

Würth Group Satisfied with Performance During Pandemic

The Würth Group reported sales of €6.9 billion in the first half of 2020, down 3.1% over the same period last year, however its eBusiness share increased to 20%. Adjusted for currencies, sales dropped by 2.9%. Sales declined both in Germany (-0.5%) and, to a greater extent, abroad (-4.9%). “Considering the current backdrop of a global pandemic, we are more than satisfied with this relatively stable development,” said Robert Friedmann, chairman of the central managing board of the Würth Group. “Due to the skilled trades being regarded as essential businesses and our successful establishment of a digital infrastructure in ordering and supply processes in previous years, we were always able to deliver and did not suffer any supply bottlenecks.” In Germany, the Würth Group generated sales of €2.9 billion, which corresponds to negative growth of 0.5%. “We profited from the fact that the construction industry still posted growing sales in the first months of 2020,” Friedmann explained. “As an automotive supplier, on the other hand, we do feel the effects from the still suffering automotive industry.”

Adolf Würth GmbH & Co. KG, the original parent company and at the same time the largest company of the Würth Group, generated sales of €1,061 million including intragroup sales in the first half of 2020 (+2.5%).



In the first half of 2020, global sales in the Construction Division grew by 9.2% over the same period last year, driven by the continuing strong demand in the construction sector. The companies in the Electrical Wholesale business unit also reported strong growth of 13.7%. Positive factors influencing the unit's sales development included stable supply capacities and an acquisition in Spain, which had been completed in 2019.

At €280 million at the end of the first half of 2020, the operating result of the Würth Group is significantly down on the previous year (2019: €340 million). “This is a setback we have to deal with. Still, considering the circumstances, we are quite satisfied with these results. Now, we are pursuing all our options in terms of sales activities and cost management to make sure we are able to turn this crisis into an opportunity,” Friedmann concluded.



European News

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Stable Result Despite Weak Market

BUFAB

Bufab Group reported a stable result for the second quarter of 2020 despite a very weak market in the wake of the Covid-19 pandemic. Order intake for the second quarter of 2020 was SEK 987 million (2019: SEK 1.08 billion) and net sales declined 6% to SEK 1.02 billion (2019: SEK 1.09 billion). At an early stage of the outbreak, Bufab established three main goals - to protect its employees, its customers and the business from the effects of the pandemic. The Group's 43 subsidiaries, in 28 countries, embraced these goals and took the actions required.

“We can now see the result of these efforts. We have avoided any spread of the disease in our workplace. We are also very proud that we have maintained unbroken precision deliveries with good quality to our thousands of customers throughout the world,” stated Jörgen Rosengren, president and CEO at Bufab. “This has been achieved despite the major disruptions to global supply chains during the spring. From April onwards, the pandemic forced many of our customers to reduce their production, which led to a strong decline in organic growth. To address this, we rapidly introduced comprehensive short-time work schemes and other cost-saving measures in all our subsidiaries.” As a result of these measures, Bufab retained a stable operating margin of 9 percent, despite negative organic growth of 25 percent for the quarter. The impact of the coronavirus varies across Bufab's operations. “Subsidiaries with broad exposure to the automotive or energy industries, to southern Europe or the UK, and our manufacturing companies were more severely affected, which is apparent in the relatively weak performance by our Segments West and North,” mentions Jörgen. In Segment UK/North America, the weak market was offset by the strong contribution from Bufab's most recent acquisition in the US. In Segment East, the Group achieved its best operating margin ever, over 16 percent, thanks to a strong recovery in China and Singapore, and effective cost control.

“We were pleased to see a gradual recovery in demand in all segments during the quarter. June was considerably stronger than April. Our view is that the stepwise recovery will continue successively during the second half of the year. However, there is still great uncertainty and accordingly, we have chosen to expand our cost savings programme from SEK 40 million to SEK 100 million on a full-year basis, with full effect as from January 2021.” “In most subsidiaries, this will be achieved through enhanced efficiency, general cost-savings and natural turnover. Redundancies may be required in some subsidiaries. Thanks to significant investments made in the organisation, processes and IT in recent years, the programme can be implemented without any negative impact on the sales organisation.” Bufab will also continue to focus even more on building strong customer relations during the second half of the year and onwards. “We have taken market share every year for several years and intend to increase the pace further. To help the sales organisation succeed in this, we will continue to invest in our Sales Excellence program. During the autumn, Bufab's entire organisation will be fully focused on these activities, under the theme of ‘Restart.’”





SFS Confirms Upturn in Business Activity

SFS Group has reported that business has picked up in the ongoing third quarter compared to its second-quarter levels amid the persisting volatile economic environment due to the Covid-19 pandemic. After a significant downturn in the second quarter in the wake of the Covid-19 pandemic, business at SFS picked up during the first two months of the current third quarter. Sales for July and August extended the recovery that commenced in June. Business with customers in the automotive industry that had been affected the most by precautionary measures, showed the greatest improvement during these two months. Compared to the corresponding numbers from the previous year, total Group sales for July and August declined by mid-single-digit percentage figures. While sales in local currency at the Fastening Systems and Distribution & Logistics segments almost matched the prior-year levels, the Engineered Components segment was about 10% below the prior-year level. Earnings in all three segments have shown positive developments in the ongoing third quarter.

SFS states that given the growing risk of a second big wave of Covid-19 cases worldwide, the forecast for the fourth quarter is fraught with considerable uncertainty. Against this background, SFS is leaving its forecast for the second half given with the company's first-half results unchanged despite the aforementioned positive developments and corresponding upward revision potential.



Dejond Adds New Seal to Watertight Range

Dejond N.V has added a sealing solution to its watertight range of Tubtara® rivet nuts, the HDKX series with Precote® 5 resin seal, for applications requiring a flush installation. The new Precote® 5 resin material is applied on the rivet nut body, underneath the small or countersunk head, and was created after customers looking for a leak proof rivet nut for flush installation approached Dejond to find a reliable watertight solution.

During installation of the rivet nut, excess resin material is scraped from the shank towards the head, forming a seal between the flush head and the parent material, into which the insert is riveted. The seal is only 0.25mm thick, applies well on stainless and zinc plated steel and offers a good thermal and chemical resistance, making it suitable for use with water and many automotive fluids. For semi-hex rivet nuts the advised hex hole radius needs to be observed, but if correctly installed in properly formed holes, this resin seal ensures an IP 67 waterproof assembly. With the popular HX and HDPX series, featuring an O-ring or Rimlex® seal, Dejond states that the Tubtara® has set the standard for watertight rivet nut assembly.

Dejond is an EN9100 certified Belgian manufacturer of Tubtara blind rivet nuts, with an expertise in cold forming stainless steel and innovative bespoke rivet nuts, and serves the general, automotive and aviation industries worldwide through a network of expert fastener distributors.

Fastener Fair Stuttgart Sets the Scene for a Strong Return in 2021

The ink on the new exhibitor brochure for Fastener Fair Stuttgart 2021 has hardly dried and yet 80% of the available exhibition space is already booked by companies keen to launch and present their latest fastener and fixing technology at the industry's leading international trade event. Taking place from 18th – 20th May 2021 at Messe Stuttgart in Germany, Fastener Fair Stuttgart will occupy an additional fourth exhibition hall to meet the growing demand for space, and also see the return of the Bonding & Adhesives Technology Area in Hall 7. Bonding and adhesive technologies have become a vital choice in lightweight construction, particularly in the automotive and electronics industry. After the successful launch in 2019, the Bonding and Adhesive Technology Area will return to Fastener Fair Stuttgart 2021. Located in Hall 7, it offers companies a dedicated area to present their latest bonding and adhesive solutions for industrial applications in manufacturing.

As well as adhesives, the show will see products such as solid metal screws, bolts and pins, lightweight fasteners made of plastic and hybrid material, ultra-small mini and micro fasteners. Fasteners and fixings come in all shapes and materials, and they play a big role in providing support and mobility to equipment, machines and structures in a wide range of industries. Key application areas include construction, automotive and aerospace, industrial machinery, electronic goods and household appliances, medical devices, sanitary and installation, furniture making, and many more. ■



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