutions more accessible to a broader market. Tailored for demolition, recycling, and emerging markets, these cost-effective models offer high productivity, robust performance, and retrofittable aftermarket options, bridging the gap between affordability and excellence.

Progress in electrification
2025 marked the completion of our fully electric tracked crushing and screening train, a major leap forward in sustainable rock processing. The new train includes products like the U443E fully electric jaw crusher, the QH443E electric-driven cone plant, and the QA452e hybrid triple-deck Doublescreen. It empowers customers to maximize uptime and productivity while minimizing their environmental footprint. The units can operate via external grid supply or onboard genset, significantly reducing emissions, noise, and running costs. The integration with advanced automation systems like Optik™ and My Fleet™ enables seamless integration with existing operations and entails faster ramp-up, reduced training needs, and superior operational performance.

Digital innovations and sustainable solutions
Digitalization is a key to advancing our product offering for safe, efficient, and environmentally responsible operations. During the year, we expanded our digital offering with advanced automation and condition monitoring systems, such as ACS-c 5 and ACS-s. These technologies, built into our equipment, enable smarter energy management, reduce emissions and cost, and boost productivity.

During the year, we also launched a new jaw plate range, featuring Coarse Corrugated and Heavy Duty plates. The range sets a new benchmark in crushing efficiency, delivering greater throughput, less frequent replacements, reduced material waste, and lower energy consumption.

We continued to improve our own, and customers' resource efficiency, by improving our recycling rate where worn-out steel parts are collected, recycled, and reintroduced into the melting process to form new genuine parts. We use more than 90 percent recycled steel in the production at our foundry in Svedala (Sweden). We also made progress in our refurbishment program, established in 2011, where mining equipment is restored to as-new condition. In 2025 we reused about 1,100 tons of metal, avoiding about 2,400 tons of CO_2 emissions.

These achievements prove that eco-efficiency is not just good for the planet; it's a business advantage, driving lower emissions, higher productivity, and long-term value.

Innovations creating customer value

Industry-leading innovation is at the core of Sandvik and the key growth driver. Rock Processing introduced Basic Premium for mobile crushing and screening, offering Sandvik quality in a simplified form to the construction industry. Targeted specifically to the needs of the demolition and recycling segment, this offering is simple to operate, yet still built to the same high standard and quality as the premium products for reliable performance and high productivity.

An upgraded range of jaw crushers delivers improved reliability, throughput, and ease of maintenance, helping customers achieve better productivity and lower total cost of ownership.

QH443E is an electric cone crusher designed with a focus on sustainability and productivity and is set to revolutionize operations in heavy duty applications. It takes a significant step towards bridging the gap between tracked mobile, wheeled portable, and stationary plants by combining electric drives and track mobility on a single platform. Due to the electrification of the onboard components, running the QH443E can result in up to 25 percent fuel savings and a 78 percent reduction in hydraulic oil usage compared to previous generations.

A new jaw plate range that sets a new benchmark in crushing solutions was launched during the year. It offers up to 40 percent longer wear life, up to 30 percent lower running costs, and optimized chamber geometry for greater crushing efficiency and throughput.

Remote Monitoring Services (RMS) is a predictive maintenance service Sandvik provides that remotely monitors and analyzes data from crushing and screening equipment. RMS can effectively identify abnormalities, determine root causes, and provide actionable information to eliminate defects.

The upgraded range of jaw crushers helps customers achieve better productivity and lower total cost of ownership.

A new electric cone crusher, QH443E, takes a significant step towards bridging the gap between tracked mobile, wheeled portable, and stationary plants, by combining electric drives and track mobility on a single platform.

A new jaw plate range offers up to 40 percent longer wear life, up to 30 percent lower running costs, and optimized chamber geometry for greater crushing efficiency and throughput.

Remote Monitoring Service is a predictive maintenance service that contributes to enhanced equipment reliability and timely information to resolve issues.

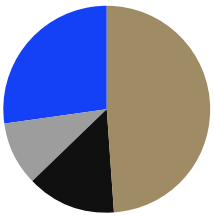
From design, to production and verification, component manufacturing is becoming automated. Digital skills are increasingly required of operators to optimize the machining process. Nicola Losurdo, Center Technician, operates a CNC machine at Sandvik Coromant in Milan (Italy).

2025 in figures

Overview	2024	2025
Order intake, MSEK	49,187	48,557
Revenues, MSEK	48,567	47,273
Adjusted EBITA[1], MSEK	9,718	9,385
Adjusted EBITA margin[1], %	20.0	19.9
Return on capital employed, %	9.6	11.5
Return on capital employed, excluding amortization of surplus values, %	11.6	13.3
Number of employees[2]	20,801	19,974
Gender balance (men/women), %	79/21	79/21
Women in managerial positions, %	19.2	19.6
Lost Time Injury Frequency Rate (LTIFR)	1.4	1.0
Total Recordable Injury Frequency Rate (TRIFR)	2.0	1.6

1) Adjusted for items affecting comparability of SEK -799 million (-2,104).
2) Full-time equivalent.

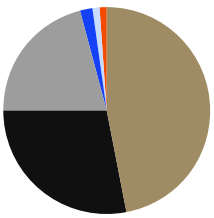
Revenues by customer segment



Engineering	49%
Automotive	14%
Aerospace	10%
Other[1]	27%

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

Revenues by region



Europe	47%
North America	28%
Asia	21%
South America	2%
Africa/Middle East	1%
Australia	1%

Machining and Intelligent Manufacturing

Market
The cutting tools market remained mixed in 2025. Underlying demand in general engineering was muted but stable, a consequence of the subdued industrial cycle. Demand in aerospace was strong during the year, after multiple years of backlog with large aerospace manufacturers, while the automotive industry remained weak. Sandvik also noted solid order intake development in the defense segment, where geopolitical unrest has spurred increased investments.

Scarce global supply of tungsten powder, following trade restrictions, resulted in sharp price hikes. Increased investment in digital solutions continued with strong momentum in the manufacturing software business.

Financial development
Order intake, at fixed exchange rates, increased by 5 percent, of which 4 percent was organic. Revenues, at fixed exchange rates, increased by 3 percent, of which 2 percent was organic. Pricing and tariff surcharges contributed to the positive revenue development.

Adjusted EBITA amounted to SEK 9,385 million. The operating profit margin was 19.9 percent, negatively impacted by currency. Tariffs were fully mitigated thanks to swift implementation of tariff surcharges.

Strong momentum in key segments and geographic expansion
Strong growth momentum was noted in strategically important segments, such as aerospace, consumer electronics and defense, where Sandvik has made

Strategic priorities

- Increase exposure to segments and regions with higher growth and good margins, such as aerospace, medical, and consumer electronics, and countries such as China, India and the US
- Maximize cross-selling opportunities between cutting tools brands and software brands
- Leading positions in manufacturing software business

Market position, solutions and capabilities

A unique combination of tools and software:

Market leading position in cutting tools (inserts, round tools, tools, premium offering with expert knowledge in machining components)

Leading positions in the industrial software market with different solutions for CAD/CAM, simulation and optimization of machining processes, and for 3D metrology.

Brands

Sandvik Coromant®, Seco®, Walter®, Dormer Pramet®, GWS®, Vericut®, Toolhive™, Ahno™, Wolfram™, Mastercam®, SigmaNEST®, Cimatron™, GibbsCAM™, Metrologic®, ZeroTouch®, Verisurf®, DCS®

Competitors

Premium market
IMC Group (ISCAR brand), Kennametal
Mid-market: Mitsubishi, IMC Group (TaeguTec brand), Kennametal (Widia brand)

CAM
Hexagon, Autodesk, Dassault Systems, Siemens

Metrology
Hexagon, Carl Zeiss, Innovmetric

2019–2025 target

Revenue growth (CAGR)

Machining	Intelligent Manufacturing
5%	>10%

Outcome

1%	38%

2025–2030 targets

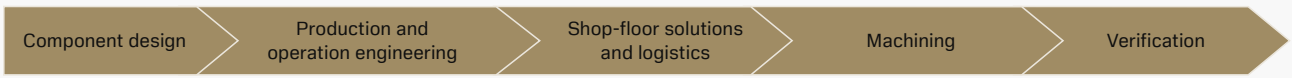
Revenue growth (CAGR)

Machining	Intelligent Manufacturing
3%	15%

EBITA margin

Machining	Intelligent Manufacturing
22–24%	25%

Manufacturing and machining value chain



targeted investments in recent years. The segments grew by high single or double digits.

During the year, Sandvik also gained further traction in round tools and took important steps to expand in key regions. Following the acquisition of Suzhou Ahno in 2024, Sandvik has established a solid position in the fast-growing local premium segment in China. The inauguration of a new inserts factory has expanded the offering further, leveraging the company's leading round tools position in the region.

Strong growth was noted in the China division, with double-digit growth in organic order intake compared to the same period in previous year.

Another important step was the investment in our innovation hub for software development in India, a strategically important market for Sandvik. The center will support our software development and innovation, and strengthen our combined offering of software and tools. It will also support our business in India and the rest of Asia, as well as attract local competence within the digital area.

Digital advancements

A key highlight of the year was our digital advancement, both organic and through acquisitions. We increased the portfolio of software solutions and services to enhance revenues, while also leveraging these solutions to capture a larger share of customer wallet. An important launch within Machining was Toolhive™, a cloud-based tool management solution that provides customers with real-time tool data and improved productivity with a minimal setup. Within Intelligent Manufacturing, we launched Mastercam® Copilot, an AI-infused Copilot built for machinists to simplify CAM programming by providing conversational help and command execution. Cimatron launched CAD-AI, a software module enabling automated part feature recognition and generation of high-quality CNC toolpaths to efficiently drive machine tools.

During the year, Sandvik also made several acquisitions. One was Verisurf Software, a US-based 3D metrology software provider. The company is strong with small- and medium-sized customers, particularly in North America. It also has presence in Europe and Asia and significant business with large aerospace and defense customers in the US market. We also completed eight reseller acquisitions in the US as part of a growth strategy in Intelligent Manufacturing. These companies expand our CAM offering and strengthen our regional presence in the US, while transitioning to a direct software sales model in these regions. This also extends our ability to offer multiple software brands to the same customer base.

Total software revenues increased by double digits during the year. However, we did not reach the SEK 4 billion revenue target, mainly due to the timing of acquisitions and currency headwind. With the increased share of software, and hence recurring revenues, Sandvik made important steps to improve both revenue and margin resilience.

Sandvik has a strategy to leverage its strong cutting tools position, including component manufacturing expertise, to expand software sales to SMEs and large enterprises, and also to enable increased share-of-wallet of cutting tool sales through our market positions with industrial software. This presents a strong offer towards companies in the manufacturing industry. On our Capital Markets Day in May 2025, we presented a successful cross-selling example, on how sales leads from our Sandvik Coromant cutting tool brand resulted in a 7 percent increase in new Vericut® software license revenue. For the coming strategy period, 15 percent of Machining's organic growth and 25 percent of Intelligent Manufacturing's growth, will come from synergy realization.

Innovations for improved productivity and sustainability

Sustainability is integrated into our business model and a core element in our innovations. During the year, we launched multiple cutting tool upgrades with clear productivity and sustainability gains, such as the CoroDrill® DE 10 drill for increased output and reduced energy consumption, and the Drion-tec® D-Spade indexable drill from Walter with significantly less carbide per cutting edge, saving resources and costs.

Another key highlight was the tool path optimization solution Vericut® Optimizer, the winner of the Sustainability Award in Memory of Sigrid Göransson 2025. With this solution, manufacturers can reduce cycle times, energy consumption, and tool wear.

During the year, Sandvik made steady progress in its circularity program, which aims to bring tungsten back into the production loop. The collected material is carefully sorted and processed to produce a more sustainable zinc reclaimed powder (PRZ). The recycling technology significantly minimizes energy consumption and chemical waste generation, thereby reducing dependency on critical virgin raw materials. For 2025, Machining successfully supported customer bring back large carbide volumes for recycling, representing 57 percent of the weight of materials sold, helping them in the transition towards a more sustainable and resource efficient solution.

Innovations creating customer value

Industry-leading innovation is at the core of Sandvik and the key growth driver. CoroDrill® DE10 from Sandvik Coromant is an exchangeable-tip drill designed for high-volume hole making with seamless plug-and-play functionality. Its best-in-class interface ensures exceptional strength, high clamping forces, and high-feed capabilities for superior productivity and energy efficiency.

The new Octomill™ 06 face milling cutter from Seco delivers efficient edge utilization, smooth cutting, and easy, secure insert changes.

Drion·tec® D-Spade from Walter features a double-sided, exchangeable-tip design for twice the tool life and superior hole quality, all while reducing carbide use by 45 percent per cutting edge.

Toolhive™ is a user-friendly, cloud-native “software as a service” solution designed to streamline tool management for small to medium businesses, offering rapid return on investment with minimal setup.

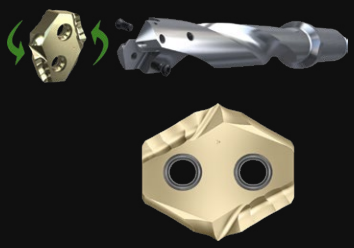
Sandvik introduced Mastercam® Copilot, an AI assistant that simplifies CAM programming for users of all skill levels.

Vericut® Optimizer is a standalone tool path optimization solution that doesn’t need Vericut verification to run. It examines machining insights that can save machining cycle times by up to 25 percent.

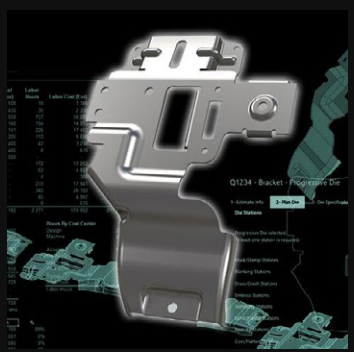
Cimatron™ DieQuote is a cloud-based software solution providing precise and comprehensive cost estimations for stamping dies in less than 10 minutes. It helps tool and die manufacturers improve their efficiency, productivity, and competitiveness by ensuring that cost estimations are powered by accurate and comprehensive data.

Cimatron™ CAD AI is a CAD technology that accelerates mold design and production by using AI to automatically detect part features within solid models. It enables automated generation of safe, high-quality CNC toolpaths to efficiently drive machine tools.

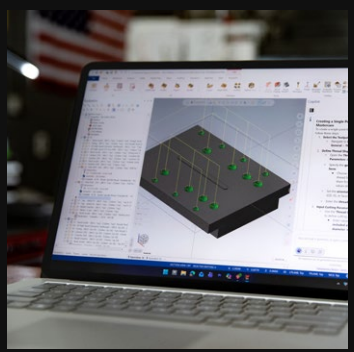
The exchangeable-tip drill CoroDrill® DE10 is designed for high-volume hole making with seamless plug-and-play functionality.



The double-sided Drion·tec® D-Spade drill doubles tool life and reduces carbide use by 45 percent per cutting edge.



Cimatron™ DieQuote is a cloud-based software solution that brings accurate and comprehensive data to tool and die manufacturers.



Mastercam® Copilot is an AI-enabled manufacturing assistant that simplifies CAM programming for users of all skill levels.