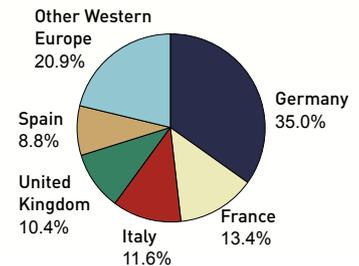


European News



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



Source: The Freedonia Group

European Fastener Demand US\$15.7 Billion in 2015

The US\$15.7 billion valuation of the European fastener demand comes from a media release from Freedonia promoting a new 326-page, US\$6,500 report, 'Global industrial fastener market 9th edition'. The release provides limited information about the report's contents but does include a pie chart showing distribution of demand by major markets. According to Freedonia, aerospace fasteners accounted for around 11% of western Europe demand but the proportion was higher for France and the UK.

The report values global fastener demand at US\$69.6 billion in 2015. China, the USA, Japan, Germany and Taiwan accounted for two thirds of global output of fasteners in 2015. The report projects that the Asia Pacific region will continue to account for the largest share of world fastener sales in 2020, representing 42% of the total at that time. The report summary also notes an expectation that industrialization development will stimulate strong fastener growth in Africa and the Middle East although the region will remain a small share of the total. Growth of fastener sales in North America and Western Europe will advance slower than the global average, limited by the maturity of most fastener markets in these regions. Demand for fasteners in central and South America is forecast to return to growth by 2020. Automotive demand is expected to account for 28% of total global demand by 2020. Aerospace is expected to record the fastest growth between 2015 and 2020.

Freedonia reckons standard fasteners (external and internal as well as non threaded) will still account for 90% of sales in 2020.

Bufab Acquires Montrose Holdings Ltd.

Bufab Group has acquired 100% of the shares in Montrose Holdings Ltd - a privately owned UK company, supplying fasteners, other C-class components and associated services to industrial customers mainly located in the UK.

BUFAB

Montrose was founded in 1991 and has since then enjoyed stable and profitable growth. Located in High Wycombe, Montrose has 45 employees. In addition to fasteners, the company provides special components in a wide range of materials as well as products for maintenance, repair and operations (MRO). Customers are spread over many industries, including electronics, aerospace and construction. In the fiscal year that closed in August 2016, Montrose had net sales of approximately GB£6.4 million and an EBIT margin of approximately 10%.

The acquisition will be financed within Bufab's existing credit facilities. Net of acquisition costs, the acquisition will have a negative effect on Bufab's operating profit for the fourth quarter of 2016 of approximately SEK4 million, but is expected to contribute positively to earnings per share starting from the first quarter of 2017.

SFS Completed Tegra Acquisition

The acquisition of Tegra Medical announced on 14th November 2016 was completed on 30th November 2016 and the company was consolidated by SFS Group as of 1st December 2016. This acquisition strengthens SFS's presence and customer base in the rapidly growing medical technology market. Tegra Medical is a US company based in Franklin, Massachusetts, USA, which develops and manufactures primarily disposable products made of metal and plastic for global, leading medical device OEMs. These products are used in orthopaedics, interventional therapies and minimally-invasive surgery.

SFS

Tegra Medical integrates into the Engineered Components segment of SFS Group as an independent division. Tegra Medical's current executives will continue to manage the company. Tegra Medical's CEO J. Mark King will take a seat on the group executive board of SFS Group and lead the 'medical' division.

Solid Rivets with Value-added Features

The former W+O Solid Riveting has been integrated into the GESIPA Group as the new business unit - Solid Riveting – which will be based in Olpe, Germany, and will develop bespoke solutions for demanding solid rivet applications in the general industry, the commercial vehicle industry, and the automotive industry.



Solid rivet fasteners are ideally suited for highly-loaded constructions since they join load-bearing components in an optimal way. Despite its high mechanical strength, this fastener type allows to generate significant saving in terms of costs and weight as compared to threaded joints.

In cooperation with its customers, the business unit Solid Riveting develops the rivet design tailored to the respective application. This does not only comprise the suitable material but also the required heat treatment and the joint strength values to be achieved. During development the special focus is on the ideal riveting process and respective corrosion protection which has to meet even the most demanding customer requirements with regard to the finished component – including the entire component life.

The Solid Riveting business unit has state-of-the-art cold forming presses, which can produce rivet fasteners of up to 20mm in diameter. Fully camera-aided checking ensures the fasteners meet agreed specifications, such as the ISO/TS 16949 certification for high-quality standards of the automotive industry.

Additional competence is provided by a thermal diffusion surface treatment facility that enables coating of fasteners to be used in the riveting process. The patented SheraBlack method developed by GESIPA® provides long-term corrosion protection for rivets after the setting process and meets the demanding requirements of the commercial vehicle industry including required salt spray tests.

Due to its long-standing and comprehensive competence in all areas of the riveting sector the GESIPA Group is able to continuously improve and further develop solutions for fastening applications, also and especially under the aspect of profitability.

Bulten Announces Organisational Changes



From 1st January 2017 Bulten AB has strengthened its group management and established a new global marketing and sales organisation to support profitable growth and long term strategy.

Bulten's global market and sales organisation will be divided into East and West regions. "We will continue to prioritise profitable growth and support our strategy with a new organisation and expand our group management with a very experienced colleague, to create the best possible conditions for continued growth in the global automotive industry," said Tommy Andersson, president and CEO, Bulten.

Anders Karlsson, senior vice president market and sales since 2014, will take up the position of executive advisor business development. In this role, Anders will focus on strategic projects for profitable growth.

Neal Thomas, managing director of Bulten's companies in the UK since 2002, will take up a newly established position of senior vice president market and sales region West. The position includes developing Bulten's Full Service Provider concept (FSP).

Magnus Carlunger, senior vice president technology and business development since 2014, will take up the position of senior vice president market and sales region East. The position includes technology development.

The new organisation came into effect from 1st January 2017. All three will report to president and CEO Tommy Andersson.

NORMA Completes Acquisition of Autoline Business

On 1st December NORMA Group successfully completed the acquisition of the Autoline business from Parker Hannifin. Autoline produces quick connectors for fluid lines in motor vehicles and has more than 200 employees at locations in France, Mexico and China.



"The acquisition of Autoline strengthens our market position with new products in the area of quick connectors and by gaining new customers, including in Asia," says Werner Deggim, CEO of NORMA Group. "The decades-long experience of Autoline and the expertise in the development and manufacture of joining products fit perfectly with NORMA Group. We look forward to working with our new colleagues."

The consolidation of Autoline took effect immediately. The business is expected to generate global sales of around €40 million for fiscal year 2017. Autoline is headquartered in Guichen, France and has developed, manufactured and marketed plastic quick connectors for more than 20 years. The business was part of the fluid system connectors division of Parker Hannifin Corporation and previously a division of Legris.

BFC Acquires Electra from Administration

In November BFC Tibbetts announced the acquisition of Electra Engineering Services (Midlands) Ltd and Security Fasteners & Fixings Ltd (SFF).

Electra is a long-established business with over 30 years history, supplying hexagon pillars and spacers along with standard fasteners and fixings to the electronics and industrial manufacturing sectors. Some 12 years ago Electra acquired SFF further enhancing its portfolio. The range of licensed security fasteners are unique to SFF and have been widely adopted throughout industry where security of product and property is paramount.

Electra entered receivership in September 2016. Tibbetts Group Ltd (BFC) were successful in acquiring the business on the 26th September 2016 and has committed to ensuring this long standing business remains strong in the market place.

BFC (Formerly BF Component Solutions) has been established for over 40 years and serves the needs of customer's inventory on components and fasteners, turned parts, pressings, volume parts and spares; offering competitive solutions in all C-class product areas. BFC is part of the Tibbetts Group.



Separation Costs Affect Arconic Results

Arconic reported a 2016 net loss of US\$900 million (€854.4 million) on total revenue of US\$12.4 billion (€11.8 billion). The loss was primarily attributed to the charges and costs associated with the separation from Alcoa Inc.

Klaus Kleinfeld, Arconic chairman and CEO said, "In the fourth quarter we completed the successful separation of Alcoa Inc, which has unlocked substantial value for all shareholders. In the face of significant market challenges, we continued to improve the businesses – we increased adjusted EBITDA margins 100 basis points or more in each of our three business segments, delivered strong net savings and systematically cut overhead cost. We also strengthened our balance sheet, paid down US\$750 million of debt and ended the year with a strong cash balance of US\$1.9 billion."

Arconic reported: "Revenue in 2016 was US\$12.4 billion, essentially flat year over year, as the positive impact of acquisitions and higher volumes for aerospace and automotive markets were offset by the Tennessee packaging ramp down and the negative impact from metal pricing, foreign currency exchange rate fluctuations, and price and product mix."

The Engineered Products and Solutions segment (including Aerospace Fasteners and the Fastening Systems and Rings business) increased 2016 revenue by 7% to US\$5.7 billion. Adjusted EBITDA improved 8% to US\$1.2 billion.

Klaus Kleinfeld commented: "In 2017 we are squarely focused on operational improvements, margin expansion, and capital efficiency to drive shareholder returns. We will continue to cut cost through productivity and corporate overhead reduction."



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FX Tailwinds Benefit TR - Trading Update

On 16th February Trifast plc issued an unaudited Quarter 3 trading update reporting continued strong performance on a constant currency basis across the Group's main geographic areas of operation.

TR's Asia business returned to growth as it began to benefit from the anticipated recovery in demand, both in domestic and export markets, in the second half of the financial year, which ends 31st March. UK and USA operations continued to produce results in line with management expectations. Within Europe, the business overall has performed solidly and continues to deliver year-on-year growth although TR is seeing a slight change in the product mix. Trifast also reported an encouraging start at its newest greenfield operation based in Barcelona, Spain.

More than 70% of TR revenue is generated outside the UK. In 2016 British Sterling was down around 15% against currencies relevant to the Group's businesses. TR reported translational foreign exchange tailwinds of around GB£1 million at the half year. Sustained British Sterling weakness has had a further positive translation impact on Group revenues and underlying profit. The report notes, however, that TR's UK business may start to experience some challenges in terms of input costs.

Trifast employs around 1,200 people across 27 global locations including the UK, Europe, Asia and the USA.



SFS Investing in Switzerland

SFS is investing around CHF 36 million through to mid-2018 to increase capacity and productivity at major sites in Switzerland.

The Group will add 4,500m² storage capacity at its SFS unimarket central warehouse in Rebstein and upgrade warehouse logistics infrastructure. It will also upgrade logistics infrastructure at Heerbrugg in a three stage project due to complete in Spring 2018. Investment of around CHF 6 million will be targeted at improving goods and materials flow, increasing capacity and shortening response times. The developments will include capabilities to network with customers operations in a new Industrie 4.0 framework. CHF 20 million will also be invested in heat treatment operations at the same site.



Hilti Leadership Changes Planned for 2017 AGM

Hilti has announced changes to the Martin Hilti Family Trust and the board of directors of Hilti Group at the company's annual general meeting on 5th April 2017.

Pius Bacherer has taken over from Michael Hilti as Family Trust speaker and Heinrich Rischer succeeded Bacherer as chairman of the board of directors.

The moves anticipate a succession process for the leadership teams of both Trust and board of directors. Michael Hilti explained: "Over the next few years, we will be faced with major generational change both at the helm of the Trust and the board of directors. By nominating the first non-family Trust speaker and the first chairman of the board who has not had an operational role in the Group, we are taking yet another important step in our long-term succession process."

Michael Hilti, who is 70, remains Trustee in the Martin Hilti Family Trust and member of the board of directors of Hilti Group. He will also continue to represent the Hilti family.

Bacherer has been with Hilti for three decades. Fischer has been associated with the business for around ten years. He stressed that the board changes did not indicate an intention to change the company but to carry on with existing strategic objectives.

Dresselhaus Invests in New Logistics Centre

Groundbreaking for Dresselhaus' €25 million investment in a 60,000 pallet logistics centre is scheduled for 2017 - with the centre planned to be operational by the end of 2018.

Dresselhaus has announced a strategic business plan for the next three years to expand its market position in Europe. At the core of the plan is the construction of a new, ultra-modern processing centre at the company headquarters in Herford, Germany, as well as the implementation of a more modern and more efficient ERP system.

Winfried Gretz, managing director at Dresselhaus, said: "The business of Dresselhaus is characterised by a large number of small-scale, logistical processes. Every day, we collect and supply thousands of delivery and order items. It is precisely at low position values that the challenge is to provide this work performance with the highest efficiency and effectiveness and therefore the lowest costs.

The construction of a state-of-the-art processing centre enables this" and "enables Dresselhaus to present itself on the market on the basis of the latest intra-logistical systems and processes as a leading supplier of connecting elements and fastening technology." Gretz went on to announce the introduction of a new SAP ERP solution, as "the basis for an efficient and future-oriented operation".

Titanox Expands in Turkey Through Acquisition

Titanox Fastening Technologies has successfully completed the acquisition of the Turkish fastening distributor – Boztas Bursa.

Titanox has decades of experience in fastening technology. Since 1975, it has focused on the distribution of fastening solutions and holds a leading position in the French market. Since 2008, the Fodor Industrie Group, the holding company of Titanox Fastening Technologies, has developed on international markets through its subsidiaries based in China and in India. The strategic acquisition of the Turkish company Boztas Bursa will strengthen the Fodor Industrie international footprint, adding significant value to Group members and customers.

Boztas Bursa is a distribution company based in Bursa, the biggest industrial city of Turkey. Bursa has a very strong automotive base through OEMs and first and second tier suppliers and Boztas Bursa has developed a strong business in this field. Boztas Bursa also serves various other markets, including construction, electronics, petrochemicals, turbine and furniture. Titanox technical expertise combined with Boztas Bursa experience and introductions will enhance the Fodor Industrie Group global offer.

Titanox sees the acquisition of Boztas Bursa as a significant accomplishment for the group, which marks the continuity of the Titanox expansion policy in the global market of fastening technology.

Boztas Bursa will be renamed Titanox Turkey. It will expand in Turkey through its own proprietary RIVELIT® brand. It will also sell various assembly technologies such as riveting, welding, self-clinching, access solutions, custom designed parts and standard/customised fastening solutions.

