

Stockholm, March 15, 2018

Nippon Steel & Sumitomo Metal Corporation signs agreement to acquire Ovako Group from Triton

Nippon Steel & Sumitomo Metal Corporation (NSSMC), one of the world's largest steel producers, has signed an agreement with funds advised by Triton to acquire 100 percent of Ovako Group. The acquisition is subject to regulatory approval.

NSSMC is a global market leader in steel production with world-leading technologies and manufacturing capabilities. The group makes a wide range of value-added steel products in more than 15 countries as well as at 12 steelworks in Japan. For the fiscal year ended March 31, 2016, NSSMC reported a crude steel production on a consolidated basis of 45 million tons.

“Ovako is a global technology leader regarding high-cleanliness steel for bearing steel and other advanced applications”, says Kosei Shindo, President of NSSMC. “Our goal with the acquisition of Ovako is to strengthen and expand our global business and further strengthen our technology, product quality, and product development capability for special steel, and securing a base of manufacture and sales in Europe, to strengthen our global special steel business”.

In the past years Ovako has implemented a number of key improvement initiatives, such as clear segment strategies, increased production efficiency, employee safety programs, investments in product development, establishment of a new global sales organization and the launch of digital tools to improve the sales process. This has resulted in new business, increased market shares, higher demand from customers and improved efficiency and profitability.

“I am very pleased that Ovako now will become part of Nippon Steel & Sumitomo Metal Corporation, a strong industrial owner and a clear technology leader in the global steel industry” says Marcus Hedblom, President and CEO of Ovako. “With the strong support of our shareholder Triton, Ovako has strengthened its competitiveness and its market position significantly over the last years. Our target is to continue to grow over the coming years, and we expect that with the support and the technological leadership of NSSMC we will be able to bring even more value to our customers”.

“Triton has been the owner of Ovako for more than seven years and it’s now an appropriate time for an industrial owner to continue the development of Ovako. We would like to thank the employees and management for their contributions to Ovako's successful development during Triton’s ownership” says Joakim Olsson, Chairman of the Board of Ovako.

The parties have agreed not to disclose the terms of the transaction. Upon closing of the transaction, it is Ovako’s intention to redeem the Ovako AB (publ) EUR 310 million 5.00 percent senior secured notes, due 2022.

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About Ovako

Ovako develops high-tech steel solutions for, and in cooperation with, its customers in the bearing, transport and manufacturing industries. Our steel makes our customers' end products more resilient and extends their useful life, ultimately resulting in smarter, more energy-efficient and more environmentally-friendly products.

Our production is based on recycled scrap and includes steel in the form of bar, tube, ring and pre-components. Ovako is represented in more than 30 countries, and has sales offices in Europe, North America and Asia. Ovako's sales in 2017 amounted to EUR 921 million, and the company had 3,040 employees at year-end. For more information, please visit us at www.ovako.com

About Triton

The Triton funds invest in and support the positive development of medium-sized businesses headquartered in Europe, focusing on businesses in the Industrial, Business Services and Consumer/Health sectors. Triton seeks to contribute to the building of better businesses for the longer term. Triton and its executives wish to be agents of positive change towards sustainable operational improvements and growth. The 36 companies currently in Triton's portfolio have combined sales of around €14.2 billion and around 91,000 employees. The Triton funds are advised by dedicated teams of professionals based in Germany, Sweden, Norway, Finland, Denmark, Italy, the United Kingdom, the United States, China, Luxembourg and Jersey. For further information: www.triton-partners.com

About Nippon Steel & Sumitomo Metal Corporation (NSSMC)

Established in October 2012 by the merger of Nippon Steel Corporation and Sumitomo Metal Industries, Ltd., Nippon Steel & Sumitomo Metal Corporation (NSSMC) is the world-leading integrated steel producer. NSSMC's management team is led by Shoji Muneoka, Representative Director and Chairman, and Kosei Shindo, Representative Director and President. NSSMC makes a wide range of value-added steel products, in more than 15 countries as well as at 12 steelworks in Japan. It emphasizes three business fields as key strategic areas: i) high-grade steel products for automobiles, ii) resources and energy, and iii) civil engineering, construction, and railways. It conducts research and development at three major research centers, and seven laboratories at steelworks, all in Japan. NSSMC is a holding company for five businesses: steelmaking, engineering, chemicals, new materials, and system solutions. The NSSMC group employs approximately 84,000 persons. NSSMC posted ¥4,907,429 million in net sales and ¥200,929 million in ordinary profit with its crude steel production of 44.53 million tons on a consolidated basis for the fiscal year ended March 31, 2016. In line with its corporate philosophy, NSSMC is working at building up a dynamic NSSMC Group. The company seeks to ensure management efficiency, soundness, and transparency, and enhance its corporate governance with the ultimate aim of achieving sustainable improvement in corporate value and being trusted by society. For more information, please visit www.nssmc.com

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