European News

Provided by Fastener + Fixing Magazine
www.fastenerandfixing.com
compiled by Fastener World

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: "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 secured its first GB£1 million of annual sales in the year.

Asia achieved 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."

China Fastener World no.57/2019

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.

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.

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.

Bulten Sales Set Back by Automotive Headwinds

Bulten Group reported first quarter 2019 net sales at SEK 810 million, down 5.1% on a strong first quarter in 2018. Adjusted operating earnings (EBIT) fell to SEK 59 million (2018 Q1: SEK 67 million). Adjusted operating margin was 7.3%, down from 7.8% in the same quarter 2018. Earnings after tax stood at SEK 44 million (2018 Q1: SEK 48 million). Bulten also reported a 5.9% decrease in its order book value to SEK 733 million (€59.77 million).

New President and CEO Anders Nyström noted that lower global sales of new cars in the second half 2018 had continued into 2019, with the most marked slowdown in China. He attributed the slowdown in Europe's car industry to "consumer concerns about the effects of a possible hard BREXIT, as well as new environmental regulations, rather than a general economic downturn. The fact that the market for economically sensitive heavy vehicles remained strong substantiates this view."

Nyström emphasised that investments being made to increase capacity and productivity would increase longer term earning potential. The new heat treatment line in Hallstahammar went into production at the end of March, promising efficiency enhancements during the second quarter. He noted that increased capital had been tied for six months due to the relocation of operations in China, which was proceeding as planned; preparedness for BREXIT; the ramping up of new projects and a slowdown in demand. "Activities are ongoing to normalise and improve control at inventory levels" he said.

Referring to operating earnings Nyström explained that raw material costs that had increased dramatically in 2018 had now stabilised, although at a high level. Bulten has signed a Full Service Provider contract for delivery of fasteners to a new vehicle program, worth approximately €13 million a year at full production in 2021, starting in late 2019.

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.

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 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 the 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.

Bossard Reports Growth Despite More Challenging Conditions

Bossard Group reports that 2019 first quarter sales grew 5.4% to CHF 232.2 million (€203.4 million), despite "markedly more challenging business conditions" and a comparatively high baseline. The Group says its first quarter's overall solid performance was all the more remarkable because it was achieved in a weakening economic environment as well as the comparative baseline from the previous year being very high.

Activities in Europe and Asia contributed substantially to the Group's positive sales development, while business in America stagnated. European sales increased 5.1% to CHF 138.9 million (+7.3% in local currency), boosting market share in spite of lack-lustre economic conditions. After enjoying dynamic business development in America 2017 and 2018, Bossard says it was unable to realise further sales growth at the start of 2019. American sales were CHF 58.1 million, down 4.9% in local currency. Bossard identifies two reasons for the decline. For the beginning of this year Bossard experienced subdued sales development with several major customers, which could not be compensated by "encouraging growth in new business".

In Asia, Bossard benefited from preliminary work and capacity expansion in previous years, with first quarter 2019 sales growth of 16.6% to CHF 35.2 million (+17.7% in local currency). The main contributing regions were China and India.

Bossard is targeting full year sales of CHF 900 to CHF 920 million, with first quarter sales on track. However, the Group says the weakening economic momentum, evident from falling Purchasing Managers' Indices published recently, makes achieving the goal more challenging.

Bossard Further Expands into 3D Printing

The Bossard Group has taken a 30% share in Ecoparts AG in Hinwil, Switzerland, continuing expansion of its expertise in additive manufacturing. Ecoparts has many years of experience in 3D printing services for the metal segment of this innovative technology and is the leading Swiss company in this sector. Bossard's stake in the company is of strategic importance, intended to secure a leading position in the future market of additive manufacturing. The investment broadens the Group's expertise and enables it to help customers in the early planning phase of new projects.

Ecoparts is a pioneer in additive manufacturing. Since 2006, the company has offered services in the generative design of metal components, as well as custom and series parts, such as prototypes, toolmaking, lightweight components, hybrid construction and additive manufacturing engineering. As the largest and leading additive manufacturing service provider in Switzerland the company has a wealth of experience in this future market, including in the technologies and materials used.

Bossard has acquired a 30% stake from the two founders, who until now jointly controlled a 50% share of the capital. As a development partner and contract manufacturer, Bossard gains even greater expertise in additive manufacturing through its investment in Ecoparts. In 2018, Bossard acquired 49% of 3d-prototyp GmbH, an expert in the additive manufacturing of complex plastic parts and models. Bossard also announced partnerships with three renowned manufacturers of 3D printers after having handled representation and sales of their products for the Swiss market.

This bolsters Bossard's proven expertise in supporting customers from the design phase all the way to the production of complex metal and plastic parts. In addition, Bossard is an innovative partner when it comes to selecting the most suitable 3D printers and associated manufacturing technologies. Bossard believes 3D printing will shape the future of a number of manufacturing areas, such as the production of prototypes, complex tools, and lightweight industrial components – all products that do not lend themselves to mass production. New materials are increasingly being used in additive manufacturing.

Bufab Reports 15% Growth in Q1 2019

Bufab Group started off 2019 with a strong first quarter result for the overall Group, reporting continued healthy growth and increased profit. The International segment delivered but Sweden turned in a poorer performance. Net Group sales increased 15% to SEK 1.091 billion (€88.96 million), driven by acquisitions, increased market share and stable demand. Organic growth was 6%. Operating profit (EBITA) rose to SEK 119 million (2018 Q1: SEK 106 million) and the operating margin was 10.9 percent (2018 Q1: 11.2%).

Bufab's largest operating segment, International, enjoyed a particularly strong performance. It continued to take market share, capturing new contracts with many customers. Segment organic was 8%. Growth was particularly strong in central Europe, the UK, northern Europe and southern Europe, but somewhat weaker in eastern Europe. President and CEO Jörgen Rosengren noted: "Price increases secured a stable gross margin. Through an effective cost control and increased efficiency, it was possible to translate this into an operating margin that was the segment's best ever. Accordingly, operating profit rose by a full 20%."

The quarterly result from Sweden, in contrast, was "poorer than last year", attributed to a significant weakening of gross margin. Price increases implemented in 2018 and early 2019 were insufficient in light of the continued weakening of the Swedish krona. For the second consecutive quarter, organic growth was "limited". Despite effective cost control, operating profit and operating margin were therefore considerably lower than in 2018. Rosengren emphasised: "This development is entirely unsatisfactory" and committed to further price increases for end customers, combined with purchasing savings, aimed at restoring gross margin during the year.

Despite the Swedish result, Rosengren expressed satisfaction with the Group's earnings for the quarter. "Our newly acquired companies are contributing to increased sales and profits, while also significantly strengthening our customer offering. It is part of our strategy to make additional value-adding acquisitions also in the future." The CEO concluded: "We are satisfied with the start to the year. The macroeconomic uncertainty has not diminished, but we are optimistic about the remainder of 2019."

NORMA Group Increases Sales 1.1 Billion

NORMA Group has increased its group sales by 6.6% compared to the previous year to €1.08 billion in fiscal year 2018 (2017: €1.01 billion). Organic sales growth was strong at 7.7 percent. This growth was mainly driven by the strong recovery of the US commercial vehicles and agricultural machinery markets, a resurgent US water business and high demand for quality joining solutions in China in the first half of 2018.

The acquisitions of Fengfan, Kimplas and Statek contributed an additional €16.5 million to its sales growth in 2018. Negative currency effects reduced growth by 2.8% on the other hand. At €124.4 million, net operating cash flow, including the effects of the acquisitions of Statek and Kimplas, and increased capital expenditure from operating activities, was €8.5 million lower in fiscal year 2018 than the year before (2017: €132.9 million). Due to the volatile environment on the raw materials markets, inventories of finished goods and work in progress were built up.

"We grew strongly in organic terms in fiscal year 2018," said Bernd Kleinhens, CEO of NORMA Group. "In 2019, we will continue to focus our business model on the future markets of electromobility and water management. In addition, our rightsizing program will enable us to further harmonise our organisation and processes worldwide so we can continue our profitable growth."

SFS Projects 3% - 5% Growth Despite Market Volatility

SFS Group expects the 2019 market to be volatile given trade tensions between the US and China and the recent slowdown in global economic activity. A healthy project pipeline means it still expects top-line growth of 3-5% in 2019. Taking into consideration the uncertain economic situation, SFS expects the adjusted EBIT margin for financial 2019 to be in a range from 13% - 15%. The Group will incur one-off costs for the commissioning of a new manufacturing platform in Nantong, China, but also expects accounting gains on the disposal of real estate.

SFS Group achieved solid sales growth of 6.5% in the 2018 financial year, lifting its consolidated sales to CHF 1.739 billion. Growth for the period was broadly based and the Fastening Systems segment showed the strongest development. Growth in the second half was slower than in the first half, partially due to a strong comparison base and partially due to an unexpected decline in demand during the fourth quarter, especially from customers in the automotive and electronics industries.

Group operating profit increased by 4.2% to CHF 243.1 million. Profitability improved considerably during the second half (EBIT margin of 14.4%) compared to the first half (EBIT margin of 13.6%). The EBIT margin for the year stood at 14%, slightly below the comparable year-ago margin of 14.3%. This contraction is primarily attributed to sales mix effects arising, for example, from the stronger growth rates of the Fastening Systems and Distribution & Logistics segments and the strong decline in demand during the final quarter of the year. Net profit for the year rose by 21.9% to CHF 193.9 million, which corresponds to 11.2% of net sales.

SFS Buys US Construction Fastener Distributor

SFS Group has recently acquired Triangle Fastener Corporation (TFC), a leading provider of fasteners and other products for the US commercial construction industry, headquartered in Pittsburgh. TFC produced sales of more than US$70 million (€62.5 million) in 2018 and has approximately 200 employees. The acquisition means SFS will be able to expand access to the market and its customers in the American building sector.

TFC was founded in 1977 and supplies end-users in the commercial construction industry with a comprehensive assortment of customer-specific fasteners, as well as other application solutions. TFC sells its products to roughly 6,000 active customers through 23 separate branch locations in 15 states and is one of the leading suppliers in the eastern United States. TFC will operate as a part of the Construction division within the SFS Fastening Systems segment. The company will be led by the existing management, ensuring continuity.

Würth Builds Innovation Centre

WÜRTH

Adolf Würth GmbH & Co KG, parent company of the globally operating Würth Group, is building a research and development centre in Künzelsau, Germany – with the groundbreaking ceremony celebrated at the end of March 2019. The investment volume amounts to the tune of €70 million and will include the state-of-the-art laboratories and workshops which will be built on an area of around 15,000m^2. A climate chamber, the latest 3D printers and seismic test rigs for anchor technology will also offer a wide range of options to strengthen and advance internal research in the long run.

Approximately 250 people will be working in the innovation centre. This will include employees from the research and development department of Adolf Würth GmbH & Co KG, from the Group companies active in the manufacturing sector, as well as external researchers.

The cooperation with Karlsruhe Institute of Technology KIT and the universities of Innsbruck and Stuttgart will create a cluster of knowledge and know-how. “These university cooperations allow us to take a scientific approach, thus opening up entirely new opportunities. We want to develop even more from a trading company to a manufacturer,” says Thomas Klenk, managing director for product, purchasing and export at Adolf Würth GmbH & Co KG. “We aim to significantly shorten our innovation cycles in order to bring our new and further developments to the market even faster and to be able to offer our customers solutions with genuine added value.”

The innovation centre helps Würth to be more attractive as an employer and counteract the shortage of skilled workers. “A challenge that we also face here in rural areas,” says Norbert Heckmann, chairman of the management of Adolf Würth GmbH & Co KG. “The innovation centre significantly increases the appeal of Würth as an innovative and outward-looking company for technicians and engineers.”