

GERMANY | WAIBLINGEN

SHAPING CHANGE



STIHL has been around for 93 years and has seen a lot in that time. Looking back, 2018 was a year that presented the STIHL Group with a diverse range of challenges. In an interview, Dr. Bertram Kandziora, Chairman of the Executive Board, tells us where the Group stands right now, what challenges it faces and the path STIHL is taking moving forward into the future.





**“STIHL IS AND HAS
ALWAYS BEEN A LIVING
WORLD THAT IS SHAPED
BY PEOPLE.”**

DR. BERTRAM KANDZIORA, CHAIRMAN OF THE EXECUTIVE BOARD

WHAT WILL YOU REMEMBER PARTICULARLY ABOUT 2018?

DR. BERTRAM KANDZIORA – In 2018, after an extended period of development, we launched some new and groundbreaking products. When it comes to gasoline-powered tools, we are talking about the STIHL MS 500i and the STIHL TS 440, two absolute top products that have allowed us to set ourselves miles apart from the competition yet again. We also started producing high-pressure cleaners in-house within the STIHL Group. In addition, our plant in Prüm reported a major new order from an external customer. This facility in the Eifel region is a technological powerhouse in every respect. It offers unique manufacturing concepts that aren't available anywhere else in this form, giving it a well-deserved position at the top of the very competitive foundry market. New orders also mean a significant increase in employment.

THAT ALL SOUNDS VERY POSITIVE. WERE THERE ALSO THINGS THAT DID NOT GO AS WELL?

KANDZIORA – Yes, and it's something quite ordinary: the weather. A cold spring followed by a long, hot summer is not good for sales. But that kind of thing changes all the time, and our competitors also have to contend with it. Other issues, such as restrictions on free trade, don't seem poised to pass as quickly. Changes in exchange rates, which hit us particularly hard in 2018, are also difficult to predict.

YOU MENTIONED POLITICAL CONDITIONS. HOW DO DEVELOPMENTS SUCH AS BREXIT OR RESTRICTIONS ON FREE TRADE IMPACT THE STIHL GROUP EXACTLY?

KANDZIORA – The current path with regard to free trade is absolutely leading us astray. The world is interconnected, and protectionism inevitably ends up hurting the people on both sides. Specifically, we are affected by the import duties in the U.S. We have to wait and see what happens in the wake of Brexit. Still, we are committed to ANDREAS STIHL Ltd. in the United Kingdom.

In fact, we are currently expanding there. The STIHL Group has long-term plans for the UK, which we see as a market with a bright future that we would, of course, like to continue serving.

WHERE DID STIHL STAND AT THE END OF 2018?

KANDZIORA – The past fiscal year has seen the convergence of a lot of factors. We're roughly on par with the previous year when it comes to sales volume and revenue. In terms of our focus, we're on the right track, but we need to make a few adjustments here and there, especially when it comes to battery-powered products and the associated marketing strategies, given that we are now reaching a new scale in multiple markets. But we also need to focus on gasoline-powered products.

The STIHL Group has been so successful for decades because it is where the right people come together. They are dedicated to their mission, they are enthusiastic and they are motivated. That's why we have so many long-serving employees who are exploring new fields, going out and getting additional training and taking on new challenges in the workplace.

LOOKING TOWARD THE FUTURE, WHAT WILL STIHL BE LIKE IN A FEW YEARS' TIME?

KANDZIORA – We are constantly evaluating the kind of strategy we need in order to be successful over the next decade. Society, like markets, is constantly changing, and you have to develop strategies to take on new challenges before it is too late. Life punishes those who delay, as we all know. But no matter how much changes in the world around us, we stand by values and principles such as hard work, honesty, fairness, candor and loyalty. They remain the cornerstone of everything we do as we seek to maintain positive, long-term partnerships with dealers, suppliers and other business partners.

THANK YOU FOR SPEAKING TO US, DR. KANDZIORA.