



Sandvik provides an update on cost measures and savings

As previously communicated Sandvik has initiated measures across the group to mitigate effects from the Covid-19-pandemic, with actions supporting savings both short-term and long-term. Today, Sandvik provides an update on the current status of the cost measures and savings.

Temporary short-term actions are progressing according to plan and are expected to generate savings of about 1.5 billion SEK in 2020.

Savings from long-term measures, both structural and volume driven, of about 1.2 billion SEK will reach full annual run-rate by the end of 2021. The previous estimate was savings of about 0.9 billion SEK, with full annual run-rate by the end of 2021.

These long-term measures imply costs of about 1.9 billion SEK, reported as items affecting comparability in the operating profit. The previous estimate was 1.4 billion SEK. The provisions will affect the second quarter 2020 with 1.3 billion SEK and remaining provisions the second half of 2020. About 1.3 billion SEK out of the 1.9 billion SEK will impact cash flow.

“In this continued uncertain environment we need to adapt to secure our long-term market leading positions. I am pleased to see that our savings initiatives are progressing well and that we are somewhat ahead of the previously communicated long-term savings estimate,” says Stefan Widing, President and CEO of Sandvik.

These measures are in addition to the announced measures in January, which impacted the operating result during the first quarter of 2020 by -364 million SEK and with estimated net savings of about 110 million SEK, with full run-rate by mid-2021.

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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 2019, the Group had approximately 40,000 employees and revenues of about 100 billion SEK in more than 160 countries within continuing operations.

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