European News

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Bufab Reports Record Sales, Third Year Running

For the third consecutive year Bufab reported record full year sales – up 18% year-on-year. Operating and net profits were also at new record levels. Bufab net sales in 2018 increased 18% to SEK 3.786 billion (€360.7 million), of which 8% was organic growth. Operating profit (EBITA) increased to SEK 367 million (2017: SEK 311 million), corresponding to an operating margin of 9.7%, unchanged from 2017. Fourth quarter net sales rose 17% (4% organic). Operating margin for the quarter eased to 8.5% (Q4 2017: 8.7%).

President and CEO, Jörgen Rosengren, said Q4 growth was primarily due to strong contributions from acquisitions, but also exchange rates and market shares. "We saw no signs of a substantial slowdown in the economy, but did note increased caution among our customers. This drove a certain postponement of volumes until after the end of the year, which, on the other hand, led to a healthy start for sales in January 2019."

Rosengren said Q4 gross margin was considerably weaker than Q4 2017 and Q3 2018, entirely due to performance in Sweden, where the business had been under pressure throughout the year from high purchasing prices and a weak Swedish Krona.

The consolidated gross margin remained unchanged in 2018. "We have implemented major price increases for our customers in both segments, thereby fully offsetting the higher purchasing prices," Rosengren noted. "At the end of 2018, the increases in the prices of raw materials levelled off. The prerequisites are thus favourable for purchasing savings to be made this year."

Rosegren continued: "We captured market shares throughout 2018. This was not a matter of a few random successes, but of many hundreds of new customers across all of our markets. Such a broad increase would not have been possible without the focus in prior years on recruitment, personal development, processes and tools in our sales organisation. We also significantly increased the pace of our purchasing by appointing a person in Group management in charge of this and, under her leadership, invest in our organisation, tools and processes."

Rosengren noted the acquisition of Rudhäll Industri in late 2018 and reiterated: "We have our sights set on other acquisitions". He concluded, "Ahead of 2019, there is unusually large macro-economic uncertainty. However, regardless of how the market performs, we will continue to work towards our goal: to be the strongest company in our industry in 2020."

Fastener Segment Leads SFS Growth

SFS Group reported "solid sales growth" of 6.5% in 2018, taking its consolidated sales total to CHF 1.739 billion (€1.54 billion). Operating profit increase to CHF 243 million, corresponding to 14% of net sales.

SFS says "this attractive sales development was broadly based in terms of end markets and geographies" with "a solid and balanced organic growth rate of 5%" in the Group's core business activities, reflecting the strength of SFS's customer-specific solutions for selected niche markets.

While broadly based, growth was led by the Fastening Systems segment, which reported full year sales of CHF 437.1 million, an increase of 13.8% over 2017. SFS says the segment strengthened its competitive position and captured increased share as a result of its innovative products – new product launches were a strong sales driver, and the segment enjoyed a 'good market environment". Organic growth was 5.6% with the consolidation of HECO into the Group contributing 5.8% of reported sales growth. Engineered Component sales were CHF 976 million, up 4.4%; Distribution & Logistics sales were CHF 334.5 million, up 3.6%.

The growth rate slowed in the second half 2018, which SFS says, can be traced to comparison against strong sales growth in the previous year and "an unexpectedly sharp, temporary decline in demand during the fourth quarter, especially from customers in the automotive and electronics industry". Currency effects had a positive effect of 1.4% on reported sales.

Switzerland accounted for 20.4% of total sales, with the rest of Europe contributing 41.1%. Sales in the Americas represented 17.7%; and Asia 20.6%. Africa and Australia accounted for 0.2%. The preliminary results indicated an increase in operating profit by 23% to CHF 243 million. Full results were published on 8 March 2019.

Hilti Reports 10.7% Sales Growth in 2018

Hilti Group reported that its 2018 full year sales had increased 10.7% to CHF 5.6 billion. Factoring out acquisition effects, sales increased 9.7% year-on-year. CEO Christoph Loos commented: "2018 was an important year for the Hilti Group. We made substantial investments into innovations, market reach and our infrastructure, laying the foundation for long-term profitable growth. With double-digit sales growth, we have reached our goal. However, due to the continuing global trade tensions, we see a reduction in growth dynamic."

In Europe, Hilti achieved strong sales growth at 10.6% in local currencies. The only exception was the United Kingdom, where "BREXIT is creating uncertainties in the construction industry". Hilti also recorded double-digit growth in North America (+10.4%), while Latin America continued an "upward swing" with an increase of 8.6%. Asia-Pacific sales grew 7%. "In spite of the challenges in countries like Turkey, Russia and Saudi Arabia" the Eastern Europe/Middle East/Africa region increased sales by 9.3%.

KYOCERA SENCO Acquires Van Aerden Group

KYOCERA SENCO Industrial Tools Inc is to acquire 100% ownership of Van Aerden Group BV, a European-based distributor and manufacturer of pneumatic tools and fasteners. Through the acquisition, KYOCERA SENCO Industrial Tools Inc - a subsidiary of Kyocera Corporation – will expand its global pneumatic tool and fastener business. Effective 1st March 2019, Van Aerden Group BV was renamed KYOCERA AERFAST Europe BV. With the manufacturing and sales assets of pneumatic tools and fasteners that this acquisition brings, KSIT aims to strengthen its business in Europe.

VIPA Opens Fully Automated Third Warehouse

VIPA has completed its third high-bay automated warehouse, increasing its storage capacity by an additional 30,000 pallet spaces to an eye watering 150,000 spaces. Resulting in over 65,000 different products - including different sizes, coatings and materials - available from stock.

VIPA SpA moved to its current head office in Rolo, Italy, in 2001, and began with one high-bay warehouse, which is 135m long and 35m high, including five automated aisles. By 2007 the company expanded with a second high-bay warehouse, with an extra seven automated aisles – with all twelve aisles working in synchronisation.

The third warehouse, built to the same dimensions as the other two warehouses, has increased VIPA's storage capacity by 25% and will also be synchronised. However, the third warehouse is fully automated. "The addition of the third warehouse means that we will have access to a totally automated 24 hour system," mentions VIPA. "The machines will be operational round the clock."

To go alongside the three warehouses, VIPA also has a fully equipped laboratory, which can conduct a wide variety of quality tests to guarantee the products according to certified and known norms. "We are also certified as a producer for structural bolts according to EN 15048:2007 standards. Our SB bolts are supplied with CE Marking in accordance with the construction standards 89-106 and 109 EN-1 and 2 – part of the category of high strength bolts."

Another important range available from VIPA, is its construction hex head bolts, according to EN 14399, available in plain and HDG, from M12 to M36. VIPA supplies both trade and industry and in addition to its companies in Italy, and it has five branches in Spain, France, Germany, China and Czech Rep.

Trifast Continues Solid Growth and Investment

Trifast Plc reported Group revenue for the six months to 30th September 2018 at GB£105 million (€116.7 million), an increase of 7.3% at actual exchange rate. Organic revenue grew by 4.2% at constant exchange rate with gross margins holding above target. Profit before tax was GB£8 million, 12% down year-on-year. Underlying profit rose 6.8% at constant exchange rate.

European revenue grew 6.6% to GB£38.4 million (AER), including double digit growth in the automotive sector in Holland, electronics sector in Hungary, and general industrial sector in Germany. In Italy, ongoing volume reductions from the Group's largest domestic appliance customer offset some of the gains. UK revenue increased 10.8% to GB£39.2 million, with the majority of the increase emanating from the acquisition of Precision Technology Supplies. Gross margin gains from the acquisition were largely offset by expected lower margins from other UK business due to purchase price inflation as a result of Sterling weakness. Trifast emphasised that around 70% of Group revenues and profits are generated outside the UK. Notwithstanding the longer-term implications of BREXIT, Trifast believes shorter term operational and financial impact will be manageable, with a cross-functional team having worked for two years to prepare to mitigate the risks of a no-deal scenario.

Asian revenue grew 3.9% to GB£30.8 million, largely driven by domestic appliance business in Singapore and increased distributor sales from Taiwan factories. In China ongoing automotive growth offset a decline in electronic business, some of which migrated to India, where TR says it is starting to recover sales.

Excellent growth in the USA, with revenues increasing 31.1% to GB£4.3million, was primarily due to ongoing penetration into existing automotive multinational OEM customers. To support this strong regional growth, Trifast has relocated to a larger distribution facility. Trifast invested GB£1.3 million in increased manufacturing capacity and capability, notably in Singapore and Italy, "with more to follow".

Considering key market sectors, Trifast said 90% of its automotive business is not related to the combustion engine, which means that increased electric vehicle production represents a significant growth opportunity. Trifast does expect short term reductions in UK automotive volumes due to changes in product cycles and model builds reflecting decreased demand for diesel powertrains. Customer specific factors, particularly in Italy and China, resulted in muted performance in the domestic appliance and electronic sectors. However, strong growth in other regions gives Trifast confidence that these markets continue to have attractive long-term potential.

Henkel Starts Work on New Global Innovation Centre

Henkel has laid the cornerstone for its new Adhesives Technologies Global Innovation Centre at its headquarters in Düsseldorf, Germany. The company will be investing more than €130 million in this state-of-the-art building and, once completed, the facility will enhance the development of new technologies and applications for a variety of industries.

Henkel's new Adhesives Technologies Global Innovation Centre will also serve as a global customer centre where Henkel will present solutions for adhesives, sealants and functional coatings. It will support UK customers seeking tailor-made solutions and provide complementary facilities to those at Henkel's UK headquarters in Hemel Hempstead.

The seven-story centre will contain numerous laboratories, research and testing facilities, office space and conference rooms spreading over an area of 50,000m^2. It will house around 350 employees from R&D, product development, application technology and service that currently work in different buildings across the Düsseldorf site. The opening of the innovation centre is planned for the end of 2020.

Apolo MEA Rebrands Under the Name CELO

Apolo MEA Befestigungssysteme GmbH will rebrand under the name CELO Befestigungssysteme GmbH. This change solely concerns the company name, the legal form of the company, the general managers and the address remain the same. This step is the logical consequence of the dynamic growth of the CELO Group, to which Apolo MEA Befestigungssysteme has belonged since 2009. CELO Group is an internationally successful family-owned group of companies, with a core competence in the development, manufacturing and distribution of high-quality technical screws and technical fixings.

In recent years the group has expanded strongly mainly through acquisitions – in that sense the time has come to unite the diversity of brands within the CELO Group. CELO is preparing for the future with a uniform, fresh appearance of the entire group.

The CELO Group employs around 360 people in 17 countries worldwide, owns four production sites in Germany, Spain, China, and the United States, and delivers its products to more than 80 countries. CELO Befestigungssysteme GmbH will remain loyal to its Aichach location in Germany. In recent years, innovative fastening systems have been launched on the market from here. Due to the positive business development, further investments are planned at the location in Aichach.

Seeing How It's Made

With the invaluable support of Barton Cold Form, an Optimas company, the British & Irish Association of Fastener Distributors (BIAFD) delivered another successful Introduction to Fastener Manufacturing day.

Thirty delegates from BIAFD member companies, visited the Barton manufacturing facility in Droitwich Spa, UK, in February. The day comprised a one-hour seminar on fastener forming processes, presented by BIAFD director, Phil Matten; an introduction to Barton and its processes by sales manager, Zak Tolley; and a guided tour of the production operation.

Significantly, for more than three-quarters of the delegates, this was their first opportunity to see fastener manufacturing. "Previous groups have rated seeing the actual processes and having them explained by experienced production managers, as one of the biggest values of the day," said Phil. "BIAFD began arranging these tours some five years ago, working also with the British Steel Wire Rod Mill in Scunthorpe. The aim is to help distribution personnel, who in their normal role will not see the product made, recognise the complexity of engineering skill and technology behind what can sometimes be written off as 'only a screw'."

Several of the team from Phil Holden Fasteners, owned by current BIAFD chairman Guy Stanhope, have already attended. "For independent, mid-sized fastener distributors like PHF, these BIAFD events are invaluable and are just one of a number of reasons our membership is a no-brainer," says Guy. "There is simply no more effective way for our people to get their heads around what it takes to manufacture the products they are selling each day, and I am absolutely sure that makes a positive difference for PHF."

BIAFD's next member event is a technical seminar, already expecting more than 50 attendees, focusing on hydrogen embrittlement and the implications of the recently published revision to EN ISO 4042, the electroplated coating systems for fasteners standard.

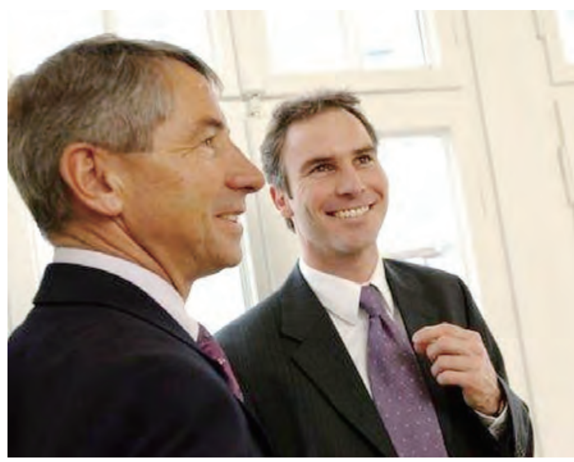
NORMA Reports Strong Organic Sales Growth

NORMA increased Group sales by 7% to €817.1 million in the first nine months of 2018. Organic growth was strong at 9.7%. However, its EBITA margin slipped to 16%, impacted by raw material inflation and US tariffs. The acquisitions of Fengfan, Kimplas and Statek contributed 1.4% to Group sales growth. Negative currency effects reduced sales growth by 4.1%.

Nine-month sales in Europe, Middle East and Africa grew 1.8% to €375.7 million, including contribution from the acquisition of Statek in August. Growth weakened in the third quarter, mainly due to the generally difficult situation in the European automotive sector with declining production figures. American sales rose 7.9% to €334.3 million buoyed by good order volume in the commercial vehicles and agricultural machinery business in the US. In the Asia-Pacific region, nine-month sales rose by 26.5% year-on-year to €107.2 million. This reflected very good business performance in the Engineered Joining Technology division, with additional contributions from the acquisition of Kimplas.

Adjusted EBITA declined by 2.9% in the first nine months to €130.5 million. The adjusted EBITA margin was 16% - down from 17.6% in the same period 2017. NORMA says the main reason for the decline in earnings and margin was the tense situation on the international raw material markets. Higher prices for stainless steel and alloy surcharges, force majeure in the area of important plastic components and the US punitive tariffs on steel had a negative impact. Raw material shortages temporarily generated variable special costs in procurement, production and logistics.

Company Founder Rainer Lederer Retires



Rainer Lederer founded the company that continues to bear his name 49 years ago together with Hans Lipinski. At the beginning of 2019 he retires fully from a business that has grown to become one of the most respected in the European fastener sector. In the 1970s and 1980s Rainer Le-derer developed the company, at that time still Lederer + Lipinski, into one of the market leaders for the trade with stainless steel screws in Europe. Making the move to Ennepetal in 1975 and then with the construction of the new building in Katzbachstraße in 1988, he took major economic risks. They paid off, and throughout the company was always very profitable.

At the beginning of the 1990s he realised that it was also possible to be successful with special screws and C-parts management. With this he laid the foundations for all the things that make Lederer what it is today and with which it remains very successful. When he handed over the company in 2012, his son, Dr. Volker Lederer, was able to take over a very profitable and respected company. Rainer Lederer had not only done an outstanding job economically, but also from a human point of view.

What about the personal relationship between founder and successor? When father and son work together, conflicts are practically inevitable. It's no secret that the two were absolutely no exception in this respect. However, Rainer Lederer has acted confidently and with foresight when it comes to important decisions.

As early as 2006, he told his son that in case of disagreement, it was Volker Lederer that could make the final decision. Rainer Lederer's simple and accurate reasoning: After all, the company is his son's future, not his!