

Media Release

Oerlikon acquires Swedish surface engineering specialist Primateria

Balzers, Liechtenstein, October 5, 2017 – Oerlikon has signed an agreement to acquire Primateria, a provider of surface engineering services in Sweden. The acquisition will extend and improve Oerlikon Balzers' technologies in pre- and post-treatments and enlarge its portfolio for surface treatments.

Primateria, a Swedish company founded in 2004 by Mats Larsson and Rickard Gåhlin, specialises in providing pre- and post-treatment solutions for tool optimisation. The company currently has 15 employees. The acquisition is the next step in Oerlikon Balzers' strategy to grow in the gear cutting market and to improve the level of its service to customers. With Primateria's expertise and services, Oerlikon Balzers has enlarged its footprint in Sweden and will be able to provide even greater know-how and a broader portfolio of surface treatments to its customers worldwide. The bundled offerings will first be rolled out in Sweden and later on a global scale.

The acquisition was signed and closed on September 29, 2017. Through the acquisition, Primateria will become part of a global market player in surface solutions, enabling it to strengthen its market share and presence worldwide, particularly for gear cutting applications. All day-to-day operations in existing locations, as well as business and cooperation with customers and partners of Primateria will continue as usual and as a part of Oerlikon Balzers. Both parties have agreed not to disclose the purchase price.

"Primateria has an excellent standing in the market and offers unique and innovative pre- and post-treatment solutions to its customers in Sweden, based on strong know-how and experience in tribology. As a highly specialised service company in the gear cutting tools market, Primateria will further strengthen our position in the Nordic area with its expertise. This acquisition allows us to accelerate the expansion of our competence globally and will help us to further improve the performance of our service solutions and raising the quality of our coatings," says Marc Desrayaud, Head of Oerlikon Balzers Industrial Solutions.

Independently approaching the market in Sweden for Oerlikon Balzers and Sandvik AB

Prior to this acquisition, Oerlikon Balzers and Sandvik AB have amicably decided in August to discontinue their joint venture after nearly 30 years of close cooperation and to operate independently in the Swedish and Finnish markets. Therefore, the former Oerlikon Balzers Sandvik Coating AB is now fully owned by Oerlikon Balzers, having taken over all Sandvik's share of the joint venture (49 %). Following the shift and changes in the cutting tool market in Sweden and Finland, it has been decided that this is best strategy going forward. Oerlikon Balzers will be further strengthening its presence in the attractive and high-growth markets of forming tools and the precision components, regarding both as segments of high growth potential.

"We will continue to closely cooperate with Sandvik in the Nordic region and around the globe," says Marc Desrayaud. "At the same time, Oerlikon Balzers will be able to execute its own strategy in Sweden and Finland, for example, in fully leveraging the top-line synergies from the acquisition with Primateria."



The facility of Primateria in Koping, Schweden.



After the successful signing of the contract (left to right):
Jonas Lundberg (General Manager Oerlikon Balzers Sweden),
Olle Wänstrand (General Manager Primateria),
Mats Larsson (General Manager Primateria),
Martin Bartsch (Head of Europe North-Center Oerlikon Balzers),
Rickard Gählin (General Manager Primateria) und
Mathias Pettersson (General Manager Primateria).

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About Oerlikon Balzers

Oerlikon Balzers is one of the world's leading suppliers of surface technologies that significantly improve the performance and durability of precision components as well as tools for the metal and plastics processing industries. Extremely thin and exceptionally hard coatings, marketed under the BALINIT and BALIQ brand names, reduce friction and wear. The BALITHERM brand opens up a broad range of heat treatment services, whereas BALTONE comprises coatings that are available in a full range of elegant colours, perfectly suited for decorative applications. Under the

technology brand ePD, the company develops integrated services and solutions for the metallization of plastic parts with chrome effects.

Worldwide, more than 1'100 coating systems are in operation at Oerlikon Balzers facilities and its customers. Equipment engineering and assembly of Balzers' systems are processed in Liechtenstein and in Bergisch Gladbach (Germany). Oerlikon Balzers operates a dynamically growing network of more than 100 coating centres in 35 countries in Europe, the Americas and Asia. Oerlikon Balzers is – together with Oerlikon Metco - part of the Surface Solutions Segment of the Switzerland-based Oerlikon Group (SIX: OERL).

About the Surface Solutions Segment

The Surface Solutions Segment of the Oerlikon Group includes the two brands Oerlikon Balzers and Oerlikon Metco.

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Oerlikon Metco enhances surfaces with coating solutions and equipment. Customers benefit from a uniquely broad range of surface technologies, coating solutions, equipment, materials, services, and specialized machining services and components. The innovative solutions improve performance and increase efficiency and reliability. As innovation leader, Oerlikon Metco is forging new paths with materials for additive manufacturing (AM). Oerlikon Metco serves industries such as power generation, aviation, automotive, and other specialized markets. The **Surface Solutions Segment** operates a dynamically growing network currently consisting of more than 145 facilities with over 140 coating centres in 37 countries in Europe, the Americas, Asia and Australia, employing more than 6000 people. The Surface Solutions Segment is part of the Swiss-based Oerlikon Group (SIX: OERL).