



Press Release

Sandvik provides an update on cost measures and savings

As previously announced Sandvik 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 long-term cost measures and savings for the 2021 program.

Apart from the temporary short-term actions that were initiated at the outbreak of the covid-19 pandemic, Sandvik also announced long-term measures that will generate SEK 1.3 billion in annual savings with majority impacting 2021. Previously communicated implied cost for this program was SEK 2.3 billion.

The final cost for this program totals SEK 2.8 billion, of which SEK 1.7 billion was charged to the operating profit in the first and second quarter 2020 and the remaining SEK 1.1 billion will be charged in the fourth quarter and reported as items affecting comparability. The higher cost estimation is a consequence of a shift to initiatives that will be more structural in nature and includes consolidation of production units, site closures and downsizing.

“The savings initiative is progressing well and will support our ambition to be resilient through the cycle and continuously improve operational efficiency,” says Stefan Widing, President and CEO of Sandvik.

Estimation of the total cost and savings (initiated during 2020 with effects starting 2021) per Business Area are split accordingly:

MSEK	SMRT	SMM	SMT	Common	Total
Cost	550	1.540	500	180	2.770
Savings	125	675	500	45	1.345

Of the total SEK 2.8 billion SEK, approximately SEK 700 million are non-cash items and the remaining SEK 2.1 billion SEK mainly refers to redundancies of some 1 800 employees.

Stockholm, 21 December 2020

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 sustainability. 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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