

# SANDVIK TO ACQUIRE CAM SOFTWARE COMPANY CAMBRIO



Smart software solutions that empower our  
customers to manufacture the future

# SAFETY FIRST

Sandvik's objective is zero harm to our people, the environment we work in, our customers and our suppliers.



PROTECTIVE  
EQUIPMENT



FIRST AID  
KIT



ALARM



EMERGENCY  
NUMBER



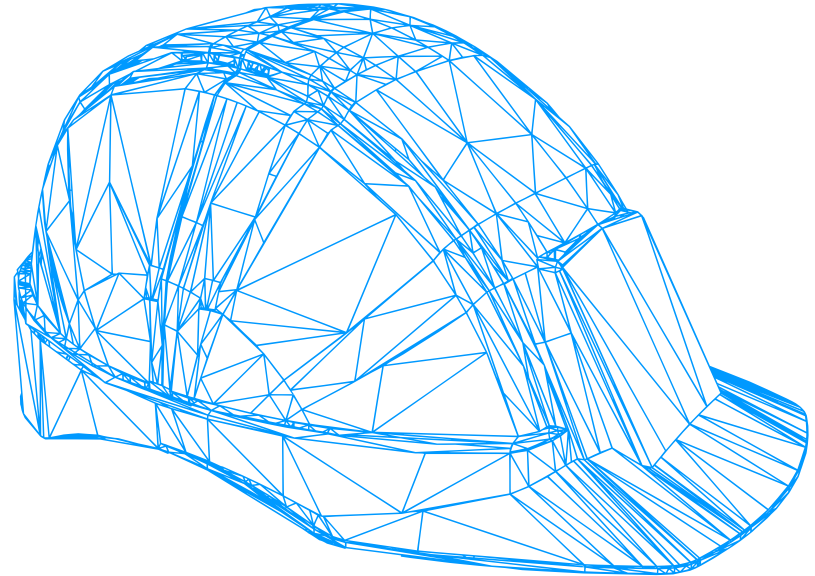
EMERGENCY  
EXIT



ASSEMBLY  
POINT



PSYCHOLOGICAL  
SAFETY



# A BUSINESS GEARED FOR GROWTH

## HIGH GROWTH RATES EXPECTED IN SANDVIK MANUFACTURING SOLUTIONS

FORECASTED MARKET GROWTH 2019-2025, CAGR

~3%



SANDVIK MINING & ROCK SOLUTIONS

2.5-3%



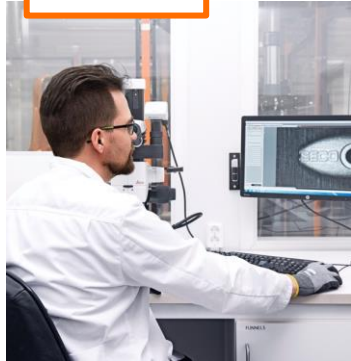
SANDVIK ROCK PROCESSING SOLUTIONS

~2%



SANDVIK MANUFACTURING & MACHINING SOLUTIONS

>10%



SANDVIK MACHINING SOLUTIONS

SANDVIK MANUFACTURING SOLUTIONS

≥5%

Through an economic cycle organic and M&A



# SMF IN BRIEF

## BUSINESS AREA SEGMENT

Geographic location	Worldwide
Headquarters	Stockholm, Sweden
President	Stefan Widing (acting)
Revenues	< 1 BSEK
Employees	~600
Gender balance	Men ~80% Women ~20%
Estimated market size	~120 BSEK



## DIVISIONS



DESIGN AND  
PLANNING  
AUTOMATION

BRANDS & TRADEMARKS:



ADDITIVE  
MANUFACTURING

BRANDS & TRADEMARKS:



METROLOGY

BRANDS & TRADEMARKS:



## PRODUCT OFFERINGS

3D METROLOGY  
SOFTWARE  
SOLUTIONS



SOFTWARE SOLU-  
TIONS FOR TOOL  
DATA MANAGEMENT



ONSITE PRECISION  
MEASUREMENT  
SERVICES



ROBOTIZED SOLUTIONS  
FOR AUTOMATED  
INSPECTION AND  
INLINE METROLOGY



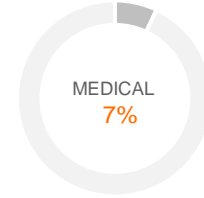
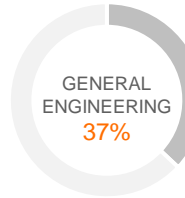
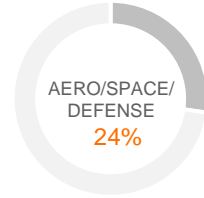
METAL  
POWDER



ADDITIVE  
MANUFACTURING  
SERVICES



## SEGMENTS



\*Other, incl Energy: 2%

## GEOGRAPHY

NORTH AMERICA



27%

EUROPE



55%

ASIA

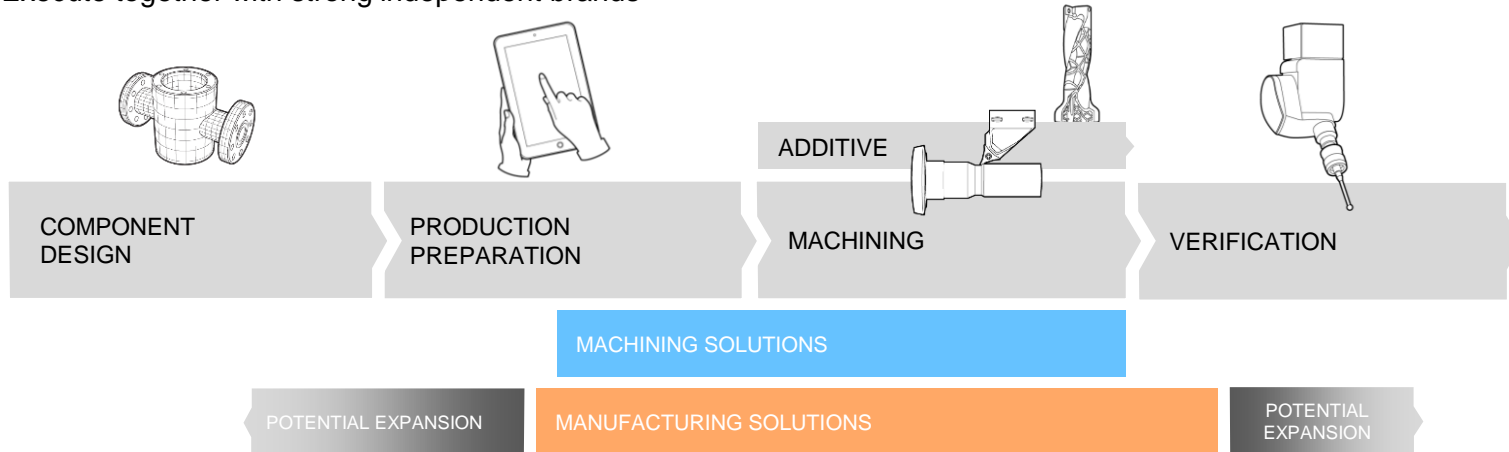


18%

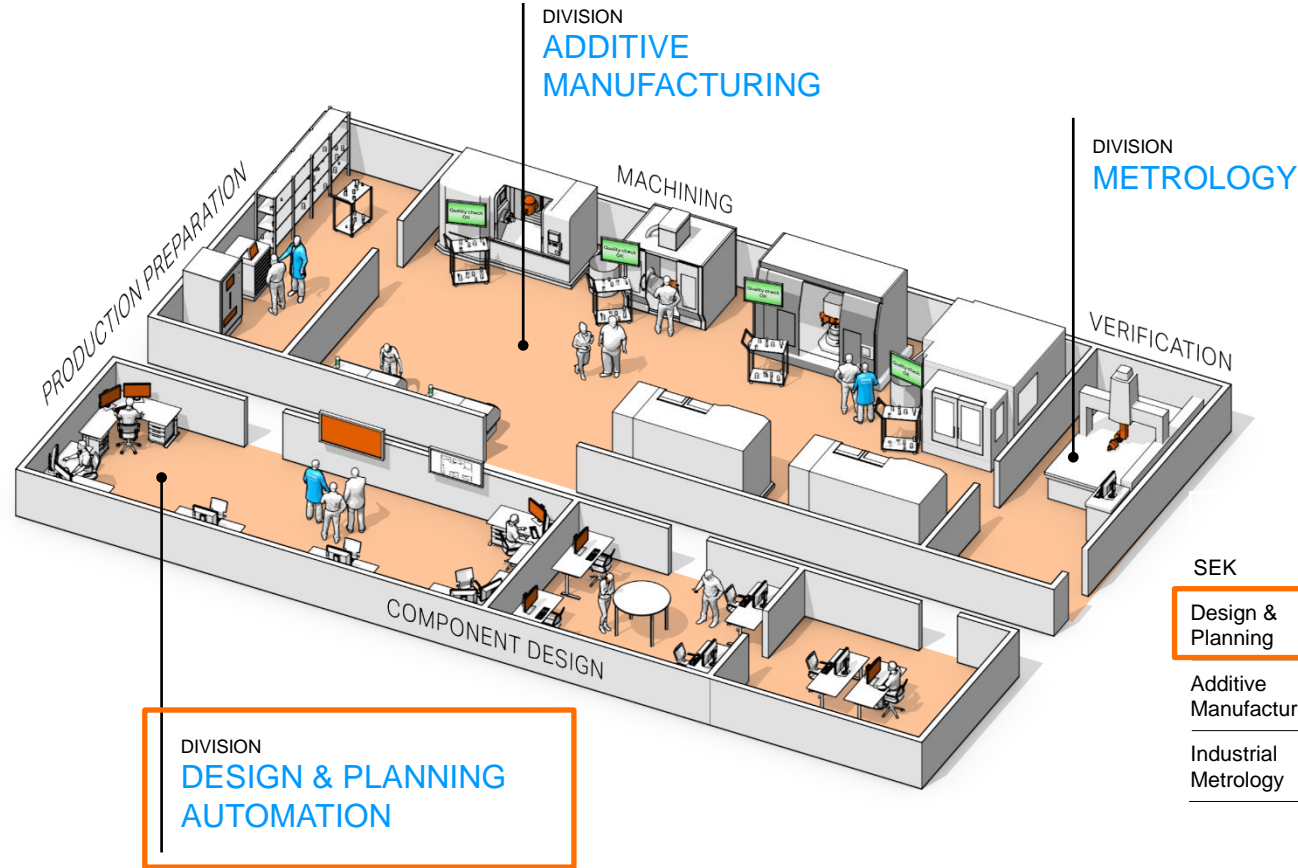
# EXPANDING OUR OFFER ABOVE AND BEYOND

## SEPARATION OF MANUFACTURING SOLUTIONS FROM MACHINING SOLUTIONS RELEASES POTENTIAL IN BOTH BUSINESSES

- Enhanced growth opportunities as separate businesses
- Enhanced focus and speed in execution
- Fit-for-purpose governance models and skills-sets
- Execute together with strong independent brands



SANDVIK MANUFACTURING SOLUTIONS  
 – OUR THREE DIVISIONS



GROWTH  
**x5**  
 2019-2025

SEK	Addressable market	Serviceable market	CAGR Serviceable market
Design & Planning	26B	26B	7%
Additive Manufacturing	46B	11B <sup>*1</sup>	20%
Industrial Metrology	100B	6B <sup>*2</sup>	8%

<sup>\*1</sup> Additive printers excluded  
<sup>\*2</sup> Only software is included



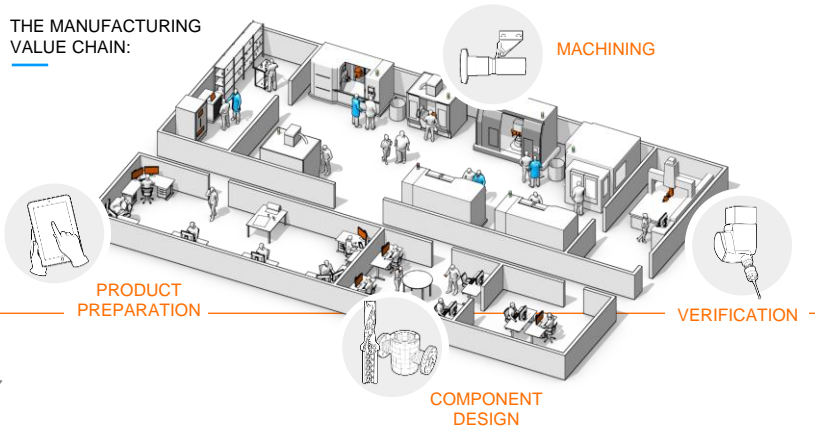
# DESIGN & PLANNING AUTOMATION DIVISION

## MISSION AND STRATEGY

### MISSION

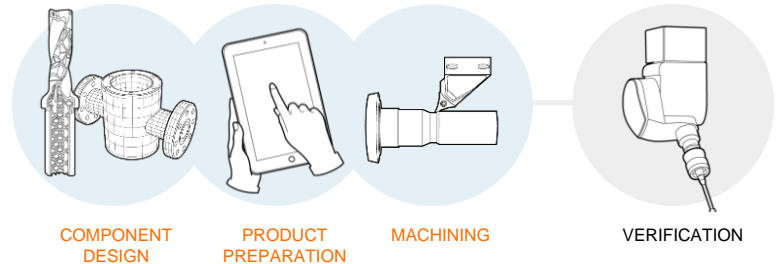
- Automate the manufacturing value chain for small and mid-sized manufacturing companies – and deliver competitive point solutions for large OEMs
- Deliver products that are open and agnostic, thus simplifying integration with installed base
- Generate recurring revenues through strong position in Computer Aided Manufacturing (CAM), Design for Manufacturability and Production logistics

THE MANUFACTURING VALUE CHAIN:



### STRATEGY

- The DPA strategy is to build an offering around Computer Aided Manufacturing (CAM), Design for Manufacturability and Production logistics – for manufacturing processes such as machining, additive manufacturing, metal forming, injection and robotic welding
- **The CAM market has been identified as the most important market to enter** due to attractive growth rates – and its proximity to Sandvik Manufacturing and Machining Solutions' core business
- CAM is a vital component to create an offer of automated solutions *from component design to machining*



# WHY CAM?

1

## Complements premium tooling business

- Tool selection and productivity improvements are made here
- The CAM market is consolidating quickly
- Cross-selling tools through CAM position

2

## CAM software market opportunity

- Growing into attractive software segment with higher share of recurring revenues
- CAM: Tooling market 1:8 ratio, very good leverage on a strong software position
- Gain a digital reach to the SME market through CAM
- Software logic to use size and scale of installed base for SaaS transition and tech scalability

3

## Improve customers' productivity through digital manufacturing

- CAM is a center piece in data capture and data use position
- Use and offer best data-base, to achieve productivity and quality gains for the customers, and for Sandvik
- Automated processes for customers will improve customer intimacy and the position for productivity sales (pay per part model)



# CAMBRIO

# CAMBRIO IN BRIEF



## OVERVIEW

- **Cambrio** is a leading company with an end-to-end portfolio in CAD/CAM software for manufacturing industries
- The **product portfolio** includes:
  - **GibbsCAM** for production milling, turning and mill turn operations
  - **Cimatron** for mold and die
  - **SigmaNEST** for sheet metal fabrication

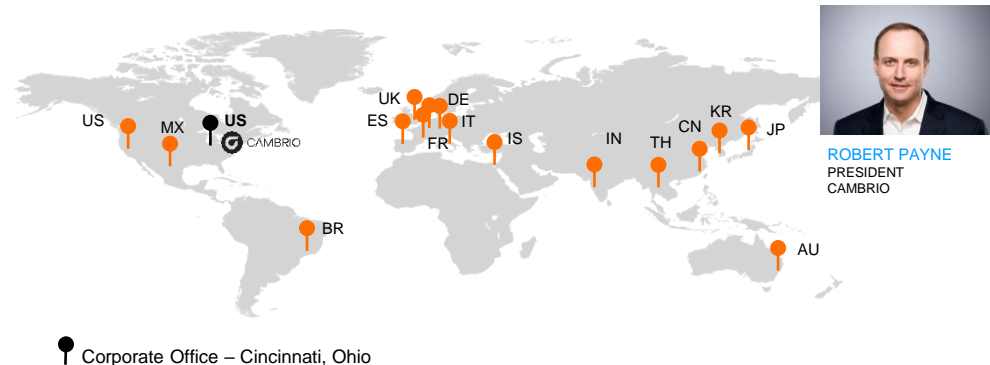


## COMPANY PROFILE 2020

Geographic location:	Worldwide
Headquarters:	Ohio, USA
President:	Robert Payne
Revenues:	~68M USD
Employees:	~375
Sales by region:	America 48% EMEA 38% APAC 14%

## MAIN CUSTOMER INDUSTRIES

- Automotive
- Transportation
- Energy
- Medical
- Aerospace
- Electronics
- Etc...



# CAMBRIO VALUE

- 1 Comprehensive fully integrated solution suites
- 2 Large and growing addressable market
- 3 Loyal, blue-chip customer base
- 4 Compelling financial model – recurring revenues and very good retention
- 5 Largest independent solution provider of agnostic solutions capable of interfacing to all major machine types and brands
- 6 Extensive partnerships with all major stakeholders in the manufacturing ecosystem
- 7 Opportunities for further organic and inorganic expansion

# CAMBRIO

## A PERFECT STRATEGIC FIT



01

Access to high growth CAM market through single acquisition

02

Global reach within the market

03

Complements current know-how in the machining process

04

Healthy and profitable customer base

05

Utilize CAM position to improve offerings

CAMBRIO IS AN ADVANCED AND WELL-POSITIONED PLAYER IN THE STRATEGICALLY IMPORTANT PRODUCTION PREPARATION STEP WITHIN THE MANUFACTURING VALUE CHAIN



# TRANSACTION OVERVIEW AND FINANCIAL IMPACT

# TRANSACTION OVERVIEW

## CAMBRIO

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### TRANSACTION CONSIDERATIONS

- **Enterprise value:** Not disclosed
- **Sellers:** Battery Ventures
- **Estimated closing:** Expected to close during the second half of 2021, subject to customary regulatory approvals

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### FINANCIAL IMPACT

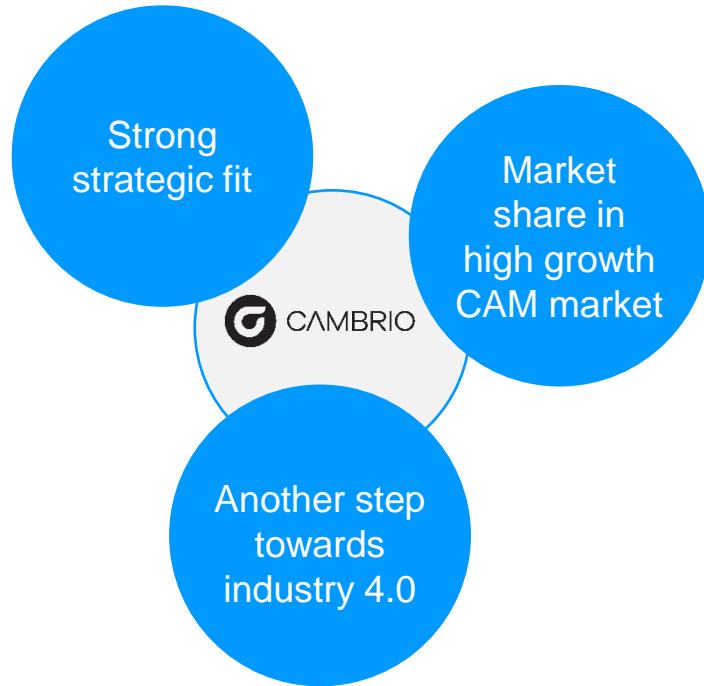
- **Financial profile:** Margin slightly dilutive to Sandvik Manufacturing and Machining Solutions
  - **EPS impact:** Neutral to EPS
  - **Impact on the Group balance sheet:** Group **gearing** by March 31 was -0.02 and **net debt/EBITDA** was not measurable. The deal will have an impact on the net debt KPI:s as it is a 100% cash deal, but they remain well under control after the closure of this transaction.
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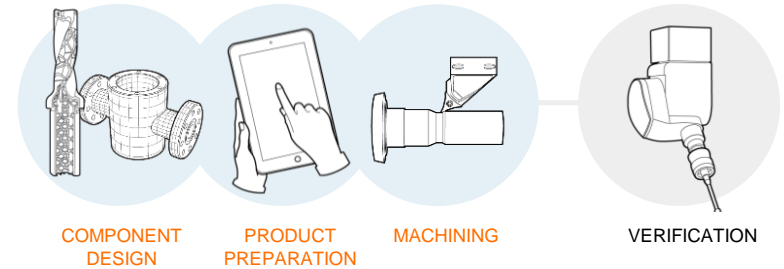
# SUMMARY

# A STRATEGIC ACQUISITION IN CAM

PLAYING A VITAL ROLE IN THE DIGITAL MANUFACTURING PROCESS



## THE MANUFACTURING VALUE CHAIN:



CAM is a vital component to create an offer of automated solutions **from component design to machining**

# QUESTIONS & ANSWERS

