

Metso:Outotec

Partner for Positive Change in South Africa



Metso Outotec is a global responsible citizen, and with the Ostem transaction we are giving a real effect to the intention of transformation in the South African context. This is truly the transfer of economic inclusion of historically disadvantaged individuals, as Istogen is 75% black owned.

Ian Barnard, President of the Africa Market Area of Metso Outotec.



Metso Outotec sold the manufacturing facility in Vereeniging, South Africa to Istogen Investment Holdings as a going concern under the name of Ostem. The sale is related to Section Nine of the Constitution of the Republic of South Africa, which aims to redress the inequalities and guarantees freedom from discrimination to the people of South Africa.

Ostem has an ensured economic viability. They manufacture spare parts and services from Metso Outotec's offering, while Metso Outotec takes care of supplying those parts and services to the customers. With this agreement, Ostem has minimum spend and profitability guaranteed. They also have the capability to utilize the excess capacity and provide heavy engineering solutions to other industries, for instance provide train wheels to the rail industry.

The transaction sets up a partnership with Ostem, where Metso Outotec gets recognition in connection with Statement 102 of the DTI's codes for B-BBEE. As the transaction was completed towards the end of 2020, Ostem is now operating as an independent concern. This key partnership will contribute to Metso Outotec's efforts to support the customers in terms of the Mining Charter III, by manufacturing goods locally with local value add of more than 60% for our South African customers.

Metso Outotec in brief

Metso Outotec is a frontrunner in sustainable technologies, end-to-end solutions and services for the aggregates, minerals processing and metals refining industries globally. By improving our customers' energy and water efficiency, increasing their productivity, and reducing environmental risks with our product and process expertise, we are the partner for positive change.

Metso Outotec is committed to limiting global warming to 1.5°C with Science Based Targets. We ranked 8th on the 2021 Global 100 list of the world's most sustainable companies.

Headquartered in Helsinki, Finland, Metso Outotec employs over 15,000 people in more than 50 countries and its sales for 2020 were about EUR 3.9 billion. The company is listed on the Nasdaq Helsinki.

For any questions related to this transaction, please contact our Office in Centurion at +27 (0) 12 649 0100.