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FINdex Growth Slows in Opening Quarter of 2017

Growth for the FIN Fastener Stock Index moderated in the first quarter of 2017. After posting a 20% increase in 2016, the FINdex rose only 9.1% in the opening quarter of 2017, compared to an 5.1% gain by an index of related industrial stocks during the period.

Arconic was the biggest winner in stock value during Q1. Overall stock results for Arconic, which includes Alcoa's former \$1.8 billion Fastening Systems and Rings business, jumped 42% during the period. Other companies gaining 10% or more in share value during 2016 included Dorman Products (up 12.4%); EACO (up 11.2%); MSC Industrial (up 11.2%); and Stanley Black and Decker (up 15.8%). But the opening quarter took its toll on some publicly traded companies with fastener holdings. Fastener companies losing 5% or more in share value during Q1 included Lawson Products (down 5.7%); Park Ohio (down 15.6%); TriMas (down 11.7%); and Wesco Aircraft (down 23.7%).

In 2016, the FINdex posted impressive gains, rising 20% during the year, compared to an 11.1% increase by an index of related industrial stocks. Chicago Rivet & Machine Co. was the biggest winner in stock value during 2016, with shares climbing 78.4%.

Rosie the Riveter Gets National Day of Recognition

MEDIA SPOTLIGHT - "They welded pipes," writes Lisa Fernandez of Reuters. "They drew blueprints. And, of course, they fastened munitions and machine parts together with rivets."

"Now, seven decades after World War Two ended, a surviving handful of the women who marched into factories and shipyards, redefining workplace gender roles to help keep America's military assembly lines running, will be honored on Tuesday as part of a National Rosie the Riveter Day celebration."

"Well it's about time," said Marian Sousa, 91, of El Sobrante, CA, who worked as a "draftsman" creating blueprints for warships at the Kaiser Shipyard during the 1940s. "It shows that women are not only capable now, but they were capable then." Several "Rosies" in their 80s and 90s are being celebrated with speeches and a U.S. Senate resolution at the Rosie the Riveter WWII Home Front National Historical Park just north of San Francisco in Richmond, CA. Sousa's sister, Phyllis Gould, 95, and fellow Rosie worker Anna "Mae" Krier, 91, were the two women who pushed for a national day of recognition in recent years, according to Reuters. "The work that the women did during the war is totally forgotten," Gould said, "and it shouldn't be."

The U.S. Senate resolution honors 16 million women who worked or volunteered for the U.S. war effort, including many who toiled for the American Red Cross, hospitals, rationing boards and other non-factory settings.

"Facing a labor shortage as many able-bodied males joined the Armed Forces between 1940 and 1945, America's industrial arsenal turned to women to help fill jobs previously reserved strictly for men to produce ships, planes, munitions and other war supplies," writes Fernandez. "The share of U.S. jobs occupied by women grew from 27% to 37% during the war years, with nearly one in four married women working outside the home by 1945." "We wouldn't have won the war without the women," said former welder Marian Wynn, 91. "I think we deserve it."

Editor's Note: Articles in Media Spotlight are excerpts from publications that show the industry what the public is reading about fasteners and fastener companies.



Fullerton Joins Jergens' Shanghai WOFE

Jergens Inc. announced Fullerton Tool Company is partnering with Jergens Shanghai Commercial Company Ltd. in its new economic development technology park in Shanghai. Jergens' Tooling divisions include specialty fasteners. Jergens' ASG Assembly division supplies torque control and precision fastening equipment. ASG division and Shanghai general manager Bryon Shafer said Jergens' wholly owned foreign entity in China "was established in 2006 to grow market share of the Jergens brands into the Chinese market, the business model has recently expanded to provide local market access to other U.S. mid-market industrial product manufacturers like Fullerton Tool Company." Located in Saginaw, MI, the family-owned Fullerton Tool manufactures solid carbide cutting tools.



Ta Chen Acquires Empire Resources

Empire Resources Inc., a distributor of value added, semi-finished metal products, announced it has agreed to a \$58 million acquisition by Ta Chen Stainless Pipe Co. Ltd. – the parent company of fastener master distributor Brighton-Best International. Ta Chen is a master distributor of stainless, aluminum and nickel alloy products. The acquisition is subject to customary conditions.

The \$7 per share price is approximately 19.2% over Empire's average closing price during the three-months ending March 30, 2017. Empire CEO Nathan Kahn described the Ta Chen acquisition as "the culmination of our effort to unlock the substantial value of Empire for our shareholders while creating a combined company with highly complementary strengths and greater resources for the benefit of our customers and employees." Kahn said the companies will benefit from "Empire's recognized service levels and Ta Chen's excellent internet platform, just-in-time delivery capabilities and its extensive warehouse network in the U.S." Empire will operate as a wholly-owned subsidiary of Ta Chen, with Empire's current team unchanged and reporting structure for the coming year. Kahn and CFO Sandra Kahn together own approximately 46.3% Empire shares. Ta Chen already owned 5% of Empire stock.

Empire Resources distributes semi-finished metal products to customers in the transportation, automotive, housing, appliance and packaging industries in the U.S., Canada, Australia, New Zealand and Europe.



Ta Chen was founded in 1989 in Los Angeles by Robert Shieh to distribute stainless steel. In 2001, Ta Chen launched an Internet order platform and today 75% of TCI's daily transactions are online.

G.L. Huyett Buys Key Stock Business from ITW

G.L. Huyett, Minneapolis, KS, USA, has purchased the key stock business and associated trademarks from ITW Shakeproof Industrial Products. Trademarks include the trade name "MAK-A-KEY™".



American Ring Acquires Ringmasters

American Ring, Solon, OH, USA, has announced the acquisition of Ringmasters LLC (formerly known as Eaton Ring), which is a manufacturer of snap rings based in Massillon, OH, USA. This acquisition furthers American Ring's desire to improve and increase capabilities and efficiencies for its ever-expanding customer base, while at the same time increasing production within the USA.



NORMA Group Acquires Fengfan Fastener

NORMA Group agreed to acquire 80% of the shares in Fengfan Fastener (Shaoxing) Co. based in Shaoxing City, China. Terms of the deal, which is expected to close in the second quarter of 2017, were not disclosed.

Founded by CEO Zhu Jialin in 1988, Fengfan manufactures joining products made of stainless steel, nylon and specialty materials. Its portfolio includes cable ties, fastening elements and specially coated, fire-resistant textiles, for example. The company uses cutting, coating, casting and injection molding processes in production.

"With the acquisition of Fengfan, we are expanding our product portfolio and our position in the Chinese market," stated NORMA Group CEO Werner Deggim. "We are thus working towards our long-term goal of achieving further geographic, product and sector-specific diversification of our business."

Fengfan employs 190 workers to supply the shipbuilding, heavy industries and transport vehicles market. Its products are marketed on the domestic Chinese market and exported to other countries, with annual sales of EUR 15 million (US\$16.2 million) in 2016.

Germany-based NORMA Group manufactures joining products in three categories (clamp, connect and fluid) and offers more than 35,000 products to more than 10,000 customers in 100 countries. The company reported revenue grew 0.6% to EUR 894.9 million (US\$ 942.8 million) in 2016, including 0.9% in organic growth for the year.



Sweden's Bulten Sets Up Joint Venture with Ramco in Ohio

Bulten AB formed a 50/50 joint venture with Ramco Specialties Inc. to distribute fasteners to the North American automotive industry, Bulten CEO Tommy Andersson announced. Bulten also is entering the North American manufacturing market with a subsidiary to produce its externally threaded fasteners beginning later in 2017.



In 2015 Ramco constructed a 165,000 sq ft facility in Hudson, OH, where Bulten will operate its production subsidiary, Bulten North America LLC. The JV will operate as Ram-Bul LLC and be headquartered at Ramco's Ohio facility. Ramco manufactures internally threaded fasteners, which gives Ram-Bul a full range of domestically manufactured fasteners for distribution by Ramco's established infrastructure. Ramco president Rick Malson explained that Bulten has been a key partner with Ramco in Europe. "This new joint venture will allow both companies to capitalize on their unique strengths bringing value to the North American fastener market," Malson said. "We are excited about the opportunity to expand our North American manufacturing and distribution capabilities."

Ramco was founded in 1977 by Dick Malson and is a Tier 1 automotive supplier with annual sales of \$80 million and 170 employees. Ramco has facilities in Italy and Sweden and is headquartered at 5445 Hudson Industrial Pkwy., Hudson, OH 44236.

Andersson said Bulten's "previous experience in forming joint ventures has been taken into account when setting up the company structure, and we believe that this is the quickest and most cost-effective way of supporting our customers in the U.S. market as well. Andersson noted Bulten and Ramco have been partners "for many years and I am really looking forward to our extended cooperation, which I am convinced will create long-term value for our shareholders."

Bulten is investing US\$9 million over four years with a potential for sales of US\$30 million to \$40m by 2020. Deliveries are expected to start this year. Founded in 1873, Bulten supplies automotive fasteners internationally from facilities in Sweden, China, Russia, UK, Germany and Poland and is headquartered in Goteborg, Sweden. Bulten has 1,300 employees in nine countries and the company is listed on Nasdaq Stockholm.

Lindstrom Acquires Hodell-Natco's Packaging Business

Lindstrom LLC announced it has acquired the fastener packaging business of Hodell-Natco Industries. The Cleveland-based Hodell-Natco distributes 23,000 packaged products to fastener distributor customers from six U.S. branches. Hodell-Natco's packaging business adds to Lindstrom's packaging since acquiring Titan Fasteners in 2014.



"Packaging is now one of Lindstrom's specialties and we are excited to offer more products to our distributor customers," Lindstrom president Mike Wrenn said. The Hodell-Natco acquisition "gives us the scale to become the best service provider in the industry." Hodell-Natco president Kevin Reidl – the 2013-14 president of the National Fastener Distributors Association – explained the focus "is to continue growing our core end user business. We began the search for a partner that we knew would be diligent in their care for our highly valued packaged fastener customers." Reidl expressed confidence that Lindstrom "will provide outstanding service to these long-term customers and would not have considered this transaction if we felt differently."

Minnesota-based Lindstrom distributes specialty fasteners from branches in Illinois, South Carolina, New York, Texas and Canada. Lindstrom will open a Cleveland branch next month. Lindstrom provides specialty parts manufacturing, packaging options, specialty plating and other value-added services plus is the exclusive master distributor for Bossard Group products in the U.S.

In a posting headlined "Goodbye Packaged Fasteners", the company described the sale as "a bold, strategic move when it divested of its small packaged fasteners business unit. "This move, unlike the majority of divestitures, was made proactively with a long-term growth strategy in mind. Sometimes just the word 'divestiture' can elicit negative thoughts of poorly performing business units or mismanagement. This is certainly not the case for Hodell-Natco! Our packaged fastener business unit has provided a strong, consistent revenue stream for many years. It was time for us, however, to shift gears and make a decision to invest in the long-term health of our company."

Hodell-Natco's packaging business is a "natural addition to Lindstrom's expansive product line."

Hodell-Natco will "focus our energies and better service our core markets" of manufacturing, fabrication, piping and heavy construction.

Hodell-Natco stocks 40,000 products in 300,000 sq ft of warehouse space in Ohio, South Carolina, Texas, Florida, Nevada and Missouri.

Fastenal to Acquire Regional Distributor Mansco

Fastenal Company, Winona, MN, USA, has signed an agreement to acquire certain assets of industrial and fastener supply distributor, Manufacturer's Supply Company (Mansco), which is headquartered in Hudsonville, MI, USA and has additional facilities in Madison, AL, USA and McAllen, TX, USA. The company focuses on fastener products, with a particularly strong market position with commercial furniture OEMs. This acquisition gives Fastenal a presence in a market where it has not meaningfully contributed in the past, while providing Mansco with additional tools with which to service its customer base. Mansco generated approximately US\$50 million in revenues in 2016.



Bay Fastening Systems & Sherex Fastening Solutions Form Strategic Partnership

Bay Fastening Systems, Farmingdale, NY, USA and Sherex Fastening Solutions, Tonawanda, NY, USA, have formed a strategic partnership to expand their mutual product offerings. The new alliance will initiate with Bay providing shelf stock inventory of Sherex's NAS/MS Mil-Spec Rivetnuts for immediate delivery. Bay Fastening Systems is a leading international authorized master distributor of rivets, Huck® bolts, threaded inserts, coil thread inserts and aerospace MS/NAS rivet nuts. Sherex Fastening is a global producer of standard rivet nut inserts, custom engineered rivet nut and stud inserts, compression limiters and clinch nuts.



Audax Private Equity Announces Acquisition of Fastener Distribution Holdings

Audax Private Equity, Boston, MA, USA, has partnered with management to acquire Fastener Distribution Holdings, LLC (FDH) from Housatonic Partners. Terms of the transaction were not disclosed. FDH, headquartered in Marina del Rey, CA, USA, is a leading distributor of aerospace fasteners and other c-class components to commercial and defense aircraft manufacturers, subcontractors and component distributors through its Arlington International Aviation Products (AIAP) and Aircraft Fasteners International (AFI) divisions. Harris Williams & Co. served as financial advisor and Foley & Lardner, LLP served as counsel to FDH. Kirkland & Ellis, LLP served as counsel to Audax.



ASTM Honors Charles J. Wilson

Charles J. Wilson, who is an independent consultant located in Cleveland Heights, OH, USA, has recently received the Frank W. Reinhart Award from ASTM International Committee on Fasteners (F16), W. Conshohocken, PA, USA. A member of ASTM International since 1984, Charles Wilson was specifically recognized for his outstanding contributions to the standardization of terminology for the fastener industry. In 2001, the committee also honored Wilson with the Fred F. Weingruber Award for contributions to fastener standardization. Wilson, an independent consultant and registered professional engineer, previously served as Director of Engineering and Treasurer with Industrial Fasteners Institute (IFI), and an instructor of mechanical engineering at Fenn College (now part of Cleveland State University). Wilson, a fellow of ASTM International, is also a member of the Society of Automotive Engineers, and an American Society of Mechanical Engineering fellow.



MWFA Elects 2017 Board

The Mid-West Fastener Association (MWFA), located in Lake Zurich, IL, USA, has recently elected its 2017 Board. The association wishes to congratulate the newly elected MWFA Board, which includes President, Bob Baer of Abbott-Interfast; Vice President, David Gawlik of All-



Tech Hardware-Autocraft USA; Treasurer, Bob O'Brien of Certified Products; and Secretary, Paula Evitts of KDS Imports. Directors include Jeff Adams of Wing-Hamlin Co. Inc., Glen Brin of Innovative Components Inc., Matt Delawder of SWD Inc., Tim Wiedmeyer of Matenaer Corp. and Wayne Wishnew of XL Screw Corp. Alternates include Rich Cavoto of Metric & Multistandard Components, Brian Christianson of South Holland Metal Finishing, Mike Henry of MKH Sales & Associates and Ross Shepard of Alfa Tools.

James Province to President at AmeriBolt

James Province is now the President of AmeriBolt, a part of the LoneStar Group. He will report to Santosh Mathilakath, President/CEO of LoneStar, and is responsible for managing all aspects of AmeriBolt's business. AmeriBolt will continue to operate as an independent business under the LoneStar Group.



Reed Introduces New Thread Rolling Machine

Reed Machinery Inc. has produced a new model, A22C CNC 3-die thread rolling machine. The machine features automatic die match; custom cam profiles; pushbutton size adjustment, workshop height, die RPM and cycle time; digital taper reading; and auto loader.



Reed Machinery was founded in 2003 to acquire the Reed thread rolling machine business from Reed-Rico. The company history dates back to 1916 when Reed Small Tool Works was formed in Massachusetts. Today, privately-owned Reed Machinery manufactures Reed two- and three-die cylindrical thread rollers, planetary thread rollers, Hartford flat die thread roller, Reed thread rolling attachments and since 2006, Waterbury headers and threaders.

Acument Marks 50 Years of Torx

Acument Global Technologies Inc. marked the first 50-years of its Continental Midland LLC company as a Torx drive system licensee. Continental Midland became a licensee in 1966. Continental Midland president Phli Johnson said the "award demonstrates our commitment to innovation in the fastener marketplace servicing automotive, commercial vehicle and industrial markets for over 100 years. Torx is one of the best known brands in the market and we are excited to be a leading global partner."

Marty Bieschke, director of IP & Licensing, described Torx as "still one of the most important product licensing programs in the global fastening industry" and added that "Continental Midland has continued, for all these years, to see the value of this product's contribution to their reputation." Since its introduction in the 1960s, Torx is a high-performance drive system for threaded assemblies in a broad range of applications and end-use markets. Qualified licensed manufacturers apply Torx and Acument's Torx Plus drive system for applications in automotive, industrial, electronics, aerospace, and other markets.



Owned by Fontana Gruppo, Acument provides mechanical fastening products, engineered fastening systems, inventory management and application engineering support for the transportation market. Acument has facilities in Michigan, Illinois, Mexico and South America.

Leland Industries Opening USA Plant Due to Rising Costs in Canada

According to local reports, Byron Nelson, CEO of Toronto, Ontario, Canada-based Leland Industries, said the company is opening a plant in the USA state of Illinois because of rising Ontario electricity rates. Also, the company plans a major expansion in production capacity in Illinois. Nelson said that Leland Industries will not invest in Ontario any more because "the costs are just out of sight." Nelson also said that he anticipates Ontario's new cap-and-trade system will cause electricity and natural gas costs to rise even higher. The manufacturer of fasteners says the company is opening its new manufacturing facility in the United States because rising energy costs have made Ontario uncompetitive for investment. Leland Industries employs about 220 people at its plants in Toronto and Waterloo, Ontario, Canada, and Nelson said those workers will be protected.

