



Sandvik Materials Technology intends to divest the welding and stainless wire businesses

In order to further consolidate the product portfolio and improve its long term performance, Sandvik Materials Technology intends to divest parts of its wire operations.

- To be divested: welding and stainless wire

These businesses are subject to intense competition and Sandvik Materials Technology does not hold a No. 1-2 market position. In 2016 the wire businesses, which are to be divested, generated total annual revenues of about 700 million SEK.

- To remain in Sandvik Materials Technology: Kanthal wire for industrial heating etc.

These businesses will be included in the Kanthal product area and are regarded as core businesses due to the strong market positions and growth potential. In 2016 operations now transferred into the Kanthal product area had annual revenues of about 800 million SEK.

A charge of -450 million SEK related to the transaction will impact the result for the second quarter 2017. This is primarily impairments related to fixed assets. The cash flow impact from the transaction is expected to be positive.

"The divestment of the welding and stainless wire businesses will make Sandvik Materials Technology more focused on its core operations; advanced stainless steels and special alloys for the most demanding industries. We will continue to develop our core businesses to ensure long term value creation. A new organizational structure is being created, effective as from 1 July 2017, whereby each product area will be responsible and accountable for the entire value chain and its results. The four new product areas will be Tube, Kanthal, Powder and Strip", says Petra Einarsson, President of business area Sandvik Materials Technology.

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Sandvik AB

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 and construction industries; products in advanced stainless steels and special alloys as well as products for industrial heating.

In 2016, the Group had approximately 43,000 employees and sales of 82 billion SEK in more than 150 countries within continuing operations.

Sandvik Materials Technology

Sandvik Materials Technology is a business area within the Sandvik Group and a world-leading manufacturer of high value-added products in advanced stainless steels and special alloys as well as products for industrial heating. The cutting-edge expertise is based on an integrated production platform and industry-leading metallurgy and R&D. In 2016, sales were approximately 13 billion SEK with about 6,500 employees.

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