

Fiskars Group

Shaping the everyday into something extraordinary

One of the EU countries least-affected by the covid-19 pandemic and its economic impact, Finland is well-placed to rebound, according to the European Commission's Winter 2021 European Economic Forecast. The Commission's report noted Finland's recovery in the second half of 2020, and forecasts continued momentum in 2021, with broad-based growth driven by private consumption and investment. Praising the Finnish economy's resilience, the report said that it "could turn out to be a positive accelerator in the recovery phase". The EC says that rising consumer confidence will boost growth, and indeed the Finnish consumer market is looking strong going into 2021. Official figures show that consumer confidence reached its highest level for two years in January 2021.

One of the wealthiest countries in the world per capita, Finland's consumer goods market traditionally values quality, security, and brand image, according to market information service Import-Export Solutions. It is in this environment that Fiskars Group, one of the world's oldest companies, has grown. Now an international branded consumer company with a portfolio of high-quality lifestyle brands, it was founded in 1649. Its brands include household names such as Irish glassmaker Waterford, Danish porcelain company Royal Copenhagen, British ceramics producer Wedgwood, and 140 years old Finish tableware and cookware manufacturer Iittala.

Despite the impact of the pandemic on consumer spending worldwide, Fiskars posted excellent financial results in 2020, with revenues up 2% to nearly \$1.330bn, generating operating profit margin of 8.9%. Revenues in North America rose a striking 10%, while in Asia Pacific they grew by 7%.

"Our key takeaway from 2020 was that we can very quickly react and reset our plans," says Fiskars Group CEO Nathalie Ahlström. "It showed the agility of the organization and its ability to execute, as well as its resilience. The key lesson is that we should not be afraid of change. Change is constant. We need to look more at how we can see that as an opportunity moving forward."

Fiskars is targeting a mix of strong organic growth and a renewed focus on M&A over the coming years. Excellent results in 2020 show that organic growth can be an engine of expansion. And the company is also keen to build up its portfolio, having not made any acquisitions since 2015, and with a strong balance sheet to back new deals. Fiskars is willing to cast the net widely for



Nathalie Ahlström
CEO - Fiskars Group

partnerships, with an eye on its core goal of meeting the needs of the future consumer.

"We can be very broad in how we look at it as we have a good balanced portfolio of categories, segments that we play in," says Ahlström. "The question is what is relevant for the consumer in the future? Is it consumer experiences? Is it smart technology? We will be very open minded in the way we look at it."

As well as its portfolio of iconic, high-quality brands, Fiskars offers a range of competitive advantages to potential acquisitions and investors alike. Its broad range of brands positions the company well to innovate and meet developing

consumer needs. Its digital development has positioned it strongly in direct and indirect e-commerce, allowing its brands to reach more global customers. As Ahlström notes, Fiskars has many home markets, including Finland, the UK, and Sweden to name a few, which she describes as "heritage places from which we can expand".

"When we look at what we attract, with our global reach and global passionate talent, we are a good home for a potential acquisition target," she says. "We can give the scale, the reach and all the analyses that we already have, plus the reputation of being a company with focus on design, functionality, and high quality. We are financially very strong."

Sustainability, a watchword in global business in the current era, has been at the core of Fiskars' business since 1649. The company aims to reduce its own carbon emissions by 60% between 2017 and 2030, while working with suppliers and partners to decarbonise its supply chain. It is also committed to sustainable and circular materials, and business models that reduce waste.

Fiskars' strengths in uncompromising quality, value-driven products, and protection of the environment in many ways reflect the values of Finland itself. "I think we have so many strengths to be proud of," says Ahlström. "One is the fantastic talent in the country. The ease of doing business in Finland is just unheard of, the ease of getting sound investments forward is there. There is a common interest to do the best for the country, to build profitable growth for Finland."



Fibox

Growth and innovation

A company which epitomises commitment to top quality and international reach, Fibox is one of the world's leading producers of electrical enclosures. Fibox pioneered the injection moulding of polycarbonate for use in the electrical industry in 1966 and has expanded globally over the past thirty years, and now has manufacturing facilities on three continents. From South Korea to the United States, the company has established a reputation as a trusted brand in a sector in which durability and safety are paramount.

"We have built our business on the understanding that when a customer gets a Fibox product, he knows it's the best product, with the best service," says Fibox chairman Tapani Niemi. "We will continue to do so. Whatever we develop, we ensure it's the best product. It's a long-lasting brand image."

As part of its expansion plans, the company is now seeking partners, potentially through mergers and acquisitions, which will help broaden its product range, and bring in new customers across a range of markets. "We are looking for related products to add to our range," says Niemi. "We could distribute them all over the northern hemisphere. If we find a company that has good products, but limited geographical reach, I think that would be a good option: it would be good for them as they achieve more sales, and good for us as we bring in products that we are currently missing."

Fibox brand stands for high quality and reliability. The demand from the end user is on a high level. Fibox is a trusted and valuable partner for distributors and wholesalers. A trusted brand like Fibox brings confidence to sales and attracts new potential customers ja opportunities. It's characteristic for Fibox to build long term relationships with customers, we like to talk about decades rather than years.

Fibox is also growing by offering injection molding of technical plastics and control panel assembly through its factories in Finland, Germany, Poland, China, South Korea and United States. Products and services are used in several industries like telecom, industrial and medical. Understanding customer needs and building customer innovations is one of Fibox's core competencies and this we achieve by specialising in the in design, assembly and manufacturing of electrical systems.

Niemi emphasises that Fibox is more of a partner than a supplier to its clients, supporting their growth by delivering well-made and innovative products to meet their evolving needs. As such it helps partners' businesses become more efficacious as well as more secure.



"Our enclosures are safe, and easy and quick to install," he says.

In the coming years, Fibox aims to use these capabilities to build on its strong position in markets as diverse as the North America, China, Europe, and Australia. Over the past five years, the company's strategy has shifted towards having more diversified production across its global manufacturing operations, with each plant making a range of products. As a result, the company is closer to its customers, and can respond rapidly to their requirements. What makes Fibox a force to reckon with is the ability to offer the same premium quality service for customer's products close to where they are located.

"We changed from global dependability to proximity," says Niemi. "We can produce the same thing in different places. Covid

was a test for the strategy. This test is going pretty well. We had to close our factory in China for three weeks, but it only affected that factory, we didn't have any delivery issues from other factories because of that."

This shift entailed investment in highly automated manufacturing capacity in Finland, at a time when many companies were shifting production away from Europe to other markets.

"We've invested in Finland, though we could have invested elsewhere," says Niemi. "We invested in Finland because of the people. They are very self-reliant, driven, and we have a good education system that makes people very quick to adapt to new technologies and ideas."

