

Sandvik announces non-recurring charges for the third quarter

Sandvik will record non-recurring charges related to the distribution of Alleima (former business area Sandvik Materials Technology) and the wind-down process in Russia. These charges will be reported as items affecting comparability in the third quarter. The distribution of Alleima will impact the result of discontinued operations whilst the charges related to the wind-down process in Russia will impact the continuing operations' reported operating results (EBITA).

On August 31, Sandvik distributed the shares in the wholly owned subsidiary Alleima to the shareholders of Sandvik. As a consequence, Sandvik recognizes a capital loss of approximately SEK 4.7 billion, arising from the difference of the net assets of SMT and the fair value of the distribution. The capital loss will be reported as items affecting comparability, on discontinued operations, in the third quarter.

As previously communicated on June 29, Sandvik is winding down operations in Russia (link: home.sandvik/news). As this process is progressing according to plan, Sandvik will now record an additional non-recurring charge of approximately SEK 0.6 billion, calculated at August closing exchange rates. This charge will be treated as items affecting comparability and consists of a write-down of approximately SEK 0.4 billion and approximately SEK 0.2 billion provision for wind-down related costs. Following this non-recurring charge there are no significant remaining asset values or material wind-down costs remaining related to Russia.

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Sandvik AB

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Sandvik Group

Sandvik is a global, high-tech engineering group providing solutions that enhance productivity, profitability and sustainability for the manufacturing, mining and infrastructure industries. We are at the forefront of digitalization and focus on optimizing our customers' processes. Our world-leading offering includes equipment, tools, services and digital solutions for machining, mining, rock excavation and rock processing. In 2021 the Group had approximately 39,000 employees and revenues of about 86 billion SEK in about 150 countries within continuing operations.

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