



Press Release

Sandvik distributes proforma numbers for Sandvik Mining and Rock Technology

Sandvik announced on 28 October 2019 that the agreement to divest the majority of Drilling and Completions (Varel) was signed. As earlier stated, the related write-down impacted the net profit in the fourth quarter of 2019 by -3.9 billion SEK, out of which -4.2 billion SEK impacted operating profit negatively whilst impact on taxes was positive by +0.3 billion SEK.

Related to the ongoing divestment, Varel has been moved out of Sandvik Mining and Rock Technology and is instead reported in Other Operations until expected closure of the deal, during the first quarter of 2020.

In line with the decentralized model, Sandvik has simultaneously re-allocated the lease stock related to mining equipment from Group activities to Sandvik Mining and Rock Technology, hence capital employed in Sandvik Mining and Rock Technology has increased by about 3 billion SEK on average.

Proforma numbers allow for both the ongoing divestment and the re-allocation of capital employed.

Sandvik Mining and Rock Technology	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019
Order intake	9,832	10,986	10,036	10,988	41,842	11,369	11,318	11,006
Revenues	8,926	10,471	10,406	11,254	41,058	10,103	11,233	11,244
Operating profit	1,422	1,867	1,933	2,170	7,452	1,817	2,126	2,014
% of revenues	15.9	17.8	19.2	19.3	18.2	18.0	18.9	17.9
<i>Adjusted operating profit*</i>	<i>1,422</i>	<i>1,867</i>	<i>1,993</i>	<i>2,260</i>	<i>7,542</i>	<i>1,817</i>	<i>2,126</i>	<i>2,338</i>
% of revenues	<i>15.9</i>	<i>17.8</i>	<i>19.2</i>	<i>20.1</i>	<i>18.4</i>	<i>18.0</i>	<i>18.9</i>	<i>20.8</i>
Return on capital employed	32.6	32.5	33.0	33.9	33.9	33.1	32.4	31.3
No. of employees	14,229	14,463	14,492	14,397	14,397	14,543	14,794	14,555

Other Operations, consisting of Varel and items related to previous divestments (Hyperion and Sandvik Process Systems).

Other Operations	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019
Order intake	1,365	1,343	432	465	3,605	471	549	510
Revenues	1,260	1,403	432	465	3,560	471	549	510
Operating profit	82	70	557	-50	659	-45	85	-8
% of revenues	6.5	5.0	129.0	-10.8	18.5	-9.5	15.4	-1.6
<i>Adjusted operating profit*</i>	<i>82</i>	<i>70</i>	<i>-61</i>	<i>-50</i>	<i>41</i>	<i>-45</i>	<i>-26</i>	<i>-8</i>
% of revenues	<i>6.5</i>	<i>5.0</i>	<i>-14.2</i>	<i>-10.8</i>	<i>1.1</i>	<i>-9.5</i>	<i>-4.7</i>	<i>-1.6</i>
Return on capital employed	53.8	54.5	67.0	10.3	10.3	9.0	10.0	-0.4
No. of employees	2,547	2,611	1,102	1,089	1,089	1,061	1,098	1,095

*Adjusted for items impacting comparability

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Sandvik AB

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Sandvik Group

Sandvik is a high-tech and global engineering group offering products and services that enhance customer productivity, profitability and safety. We hold world-leading positions in selected areas – tools and tooling systems for metal cutting; equipment and tools, service and technical solutions for the mining industry and rock excavation within the construction industry; products in advanced stainless steels and special alloys as well as products for industrial heating. In 2018, the Group had approximately 42,000 employees and revenues of about 100 billion SEK in more than 160 countries within continuing operations.

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