

Sandvik to acquire US based round tools manufacturer GWS Tool Group

Sandvik has signed an agreement to acquire 100% of the equity interests of the US based company GWS Tool Intermediate Holdings LLC ("GWS" or the "Company") from its beneficial owners, L Squared Capital Partners and GWS management. GWS is an established and fast growing provider of made-to-order round tools with a large exposure to the general engineering and aerospace segments. The Company will be reported in Walter, a division within the business area Sandvik Manufacturing and Machining Solutions.

"With the acquisition of GWS, we take an important step in our shift to growth strategy where we have a clear ambition for our machining solutions business to increase market share in round tools and to enhance our presence in the North American market", says Stefan Widing, CEO and President of Sandvik.

GWS primarily sells made-to-order products, such as polycrystalline diamond tools and taps, which are complementary to Walter's standard product offering. GWS' strong operational presence in the US and speed to market capabilities improves Walter's value proposition and position in the manufacturing of advanced components and light-weight materials, while strengthening and complementing Walter's current customer end-market exposure.

"We are pleased to add the GWS product portfolio to our existing US offering and become a one-stop shop for round tools for our North American customers. GWS brings us complementary production capabilities and strengthens our foothold within general engineering and aerospace, while having only a limited, low-single digit exposure to internal combustion engines. With its solid position within custom round tools and strong customer focus, GWS is a great fit for Sandvik Machining Solutions", says Nadine Crauwels, President of Sandvik Machining Solutions.

GWS is headquartered in Florida, USA, and has around 490 employees. For 2021, on a pro forma basis, the Company is expected to have revenues of approximately SEK 875 million. GWS has had strong revenue growth historically, and is expected to grow at a high single digit organic growth rate in the medium term. The impact on Sandvik's EBITA margin and earnings per share will initially be neutral. The parties have agreed not to disclose the purchase price. The transaction is expected to close during the fourth quarter of 2021 and is subject to relevant regulatory approvals.

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Sandvik AB

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Sandvik Group

Sandvik is a high-tech and global engineering group offering products and services that enhance customer productivity, profitability and sustainability. 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.

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