

American News



Industry Update

FINdex Growth Slows Amid Continued Supply Disruptions and Rising Demand

Continued supply chain disruptions and spiking demand muted the FIN Fastener Stock Index in the second quarter of 2021 even as the U.S. economy made strides to fully reopen.

The FINdex halved its brisk pace in the second quarter, gaining 4.9% compared to a 6% gain by an index of related industrial stocks. In the opening quarter of 2021, the FINdex grew 9.6%.

Grainger achieved the highest stock gain during Q2, rising 20.5%. In Q1, Grainger sales rose 2.8% to \$3.1 billion.

Other fastener companies with rising share value during Q2 included Chicago Rivet (up 2.2%); Dorman Products (up 1%); Fastenal (up 3.4%); ITW (up 0.9%); Howmet Aerospace (up 7%); Lawson Products (up 5.1%); Nucor (up 19.5%); Park-Ohio (up 2.1%); Simpson Mfg. (up 6.5%); Stanley Black & Decker (up 2.7%); and Tree Island Steel (up 10.2%).

Fastener stocks losing value during the second quarter included Carpenter Technology (down 2.2%); EACO - Bisco Industries (down 0.5%); and MSC Industrial (down 0.5%).

During the first half of 2021, the FINdex grew 15.1% compared to a 13% gain by an index of related stocks.

Fastener companies recording first-half gains included Carpenter Technology (up 38.1%); Chicago Rivet (up 14%); Dorman Products (up 19.4%); Fastenal (up 6.5%); Grainger (up 7.3%); ITW (up 9.6%); Howmet Aerospace (up 20.4%); Lawson Products (up 5.1%); MSC Industrial (up 6.3%); Nucor (up 80.3%); Park-Ohio (up 4%); Simpson Mfg. (up 18.2%); Stanley Black & Decker (up 14.8%); and Tree Island Steel (up 90%).

FINdex companies losing share value in the first half of 2021 included EACO - Bisco Industries (down 4.7%) and TriMas (down 4.2%).

During 2020, the FINdex increased 10% during the year, lower than the 12.8% rise in stock value by an index of related industrial stocks.

Supply Chain Challenges Slow FDI

The seasonally adjusted June FDI (55.8) moderated from May's 61.8 as widespread product shortages constrained sales growth for some respondents. The sales index declined to 71.4 compared to 72.2 in May. Higher pricing continues to be a significant contributor to growth, as 87% of respondents saw higher point-of-sale pricing y/y (vs. 86% in May) and 84% m/m (vs. 76% in May). That said, given the magnitude of supplier price increases, other inflationary pressures and difficulty passing these on to customers fully, some respondents are seeing margin erosion.

FLI also moderates. The seasonally adjusted FLI came in at 71.1, retreating vs. May's 76.0, although still elevated relative to historical levels (average FLI reading over survey history is 55.3). Compared to May, the FLI employment index, respondent inventory levels and six-month outlook all weakened, while lower customer inventory levels were a partial offset. That said, a 70+ FLI continues to point to strong market conditions ahead despite June's softening.

Employment levels slightly weaker. The FDI employment index came in at 62.9 vs. 70.3 in May. Thirty-five percent of respondents saw employment levels as above seasonal expectations vs. May's 49%. We believe this reflects continued challenges in finding/retaining qualified labor amid a strong job market and enhanced federal/state unemployment benefits. Looking at the broader economy, the June jobs report showed a better-than-expected gain of 850,000 jobs coming off two straight soft reports. This solidly exceeded economist expectations for +706,000, and economists are encouraged this could perhaps mark a turning point in easing widespread labor constraints. Unemployment is still elevated, however, at 5.9% compared to the pre-pandemic level of 3.5%.

Inflationary pressures and supply chain constraints key topics of focus. Supply chain disruptions again showed no signs of abating in June, and shortages appear to be extending towards many commonly stocked items. Said one respondent, "Importers are not only out of common items, but are quoting December ETAs. I have never seen shortages as widespread."

Given the strong demand, widespread shortages, and inflationary commodity markets, respondents continue to see significant inbound price increases: "Ocean Freight continues to run way behind schedule. Transportation Costs are skyrocketing. We are passing through as much of this cost as possible." Echoing this, one respondent commented, "The price of everything is increasing every day."

While inflation is clearly helping revenue growth, some respondents are seeing margin pressure due to transportation cost increases that are eating away at the incremental profit opportunity: "While we are raising our pricing 5% (higher on some items), we are losing margin because we have to pull inventory (if it is available) from all over the USA. UPS and Fedex Ground are eating up any additional margins we are getting by raising prices."



Companies Development

SWK Fastening Sales Climb 26%

Engineered Fastening organic growth at Stanley Engineered Fastening climbed 26% in the second quarter of 2021 as strong automotive and general industrial markets were partially offset by weaker aerospace demand in addition to automotive OEM production impacts from the global semiconductor shortage.

Consolidated Stanley Black & Decker sales during Q2 jumped 37% to \$4.3 billion from volume (+31%), price (+2%) and currency (+5%) gains. The gross margin was 35.9%. Capital and software expenditures rose significantly to \$105.1 million during Q2.

First-half Industrial segment sales, including fastener results, climbed 13.7% to \$1.26 billion, with segment profit more than doubling to \$163.6 million.



Fastener Sales Rise Sharply At Fastenal

Fastenal Co. reported fastener daily sales grew 28.4% to \$503.6 million (33.6% of net sales) in the second quarter of 2021, driven by higher manufacturing and construction demand. Fasteners represented 26% and 34.5% of net sales in the second quarter of 2020 and the second quarter of 2019, respectively. Net sales decreased 0.1% to \$1.5 billion in Q2 as PPE and sanitation products sales plummeted. The overall impact of product pricing on net sales in the second quarter of 2021 was 80 to 110 basis points.

“We continue to experience pressure related to product and transportation cost inflation,” the company announced. “Pricing actions taken in the first and second quarters of 2021 contributed to the increase in the impact of net pricing on sales in the second quarter of 2021.”



The expansion will add offices for sales, marketing and administrative staff, bringing all Cincinnati-based employees under one roof and making the Broadwell Road facility KYOCERA SENCO's official worldwide headquarters.

“This is a great move for us to bring all our employees back together after working in separate buildings for decades,” stated CEO Cliff Mentrup. “We see a great benefit in putting our U.S. manufacturing and Cincinnati-based business operations under one roof.”

Scheduled for completion by the summer of 2022, the project includes an employee cafeteria serving hot meals and a training, product education and innovation center.

“Part of our management philosophy at KYOCERA SENCO is to provide opportunities for the material and intellectual growth of all our employees,” Mentrup added. “It is our hope that creating a campus-like environment that encourages our team to collaborate and innovate furthers that goal.”

Parent company Kyocera Corp. of Japan, which acquired SENCO in 2017, has invested millions of dollars in the Broadwell Road facility to support manufacturing equipment and R&D projects over the past three years.

Established in 1948 by Albert Juilfs, SENCO designs and manufactures fasteners and power fastening tools for residential, commercial, manufacturing and construction applications. SENCO's manufacturing and marketing are concentrated in the U.S. and Europe, with products sold in more than 40 countries.

Brighton-Best Unveils Its Vending Program

Brighton-Best International unveiled its new vending program.

Preferred Vending solutions utilizes coil and locker machines to offer customers 24/7 access to essential products.

“Delivers the power of automated distribution by reducing supply cost, controlled product usage and state of the art technology,” the company stated.

As the largest fastener importer in the U.S., BBI is poised to influence the distribution market by utilizing technology to leverage its market position.

BBI joins major fastener distributor Fastenal, which created its FAST Solutions industrial vending program in 2009, revolutionizing its growth model from stand-alone stores to installed machines distributing products on demand within customer facilities.

Currently Fastenal has installed approximately 81,000 vending devices.

Owned by Ta-Chen International, BBI is a master distributor and importer supplying 7,000 distributors through 31 locations in six countries, including the U.S., Canada, Mexico, Brazil, Australia and the UK.

The company's global headquarters is in Taiwan, and the U.S. headquarters is at 5855 Obispo Ave., Long Beach, CA 90805.





SENCO to HQ in Cincinnati

KYOCERA SENCO Industrial Tools is expanding its 500,000 sq ft facility in Newtown, OH, with a 32,000 sq foot addition and an 8,000 sq ft renovation of existing space.





Fastener Industries Subsidiaries Install New ERP System

Fastener Industries Inc., subsidiaries, Ohio Nut and Bolt, Buckeye Fasteners Co. and Modern Fasteners Co. recently installed a new ERP system. The new Microsoft Navision (NAV) system is helping the fastener companies streamline and automate in house processes as well as improving communications between the companies and their customers. The system took roughly one year to install. It went live in June 2020. There has now been enough time elapsed in the new system to call it a success story. The Employee Owners of Fastener industries Inc., the parent company to the Fastener Group (Modern, Ohio, Buckeye), are now working with customers to tailor the new system to meet supply chain challenges and streamlined scheduling.

Loose Bolts Prompt Tesla Recalls

Tesla recalled nearly 6,000 U.S. vehicles because brake caliper bolts could be loose, potential causing a loss of tire pressure, Reuters reports.

The recall covers certain 2019-2021 Model 3 vehicles and 2020-2021 Model Y vehicles. Tesla's filing with the National Highway Traffic Safety Administration (NHTSA) said it had no reports of crashes or injuries related to the issue and that the company will inspect and tighten, or replace, the caliper bolts as necessary, according to Reuters.

Tesla said that loose caliper bolts could allow the brake caliper to separate and contact the wheel rim, which could cause a loss of tire pressure in "very rare circumstances." The company said if vehicle damage from a loose or missing fastener occurs, it would arrange for a tow to the nearest service center for repair.

The filing with NHTSA said Tesla was made aware in December of a field incident involving a 2021 Model Y vehicle with a missing fastener on the driver-side rear brake caliper.

The company has since taken measures during assembly to prevent loosening of the bolts, Reuters reports.

In related news, Tesla also issued two recalls covering nearly 8,000 vehicles with potentially faulty seat belts.

One recall covers certain 2018-2020 Model 3 sedans, along with certain 2019-2021 Model Y crossovers. That recall covers 5,530 vehicles with front seat belts that may be improperly secured to the b-pillar (the vertical section between a car's front and rear windows).

The second covers 2,166 2019-2021 Model Ys where the second-row seat belt retractors may be improperly fastened to the car's body.

Both occurred due to problems fastening seat-belt components to the correct torque specification during manufacturing.



TESLA

MW Industries Unites 21 Brands to Create New Division



MW Industries, the Charlotte, NC, USA-based precision component manufacturer, announced that it is bringing together 21 of its businesses under a single umbrella, MW Components. The new division is on a mission to help manufacturers accelerate and simplify the entire process of creating, buying and managing the complex task of getting the precision parts they need. It means that, whether a customer wants to create a custom component for a specific application or order a stock part from one of the country's largest inventories, they can do so from a single trusted supplier. MW Components will be led by Chris Fillmore, an industry veteran with over 15 years' experience in delivering high-precision components for demanding industries including aerospace, medical and oil and gas. The combined business has over 100 highly-skilled engineers on hand to provide feedback on design for manufacturability, cost and performance. And specialist production capabilities span a wide variety of precision components including high-performance springs, fasteners, bellows, wire forms and virtually any custom-designed parts manufacturers require. MW Components brings together experts from industry leaders including Century Spring, Accurate Screw Machine and USA Fastener Group into a single expanded team dedicated to doing whatever it takes to help customers succeed. It will enable a more holistic view of customer needs, opening up valuable access to greater knowledge, expertise and innovations from right across the division's 20-plus facilities.



LeJeune Adds Jon Craven to Staff

Jon Craven will lead company sales nationally in his new role as Director of Market Development. He brings sales and business development experience from his 30 years as a sales professional and business owner. In his new role with LeJeune Bolt, Jon will implement sales, marketing, customer retention, and overall market development strategies, interface and build on relationships with key accounts, identify new and emerging market opportunities for existing legacy product lines, and create and penetrate new and existing market opportunities for LeJeune's exclusive F3148 TNA® Fastening System. LeJeune Bolt, Burnsville, MN, USA, with a west coast office in Chino, CA, USA, is an international distributor of structural grade fastening systems, installation tools, and related fasteners for the commercial steel and concrete construction, bridge building, and transportation markets.



Optimas Invests in New Chun Zu & Formax Cold Headers

Optimas Solutions, Wood Dale, IL, USA, a global industrial manufacturer, distributor and service provider, announced the acquisition of Chun Zu and Formax four die, four blow cold header manufacturing machines that will increase Optimas' capabilities to deliver larger format diameter fasteners and free up existing cold headers. "The addition of these machines puts us on a higher playing field that few in the industry can match," said Marc Strandquist, CEO of Optimas. "The efficiency of these cold headers will allow us to increase our ability to make larger diameter fasteners while freeing up other machines to produce smaller diameter fasteners, all helping us improve our output at all sizes.



Most important, it helps our customers struggling to get products given stress on the supply chain and inventory shortages." The Chun Zu machine will increase production by three million additional complex parts per month within the diameter range of 12 to 18 mm.

This will allow Optimas to further focus on industries that require large diameter complex parts such as agricultural equipment, automotive, construction equipment and heavy-duty trucking. The Formax will improve Optimas' manufacturing competencies of fasteners up to 18 mm in diameter. It adds to Optimas' production on the company's existing large diameter Formax machines, reducing lead times.

Association

Peak's John Medcalf to Chair ASME B18 Subcommittee

Peak Innovations Engineering is honored to congratulate its Principal Engineer, John Medcalf, as he was selected as the Chair of ASME B18 Subcommittee 4-US TAG to ISO/TC 2. This subcommittee coordinates and represents the USA position in the International Organization for Standardization Fastener Standards Committee (ISO/TC 2). The American Society of Mechanical Engineers (ASME) is the globally recognized source of standards used around the world. Medcalf has served as a member of the subcommittee since 2013 including serving as one of a handful of delegates to the international standards committee meetings. In addition to leading the subcommittee to coordinate USA positions on ISO fastener standards, Medcalf's role will see him act as the head of the USA delegation at international meetings. Peak acknowledges Medcalf as a great asset to Peak Innovations Engineering and the industry.



Chad Larson (right)



Laurin Baker (right)

IFI Soaring Eagle Award Recipients Recognized

At an awards ceremony held during the 2021 Annual Meeting of the Industrial Fasteners Institute (IFI) in Scottsdale, AZ, USA, the IFI Soaring Eagle Technology Award was presented to Chad Larson of Lejeune Bolt Company, and the IFI Soaring Eagle Meritorious Service Award was presented to Laurin Baker of The Laurin Baker Group. Chad Larson serves as the President of Lejeune

Bolt Company in Burnsville, MN, USA. Chad Larson's career in the fastener industry has spanned some 30 years and he has worked in manufacturing, distribution, sales, production, quality assurance and now executive management.

Chad Larson is recognized for his service and ongoing contributions to the fastener industry, especially in the field of structural bolting. He initiated and led a massive undertaking to combine six divergent ASTM structural bolt standards into a single coherent standard that has vastly improved standardization of structural fasteners.

Laurin Baker is recognized for his many years of outstanding service to the institute representing and protecting IFI's interests. Laurin's expertise in navigating international trade, tariffs, environmental and tax policies has greatly benefited the interests of the Institute's member companies, their employees and fastener users the world over. Laurin Baker's tireless work in coordinating and leading the coalition of IFI members, fastener distributors and North American fastener users resulted in the significant reform and improvement of the Fastener Quality Act.

Acquisitions

Vertex Owner Acquired by OmniCable



Vertex Distribution owner Houston Wire & Cable Co. was acquired by OmniCable for \$91 million cash. "Offering both brands allows our customers a choice and to work with their preferred partner," stated OmniCable CEO Greg Lampert. The combined company also will continue Vertex, HWCC's fastener redistribution business.

Houston Wire & Cable acquired Vertex Distribution in 2016. Vertex Distribution distributes corrosion resistant products including inch and metric corrosion resistant fasteners and alloy fasteners, blind rivets, hose clamps and security screws to industrial distributor markets. Attleboro, MA-based Vertex has branches in California, Florida, Georgia, Illinois, North Carolina, Ohio and Texas.





MacLean-Fogg Buys Metal 3D Printing Supplier

MacLean-Fogg Component Solutions acquired the assets of Formetrix, LLC of Mansfield, MA, for an undisclosed sum.

The deal includes Formetrix's metal powder intellectual property portfolio that will broaden MacLean Fogg's capabilities to service new and existing OEM, Tier 1 and 2 customers, as well as tool and die makers in automotive, EV, industrial, agriculture, heavy truck and construction markets.

The new business entity will be known as MacLean Formetrix and will be based in the Detroit suburb of Macomb Township.

The unit will be led by GM Greg Rizzo. Harald Lemke, formerly of Formetrix, has joined MacLean Formetrix as product management director.

"As a previous customer of Formetrix, we were able to implement technical cost break-throughs with their material and process innovations that others in the additive manufacturing business claimed were impossible," stated CEO Duncan MacLean. "We couldn't be more excited to continue to make their innovations available for our internal users, as well as serve other innovative manufacturers and tool makers."

These materials, combined with advanced 3D printing processes, allow for tool-and-die makers and manufacturers to realize cost, time, and weight savings, as well as tool-to-tool repeatability by replacing traditionally fabricated hard tools with durable printed steel tools and inserts.

Additionally, with the multi-dimensional design and manufacturing freedom that 3D printing allows, tool designers can realize new coolant channels and shapes.

A division of the MacLean-Fogg Co., Mundelein, IL-based MacLean-Fogg Component Solutions manufactures fasteners, engineered components and plastics for automotive, heavy truck and other diverse industries.

Birmingham Fastener Acquires Steel City Bolt and Screw



Birmingham Fastener, Birmingham, AL, USA, announces the acquisition of Steel City Bolt and Screw. With over 100 years of combined fastener production, the acquisition strengthens Birmingham Fastener's product offering, equipment depth, and most importantly it allows us to add teammates to our world class staff. Brad Tinney, Owner of Birmingham Fastener says, "With this acquisition we continue to double down on domestic manufacturing and provide our customers with a domestic solution on any fastener requirement they have. This equipment will assist in our expansion into the Carolinas and continue to expand our east coast footprint. Our customer base is second to none and we will ensure their needs are met and expectations are exceeded." Operations of Steel City Bolt and Screw will be consolidated into the production facility at corporate headquarters in Birmingham. In doing this, the level of service Birmingham Fastener can offer its valued customers will be increased. Customer service remains paramount at Birmingham Fastener, and in-turn, all Steel City Bolt and Screw customers will become valued partners of Birmingham Fastener and be serviced as a top priority. Birmingham Fastener continues to invest in the future and make strategic moves and acquisitions that will yield long term benefits for our customers. The plan is to take this 100 years of customer service and turn it into 200 years of outrageous service for the entire family of customers. Customers will see a lot of information in the coming days and Birmingham Fasteners says it will build and strengthen new partnerships with the customers of Steel City Bolt and Screw. ▣

News provided by:

John Wolz, Editor of FIN (globalfastenernews.com)

Mike McNulty, FTI VP & Editor (www.fastenertech.com)

Press Release

Wanted

Fastener World Inc.

- ★ Mergers & Acquisitions
- ★ Import & Export Statistics
- ★ Market Trend
- ★ Press Release
- ★ Association
- ★ Industrial Activities

If you have related news or articles,
don't hesitate to send them
to our editors at
design@fastener-world.com.tw

