



Sandvik completes the divestment of Sandvik Drilling and Completions

Sandvik has completed the previously announced divestment of Sandvik Drilling and Completions (Varel), meaning the operations relating to the oil and gas industry to the private equity firm Blue Water Energy and its co-investor, the privately owned Nixon Energy Investments.

As earlier announced, Sandvik will remain a minority owner of 30% of the company and hold a position on the board. The contribution to Sandvik's earnings per share from the minority ownership, reported in associated companies, would have been limited based on 2019 results.

In the results for the fourth quarter 2019, Sandvik reported a related write-down of net -3.9 billion SEK. In the subsequent period until closing of the deal, changes in net assets imply a negligible capital gain however the realized effect from reversal of the accumulated currency translation in Other Comprehensive Income will have a negative impact of -0.5 billion SEK on the operation result in Other Operations for the first quarter of 2020. The closing of the divestment results in a positive cash flow impact of about 0.7 billion SEK during the first half of 2020, net of transaction costs.

As of the second quarter of 2020 Other Operations will not include any active operations. The minority owned company will be incorporated in Group Activities.

Stockholm, 12 March 2020

Sandvik AB

For further information, contact Ann-Sofie Nordh, Vice President Investor Relations, phone: +46 8 456 14 94 or Martin Blomgren, Press and Media Relations Manager, phone: +46 70 577 0549.

Sandvik Group

Sandvik is a high-tech and global engineering group offering products and services that enhance customer productivity, profitability and safety. We hold world-leading positions in selected areas – tools and tooling systems for metal cutting; equipment and tools, service and technical solutions for the mining industry and rock excavation within the construction industry; products in advanced stainless steels and special alloys as well as products for industrial heating. In 2019, the Group had approximately 40,000 employees and revenues of about 100 billion SEK in more than 160 countries within continuing operations.

Postal address

SANDVIK AB
Box 510
SE-101 30 STOCKHOLM
SWEDEN

Public Company (publ)

Reg.No 556000-3468
VAT No. SE663000060901
home.sandvik

Telephone

+46 8 456 11 00