



Press Release

Sandvik to acquire premium solid round tools company Chuzhou Yongpu Carbide Tools Co., Ltd

Sandvik has signed an agreement to acquire 67% of Chuzhou Yongpu Carbide Tools Co., Ltd, a China based premium solid round tools company, with a call option to buy the remaining part in three years' time. Chuzhou Yongpu Carbide Tools Co., Ltd is mainly focused on global and local OEMs and connected suppliers operating in China. Its capabilities include the full solid round tools manufacturing value chain with an offer covering blanks, cutting tools, reconditioning and coating services. The company will be reported in Sandvik Coromant, a division within Sandvik Manufacturing and Machining Solutions.

"The acquisition of Chuzhou Yongpu Carbide Tools Co., Ltd is part of our strategy for our machining solutions business to increase our market share and take a leading position in solid round tools, and at the same time expand further in the Asian market. We are looking forward to welcoming Chuzhou Yongpu Carbide Tools Co., Ltd to the Sandvik Group", says Stefan Widing, President and CEO of Sandvik.

Chuzhou Yongpu Carbide Tools Co., Ltd will continue to operate under its own brand and focus on developing its offer and market share with the ambition to become a leading premium provider of solid round tools in China. The combined expertise and footprint of Sandvik Coromant and Chuzhou Yongpu Carbide Tools Co., Ltd will drive further geographical expansion in the region, particularly for cutting tools.

"We have long-term strategic commitment to strengthen and develop our business. China is a fast-growing market for solid round tools, and the acquisition of Chuzhou Yongpu Carbide Tools Co., Ltd will further strengthen our presence and enhance our offer to customers in this important region. With its premium position and strong customer focus, Chuzhou Yongpu Carbide Tools Co., Ltd is a great fit for Sandvik Machining Solutions", says Nadine Crauwels, President of Sandvik Machining Solutions.

Chuzhou Yongpu Carbide Tools Co., Ltd is headquartered in Chuzhou, China, and has around 500 employees. It had revenues of approximately SEK 400 million for the twelve month period Q2 2020 to Q1 2021, an EBIT margin slightly dilutive to Sandvik Manufacturing and Machining Solutions. Impact on earnings per share will initially be neutral.

The transaction is expected to close during the third quarter of 2021.

Stockholm, July 28 2021
Sandvik AB

For further information, contact Louise Tjeder, VP Investor relations, phone: +46 (0) 70782 6374 or Johannes Hellström, Press and Media Relations Manager, phone: +46 (0) 70721 1008.

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

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 2020, the Group had approximately 37,000 employees and revenues of about 86 billion SEK in more than 160 countries within continuing operations.