



# BIG PROFITS AT SCANCOM

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The Zealand manufacturer of garden furniture has used the crisis to clean up the organization, and it has yielded substantial results.

ScanCom International A/S has just presented figures for the 2009/10 financial year, which is completed by the end of June.

The result shows great improvement on the bottom line, when the surplus has grown from DKK 10.8 to 40.1 million before taxes. It happens after a year, when revenue otherwise have fallen by 21% to 813.7 million DKK.

## **Lower cost of all companies:**

According to the CEO, Stig Maasbøl, is the increased earnings to the fact that we have managed to reduce fixed costs and capital tied up in company. At the same time is clean up the products with low earnings:

- We have gone through all the expense of the group companies and initiated necessary adjustments globally. We have also increased resources for improving the general business parameters such as quality, delivery and product development, he explains.

Stig Maasbøl further states that ScanCom has worked to reduce inventory and improve its capital structure. Overall, as a consequence of implemented actions, the short-term debt has been reduced by 36 million DKK.

## **FSC wood is responsible for 40% of revenue**

ScanCom has factories in Vietnam and Indonesia as well as sawmills in Brazil and is the world's largest producer of FSC-certified garden furniture.

Overall, the FSC and sustainability a central role in corporate strategy and, therefore, ScanCom in the past year invested DKK 35 million in optimization and automation of the factory in Vietnam:

- Furniture in FSC-certified wood represents 40% of our total revenue and we want to make us even stronger and more competitive in the future, "explains Stig Maasbøl about the background of proposed action in Vietnam.

## **Acquisitions in Denmark**

ScanCom latest investment is the company Raimotech A / S, which specializes in the use of WPC (Wood Plastic):

- The intention is to use our own FSC sawdust and mix it with plastic to a material which can be used for maintenance free garden furniture, says Stig Maasbøl.

He says that the concept has already been tested commercially, and the feedback from the market has been positive.



## **Modest growth in 2010/11**

In the new financial year expects ScanCom a challenging season because of an increased price competition, and management expects this background a modest growth of around 5-7%.

The overall goal is to improve competitiveness to be achieved through improved delivery performance, increased product quality and a continued reduction in cost:

- We are planning investments in new production methods to further secure and expand our position in the segment of garden furniture reveals Stig Maasbøl.

## **About ScanCom International A/S**

ScanCom established in 1995 and currently consists of nine companies in addition to its headquarters in Korsør counts five companies in the Far East, one in South America and two in Europe.

Initially, the products were obtained from suppliers in Vietnam, but over time have built a substantial own production, which today accounts for more than 64% of total revenue.

From an initial starting point based on wood furniture has ScanCom evolved into a diversified supplier and manufacturer of garden furniture in aluminum, steel, expanded metal, cast iron, wicker materials and combinations thereof.

FSC wood is the largest area and constitutes 40% of revenue, followed by aluminum with 18% FW 13%, 11% teak and steel 9%