

Nordic Quality

by Nordic Flanges Group



**FLANGES IN STAINLESS STEEL,
CARBON STEEL AND ALUMINIUM**

nordic 
flanges



FREDERIK VON STERNECK

CEO of Nordic Flanges Group AB, possesses a great ability to successfully drive entrepreneurship and strategic change in order to create long-term growth and profitability

Nordic Flanges are leaders in Northern Europe

Nordic Flanges is a future-oriented company within the area of industrial flanges in stainless steel and aluminium. The target group is OEM customers in the processing and manufacturing industries, the oil and gas industry as well as the wholesale market.

In order to expand and look to the future, the company has produced a new strategy and new objectives. A central element is the new concept of Nordic Quality.

“Nordic Quality entails all of our customers becoming a part of our new customer concept, which is focused on our core values of innovation, all the way, together. We will be visionary, creative and development-oriented in relation to technical solutions for our customers’ problems”, says Frederik von Sterneck, CEO of Nordic Flanges Group AB.

Nordic Quality

The message in the Nordic Quality value concept is:

“We Secure Flow for the Benefit of Daily Life of People”.

Three core values: Innovation – All the Way – Together.

Driving development

Nordic Flanges is based in a tradition of high quality, accountability and substantive knowledge within manufacturing of flanges, collars and welding rings. We offer customers everything from standard products to custom products and special solutions.

Own production

Nordic Flanges’ strength can be summarised as high-quality products, a high level of service, great flexibility and solid know-how to the benefit of customers, in conjunction with customer-specific logistics solutions.

Having its own production in Sweden and Finland gives the company a special position in the market.

“We are not market-leaders, however, manufacturing flanges in the forging procedure that we use, along with our expertise within different casting methods, makes Nordic Flanges the leader in Northern Europe. We offer overall solutions, from mould design to machined finished product”, Frederik says.

Our own production is combined with trading and agency operations within selected technology-oriented industrial segments.



The customer at the centre

Nordic Flanges exudes optimism and has strengthened its organisation in several key positions.

Frederik von Sterneck took over as CEO in late 2017. Frederik possesses a great ability to successfully drive entrepreneurship and strategic change in order to create long-term growth and profitability. His former positions include that of CEO within parts of the Aliaxis Group, APE Industries and CIBES AB. He is particularly passionate about issues of growth and customer focus.

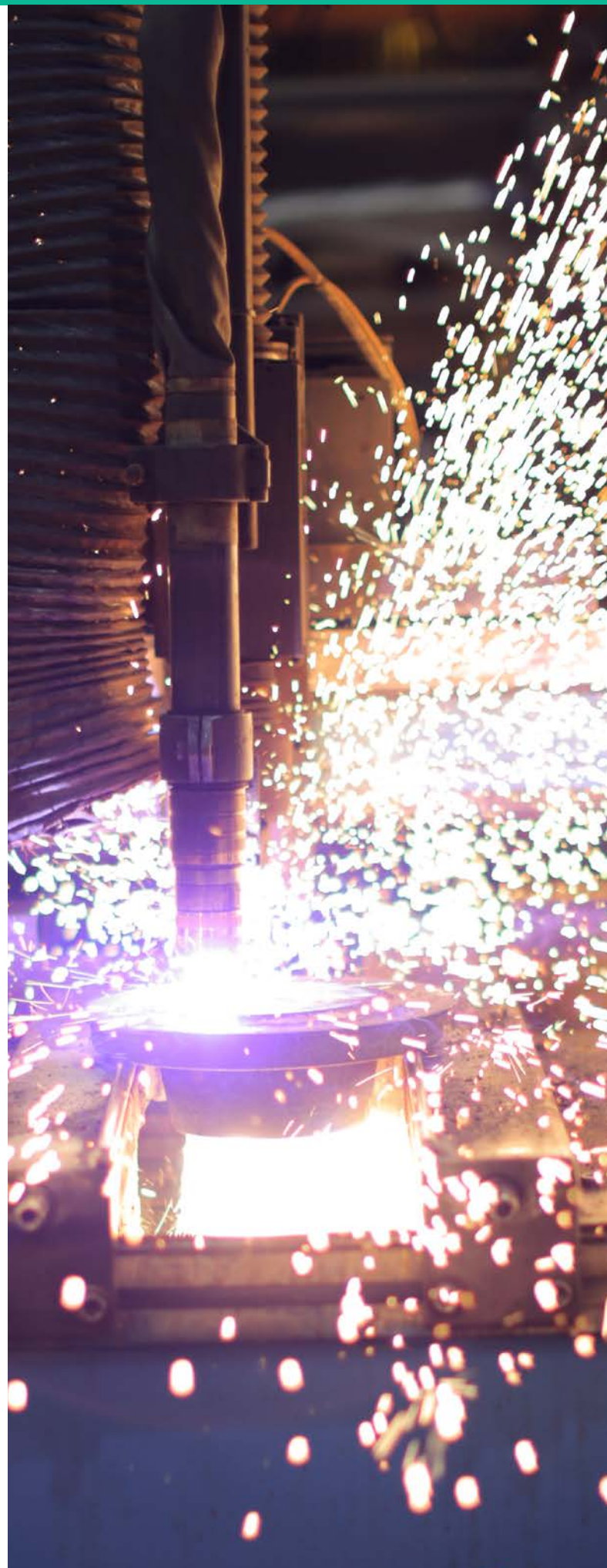
“It is important to have an overview of the customers in order to be able to offer technological solutions optimised for them. Our corporate culture is characterised by a spirit of enterprise with a high tempo, great personal commitment, inventiveness and the desire to assist our customers in the best way possible.



Major investments

The company is making major investments in its factories. In Örnsköldsvik, a new furnace in the forge is leading to increased capacity and environmental benefits through more energy efficient operation. A new and more effective melting furnace is also part of the investments in Finland.

“The environmental aspect is always included in the decisions we take within the group. We have an ambitious investment plan for 2019 and beyond, to ensure that Nordic Flanges remains at the forefront of technology as well as to establish security and confidence in customers, suppliers, employees and owners.





JOHAN ISAKSSON

Sales Director

"Everything we offer must create value for the customer"

Despite its size, Nordic Flanges is a company with a broad international operation. "We have customers in some 30 countries worldwide. Local presence enables us to operate in a global market", says Johan Isaksson, Sales Director.

Johan has wide-ranging experience of sales and 3rd party collaboration with stockists, OEM customers and end customers, both domestic and the export markets. "Simply delivering a product at the right price is not enough. Today we are expected to take greater responsibility and contribute to development of the customer's business. We must work actively in order to cut the customer's costs, increase efficiency and generate a good profit".



The route to success

Johan relates how Nordic Flanges has to operate in order to achieve success.

"We have to listen to the customer's needs and help them to find the right solutions. Internally, it requires employees with a positive attitude and the right expertise, who can respond quickly to the customers' enquiries and technical problems".

Create value for the customer

Nordic Flange's strategy is growth through increased market presence and increased sales.

"A good ability to create unique solutions, small series and short delivery times gives us competitive advantages. We work on the basis of a simple and clear motto; everything we offer must create value for the customer", Johan emphasises.

A crucial factor is proximity to the market, and that customers can utilise the specialist expertise and experience that is available within the company. Critical applications within everything from nuclear power plants to offshore require major expertise and high quality products.



Having its own production in Sweden and Finland gives Nordic Flanges a special position in the market. Critical applications within everything from nuclear power plants to offshore require major expertise and high quality products.

“Customers in Europe, as well as in the USA and Australia, are engaging us because we offer a high-quality product, along with added value through a high level of service and technical support. But also, because we have understanding and knowledge of our local market”.

“Working in close proximity to our customers and their customers differentiates us from other companies in the industry. We have a unique strength in Nordic Flanges in that we simultaneously have a warehouse and our own manufacturing within stainless steel, carbon steel and aluminium, as well as special alloys. It enables us to rapidly offer the right solution”.

Together with the customers

The answer to the question of what Johan is most passionate about is simple.

“Satisfied customers”, he says without hesitation.

“I feel that working together with our customers on different problems and jointly finding an optimal solution is enormously enjoyable and exciting. On one occasion it might concern choice of material. Next time it might involve a complicated leakage problem in an advanced heat exchanger or solving a problem within the petrochemical industry”.



Warehouse moving to Örnköldsvik



Nordic Flanges is moving its warehouse from Järna south of Stockholm. Instead all logistics and warehousing will now be concentrated at Örnköldsvik. This is taking place from both a sustainability perspective and to generate gains in relation to costs and lead times, which will contribute to increased flexibility and customer benefit.

“The establishment in Örnköldsvik gives us more options to enable coordination of resources. Above all, it will be easier for us to manage our production when we have all materials available in connection with our factory”, says Patrick Hellström, Production Manager.

Nordic Flanges Academy

Nordic Flanges is now developing the Nordic Flanges Academy. The aim is to be able to offer training to customers and their customers. It will also be a resource for the company's internal training.



Factory certifications

Nordic Flanges factories have these certifications:

- ISO 9001 :2015
- PED 2014/68/EU
- ISO 3834-2 :2005
- ISO 14001 :2015
- EN 1090-2 :2008+A1 :2011

Operations certifications

Nordic Flanges operations are certified by all major notified bodies and AVL for industry segments as:

- TÜV
- Bureau Veritas
- Germanischer Lloyd
- Lloyds Register
- TR-GOST
- Inspecta
- DNV
- Statoil
- BP
- Swedish Nuclear

International standards

Nordic Flanges products are manufactured according to European, American and all other international standards as:

- EN/DIN
- ASME/ASTM
- NORSOK M-650
- JIS
- GOST

Nordic Flanges Group

● Nordic Flanges AB, Örnsköldsvik, Sweden

Function: Factory and sales office.

Production: Forged flanges in stainless steel, duplex steel and titanium and also experts in welded rings with collars.

Stainless steel forging: Stock of raw material (EU origin) and semi-made products. Heat treatment. Trimming press and plasma cutting. Welding. Machining. Laboratory.

Welding ring with collar: Dimensions up to DN 1 400.

Materials: Austenitic grades: 304L, 316L, 321H, 254 SMO etc. Duplex grades – F51, F53, F55 and others. Special metals – e.g. titanium grade II and B381 F2.

Founded: 1977.



“We have a process in terms of machinery and working method for forged flanges that is unique to us in the Nordic region.”

Patrick Hellström,
Production Manager

● Nordic Flanges Group AB (publ.)

Group head office and sales: Stockholm.

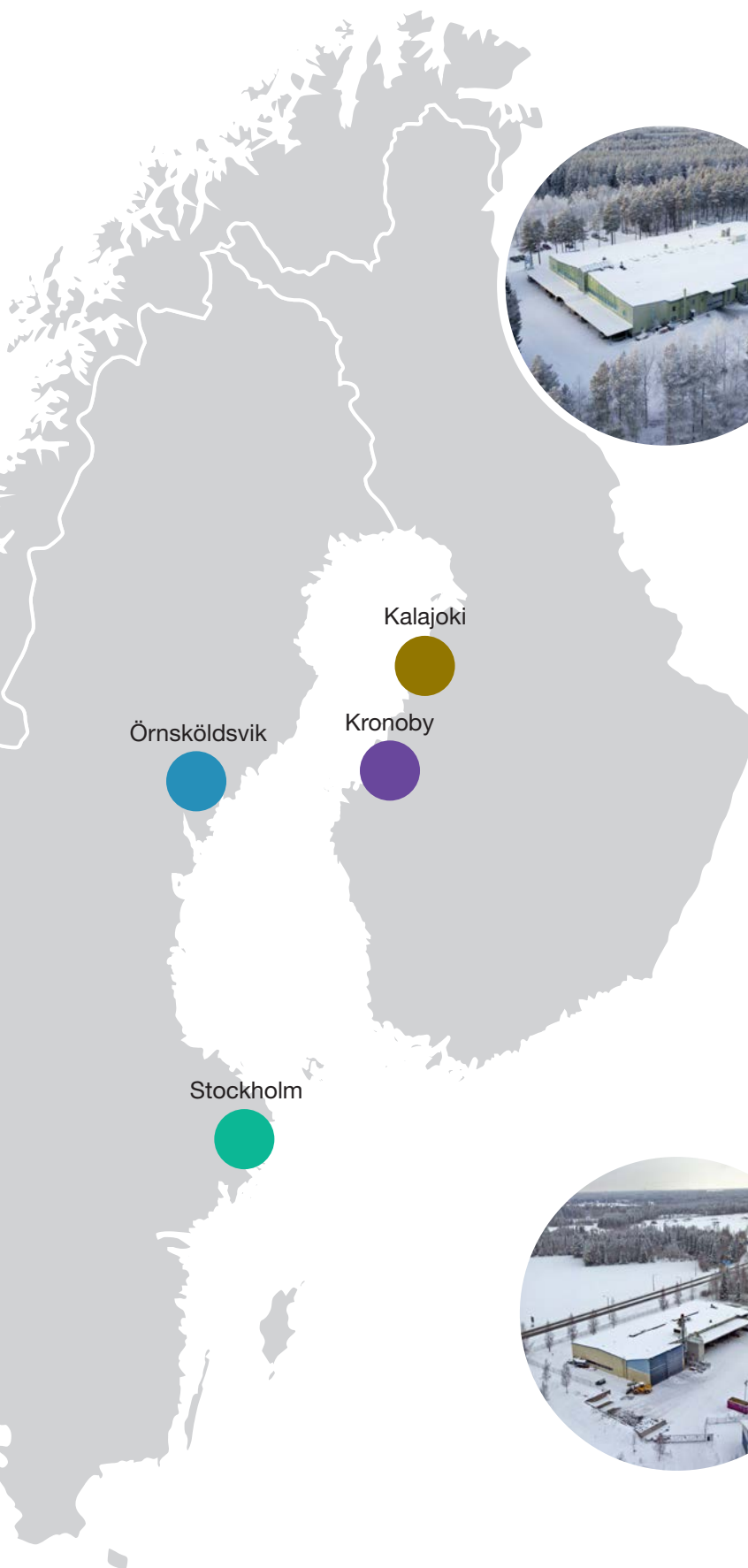
Number of employees: 110.

Annual turnover: 22 million EUR.

Production sites: Örnsköldsvik, Sweden, Kronoby and Kalajoki, Finland.

Exporting: More than 30 countries.

Listed: Nordic Flanges Group is traded on the First North stock exchange.



● Ferral Components Oy, Kalajoki, Finland

Function: Factory and sales.

Production: Customer specified special flanges and carbon steel flanges.

Carbon steel and stainless steel production: Production of standard and special flanges by flame and plasma cutting from plate. Advanced machining of flanges. Manufacture of products according to customer's drawings. Welding and forming.

Founded: 1957.

"The factory in Kalajoki has come a very long way on its journey as a subcontractor to large companies such as ABB etc."

Bengt Engström,
Chairman of the Board of Nordic Flanges Group AB (publ.)

● Nordic Flanges Oy, Kronoby, Finland

Function: Factory and sales.

Production: Manufacturer of aluminium flanges.

Aluminium casting: Casting of standard flanges in standard alloy EN AC-47000 Al-Si 12 (Cu). Aluminium alloys according to customer spec. Custom flanges – from mould designing til final machining. Blank or with epoxy polyester (powered coated).

Founded: 1957.



"Nordic Flanges Oy is Finland's largest gravity die casting with its own melter and it is Europe's leading manufacturer of aluminium flanges."

Ari Ahlgren,
COO Finland

Production in Sweden specialises in forged flanges in stainless steel, duplex steel and titanium.

The factory also makes welded rings with ferrules.

“We have a process in terms of machinery and working method for forged flanges that is unique to us in the Nordic region,” says

Patrick Hellström,
Production Manager.



Unique production in the Nordic region



**PATRICK
HELLSTRÖM**

Production Manager,
Örnsköldsvik, Sweden

After almost 40 years manufacturing of forged flanges for different industrial customers, Nordic Flanges' factory in Själevad, Örnsköldsvik, can guarantee a high level of quality requirements.

“We are constantly engaged in making improvements in order to develop and streamline the production process”. Short operational processes and shorter turnaround time are a part of this. For example, it entails performing several operations in the same machine and using robots to an even higher degree”, says Patrick.

“It is also important to have a close collaboration with the group's factories in Finland. It is about getting our products out onto the market and being best in the class. Being competitive demands efficient production and high product quality”.

Hot forging

The production in stainless steel products consists of forged flanges, welded rings in different standards, as well as manufacturing of customized products and OEM parts.

“Our focus is clear and we have short lead times”, Patrick emphasises. “In our process

we verify and measure material quality in each blank in order to ensure that alloys meet the requirements in relation to different standards. We have both a blow hammer and an eccentric press in our forging shop so that we can forge both large and small parts. Larger flanges that cannot be hot forged are rolled and welded together”.

Important investments

A new melting furnace was installed in the forge in 2018, generating a capacity increase.

“The new furnace is also more energy efficient and environmentally friendly”, Patrick says.

A new plasma cutter also makes the process more efficient.

“Instead of machining out the material in flanges that have a hole in the middle, the plasma cutter is used to cut out the material. It is more efficient time-wise and furthermore we minimise wastage by re-using the residual material in the production.

The investment plan for 2019 includes new investments in the machining process in order to make efficiencies through more robot stations in production.

Ari Ahlgren, COO Finland:

"We are building long-term customer relationships"

The production facilities in Finland consist of Nordic Flanges Oy in Kronoby and Ferral Components Oy in Kalajoki.

Nordic Flanges Oy is Finland's largest gravity die casting with its own melter and it is Europe's leading manufacturer of aluminium flanges. The focus in Kalajoki is on customised special flanges in stainless steel, flanges in carbon steel as well as other components.

Both factories possess more than 60 years' experience and substantial know-how in relation to manufacturing flanges and other high-quality components.

"We have an effective range of machinery including modern CNC machinery for processing. The machinery is under constant development and we have the approval and certifications required to manufacture high quality products", says Ari Ahlgren, COO Finland.

40 years in the company

Ari is highly familiar with the operation in Finland. He started at just 15 years old in the foundry in Kronoby set up by his father. He has occupied most positions in the company during his 40 years.

"I have had the opportunity to develop processes including our recycling process for aluminium. It is an interesting world in which to work".

Which challenges do you perceive for Nordic Flanges?

"It is important to continuously develop processes and production. It concerns investing and renewing the machinery, being close to the market and sensitive to what the customers are demanding. Continuous improvements also entail skills development for the employees in order to remain competitive. Ensuring high quality also entails selecting the right

raw material suppliers. We build long-term customer relationships with both wholesalers and OEM customers", Ari says.

Recycling of aluminium

An investment in a new smelting furnace in Kronoby is delivering increased capacity and important environmental benefits through reduced energy consumption. New technology for recycling of aluminium is generating new products.

"We cast aluminium flanges from material that we recycle. We smelt aluminium, clean, sort and analyse the material and perform thorough quality controls", Ari says.

Almost 90 per cent of the production of aluminium flanges in Kronoby is exported.

Larger components

In Kalajoki there has been an investment in plasma cutting to enable components to be cut out of the blanks more effectively, and subsequently machined. The factory is focused on custom special flanges in stainless steel and flanges in carbon steel for industry, primarily for customers in Finland, but also for the rest of Europe.

"We also have contract production in Kalajoki and are a major sub-supplier to a number of well-known companies", Ari concludes.



ARI AHLGREN
COO Finland

The important everyday customer support



A high level of customer service requires a highly knowledgeable office-based sales team.

“We are the first contact when customers get in touch with us”, says Lena Bergström, Team Leader and Technical Sales Manager. We provide support in solving problems and always try to provide our customers with the best possible service. If it concerns detailed issues, our technical department is also available.



LENA BERGSTRÖM

Team Leader and
Technical Sales Manager

Lena is responsible for customers in Scandinavia and Western Europe, and she has a key role.

“I work both with stockists and technically challenging customers, for example the OEM sector and the Oil and Gas Industry, which requires great technological knowledge and understanding of the operations involved.”

“Oil and Gas is a segment with high requirements for specifications and certificates for the products we manufacture. These are products which have to withstand tough external conditions as they are often used in aggressive and demanding environments.

Lena enjoys the fact that the job sometimes entails dealing with urgent issues and sometimes projects with longer lead times.

“I am stubborn and won’t give in until we have resolved a problem for a customer – immediately without delay!

The most important thing is to listen to the customer’s needs, get involved in their business, ask questions in order to learn about their operation and how we can best help the customer.

Long-term relations

In the contacts with contract customers, we perform regular updates and project-

ions for future orders so that we can plan and ensure that deliveries are on time.

“We think in the long-term and build long-term relationships with our customers. It has to be a win-win situation for both parties. The strength in what we offer our customers is that we help them to resolve problems. The fact that we have our own manufacturing means that we have control over the entire process, guaranteeing high product quality and also creating major opportunities to manufacture both standard items and custom products”, Lena concludes.

Resolve urgent problems

Solutions to problems can vary. Urgent problems require immediate inputs.

“A fault suddenly develops in a process in a paper mill. A longer stoppage can have major consequences. We therefore always try to quickly find a solution together with the customer in order to rectify urgent problems”, Lena says.

Another scenario is a customer planning a new project and needing help to find the right product for an application.

“It might be a potential customer who is intending to design and manufacture a new product and who asks what we can offer. Which special solutions we can offer instead of using a standard product. Which radius and tolerance the flanges should have and which specifications we recommend”.



Nordic Flanges has reversed the trend and is advancing steadily towards new objectives.

“It is clear to us that Nordic Flanges can become 50% larger than when we set the target for the business in 2017, and we also perceive potential to go beyond that”, says Bengt Engström, Chairman of the Board of Nordic Flanges Group AB (publ.)

The Board of Directors perceives major potential

The factories in Sweden and Finland complement each other very well, and at the same time it is important to utilise the synergies in order to get even better. Bengt is pleased with the current situation.

“The factory in Kalajoki has come a very long way on its journey as a subcontractor to large companies such as ABB etc. The aluminium department in Kronoby has developed a unique new product, ProQ, which has created a new market segment. It is a specific alloy which means that aluminium flanges are now competing with equivalent products in steel. Major investments have been made in the Swedish factory during 2018, and furthermore the warehouse has been moved from Järna to Örnköldsvik, which is highly significant”.

Major opportunities

The Board of Directors perceives major potential in Nordic Flanges to be able to grow and become even bigger in the market.

“I particularly want to emphasise that 2018 was the first time in seven years that turnover was higher than the year before. Many people in the company have contributed and done a fantastic job”, Bengt stresses.

“In parallel with growth, we also have to work to create profitability. In this context there is a lot of work to be done. There are a



BENGT ENGSTRÖM

Chairman of the Board of
Nordic Flanges Group AB



My driving
force is
working with
companies
where there is
potential

number of ideas in place, which now have to be implemented”.

Strength in the company

Bengt Engström is a major industrialist. His positions have included Executive VP/President Whirlpool Corporation, President and CEO Duni AB and CEO Fujitsu Nordic AB. He is now a director of various companies.

“My driving force is working with companies where there is potential. That’s what I feel I am doing in Nordic Flanges, and that’s why I came on board as Chairman in 2017”. Bengt perceives a strength in that the company has a stable and resolute board, which also includes the largest shareholders.

A winning team

Nordic Flanges has instituted improvement measures that are now producing results.

“Internally, it is important to increase efficiency and productivity and create a positive spirit among the employees, so that they feel they are an important part of a winning team. Externally, the company must become more proactive, including through more customer visits. In this respect, we have taken a major step forward”, Bengt says. “We are also driving up our share of exports, which is positive. The market is not restricting us, there is abundant room to grow”.

**ÖRNSKÖLDSVIK**

Sales office and production site

Nordic Flanges AB
Kavelvägen 17
SE-894 35 SJÄLEVAD
Phone: +46 660-29 97 00
info@nordicflanges.com

KRONOBY

Sales office and production site

Nordic Flanges Oy
Ferralvägen 1
FI-68500 KRONOBY
Phone: +358 6 8238 750
info@nordicflanges.com

KALAJOKI

Sales office and production site

Valulantie 1
85100 KALAJOKI
Phone: +358-(0)8-4640 200
info@nordicflanges.com
www.ferral.fi

STOCKHOLM

Head office

Nordic Flanges Group AB (publ.)
Herkulesgatan 14
111 52 Stockholm
Phone: +46 8-587 979 00
info@nordicflanges.com