European News

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BÖLLHOFF

Böllhoff Increases Sales for Ninth Consecutive Year

Böllhoff Group reported 2018 consolidated sales of €651.6 million, a 5.15% increase over 2017 and its ninth year of consecutive growth. The Group also reported record levels of investment, increasing more than 50% to €65.1 million.

Recording its 142nd year in business, independence has always been the cornerstone for the Böllhoff company, now in its fourth generation of family ownership and management.

Wilhelm A. Böllhoff is responsible for fastener service supply, human resources and quality management. His managing partner, Michael W. Böllhoff, is in charge of fastening and assembly technology as well as production. Of the two other members of the management, Dr. Jens Bunte is responsible for research and development, application technology and intellectual property worldwide. Finance, controlling, legal affairs and IT are managed by Dr. Carsten Löffler.

The Group comprises 45 companies, with 39 locations in 24 countries – including 13 production facilities. At the end of 2018 the Group employed 3,046 people, 254 more than at the end of 2017. Some 1,500 are employed in Germany.

Sales of €312.5 million - close to 48% of the Group total – were generated in Germany, reflecting a 4.8% year-on-year growth. A further €203.8 million (31%) came from the remainder of Europe, increasing 2.6%. Sales in the Americas were €75.5 million, increasing 4.1% - benefiting, Böllhoff notes "from the gentle tailwind behind the South American economy". Sales in Asia totalled €59.9 million, contributing just over 9% of the Group total, but increasing year-on-year by more than 17%.

By sector, 58.4% of Böllhoff sales emanated from the automotive sector, 39.4% from other industries and 1.2% from the aerospace sector.

Noting that the Group had achieved nine consecutive years of sales growth, the Böllhoff management, said "we are now seeing signs of a consolidation phase for the first time". They attributed this, less to the economic cycles of Germany, "but rather to influencing factors involving geopolitics and European policy".

Despite such imponderables the management says it remains optimistic as regards the years to come. The full 2018 report highlights investments into the infrastructure of buildings, machinery and IT, totalling €65 million in 2018. These address bottlenecks throughout the Böllhoff value-added chain, the consequence of nine years of steady growth. Many of the projects are scheduled for completion in 2019 or 2020.

The Böllhoff management concludes: "We feel confident that we are perfectly equipped to deal with the requirements of the market, both now and in the future."

Trifast plc

Trifast: "Growth Story Set to Continue"

In preliminary results published on 11th June, Trifast confirmed total group revenue for the year ending 31st March 2019 at GB£209.1 million (€233.7 million), a year-on-year increase of 5.8% at constant exchange rate.

Trifast's European operations had a strong year, with revenues growing 5.8%, driven by double-digit revenue increases across six of eight entities, including Holland (automotive), Hungary (electronics) and Germany (general industrial). Reduced domestic appliances volumes, as the result of trading conditions in Trifast's Italian operations, offset some of these increases. Trifast's Spanish greenfield site successfully securing its first GB£1 million of annual sales in the year.

Asia achieved a year-on-year growth of 2.6% to GB£58.7million with strong domestic appliances sector increases in Singapore offset to some extent by the local factory closure of a multinational OEM electronics customers in China, as well as the knock-on effect of additional US tariffs to a small number of multinational customers operating in the region.

Overall, Trifast's UK business showed very strong total revenue growth of 8.4% to GB£79.1 million reflecting the successful acquisition of Precision Technology Supplies (PTS) in April 2018. Organic trading levels, however, reduced slightly (-1.4%) due to the downturn in UK automotive manufacturing volumes. Outside of this, the Trifast reported another solid year in its most mature market – mainly driven by high ongoing demand in both general industrial and distributor business.

In the USA, a successful site move at the beginning of the year has been rewarded by exceptional revenue growth, increasing by 38.3% to GB£8.9 million. This reflects ongoing gains in both the automotive and electronics sector, plus good use of existing multinational Tier 1 and OEM customer relationships.

Underlying profit before tax increased 5.9% (CER) to GB£23.6 million. Organic growth stood at 2% (AER), with PTS contributing a further 3.6% of growth to the topline.

Gross margins remained on target at 30% despite the impact of anticipated purchase price inflation in the UK and upfront costs of ongoing investments in European manufacturing capacity. Underlying operating margins increased to an historic high of 11.6%.

CEO Mark Belton and CFO Claire Foster noted: "Trifast has delivered a solid performance and the directors remain optimistic about the progress the business will make over the coming financial year. Our highly experienced teams are dedicated to researching, developing, marketing and selling innovative products that meet today's high expectations that all our customers demand in terms of quality, value and price. Despite the potential implications of BREXIT and the continuing trade tensions between the US and China, the board remains confident in its strategy, its people and the Group's flexibility to adapt to change."

Hilti Four-Month Sales up 6.2%

Hilti has reported Group sales increased 6.2% over the first four months of 2019 to CHF1.931 billion. In local currency the growth factor was 7.6%.

Hilti CEO Christoph Loos explained: “Overall, we had a positive start to 2019 in the first four months and sales are within our expectations. For the entire year, we continue to expect growth in the mid-to-high single digits, even though the dynamics in the construction industry have slowed somewhat in several regions.”

In Europe and North America, the Hilti Group was able to maintain strong growth amid an ongoing positive market environment, growing sales in local currencies by 9.6% and 8.1% percent, respectively. Sales in Latin America grew 5.6% while the Asia/Pacific region saw a rise of 3.2%. The EMEA region grew 3% in the face of economic tensions in Russia, Turkey and the Gulf States.

NORMA Q1 Sales Increase Moderately

NORMA Group reported sales at €275.6 million in the first quarter of 2019, 1.1% up on same period 2018. Lower organic growth, eroded by automotive sector issues, was compensated by contributions from 2018 acquisitions and currency exchange gains.

Organic sales fell 4.2%. 2018 acquisitions, Kimplas and Statek, “contributed 2.3% and €6.2 million respectively”. Currency effects contributed 3.1% to sales growth. Adjusted EBITA for the quarter fell 13.3% to €39.6 million (Q1 2018: €45.7 million). The adjusted EBITA margin was 14.4% (Q1 2018: 16.8%). Net operating cash flow increased by €13.5 million to -€0.3 million.

NORMA explained: “The business development in the first quarter of 2019 is mainly attributable to the lower production and sales figures in the automotive sector in all three regions. Above all, the EMEA and Asia-Pacific regions were characterised by a very volatile market environment: Lower production volumes in the European automobile industry due to the difficulties encountered in the summer of 2018 in implementing the standardised, stricter test procedure for emission values (WLTP) and a sharp decline in demand from the Chinese automotive industry.”

Sales in the EMEA region fell 2.8% to €128.4 million (Q1 2018: €132.2 million) impacted particularly by the continued WLTP issues and lower automotive production.

Americas’ sales “rose solidly” by 4% to €111.6 million (Q1 2018: €107.3 million). NORMA identified the water management segment as posting strong growth at the beginning of 2019; business with commercial vehicles and agricultural machinery also continued to develop solidly. However, production figures in the North American automotive sector were negative.

NORMA increased Asia-Pacific sales 7.5% to €35.6 million (Q1 2018: €33.1 million). While the Chinese automotive sector experienced significant production declines, the acquisition of Kimplas in India contributed to additional sales revenues.

Group CEO Bernd Kleinhens commented: "In view of the uncertain market situation worldwide and the more volatile than expected market environment, particularly in the EMEA and Asia-Pacific regions, we have substantiated our forecast for the adjusted EBITA margin in 2019. We are confident that the situation on the markets will improve in the coming quarters and that we are well positioned for the future with our broad product range and commitment to key markets such as electromobility and water management."

NORMA Group confirmed its expected moderate organic growth, between 1% and 3%, for the full year. Sales from Kimplas and Statek are expected to total around €13 million. The company confirmed it was sticking to its adjusted EBITA margin forecast of between 15% and 17% but expected to achieve the lower end of the range.

Former UK Fastener Manufacturer Owner Admits Bribery

The United Kingdom Serious Fraud Office has revealed that the former managing director and majority owner of ALCA Fasteners Ltd, pleaded guilty to bribery at the end of May.

Carole Ann Hodson pleaded guilty at Walsall Magistrates' Court, on 30th May 2019, to bribery in relation to a scheme to secure GB£12 million worth of contracts for ALCA Fasteners Ltd, a company she owned at the time.

The scheme, which operated between 2011 and 2016 whilst Hodson was the managing director and majority owner, saw nearly GB£300,000 of bribes paid to Terje Moe, a purchasing manager employed by the Würth Group, an ALCA customer.

Under the scheme, which continued until his retirement, Moe would receive 2.5% of the total of every order made by his company to ALCA Fasteners. The bribes were paid in 64 monthly cash payments.

Terje Moe pleaded guilty to two charges relating to the receipt of bribes, contrary to the Norwegian Criminal Code, on 6th July 2018.

False invoices were created to justify the cash transfers, recorded in ALCA Fasteners' accounts as 'sales commission payments' or other payments not related to genuine transactions, with Hodson later lying to her company's auditors to disguise the true nature of the payments. To maintain the value of her company prior to selling it in 2017, Hodson then lied to the purchasers by claiming that the company had not been involved in any unlawful conduct.

Lisa Osofsky, director of the Serious Fraud Office (SFO) said: "Ms Hodson has admitted her part in this crime and pleaded guilty to her misconduct. Bribery has no place in British business. This sort of corruption corrodes trust and distorts markets, making it impossible for companies to function and undermining the UK's reputation as a rule of law country and a safe place to do business."

The SFO began investigating the affairs of the company in December 2017 following a referral by the Company's current owners and directors. The SFO investigation is ongoing with the company and its new directors continuing to cooperate.

Bulten Scores Gold for Sustainability

Bulten AB has achieved gold-medal status in the EcoVadis sustainability ranking and is rated in the top 1% of companies in its industry.

EcoVadis is an independent international organisation that evaluates, scores, and ranks companies' integration of sustainability issues in their business activities. The assessment is based on 21 criteria in four areas: Environment, fair working conditions, business ethics, and the supply chain. The method used is based on international Corporate Social Responsibility standards such as the Global Reporting Initiative (GRI), the UN Global Compact, and ISO 26000.

"Bulten's ambition and sustainability strategy is that the entire business should be permeated by a sustainability-oriented way of thinking. We are hugely proud of this recognition, which consolidates our position as one of the best in our industry when it comes to sustainability," says Marlene Dybeck, Bulten's senior vice-president HR and sustainability.

An overview of Bulten's sustainability efforts is reported as part of the company's annual report, which can be found online.

Cooper & Turner and Beck Industries Plan to Combine

Andaray (Holdings) Limited and its subsidiaries (Cooper & Turner) have entered into an agreement with Beck Industries (Beck) for potential combination of the two groups.

The planned combined entity aims to be the first truly global manufacturer of safety critical fasteners, together supporting a broader range of industries – including renewable energy, tunnelling, construction, rail, heavy equipment, downstream oil & gas, power generation and nuclear, among others.

Cooper & Turner serves a global customer base with manufacturing and distribution operations across the European Union, China and North America. This worldwide network enables Cooper & Turner to offer a seamless, one-stop-shop solution for industrial fasteners that meet the highest levels of quality. Beck, a France-based manufacturer and distributor of fully certified, high-security bolting components, has built a global operation that complements and expands that of Cooper & Turner. The proposed combination of Cooper & Turner and Beck will broaden the geographic reach of both companies, enabling the supply of world-class products and services from 17 strategically positioned facilities throughout Europe, North America, Asia and North Africa.

"It's an exciting time at Beck," stated Hugues Charbonnier, president of Beck Industries. "Business is strong, our order book is growing, and we have an opportunity with Cooper & Turner to potentially combine our complementary geographic footprint, technologies, and product portfolios to create an unequalled platform to serve our local and international clients."

"We are energised by the possibility of joining forces with the Beck team to create a new global leader in high quality, mission-critical fasteners," stated Tony Brown, Group CEO at Cooper & Turner. "Supported by our partners at the Watermill Group, which is a family owned investment company, we see tremendous opportunity to further serve the energy market worldwide."

The potential combination of Cooper & Turner and Beck is subject to customary conditions, including consultation of the relevant works councils and obtaining required regulatory approvals.

Sundram Fasteners Reports Record Revenue and Profits

Sundram Fasteners, part of the TVS Group, reported standalone revenue for its year ending 31st March 2019 at INR 4,034 crore; a 16.3% increase from INR 3,419 crore for the previous fiscal year.

Domestic sales grew 15% to INR 2,469.15 crore, on the back of increased production for commercial vehicles. Sundram also said it had expanded its domestic dealer network in order to increase sales penetration to industrial segments, which contributed to growth.

Export sales increased 18.4% to INR 1,382.99 crore, which Sundram said was partially due to volume growth, partially to a greater contribution from favourable exchange rates. Fourth quarter sales, however, increased by only 4.8%, although net profit increased 15%. Full year net profit after tax was INR 437.12 crore, up 18.9% on the previous fiscal year.

The company announced that its new plant, at Mahindra World City, commenced commercial production of forged and machined parts for cross-overs and mini-trucks on 16th January 2019. Sundram is in the process of setting up a new SEZ unit at Sri City, Andhra Pradesh, to manufacture high precision engineering components. This will be used as a hub to consolidate its foray into the non-automotive segment including off-road vehicles for export.

New Generation Takes Over at KEIL

A new generation of managing directors is set to take over at KEIL Befestigungstechnik GmbH. The company will also move into new company headquarters.

Fastening specialist KEIL has stood for quality and reliability for more than fifty years. The KEIL undercut anchor has developed into a global brand since its beginnings in the 1980s.

Countless architects, planners, fabricators and clients trust the technical solutions of KEIL Befestigungstechnik. Thousands of facades worldwide have been permanently and securely fastened with the KEIL Hinterschittanker.

The family business has been successfully run by owners Petra and Jürgen Bergfelder for many years. On 1st May 2019, the management was expanded to include new managing directors, Gerda Söhngen and Christian Schmidt.

Gerda Söhngen is daughter of the owner and has known the company since childhood, closely following its development over the years. Ms Söhngen now manages the company in the third generation and is responsible for technology and production.

Christian Schmidt, responsible for sales and marketing, has extensive global experience in sales of technical products. After 13 years in various positions at Akzo Nobel, Mr. Schmidt was most recently sales manager at SFS intec GmbH in Oberursel for seven years.

At the end of June 2019, KEIL Befestigungstechnik GmbH relocates to new company headquarters within Engelskirchen.

Petra and Jürgen Bergfelder will hand over to the new managing directors in a timely manner. They will continue to support KEIL Befestigungstechnik GmbH in an advisory capacity and ensure a smooth transition.

British Steel Placed into Receivership

On 22nd May a UK court appointed EY as official receiver for British Steel, following the failure of its owners, Greybull Capital, to secure emergency funding from the British Government.

On the previous day, Sky News broke the story that British Steel was in imminent jeopardy of collapse with Greybull seeking an additional emergency funding from the UK Government, which had already provided a GB£120 million loan to cover environmental compliance costs. Greybull was reported to have initially been seeking as much as GB£75 million additional funding, but subsequently reduced the figure to GB£30 million.

UK Business Secretary Greg Clark issued a statement saying: “The government has worked tirelessly with British Steel, its owner Greybull Capital, and lenders to explore all potential options to secure a solution for British Steel. We have shown our willingness to act, having already provided the company with a GB£120 million bridging facility to enable it to meet its emissions trading compliance costs.

“The government can only act within the law, which requires any financial support to a steel company to be on a commercial basis. I have been advised that it would be unlawful to provide a guarantee or loan on the terms of any proposals that the company or any other party has made.”

He went on to add: “I will be working with the Official Receiver and a British Steel support group of management, trade unions, companies in the supply chain and local communities, to pursue remorselessly every possible step to secure the future of the valuable operations in sites at Scunthorpe, Skinningrove and on Teesside.”

British Steel employs around 5,000 people, primarily in Scunthorpe and Teeside, but various estimates suggest five times this number of people are reliant on its operations for their livelihoods.

UK Steel, the industry’s trade body, said: “This news is significant blow for the company, its employees, and the communities across the UK that it supports. British Steel does not sit in isolation but is a critical part of the UK’s wider steel sector, a strategic British industry underpinning a myriad of supply chains.” The statement continued: “Receivership does at least leave options on the table including providing a time to secure a new buyer. We have every confidence that the government is investigating every available opportunity and pulling out all the stops to ensure a viable solution is found.”

UK Steel believes that despite the challenges faced by the sector currently, the outlook for steel demand in the UK and remained positive. Richard Warren, head of policy and representation at UK Steel, commented: “Of course, many of our challenges are far from unique to steel – the whole manufacturing sector is crying out for certainty over BREXIT. Unable to decipher the trading relationship the UK will have with its biggest market in just five months’ time, planning and decision making has become nightmarish in its complexity. I must again state in no uncertain terms the critical need for the UK to reach agreement with Europe as soon as possible, avoiding a no-deal BREXIT at all costs. Those that claim otherwise are breathtakingly callous in their attitude towards manufacturing in this country.”

“Beyond the cloud of BREXIT, long standing domestic issues such as uncompetitive electricity prices and business rates also continue to chisel away at investment and action on these issues, as part of the Government’s Industrial Strategy, must also be a top priority for the government now.”

British Steel’s Wire Rod Mill at Scunthorpe supplies cold heading quality wire, amongst a range of other wire products for construction and automotive applications. At the end of last year, the Wire Rod business announced it had secured investment in order to commence a major upgrade, including the installation of a new modern high-speed wire rod line, aimed at substantially increasing its range and production quality capabilities.

In September 2017 British Steel acquired FN Steel, based in the Netherlands, which is also a significant supplier of materials to the fastener manufacturing sector.