

MPN



MEDICAL PLASTICS NEWS

RIWISA Completes Flextronics Capabilities



ALSO IN THIS ISSUE:

Switzerland: The Heart of Innovation
Evidence Suggests Bisphenol A is Safe
Next Generation Regenerative Biomedical Textiles
Hydroxyapatite Enhanced OPTIMA PEEK from Invibio
Preview of Medica and Compamed

ISSUE 14
September-October 2013
WWW.MEDICALPLASTICSNEWS.COM

RIWISA Completes Flextronics Capabilities

Sam Anson: RIWISA has a firm and excellent reputation throughout Europe as one of the best manufacturers of plastic parts and finished drug delivery devices with high levels of expertise in precision injection moulding and

FAMILY-OWNED SWISS INJECTION MOULDING AND AUTOMATED ASSEMBLY FIRM RIWISA AND GLOBAL SUPPLY CHAIN SOLUTIONS COMPANY FLEXTRONICS HAVE SIGNED AN AGREEMENT WHEREBY FLEXTRONICS WILL ACQUIRE RIWISA. SUBJECT TO FINAL APPROVALS, THE DEAL REPRESENTS A MAJOR STEP FORWARD FOR THE INDUSTRY. SAM ANSON SPOKE WITH HEAD OF MEDICAL AT FLEXTRONICS MARK KEMP TO FIND OUT HOW CUSTOMERS OF BOTH COMPANIES WILL BENEFIT.

highly efficient assembly. How does this fit with Flextronics's capabilities?

Mark Kemp: I would definitely agree with your statement about RIWISA and their outstanding capabilities. We conducted an extensive search of over 100 plastic companies during our acquisition due diligence and RIWISA quickly emerged as one of the top three companies on our target list. We are very excited about this acquisition as RIWISA

is a perfect complement to our medical growth strategy at Flextronics. Specifically, RIWISA strengthens our precision moulding and automation capabilities in drug delivery and IVD consumables while broadening our healthcare solutions footprint in Europe. RIWISA also brings precision moulding and automation capabilities to our industrial and consumer packaging segments. Additionally, we are very impressed with RIWISA's engineering capabilities and their innovative problem solving skills.

Sam Anson: What benefits will Flextronics ownership bring for RIWISA's customers?

Mark Kemp: We have spoken with several of RIWISA's customers and received extremely positive feedback about this acquisition. Essentially, the customers are excited about the global scale that Flextronics will bring to their supply chain. Many of RIWISA's Switzerland-based customers want to expand to other regions, such as the USA and Asia, and Flextronics affords them solutions in these and other regions. The customers and RIWISA's management views the acquisition as the clear and logical succession plan for the company moving forward.

Sam Anson: And what benefits will Flextronics customers gain?

Mark Kemp: Many of our existing customers require RIWISA's precision moulding and automation capabilities. Several of these customers also require RIWISA's cleanroom moulding and regulatory expertise. The acquisition also increases our healthcare footprint in Europe and compliments our existing design, industrialisation, tooling, manufacturing and logistics solutions. Additionally, Flextronics gains access to additional precision moulding solutions for the dental, consumer/food packaging and industrial markets.

Sam Anson: Tell me a bit about Flextronics's history in medical?

Mark Kemp: Flextronics has been servicing top healthcare customers for over 20 years. The business started with Flextronics providing printed circuit board assemblies (PCBAs) to the top tier diabetes companies and gradually developed into a business providing full device manufacturing and logistics services. In 2006 our CEO, Mike McNamara, formed a separate business unit focused solely on the needs of our healthcare customers. At that time, we created our dedicated healthcare team and developed a proprietary healthcare Quality Management System called "FlexQ". These investments along with the commitment from Flextronics leadership team enabled us to strengthen our capabilities, assemble a world class team and grow to become the number one outsourcing partner in the healthcare space today.

<< Plastic components in a dry powder inhaler, manufactured and assembled by automated machinery at RIWISA. >>



<< A double barrel syringe system manufactured at RIWISA's cleanroom moulding and assembly plant. >>



Sam Anson: And which particular segments of this market are you strongest?

Mark Kemp: Our medical business units span across lab diagnostics and life sciences, imaging and patient monitoring, patient mobility, drug delivery, consumer health, implantables and single use disposables. By design, we built a global footprint with the broadest portfolio of medical business in the healthcare outsourcing space. We are currently expanding into orthopaedics and dentistry soon so the portfolio is becoming even broader as we speak.

Sam Anson: Tell me more about the expertise you offer for pharmaceutical and medical device companies?

Mark Kemp: Our customers increasingly want a single supplier solution for their medical devices and disposables. Many of the devices we are working on today include a consumable or disposable with integrated electronics and wireless capabilities to monitor and relay compliance, dose accuracy and patient conditions. These device and consumable products require a partner with industry leading electro-mechanical design and



<< RIWISA's medical building in Hägglingen, Switzerland, where the precision high-cavitation injection moulding and assembly takes place. >>

industrialisation engineering expertise. Over the past ten years we have assembled one of the best such teams in the world. RIWISA is a perfect complement to this team adding industry leading high-cavitation, precision moulding and automation expertise. This combined team will be a powerful solution for our customers to leverage.

Sam Anson: How does Flextronics approach R&D?

Mark Kemp: The Flextronics Product Innovation Centers play a big role in helping our customers develop and commercialise new technologies. We have six of these centres around the world and they contain innovation labs that focus on developing new technologies like "wearables" for consumer, automotive and medical applications. Another example would be our lab focused on developing the technology of 3D printing applications for consumer and medical devices. These Product Innovation Centers work with startups in the earliest stage to solve technical challenges and industrialise new technologies to make them scalable from a high volume manufacturing perspective. We also have a dedicated R&D team in the medical group working on a half a dozen technology projects every year. Today this group is working on projects such as smart patches, device specific sensors and smart pharma packaging applications.

In addition, we are collaborating with the R&D teams across the Flextronics organisation to cross-pollinate technology from one business segment to another.

Sam Anson: I see from your biography that your experience is wide ranging. What are the most important trends you are seeing in the industry right now?

Mark Kemp: In the United States, there are big changes with Obama Care, the device tax and the shift of purchasing control from the physicians to the payers. Also, the US regulatory landscape has become more stringent and is challenging the industry with additional compliance requirements. Consequently, Europe has become more attractive as a regulatory pathway for companies as it is easier to bring products through the process in Europe. Globally, there is more of a focus on technology that improves patient outcomes, hospital processes and efficiencies. Additionally, we see a shift towards more regional manufacturing

and device connectivity is accelerating the need for a very flexible supply chain as products are succeeding or failing at a much faster pace due to customer/patient interactions on social media.

Medical OEMs need a global supply chain that is less complex, more cost effective and one that provides flexibility and visibility throughout the supply chain. We are advancing our solutions on all of these fronts. It is an interesting time to be in medical devices. The industry is changing in many ways.

Sam Anson: Global outsourcing partners are extremely important for medical OEMs today. Please comment on this from the viewpoint of Flextronics.

Mark Kemp: Medical OEMs are under cost pressures and industry dynamics that they've not experienced before. Additionally, they need to reduce risk, streamline their supply chains and expand into emerging markets. Consequently, our customers need a strategic partner that can provide global supply chain solutions and innovative business models. Flextronics is in a unique position to provide these solutions on an unmatched scale.

Sam Anson: Please provide a short snapshot of your global footprint in medical.

Mark Kemp: Flextronics has an experienced and compliant footprint in all of the major regions around the globe. In Asia, we have large operations in north and south China, Singapore and a fast growing operation in Malaysia.

In Europe, we have operations in Romania, Austria and Italy—and of course Switzerland now with RIWISA.

In the Americas, we have three large operations in Mexico and three in the USA.

Sam Anson: Is there anything else you would like to add you feel is important for my readers?

Mark Kemp: The addition of RIWISA's precision plastics and automation capabilities to Flextronics Medical is a tremendous complement to the broad range of healthcare solutions we can offer our customers globally and underscores the strategic commitment Flextronics has to expanding the services we provide to the healthcare industry. We are very excited about bringing RIWISA's highly talented team into the Flextronics family and look forward to creating a European Center of Excellence for precision plastics in Switzerland.

The medical group at RIWISA is an important part of our medical growth strategy but RIWISA also brings industry leading precision moulding and automation solutions to our industrial and consumer packaging segments at Flextronics. We plan to work with RIWISA to continue their great efforts in these markets and to grow these business segments as well.

RIWISA will be on hand to answer questions about the deal at D01 in hall 8b at Compamed in Düsseldorf, Germany, on November 20-22, 2013. For more information please contact Christian Classen at RIWISA (c.classen@riwisa.ch).

About Mark Kemp

Mark Kemp is president of Medical, a segment of the High Reliability business group at Flextronics. Flextronics is a US\$24 bn Fortune Global 500 end-to-end supply chain solutions company with a global workforce of 200,000 and operations in over 30 countries.

