



Press Release

Sandvik to acquire PCD tools manufacturer Frezite

Sandvik has signed an agreement to acquire 100% of the equity interests of the Portugal-based company Frezigest, SGPS ("Frezite"). Frezite's offering primarily consists of made-to-order polycrystalline diamond (PCD) tools for metal and wood applications, with exposure to the automotive, general engineering and aerospace segments. The company will be reported within Walter, a division within Sandvik Manufacturing and Machining Solutions.

"With the acquisition of Frezite, we take another important step in our shift to growth strategy. We have a clear ambition for our machining solutions business to increase our presence and strengthen our expertise in PCD tooling for lightweight materials", says Stefan Widing, CEO and President of Sandvik.

Frezite enhances Walter's product offering within PCD aluminum products. The company is present in Europe, Mexico and Brazil, and with its speed to market capabilities it improves Walter's value proposition and position as a manufacturer of advanced components in lightweight materials. Frezite's competence and offering of clamping and fixtures solutions will allow Walter to offer turnkey solutions which implies interaction earlier in the customer's value chain. In addition, Frezite adds adjacent revenue potential for Walter in the premium wood and composite segment.

"Frezite provides complementary production capabilities and competence and reinforces our position in the electric and hybrid automotive market. With its solid position within custom PCD tools and competence within interesting adjacent fields, we are very pleased to welcome Frezite to the Group", says Nadine Crauwels, President of Sandvik Machining Solutions.

Frezite, founded in 1978, has around 450 employees and is headquartered in Trofa, Portugal. In 2021, the company generated revenues of approximately SEK 450 million and is expected to grow at a mid-single digit organic growth rate in the medium term. The EBITA margin is slightly dilutive to Sandvik Manufacturing and Machining Solutions. Impact on Sandvik's earnings per share will be limited, yet slightly positive. The parties have agreed not to disclose the purchase price. The transaction is expected to close during the third quarter of 2022 and is subject to customary closing conditions.

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Sandvik AB

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Sandvik Group

Sandvik is a global high-tech engineering group offering solutions that enhance productivity, profitability and sustainability for the manufacturing, mining and infrastructure industries. We are at the forefront of digitalization and focus on optimizing our customers' processes. Our world-leading offering includes equipment, tools, services and digital solutions for machining, mining, rock excavation, rock processing and advanced materials. In 2021 the Group had approximately 44,000 employees and revenues of about 99 billion SEK in about 150 countries.

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