

August 23, 2022

Capital Markets Day



Welcome

Emelie Alm, Head of Investor Relations



Safety first

At Alleima our objective is zero harm to our people, the environment we work in, our customers and our suppliers.



Protective equipment



Emergency number



Psychological safety



First aid kit



Emergency exit



Alarm



Assembly point



Health & well-being

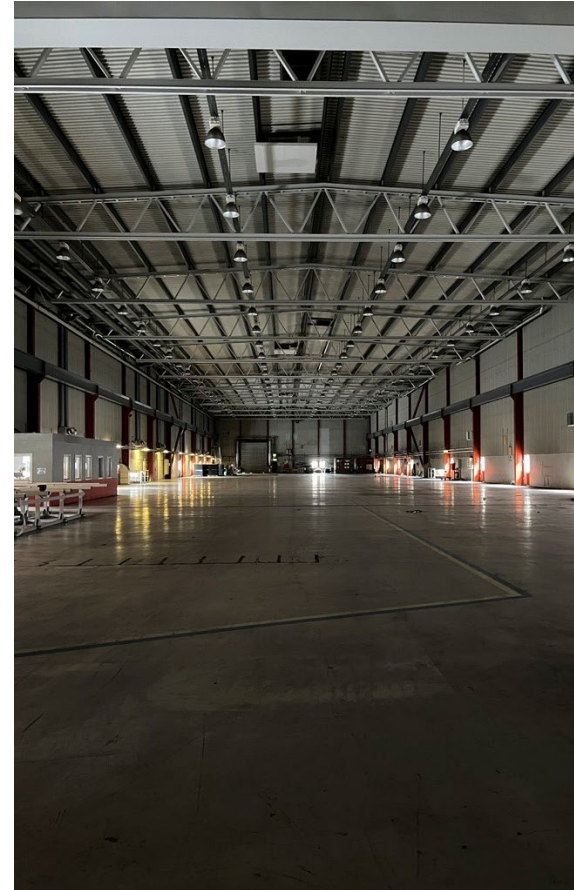


Agenda

10.30	Welcome and safety
10.40	Introduction to Alleima
11.20	Financial performance and targets
11.50	Q&A
12.00	Lunch break
12.45	Division Tube
13.15	Division Kanthal
13.40	Division Strip
14:00	Capturing the energy transition opportunity
14:25	Q&A
14:45	Concluding remarks
15:00	End of webcast
15:15	Guided tour of the steel mill and Surface Technology facilities (for on-site participants only)

Today's venue – tube mill 98

- Sandviken industrial area one of Sweden's largest in terms of ground area
- Continuous footprint and cost optimization programs for a long-term cost effective set up
- Consolidated production units in Sandviken, tube mill 98 and 09, with Chomutov in the Czech Republic and Mehsana in India
 - Umbilicals
 - Hydraulic & Instrumentation
 - Heat exchanger
 - High temperature
 - Fertilizer





1 Introduction to Alleima

A world-leading manufacturer of advanced stainless steels, special alloys and heating systems for the most demanding industries

Göran Björkman, President and CEO

A world-leading advanced materials company

- High value-added products in advanced stainless steels and special alloys as well as products for industrial heating
- Strong market positions across a wide range of niche end-markets, serving ten customer segments
- Fully integrated value chain, from exceptional R&D capabilities to finishing and global sales force
 - 27 production facilities across the globe ¹
 - Sales across ~90 countries
 - 80% of revenues from direct sales

Revenues

13,847

SEK M 2021

Adj. EBIT²

1,055

SEK M 2021

Adj. EBIT margin

7.6%

2021

FTE'S

5,465

Dec 2021

(1) Including three service facilities. (2) Excluding items affecting comparability and metal price effects.

(3) Total Group revenues by customer segment 2021



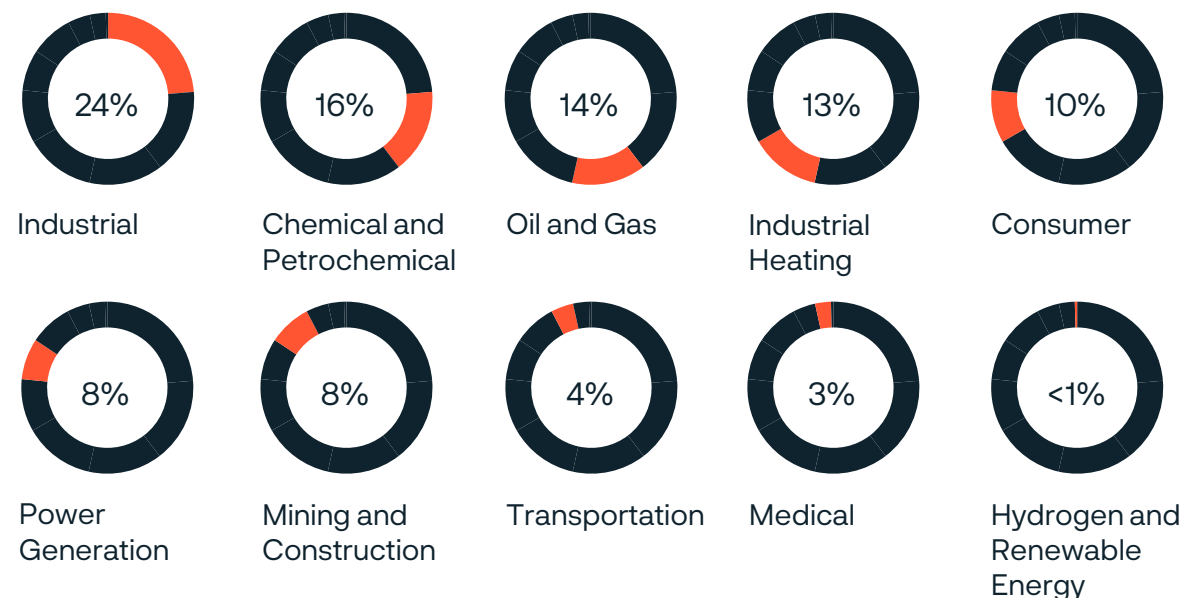
Three divisions...

Tube

Kanthal

Strip

...serving ten customer segments ³



2021 revenues by geography





We advance the most demanding industries to support your everyday life...



Industrial

- Solid round bar and hollow bar
- High pressure tubing
- Composite tubing



Chemical and Petrochemical

- Fertilizer tubing
- Hydraulic and instrumental tubing
- Heat exchanger tubing



Oil and Gas

- Umbilical tubing
- Control lines
- Oil Country Tubular



Industrial Heating

- Metallic heating elements
- Ceramic heating elements
- Radiant Kanthal® APM / Kanthal APMT® tubes
- Diffusion cassettes



Consumer

- Razor blade steel
- Compressor valve steel
- Stainless knife steel
- Appliance wire



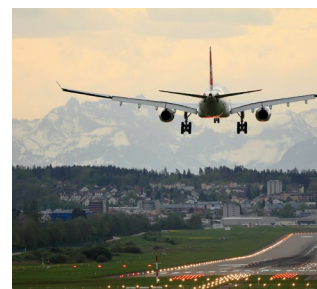
Power Generation

- Steam generator tubes
- Cladding tubing
- Nuclear tubes and pipes



Mining and Construction

- Rock drill steel



Transportation

- Titanium and stainless steel tubes
- Gasoline Direct Injection (GDI) tubes
- Compressor valve steel
- Shock absorber steel



Medical

- Medical precision wire
- Medical tubing
- Martinsitic stainless 13C26 for pathology

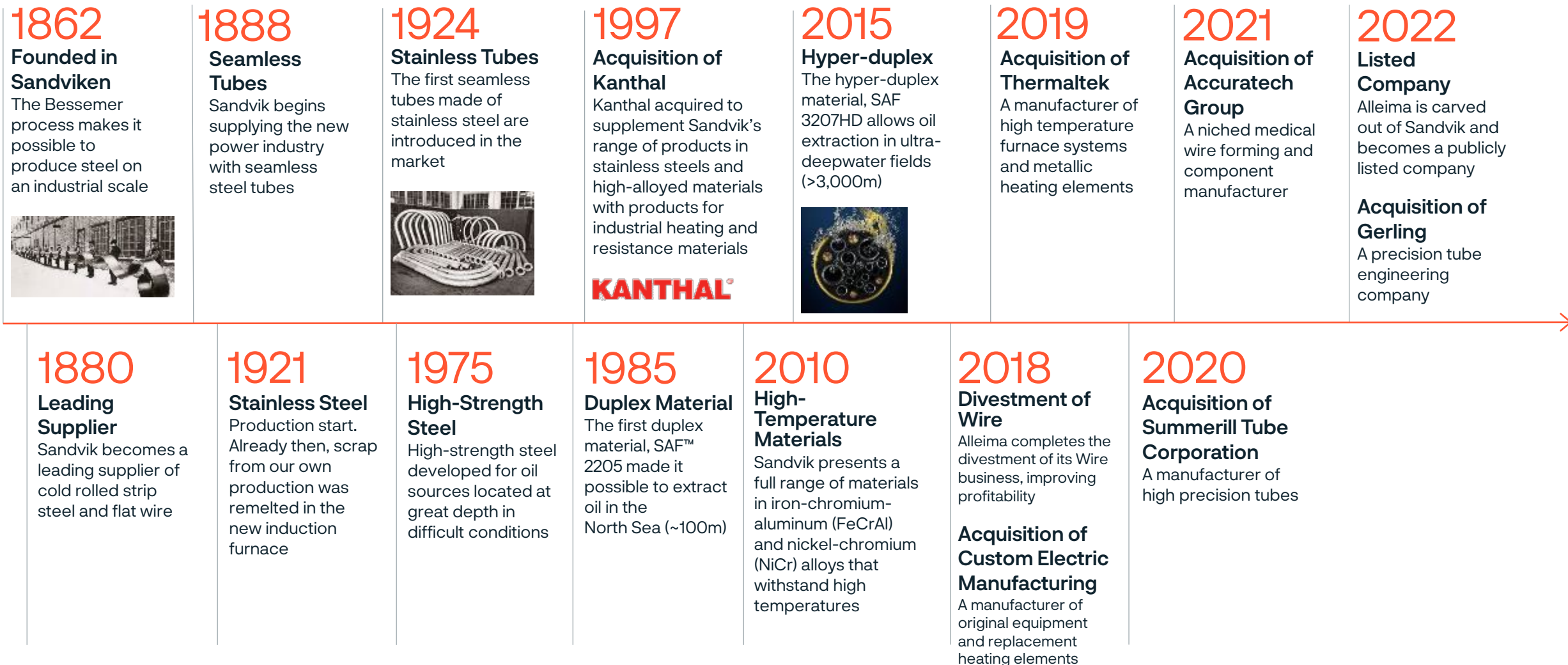


Hydrogen and Renewable Energy

- Coated strip steel for fuel cells
- High pressure tubing for hydrogen applications
- High nickel alloy tubing for concentrated solar power applications



...and have done so for the past 160+ years





Premium offering across three divisions

Tube

Seamless tubes and other long products in advanced stainless steels used in O&G, nuclear & other energy-related end-markets as well as chemicals, automotive and aerospace

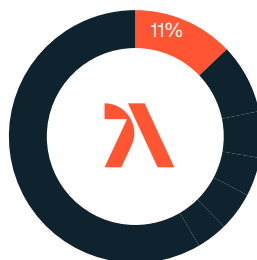
SEK

9.5bn

Revenues 2021



Market share (2021)



Example market positions

#1 Umbilical Tubing

#1 Aerospace Titanium Tube

#2 Steam Generator Tubing

Example products



Umbilical Tubes



High Pressure Tubes



Heat Exchanger Tubes



Hollow Bar



Round Bar



Rock Drill Steel

Kanthal

Resistance wire for heating elements (consumer and industrial heating) as well as wire for medical devices

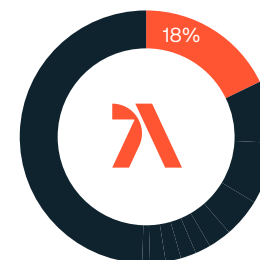
SEK

3.0bn

Revenues 2021



Market share (2021)



Example market positions

#1 Industrial Heating Solutions

#2 Medical wire

Example products



Flow Heaters



Furnace Rollers



Medical wire



Heating Elements



Diffusion Cassettes



Resistance Heating Wire

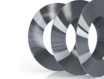
Strip

Wide range of strip steel and a variety of strip-based products mainly supplying consumer driven products within white goods, automotive, shaving and the printing industry

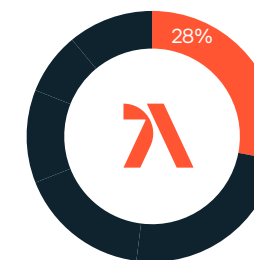
SEK

1.3bn

Revenues 2021



Market share (2021)



Example market positions

#1 Compressor Valve Steel

#3 Razor Blade Steel

#1 Stainless Knife Steel

Example products



Razor Blade



Printing Doctor Blade



Knife & Spring Steel



Coated Strip Steel



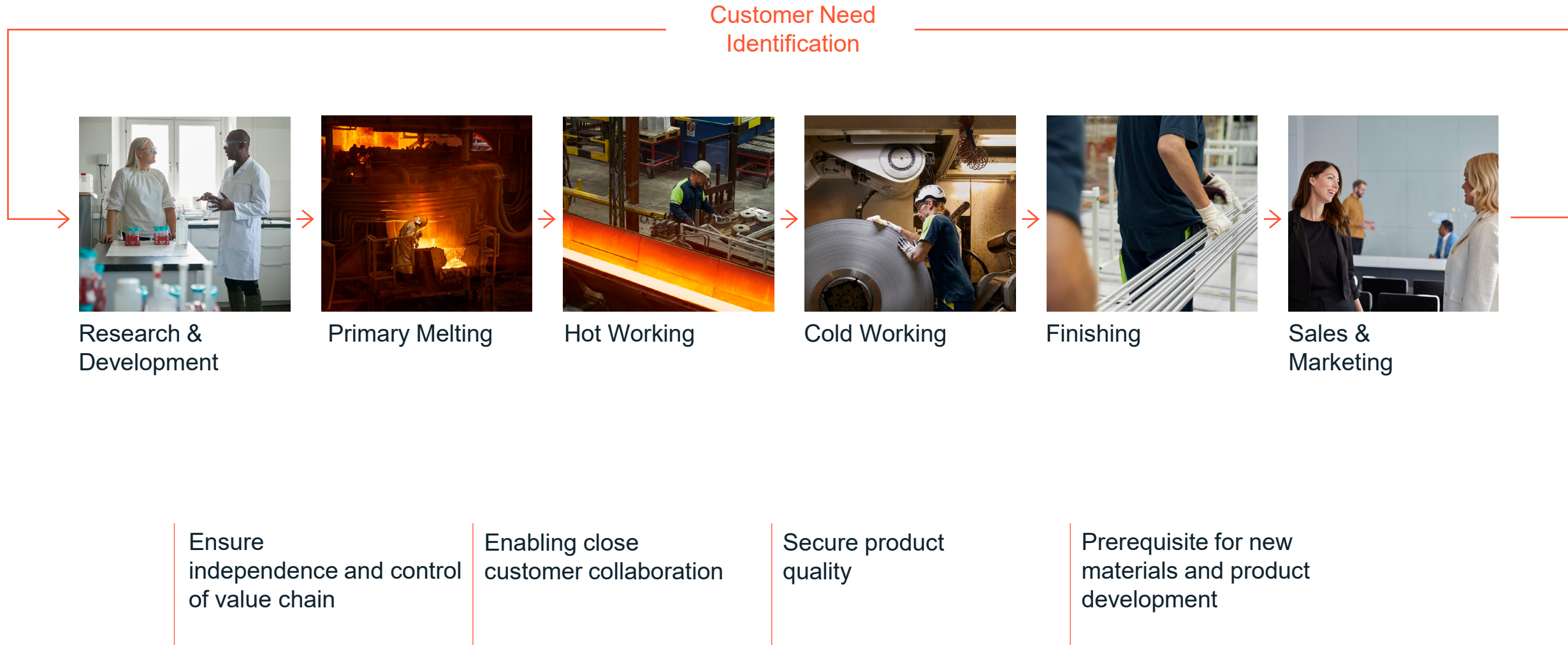
Fuel cell Materials



Compressor Valve Steel



Fully integrated value chain with world-class capabilities





Global production footprint and go-to-market strategy





Focused strategy execution for profitable growth

1



Profitable Growth

- Capitalize on the megatrends of energy transition, energy efficiency, electrification, medical growth and capture O&G rebound
- Expand through M&A within select key verticals and niches to enable accelerated growth and its diversification across products and end markets

2



Materials Innovator and Technology Leader

- Focus R&D towards new business opportunities, defend and strengthen core and widen portfolio
- Increase pace of new product introductions

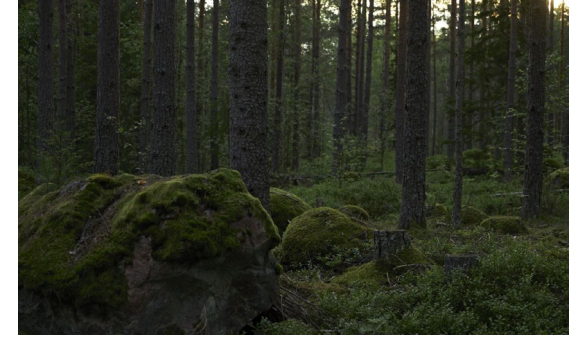
3



Operational and Commercial Excellence

- Continuous improvements and footprint optimization
- Pricing management and mix optimization
- Strengthen employer branding and competence development

4



Industry Leading Sustainability

- Sustainability deemed key differentiator vs. competitors
- Ongoing investments and development of sustainable offering
- Continuous efforts and process improvements to reduce impact from production and operations

A growth strategy built to capitalize on global megatrends...



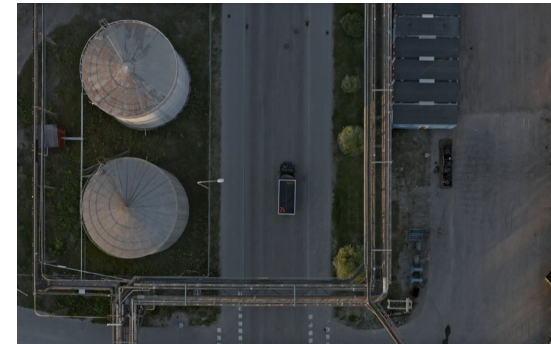
Changing demographics

- Global population growth
- Increased consumption and energy demand
- Share of people aged +60 years is expected to increase
- Increased demand for health care and medical solutions



Increasing and changing energy demand

- Global energy demand driven by
 - Population growth
 - Economic growth
- Electricity price fluctuations
- Shift toward renewable energy production sources



Electrification of industry and transportation

- Electrification of vehicles
- Adoption of renewable energy
- Increasing connectivity

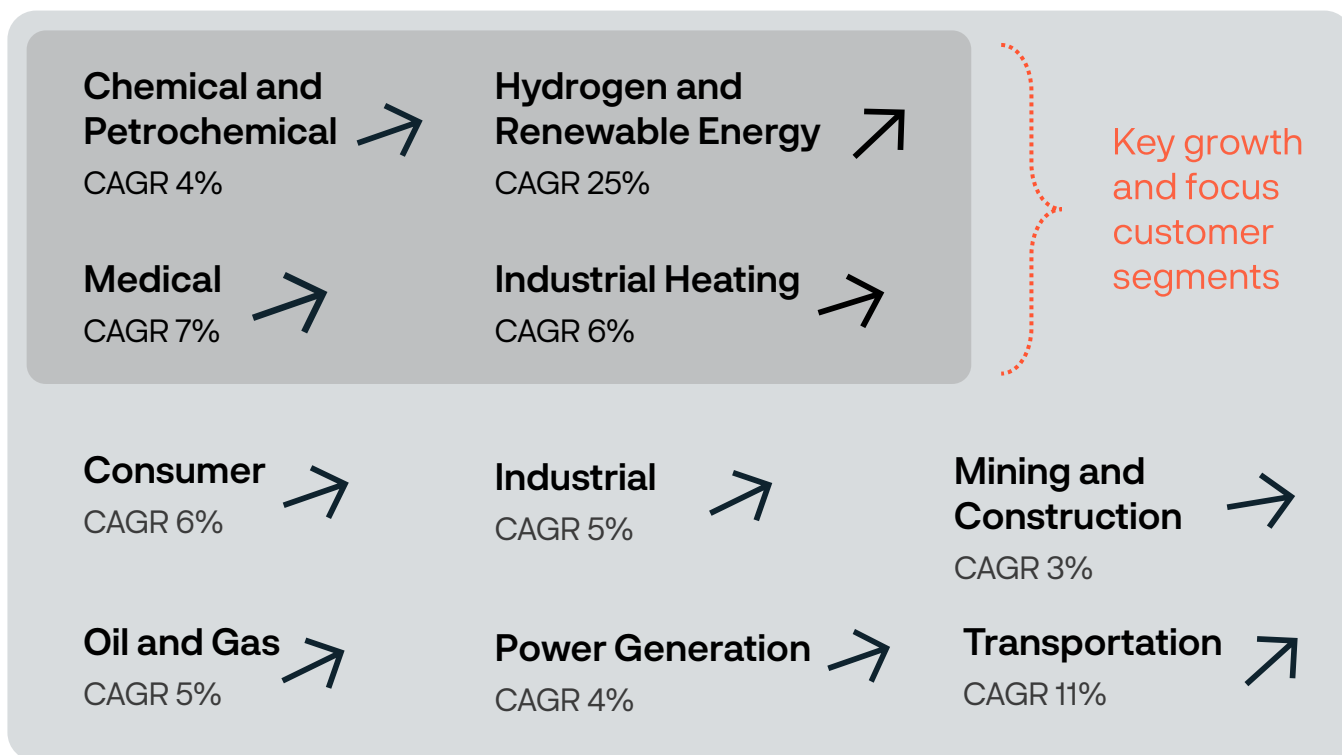


Growth in emerging markets

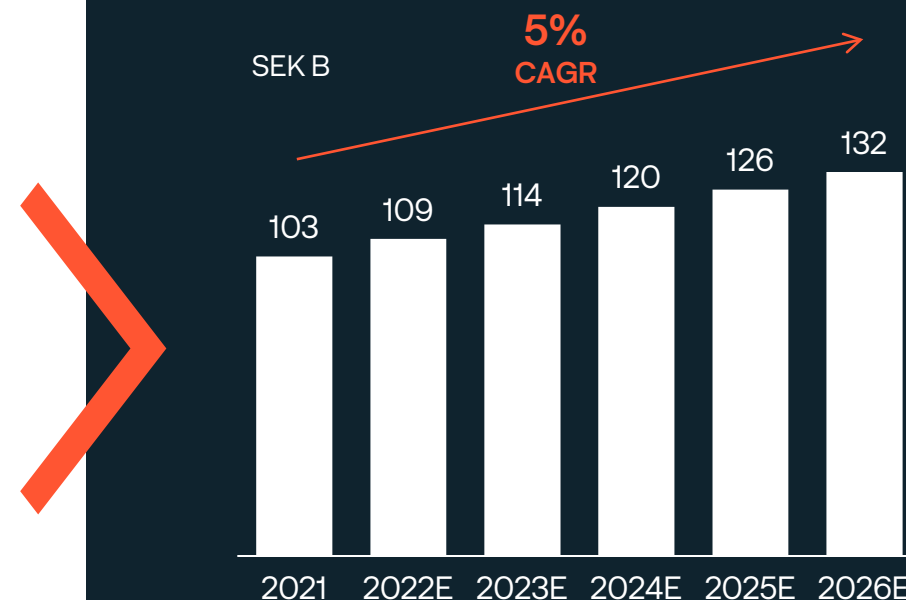
- Rising living standards
- Industrial development

...driving growth across all customer segments

> Customer segments growth CAGR 2021-2026 *



Serviceable addressable market (SAM) size and growth



*Note: The estimated aggregated serviceable addressable market (SAM) and growth is based on the aggregated size and growth of all 10 customer segments. Source: Market Report Conducted by Arthur D. Little on behalf of Alleima.

Alleima to capture growth in existing business as well as through new business creation and driving profitable growth by mix optimization

Growth in existing business

Growth by new
business creation

Manage
contribution
business

- **Growth in existing business**
 - A solid core with strong market positions
 - Potential to capture further market shares
 - Tailwind from megatrends and market rebound from recent decline
 - Supported by M&A
- **Growth by new business creation**
 - Roadmap set by megatrends
 - Focus on business development (application, product and material)
 - Supported by M&A
- **Manage contribution business**
 - Secure scale and mill load flexibility
 - Price and mix improvement potential
 - Enables investments in existing and new business creation

Focused initiatives in targeted customer segments



Chemical and Petrochemical

4% 



Industrial Heating

6% 



Medical

7% 



Hydrogen and Renewable Energy

25% 

% = Estimated market growth, CAGR 2021-2026



Growth in existing business



Growth by new business creation

Rebound in Oil and Gas to underpin growth in near to mid-term

Increasing oil and gas investments

Capital expenditures in the oil and gas sector is expected to pick-up post Covid-19 from low levels

✓ Rebound from low levels coming years

Renewable energy transition

The demand for gas is expected to grow in the future and certain gas activities are included in the EU taxonomy for sustainable activities¹

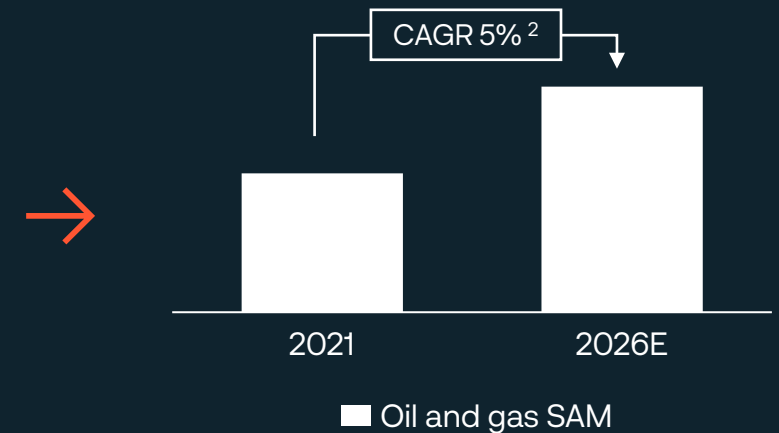
✓ Gas part of the transition to renewable energy package



Growth in existing business

Stable market growth

Alleima product mix is well suited to capture the rebound and benefit from the renewable energy transition



✓ Well positioned to capture underlying market growth

(1) Source: European Commission, "EU Taxonomy: Commission presents Complementary Climate Delegated Act to accelerate decarbonization."

(2) Source: Market Report Conducted by Arthur D. Little on behalf of Alleima.

Materials innovator and technology leader

- R&D team focused on evolutionary refinements, expansion of existing portfolio as well as product innovation to capitalize on the on global mega trends
- Scope of R&D objectives extends beyond products – unique ability to innovate along whole value chain, incl. process and manufacturing

Active recepies

>900

Patents

~850

FTE:s Dec 2021

230

R&D % sales '19-21

1.5%



How we win,
today and tomorrow

Customer partnerships

Relationship with academia

Shared R&D platforms

Application specific R&D

Products focusing
on growth industries

Defend core

Widen materials
portfolio

Examples of new products



Megawatt process gas heater, which is developed to heat hydrogen up to 1,000 degrees Celsius



Next generation of compressor valve steel. Freeflex is a hardened and tempered martensitic stainless compressor valve steel alloyed with copper.



New super austenitic high strength steel with high structure stability to simplify welding and heat treatment.

Solid financial foundation established through successful initiatives – resulting in stronger position and resilience

Optimized footprint program...



- Strengthening of regional market positions by bringing technical sales and capabilities closer to customers
- Focus on maintaining cost efficiency and reducing cost of goods sold
- Improved utilization of mills
- Initiatives include:
 - closing of sites, moves to other locations and opening of new sites

...improved price management and product mix...



- Division level initiatives to drive profitability through product mix and price management
- Continuous strategic reviews of the product mix and prices to determine the optimal pricing policy and mix

...and better control of NWC and more transparent control of supply chains...



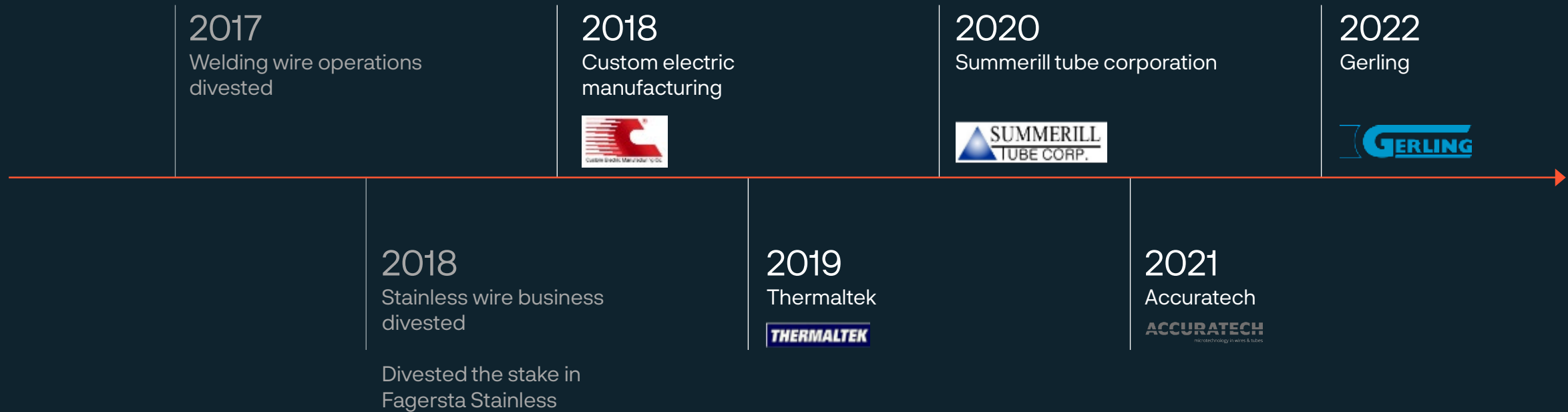
- More solid and transparent process for controlling supply chains and linking sales plans to business planning
- Increased focus on inventory management

...enabling successful navigation and mitigation through Covid-19 pandemic



- ✓ Proven operational and financial resilience in the Covid-19 market downturn due to implemented initiatives, flexible operations and production
- ✓ Successful management of cost base and support from strong order back-log

Successful portfolio rationalization and established M&A track-record



Resilience proven through the Covid-19 pandemic

- A product offering serving a diverse set of customer segments, exposed to different business cycles and market dynamics, helped to reduce risk and volatility
- Financial performance supported by the improved and solid foundation due to several successful initiatives since 2018
- Contingency plans activated promptly with mitigating actions
 - Price management and product mix
 - Selective in booking orders
 - Proactivity in pricing models
 - Strict cost control and flexibility
 - Temporary capex reductions
 - Reduced temporary staff, redundancies and work time reductions
- Control of NWC and inventory management

ORGANIC REVENUE GROWTH

4%	-9%	-3%	13%
2019	2020	2021	2022 H1

ADJ. EBIT MARGIN

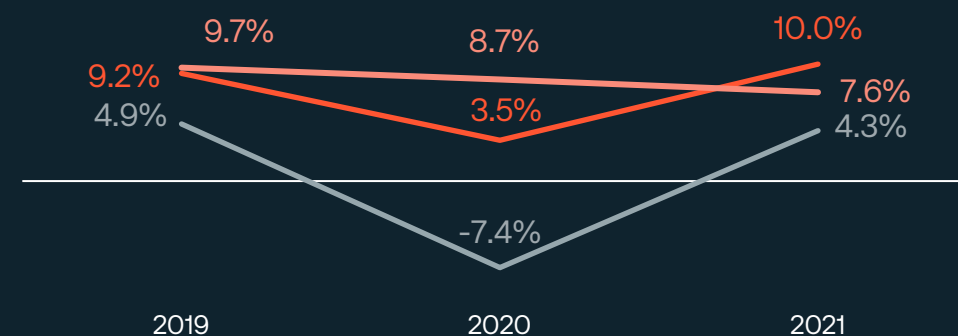
9.7%	8.7%	7.6%	8.7%
2019	2020	2021	Q2 2022 LTM

FREE OPERATING CASH FLOW, SEK M

1,250	1,483	1,046	541
2019	2020	2021	Q2 2022 LTM

RESILIENCE COMPARED TO PEERS

EBIT margin

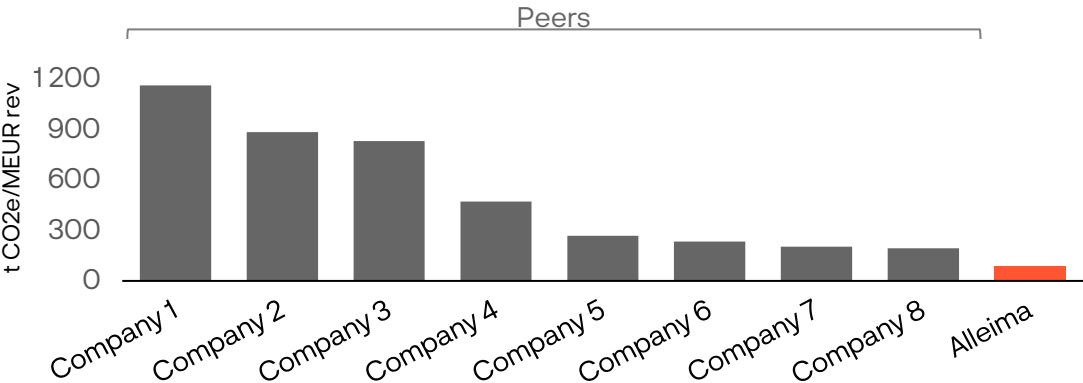


 Reported
  Adjusted
  PEERS¹ (AVG.)

1) Peers include Aperam, ATI, Carpenter, Haynes, Jiuli, Salzgitter, Tenaris, Tubacex, Vallourec and Voestalpine

Sustainability frontrunner already today...

Low greenhouse gas intensity (scope 1 and 2) compared to peers¹⁾



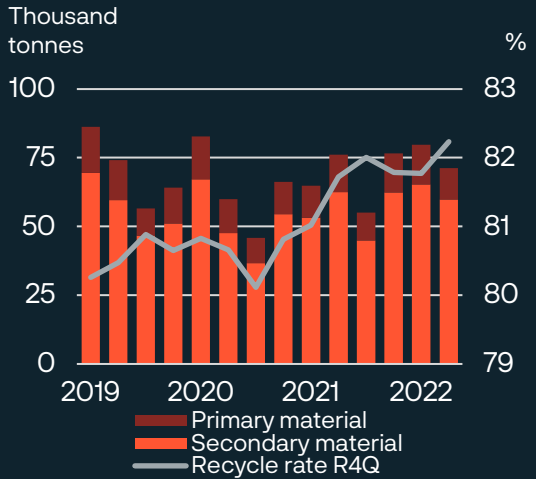
High degree of EU Taxonomy eligible operations



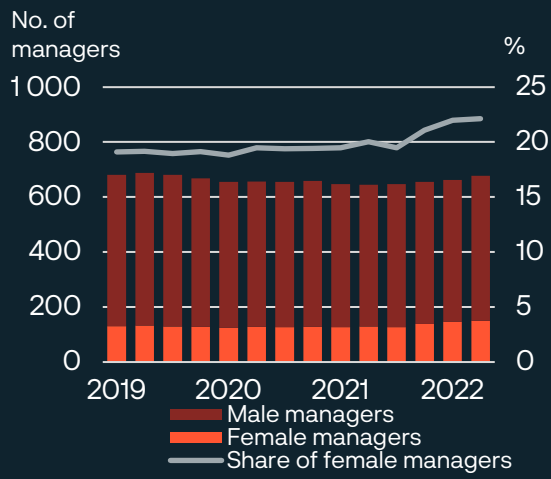
Excluding minor parts of the Tube and Kanthal divisions with products in titanium, zirconium, gold or platinum, Alleima’s activities can be categorized as 3.9 Manufacture of iron and steel in the EU Taxonomy and as such can be identified as eligible activities under the climate change mitigation objective³⁾

Source: Company information. Note: Alleima’s share of scrap metal input in the steel manufacturing amounted to c. 82% in 2022 Q2 LTM 2022. The EU technical screening criteria for steel include a threshold for scrap steel input relative to product output of 70% for the production of high alloy steel. 1) Source: Bloomberg for the peers, FY 2021. Selected peers including: Aperam, ATI, Carpenter, Salzgitter, Tenaris, Tubacex, Vallourec and Voestalpine. 2) Eligible economic activities, SMT’s revenue is, in Sandvik’s 2021 annual report, included as eligible, excluding minor parts of the Tube and Kanthal divisions with products in titanium, zirconium, gold or platinum. 3) Analysis by Sandvik for the 2021 Annual Report. A more in-depth analysis of Taxonomy eligibility and alignment will be performed by Alleima for FY 2022

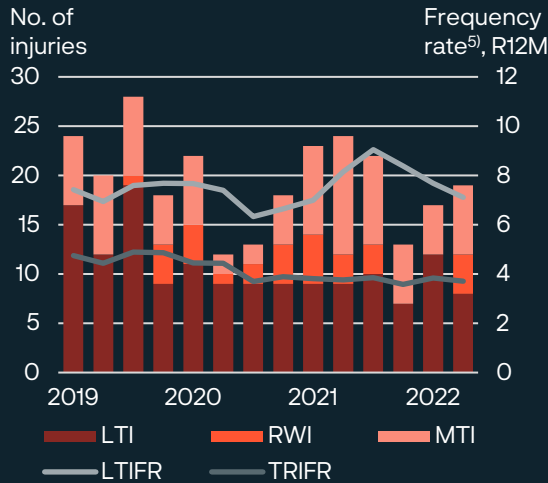
Circularity - high degree of recycled steel



Share of female managers



Health & safety⁴⁾



Environment, Health and Safety (EHS) Plan and EHS Management System in place to monitoring and reduce injuries over time

4) LTI: lost time injury, RWI: restricted work injury, MTI: medical treatment injury, LTIFR: lost time injury frequency rate, TRIFR: total recordable injury frequency rate 5) Incident rate per million worked hours

...with ambitious goals for the future

Enabling and capitalizing on the transition to renewable energy

Our focus areas	Climate and Circularity	Health, safety & wellbeing	Fair play
Our goals and targets	1. Commitment to Science Based Targets: Net Zero latest by 2050 2. Reduce carbon emissions intensity from its own operations and purchased energy by 50 percent compared to 2019 (Scope 1 and Scope 2) 3. 83% of the volume based production to be manufactured based on recycled materials	1. Reduce the number of recordable incidents per million hours worked (TRIFR¹⁾) by 50 percent by 2030 compared to 2019 2. Increase share of female managers by 2030	1. All suppliers compliant with Alleima's Supplier Code of Conduct by 2030

1) TRIFR: total recordable injury frequency rate

Sustainable product offering today

Products already today addressing:

The hydrogen society



Energy storage



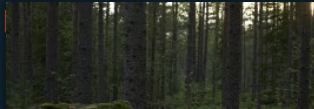
Green energy production



Use of green electricity



Green hydrogen



Sustainability mapping in progress covering upstream, downstream and production factors

- We believe that **our goals will drive value creation** in an increasingly competitive environment. The goals will enable us to operate more efficiently and recruit the best talent. We also expect our **cost of capital to benefit increasingly from our sustainability leadership** in the future
- Moreover, **our goal is that all suppliers are compliant with Alleima's Supplier Code of Conduct by 2030**. Our business ethics and compliance culture is expected to evolve with the regulatory standards, utilizing technological advancements

Alleima stronger as a separately listed company

Alleima today

- A world-leading manufacturer of advanced stainless steels, special alloys and heating systems for the most demanding industries
- Solid financial performance compared to its peers

Alleima in the future

- Greater focus and clarity to realize its full potential
- Capitalize on strategies and opportunities to drive profitable growth
- Increased transparency
- Own funding and capital allocation
- Inspired workforce
- Enables a fair valuation of Alleima



Highly experienced management team and Board of Directors



Göran Björkman
President and Chief
Executive Officer



Michael Andersson
President, Tube Division



Olof Bengtsson
Chief Financial Officer



Tom Eriksson
Head of Strategic Research



Anders Björklund
President, Kanthal Division



Mikael Blazquez
Head of Strategy and
M&A



Johanna Kreft
General Counsel



Claes Åkerblom
President, Strip Division



Ulrika Dunker
Head of Human
Resources



Elja Nordlöf
Head of
Communications



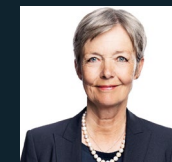
Andreas Nordbrandt
Chairman



Claes Boustedt
Member



Kerstin Konradsson
Member



Susanne Pahlén Åklundh
Member



Karl Åberg
Member



Tomas Kärnström
Member, Employee
representative



Michael Larsson
Member, Employee
representative



Maria Sundqvist
Deputy, Employee
representative



Niclas Widell
Deputy, Employee
representative



Göran Björkman
Member



Winning platform set to unlock shareholder value

1

Premium offering with solid market positions and diverse customer segment exposure



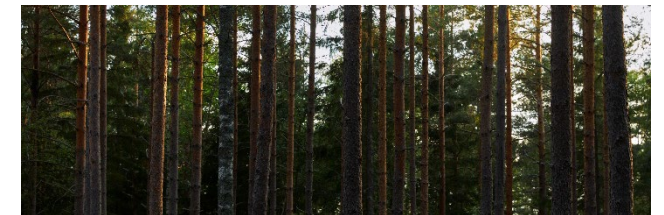
2

Fully integrated value chain with prominent metallurgy expertise and global footprint



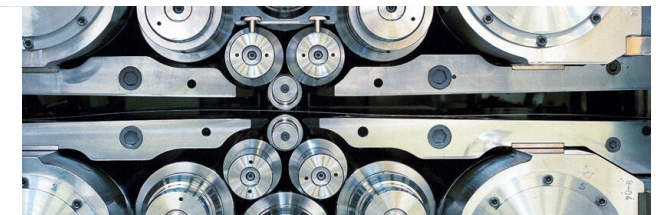
3

Multiple and tangible levers to deliver profitable growth, capitalizing on global megatrends including the transition to renewable energy



4

Solid foundation with attractive and resilient earnings and cash-flow profile





2 Financial performance and targets

Solid financial foundation

Olof Bengtsson, CFO

Alleima today

Revenues

13,847

SEK M 2021

Adj. EBIT margin

7.6%

2021

FOCF

1,046

SEK M 2021

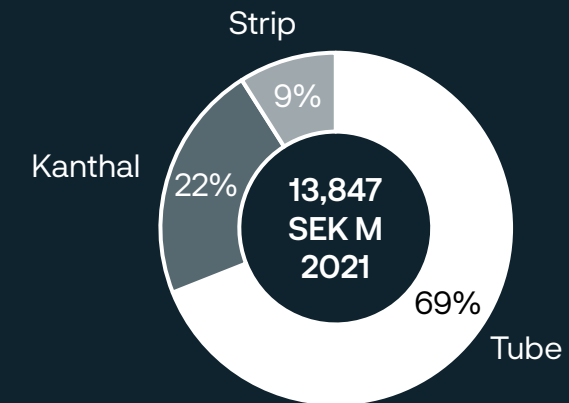
NET DEBT / EQUITY

-0.0x

Q2 2022

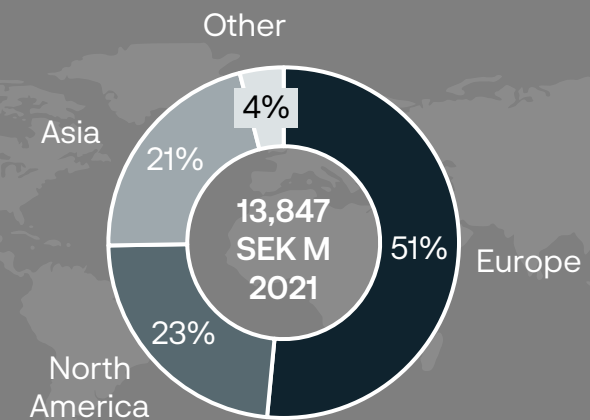


Revenues by division



Broad industry exposure and product offering through three divisions...

Revenues by geography



...and a diversified global customer base



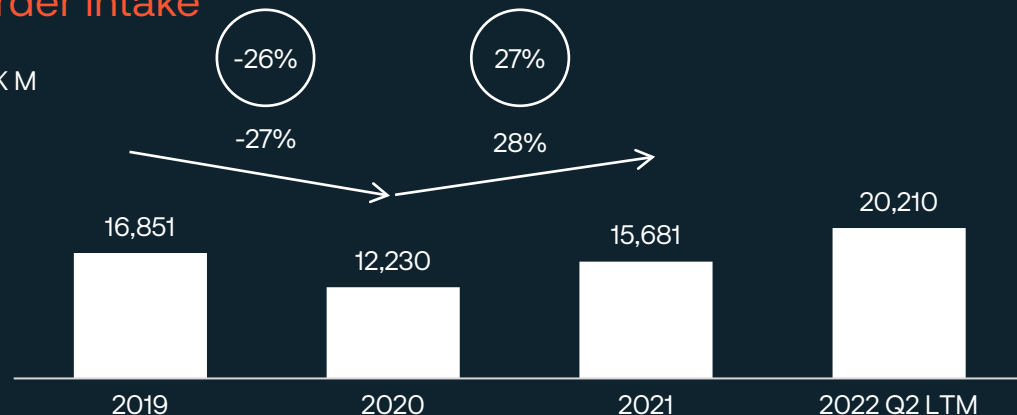
Financial background – focus on resilience

Organic growth

%

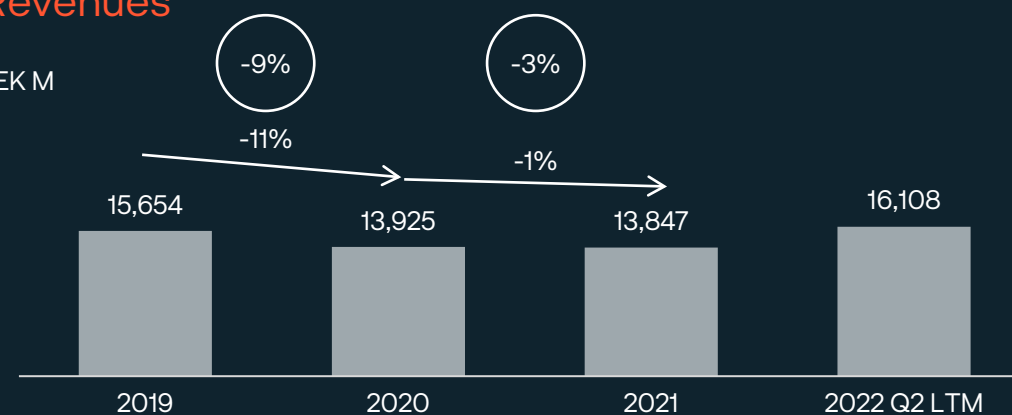
Order intake

SEK M



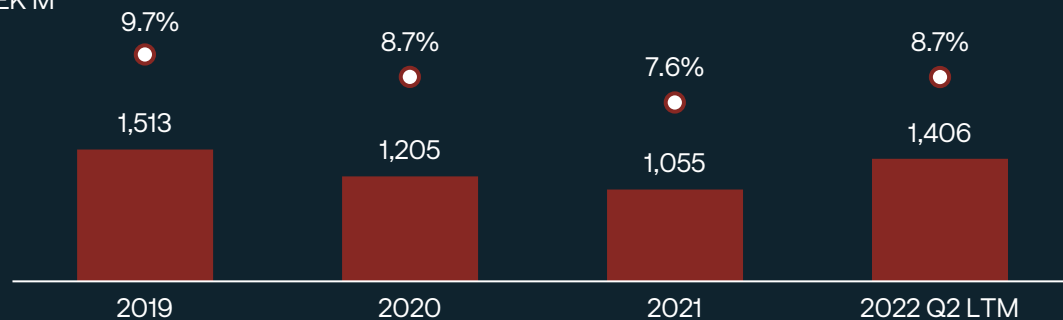
Revenues

SEK M



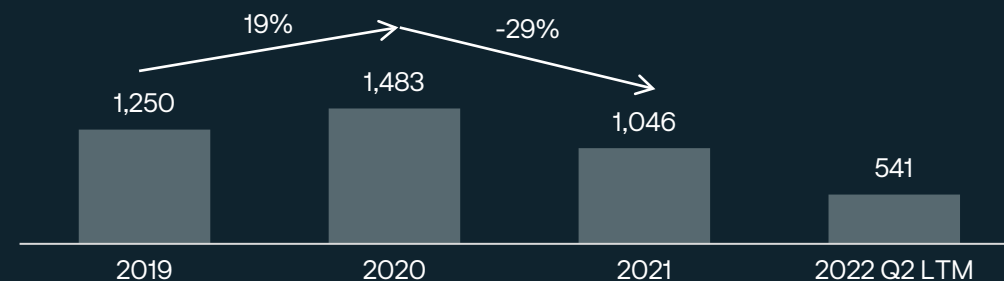
Adj. EBIT and margin %

SEK M



Free operating cash flow¹

SEK M



1) Free operating cash flow defined as EBITDA adjusted for non-cash items plus changes in net working capital less acquisitions and divestments of tangible and intangible assets and less amortization of lease liabilities

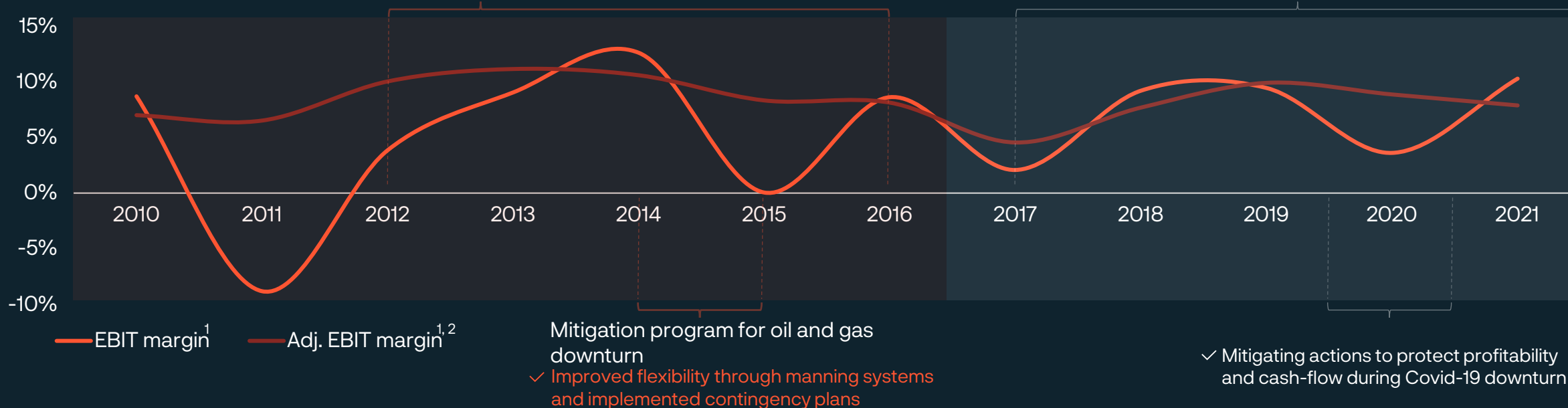


Operational initiatives and improvements have made earnings more resilient

Step Change & Value Creation program

- ✓ Exit of non-core business focusing on profitable growth
- ✓ Increased margin through cost savings
- ✓ Reduced NWC from operational improvements
- ✓ Capital savings from reduced investments

- ✓ Focus on stability and improving profitability and flexibility in cost base
- ✓ Footprint optimizations
- ✓ Improved NWC management



Note: The graph shows the EBIT margin and the adjusted EBIT margin development of the business area Sandvik Materials Technology within Sandvik with respect to the financial years 2010-2021. Alleima's business largely mirrors that of Sandvik Materials Technology and it is the company's assessment that Sandvik Materials Technology is a good indicator of how Alleima would have trended during the same period. It should be noted, however, that acquisitions, divestments and reorganizations have an impact when comparing individual years. (1) Segment reporting for Sandvik Materials Technology as per financials published in Sandvik's financial reports 2010 - 2021 (2) Adj. EBIT is adjusted for metal price effects throughout the period. In addition, 2021, 2020, 2019, 2018, 2017, 2015, 2012 and 2011 are adjusted for items affecting comparability



Revenue growth – dissection of the top line

	Revenue growth (%)	2020	2021	2022 H1
1	Structure	1%	0%	1%
2	Alloys	-1%	5%	13%
3	Currency	-2%	-2%	5%
4	Organic	-9%	-3%	13%
	Total growth	-11%	-1%	34%

- 1 Structural changes include divestments and acquisitions of the group, such as the acquisitions of Summerill Tube Corporation, Accuratech and Gerling GmbH in 2020, 2021 and 2022 respectively¹
- 2 Alloy surcharges are used as an instrument to pass on changes in alloy costs along the value chain and the effects from alloy surcharges may fluctuate over time – in 2022, the revenue was affected by sharp raw material price increases
- 3 Alleima generate revenue in currencies other than the reporting currency SEK – USD and EUR are the largest currencies in terms of net flow in foreign currencies
- 4 The change in revenue after adjustments for structural changes, alloy surcharges and exchange rate effects



Robust profitability through actively managed cost base

SEK M	2019	2020	2021	2022 Q2 LTM
Revenues	15,654	13,925	13,847	16,108
Organic growth %	4%	-9%	-3%	-
Cost of goods sold	-12,011	-11,424	-10,379	-11,339
Gross Profit	3,643	2,502	3,468	4,771
Gross profit margin %	23.3%	18.0%	25.0%	29.6%
Sales, Admin and R&D cost	-2,267	-1,953	-2,213	-2,505
Sales, Admin and R&D cost % of rev.	14.5%	14.0%	16.0%	15.6%
Other operating income ¹	67	-56	125	166
EBIT	1,444	492	1,379	2,428
EBIT margin %	9.2%	3.5%	10.0%	15.1%
Impairments	185	62	-13	0
IAC	158	478	176	271
Metal price effects	-274	172	-487	-1,293
Adj. EBIT	1,513	1,205	1,055	1,406
Adj. EBIT margin %	9.7%	8.7%	7.6%	8.7%
Depreciation, amortization and impairments ²	817	729	756	760
Adj. EBITDA	2,331	1,933	1,811	2,166
Adj. EBITDA margin %	14.9%	13.9%	13.1%	13.4%

1) Other operating income includes net operating items

2) Depreciation, amortization, and impairment losses of SEK 1,002 million, SEK 791 million, SEK 743 million and SEK 760 million in 2019, 2020, 2021 and 2022 Q2 LTM respectively less impairments affecting comparability of SEK -185 million, SEK -62 million, SEK 13 million and SEK 0 million in 2019, 2020, 2021 and 2022 Q2 LTM respectively

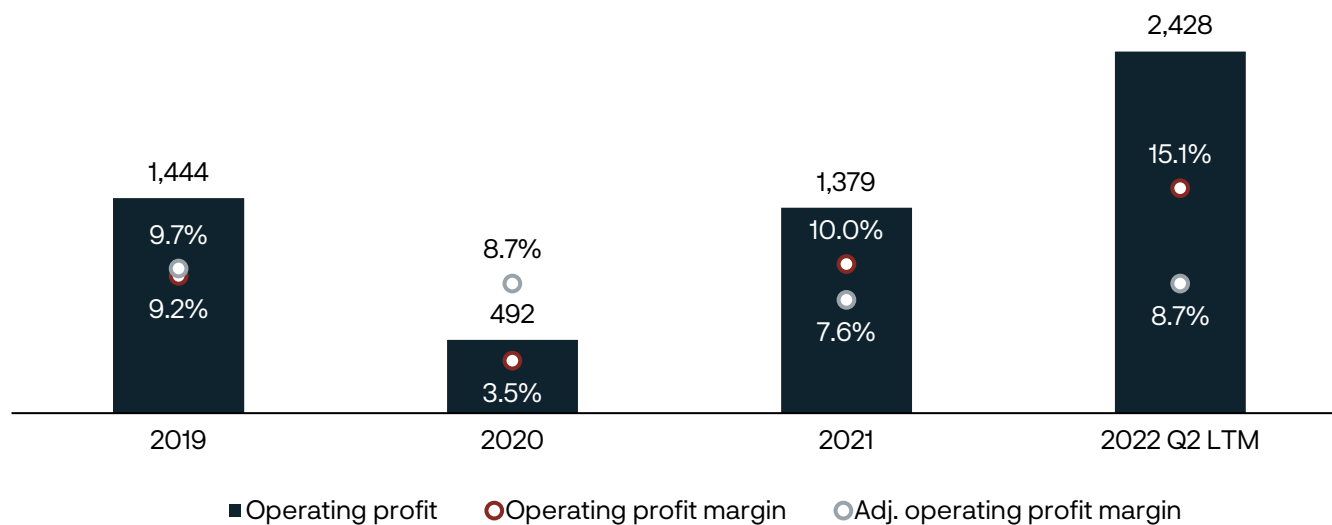
- Alloy surcharges can impact revenues considerably and also have a dilutive effect on adj. result levels
- About half of the cost of goods sold relate to raw material, consumables and energy, and these costs have a high degree of variability
 - Electricity costs constitute appr. SEK 400 million and have been hedged for the second half of 2022 and full-year 2023 to appr. 80%. Flexibility in production process to avoid price peaks
- Sales costs vary with activity levels and revenue. Admin costs cut down during pandemic in 2020 through savings and work time reductions, whereas it increased in 2021 and 2022 due to separation costs
- IAC mainly refers to separation and listing costs
- D&A costs at appr. 5-6% of revenue



The nature of the business

– metal price effect (1/3)

SEK M



SEK M	2019	2020	2021	2022 Q2 LTM
Adjusted EBIT	1,513	1,205	1,055	1,406
IAC and impairments	-343	-540	-164	-271
Metal price effects	274	-172	487	1,293
EBIT	1,444	492	1,379	2,428

— Raw material is metals in different alloy compositions

— Main approaches for covering cost for metals when setting prices

— For large orders the metal price is fixed and hedged

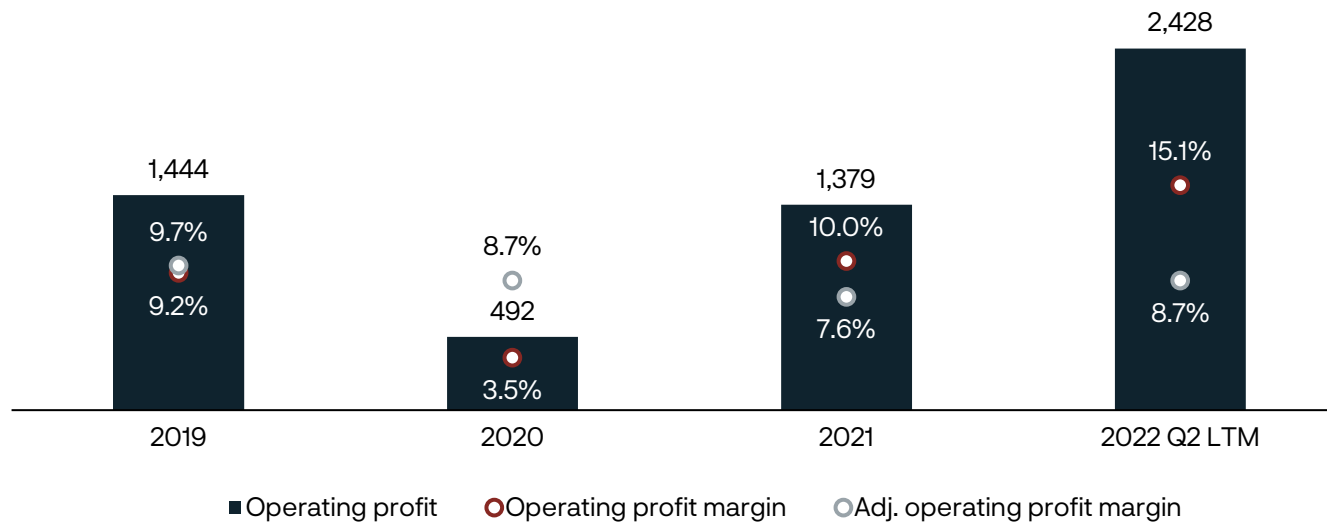
— Smaller orders generally fixed price – no hedge

— Alloy surcharge, ~40% of sales include a surcharge clause



The nature of the business – metal price effect (2/3)

SEK M



— For sales with an alloy surcharge clause there is a time lag between raw material cost in a product and setting the price to the customer

— Raw material cost realized in COGS (when the revenue is recognized) is based on actual raw material purchase price as per FIFO principle (normally the market price c. 3-6 months earlier)

— Price to customers based on avg. market price for the month preceding the revenue recognition of the product

SEK M	2019	2020	2021	2022 Q2 LTM
Adjusted EBIT	1,513	1,205	1,055	1,406
IAC and impairments	-343	-540	-164	-271
Metal price effects	274	-172	487	1,293
EBIT	1,444	492	1,379	2,428



The nature of the business – metal price effect (3/3)

Metal price trend and how it affects different measures

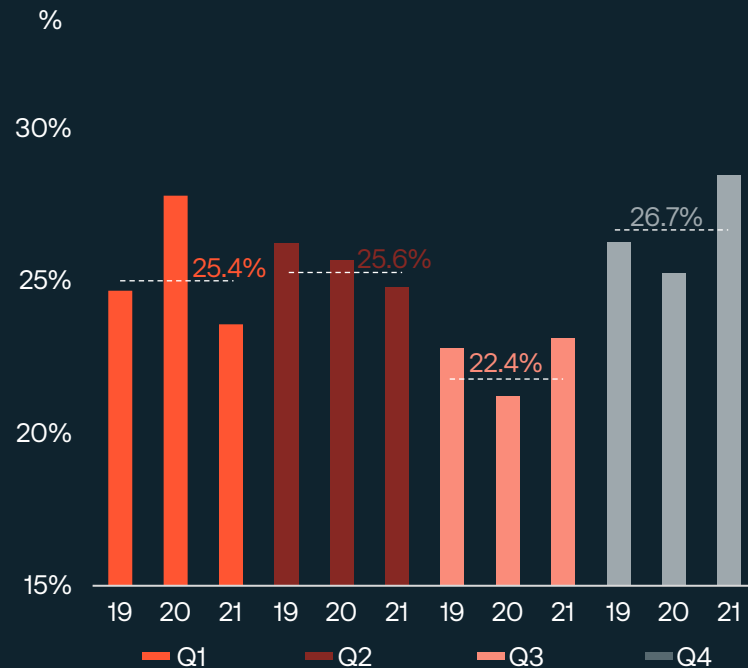
- Isolating the effect from metal price changes in the business where market price for metal has a direct impact on pricing
- At constant volumes, mix and lead time the effects can be described as follows:

Metal price trend	Order intake	Revenues	Profitability	Inventory	Accounts payable	Accounts receivable	Cash flow
Rising market price 	Increase in value – higher prices	Increase in value – higher prices	Positive - raw material bought cheaper in earlier periods will be sold in current period at higher price. Higher tax payments	Higher value - due to higher price for the last added metals when continuously replacing inventory	Increase - higher price on metals from suppliers	Increase due to higher metal price to customers	The conversion of profitability to cash will be affected negatively by cash being tied up in net working capital due to higher metal prices
Decreasing market price 	Decrease in value – lower prices	Decrease in value – lower prices	Negative – raw material bought at higher price in earlier periods will be sold at lower price in current period. Lower tax payments	Lower value - due to lower price for the last added metals when continuously replacing inventory	Decrease - lower price on metals from suppliers	Decrease due to higher metal price to customers	Cash will be released from net working capital offsetting the cash negative impact from lower profitability



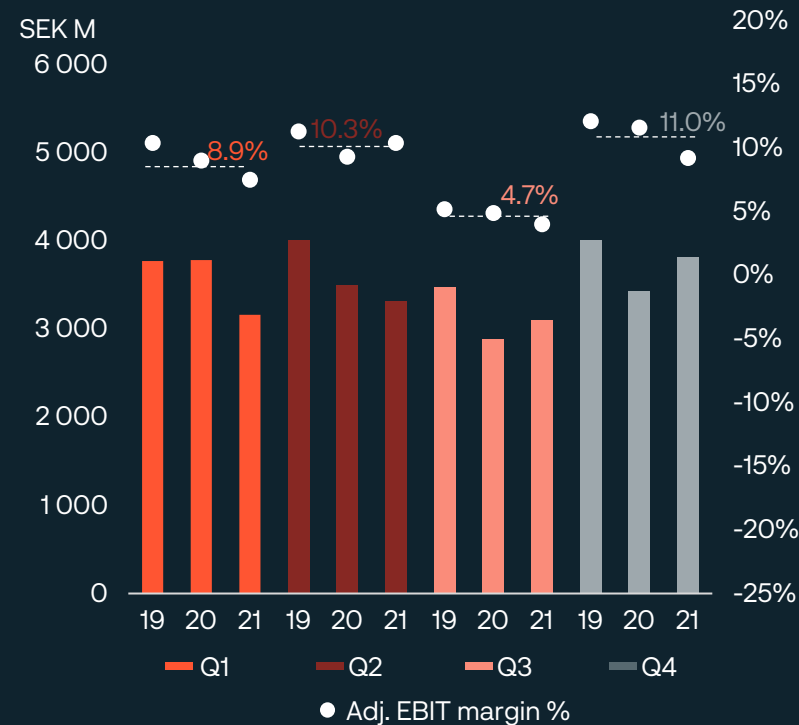
The nature of the business – seasonality

Quarterly revenue as % of total annual¹



*Each colour of the staples represents a quarter

Quarterly revenue and adj. EBIT margin¹



— The third quarter is typically weaker in terms of revenue and profitability in comparison to the remainder of the year

— This is explained by the seasonally lower demand which is mainly driven by the summer vacation period in Europe and planned annual maintenances

— Seasonal inventory build-up ahead of the summer period has a negative impact on the cash flow in Q1 and Q2. This is typically released with positive cashflow effects in Q3 and Q4

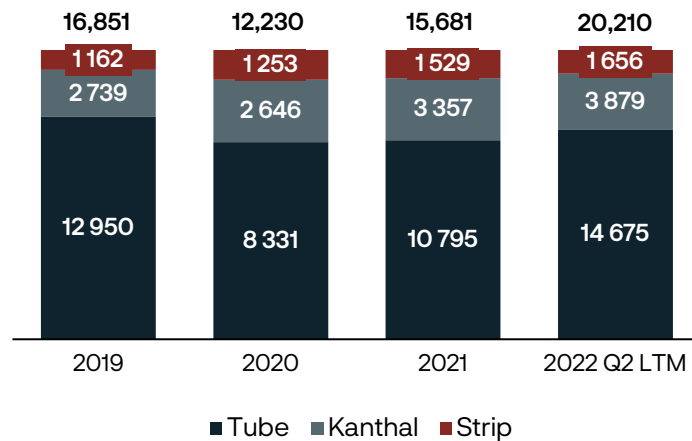
Note: The graph shows quarterly revenue as % of total revenue, quarterly revenue and adj. operating profit margin development of the business area Sandvik Materials Technology within Sandvik for the quarters during the period 2019-2021. Alleima's business largely mirrors that of Sandvik Materials Technology and it is the company's assessment that Sandvik Materials Technology is a good indicator of how Alleima would have trended during the same period. It should be noted, however, that acquisitions, divestments and reorganizations have an impact when comparing individual years. For details on M&A, please see slide [23]

¹ Quarterly segment reporting for Sandvik Materials Technology as per financials published in Sandvik's quarterly reports in the period 2019-2021. Dashed lines indicating average per quarter



Strong order intake across divisions and ongoing revenue pick-up with stable margins

Order intake by division

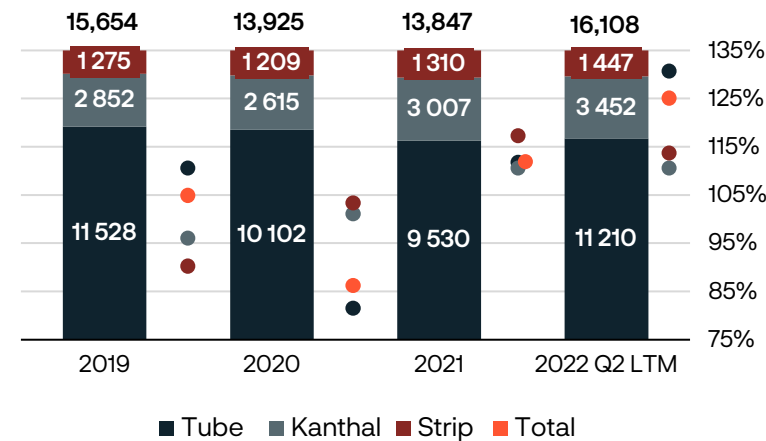


Organic growth %

	2019	2020	2021	2022 H1
Tube	n.a.	-34%	26%	46%
Kanthal	n.a.	-3%	27%	5%
Strip	n.a.	10%	22%	7%
Total	n.a.	-26%	27%	33%

Revenue by division

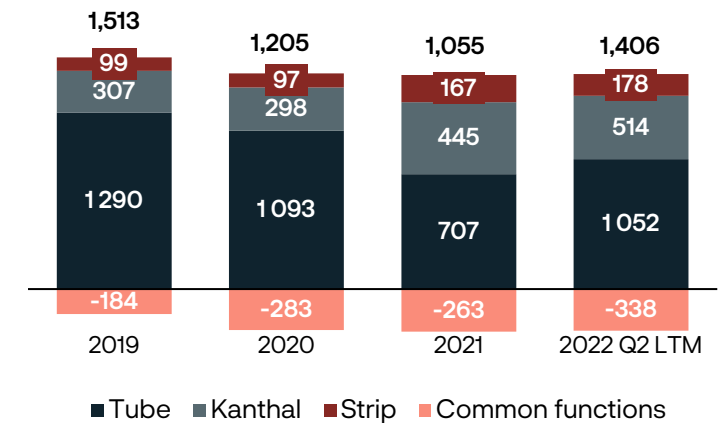
○ Book-to-bill % ¹



Organic growth %

	2019	2020	2021	2022 H1
Tube	6%	-10%	-10%	16%
Kanthal	-3%	-7%	15%	5%
Strip	3%	-3%	8%	10%
Total	4%	-9%	-3%	13%

Adj. EBIT by division



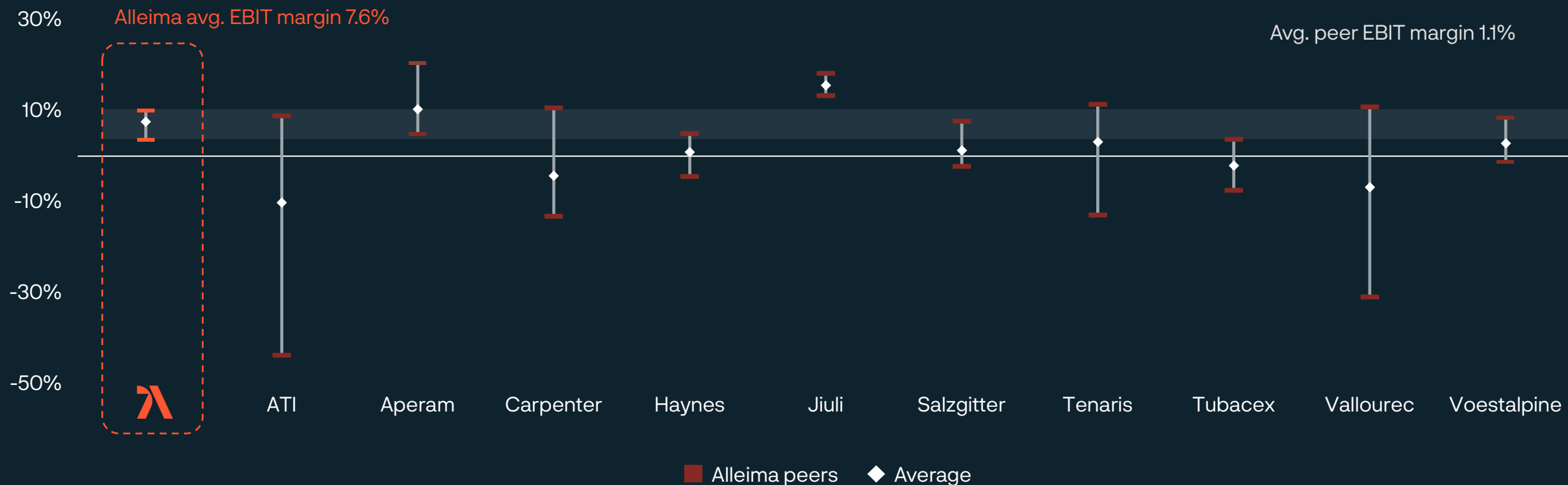
Margin %	2019	2020	2021	2022 Q2 LTM
Tube	11.2%	10.8%	7.4%	9.4%
Kanthal	10.8%	11.4%	14.8%	14.9%
Strip	7.8%	8.0%	12.7%	12.3%
Common functions as % of revenues	-1.2%	-2.0%	-1.9%	-2.1%
Total	9.7%	8.7%	7.6%	8.7%

1) Book-to-bill defined as order intake as % of revenue



Overall higher margin compared to peers

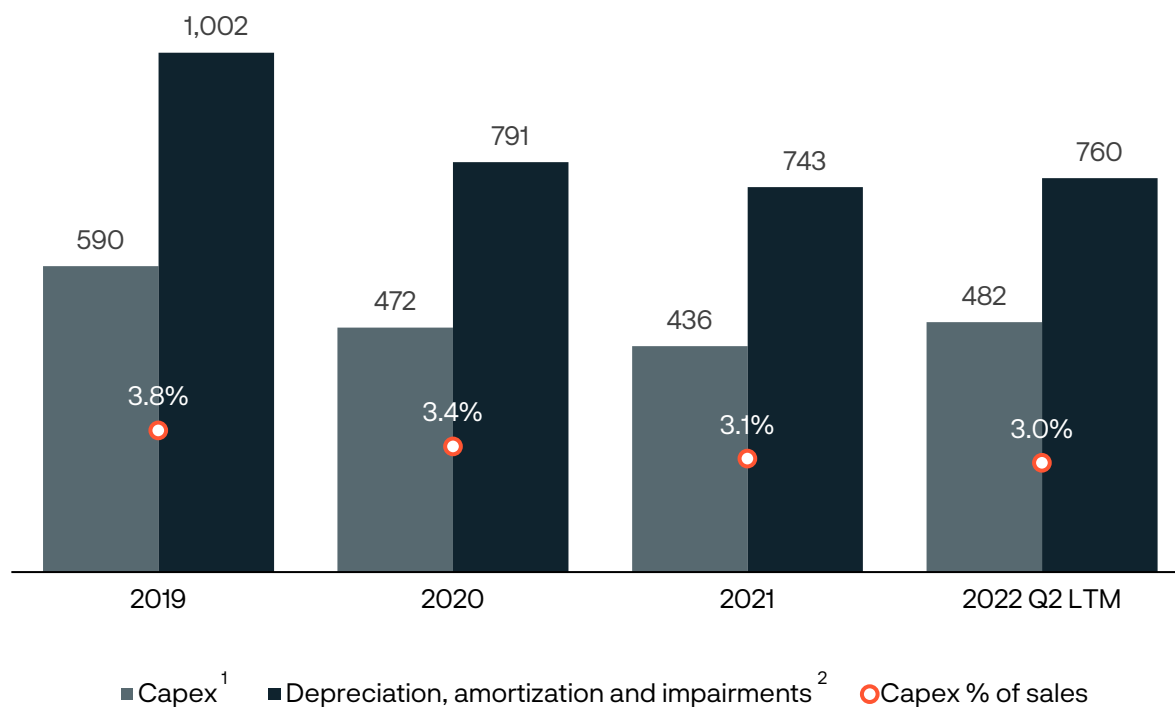
Reported EBIT margin 2019-21¹





Capital expenditures to increase from the temporary reduction during Covid-19

SEK M



1) Acquisitions of intangible and tangible assets, including cashflow from divestments of intangible assets and property, plant and equipment

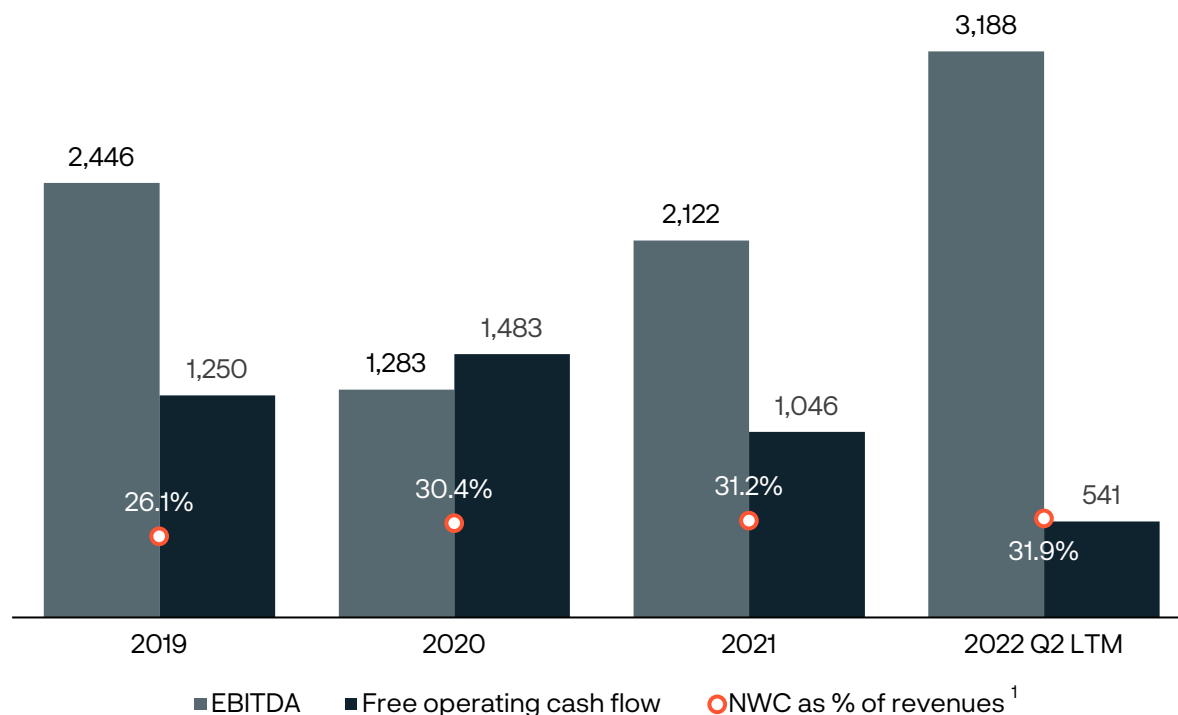
2) Total depreciation, amortization and impairments

- Most investments in property and plant are related to machining equipment or plant refurbishment for core manufacturing activities and for production facilities
- Temporary capex reduction in 2020 and 2021 as a mitigating action for Covid-19
- Ongoing two-year investment project to further develop the Mehsana site in India - expected to be in place by the end of 2022
- Future capex to be allocated more efficiently to support Alleima's strategy with potential effects on growth, profitability and cash flows
- Alleima's capex-investments in the forthcoming years are expected to be at a level equivalent to around 4–5% of sales
 - Full year 2022 capex guidance of less than SEK 650 million



Strong cash flow generation through implemented initiatives

SEK M



- The operational excellence initiatives, including improved net working capital management, price management and product mix, have resulted in a strengthened earnings and cash-flow profile
- The free operating cash flow increased in 2020 due to lower volumes, reduced net working capital (in absolute terms) primarily related to reduced inventory and less capex
- In 2021, the free operating cash flow was impacted by higher activity and higher metal price leading to higher inventories
- In H1 2022, the free operating cash flow was impacted by higher net working capital levels driven by increased demand, higher raw material prices and extended freight times

1) Average working capital for the most recent quarter, divided by revenues in the most recent quarter adjusted to annual rate



Solid financial position provides flexibility and a stable foundation

(SEK M)	2021	June 30, 2022
Goodwill	1,352	1,422
Property, plant and equipment	7,251	7,238
Net working capital	4,567	6,641
Other current assets less other current liabilities ¹	1,675	1,146
Non-current liabilities less other non-current assets ²	-42	191
Capital employed	14,803	16,638

Financing (SEK M)	2021	June 30, 2022
Net debt ³	1,324	-139
Net financial debt ⁴	-22	-841
Equity	11,761	15,374
Adj. EBITDA, 12 month trailing	1,811	2,166

Net debt / Equity

0.1x
2021

-0.0x
30 Jun 2022



Net debt / Adj. EBITDA

0.7x
2021

-0.1x
30 Jun 2022

- Goodwill of SEK 1,422 million is mainly related to Kanthal
- Increase in inventory in H1 2022 from increased demand, higher raw material prices and extended freight times
- Capital employed at SEK 16,638 million and total asset of SEK 23,857 million as of June 30, 2022
- Net pension liability of SEK -477 million as of June 30 mainly relates to defined benefit plan in Sweden. Separate trust to be created post listing
- Net debt (cash position) of SEK -139 million
- Strong equity base of SEK 15,374 million
- SEK 3 billion multicurrency revolving credit facility with a syndicate of banks as main back-up financing as well as bilateral lines

1) Includes cash and cash equivalents, income tax receivables and other receivables, less income tax liabilities and other liabilities; 2) Includes other intangible assets, right-of-use assets, non-current receivables and deferred tax assets, less non-current non-interest-bearing liabilities; 3) Interest-bearing current and non-current debts, including net pension and lease liability, less cash and cash equivalents; 4) Net debt excluding net pension liability and lease liabilities



Clear financial roadmap – Overview of financial targets

Target	Description
Organic growth	Deliver profitable organic revenue growth in line with or above growth in targeted end markets over a business cycle
Earnings	Adjusted EBIT margin ¹ to average above 9% over a business cycle
Capital structure	Net Debt ² in relation to Equity below 0.3x
Dividend policy	Dividend on average 50% of profit for the period (adjusted for metal price effects ³) over a business cycle. Dividends to reflect the financial position, cash flow and outlook

1) Adjusted EBIT margin is defined as adjusted EBIT (operating profit excluding items affecting comparability and metal price effects) in relation to revenues

2) Net debt is defined as interest-bearing current and non-current debts, including net pension and lease liabilities, less cash and cash equivalents

3) Metal price effects are defined as metal price effect on the operating profit during a particular period from changes in alloy prices arising from the timing difference between the purchase (as included in cost of goods sold) and the sale of an alloy (as included in the revenue) when alloy surcharges are applied



Q&A

Göran Björkman, President & CEO
Olof Bengtsson, CFO

A stylized white logo icon consisting of two intersecting lines forming a triangular shape.

Alleima



3 Tube

A world-leading producer of seamless tube, pipe and bar in advanced stainless steel and special alloys

Michael Andersson, President Tube

Tube in brief

- Seamless tubes and other long products in advanced stainless steels
- Used in Industrial, O&G, nuclear & other energy-related end-markets as well as chemicals, automotive and aerospace
- Specialized for niche markets and their most critical applications
- Products contribute to more efficient and reliable industrial processes owing to their lightweight, durable and highly corrosion-resistant characteristics

Revenues	Adj. EBIT	Adj. EBIT %	# FTE's
9,530	707	7.4%	3,652
SEK M 2021	SEK M 2021	2021	Dec 2021

Revenues by geography¹



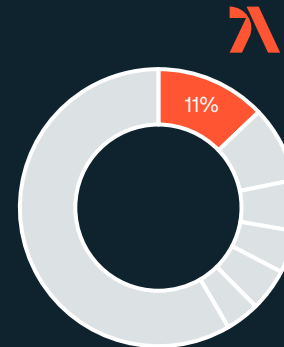
¹) Revenue recognized at location of buying customer and not end-user



Key locations



Competitive landscape



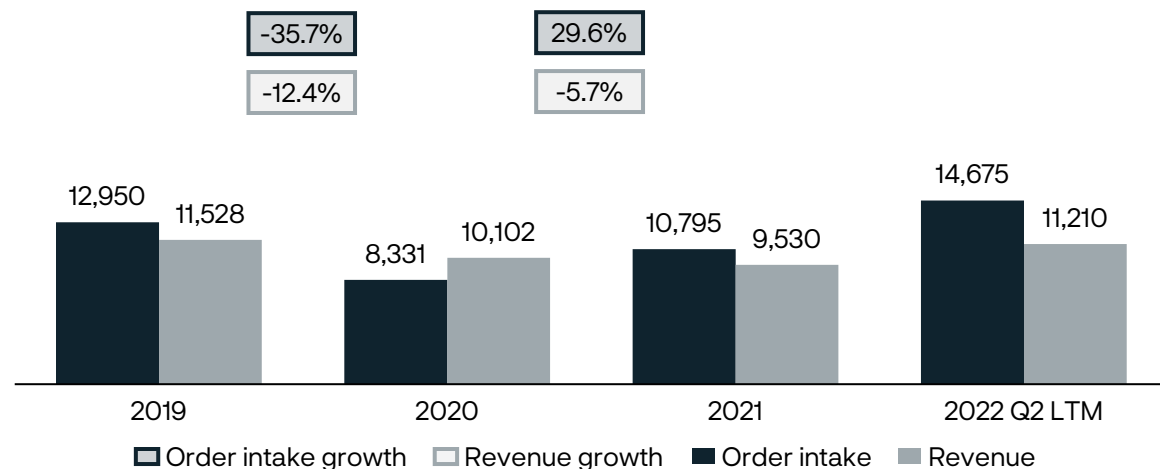
A result of footprint optimization

- Regional footprint robust to withstand trade barriers
- Optimized for cost competitiveness
- Local presence for product adaption and market serviceability

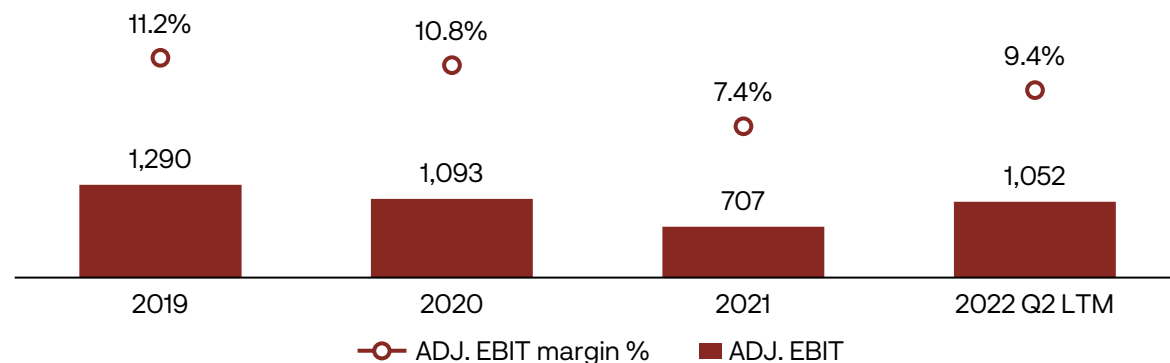


Historical financial performance

Order intake and revenues, SEK M



Adj. EBIT, SEK M



2020 vs 2019

- Order intake and revenue decline in 2020 primarily related to broad market downturn and turmoil that followed the Covid-19 breakout. Adj. EBIT margin was somewhat protected by the order backlog, savings initiatives and strict cost control

2021 vs 2020

- Strong order intake rebound in 2021 driven by positive development in all customer segments. EBIT margin. Adj. EBIT margin declined due to lower volumes and mix

Q2 2022 vs. Q2 2021 (rolling twelve months)

- Continued order intake growth driven by Oil and Gas as well as a broad-based positive development. Adj. EBIT margin increased due to higher revenues with a positive effect from product mix



Key Tube product and customer segment overview

Customer segment	Industrial 29%	Chemical and petrochemical 23%	Oil and gas 20%	Mining and Construction 12%	Power generation 10%
Example products	 Hollow bar  Bars and billets  High pressure tubing	 Fertilizer  Hydraulic and instrumentation tubing  High temperature tube & pipe	 Umbilical tubes  Control lines  Stainless steel Oil Country Tubular Goods	 Rock drill steel	 Cladding tubes  Steam generator tubing  Nuclear tube and pipe
Applications	Machining components Water jet cutting	Urea production Ethylene and PTA production	Subsea infrastructure control Downhole production tubing and casing	Mechanized top hammer drilling Hand held drilling	Fuel and control rod support Primary circuit heat exchange

% of Tube revenue

Overview of Tube growth focus areas

A.



Take position in sustainable energy

- Increase focus on capturing business opportunities in renewable energy
- Capitalize on our position in the Nuclear tubing industry
- R&D and M&A activities to support development

B.



Accelerate Medical growth

- Develop both stainless steel and titanium business
- Expand addressable market through M&A

C.



Expand Transportation portfolio

- Develop stainless steel and titanium business for Aerospace
- Expand addressable market by R&D

D.



Growth in Chemical and Petrochemical

- Secure and capitalize on growth investments and re-structured footprint
- Strengthen position with new products and application segments
- New product sales in Nickel base and Super austenitic alloys

E.



Maintain leadership in Oil & Gas and Mining

- Defend Umbilical leadership
- Build on corporate alliances to grow global position
- Differentiate control line offer



Hydrogen and Renewable Energy

Pole position to capture hydrogen opportunity



- Exponential growth phase has begun, creating sizeable opportunities for Tube
- Existing high-pressure tubes for hydrogen refuelling stations develop unique position
- Transportable tube production allowing a smart digital system to be set up at customer site



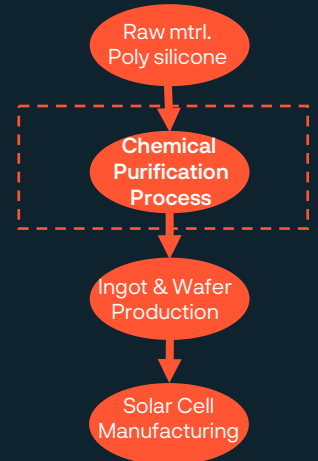
Spiral wound
heat exchangers



Mobile
container
solution

Hydrogen	Solar power	Biopower and biofuels	Offshore wind power	Geothermal energy	Carbon capture and storage
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Polysilicon process for photovoltaic panels in solar power



- Polysilicon is a key raw material in the production of PV panels, with global demand trending as per the growth of the PV market
- By products of the production process include silicon tetrachloride. Key materials from Alleima support the recycling of this compound in the vent gases, with materials chosen due to their high temperature strength and smooth inner surface roughness

Chemical and Petrochemical



APAC case: portfolio & footprint development

Strategic direction

- Secure and capitalize on growth investments
- Strengthen position with new products and application segments
- Generate new product sales in nickel base and super austenitic alloys in close partnership with key customers



Product portfolio expansion

2016	2017	2018	2019	2020	2021	2022
Sandvik 2RE69	Sanicro 28	Coil tubing	Sanicro 42	Sanicro 35	Hydrogen tubing	
Sanicro 70	Sandvik 6R35	Sanicro 625	Sandvik 254SMO	Sanicro 276	High pressure tubing	
Sanicro 41	Sandvik 3R64		Spiral HX tubing	SAF2507 Coil tubing	Sanicro 31 HT	

Customer and application development



Alleima Heat Exchanger Tubes in alloy C276 for a Biodiesel refinery

- Local Technical Marketing expertise working with customers need in materials selection
- New applications development and qualification

Footprint development

- New cold capacity commissioned in 2020 for Heat Exchanger Products at PU Mehsana, India improving Nickel Alloys production
- Ongoing Expansion of Heat Treatment and Finishing to strengthen Portfolio development



Oil and gas – maintaining leadership in a profitable segment

Expanding capacity and capability in OCTG

- Expand capacity and capability, with new developments coming on stream
- Broadening the portfolio, which will also support future aims towards Carbon Capture & Storage and Renewable Energy segments

Two strategically important products in the Oil & Gas portfolio

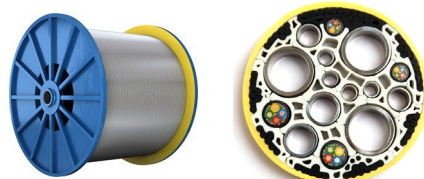
OCTG

- Enabler for further growth
- Important contribution business



Umbilical tubing

- Margin driver
- Dedicated production flows
- Industry leading capabilities



Developing the next generation umbilical tubes

- A growing subsea umbilical market, with a trend towards longer tiebacks, higher pressures and deeper wells
- A new alloy - the natural evolution of duplex stainless-steel benefitting also from weight savings, longer lengths on reels, and lowering installation costs
- Under development in close collaboration with customers
- Maintain market leadership for umbilical tubing and strengthening market position

SAF
2507



Next
generation
umbilical

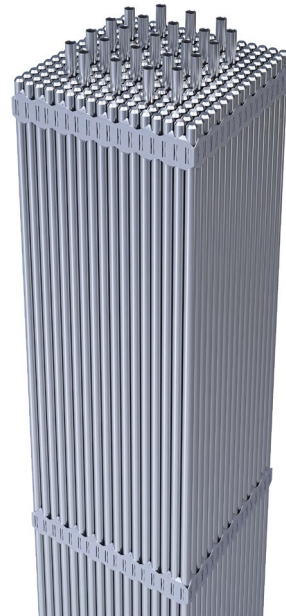
Alleima,
Competitors

Lighter and stronger for
umbilical applications
Alleima

Nuclear - Continued leadership in the Nuclear tubing industry

Ready to leverage on a Nuclear renaissance

- Largest independent supplier of Steam Generator tubing with a supply history dating back to 1968
- An independent supplier of Zirconium fuel cladding tubes with exciting developments for next generation Accident Tolerant Fuels
- Comprehensive supply capability for primary and secondary piping systems
- Product development in close collaboration with industry players for SMR and Gen 4 designs



Ready to expand in Steam Generator Tubing



- Capacity can be expanded in 3 phases, requiring modest capex and in a timely manner
- Debottlenecking of current state-of-the-art SGT mill (ongoing in H2 2022)
- Opportunity to restart presently mothballed second facility, starting with finishing lines
- Potential to at least double the present installed capacity



Summary

- Niche market player with highly specialized portfolio
- Leading positions in key segments
- Proven margin resilience to the swings in the oil & gas market
- A clear growth agenda targeting five specific areas
- Well positioned for the ongoing energy transition





4 Kanthal

A world-leading provider of resistance heating materials, electrical heating systems and ultra-fine medical wire

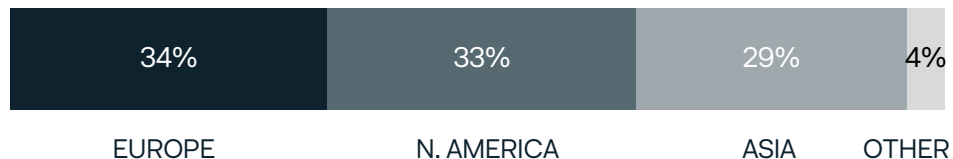
Anders Björklund, President Kanthal

Kanthal in brief

- World-leading brand for products and services in the area of resistance materials, industrial heating technology and medical materials
- Materials: Heating alloys for industrial, appliance and thermocouple applications
- Systems: Heating elements, heating modules and other products used in high temperature industry processes
- Medical: Ultra fine wire material and wire components for medical applications

Revenues	Adj. EBIT	Adj. EBIT %	# FTE's
3,007	445	14.8%	1,101
SEK M 2021	SEK M 2021	2021	Dec 2021

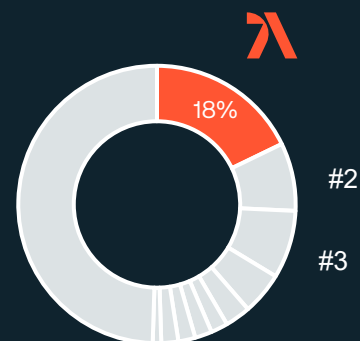
Revenues by geography



Key locations



Competitive landscape

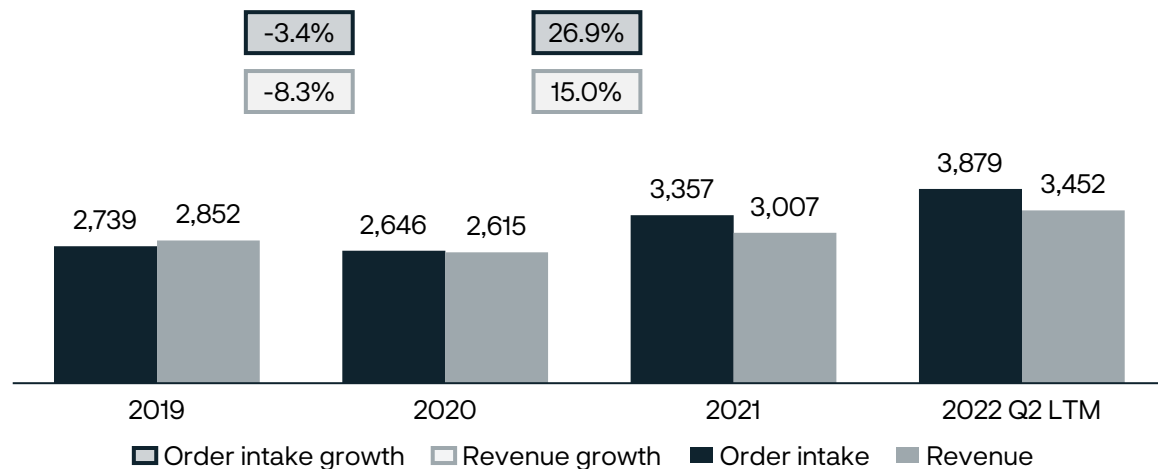


Note: (1) Market reach defined as serviceable addressable market (SAM)

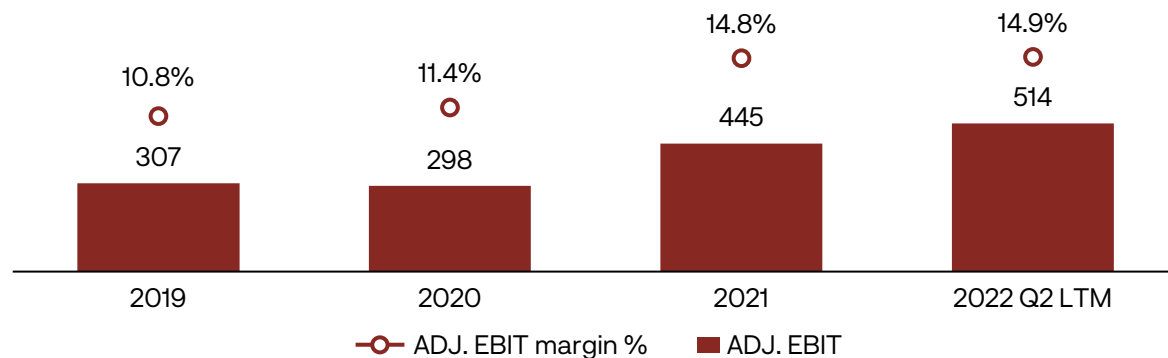


Historical financial performance

Order intake and revenues, SEK M



Adj. EBIT, SEK M



2020 vs 2019

- The decline for order intake and revenues in 2020 primarily related to a decline in the Industrial Heating and the short cycle Consumer customer segments, partly offset by a positive development in Medical. Adj. EBIT margin increased mainly due to productivity improvements

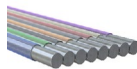
2021 vs 2020

- Strong growth in 2021 order intake and revenues, driven by positive development in all customer segments. The increased adj. EBIT margin in 2021 was primarily driven by volume, price, productivity and favourable mix

Q2 2022 vs Q2 2021 (rolling twelve months)

- The growth in order intake was primarily driven by the Medical and Industrial Heating customer segments, while revenues were driven by Medical. The adjusted EBIT margin was on the same level as previous year

Kanthal key product and customer segment overview

Customer segment	Industrial Heating 60%			Consumer 22%			Medical 11%		
Primary product category*	Heating systems KANTHAL®			Heating materials KANTHAL® Includes: Industrial Heating, Consumer, Industrial, Transport			Medical EXERA® FOR LIFE-CHANGING SOLUTIONS		
Example products									
Applications	Heat treatment furnaces		Glass tempering furnaces	Industrial heating elements		Industrial heating furnaces	Cochlear devices		Glucose monitors
	Melting furnaces		Continuous furnaces	Ignitor and flame sensors		Dry tumblers and other home appliances	Heart failure devices		Pacemaker leads

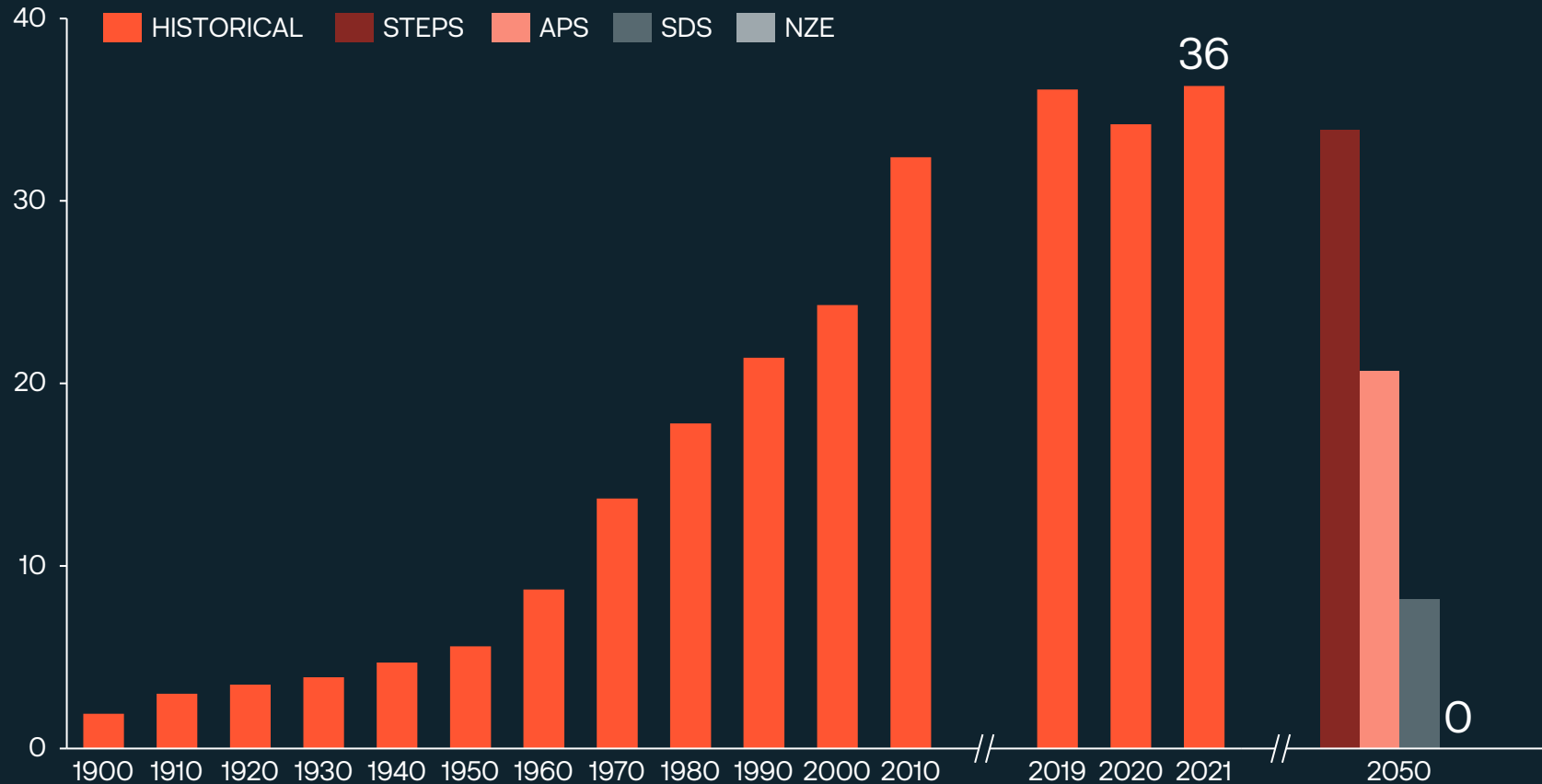
% of Kanthal revenue

*Note: revenues from the customer segment Industrial Heating is split between Heating systems and Heating materials, with majority of revenues in Heating systems



Kanthal electrifies industrial processes

Global CO2 EMI from energy combustion and industrial processes 1900 – 2050 in gigatons (Gt)¹

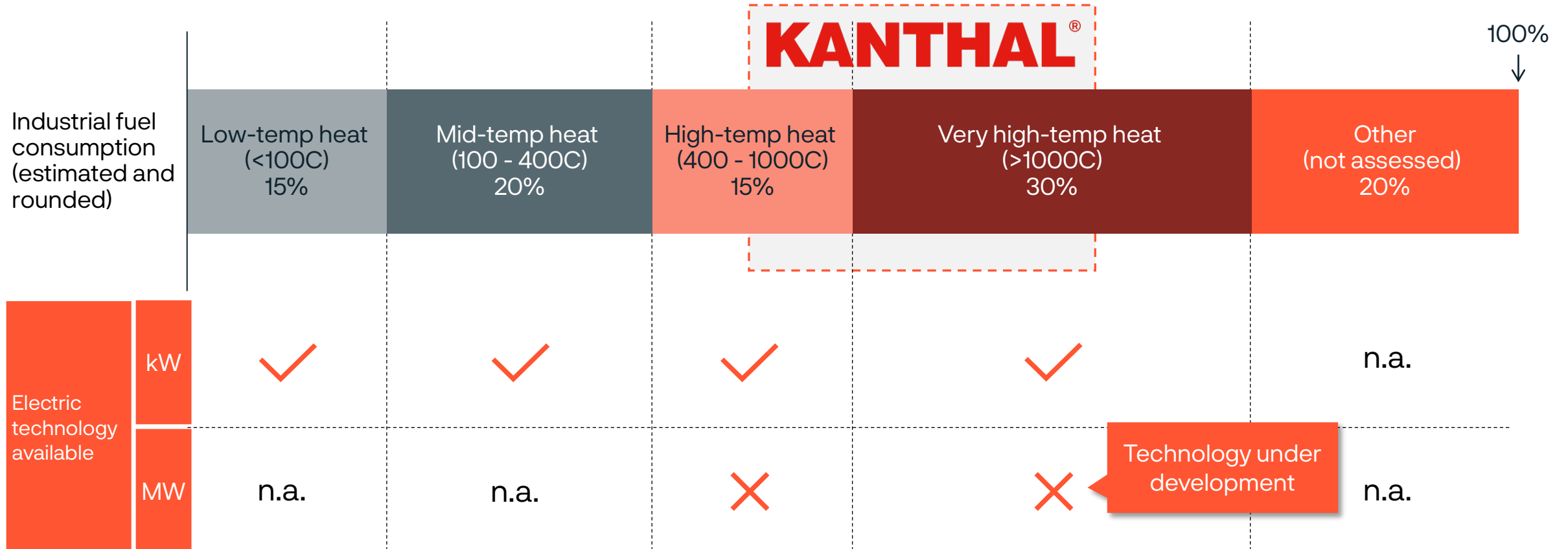


- Dramatic pollution increase since the industrial revolution
- Emissions reached a record high in 2021 (36.3 Gt)
- Carbon emission pledges from governments and industry
- CO2 emission prices at new all time highs
- Strong need for environmentally friendly technology



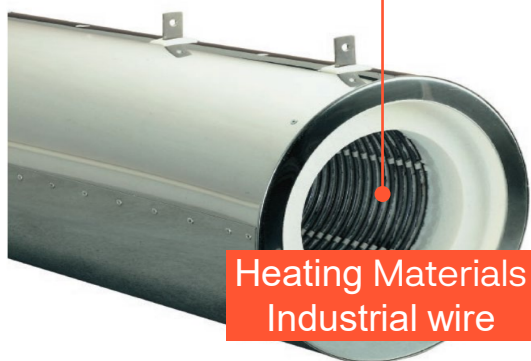
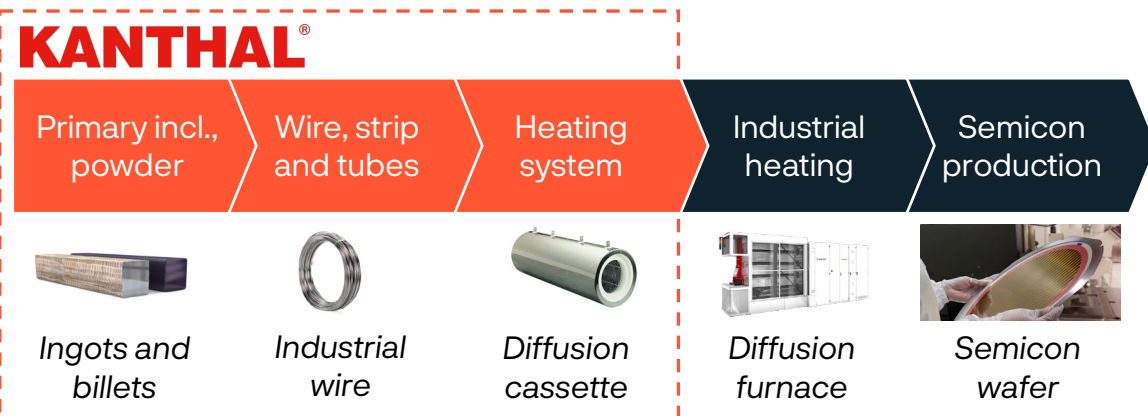
Half of the fuel consumed for energy in industry processes can be electrified with technology available today – new technology under development

Share of total estimated fuel consumption for energy¹, %

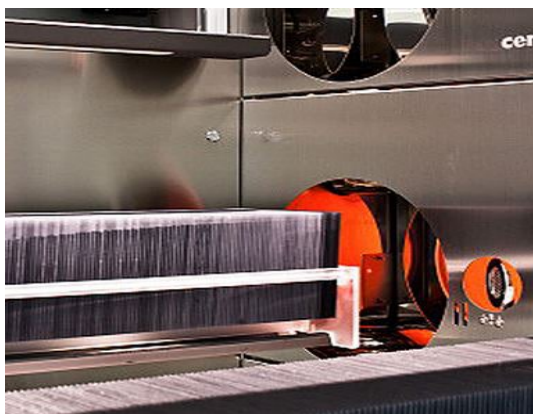




Heating Materials enables a unique Heating Systems offering



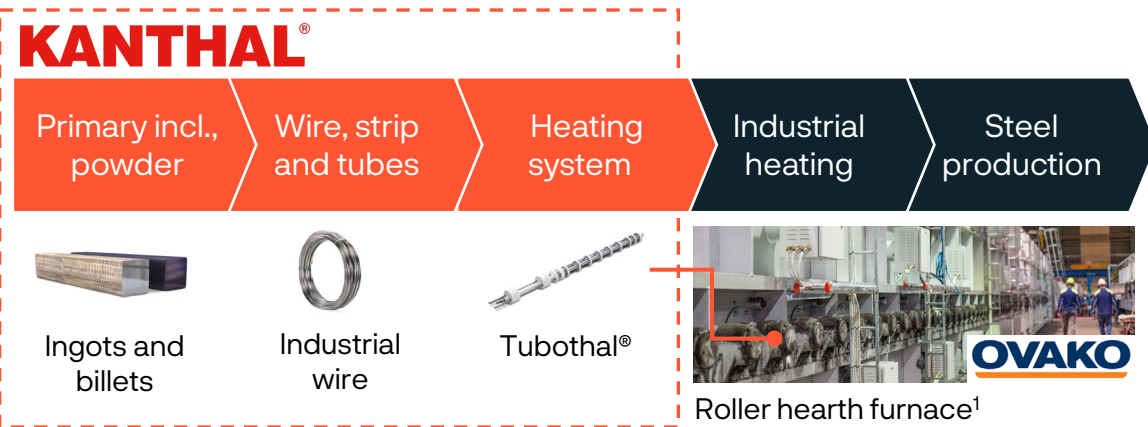
Diffusion cassette



Diffusion furnace

- Kanthal's unique material properties enables a leading position for industrial heating materials, a market growing with 6% CAGR
- One of Heating Materials key products is industrial wire used in electrical heating system applications e.g., diffusion cassettes¹
- One end-customer, producing semiconductor wafers, saw the opportunity to increase productivity by increasing the wafer dimension
- The new dimensions of the wafer required a larger heat treat furnace which posed several material challenges
- To fulfill the necessary material requirements Heating Materials developed a powder based Kanthal APM® product
- Today the Kanthal APM® material is the industry standard in heating systems for high performing semiconductor furnaces
- The material enabled production of a larger semicon wafer while increasing productivity and reducing maintenance costs for the end-customer

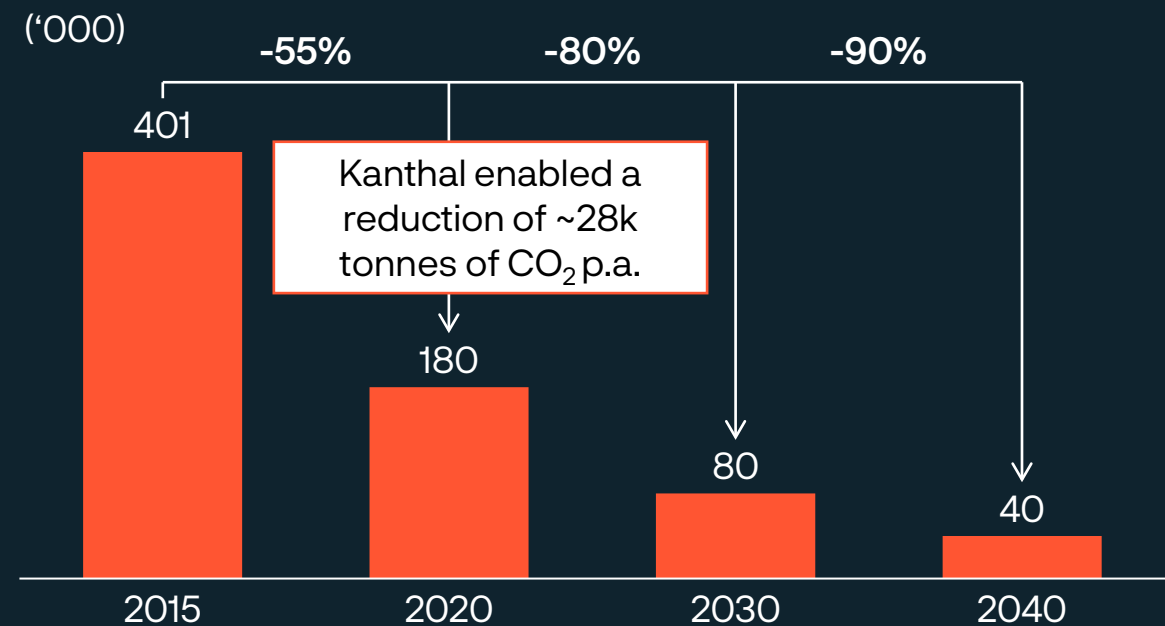
Heating systems core business electrifies industrial processes



- As many of the leading European steel producers, Ovako is on the path to carbon neutrality
- Ovako's challenge was to reduce CO₂ emissions by electrifying the roller hearth furnaces used for heat treatment of steel
- As a first step in this journey, Kanthal has supported with the conversion of 14 roller hearth furnaces, each furnace is equipped with ~86 Tubothal® heating elements
- The solution enabled Ovako to save approx. 28,000 tons of CO₂ p.a. while increasing productivity, quality and reducing maintenance costs

Note: (1) Roller hearth furnace equipped with Kanthal Tubothal® for heat treatment of steel

Ovako roadmap: CO₂e emissions, scope 1&2 only – tonnes CO₂e, all production, fixed volumes (2020)

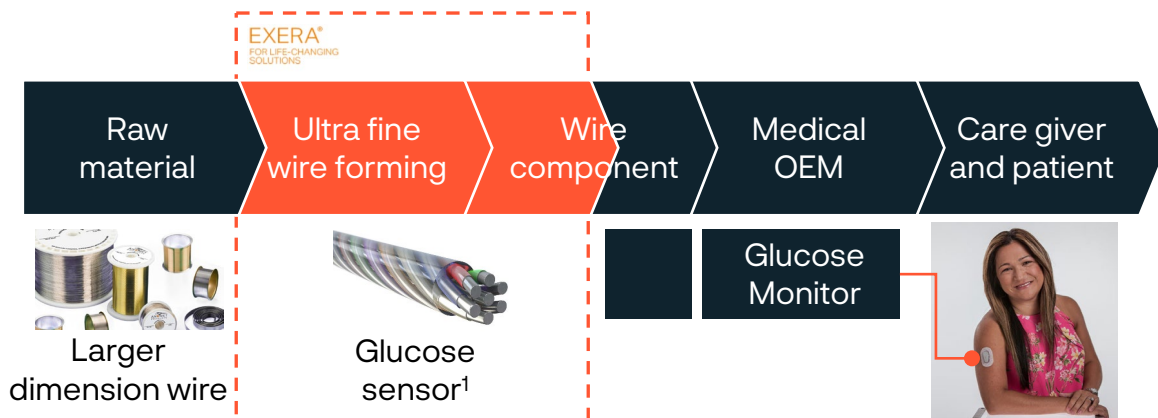


“If you use green electricity, the emissions are now zero. The total efficiency is much better too, because you do not have the flue-gas losses either”

Anders Lugnet, Furnace Technology Specialist, Ovako



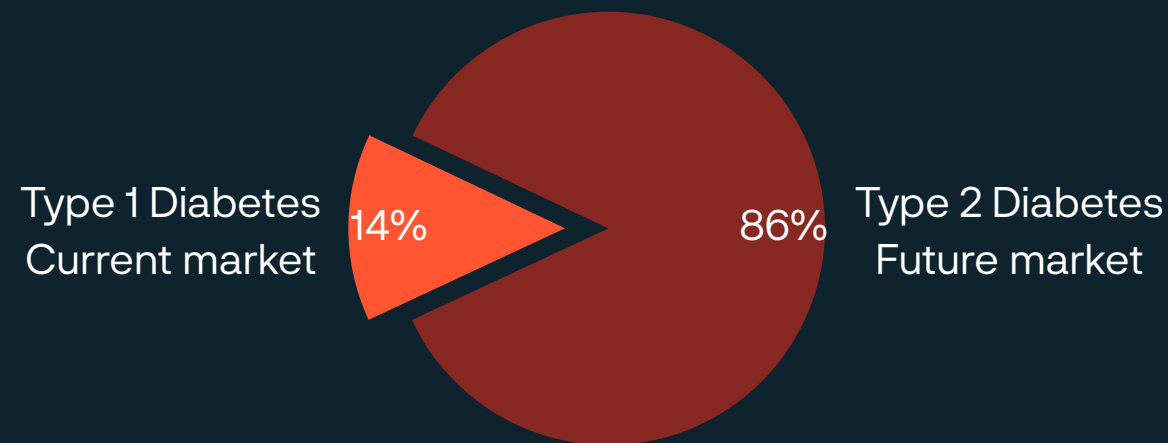
Medical is all about lifechanging solutions



- Key application areas for the Medical material is within cardiovascular, neuroscience and remote patient monitoring
- One key medical device that utilizes our material within the remote patient monitoring area is the continuous glucose monitor (cgm)
- The continuous glucose monitor tracks changes in blood sugar levels so the patient can adjust diet and insulin levels accordingly
- The unique composite wire solution and manufacturing process provides a platform for the most accurate cgm sensor on the market today

Note: (1) Illustrative for confidentiality reasons

Next generation glucose monitor will open up a larger market for glucose sensors



“Keeping her blood sugar stable is critical to avoid long term health complications but also to keep her focused and safe – here and now”

Helen, mother of Amanda (Type I Diabetic)



Strategic direction for Heating Materials, Heating Systems and Medical

Heating materials

KANTHAL®
Part of Sandvik Group



Stabilize the business and improve profitability

- Performance management
- Footprint
- Operational excellence
- Mix and price management

Heating systems

KANTHAL®
Part of Sandvik Group



Grow key industries, regions and key technologies

- Expand capacity and grow current product portfolio
- Develop MW technologies and take position in the large-scale transition of the steel industry

Medical

EXERA®
FOR LIFE-CHANGING
SOLUTIONS



Fortify forming capabilities and grow into a wire component manufacturer

- Develop component capabilities
- Fortify and grow forming capabilities
- Secure raw material supply



Summary

- Unique product offering with leading position in attractive market niches
- Strong customer stickiness and spare part sales
- Strong sustainability profile
- Attractive financial profile with profit growth potential
- Potential to accelerate growth through acquisitions in selected niches
- Well invested R&D spearheading next generation material- and heating technology





5 Strip

A world-leading supplier of precision strip materials and coating of strip steel

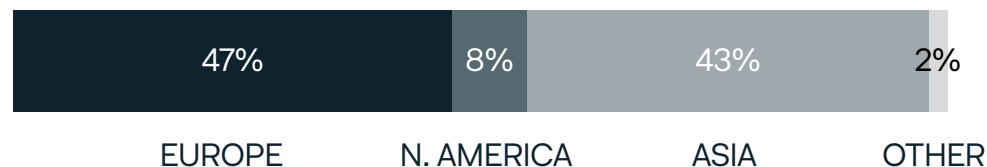
Claes Åkerblom, President Strip

Strip in brief

- Global market leader for highly niched material
- Consists of Precision Strip and Surface Technology.
- Surface Technology; producing functional coatings primarily focused on the hydrogen society
- Mainly supplying Consumer segments within white goods, shaving, as well as Industrial, Medical and Transportation segments
- Main production facilities are in Sandviken/Sweden. Strip also has a service center strategy to cater to the local markets

Revenues	Adj. EBIT	Adj. EBIT %	# FTE's
1,310	167	12.7%	508
SEK M 2021	SEK M 2021	2021	Dec 2021

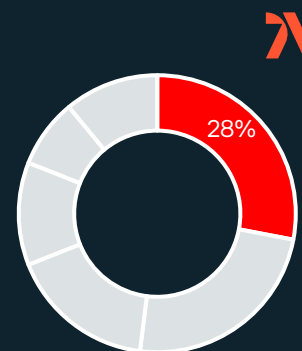
Revenues by geography



Key locations



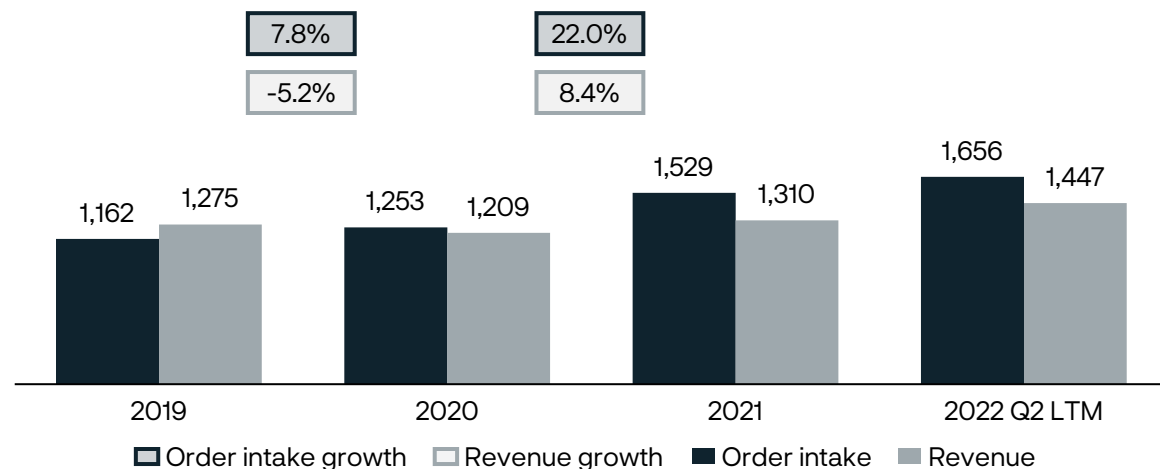
Competitive landscape



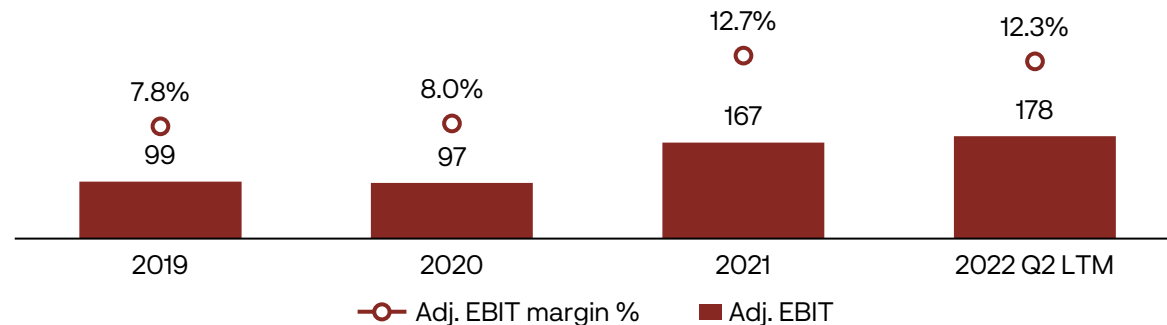


Historical financial performance

Order intake and revenues, SEK M



Adj. EBIT, SEK M



2020 vs 2019

- Order intake increased primarily related to strong development in the Consumer segment, while revenues decreased in 2020 mainly due to a decline in the Industrial and Transportation segments related to Covid-19. Adj. EBIT margin mainly supported by savings initiatives

2021 vs 2020

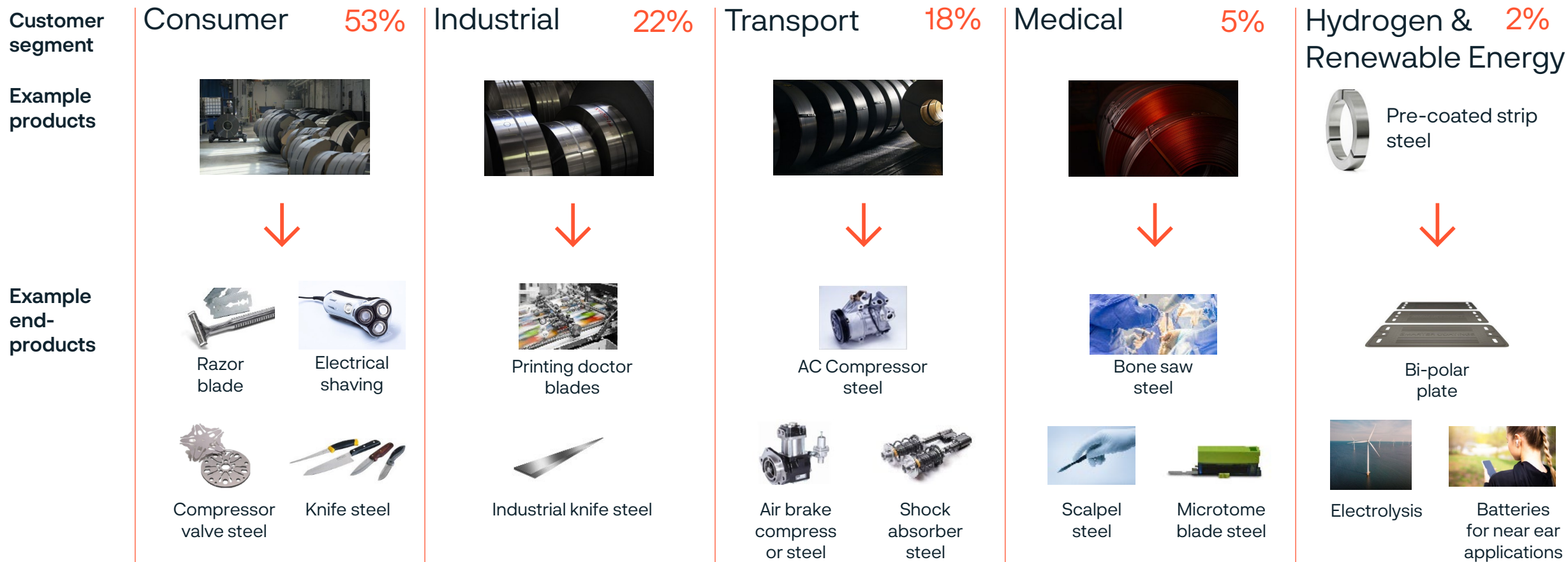
- The increased order intake and revenue in 2021 was driven by a strong recovery in the Industrial customer segment. The adj. EBIT margin increased primarily driven by increased volume and product mix

Q2 2022 vs Q2 2021 (rolling twelve months)

- Order intake and revenues increased driven by an overall strong market. Adj. EBIT was challenged by cost inflation, mitigated by price increases and a positive product mix



Key Strip product and customer segment overview





Compressor technology

Driving energy efficiency

- World leading supplier of stainless compressor valve steel, service offering close to customer.
- Customer demands:
 - Increased compressor efficiency
 - Improved lifetime and reliability
 - Noise reduction
- Driving the materials evolution and new products launched in the market
- Launched the latest product in the flapper valve portfolio in 2021
 - Freeflextm – improved fatigue properties
- Next step is to enhance our value offering from being material experts to include application and valve system design support

Example energy efficiency improvements in compressor technology 2012-2022

- From 2012 to 2022 the energy efficiency has improved by 18% due to new improved valve materials:
 - Improved designs,
 - Improved fatigue and mechanical properties,.
- 18% energy efficiency improvements over 10 years corresponds to the power output from 5 modern nuclear plants (approx. 50 TWh)



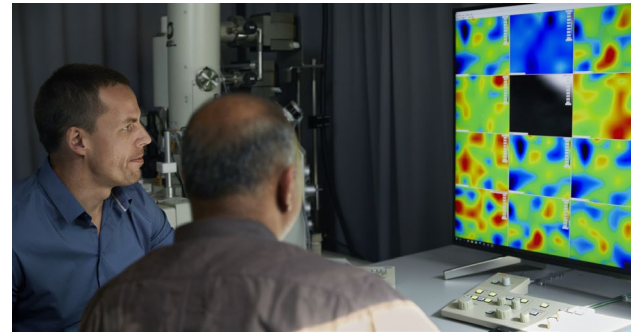
Strategic direction for Strip

Focus on profitability and market leadership



Commercial and operational excellence

- Continue to build on strategy execution over the last years
- Price and mix management
- Ongoing improvements in productivity and quality
- Digitalization of core operational processes



Growth – Existing offering

- Products and applications driven by global megatrends
- Organic growth
 - Protect market leadership in key categories
- R&D and new product development
- Improved environmental offering
- Strategic investments in technology and capability

Expand target market



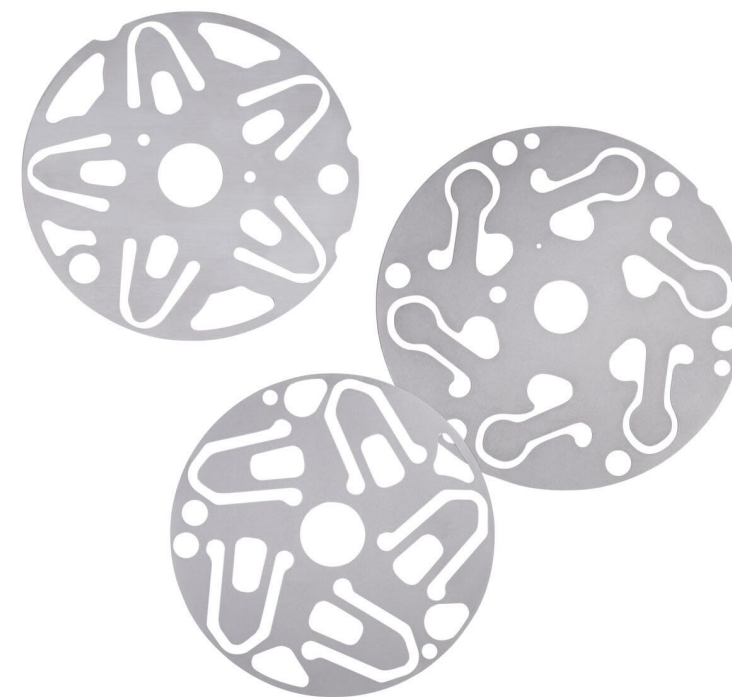
Growth - New markets

- Develop the offering in the medical, and renewable energy segments
 - **Medical:** Development of material/steel for components
 - **Transportation/Hydrogen and Renewable Energy:** Hydrogen applications
- Strategic R&D to enter other selected segments
- M&A as a potential lever



Summary

- Unique and highly specialized products with customer relationships/partnerships over decades
- Global megatrends are working in our favor
- Proven strategy execution over the last years with a much-improved profitability
- Continued focus on profitability and market leadership
- Development of offering to expand target market



A stylized white logo icon consisting of two intersecting lines forming a triangular shape.

Alleima



6 Capturing the energy transition opportunity

Well positioned to capitalize on the opportunities driven by the transition to renewable energy sources and more sustainable global industries

Göran Björkman, President & CEO

Eva Lindh-Ulmgren, Head of R&D, Tube

Phil Cherrie, Head of Strategy, Tube

Anders Björklund, President Kanthal

Mikael Blazquez, Head of Strategy and M&A and Head of Surface Technology



Enabling a sustainable future through materials technology

A Existing product offering and exceptional R&D as enabler

B Tube

Renewable energy transition

- Hydrogen refueling stations
- Concentrated solar power (CSP)
- Biopower/biofuels
- Offshore wind power
- Carbon capture and storage
- Geothermal energy

C Kanthal

Electrification of industry

- Gas to electric industrial heating
 - Steel industry
 - Petrochemical industry
 - Lithium-ion industry

D Strip

Energy transition & efficiency

- Hydrogen fuel cell technology
- Energy efficient compressor valve steel

Materials suited for the green energy transition

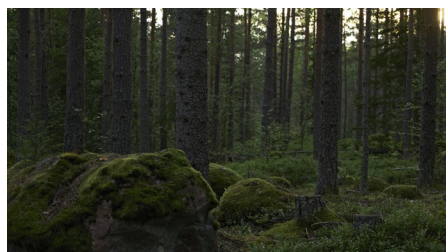


The hydrogen society

A broad materials portfolio targeting new applications and diverse customer needs

- hydrogen safe
- lighter and stronger

Increased structural load



Green hydrogen production

Next generation coated materials for lower cost and longer service-life

- less use of critical and costly material constituents
- increased robustness in electrolyser environment

Longer service life



Green energy production

Cost efficient materials that can accelerate wide-scale introduction of new green energy sources

- resistance to hot and saline geothermal brine

More aggressive environments



Energy storage

High performance materials that can enable long service life in molten metals and molten salts

- resistant to higher temperatures
- endure aggressive environments

Higher service temperatures



Use of green electricity

Next generation high temperature resistant materials for efficient electric heating

- tailored properties to meet application specific demands
- thin walls for higher efficiency

Increased process efficiency

Existing product offering and exceptional R&D as enabler

Support in customer's selection of materials

Close collaboration with customers and technology providers in early demonstration projects for emerging renewable energy technologies.

- We can set the "industry-standard" for use of materials in new renewable energy technologies

Materials that can lower cost for the "green premium"

Longer service life or increased process efficiency can reduce cost for new green technologies which is needed to get global acceptance.

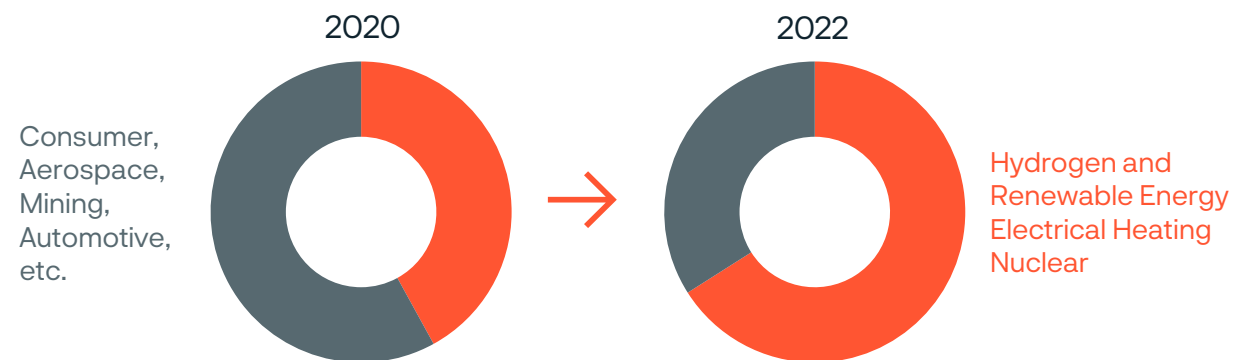
- Our high-performance materials can be enablers for green technologies

Agile product development

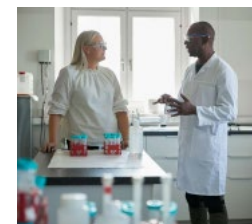
Several renewable energy technologies are emerging rapidly and all material challenges are not yet known.

- our world-leading expertise in materials and our R&D as an integral part of the value chain puts us in the pole position for rapid development of new materials tailored for the renewable energy segment.

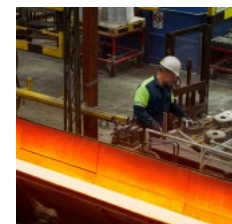
Large and increasing share of strategic R&D budget geared towards the green transition



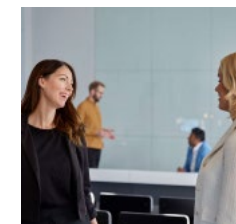
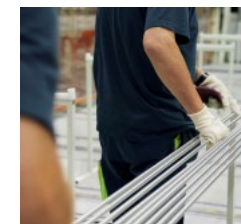
R&D as an integral part of the value chain



Research & Development



Primary melting, hot and cold working & finishing

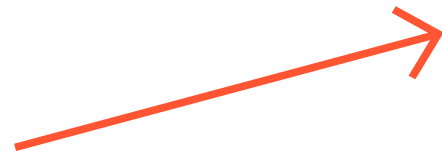


Sales & Marketing

Tube

– Capitalizing on the green shift

Rebound in oil
and gas...



...driven by several years of
under-investment

Near to mid-term

Shift to renewable
energy sources



- ✓ Current product offering to a large extent already applicable for renewable applications
- ✓ Established customer relationships with international oil companies transitioning to become integrated energy companies
- ✓ Strong R&D & innovation capabilities to meet evolving demand

Long-term

Growth drivers

Tube – Six prioritized segments in renewable energy

Hydrogen

- Adoption of hydrogen vehicles
- Power and wider transportation adoption



Concentrated solar power

- Cost reduction and ability to store energy
- Scalability in global projects



Biopower/Biofuels

- Application adaptability
- Aviation adoption



Offshore wind

- Corrosive environment
- Life cycle cost in focus
- Sustainable materials



Carbon capture and storage

- Strength and material suitability
- Sustainability requirements



Geothermal energy

- Deeper wells
- Higher pressures and temperatures

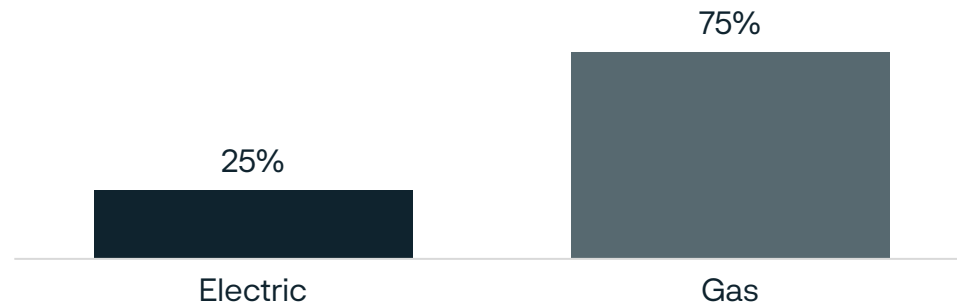


Six prioritized technology segments that depend on fluid systems operating in demanding environments

Kanthal – Benefitting from the shift to electrical furnaces

Shift to electrical furnaces...

Share of industrial furnaces market



- Share of electric industrial furnaces is increasing driven by megatrends and the transition towards sustainable solutions



- Large-scale electric gas heating solutions for fossil free iron and steel production
- Down stream electrification of steel production

...expected to be boosted by the steel industry

Emission reduction targets

Company	2025	2030	2050
SSAB	25%	100%	-
 thyssenkrupp	-	30%	"Climate neutral"
TATA STEEL	-	30%	"Climate neutral"
 ArcelorMittal	-	35%	"CO2 neutral"
DILLINGER 	-	35%	~80% - 95%
 NIPPON STEEL	-	30%	"Carbon neutral"

- New product developments enabling a transition from gas to electric in MW scale allowing steel companies to reach targets



Strip – targeting the Hydrogen fuel cell market...

Why hydrogen

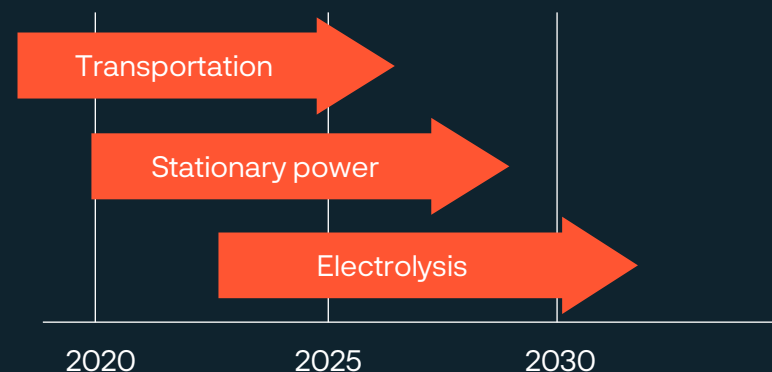
Hydrogen can contribute to 20% reduction of CO₂ emissions needed to reach the net-zero emissions target by 2050

- Security of supply
 - Can store and transport energy at scale
- Sustainability
 - Very low emission when produced by renewable sources
- Affordability
 - Increasingly competitive with other energy sources

Fast growing market dependent on several factors

- Strong governmental policy support
 - Hydrogen promotion through incentives and funds
- Build out of hydrogen infrastructure
 - Strategic push in national roadmaps to stimulate investments
- Availability of commercial products
 - Product availability to increase through technology maturity and more cost-efficient value chains

Hydrogen application commercialization



...through its Surface Technology offering based on unique pre-coating concept

Metal coils



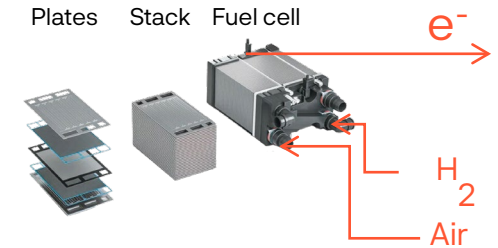
Alleima PVD Coil Coating



Bipolar plate production



Fuel stack production



Product offering



Enabling sustainable transportation



Sanergy™ LT (Low Temperature fuel cells)

– FCEV, trains, marine



Enabling sustainable stationary power

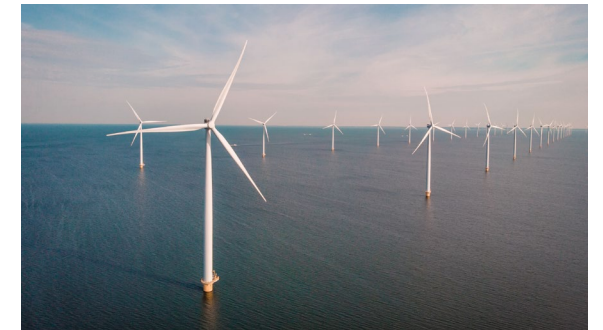


Sanergy™ HT (High Temperature fuel cells)

– Combined heat and power, energy back-up



Enabling sustainable hydrogen production



Sanergy™ WE (Water Electrolysis)

– Electrolysis

Four advantages creating strong position to capture the Hydrogen opportunity

The pre-coating concept



- A continuous coating coil to coil process enables customers to design a manufacturing process for high volumes and cost-efficient production of fuel cells

Unique competences



- Combined competence in metal substrates and coatings
- Active in developing fuel cell solutions for ~20 years

Production capabilities

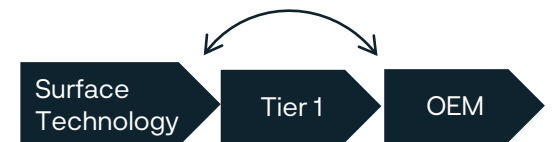


- High-volume ready to fulfil customer's needs in our large-scale rolling mill
- A quality system that enables full traceability and quality assurance
- Samples and prototypes are produced in authentic production environment

OEM focus



- Close and long-term relationships and active dialogues with OEM:s
- A preferred supplier when OEM:s purchase from Tier 1 suppliers



Unique and proven continuous coating process enables scale up and efficient high-volume production



Well positioned to lead the energy transition

Current
product offering

+

Customer
partnerships

+

World-leading R&D
and process
expertise

+

Pilot plant
and full-scale
manufacturing
facilities

=

Positioned
to lead the
energy transition



Q&A

Göran Björkman, President & CEO
Olof Bengtsson, CFO
Michael Andersson, President of Tube
Anders Björklund, President of Kanthal
Claes Åkerblom, President of Strip



7 Concluding remarks

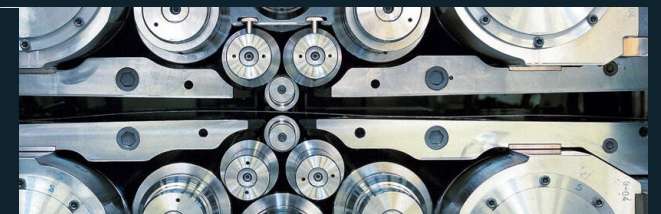
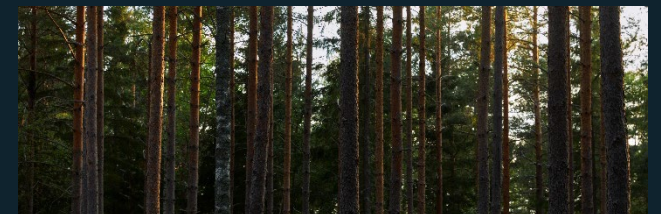
Winning platform set to unlock shareholder value

Göran Björkman, President and CEO



Winning platform set to unlock shareholder value

- 1 Premium offering with solid market positions and diverse customer segment exposure
- 2 Fully integrated value chain with prominent metallurgy expertise and global footprint
- 3 Multiple and tangible levers to deliver profitable growth, capitalizing on global megatrends including the transition to renewable energy
- 4 Solid foundation with attractive and resilient earnings and cash-flow profile



Spin-off timeline

April 27 2022	Annual General Meeting of Sandvik
August 4 2022	Publication of Alleima prospectus
August 23 2022	Alleima Capital Markets Day
August 26 2022	Sandvik first day of trading excl. Alleima
August 29 2022	Record date for distribution of Alleima shares
August 31 2022	Expected distribution and first day of trading in the Alleima shares
October 17 2022	Alleima Q3 interim report





Alleima