



**Malwa,
the first ten years
2009–2019**



Ten years is not actually all that long in our sector, where many operators have already notched up 25, 50 or even 100. But as we see it, our ten first – remarkably eventful years – are well worth celebrating.

With pride, belief in the future and a dash of humility.

Skene, June 2019

Magnus Wallin

Hans Lindberg

Before Malwa

All narratives have a history that serves as a precursor to the main story:

Magnus Wallin was born and raised in Hyssna, a community in the Municipality of Mark, County of Västra Götaland, Sweden. Forestry, agriculture, heavy vehicles and machines therefore featured prominently in his surroundings as he grew up.

In 1990 he met Madeleine, who was born in the same year as him. They subsequently married and raised a large family of five children, now aged between 16 and 30.



Madeleine and Magnus Wallin.

In 1988, Magnus completed his engineering studies at the University College of Östersund, where the title of his final thesis was: “Dimensioning hydrostatic transmission on a forestry machine”.

“This was actually quite apt in the context of my future career, although I didn’t know it at the time.”



Having completed his national service and spent half a year building wood processing machines, he joined AB Statens Anläggningsprovning in 1990, where, as a process equipment installation engineer, he was tasked with inspecting and checking lifting devices, hoists, cranes, lifts and gantry cranes.

After five years there, he moved on to ÅF Kontroll AB, where his assignments were the same – but the job itself changed dramatically. It was now a question of selling in skills and services.

“I enjoyed marketing and sales, particularly when it involved working with customers to develop methods for inspection and checking where everyone could read off and check the results. As early as 1996 I developed a website for Volvo with access for everyone involved in the process, including union representatives and safety officers. I have probably climbed up and clambered over all the gantry cranes at the factories on Hisingen.”

The Swedish home computer reform in 1998, that gave employees in Sweden the chance to borrow or rent a home computer on favourable terms had a huge impact on me. I quickly became enthralled with the internet, spending a lot of time searching for products, technology and news on Alta Vista and Google.

At the same time, my career continued along its charted path, but I could feel that it was starting to cramp my style. I became increasingly influenced by – and inquisitive about – what was happening outside my own little job bubble. The entrepreneur in me was beginning to stir.

In 2004, I took a leave of absence from my job and, as a test, imported half a container of small Japanese tractors, which sold like hot cakes on the internet. Over the course of five years, I actually imported and sold more than 200 second-hand tractors, which arrived in excellent condition via a workshop in the Latvian capital of Riga.



Small Japanese tractor.

Even today, I still meet customers who are quick to show their appreciation for these phenomenal little machines.

During my “tractor period”, thoughts of a different future direction began to take shape: I wanted to develop and build something of my own.

Thanks to the tractors and all the meetings I had held with customers, I had built up a pool of knowledge and experience about brand owners and farmers – what they were worried about, wanted and needed.

By 2008, my thoughts and ideas had coalesced into a model for a forestry machine.

And the rest, as the saying goes, is history.

The start of Malwa

In 2009, I gathered up my ideas for a forestry machine and rented an office and workshop at the premises of the Berghems Mekaniska company in Skene



Magnus and Ludvig working on an early project.

It was here that I met Ludvig Johansson, an ambitious 19-year-old with a 3-year education at a technical high school as his only formal training. However, he was also a gifted designer, who shared my passion for exploring, drawing inspiration and learning from the internet. We were on the same wavelength.

I hired him by the hour at Berghems, and we worked day and night to design and build our forestry machine. On the basis of the drawings that Ludvig drew, I landed two contracts, and we were on our way.

We called our first model the 360 (where 3 stands for tonnes, 6 for the number of wheels, and 0 for zero errors).



Two contracts, but no money. Launching a manufacturing business demands financing.

I initially went to the bank SEB, but they turned me down flat. Bad timing, as it turned out; Komatsu had put 70 people on notice the same day I was there, so they didn't have a lot of faith in forestry machines.

So my next port of call was the Sjuhärads branch of Swedbank, where I met Carl-Olof Homström, their forestry consultant. He understood the situation better, and put it this way: "A lot of forest owners are going to want a machine like this". The bank granted us the loan, and our future suddenly looked a lot brighter.

At the same time, my friends Jörgen Lillieroth and Ola Andreasson gave me a hand preparing a business plan that I could then present to the financing company Almi in February 2009. That plan turned out to be worth its weight in gold. Not only because it helped us secure us a

loan, but also because it proved to be a roadmap for the business for several years. One of the key lines from the 2009 plan was:

“Potential changes in the climate will boost the market for machines that minimise damage to the land and allow a type of forestry that is better geared to withstanding events such as storms.”

Subsequent developments have demonstrated the accuracy of this prediction, and all evidence suggests that it will prove even more significant in the future.

On 16 March 2009, my wife Madeleine and I officially established Malwa International AB with a share capital of SEK 100 000 kronor. The company name features many of the letters from our names, and we like the plants.



The first version of the Malwa logo.

The first 360 machine was completed in March; it was powered by a Cummins engine and we had built the crane ourselves.

The second machine was finished later that same spring. Both were displayed at the Elmia Wood expo that year, but I could already see that the 360 model didn't quite tick all the boxes, so at the event we also presented a product data sheet for a new model – the 460 – where the main difference was the larger wheels.



The Malwa 360 at Elmia Wood 2009.

An interesting fact: the first 360 we built is still in operation in Skatan, just outside Sundsvall in Sweden.

We sold three 460 machines in autumn 2009 – all with Cummins engines.

Our first customer, Christian Dahlqvist, bought the machine from a drawing, gave us a 30 % down payment and then paid 40 % when we fitted the engine and the final 30 % on delivery. We delivered the machine in April 2010.

The second 460 was purchased by Mats Gyllensvaan at Ekebergs farm in Tidaholm, which has since added several other Malwa machines to its fleet.

In 2010 Almi Invest had received grants from sources including the EU structure funds, earmarked for investing in new businesses with owner capital. As a result, Almi Invest and Jörgen Lillieroth each put SEK 1.5 million into a stock issue, in return for around 30 % of the shares. This injection of capital proved crucial to our ability to start building the Malwa company.

The first person I chose to employ then – over and above myself and Madeleine – was Ludvig Johansson (Ludde) from Berghems Mekaniska. I actually asked Lasse Ohlsson at Berghems about a suitable key employee for Malwa, to which he replied: “I guess Ludde’s the one you should have.”



*The A-team from Berghems Mekaniska:
Björn, Morgan, Lars, Gerry, Ludvig and Jörgen.*

Lasse’s brother Björn was far from happy when Ludvig handed in his notice. “In that case, you might as well finish today and start at Malwa tomorrow.”

The working relationship with Berghems deserves a special mention. The two co-owners, Lasse and Björn Ohlsson, invested a lot of time and energy in Malwa. At the end of their normal working day, they pulled on their overalls and made parts for the Malwa machines. Their knowledge also proved invaluable when Ludde and I were working on the drawings; just by looking at the screen they could make relevant comments and help us adapt our ideas for production and manufacturing.

Malwa and Berghems are based in the same area to this day, and they are still our principal supplier of chassis, frames, hoods, fastenings and sheet metal components.

Sören Öhlin became another key figure in the business. He was a supplier to Malwa, and one day when I mentioned to him that I was looking for a purchaser and administrator, he immediately said “I’ll take that job.” He quickly came to play a significant role, becoming more or less the “father” of the hydraulic systems in the machines. At that time, Sören had more than 40 years of experience with hydraulics, combined with in-depth, component-level knowledge.



Sören Öhlin

The development and sale of our 460 model were extremely successful. Our business plan highlighted private landowners as our primary target group, but more and more contractors were starting to show an interest in our machine. We received a clear nudge from this customer group: “Just think if it had a bigger engine ...”



Invitation to a demonstration of the 460.

From 2010 to May 2013, we sold forty of our 460 models. The first were powered by a 37 hp Cummins engine, while the later models were fitted with 35 hp Kubota engines.

In 2012, we also built our first 460 harvester, which was fitted with a 60 hp Cat engine and a Keto harvester head.

The request from contractors for more engine power resulted in a board decision in November 2012 that was to prove decisive to the development of Malwa.

“Let’s build a Malwa 560 for Elmia Wood 2013”.

The Cat 60 hp engine did not comply with the Stage 4 requirement – the toughest environmental requirement at that time – but the 75 hp engine did. So we went with that engine and decided that we wanted a LogMax 928 harvester head for our new model.



A LogMax 928 harvester head.

I visited LogMax in February 2013, explained that we had started designing a 560 model to present at Elmia that summer and told them we were thinking of fitting it with a 928 harvester head. The company is used to working with substantially longer lead times than that, and they weren’t convinced that our plan held water – so they asked us to pay in advance.

8 May 2013 was a red-letter day

That was the date on which we fired up our 560 prototype for the first time. In addition to significantly increased engine power, it featured improved cab comfort, greater safety and expanded production capacity, as well as software for reporting and following up on operations. The harvester was sold even before it made its entry at Elmia, and the forwarder was ready just in time for the expo.



A visit from the Swedish Minister of Agriculture and a forest owner during Elmia 2013.

The response to the 560 was magnificent, but 2013 was still a tough year. Revenue dropped by more than SEK 3 million, and both stock issues and convertibles were needed to save the company. I often had the feeling that more than a few of our competitors would be glad to see us disappear from the market. But that wasn’t how it panned out.

We continued to sell strongly, and it was soon time to increase the workforce to ten people. And to realise the dream I’d had since the start. “As soon as the company has a staff of ten, I’ll step down as CEO,” says Magnus. “That’ll let me concentrate fully on what I’m most passionate about: product development, marketing, meeting customers and doing deals.”

72 people applied for the position of CEO and we picked Hans Lindberg. Born in 1959, Hans had a background and a wealth of experience we considered both interesting and a great match.

He graduated as a mechanical engineer from Chalmers University of Technology, then worked at Volvo Hydraulics and SKF, before spending almost 20 years with SuperCool in Gothenburg – a company that developed thermoelectric refrigeration systems.

“I found Malwa irresistible,” says Hans, “an unpolished diamond with a fantastic product idea and a passionate workforce. In addition, the focus of the company was on both technology and the market, and this really appealed to me. It’s more usual for an organisation to concentrate on one or the other.

Both Magnus and I realised that a good relationship between me and him was essential. We spent a lot of time talking to one another, and felt that it would work. Moreover, Magnus had long had the ambition of stepping down as CEO when the workforce reached ten. I joined the company as number ten, so everything just fell into place.”

“When I came aboard in August 2014, the order books were already healthy, so I could focus my attention on structure and processes in the production and marketing departments.

“I felt,” says Hans, “that we were having far too many technical issues, and it seemed that the general attitude in the forestry industry was that it’s OK for things to break down all the time. I wasn’t used to that.”

So the first thing to do was to launch a major project to analyse, prioritise and implement changes to improve the reliability of the machines step by step.

2016 saw the launch of 560.2

The 560 concept was created in 2013 and has been refined and developed on an ongoing basis since then.

We introduced 560.2 in late winter/early spring 2016, where the most significant change was a die cast bogie solution, which Malwa had been working with since 2014. It actually constituted a milestone in improving reliability and performance.



Malwa developed the bogie in partnership with a casting works, and it has attracted a great deal of attention and interest – even from a number of our colleagues and competitors.



At the same time, we redesigned the rear frame and mid-section, bringing in external consultants to assist in verifying our durability and service life calculations.

The 560.3 was presented at Elmia Wood 2017

The 560.3 was unveiled in the summer of 2017 at Elmia Wood, where two improvements in particular stood out: The first was a stronger mid-section lock, which enhanced driving properties, and the other was an improved cooling system, resulting in lower hydraulic oil temperature and better cab climate with a more powerful AC system.



Other updates included software like that used in the biggest machines, providing the capacity to file reports, follow up on operations and accurately establish position. For example, a Malwa group of harvesters and forwarders operated by AB Karl Hedin currently uses software based on the StanForD 2010 standard in both models.

With the 560 concept, we succeeded in creating what is probably the best machine on the market, and a peerless tool for modern, careful thinning.

Our original target group – landowners – remains a large and important customer segment. The change in recent years is that contractors have increasingly welcomed the concept and are happy to invest in Malwa. This is quite simply because requests and requirements from landowners for improved thinning have led to a growing demand for thinning using smaller machines.

Our sales staff are more than sales staff

One of the reasons why Malwa stands out from the crowd is because our sales staff in Sweden visit and sell directly to end customers, irrespective of whether they may be landowners, contractors or forestry companies.

We actually arrive with a demo machine on a low-loader to provide tangible information, demonstrate driving properties and showcase the machine's performance on site.

This translates into direct contact between sales staff and customers, which benefits both parties. You can maintain an ongoing dialogue with Malwa with no intermediaries, and we often pick up tips and suggestions that we send directly to our development department or pass on to other Malwa owners.



The "Company car" all packed and ready for a visit to another customer.

Malwa is growing

"A new business plan was written in 2014/15, and another stock issue was completed in 2015. The intention here was to finance and provide the monetary muscle needed for growth, to establish an organisation to refine the 560 concept, to bolster the support and spare parts organisation and to develop new markets.

The workforce today is twice the size it was when I took on the role of CEO in 2014," says Hans.

2018 was actually a record year for Malwa. Turnover increased to SEK 82 million, with profits topping SEK 4.5 million.

From challenger to market leader in under ten years

Figures from the Swedish Transport Agency for 2018 reveal that more than half (57 %) of all harvesters that weigh around 5 tonnes are Malwa machines.

Malwa Forest AB is owned by

Magnus Wallin, Madeleine Wallin, Jörgen Lillieroth, Hans Lindberg, Ludvig Johansson and the investment company Chiffonjén which acquired Almi Invest's shares this year.

We thin for the future and to generate value

One of the biggest challenges – over and above developing and building great machines – has been, and continues to be, working to encourage an entire sector, from forest owners and forestry companies to contractors, to take a different view on thinning.

And to highlight Malwa as possibly the best machine and tool available for better thinning. Landowners were quick to spot the benefits of Malwa, while forestry companies and contractors were more hesitant, preferring to defend traditional thinning practices involving large machines.

We can now enjoy the fact that more and more forestry companies are signing agreements with contractors in order to be able to offer private landowners Malwa thinning solutions. Most pleasing of all is that in areas where there is already one Malwa group, there may soon be one more. Demand for better thinning is on the rise as more people see what it entails and can make comparisons for themselves.

Examples of Malwa advertisements

Right: Malwa is redrawing the thinning map.

Below: The myth of second thinning

At the very bottom: Will your forest stay standing in a storm?

Myten om andra-gallring

De flesta små maskiner klarar enbart föregallring, men Malwa är större än de små och visar gång på gång kapacitet och god produktionsförmåga även i grov andragallring. Andragallringen på bilden görs i Karbenning i Sala-träsket i oktober 2018. Medialfil Fuh 0,35.

Produktionstakt 2 000 kubikmeter/månad. Välkommen till Malwa värld!

Extra välkommen till SkogsElmia den 6-8 juni för att se våra maskiner i action, träffa fler myter och ta del av Malwa-gallringens betydelse för våra virkesbruk och stormfästa bestånd. Du träffar oss i monter 579.



6-8 JUNI 2019 • JÖNKÖPING



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In the interests of fairness, we should also state that a skilled contractor in a large machine can, of course, perform excellent thinning; but that's the only difference.

Malwa thinning is a little more expensive and often produces a smaller volume for pulping. Which is the whole idea. We want to leave more tree trunks in place so that they can grow to become valuable timber. That is the point of thinning.

Malwa ritar om gallringskartan

Utvecklingen är tydlig. Allt fler markägare kräver gallring med Malwa och då börjar det hända saker.

Ett är att aktiva skogsbolag och sågverk har fått, och får, nya kunder genom att kunna erbjuda Malwa-gallring. Och omvänt, de som inte kan erbjuda Malwa-gallring riskerar att tappa kunder och affärer.

Det är därför fler och fler bolag på allvar inser att de behöver Malwa för att köpa virke.

Förutom att det här leder utvecklingen till bättre gallrade ungskogar med mindre markskador, har den betydelse att antalet Malwa-grupper runt om i landet ökat, och ökar, påtagligt. Med fullt upp att göra och god lönsamhet. Välkommen till Malwas värld!



Malwa 560H Skördare

Byggd för entreprenören. Styr bugg, mjuka och bakom. Mycket bra förmåga att arbeta i svår och utmanande miljöer i skogen.

Maskin för beredande första- och andragallring och i områden där större maskiner skadar mark och natur.

Kraftfull Cat 3,4 motor, 41 cm kapkapacitet med Log Max 300. Kraftfull och buggkraftig. Buggkraft för verktyg, vind och extradiesel eller stålbehållningskraft.

Vägar endast 400 kg eller 6700 kg med vattenfylld bäl.

I Malwa 560 ser vi fram och tillbaka mellan skogen och vägarna för att kunna erbjuda bästa produktionskonsumtion och kvalitetsmaskin som du får från högpresterande skördare till skördare på mindre än 10 minuter. Skördet från skördare till skördare är 10 minuter och 10 sekunder – hela tiden på sin hemmaplan.

Uppringning vinsten för Malwa-grupp. 3-4 år i Skogsvärdensregionen. Intresserad? Ring Magnus Wälinder på Malwa 560-84 91 91.

Malwa skapar affärer och möjligheter

Arnsköldens Skogstjänst fick förtägen från en dagligen som skadade virke i Malwa-gallring. Det handlade om 30 hektar och 1000 m³. Arnsköldens, som har en stor skog, kunde inte ta uppdraget eftersom dagligen inte var medförd, men rekommenderade honom att bli det. Skogstjänsten är numera medlem, leverans sker till Sköda och Arnsköldens gör gallringsjobb.

Dessutom erbjuder Malwa-gallring

Dessutom har jag fått en ny gallringssammanhang. Det är Peter Marklund. Entreprenör tillsammans med Roderik Larsson som utför skogens gallring på markägarens villkor med Malwa-skördare och Malwa skotare.



www.malwa.se

Malwa Forest AB

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Står din skog upprätt när det stormar?

Kunskap och erfarenhet visar att två tidiga gallringar utan stickvägar ger stormsäkrare skogar.

Skonsammare gallring, utan stickvägsnät, kan också ge 100–200 fler träd kvar per hektar för att växa till värdefullt timmer.

Varken första eller andragallring med Malwa kräver stickvägar. De kryssar fram mellan träden i stående skog och orsakar sällan eller aldrig markskador.

Välkommen till Malwa.



Ring gärna 0320-398 40 eller kom gärna på besök. Vi finns på Fälpatsvägen 1 i Skene. Välkommen!



2009	2010	2011	2012	2013	2014	2015
The Malwa company is established with share capital of SEK 100 000.	First Malwa 460 delivered. Crown Princess Victoria marries Daniel.	First Malwa 460c Combi with Keto-Forst harvester head delivered. Storm Dagmar sweeps in over northern and central Sweden.	First Malwa 460 harvester with 60 hp CAT engine produced. A Malwa 460 forwarder is delivered for plantation and forestry operations in Panama (still running today). Barack Obama elected for second term as President of the United States.	The last year model 460 is in production. A total of 40 of these machines have been sold and delivered. The Malwa 560 premières at Elmia Wood. Several powerful storms batter Sweden and northern Europe: Simone, Sven and Ivar.	First Malwa 560c Combi with LogMax 928 harvester head delivered. Extreme heatwave in July. The worst forest fires in Sweden's history to date break out, principally affecting the Municipalities of Sala and Surahammar. Swedish national elections. The Red-Green parties become stronger than the Alliance, and form the next government: Social Democratic Party + Environmental Party, supported by the Left Party.	Record numbers of visitors and impressive interest – especially in the Malwa 560 Combi – at the SkogsElmia expo. More than 50 % of all machines delivered were Malwa 560c Combi models. Huge wave of immigrants, primarily attributable to IS. More than 160,000 people, mostly from Afghanistan, Iraq and Syria, arrived in Sweden.



The future

2016	2017	2018	2019
Malwa 560.2 launched. The two first machines were delivered to the Baltic States. Donald Trump beats Hillary Clinton to become President of the United States.	Malwa 560.3 unveiled for the first time at the SkogsElmia expo. The population of Sweden reaches 10 million	Malwa is the market leader, according to figures from the Swedish Transport Agency. Record turnover and profits. Around 50 major forest fires in Sweden. In total, 25,000 hectares are damaged by fire. Olympic Games in Pyeongchang, South Korea. Great success for Sweden's skiing team, in both downhill and cross-country disciplines. World Cup in Football in Russia. Sweden loses to England in the quarter finals. France wins gold.	Sweden first, then the world. We are now ready to commence export operations.



We daren't try to look ten years into the future, but even a five-year perspective reveals a number of significant challenges and opportunities.

We already view Scandinavia and the Nordic region as the domestic market for Malwa, and I am convinced that we will have established our name on three continents five years from now.

To name a couple of initiatives: a project to replant the Amazon rainforest has proved successful, but rainforest doesn't re-establish itself. It has to be thinned. Carefully.

And in South Africa, we are currently testing Malwa machines at a forest plantation centred on pine for plywood. It grows fast down there – final felling can take place after just 22 years. The area covers 30,000 hectares, and the first round involves thinning 30,000 cubic metres per year.

Development towards autonomous, almost completely self-operating machines, and new sources of power – including electricity – is providing the basis for a number of significant challenges and projects, which we are monitoring closely. We are actually participating in several of them.

We'll come back to this in 2024.

This is us: Malwa 2019



All on site on 26 April 2019.



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