Semiconductor Shortage Impacts Bulten

Bulten AB has announced third quarter net sales of SEK 764 million, a decrease of 10.5% on the same period last year. Order bookings amounted to SEK 830 million, a decrease of 37.2% on the same period last year. Anders Nyström, president and CEO at Bulten, comments: "The shortage of semiconductors that has been impacting the global automotive industry since Q2 2021 was an even greater obstacle during Q3. A number of our customers' production units have been closed or running at reduced capacity during certain periods. The negative impact of the semiconductor shortage on Bulten's sales was estimated at 25% - 30% during the third quarter. Underlying demand in the consumer stage remains strong, but at present vehicle production cannot keep up with demand."

Anders continues: "Reduced volumes and lower capacity utilisation in Q3 meant that we had to take necessary decelerating measures to reduce our stock, which has had a negative impact on earnings in the short term. The shortage of semiconductors, along with price rises for steel, are external macroeconomic and partly geopolitical factors that are expected to continue affecting Bulten's sales and margins negatively for the rest of 2021. From a longer term perspective, Bulten's growth and earning capacity is very good. The inflow of new contracts, from both new and existing customers in and outside of automotive, has never been as strong as it has to date in 2021."

These new contracts include the signing of a strategically important agreement in China regarding the supply of fasteners to a leading provider of consumer electronics. The agreement has an estimated annual value of approximately SEK 50 million. Deliveries started in the middle of the quarter. Bulten also strengthened an existing FSP (Full Service Provider) contract for the supply of fasteners, with a further order from a European automotive manufacturer. The order is worth approximately SEK 68 million per annum. Deliveries started in Q4 2021, will reach full pace in 2022, and will run for three years. Finally, Bulten was also awarded a new FSP contract by a European automotive manufacturer, which is also a new customer for Bulten. The contract relates to supply of fasteners for an electric vehicle program that is under development. The order value is approximately SEK 220 million a year. Deliveries are estimated to start in the third quarter of 2022, reaching full pace by 2025.

Böllhoff Group Acquires Worldwide HELICOIL® Trademark

As of 1st October 2021, Böllhoff Group, a family company based in Bielefeld, Germany, has acquired the worldwide HELICOIL® trademark. The trademark was previously held by STANLEY Engineered Fastening, a subsidiary of Stanley Black & Decker based in New Britain, Connecticut. This transaction allows each company to more closely align resources. As part of this transaction, Böllhoff Group will license back this trademark to STANLEY Engineered Fastening in the North American region. In North America, OEM automotive applications for HELICOIL® and wire thread inserts will be served by Böllhoff Group, while automotive repair and aftermarket applications and other industries will be served by STANLEY Engineered Fastening. The remainder of the globe will be served by Böllhoff Group.

Böllhoff Group and STANLEY Engineered Fastening are both leading manufacturers of specialty fasteners serving the automotive, industrial and aerospace markets. The companies have a 70 year history of partnership in the HELICOIL product line and associated trademarks. During this long history together, they have established successful license agreements to develop the markets and products which serve customers around the world.

Hilti Group Recovering Strongly

Hilti Group has reported a sales growth of 13% up to CHF 3.87 billion (€3.57 billion) as per the end of August 2021. Both the operating result and net income significantly increased compared to 2020 to CHF 613 million (+38%) and CHF 466 million (+48%) respectively. CEO Christoph Loos commented on the intermediate results: "We have managed to continuously recover from the pronounced dip last year, supported by a positive global construction market. Sales were approximately 5% higher compared to pre-crisis level of 2019."

All geographic regions showed a recovery trend, even though Covid-19 related restrictions are again being felt more strongly in some markets. Europe reported strong growth of 15.9% in local currencies, mainly driven by the Mediterranean countries. Both the Americas (+10.6%) and Asia/Pacific (+11.3%) regions also grew double-digit. The same applies to the eastern Europe/Middle East/Africa region (+10.7%), where ongoing challenges in the Gulf region are slowing down growth.

Despite higher raw material prices and transport costs, Hilti Group generated an operating result of CHF 613 million, 37.7% higher than in the same period last year. Net income rose by 48.2% to CHF 466 million. Hilti Group is confident regarding the coming months and expects an ongoing recovery, despite remaining uncertainties due to the Covid-19 pandemic. Sales growth over the full year of 2021 was expected to be in the high single digits in terms of local currencies.

Fabory Acquires KEBEK Group

Fabory has reached an agreement to acquire KEBEK Group from founder and current Director Dalibor Bek, creating a leading fastener specialist platform in the CEE region and further enhancing its 'Masters-in-Fasteners' strategy. The strong strategic fit between and common high performance mentality of both organisations will enable the Fabory-KEBEK combination to provide a stronger and more relevant proposition to its customers including a deep and relevant range of specialist fasteners.

Francisco Terol, CEO Fabory comments: "Fabory is highly impressed by KEBEK, the width and depth of its product assortment, their strong commercial performance and supply chain capabilities. We are therefore extremely excited and proud to welcome the KEBEK Group to Fabory. This marks an important step in our 'Masters-in-Fasteners' strategy; reinforcing our leadership position in our core countries. We continue to make strong progress on our overall transformation and are looking forward to continuing this journey together with the KEBEK team." Dalibor Bek, director at KEBEK Group comments: "We are excited about our future as part of Fabory. Fabory and its management team have shown that they have the required expertise and winning mentality to establish a leading platform in the strong and quickly growing CEE market. We are convinced that joining forces will open up many new opportunities, in several countries and market segments."

KEBEK is a family-owned fastener specialist headquartered in Chomutov, in the north-west of the Czech Republic with operations in Czechia, Slovakia and Hungary. Its successful initial distribution activities of air conditioning and ventilation components quickly expanded to the distribution of fasteners, which is its core activity today. KEBEK offers a wide and broad assortment of specialised fasteners in combination with Value Added Services, including in-house production capabilities and automated kitting facilities. This creates a strong value proposition to a customer base of over 8,000 customers, including several large key accounts amongst others the healthcare, energy and the construction market.

ARaymond Acquires Castello Italia

ARaymond has acquired Castello Italia SpA, a company specialised in tube production for the pneumatic and industrial markets.

The purchase of the tubing manufacturing company will broaden ARaymond's product offerings for the truck market and open up new diversification opportunities within some selected industrial sectors.

"We are pleased to announce our acquisition of Castello Italia. It will reinforce and complement our overall current and future product offering. The future of the automotive industry will be electric and autonomous vehicles and we firmly believe that we should actively participate in the mobility of the future and contribute to the shift in the market by meeting customers' demands," said Antoine Raymond, CEO at ARaymond. "ARaymond is an innovative leading supplier of QCs and nozzles for all fluid systems, and we will continue to design and produce QCs, invest in R&D and the global production capacity. We have a history of more than 155 years of innovations, and we strive to continuously reinvent ourselves to be ahead of the very rapid technological changes in our market."

With more than 7,000 employees in 25 countries around the world, the ARaymond Network designs, manufactures and markets assembly and fastening systems. Founded in 1865, this family business based in Grenoble, France, and inventor of the press stud, has always put human values at the heart of its success and is one of the global leaders in fastening and assembly solutions for many market segments.

Scell-it UK Invests in New Fixings Tester Technology

Scell-it UK has prided itself on being at the forefront of product design when it comes to setting tools and chemical dispensing guns, Now the company has just invested in the latest technology in the world of fixing testers. Staht have developed a new and innovative 'next generation' tester. The Staht Digital Pull Tester is set to revolutionise the process of testing construction fixings through its compact design, ease of use and versatility. The features include a full colour digital display; a li-ion rechargeable battery; Bluetooth connectivity; as well as a simple to use free App and reporting system. For Scell-it UK this offers a real advantage of being able to test their fixings quickly and easily and provide a detailed report to confirm the fixings are up to the job and fit for purpose.

Gary Moseley, managing director at Scell-it UK, explains: "We were given a demonstration of the new unit and we were so impressed with the ease of use and capability it would give us that we bought one there and then on the day. Our quality assurance has to be second to none and the quality and standard of our fixings is something we take very seriously." Gary continues; "Staht has produced a testing tool that allows us to accurately assess the quality of our products quickly and within our own quality control department here at our warehouse. We can then use the reports and documentation features to reassure our customers of the quality, and that our products meet the standards that are specified." By using the Staht Pull Tester, Scell-it UK claims it can speed up the checking process of stock and be assured that the quality and integrity is still intact.

Similar to the methodology of Scell-it tools, the Staht unit has many design features that also consider the health and safety of the worker. Safety straps to prevent tool drops, and enhanced mechanisms for easy load application, all help eliminate accidents and prevent repetitive strain injuries. Scell-it believes that wholesalers have to be held to account and should be questioned about the quality and standard of their stock. "Customers should insist on seeing credentials and evidence that items are fit for purpose. By investing in new technology, like the Staht Pull Tester, wholesalers will be proving they are taking their responsibilities seriously."

Rotor Clip Becomes ISO 13485 Certified

Rotor Clip recently received its ISO 13485:2016 certification. Described as the medical device industry's most widely used international standard for quality management, compliance with ISO 13485 means that the medical device manufacturing industry can now rely on Rotor Clip as the one-stop-shop for the highest-quality retaining rings, wave springs and hose clamps for their assemblies.

Rotor Clip has been a trusted supplier of the medical industry for many years. Receiving this certification reinforces the quality standards and reliability of its retaining rings, wave springs and hose clamps, so medical device manufacturers can depend on its products to perform safety critical functions every time. Companies across a broad range of industries rely on Rotor Clip products, value-added services, and expertise to build reliable and safe equipment. In addition to manufacturing high-quality parts for medical, Rotor Clip also meets the stringent quality standard of industries such as military, aerospace, and automotive.

According to Amir Abdalla, quality engineer at Rotor Clip, understanding customer requirements and working towards exceeding customer's expectations is key to better serving the medical device industry. "This is another Quality Management System to be added to our IATF, AS and ISO9001 Systems that ensure Rotor Clip continue to deliver high-quality products that exceed customer expectations. I am very proud of what our team have achieved."

SFS reports Significant Sales and Profit Increase

Carried by a dynamic market environment, SFS Group has generated a strong half year result with sales of CHF 957.8 million (€883.3 million) generated in the first half of last year – corresponding to year-on-year growth of 23.8%.

SFS states that the signs of recovery in the market environment, which were visible from the third quarter of 2020, continued unchanged during the first half of 2021. All three business segments participated in the solid demand seen in nearly all end markets and regions, with some business units actually exceeding the expectations substantially.

The SFS Group's long-term 'Local-for-Local' strategy and its decision to make predominantly temporary adjustments to production capacity during the Covid-19 pandemic have proven to be prudent. By using the instruments available to temporarily reduce capacity during the financial year 2020, the Group was able to preserve jobs, expertise and production capabilities. That, in turn, enabled it to respond swiftly to the recovery in demand and benefit from the economic environment. Short time working was discontinued during the reporting period in all areas except Aircraft.

The Engineered Components segment benefited from high demand across the board that exceeded expectations in most end markets. This positive development was particularly strong in the Automotive and Electronics divisions. Overall, this resulted in organic growth of 29.1% compared with the first half of 2020.

Both divisions in the Fastening Systems segment succeeded in taking advantage of the extraordinarily dynamic market environment and pent-up demand. Strong demand in the construction industry caused delivery bottlenecks and cost increases along the entire supply chain. The Riveting division operated in a similarly challenging environment. It benefited not only from pent-up demand in the automotive industry, but also good recovery in demand from industrial customers.

Total segment sales amounted to CHF 293.1 million, corresponding to year-on-year growth of 25.3%. Thanks to the high-level of capacity utilisation and the comprehensive measures of the previous years to improve performance an EBIT margin of 17.7% was achieved (prior year period: 9.5 %).

SFS expected sales growth to a level of around CHF 1.9 billion for the full 2021 financial year at an EBIT margin of approximately 15%. This corresponds to sales growth of approximately 5% per year since 2019, which is in line with the medium-term growth targets announced.

SFS concludes that the outlook for full year 2021 remains fraught with uncertainties and risks due to the ongoing Covid-19 pandemic. That is why SFS' management focus on protecting employee health and safeguarding delivery capacity, with further efforts to pursue investment and innovation projects, will still be given top priority.

BOSSARD
Proven Productivity

Bossard Back on Growth Course

In the first half of 2021, Bossard Group recorded a sales increase of 23.9% to CHF 494.8 million (previous year: CHF 399.4 million). The pace of growth accelerated slightly in the second quarter and was supported by a broad-based economic upturn.

For the first half of 2021, Bossard Group expected an EBIT of around CHF 67 million, corresponding to an EBIT margin of 13.5%. Bossard Group reported that this was the best half year result in the company's history.

In Europe, Bossard generated sales of CHF 146 million in the second quarter, an increase of 42.3% (in local currency: +39%). In the first half of last year, sales increased by 24.6% (in local currency: +22.2%) to CHF 293.7 million.

Business in America showed strong sales growth of 30.4% (in local currency: +37.5%) to CHF 55.8 million in the second quarter. In the first half of last year, sales increased by 14.5% (in local currency: +21.4%) to CHF 110.8 million. The weakening of the US dollar had a negative impact on sales development.

Growth in Asia remained at a high-level in the second quarter. Sales increased by 37.3% (in local currency: +35%) to CHF 48.2 million. In the first half of last year, sales increased by 35% (in local currency: +34.6%) to CHF 90.3 million. Bossard's focus on growth segments led to gains in market share.

As a result of strong global demand, the supply market situation remains tense, which is currently reflected in further price increases and longer delivery times. The Covid-19 situation also remains a factor of uncertainty due to rising infection rates in various market regions.

BULTEN

Streamlining Mitigates Effects of Negative Macroeconomic Factors

Bulten AB has reported that its streamlining, along with a new Full Service Provider contract that was signed during 2020, have largely compensated for negative macroeconomic factors currently impacting the market.

Bulten achieved net sales of SEK 910 million in Q2 of 2021, an increase of 106.2% on the same period of 2020. However, the company was quick to point out that the comparison quarter was severely affected by the pandemic. Compared to Q1 2021, which was more representative of Bulten's performance in a normalised market, net sales fell by 17.5%, due to lower production among customers during the quarter.

Anders Nyström, president and CEO at Bulten, commented: "The progressive recovery that characterised the global automotive market from the second half of 2020 was interrupted during the second quarter of 2021. The shortage of semiconductors is now a clearly inhibiting factor for production across the automotive industry, something both we and others in the industry have warned of previously. Underlying demand in the consumer stage remains strong, but at present vehicle production cannot keep up with demand."

He continued: "The shortage of semiconductors, along with price rises for steel and shipping, are three macroeconomic and partly geopolitical factors that have resulted in an extreme situation for the entire global industry. These factors were expected to have a further negative impact on Bulten's sales and margins during the second half of 2021. We are continuing to focus on what we can control and are continuing to strengthen Bulten's position and offering."

New Polish production unit

Bulten has also started the construction of a new production unit in Radziechowy-Wieprz, Poland. With production start-up planned for the first half of 2023. This will give Bulten a facility with world-class surface treatment processes in terms of efficiency, quality, and sustainability. The facility is a vertical integration of Bulten's existing plant in Bielsko-Biala and will further strengthen its competitiveness.

MKS Instruments to Acquire Atotech

MKS Instruments Inc and Atotech Limited have announced that they have entered into a definitive agreement pursuant to which MKS will acquire Atotech. The equity value of the transaction is US$5.1 billion and the enterprise value of the transaction is approximately US$6.5 billion (€5.48 billion).

John T.C. Lee, president and CEO at MKS, commented: "Together MKS and Atotech will be uniquely positioned to drive faster, better solutions and innovations for customers in advanced electronics. By combining leading capabilities in lasers, optics, motion and process chemistry, the combined company will optimise the PCB Interconnect, a significant enabling point of next-generation advanced electronics that represents the next frontier for miniaturisation and complexity. We anticipate the addition of Atotech will position MKS to enable roadmaps for future generations of advanced electronics devices. The acquisition of Atotech also provides MKS with a recurring revenue stream from a consumables portfolio for leading-edge devices"

"The combination of Atotech's expertise in electroplating and chemistry and MKS' strengths in lasers, laser systems, optics and motion will enable innovative and ground-breaking solutions for customers in the areas of materials processing and complex applications," said Geoff Wild, CEO of Atotech. "This transaction is an excellent outcome for our shareholders, and we believe it will provide immediate value and the opportunity to benefit from the upside potential of the combined company."

Atotech, headquartered in Berlin, Germany, has a team of 4,000 experts in over 40 countries generating annual revenue of US$1.2 billion in 2020. It has manufacturing operations across Europe, the Americas, and Asia.

innovative solutions

Proven Fireproof Conduit Fastenings

Conduit installations must retain their load-bearing capacity for a sufficient length of time in the event of fire. fischer has therefore helped develop the European Assessment Document (EAD) 280016-00-0602 for pipe support systems and optimised it for fire protection, which is serving as the basis for the European Technical Assessment (ETA) for fischer products.

Significant deformation can occur on rail constructions when exposed to fire. Conduit installations in escape and rescue routes must therefore be designed to withstand fires, which can save lives. fischer contributed to modifying the European Assessment Document (EAD) 280016-00-0602 published by the German Institute for Structural Engineering (DIBt) and optimised the document for fire protection purposes.

This now allows European Technical Assessments (ETAs) for approved conduit fastening products to be created with CE Marking, while the fire resistance of installations is assessed and proven according to up to date technical knowledge. During this process, each construction product of a fischer pipe support system is tested and assessed by a specially accredited institute before being transferred into an ETA.

News provided by:
Fastener + Fixing Magazine
www.fastenerandfixing.com

EFDA: EU Duties Will Disrupt Fastener Supply Chain

News provided by EFDA
Date: Dec. 16, 2021

"In proposing duties of up to 86.5 percent on Chinese fasteners, the EU is creating a permanent supply problem for the European industry thereby putting 'Made in EU' at risk. The excessively high duties will hit European companies at a time when they are already suffering from massive supply problems. It is completely incomprehensible that the European Commission wants to make the supply situation even worse under these exceptionally difficult circumstances." This was the response from Volker Lederer, President of the European Fastener Distributor Association (EFDA), to the Commission's disclosure of its conclusions from the AD676 anti-dumping investigation issued on 14 December 2021.

The European Commission intends to impose an anti-dumping duty on imports of screws and other iron and steel fasteners originating in the People's Republic of China. A duty of 39.6 % is planned for a limited group of Chinese fastener exporters. However, the general duty rate is to be a whopping 86.5 percent. The Commission initiated the investigation on 21 December 2020, following a complaint lodged by European fastener producers. According to the Commission, the duties are to be imposed by 17 February 2022 at the latest. Before that, the governments of the EU Member States will vote on the definitive measure. (Editors' note: The duty is already in effect after EU's press release on Feb. 17, 2022.)

The planned duties will hit all sectors of European industry, craft, and commerce as well as European consumers, all of which depend on the reliable supply of fasteners manufactured to international standards. These ostensibly simple, low value pieces of precision engineering – whether bolts, screws or washers – are indispensable for the manufacture of cars, bicycles, washing machines, solar panels, combine harvesters, furniture, and trains, as well as for use in installation and repair work by craftsmen or for repairing the garden door or attaching a picture in one's own home. But the impact of duties will also be felt by schools, food manufacturers and the health sector, which need school desks, refrigeration equipment or medical devices literally held together by fasteners. Without the right fasteners, none of these final products or structures is viable.

European fastener importers, wholesalers and distributors supply the European industry with an extensive range of fasteners and ensure that the products are available at the right time at the right place at the customer. For industry, the permanent availability of standard parts is indispensable so that their products can continue to be manufactured in the EU and sold successfully on the world markets. Any disruption, even slight, to the fastener supply chain has a disproportionate impact on the supply situation. Therefore, any intervention in the supply chains must be well-considered.

The existing supply bottlenecks for fasteners are already making it more and more difficult to meet the demand of industry and consumers for fasteners. Delivery times for fasteners have in many cases tripled in 2020 and are currently between 8 and 14 months. The costs for sea containers are ten times higher than in 2019, and the prices for raw materials like steel have exploded, too. The pandemic-related work stoppages in factories all over the world are further complicating the situation. This has not only made fasteners scarce, but dramatically driven up their costs.

At 86.5 percent, the planned duties on Chinese fasteners are even higher than those imposed from 2009 to 2016, which were eventually withdrawn following a succession of negative rulings against the EU by the World Trade Organisation (WTO). During that period the import flow from China completely collapsed. European manufacturers, despite assurances to the Commission to the contrary, were either unable or unwilling to the shortfall – which was substituted almost entirely by importers moving to other Asian manufacturing countries.

"Now, despite extensive evidence from EFDA, the Commission is apparently intent on going one better! In a supply-chain environment massively and critically worse than in 2009, the proposed duties are set to almost double prices that have already exploded in the last twelve months. In addition to driving inflation for the wide range of European fastener users and consumers, the application of duties will put even more strain on the already tightly constrained capacities of manufacturers outside China and further increase supply bottlenecks. Given the supply crisis already in place and the force of the proposed duties, the consequences for the economy and consumers will be devastating. The Commission, however, completely ignores these consequences!"

The planned duties on Chinese fasteners will create an unbridgeable permanent supply gap that will not be covered by switching to manufacturers in Europe or elsewhere in the world. In other East Asian markets such as Taiwan, Thailand or Vietnam, production capacities have already been exhausted since US companies began claiming resources here a few years ago in response to Trump administration protectionist duties on Chinese imports.

European fastener manufacturers are not available as substitutes either. Their capacities are already stretched now, and there is no improvement in sight. Almost without exception, European manufacturers produce high-quality special parts, e.g. for the global automotive industry, whereas imports from China regard the simpler standard parts. For these standard parts EU producers will never provide sufficient production capacity. They did not do so either when duties were imposed on Chinese fasteners from 2009 to 2016.

In 2016, the Commission was obliged to withdraw its antidumping duties overnight due to a series of WTO rulings that demonstrated their basis was irreparably flawed. **"Now the Commission is repeating its mistakes by imposing disproportionately high duties without any need. A duty level of 86.5 per cent in no way reflects the realities of the market"**, Lederer emphasizes. "As in 2009, the Commission calculates the duty level on a data basis that is not representative at all. It is based on the costs and price of one single fastener product type out of several hundred, produced by one out of many Chinese fastener manufacturers. The Commission deliberately chose this particular approach because it yields the largest margin for a duty and makes it the benchmark for the China business."

The European Fastener Distributor Association (EFDA) represents the interests of importers, wholesalers, and distributors of fasteners in Germany and Europe. EFDA has been actively involved in the Commission's investigation process as an interested party from the very beginning and has presented comprehensive arguments and evidence why the imposition of duties on Chinese fasteners is not appropriate. To the dismay of EFDA, the Commission has barely addressed the association's input in its decision.

"This duty has nothing to do with establishing a level playing field. Rather, it arbitrarily distorts an already extremely strained market. National governments of the EU Member States need to take the interests of their European manufacturing, construction and consumer economies seriously and council the Commission to reconsider its proposals", Dr. Lederer concludes.