



Sandvik Materials Technology divests its distribution business in Australia and New Zealand

Sandvik Materials Technology is divesting its distribution business in Australia and New Zealand to Vulcan Steel Ltd.

The divested operations include leading processors and distributors of stainless steel products and other corrosion and wear-resistant products in Australia and New Zealand.

Invoiced sales for the business concerned amounted to about 930 million SEK in 2013. The operating margin was 7% and the total number of employees encompassed is 190, of which 125 in Australia and 65 in New Zealand. Currently, they form part of the Tube product area at Sandvik Materials Technology.

The divested operations involve a limited linkage to the rest of the business area, with a very small part of the total sales coming from Sandvik's own production system. The divestment does not impact the other Sandvik business areas in these countries.

Vulcan Steel Ltd is a privately owned steel distributor with operations in Australia and New Zealand, including 22 facilities working in long product distribution, coil processing, and plate service. As part of the transaction, a distribution agreement has been put in place between Sandvik and the new owner, to enable continued deliveries of Sandvik Materials Technology products to the region.

"This divestment is well in line with Sandvik Materials Technology's strategy to focus on attractive segments, such as energy, and exit businesses considered non-core. We are continuously developing our product portfolio towards even more advanced products and materials for the most demanding industries," says Petra Einarsson, President of Sandvik Materials Technology.

The transaction is expected to be finalized in October 2014.

Stockholm, 2 September 2014

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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.

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Sandvik Materials Technology

Sandvik Materials Technology is a business area within the Sandvik Group and a world-leading manufacturer of high value-added products in advanced stainless steels, special alloys, as well as metallic and ceramic resistance materials for the most demanding industries. Its cutting-edge expertise is based on an integrated production platform and world-leading metallurgy and R&D. Operations are divided into four product areas: Tube, Strip, Wire and Heating Technology as well as Primary Products. In 2013 sales were about SEK 14,000 million SEK with 7,100 employees.