

# Financial statements and notes

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# Consolidated income statement

MSEK	Note	2023	2024
Revenue	G2, G3	126,503	122,878
Cost of goods and services sold		-74,456	-73,742
<b>Gross profit</b>		<b>52,046</b>	<b>49,136</b>
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
<b>Operating profit</b>	<b>G2</b>	<b>22,418</b>	<b>18,420</b>
Financial income		808	827
Financial expenses		-3,431	-2,787
<b>Net financial items</b>	<b>G9</b>	<b>-2,623</b>	<b>-1,959</b>
<b>Profit before tax</b>		<b>19,794</b>	<b>16,461</b>
Income tax	G10	-4,493	-4,216
<b>Profit for the year</b>		<b>15,301</b>	<b>12,245</b>
<i>Profit for the year attributable to:</i>			
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
<b>Consolidated statement of comprehensive income</b>			
<b>Profit for the year</b>		<b>15,301</b>	<b>12,245</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit/loss for the year</i>			
Actuarial gains/losses on defined-benefit pension plans	G21	-510	-117
Tax relating to items that cannot be reclassified	G10	167	-5
<b>Total items that will not be reclassified to profit or loss</b>		<b>-344</b>	<b>-122</b>
<i>Items that may be reclassified to profit/loss for the year</i>			
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
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>-2,279</b>	<b>4,326</b>
<b>Total other comprehensive income for the year</b>		<b>-2,623</b>	<b>4,204</b>
<b>Total comprehensive income</b>		<b>12,678</b>	<b>16,449</b>
<i>Total comprehensive income for the year attributable to:</i>			
Owners of the Parent Company		12,678	16,445
Non-controlling interests		0	4

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# Consolidated balance sheet

MSEK	Note	Dec 31, 2023	Dec 31, 2024
<b>Assets</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>102,093</b>	<b>110,883</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>72,117</b>	<b>73,502</b>
<b>Total assets</b>		<b>174,210</b>	<b>184,384</b>

MSEK	Note	Dec 31, 2023	Dec 31, 2024
<b>Equity and Liabilities</b>			
<b>Equity</b>			
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
<b>Equity attributable to owners of the Parent Company</b>		<b>87,631</b>	<b>96,924</b>
Non-controlling interest		66	75
<b>Total equity</b>	<b>G20</b>	<b>87,697</b>	<b>96,999</b>
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>42,635</b>	<b>46,359</b>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>43,878</b>	<b>41,026</b>
<b>Total liabilities</b>		<b>86,513</b>	<b>87,385</b>
<b>Total equity and liabilities</b>		<b>174,210</b>	<b>184,384</b>

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# Consolidated changes in equity

MSEK	Equity attributable to Equity holders of the Parent Company					Non-controlling Interest	Total Equity
	Share Capital	Other paid-in capital	Reserves	Retained earnings	Total		
<b>Equity at January 1, 2023</b>	<b>1,505</b>	<b>7,678</b>	<b>13,698</b>	<b>58,346</b>	<b>81,227</b>	<b>43</b>	<b>81,270</b>
Adjustment on correction of error	–	–	–	204	204	–	204
<b>Equity at January 1, 2023</b>	<b>1,505</b>	<b>7,678</b>	<b>13,698</b>	<b>58,551</b>	<b>81,431</b>	<b>43</b>	<b>81,475</b>
Profit for the year	–	–	–	15,300	15,300	1	15,301
Other comprehensive income	–	–	-2,278	-344	-2,622	-1	-2,623
<b>Total comprehensive income (loss) for the period</b>	<b>–</b>	<b>–</b>	<b>-2,278</b>	<b>14,956</b>	<b>12,678</b>	<b>–</b>	<b>12,678</b>
<i>Transactions with owners</i>							
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
<b>Equity at December 31, 2023</b>	<b>1,505</b>	<b>7,678</b>	<b>11,420</b>	<b>67,028</b>	<b>87,631</b>	<b>66</b>	<b>87,697</b>
<b>Equity at January 1, 2024</b>	<b>1,505</b>	<b>7,678</b>	<b>11,420</b>	<b>67,028</b>	<b>87,631</b>	<b>66</b>	<b>87,697</b>
Adjustment on correction of error	–	–	–	-77	-77	–	-77
<b>Equity at January 1, 2024</b>	<b>1,505</b>	<b>7,678</b>	<b>11,420</b>	<b>66,952</b>	<b>87,555</b>	<b>66</b>	<b>87,620</b>
Profit for the year	–	–	–	12,243	12,243	2	12,245
Other comprehensive income	–	–	4,542	-340	4,202	2	4,204
<b>Total comprehensive income (loss) for the period</b>	<b>–</b>	<b>–</b>	<b>4,542</b>	<b>11,903</b>	<b>16,445</b>	<b>4</b>	<b>16,449</b>
<i>Transactions with owners</i>							
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
<b>Equity at December 31, 2024</b>	<b>1,505</b>	<b>7,678</b>	<b>15,962</b>	<b>71,779</b>	<b>96,924</b>	<b>75</b>	<b>96,999</b>

# Consolidated cash flow statement

MSEK	Note	2023	2024
<b>Cash flow from operating activities</b>			
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
<b>Cash flow from operating activities before changes in working capital</b>		<b>21,726</b>	<b>20,395</b>
<b>Changes in working capital</b>			
Change in inventories		292	1,189
Change in operating receivables		-171	347
Change in operating liabilities		-2,527	-280
<b>Cash flow from changes in working capital</b>		<b>-2,406</b>	<b>1,256</b>
Investments in rental equipment		-910	-1,407
Proceeds from sale of rental equipment		387	363
<b>Cash flow from operating activities, net</b>		<b>18,797</b>	<b>20,607</b>
<b>Cash flow from investing activities</b>			
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
<b>Cash flow from investing activities</b>		<b>-8,505</b>	<b>-7,671</b>

MSEK	Note	2023	2024
<b>Cash flow from financing activities</b>			
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
<b>Cash flow from financing activities, net</b>	<b>G29</b>	<b>-16,206</b>	<b>-12,988</b>
<b>Cash flow for the year</b>		<b>-5,913</b>	<b>-51</b>
Cash and cash equivalents at beginning of year		10,489	4,363
Exchange-rate differences in cash and cash equivalents		-213	216
<b>Cash and cash equivalents at the end of year</b>	<b>G29</b>	<b>4,363</b>	<b>4,528</b>

# 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.

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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

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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.



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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.

§ 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.

G3 Categories of revenue

Information on revenue

Primary geographical markets	2023				2024			
	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

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.

→ 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
<b>Total Europe</b>	<b>18,300</b>	<b>23</b>	<b>17,923</b>	<b>24</b>
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
<b>Total</b>	<b>40,686</b>	<b>21</b>	<b>41,162</b>	<b>21</b>

Wages, salaries and other remuneration by market area

	2023	2024
Sweden	-4,041	-3,829
Rest of Europe	-9,521	-9,632
<b>Total Europe</b>	<b>-13,562</b>	<b>-13,461</b>
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
<b>Total</b>	<b>-26,323</b>	<b>-26,798</b>
of which, to Boards of Directors and presidents		
Salaries and other remuneration	-1,050	-971
of which, variable salary	-171	-157

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
<b>Total</b>	<b>-31,682</b>	<b>-31,850</b>

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

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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.

SEK	2023				
	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 <sup>1)</sup>	-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

SEK	2024				
	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 <sup>2)</sup>	-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.

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

Position	Fixed salary	Annual variable salary <sup>3)</sup>	Other benefits <sup>4)</sup>	Long-term variable salary <sup>5)</sup>	Pension costs <sup>6)</sup>
President and CEO	-15,800,641 <sup>1)</sup>	-9,294,494	-125,462	-8,922,783	-5,344,644
Other senior executives <sup>7)</sup>	-43,634,905 <sup>2)</sup>	-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 <sup>3)</sup>	Other benefits <sup>4)</sup>	Long-term variable salary <sup>5)</sup>	Pension costs <sup>6)</sup>
President and CEO	-16,748,678 <sup>1)</sup>	-1,477,824	-159,196	-5,465,050	-7,345,166
Other senior executives <sup>7)</sup>	-45,582,334 <sup>2)</sup>	-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.

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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 <sup>1)</sup>	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.

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G5 Remuneration to auditors

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

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

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
<b>Total</b>	<b>-104,781</b>	<b>-104,546</b>

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
<b>Financial income</b>	<b>808</b>	<b>827</b>
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
<b>Financial expenses</b>	<b>-3,431</b>	<b>-2,787</b>
<b>Net financial items</b>	<b>-2,623</b>	<b>-1,959</b>

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.



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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
<b>Total current tax expense</b>	<b>-4,871</b>	<b>-4,871</b>
Deferred taxes relating to temporary differences and tax losses carried forward	378	655
<b>Total tax expense</b>	<b>-4,493</b>	<b>-4,216</b>

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
<b>Tax effect of</b>				
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
<b>Total recognized tax expense</b>	<b>-4,493</b>	<b>-22.7</b>	<b>-4,216</b>	<b>-25.6</b>

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
<b>Other comprehensive income</b>	<b>-2,573</b>	<b>-50</b>	<b>-2,623</b>	<b>3,874</b>	<b>329</b>	<b>4,204</b>

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 <sup>1)</sup>	831	-51	780	833	-52	781
Non interest-bearing liabilities <sup>2)</sup>	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
<b>Total</b>	<b>5,351</b>	<b>-5,476</b>	<b>-125</b>	<b>5,876</b>	<b>-5,314</b>	<b>562</b>
Offsetting within companies	-1,890	1,890	–	-1,761	1,761	–
<b>Total deferred tax assets and liabilities</b>	<b>3,461</b>	<b>-3,586</b>	<b>-125</b>	<b>4,115</b>	<b>-3,553</b>	<b>562</b>

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

→ 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 Ukraine	Ukraine	1,078	194
Metrologic Group Services, Inc.	USA	1,296	337
<b>Total</b>		<b>2,444,688</b>	<b>641,857</b>



→ 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.

	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.

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

	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

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.

! 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

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	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).

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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

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

	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

Contracts not yet commenced

Contracts not yet commenced amounted to SEK 14 million (641). For maturity analysis of the lease liability, see note G27.



→ 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.



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
<b>Total</b>	<b>947</b>	<b>516</b>

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
<b>At the beginning of the year</b>	<b>507</b>	<b>297</b>	<b>569</b>	<b>293</b>
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
<b>Carrying amount at the end of year</b>	<b>569</b>	<b>293</b>	<b>120</b>	<b>380</b>

§ 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.

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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.

§ 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

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 % <sup>1)</sup>	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.

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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 % <sup>1)</sup>	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

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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
<b>Non-current liabilities</b>		
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
<b>Total</b>	<b>32,842</b>	<b>36,486</b>
<b>Current liabilities</b>		
Bond issues	3,832	3,712
Lease liabilities	1,114	1,297
Short-term from financial institutions	7,175	1,210
Other	119	51
<b>Total</b>	<b>12,240</b>	<b>6,269</b>

§ 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.



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.

## G24 Other liabilities

	2023	2024
<b>Other non-current liabilities</b>		
Derivatives designated as hedging instruments	422	246
Other	809	493
<b>Total</b>	<b>1,231</b>	<b>739</b>
<b>Other current liabilities</b>		
Derivatives designated as hedging instruments	1,467	1,747
Bills payable	83	19
Contract liabilities	4,054	5,105
Other	3,037	4,204
<b>Total</b>	<b>8,641</b>	<b>11,075</b>

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
<b>Total</b>	<b>8,020</b>	<b>7,978</b>

## 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.

<b>Contingent liabilities</b>	2023	2024
Guarantees issued for customers and others	2,183	2,292
Other contingencies	676	618
<b>Total</b>	<b>2,859</b>	<b>2,910</b>

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.

<b>Pledged assets</b>	2023	2024
Property mortgages	238	247
<b>Total</b>	<b>238</b>	<b>247</b>

### § 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.



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.

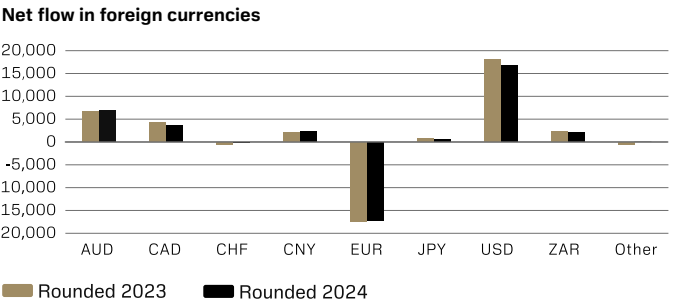
Currency risk – Transaction exposure

*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



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

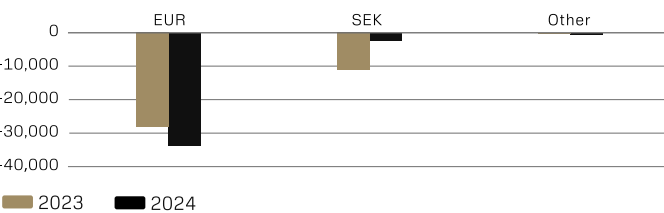
Currency risk – Translation exposure

*Risk*

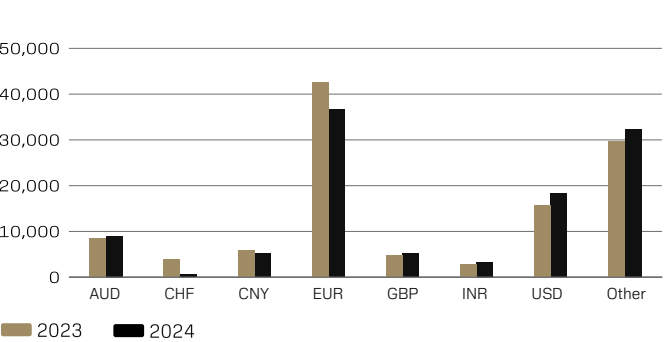
Translation exposure occurs when assets and liabilities are denominated in different currencies.

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.

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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
<b>Total loans</b>	<b>3.2</b>	<b>20</b>	<b>36,644</b>
Interest effect of currency derivatives	1.8		
<b>Total incl. currency derivatives</b>	<b>5.0</b>		

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.

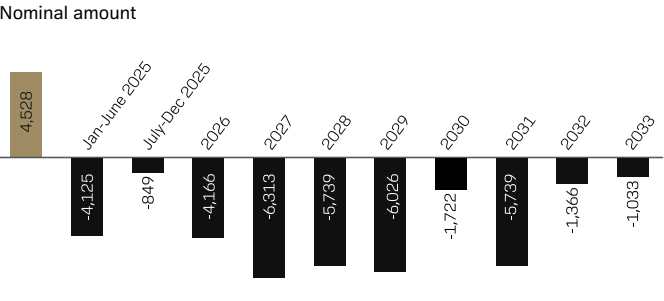
Liquidity and refinancing risk

*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



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
<b>Total borrowings</b>		<b>36,644</b>	<b>3.7</b>

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

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

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 <sup>1)</sup>	4,363	4,528
Derivatives <sup>1)</sup>	2,137	212
Other receivables <sup>1)</sup>	1,503	753
Trade receivables <sup>2)</sup>	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 <sup>1)</sup>	2,110	555
Financial liabilities		
Derivatives		
Foreign exchange contracts	1,464	1,747
Interest-rate swaps	413	246
Electricity and other derivatives	11	–
Total <sup>2)</sup>	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.

Financial assets and liabilities by valuation category

Balance sheet items	Fair value through OCI		Fair value through profit or loss		Amortized costs		Hedge Accounting		Total carrying amount	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Financial assets										
Financial investments	569	120	321	380	–	–	–	–	890	500
Trade receivables <sup>1)</sup>	–	–	–	–	18,477	19,836	–	–	18,477	19,836
Other receivables <sup>2)</sup>	–	–	–	–	6,668	6,971	–	–	6,668	6,971
Derivatives <sup>3)</sup>	–	–	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 <sup>4)</sup>	–	–	39,806	37,021
Derivatives <sup>5)</sup>	–	–	1,475	494	–	–	413	1,499 <sup>6)</sup>	1,888	1,993
Accounts payable <sup>1)</sup>	–	–	–	–	9,488	10,077	–	–	9,488	10,077
Due to associates	–	–	–	–	1	2	–	–	1	2
Other liabilities <sup>7)</sup>	–	–	232	146 <sup>8)</sup>	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.

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 <sup>1)</sup>		-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.

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

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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.



→ 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.

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.

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.

G29 Supplementary information to the cash flow statement

	Cash Flow			Non-cash flow changes						December 31, 2023
	January 1, 2023	New loans	Amortization	Reclassification	New leases	Acquisition	Disposal	Currency/ FX	Other	
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						December 31, 2024
	January 1, 2024	New loans	Amortization	Reclassification	New leases	Acquisition	Disposal	Currency/ FX	Other	
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

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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 <sup>1</sup>	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 <sup>2</sup>	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 <sup>3</sup> 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.



→ 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

Contributions 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

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
<b>Net identifiable assets and liabilities</b>	<b>-33</b>	<b>-53</b>	<b>-20</b>	<b>199</b>	<b>167</b>	<b>-31</b>	<b>165</b>	<b>114</b>	<b>-51</b>
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
<b>Purchase consideration</b>	<b>-1,509</b>	<b>-1,509</b>	<b>-1</b>	<b>-580</b>	<b>-585</b>	<b>-5</b>	<b>-2,089</b>	<b>-2,094</b>	<b>-5</b>
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	–
<b>Net cash outflow</b>	<b>-1,399</b>	<b>-1,411</b>	<b>-12</b>	<b>-480</b>	<b>-526</b>	<b>-46</b>	<b>-1,879</b>	<b>-1,938</b>	<b>-59</b>

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.

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 <sup>1</sup>	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.

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# 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.

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# Parent Company balance sheet

MSEK	Note	31 Dec. 2023	31 Dec. 2024
ASSETS			
<b>Non-current assets</b>			
Intangible assets	P8	312	186
Property, plant and equipment	P9	3,064	3,082
<b>Financial assets</b>			
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
<b>Total non-current assets</b>		<b>86,925</b>	<b>86,223</b>
<b>Current assets</b>			
Inventories	P13	1,082	1,062
<b>Current receivables</b>			
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
<b>Total current assets</b>		<b>13,489</b>	<b>10,683</b>
<b>TOTAL ASSETS</b>		<b>100,414</b>	<b>96,906</b>

MSEK	Note	31 Dec. 2023	31 Dec. 2024
EQUITY AND LIABILITIES			
<b>Equity</b>			
<i>Non-distributable equity</i>			
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
<b>Total equity</b>	P14	<b>29,249</b>	<b>31,106</b>
Other untaxed reserves		1,057	929
Provisions for pensions	P15	848	945
Other provisions	P16	330	401
<b>Non-current interest-bearing liabilities</b>			
Loans from Group companies	P17	1	1
Other liabilities	P17	26,648	24,062
<b>Non-current non-interest-bearing liabilities</b>			
Other liabilities		416	246
<b>Current interest-bearing liabilities</b>			
Loans from Group companies		26,880	31,185
Other liabilities		3,832	3,710
<b>Total current interest-bearing liabilities</b>		<b>30,712</b>	<b>34,895</b>
<b>Current non-interest-bearing liabilities</b>			
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
<b>Total current non-interest-bearing liabilities</b>		<b>11,152</b>	<b>4,321</b>
<b>EQUITY AND LIABILITIES</b>		<b>100,414</b>	<b>96,906</b>

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# Parent Company changes in equity

MSEK	Share capital	Statutory reserve	Distributable equity	Total equity
<b>Equity at 1,January 2023</b>	<b>1,505</b>	<b>1,611</b>	<b>27,097</b>	<b>30,213</b>
Comprehensive income for the year	–	–	5,396	5,396
Dividend	–	–	-6,260	-6,260
Share-based payment settled by equity instruments	–	–	-100	-100
<b>Equity at 31,December 2023</b>	<b>1,505</b>	<b>1,611</b>	<b>26,133</b>	<b>29,249</b>
<b>Equity at 1,January 2024</b>	<b>1,505</b>	<b>1,611</b>	<b>26,133</b>	<b>29,249</b>
Comprehensive income for the year	–	–	8,717	8,717
Dividend	–	–	-6,880	-6,880
Share-based payment settled by equity instruments	–	–	20	20
<b>Equity at 31,December 2024</b>	<b>1,505</b>	<b>1,611</b>	<b>27,990</b>	<b>31,106</b>

1) The parent company do not apply IFRS 5 nor IFRIC 17.

# Parent Company cash flow statement

MSEK	Note	2023	2024
<b>Cash flow from operating activities</b>			
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
<b>Cash flow from operating activities before changes in working capital</b>		<b>11,291</b>	<b>3,417</b>
<b>Changes in working capital</b>			
Changes in inventories		23	19
Changes in operating receivables		5,278	-214
Changes in operating liabilities		759	103
<b>Cash flow from operating activities</b>		<b>17,351</b>	<b>3,325</b>
<b>Cash flow from investing activities</b>			
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
<b>Net cash flow after investing activities</b>		<b>521</b>	<b>2,914</b>
<b>Cash flow from financing activities</b>			
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
<b>Net cash used in financing activities</b>		<b>-521</b>	<b>-2,914</b>
<b>Cash flow for the year</b>		<b>0</b>	<b>0</b>
Cash and cash equivalents at beginning of year		0	0
<b>Cash and cash equivalents at end of year</b>		<b>0</b>	<b>0</b>



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 <sup>1)</sup>		
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.

## P4 Remuneration to auditors

	2023	2024
<b>PwC</b>		
Audit fees	-14	-16
Audit activities other than the audit assignment	–	0
Other services	-7	-6
<b>Total</b>	<b>-21</b>	<b>-22</b>
<b>Other audit firms</b>		
Tax consultancy services	-1	-1
Other services	-34	-29
<b>Total</b>	<b>-35</b>	<b>-30</b>

## 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

<b>Result from shares in Group companies</b>	<b>2023</b>	<b>2024</b>
Dividend, net of withholding tax	8,400	7,629
Group contributions paid/received	4,501	1,518
Impairment	-46	–
<b>Total</b>	<b>12,855</b>	<b>9,147</b>

<b>Interest income and similar items</b>	<b>2023</b>	<b>2024</b>
Interest income, Group companies	412	24
Derivatives, Group companies	37	30
Other	19	52
<b>Total</b>	<b>468</b>	<b>106</b>

<b>Interest expense and similar items</b>	<b>2023</b>	<b>2024</b>
Interest expense, Group companies	-453	-677
Other interest expense	-1,131	-1,060
Derivatives, Group companies	-66	-16
Other	-60	0
<b>Total</b>	<b>-1,710</b>	<b>-1,753</b>

### § 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.

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
<b>Total current tax expense</b>	<b>521</b>	<b>206</b>
Deferred taxes relating to temporary differences and tax losses carried forward	117	90
<b>Total tax expense</b>	<b>638</b>	<b>296</b>

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
<b>Tax effect of</b>				
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
<b>Total recognized tax expense</b>	<b>638</b>	<b>13.4</b>	<b>296</b>	<b>3.5</b>

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
<b>Total</b>	<b>174</b>	<b>-57</b>	<b>117</b>	<b>264</b>	<b>-57</b>	<b>207</b>
Offsetting	-174	174	–	-264	264	–
<b>Total deferred tax assets and liabilities</b>	<b>–</b>	<b>117</b>	<b>117</b>	<b>–</b>	<b>207</b>	<b>207</b>

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
<b>Balance at end of year, net</b>	<b>117</b>	<b>207</b>

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
<b>Net tax liabilities/receivables</b>	<b>2,038</b>	<b>1,955</b>

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.

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.

P9 Property, plant and equipment

	Land and buildings	Plant and machinery	Equipment, fixtures and fittings	Construction in progress	Total
<i>Cost</i>					
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
<i>Revaluations</i>					
At January 1, 2023	32	–	–	–	32
Divestments and disposals	0	–	–	–	0
At December 31, 2023	32	–	–	–	32
<i>Accumulated depreciation and impairment losses</i>					
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
<i>Net carrying amount</i>					
At December 31, 2023	845	1,334	282	603	3,064

§ 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.

	Land and buildings	Plant and machinery	Equipment, fixtures and fittings	Construction in progress	Total
<i>Cost</i>					
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
<i>Revaluations</i>					
At January 1, 2024	32	–	–	–	32
Divestments and disposals	0	–	–	–	0
At December 31, 2024	32	–	–	–	32
<i>Accumulated depreciation and impairment losses</i>					
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
<i>Net carrying amount</i>					
At December 31, 2024	839	1,347	313	583	3,082

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.

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 <sup>1)</sup>	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

Company, domicile	Corp. Reg. number	2023			2024		
		No. of shares	Holding, % <sup>2)</sup>	Carrying amount 000s SEK	No. of shares	Holding, % <sup>2)</sup>	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 <sup>1)</sup>	556234–6865	1,000	100	50	1,000	100	50
Sandvik Coromant Sverige AB, Stockholm <sup>1)</sup>	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 Besökservice AB, Sandviken <sup>1)</sup>	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 <sup>1)</sup>	556147–2977	1,000	100	50	1,000	100	50
Sandvik Mining and Construction Sverige AB, Sandviken <sup>1)</sup>	556288–9443	1,000	100	50	1,000	100	50
Sandvik Mining and Construction Tools AB, Sandviken <sup>1)</sup>	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 <sup>1)</sup>	556692–0038	1,000	100	100	—	—	—
Sandvik Machining Solutions AB, Sandviken <sup>1)</sup>	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 <sup>1)</sup>	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.



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Sandvik AB's holdings of shares and participations in foreign subsidiaries, direct holdings, according to balance sheet at December 31

Country/location	Company	2023			2024		
		No. of shares	Holding, % <sup>1)</sup>	Carrying amount KSEK	No. of shares	Holding, % <sup>1)</sup>	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 <sup>2)</sup>	165,331	9,900	99 <sup>2)</sup>	165,331
	Sandvik Rock Processing Chile S.A.	1	0 <sup>2)</sup>	8	1	0 <sup>2)</sup>	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 Magyarország Kft.	—	100	3,258	—	100	3,258
India	Sandvik Coromant India Private Ltd.	1,801,241	75 <sup>2)</sup>	252,482	1,801,241	75 <sup>2)</sup>	252,482
	Sandvik Mining and Rock Technology India Private Limited	1,801,241	75 <sup>2)</sup>	2,084	1,801,241	75 <sup>2)</sup>	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 <sup>2)</sup>	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 <sup>2)</sup>	0	956,768	50 <sup>2)</sup>	0
Mexico	Sandvik de Mexicana S.A.	406,642,873	90 <sup>2)</sup>	712,312	406,642,873	90 <sup>2)</sup>	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 <sup>2)</sup>	26,025	6,562,795	90 <sup>2)</sup>	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 <sup>2)</sup>	125,966	500,000	50 <sup>2)</sup>	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<sup>1</sup> of shares and participations in subsidiaries, indirect holdings in % <sup>1</sup>

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
Argentina	SETP Invest AB	100	0
	DSI Underground Argentina S.A.	100	100
	Sandvik Argentina S.A.	100	100
	Sandvik Mining and Construction Argentina S.A.	100	100
Armenia	Seco Tools Argentina S.A.	100	100
	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.

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Sandvik AB's holdings<sup>1</sup> of shares and participations in subsidiaries, indirect holdings in %<sup>1</sup>

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

Country/ Location	Company	2023	2024
	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

Country/ Location	Company	2023	2024
	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.

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China	Shanghai Jianshe Luqiao Machinery Co. Ltd	100	100
	SigmaTEK Systems China, LLC	100	100
	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
Colombia	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
	Deswik Colombia S.A.S	100	100
Côte d'Ivoire	DSI Underground Colombia S.A.S.	100	100
	Sandvik Colombia S.A.S.	100	100
	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
Denmark	WALTER CZ s.r.o.	100	100
	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
	A.O.B. S.A.S	100	100
	CGTech SARL	100	100
France	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
Ghana	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
	Sandvik Mining & Construction Ghana Limited	100	100
	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

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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
Indonesia	Vaal Triangle Systems Private Limited	100	100
	Walter Tools India Private Limited	100	100
	Pt. DSI Indonesia	100	100
	Pt. DSI Underground	100	100
	PT Sandvik Indonesia	100	100
Ireland	PT Sandvik Mining and Construction Indonesia	100	100
	PT Sandvik SMC	100	100
	PT Seco Tools Indonesia	100	100
	Premier Machine Tools (Ireland)	95	100
	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
Japan	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
	KK CGTech	100	100
Kazakhstan	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
	Deswik Kazakhstan LLP	100	100
Korea	Sandvik Mining and Construction Kazakhstan Ltd	100	100
	CGTech Co. Ltd	100	100
	Sandvik SuhJun Ltd	100	100
	Seco Tools Korea Ltd	100	100

Country/ Location	Company	2023	2024
Luxembourg	SigmaTEK Systems LLC Korea	100	100
	Walter Korea Ltd	100	100
	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
Malaysia	Rocbolt Technologies Holdings Mongolia S.à r.l.	50	100
	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
Mexico	Mauritius	50	50
	Rocbolt of Mauritius Ltd	50	50
	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
Mongolia	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
Morocco	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
Nigeria	Terelion de Mexico S.A. de C.V.	100	100
	Valenite de Mexico	100	0
	Walter Tools S.A. de C.V.	100	100
	Rocbolt Technologies Mongolia LLC	100	100
	Sandvik Mongolia Engineering Solutions LLC	0	100
Norway	Morocco	100	100
	Seco Tools S.A.	100	100

Country/ Location	Company	2023	2024
Papua New Guinea	Sandvik Mining & Construction Mozambique Lda	100	100
	Namibia	100	100
	Sandvik Namibia (Pty) Ltd	100	100
	Netherlands	100	100
	Sandvik Benelux B.V.	100	100
Peru	Sandvik Mining and Construction B.V.	100	100
	Seco Tools BV	100	100
	Sandvik Mining & Construction Nigeria Limited	100	100
	Nigeria	100	100
	Norway	100	100
Poland	Sandvik Norge AS	100	100
	Sandvik Coromant AS	100	100
	Seco Tools AS	100	100
	Sandvik Mining and Construction PNG Limited	100	100
	Papua New Guinea	100	100
Portugal	Peru	100	100
	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
Romania	Terelion, LLC Sucursal Del Peru	100	100
	Philippines	100	100
	Sandvik Philippines Inc	100	100
	Sandvik Tamrock Philippines Inc	100	100
	Poland	100	100
Russia	“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
Sweden	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	100	100
Switzerland	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
Tanzania	Romania	100	100
	Sandvik SRL	100	100

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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
Slovakia	Walter AG Singapore Pte Ltd	100	100
	PRAMET Slovakia, spol. s r.o.	100	100
	Seco Tools SK, s.r.o.	100	100
Slovenia	Walter Slovakia s.r.o.	100	100
	Seco Tools SI trgovina d.o.o.	100	100
South Africa	Walter Tools, d.o.o.	100	100
	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
Spain	Zebenza Kanzima (Pty) Ltd	49	49
	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
Switzerland	Sandvik Española	100	100
	Seco Tools España S.A.	100	100
	Walter Tools Iberica S.A.U.	100	100
	HC Holding Alpha AG	100	100
	P. Rieger Werkzeugfabrik AG	100	100
	Sandvik AG	100	100
Taiwan	Sandvik Holding AG	100	100
	Santrade Ltd	100	100
	Seco Tools AG	100	100
	Sphinx Werkzeuge AG	100	100
Tanzania	Walter (Schweiz) AG	100	100
	Sandvik Taiwan Ltd	100	100
	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 Takimler 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
USA	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
	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



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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
Vietnam	Wetmore Tool and Engineering Company	100	100
	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).



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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

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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 <sup>1)</sup>	18,583	8,065	26,648	21,670	2,392	24,062
<b>Total</b>	<b>18,583</b>	<b>8,066</b>	<b>26,649</b>	<b>21,670</b>	<b>2,393</b>	<b>24,063</b>

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
<b>Total</b>	<b>9,359</b>	<b>2,140</b>

P19 Contingent liabilities and pledged assets

Contingent liabilities	2023	2024
Guarantees issued for customers and others	72	80
Other contingencies	16,981	17,684
<b>Total</b>	<b>17,053</b>	<b>17,764</b>

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
<b>Total in the balance sheet</b>	<b>0</b>	<b>0</b>
<b>Total in the cash flow statement</b>	<b>0</b>	<b>0</b>

Interest and dividend paid and received	2023	2024
Dividend received	8,400	1,518
Interest received	458	49
Interest paid	-1,690	-1,627
<b>Total</b>	<b>7,168</b>	<b>-60</b>

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
<b>Total</b>	<b>7,778</b>	<b>-5,849</b>

P22 Events after the end of the period

No major events to report after the end of the reporting period.

# 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

Proposed appropriation of profits

Stockholm, March 6, 2025

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.

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

# 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.

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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.

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

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.

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.

How our audit addressed the Key Audit Matter

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.

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.

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

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.



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**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/revisorsansvar](http://www.revisorsinspektionen.se/revisorsansvar). 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.

- 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](http://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 XHTML 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 Esef 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*