

SANDVIK MATERIALS TECHNOLOGY

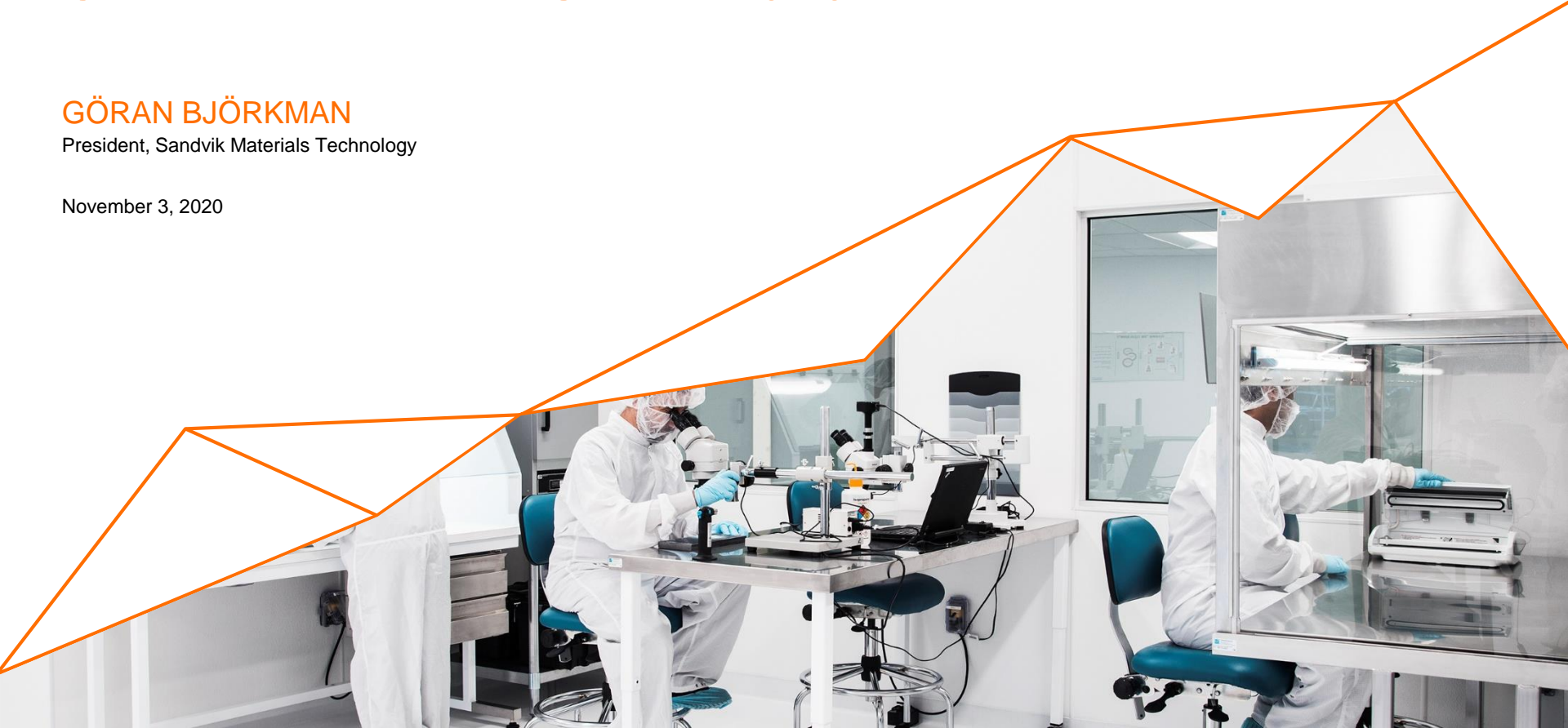
CAPITAL MARKETS DAY 2020



GÖRAN BJÖRKMAN

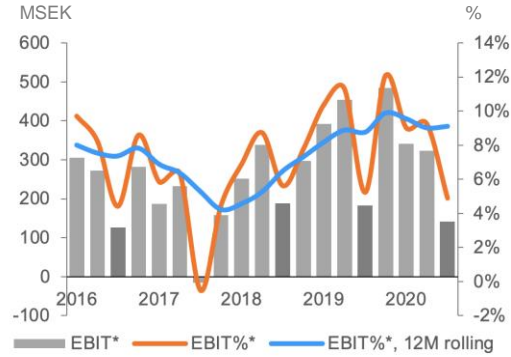
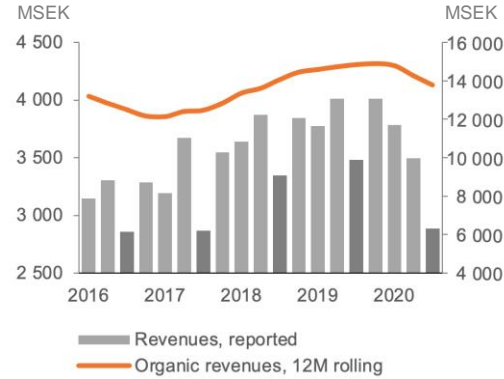
President, Sandvik Materials Technology

November 3, 2020



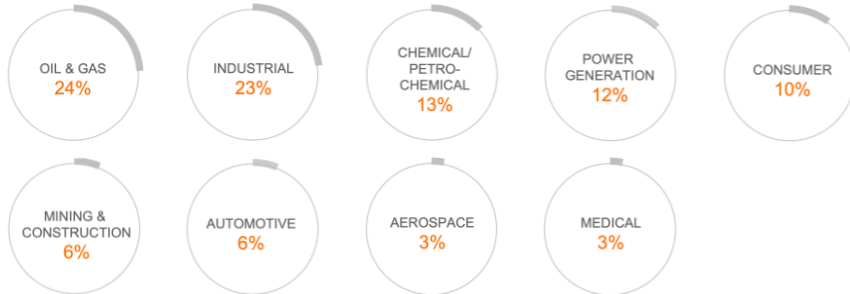
SMT IN BRIEF

SALES AND EBIT DEVELOPMENT



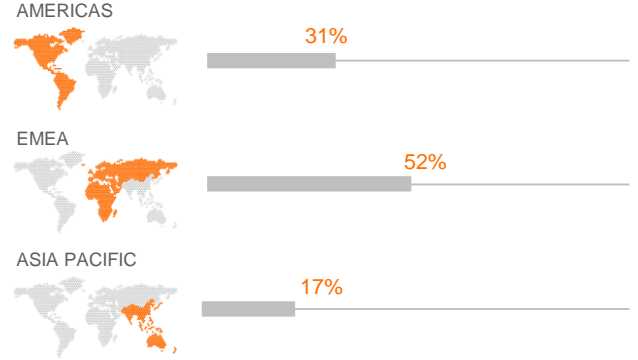
*EBIT adj. for items affecting comparability and metal prices

SALES BY SEGMENTS



Rolling 12 months Q419 – Q320

GEOGRAPHY



Rolling 12 months Q419 – Q320



DEMAND DRIVERS

MATERIALS TECHNOLOGY – GLOBAL TRENDS

The global demand for energy is constantly increasing and hence the demand for energy production. At the same time, the shift towards fossil free energy and energy efficiency, drives the need for new technologies and electrification. A growing and aging population with new demands on health care combined with technological developments in the medical sector, drives the demand for smarter monitoring solutions and medical devices.

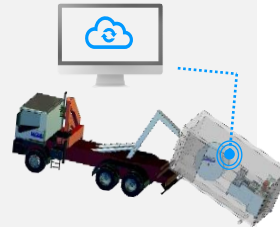
ADVANCED MATERIALS

A product offering optimized for the most demanding industries.



CUSTOMER PROCESS KNOWLEDGE

Our solutions advance our customers' processes throughout the entire supply chain.



SUSTAINABILITY & EFFICIENCY

Materials and expertise that make customer processes safer, more sustainable and efficient.



STRATEGIC DIRECTION

THE #1 MATERIALS
TECHNOLOGY LEADER

GROWTH SEGMENTS
& MARKETS

LEADING FINANCIAL
PERFORMANCE

BECOMING A STAND-ALONE COMPANY

Decentralized business model

Safety & sustainability



OIL & GAS

A CONTINUED IMPORTANT AND PROFITABLE SEGMENT

- Maintain leading market position supported by next generation of superduplex materials and umbilical tubes
- Grow market share for production tubing & casing, improving materials portfolio and manufacturing capability
- Continued demand for oil and gas. Natural gas projects will be dominant for SMT and the demand for gas will steadily rise



GROWTH SEGMENTS

As leading experts in materials technology, we develop materials that are lighter, stronger, more corrosion resistant, withstand higher temperatures and higher pressures – We advance industries through materials technology.



INDUSTRIAL HEATING



MEDICAL



RENEWABLE ENERGY



INDUSTRIAL HEATING

HIGH GROWTH PACE FOR GLASS, SOLAR POWER AND LITHIUM-ION BATTERIES

- Heating systems product portfolio development
- Capture business in the electrification transition
- Geographical expansion towards North America & Asia

CUSTOMER BENEFITS

- Possibility to reduce energy demand for the overall process
- Safe and clean
- Reduction of green house gas emissions



R&D FOCUS

- Next generation of Flow Heaters for temperatures >1100 C
- Large-scale electric heating solutions for fossil free steel production
- Next generation heating elements for lithium-ion battery industry



M&A FOCUS

- Forward integration: Acquiring regional heating element manufacturers
- Focus on North America and Asia
- Broaden product offering





MEDICAL

STABLE GROWTH WITH HIGH MARGINS

- Growing market share for medical products
- Strengthen wire forming and coating position
- Acquiring complementary capabilities

CUSTOMER BENEFITS

- Customized solutions & processes
- Shorter time to market
- Smaller and more advanced composite wire solutions



R&D FOCUS

- Customized alloys, specific applications
- More advanced polymer coating solutions
- Composite wire solutions



M&A FOCUS

- Acquiring complementary capabilities
- Expand product portfolio by scale in small size bars, re-melting capabilities





RENEWABLE ENERGY

HIGH GROWTH SEGMENT WITH DEMAND FOR ADVANCED MATERIALS

- Capture opportunities within renewable energy production
- Take a leading position within materials technology for system enablers by primarily exploring hydrogen technology and batteries

CUSTOMER BENEFITS

- Increased production process efficiency and enabling mass production
- Shortening lead times and minimize waste



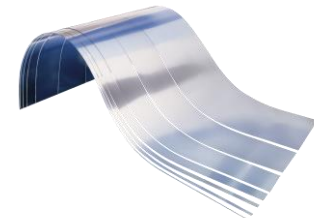
R&D FOCUS

- New materials for energy storage and biomass power generation
- Next generation products for hydrogen electrolysis



BUSINESS DEVELOPMENT

- Industrialize coated strip steel for fuel cell bi-polar plate production
- Commercialize next generation heating technology for cathode production for lithium-ion battery



RENEWABLE ENERGY

“Sandvik specialists were able to create advanced seamless tubes that meet the challenges of this energy transition technology and support our urgency to act now.”

GERARD ESSING

General Manager SCW Systems, Netherlands



NEW GROWTH PRODUCTS

INNOVATION & DEVELOPMENT

- Excellent mechanical strength and corrosion properties at high temperatures
- Requires metallurgical know-how and production capabilities to produce
- Ramp-up, including production optimization and market introduction, ongoing for several grades and product forms. Combination of tube, bar and hollow bar is a strength



HIGH NICKEL & SUPER ALLOYS

