



## Sandvik's Capital Markets Day focused on execution and growth

**The key focus of Sandvik's Capital Markets Day, which was held in the US on Monday, November 17, was to provide an update on the company's strategic actions to achieve higher returns, reduced earnings volatility and greater exposure to attractive growth areas.**

As part of his presentation, Olof Faxander, Sandvik's President and CEO, reaffirmed the company's portfolio that also going forward will consist of five business areas.

At the same time, he made it clear that Sandvik will evaluate further divestments within the business areas – as well as investigate acquisitions, all as part of the company's continuous strategy to strengthen profitable growth.

"Within this framework, Sandvik will focus on its core business by pursuing an active portfolio management model," said Olof Faxander, pointing to the successful development of Sandvik Materials Technology as an example.

"My colleagues at Sandvik Materials Technology have accomplished a tremendous turnaround and improved performance as a result of the Step Change program. They have streamlined production flows, reduced staff and removed managerial layers. Nevertheless, we can see the potential to make further improvements to performance through a continued focus on core operations at Sandvik Materials Technology, thereby supporting higher total returns for Sandvik," said Olof Faxander.

In his presentation, Olof Faxander outlined the way forward covering the growth potential in attractive segments and emerging markets. He emphasized the importance of innovative solutions and underlined how strong customer relations will drive aftermarket sales. Supply chain optimization, capital allocation and active portfolio management will be even more in focus.

Active portfolio management and the execution of supply chain optimization are the drivers that will structurally improve profitability at Sandvik Mining and Sandvik Construction in the future.

Sandvik Machining Solutions is well positioned in key segments with favorable growth opportunities, supported by important product launches in the years ahead.

Strategic progress has been noted for Sandvik Venture's portfolio:

"The recent acquisition of Varel International Energy Services strengthens us in our efforts to build a solid platform in the oil and gas segment," said Olof Faxander.

During the Capital Markets Day, Sandvik reconfirmed its view from the third quarter on the current market conditions and updated its guidance on currency effects. The remaining guidance provided in the third quarter report for 2014 was left unchanged:

<i>Capex:</i>	Estimated at less than 5 billion SEK for 2014.
<i>Currency effects:</i>	Taking into account currency rates during October, it is estimated that operating profit for the fourth quarter of 2014 will be positively affected by about 300 million SEK compared with the fourth quarter of 2013.
<i>Metal price effects:</i>	Taking into account currency rates, stock levels and metal prices during October, it is estimated that operating profit for the fourth quarter of 2014 will be adversely affected by close to 50 million SEK.
<i>Net financial items:</i>	Estimated at between -1.8 billion SEK and -2.0 billion SEK in 2014.
<i>Tax rate:</i>	Estimated at about 25-27% for 2014.

---

Postal address

Public Company (publ)

Telephone

Telefax

SANDVIK AB  
Box 510  
SE-101 30 STOCKHOLM  
SWEDEN

Reg.No 556000-3468  
VAT No. SE663000060901  
www.sandvik.com

+46 8 456 11 00

At the Capital Markets Day, updates were provided on Sandvik's long-term prospects. Information was provided on Sandvik's US operations and a tour was arranged of the Aerospace Application Center in the new Sandvik facility in Fair Lawn, N.J. Innovation will play a key role in the future, and Sandvik's R&D activities formed the cornerstones of the Capital Markets Day.

Stockholm and Fair Lawn, 17 November 2014

Sandvik AB

Sandvik AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 12.30 on 17 November 2014.

For further information, contact Ann-Sofie Nordh,, Vice President Investor Relations, tel +46 8 456 14 94, Oskar Lindberg, Investor Relations Officer, tel +46 8 456 12 30, Pär Altan, Vice President External Communication, tel +46 456 12 37 or Jessica Alm, Executive Vice President Group Communications, tel +46 8 456 12 88.

---

### **Sandvik Group**

*Sandvik is a global industrial group with advanced products and world-leading positions in selected areas – tools for metal cutting, equipment and tools for the mining and construction industries, stainless materials, special alloys, metallic and ceramic resistance materials as well as process systems. In 2013 the Group had about 47,000 employees and representation in 130 countries, with annual sales of about 87,000 million SEK.*