



Press Release

Sandvik to acquire software company CGTech

Sandvik has signed an agreement to acquire US based CGTech, a global market leader in software for numerical control (NC/CNC) simulation, verification and optimization. The product offering includes VERICUT®, a machining simulation and optimization software which is CAM, machine tool manufacturer and cutting tool neutral and works stand alone or in conjunction with all major CAM suppliers. The company will be reported in Sandvik Coromant, a division within Sandvik Machining Solutions.

“This is in line with our strategic focus to grow organically and through acquisitions in the digital manufacturing space, with special focus on software solutions close to machining,” says Stefan Widing, President and CEO of Sandvik.

The combined machining expertise of Sandvik Coromant and CGTech will enhance the Group’s capabilities in machining intelligence, strengthen the software offering and facilitate an improved presence in key areas of the customer value chain.

“It’s exciting to say that we are able to expand our capabilities with CGTech. This will not only strengthen our leading market position in all parts of the world but will as well enable us to take a big step forward in offering full machining solutions to our customers, which will reduce waste significantly in their broader value chain,” says Nadine Crauwels, President of Sandvik Machining Solutions.

CGTech is headquartered in California, USA, and has about 180 employees. In 2019, CGTech had revenues of about SEK 470 million and an EBIT margin slightly dilutive to Sandvik Manufacturing and Machining Solutions’ margin. Impact on Sandvik’s earnings per share will initially be neutral.

The transaction is expected to close during the last quarter of 2020 and is subject to customary regulatory approvals.

Conference call

There will be a conference call related to the intended acquisition on 20 October 2020 at 16.00 CET for analysts, investors and financial media. The conference call will also be available live in ‘listen-only’ mode on Sandvik’s website. Please see home.sandvik for the dial-in details and presentation material.

Dial-in numbers for the conference call:

Sweden: +46 8 566 426 93

UK: +44 333 300 9031

US: +1 833 526 8381

Stockholm, 19 October 2020

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 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.