

UK Government to acquire Sheffield Forgemasters International Limited



The Ministry of Defence (MOD) has today launched an offer to acquire Sheffield Forgemasters International Limited (SFIL), allowing HM Government to refinance the company and secure the supply of components for the MOD's critical existing and future UK defence programmes.

The MOD also intends to invest up to £400 million for defence critical plant, equipment and infrastructure into SFIL over the next 10 years to support defence outputs. The acquisition has been assessed as the best value for money for the taxpayer due to the unique capabilities and circumstances. The immediate cost of the acquisition is £2.56 million for the entire share capital of the company plus debt assumed.

SFIL is the only available manufacturer with the skills and capability to produce large scale high-integrity castings and forgings from specialist steels in an integrated facility to the highest standards required for these programmes. Furthermore, SFIL's ownership will not prevent other UK based manufacturers bidding for MOD contracts, which will continue to be run in an open and fair competition.

The MOD has already started working closely with the company to implement best practice governance that will ensure appropriate financial oversight to secure the company's future success, with the aim eventually to return the business to the private sector.

Following the announcement on 28 July that Ministry of Defence had launched an offer to acquire Sheffield Forgemasters International Limited, the acquisition was successfully completed on 19 August. This secures the supply of components for the MOD's critical existing and future UK defence programmes.

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1. 2 September 2021

Updated to confirm that acquisition has now been completed

2. 28 July 2021

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