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Saab completes acquisition of TKMS AB (Kockums)

Defence and security company Saab's acquisition of the Swedish shipyard Thyssen Krupp Marine Systems AB (TKMS AB formerly Kockums) has now been completed. The acquisition strengthens Saab's position as a comprehensive supplier of naval military systems.

The required decisions and approvals for Saab's acquisition of Thyssen Krupp Marine Systems AB (TKMS AB) have now been granted. The company will become a business unit within Saab's business area Security and Defence Solutions. The business unit is named Saab Kockums. Saab expects that operations will continue to be carried out primarily in Malmö, Karlskrona and Muskö.

In June, Saab and FMV signed a Letter of Intent regarding the Swedish armed forces' underwater capabilities. With the acquisition of TKMS AB, Saab, together with the Swedish authority, is able to ensure access to the existing knowledge and intellectual properties (IPR) necessary for continued development, production and maintenance in the underwater sector for both the Swedish and the international markets.

"The acquisition is in line with our strategy to expand our offering and strengthen Saab's position in the market for naval systems. Kockums has a unique offering and a strong local presence in Sweden concerning submarines and warships. The acquisition makes us a complete supplier of naval military systems. We also see good potential to expand the company's current market position through opportunities in the export market," says Håkan Buskhe, President and CEO of Saab.

"We are now beginning the integration of Kockums with Saab, focusing on reaching full capacity and we are starting work immediately with the orders placed by Sweden as well as deliveries to other existing customers. This will be followed by efforts to increase operational efficiency and profitability. This is key in order to be globally competitive in the long term. There are also good synergies to achieve with Saab's current naval operations," says Gunilla Fransson, head of Saab's business area Security and Defence Solutions.

TKMS AB designs, builds and maintains naval systems such as submarines and surface vessels. Other successful products include the air-independent Stirling propulsion system, submarine rescue vehicles and mine countermeasures systems. The company has approximately 850 employees and supplies systems and products to the navies of Sweden, Australia and Singapore. During the financial year 2012/2013, TKMS AB reported sales of approximately SEK 1.7 billion (2011/2012: SEK 1.9 billion) and income from operations of approximately MSEK 34 (2011/2012: MSEK 13).

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The cost of the acquisition, which is financed by existing funds, amounted to MSEK 340. The impact of the transaction on Saab's results for 2014 is not considered to be significant.

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Saab serves the global market with world-leading products, services and solutions ranging from military defence to civil security. Saab has operations and employees on all continents and constantly develops, adapts and improves new technology to meet customers' changing needs.

The information is that which Saab AB is required to declare by the Securities Business Act and/or the Financial Instruments Trading Act. The information was released for publication on July 22, 2014 at 12.00 (CET).

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