



FINdex Rebounds Amid COVID-19

After tumbling 30.3% in the opening quarter of 2020, the FIN Fastener Stock Index rebounded in the second quarter, achieving a 26.7% gain during the period compared to a 19.6% gain by an index of related industrial stocks during the first full quarter of the pandemic.

Tree Island Steel achieved the greatest gain during Q2, more than doubling during the period. Other fastener stocks gaining share value included Carpenter Technology (up 17.3%); Dorman Products (up 21.3%); Fastenal (up 37%); Grainger (up 26.4%); ITW (up 23%); Lawson Products (up 20.7%); MSC Industrial (up 32.4%); Nucor (up 14.9%); Simpson Mfg. (up 36.1%); Stanley Black & Decker (up 39.4%); and TriMas (up 3.7%).

Fastener stocks losing value during Q2 included Chicago Rivet (down 1.8%); Bisco Industries (down 5%); and Park Ohio (down 13.6%). However, during the first six months of 2020, the FINdex lost 11.5% of its value, compared to a 7.1% decline by an index of related industrial stocks. Carpenter Technology saw its share value decline 54% during the period.

Other fastener companies with a share loss during the first half of 2020 included Chicago Rivet (down 19.4%); Dorman Products (down 11.4%); Bisco Industries (down 30.5%); Grainger (down 7.2%); ITW (down 2.7%); Lawson Products (down 38%); MSC Industrial (down 7.2%); Nucor (down 26.4%); Park Ohio (down 51.5%); Stanley Black & Decker (down 15.9%); and TriMas (down 23.7%).

During 2019, the FINdex gained 33.7%, besting a 24.4% increase by an index of related industrial stocks. Bisco Industries achieved the highest percentage gain, improving 84% during the year.

Some U.S. Fastener Sales Halved Amid Covid-19

U.S. fastener executives report production and sales figures have dropped as much as 45%, according to an informal May 2020 survey conducted by GlobalFastenerNews. "If it wasn't for the empty roads, I would barely notice the shutdown," one fastener distributor observed. "Running the full crew full-time, but order quantities lower, so sales down around 10% vs. prior year."

One distributor said his company sanitizes work surfaces and touch points, and work stations have been moved at least six feet apart. "I would guess that this is the new normal for a least 18 months until an inoculation is proven." While face masks are optional, "anyone who sneezes or coughs goes home." The distributor is moving some inside sales reps to home offices. But another distributor said he has made no safety changes such as distancing to his operation. Few problems working with customers or suppliers were reported.

"Most companies seem to have embraced working remotely to keep business functioning as smoothly as possible given the environment we are in," one manufacturer found. Only one said one customer is "problematic," but added that suppliers are "very cooperative." But sales aren't restarting: "Nothing ramping up," said one. "Just managing expectations while end users are shut down."

Most responded with "wait and see" plans to attend the International Fastener Expo in Las Vegas or the November 8-10 Specialty Tools & Fasteners Distributors Association convention in Anaheim. "Yes, unless there is a new wave of the virus," a distributor responded to his company participating in the two events.

There also was flat rejection of trade show participation this year. "Not likely," noted one. "No way things will be okay by then," said one distributor close enough to drive to both events instead of fly.

News provided by:

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FDI Returns To Growth In June

The seasonally adjusted Fastener Distributor Index improved to 56.9 in June vs. May (45), "consistent with an improvement in last month's forward-looking indicator." Last month marked FDI's return to expansionary readings for the first time since February. Additionally, the seasonally adjusted sales index showed very strong improvement, surging from 28.9 in May to 69.9 in June. "Sales trends were better than seasonally expected for a majority of respondents, the first time that has occurred since January," R.W. Baird analyst David Manthey wrote. Pricing remained stable for most respondents.

The Forward Looking Index continued to improve, increasing to 52.6 from 43.9 the previous month. "Respondents are on balance once again feeling more optimistic than pessimistic about the six-month outlook, while employment has also started to return to more normal levels," Manthey wrote. These two factors primarily accounted for the month-to-month improvement in the Forward Looking Index. "With the FLI improving for three straight months and the US economy continuing to reopen, we believe the FDI could see steady improvement in the immediate term, albeit conditional on widespread government-mandated shutdowns not re-occurring," according to Manthey.

Hiring sentiment improved as well. The FDI employment index registered a 56.6 reading, also a significant improvement from last month (40.0). The percentage of respondents noting lower employment levels than seasonally normally decreased to just 11% vs. an average of 40% seen over the last three months. Respondent commentary remained uneven, however.

"Although June seems to have been better than expected for most respondents, and momentum is clearly improving, many participants still characterize the recovery as slow and somewhat uneven to this point," Manthey noted. One respondent commented: "Slow recovery but at least positive trend after the shutdowns in April and early May." Another commented. "Have experienced more customer demand [increases] but [some] don't believe our industry will see normal levels for some time. Too many variables especially related to the pandemic that can impact the economy."

Attitudes about activity over the next six months compared to today are more positive than negative on balance, however, with 61% of participants expecting higher activity levels and just 11% expecting lower.

The FDI is a monthly survey of North American fastener distributors conducted by the FCH Sourcing Network, the National Fastener Distributors Association and Baird.



COVID-19 Decimates ITW Fastener Sales



ITW reported Automotive OEM revenue, including fasteners, fell 54% to \$361 million in the second quarter of 2020. Automotive OEM operating loss totaled \$28 million, while operating margin plummeted to -7.8%.

“As expected, given that most of our automotive OEM customers in North America and Western Europe essentially shutdown in mid-March and only began to restart production in May, June,” stated CEO Scott Santi in a conference call transcribed by Seeking Alpha. “Our automotive OEM business was the hardest hit. “Overall organic revenues were down 53% year-over-year, although we did see a significant uptick in June that is continuing in July. North America was down 62%, Europe down 59% and China was the bright spot with organic revenue up 6%.”

Construction Products revenue, including fasteners, performed comparatively well, dropping only 11.3% to \$376 million during the quarter. Segment operating income decreased 15% to \$90 million, with operating margin rising to 23.7%.

Overall Q2 ITW revenue dropped 29% to \$2.6 billion, with organic revenue down 27% and operating margin falling at 17.5%.

Six-month Automotive OEM revenue fared better, falling 32% to \$1.06 billion, with operating income down 33.7% to \$117 million and operating margin plummeting 1030 basis points to 11.1%. Construction Products during the first six months of 2020 dipped 4.6% to \$766 million, while segment operating income slipped 7.1% to \$181 million, producing an operating margin increase of 20 basis points to 23.6%.

Consolidated ITW revenue declined 19% to \$5.8 billion, while operating income fell 29% to \$1.21 billion and net income slipped 27% to \$885 million.

Optimas Solutions Promotes Supply Execs



Execs

Optimas Solutions

Optimas promoted Randy Nelson to VP of supply chain and strategic sourcing, and Matt Kubbinga to supply chain director. “The expertise and knowledge of Randy and Matt enables Optimas to embrace continuous growth and future innovation,” commented Marc Strandquist, president of the Americas. “These promotions reflect the incredible leadership and hard work of the supply chain team to fulfill on Optimas's commitment to being a best-in-class industrial distribution and service provider.”

Fastener industry veteran Nelson has over 18 years of executive experience with Supply Technologies and Brighton-Best Intl. Kubbinga spent five years as demand planning manager at Univar Solutions.

Glenview, IL-headquartered Optimas Solutions is a global industrial distributor of fasteners and c-class components. Optimas has 1,600 employees in 16 countries. Optimas has 3,500 suppliers to distribute 130,000 SKUs to 10,000 customers in automotive, heavy truck, high tech, lawn & garden, medical, off-highway, power generation, powertrain, transportation and tunneling industries. Optimas manufactures in Illinois and the UK.



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Clinching Fastener Specialist



www.grandametal.com

Main Products:

- ▶ Self-Clinching Studs, Nuts, Standoffs
- ▶ Rivet Bushes
- ▶ Welding Studs and Standoffs
- ▶ Brass Inserts for Plastics
- ▶ Cage Nuts
- ▶ Rivet Nuts
- ▶ Customized Parts via Cold Forging, CNC, Turned

Strengths:

- ✓ Producer in China
- ✓ ISO 9001:2015 and IATF16949 certified
- ✓ PPAP package and IMDS for automotive industry
- ✓ Automatic Optical Sorting 100%
- ✓ Full range for sheet metal fasteners and 200 million stocks



SWK Fastening Revenue Falls 35%



Stanley Black & Decker reported Engineered Fastening organic revenues fell 35% in the second quarter of 2020 “due to lower global automotive light vehicle and general industrial production.” Industrial segment sales, including Engineered Fastening results, declined 20% to \$ 517.5 million in Q2 as CAM acquisition (+10%) was offset by volume (-29%) and currency (-1%). Segment profit plummeted from \$95.1 million to \$5.1 million.

Stanley Black & Decker agreed to acquire Consolidated Aerospace Manufacturing LLC (CAM) in February for as much as \$1.5 billion cash. The deal is contingent on the Boeing 737 MAX returning to service and on Boeing meeting certain production goals. Brea, CA-based CAM, which manufactures aerospace fasteners and components, was launched by Tinicum in 2012 as a holding company for eight manufacturing

firms active in aerospace component sector. Among CAM’s holdings are Bristol Industries, E.A. Patten, AeroFit, Voss Industries, 3V Fasteners, QRP and Moeller.

Consolidated Stanley Black & Decker sales dropped 16% to \$3.1 billion during the quarter. Operating income declined 45% to \$280.7 million, with a margin of 8.9%. Net income slipped 33% to \$238.7 million. Industrial segment sales during the first six months of 2020 dipped 8% to \$1.1 billion, with segment profit more than halved to \$72.9 million.



Paul Sundstrom Named GM at ND Industries

ND Industries, Clawson, MI, USA, has named Paul Sundstrom General Manager of its Northbrook and Rockford, IL, USA facilities. He takes over the position from John Thramann, who has recently announced his retirement. Thramann has been at ND Industries since 1970 and has played an integral role in making ND one of the current leaders in the fastener locking and sealing industry. ND wishes John all the best in his retirement. For the past two years Sundstrom has been ND’s lead Sales Manager in Illinois.



Semi-tubular Rivets

Main Products:
 Shoulder Rivets • Binder Posts & Screw Sets • Furniture Screws •
 Socket Head Cap Screws • Customized Special Screws/Bolts • Step Rivets
 Multi-strokes Special Screws/Bolts •
 Caster Wheel Bolts

Quality & Service
is our tradition

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Grainger Selling Fabry to Dutch Firm

Grainger agreed to sell Fabry and its subsidiaries to Dutch capital firm Torqx Capital Partners for an undisclosed sum. Grainger acquired Netherlands-based Fabry in 2011 for \$346 million. Founded in 1947 as Borstlap & Sons, Fabry employs 1,100 to supply fasteners to more than 60,000 customers in EU markets through 44 branches in 13 countries. Torqx said it will support Fabry by investing in deep product and application expertise, in smart value-added services for its OEM and MRO customers, and in an efficient and high-quality supply chain.



Fastenal Fastener Sales Continue Decline

Fastenal reported fastener sales dropped 15.3% in May, compared with a 22.5% rate of decline the previous month. Sales of other products (excluding safety supplies) fell 6%. Overall sales rose 4.4% to \$491.5 million in May, while daily sales climbed 14.8% to \$24.7 million during the month. U.S. sales gained 14.4%, while sales in Canada and Mexico fell 2.4%.



By end market, sales to manufacturing customers decreased 4.2%, and sales to non-residential construction customers were down 9.8% in May. During May, Fastenal trimmed 400 sales staff, with most of those cuts in branch and onsite personnel. The company's overall workforce decreased 5.4% during the month to 21,034 employees. Distribution personnel shrank 14.3% to 2,478 while manufacturing personnel fell 9.8% to 625 workers. In the opening quarter of 2020, fastener sales declined 2.6% to \$449.7 million (32.9% of overall sales).

acquisition will enhance Endries ability to grow our business with the combined expansion of our product offerings and geographic footprint that All-West brings in the Pacific Northwest."

Peterson's brother, Mark Peterson, joined All-West in 1982 and has been president since 2015. After eight years in fastener distribution, Rick Peterson founded All-West 42-years ago, adding up to make it a 50-year fastener career. That qualifies him as "a rusty bolt," Peterson told GlobalFastenerNews.

Founder Bob Endries was the 1993 president of the Specialty Tools & Fasteners Distributors Association and Rick Peterson was the 2008 STAFDA president. Peterson also was the 2014-2015 president of the Pacific-West Fastener Association. Endries International is marking its 57th anniversary during 2020. The company has 825 employees across the U.S., Canada, Mexico, Europe, the Asian Pacific and China.

IFI Elects New Chairman, Vice Chairman & Names Board Members and Division Chairs

The Industrial Fasteners Institute (IFI), Independence, OH, USA, held its Annual Meeting in Clearwater Beach, FL, USA, March 7 to 10, 2020. The new IFI Chairman for the period 2020 to 2021 is Kevin Johnson of Birmingham Fastener, Inc. and the newly elected Vice Chairman is Edward Lumm of Shannon Precision Fastener, LLC.

In addition to Johnson and Lumm, the Board of Directors also includes:



- Manny DeSantis, Valley Fastener Group LLC;
- Pat Wells, The Young Engineers;
- Don Kubkowski, Sems and Specials;
- Paula Tognetti, MNP Corp.;
- Jeff Liter, Wrought Washer Mfg.;
- David Hebert, Freeway Corp.;
- Brian Stark, Rockford Fastener;
- Dan Curtis, MacLean-Fogg Co.;
- Richard Brittan, Tri Star Metals;
- Wayne Drysol, 3V Fastening.

2020 Division Chairs for IFI are: Division I – Industrial Products: Steven Sherman, Industrial Rivet & Fastener; Division II – Aerospace Fastener Products: Pat Wells, The Young Engineers, Inc.; Division III – Automotive Industry Fastener Group: Gene Simpson, Semblex Corporation; and Associate Suppliers' Division: Richard Brittan, Tri Star Metals. IFI is an association of the leading North American makers of bolts, nuts, screws, rivets, pins, washers and custom formed parts.

Endries International Acquires All-West

Endries International Inc. acquired All-West Components & Fasteners Inc., a distributor to OEMs founded in 1978 in Seattle by CEO Rick Peterson. Terms of the deal were not disclosed. President Steve Endries commented that the "cultural and customer service philosophies that Rick & Mark have built aligns perfectly with the foundation at Endries. This



Birmingham Fastener Acquires Atlanta Rod



Birmingham Fastener and Supply Inc., Birmingham, AL, USA, has acquired Atlanta Rod and Manufacturing, a fellow domestic manufacturer of fasteners. John White will stay on as President of Atlanta Rod, joining the leadership team of Birmingham Fastener. "Atlanta Rod and Manufacturing has a long history of providing excellent service and value to its customers," says Birmingham Fastener President, Brad Tinney, "I'm extremely excited to partner with John and his team." "Brad and I have very similar backgrounds and share an unending passion for domestic manufacturing," says White, "I look forward to the opportunities that joining these two companies will provide for our customers." In the past two years, Birmingham Fastener has expanded its footprint across the USA, opening locations in New York, Iowa and Houston. Atlanta Rod, based in Lavonia, GA, USA, is the company's latest acquisition. In these uncertain times, Brad Tinney also expresses the importance of domestic manufacturing capability.

Dyson Acquires Accu-Tech



Dyson Corp., Painesville, OH, USA, expands its manufacturing capacity and capabilities through the acquisition of the business assets of Accu-Tech Manufacturing & Support Corp., located in Mentor, OH, USA. Dyson plans to continue operations at the Accu-Tech facility through the remainder of 2020, when it will combine the assets and employees with the Dyson operations located in the same Ohio county. All equipment and employees of Accu-Tech are expected to remain with the combined company after the transition.

ZAGO Increases Sealing Fasteners Production

ZAGO Manufacturing produces high-tech sealing fasteners for ventilator manufacturers and is ramping up production to meet heightened demand during COVID-19. The company manufactures high-tech sustainable sealing solutions and components from its headquarters in Newark, NJ, USA. ZAGO high-tech sealing screws, nuts, bolts and washers are also critical in the production



of Extracorporeal Membrane Oxygenation Systems, akin to external blood pumps, and are in dwindling supply.



EFC Expands with New Warehouse & Office

EFC International continues to expand, moving its Chicago branch office and warehouse to a new 64,000 ft² site at 4150 Chandler Dr., Hanover Park, IL, USA. Thomas Mansholt, VP of Operations states, "Our move enables EFC to enhance our service level by providing additional stocking programs with increased inventory space to meet both customer and supplier needs. With 4200 pallet locations, 26' clear height ceilings and a circular flow from receiving to inventory to shipping, we can ship product more efficiently and the facility allows for growth. The increased number of dock doors provides efficient flow for containers to be loaded for export, supporting customers for all EFC global locations."

Yushung Metal Products Co., Ltd. 宇声金属制品有限公司

● 100% raw materials purchased from ISO certified manufacturers ● 360 days shelf life of the products ● All logistics services provided

Bronze Fastener Manufacturing Expert



Material: Cu5, Silicon Bronze, Phosphor Bronze, Aluminium Bronze, Brass, Monel, Copper, etc.



Main Products: Wood Screw, Machine Screw, Nail, Bolt, Stud, Washer, Nut, Threaded Rod.



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