# European News

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## TR Delivers Another Year of Strong Growth

Trifast PLC announced total group revenue for the year ending 31 March 2018 at GB£193.9 million, a 6% year on year improvement at actual exchange rate.

CEO Mark Belton said: “this year’s key revenue message continues to be one of consistent growth across all our regions.” At constant exchange rates, revenue increased by 4% year on year. Sales to multinational OEMs contributed more than 65% of Group turnover and were the largest source of growth. Underlying profit before tax increased to GB£22.7 million, an 8.5% improvement on the previous year at AER.

Trifast reported it had committed an investment of up to GB£15 million to transform its IT infrastructure and business processes, in order to underpin future growth. Project Atlas is targeted at a one-stop service on a global scale through an integrated management information system, so that a customer who requires identical components for their assembly plants in say China, Germany or the US can rely on just one of our customer support teams based, for example, in Holland or Sweden, to organise the entire supply and traceability function. Trifast says this will ensure consistency for our customers who assemble identical equipment in their geographically spread plants.

Likewise, it aims to enable its procurement managers based, say in Italy, to be able to pinpoint an actual individual TR factory machine within the Group, that has the optimum capacity at that moment to quickly satisfy an urgent customer order, rather than the traditional process which is to quote an average delivery time based on the entire factory loading (typically some 6-8 weeks). Chairman, Malcolm Diamond MBE said, “This is where our markets are looking and so Trifast must be ready.

Considering other capital investment, Mark Belton said: As a Group, we continue to invest in our operations around the world to support our ongoing growth story”. In manufacturing, capital expenditure plans will continue to increase capacity most noticeably at both Italian and Singaporean sites. On the distribution side, Trifast has already expanded warehousing capacity in Shanghai and Northern Ireland to support the strong growth in both markets. It also moved into a new USA site in April, representing one of its biggest warehousing investments in recent years – increasing capacity significantly to future proof the business for further growth. Further investment is also planned for TR’s rapidly expanding greenfield distribution site in Spain and the Group has set up a TR Innovation and Technical Centre in Sweden’s electric vehicle development area, Lindholmen, Gothenburg.

## EU Applies ‘Rebalancing’ Tariffs on US Fastener Imports

The European Union applied 25% ‘rebalancing’ tariffs on a wide range of products imported from the United States, including seven categories of fasteners, effective from Friday 22nd June 2018.

The tariffs are in response to the Section 232 tariffs applied by President Donald Trump to steel and aluminium from the EU. Commissioner for Trade Cecilia Malmström said: “We did not want to be in this position. However, the unilateral and unjustified decision of the US to impose steel and aluminium tariffs on the EU means that we are left with no other choice. The rules of international trade, which we have developed over the years hand in hand with our American partners, cannot be violated without a reaction from our side. Our response is measured, proportionate and fully in line with WTO rules. Needless to say, if the US removes its tariffs, our measures will also be removed.”

The EU will rebalance bilateral trade with the US taking as a basis the value of its steel and aluminium exports affected by the US measures. Those are worth €6.4 billion. Of this amount, the EU will rebalance on €2.8 billion worth of exports immediately. The remaining rebalancing on trade valued at €3.6 billion will take place at a later stage – in three years’ time or after a positive finding in WTO dispute settlement if that should come sooner.

The EU rebalancing measures will be effective for as long as the US measures are in place, in line with the WTO Safeguards Agreement and EU legislation.

Assuming they were alert to the publication of the regulation in the Official Journal, importers had just one day’s notice of the imposition of the tariffs on Friday 22nd June, although the European Commission had previously published lists of products on which it was minded to apply duties. The list of products incurring the 25% tariffs included seven fastener CN codes. They are:

73181410 - self tapping screws of iron or steel, other than stainless (not wood screws)
73181491 - Spaced-thread screws or iron or steel, other than stainless
73181499 - Self tapping screws of iron or steel other than stainless
73181640 - Blind rivet nuts of iron or steel, other than stainless
73181660 - Self-locking nuts of iron or steel other than stainless
73181692 - Nuts of iron or steel, other than stainless, with inside diameter <=12mm
73181699 - Nuts of iron or steel, other than stainless, with inside diameter >12mm

According to Eurostat figures, the European Union imported 5.3 million kilograms of these fasteners from the United States in 2017, worth just over €119 million. An average of €22.4/Kg suggests a high proportion of these fasteners are specialist, with the highest value components in the self-locking nut and self-tapping screw groups. It is early to assess the significance to European fastener companies, but one importer has said the impact on its imports could be as high as an additional €100,000 per year unless it is able to find alternative sourcing arrangements.

## Dormole Purchases Tucks in Ireland

DORMOLE LTD

Tucks Fasteners & Fixings

Dormole has purchased 100% of the share capital of Dublin-based Tucks O'Brien Ltd (TOB) and Tucks Fasteners & Fixings Ltd (TFF), from the Gardiner Group, which aims to invest for growth in other of its businesses.

Privately owned Dormole owns Toolbank and also Forge-Fix in the United Kingdom, amongst other tools and hardware distribution operations. Toolbank chairman, Andrew Strong, said: "We are proud to have developed our business in Ireland with great support from our customers, the total commitment of our sales team in Ireland and those within our business that support them. However, we believe that if we are to continue to grow our business, offer our Irish customers the full range of products and services we have available, we also need to have access to a locally based team and distribution facilities – as we do in all other regions."

Tucks O'Brien has traded since 1877 and has a 35,000 square feet warehouse from which it supplies 16,000 product lines. Tucks Fasteners & Fixings carries a 6,000 article range of fasteners, fixings and power tools supplying the hardware, builders merchants and electrical wholesale trade throughout Ireland. The acquisition is being welcomed by Tucks' management and employees as Toolbank will bring investment and knowledge focused on developing and growing the businesses.

In the short term, Dormole says there will be no change, having entered an agreement with Gardiner to oversee the development of TOB and TFF, with support and input from Toolbank. "TOB and TFF will continue to be Irish businesses with Irish leadership," Dormole said. Bob Boxwell will continue as TOB managing director and Gary Hogan as managing director of TFF. Toolbank's Irish business will continue to operate under regional director Kevin Carver.

Details of the transaction were not disclosed.

BULTEN

## Anders Nyström New President and CEO of Bulten

The Board of Bulten AB has appointed Anders Nyström as new President and CEO. He will take up the post on 8th February 2019.

Anders Nyström is a mechanical engineer with supplementary education in leadership and economics. He has extensive international experience from the automotive industry and has previously held several leading positions within, amongst others, Kongsberg Automotive, Volvo Cars and Ford Motor Company. Anders joins Bulten from IAC Group where he has been vice-president commercial since 2018.

"The Board is delighted with the appointment of Anders Nyström who brings solid experience and knowledge of the automotive industry to Bulten. With his background and leadership I am convinced that he will be able to further develop the company and take it to new successes", says Ulf Liljedahl, chairman of the board.

"Bulten is an extremely well-managed company with a very strong platform and position as supplier and partner of fastener solutions to the global automotive industry. I look forward to taking part in the continued journey that this exciting company faces," says Anders Nyström, incoming president and CEO.

Anders takes over as president and CEO after Tommy Andersson, who retires after nineteen successful years at Bulten as previously announced on 26th October 2017. Tommy Andersson will remain president and CEO up to and including 7th February 2019.

## Bulten Polska Employee Commitment Recognised

Bulten Polska has received the Employee Friendly Employer Award for 2017. The award was presented by Poland's President Andrzej Duda in Warsaw to Bulten's Managing Director in Poland Anders Karlsson.

"We are very proud of this award and we see it is a recognition of us being a responsible and attractive employer," says Anders Karlsson, managing director Bulten Polska.

The award is the only one an employer can get in Poland where the employees have nominated the winners. The prize is awarded to employers who are distinguished by complying with legal requirements and collective agreements, health and safety and how to work with the trade unions at the workplace. The idea is to recognise employers who are characterised by good cooperation with the trade unions.

## SFS Raises Stake in HECO

SFS is deepening its strategic partnership with HECO, a leading manufacturer of fastening solutions for structural timberwork, and raising its interest in the German company to 51%.

In August 2015, HECO (Ludwig Hettich GmbH & Co KG) and SFS signed an agreement establishing a strategic partnership. SFS concurrently acquired a minority interest of 30% in HECO.

Both companies are active in the structural timber market and have built strong reputations for quality and innovation. Thanks to the two companies' largely complementary product portfolios, customers have since benefited from a more comprehensive range of products and services. Close collaboration between the two partners has created operational synergies in their manufacturing operations and sharpened their competitiveness.

This two-year old partnership has yielded very positive results for both HECO and SFS. The advantages are becoming increasingly visible, both on the sales and the manufacturing front. In a move to further strengthen this strategic partnership, SFS will increase its stake in HECO to 51% effective 1st July 2018. This will allow both companies to better capture growth and synergy potential and take better advantage of their respective competencies.

Acquiring a majority interest in HECO will facilitate the targeted improvement in HECO's performance within the SFS Group and have a positive effect on the headcount and business activity at the different HECO locations. HECO generated €41 million in sales in 2017 and employed 322 employees (end of 2017). The company will be consolidated by SFS Group as of 1st July 2018.

## Hilti Continues to Boost Sales

In the first four months of 2018, the Hilti Group grew sales by 16% to CHF 1,818 million (€1.6 billion). In local currencies, the company's sales increased 13% over the same period last year.

Hilti credits the successful start into 2018 on continued investments in its product portfolio and direct sales combined with a generally positive market environment. CEO Christoph Loos remains confident: "Our positive start confirms that the course we continue to consistently follow is the right one. We expect double-digit growth over the entire financial year despite more pronounced political uncertainties in certain regions."

In local currencies, almost all business regions posted double-digit sales growth rates in the first four months of 2018: North America was up 12% to CHF 411 million, while Europe grew by 13% to CHF 914 million. Significantly better sales figures were recorded both in Latin America (+11% to CHF 42 million) and the Asia/Pacific region (+9% to CHF 239 million). Sales in the Eastern Europe / Middle East / Africa region were up 19% (CHF 212 million).

# Bossard Further Maps Management Succession

The board of directors of Bossard has appointed Dr. Frank Hilgers as the manager of its businesses in northern and eastern Europe from 1st May 2019. From that date, Dr. Daniel Bossard, current holder of these responsibilities, will take over operational management of the Group from current CEO David Dean, as announced in January.

Frank Hilgers is currently responsible for global category management and with this for the distribution brands of high-quality fastening solutions. He has been running this growth area very successfully for 6 years, since 2015 as a member of the executive committee. On 1st May 2019, he will additionally take on the responsibility for the core markets of Germany, Scandinavia, Poland and other eastern European growth markets from Dr. Daniel Bossard, who takes over operational management of the Bossard Group from CEO David Dean.

Bossard says the announcement is in line with the long-term orientation of the Group and that the Board had consciously decided early on the succession arrangements made necessary by the planned retirement of David Dean as CEO.

"Dr. Frank Hilgers has an impressive track record. With his many years of industry and market experience he is the ideal person to drive growth in existing markets via innovative new technologies and services and in market niches," according to Chairman of the Board, Dr. Thomas Schmuckli.

Before his appointment to Bossard's executive board in 2015, Frank Hilgers ran the KVT-Fastening business units. From 2009 to 2012, when Bossard acquired KVT Fastening, he was responsible for the distribution, product management and fastening technology division of KVT-Koenig. His previous career was in the automotive sector with Continental, Siemens VDO Automotive and Andersen Consulting.

# NORMA Sales Grow 6.9% in Q1

NORMA Group sales grew 6.9% to €272.6 million in the first quarter 2018 compared to same quarter 2017 (€254.9 million). Organic growth was at 13.6 percent.

Negative currency effects hampered sales growth by 7.6%. Fengfan, acquired in Q2 2017, contributed an additional €2.5 million to growth. Group adjusted EBITA rose by 1.6% to €45.7 million compared to Q1 2017 (€45 million). The adjusted EBITA margin was 16.8 percent (Q1 2017: 17.7 percent). NORMA says this was mainly influenced by high raw material prices, particularly alloy surcharges and price increases for engineering plastics as a result of market shortages.

"We achieved strong organic growth in the first quarter of 2018," says Bernd Kleinhens, chairman of the management board of NORMA Group. "This shows that our products are in high demand on the market and is reflected in the increased sales forecast for 2018. However, high raw material prices and negative currency effects had a negative impact on earnings. We want to sustainably strengthen our market position in the future. That is why we are continuing to invest in new technologies and markets. Our recent acquisition of the Indian water management solutions specialist Kimplas is another step toward ensuring steady growth in one of our focus areas." The acquisition of Kimplas Piping Systems Ltd. was expected to be completed in mid-2018.

NORMA reported sales growth in each of its operating regions. EMEA sales rose by 3.4% to €132.2 million. Growth was due in particular to good business in the automotive sector, attributable to the generally good environment in the industry with rising production and sales figures.

In the Americas region, NORMA Group increased sales by 7.7% to €107.3 million. The market for commercial vehicles and agricultural machinery significantly recovered, leading to a good order situation in the automotive industry. The Water Management division also developed very positively after weather-related weaknesses in fiscal year 2017.

In the Asia-Pacific region, sales grew significantly by 20.9% to €33.1 million. Growth was driven primarily by strong customised solutions business for the automotive industry, which benefited from the high demand for joining technology, particularly in China.

NORMA Group says its growth in the first quarter was stronger than expected. Based on group sales to April and expected group sales until year end the Management Board increased its sales forecast for fiscal year 2018. It expects sales to rise organically by around 5 to 8% in 2018. NORMA continues to aim for an adjusted EBITA margin greater than 17% (2017: 17.2 percent, 2016: 17.6 percent 2015: 17.6 percent).