

Industry Update

Taiwan's New Vehicles Sales in 2018 Drops by 2.1% Compared to 2017's Same Period

Taiwan's new vehicles sales in 2018 was less than 0.44 million units (435,135 units), down 2.1% from 2017's same period, which is even lower than 2016's record at 439,629 units. However, this is still the 3rd highest record since its slump to less than 0.23 million units in 2018.



Taiwan Fastener Export in First 11 Months Reaches a New High at US\$ 4.4 Billion

As of the end of November 2018, Taiwan's fastener export value in the first 11 months of 2018 reached a new high at over US\$4.4 billion.

According to the statistics of Taiwan Industrial Fasteners Institute (TIFI), Taiwan exported 131,354 tons of fasteners in November 2018, down 8.09% from October 2018 (also down 0.98% from the same period of 2017). In the first 11 months of 2018, Taiwan exported more than 1.53 million tons of fasteners to the world, up 5.14% from the same period of 2017.

The average price of Taiwan's fastener export in November 2018 was US\$2.888 per KG, down 0.05% from October 2018 (but up 2.39% from the same period of 2017). The average export price in the first 11 months was US\$2.881 per KG, up 7.53% from the same period of 2017.

According to TIFI, from January through November 2018 the total value of Taiwan's fastener export reached more than US\$ 4.4 billion, a surge of 13.05% from the same period of 2017, which means the total value of Taiwan's fastener export in the first 11 months has exceeded the record of 2017 and has reached a new high for two consecutive years. It is expected that Taiwan's fastener export is very likely to reach a new high again in both export volume and export value.



Total Car Sales in Malaysia in 2018 Increase by 3.83%

Malaysian Automotive Association (MAA) has recently announced the sales of various vehicle types in Malaysia in 2018. The combined sales of all vehicle types reached 59,8714 units (up 3.83% from 576,635 units in 2017); sedans reached 533,202 units (up 3.6% from 514,679 units in 2017); commercial vehicles reached 65,512 units.

Malaysia's 2nd largest car manufacturer, Kancil, showed the highest sales in sedans in 2018 to 227,243 units (representing 37.95 of the total sales); Japanese Honda showed the sales of 65,551 units (representing 10.95%); local car brand Proton showed the sales of 64,744 units (representing 10.81%).

The total hybrid car sales in Malaysia in 2018 reached 18,754 units. BMW showed the highest sales to 7,434 units, followed by Nissan (5,826 units), Honda (3,625 units), Volvo (919 units), Toyota (852 units) and Mini (98 units).



China's Steel and Copper Standard Fastener Export in First 10 Months of 2018 Increases in Volume and Value

According to the latest fastener import & export data of China's Customs, in the first 10 months of 2018 China exported 2.7 million tons of steel and copper standard fasteners (total value: approx. US\$5.4 billion) to the world, up 14.5% and 31.7% respectively in volume and value, compared to the same period of 2017.



Thailand and Indonesia are Top 2 Import Origins in Vietnam's Car Market

According to the statistics of Vietnamese Customs, Thailand and Indonesia are the top 2 import origins in Vietnam's car market and these two countries represent 89% of the whole market share in Vietnam. In 2018, Thailand exported 55,634 units (valued at around US\$ 1 billion) to Vietnam and Indonesia exported 17,146 units (valued at US\$ 0.269), followed by Japan (2,000+ units), China (1,565 units), USA (895 units) and S. Korea (632 units). In 2018, Vietnam imported 81,609 units of cars (down 16.1% from 2017) and the total value of car import was US\$ 1.8 billion (down 19.8% from 2017).



Companies Development



TFC Pittsburgh Branch Expands to New Location

Triangle Fastener Corporation announces that their Pittsburgh branch has moved to a larger location. The new location has 16,500 square feet of warehouse space and 1,000 square feet of showroom space to service middle/western Pennsylvania, New York and West Virginia.

TFC provides a full line of standard and specialty fasteners, sealants, tools, and accessories for the commercial roofing, siding and interior trades. This location also has painting capabilities to provide custom painted fasteners.

The TFC Pittsburgh Branch is located at 2001 Preble Avenue, Pittsburgh, PA.



Fastenal Company Reports 2018 Annual and Fourth Quarter Earnings

Fastenal Company (Nasdaq:FAST), a leader in the wholesale distribution of industrial and construction supplies, announced its financial results for the quarter and year ended December 31, 2018. Except for share and per share information, or as otherwise noted below, dollar amounts are stated in millions. Throughout this document, percentage and dollar calculations, which are based on non-rounded dollar values, may not be able to be recalculated using the dollar values included in this document due to the rounding of those dollar values.

	Twelve-month Period			Three-month Period		
	2018	2017	Change	2018	2017	Change
Net sales	\$ 4,965.10	4,390.50	13.1%	1,231.60	1,088.50	13.2%
Business days	254	254	---	63	63	
Daily sales	\$ 19.5	17.3	13.1%	19.6	17.3	13.2%
Gross profit	\$ 2,398.90	2,163.60	10.9%	587.8	531.2	10.6%
% of sales	48.3%	49.3	---	47.7%	48.8%	---
Operating income	\$ 999.2	881.8	13.3%	233.4	203.3	14.8%
% of sales	20.1%	20.1	---	19%	18.7%	---
Earnings before income taxes	\$ 987	873.1	13%	229.8	200.8	14.4%
% of sales	19.9%	19.9	---	18.7%	18.5%	---
Net earnings	\$ 751.9	578.6	29.9%	168.8	152.4	10.7%
Diluted net earnings per share	\$ 2.62	2.01	30.5%	0.59	0.53	11.2%

OMG, Inc. Names Karly Grimaldi Sales & Operations Planning Manager



OMG, Inc. has named Karly Grimaldi to the newly created position of Sales & Operations Planning Manager. She reports to Geri McCarthy, director of operations.

“OMG has established a strong S&OP forecasting tool which various functions in the business utilize,” said Dewey Kolvek, senior vice president of operations. “In her new position, Karly will capitalize on the tool to help these functions drive process improvements within their organizations.”

Karly started with OMG in 2011 as a sales and marketing assistant for the Roofing Products Division. Most recently she has been a S&OP Analyst where she helped design and launch the initial sales and operations planning tool.

Karly holds a bachelor's degree and a master's in information management and communications, both from Bay Path University.



ABC Supply Co. Inc. Adds Location in Haines City, Florida

The nation's largest wholesaler distributor of roofing, siding and other select exterior building products, ABC Supply Co. Inc., opened a branch at 155 Dyson Road in Haines City, Florida.

Brenton Binns will manage the branch. Binns joined ABC Supply in 2017. Before managing the Haines City branch, he worked as an outside sales representative at the Lakeland, Florida, location.

ABC Supply now has 45 locations throughout Florida with the opening of the Haines City branch.

KLX Aerospace Solutions is Renamed Boeing Distribution Services Inc.

As part of Boeing's recent acquisition of KLX Aerospace Solutions, KLX Inc. KLX Aerospace Solutions has changed its name to Boeing Distribution Services Inc. effective 4 February 2019.

Andrews Fasteners Becomes Constructionline Silver Member

UK-based Andrews Fasteners is proud to announce that Andrews Fasteners Limited has become a certified Constructionline Silver Member (Level 2).

Constructionline is a register for pre-qualified contractors and consultants used by the construction industry of the United Kingdom.



Volkswagen Toolmaking Opens 3-D Printing Center ; Improves the Capability of Producing Vehicles Parts



The Volkswagen brand's Toolmaking unit is adding a 3D printing center to its facilities in Wolfsburg. With the opening of the center, the unit is bringing the most highly advanced generation of 3D printers to the Volkswagen Group, which will allow the production of complex vehicle parts in the future.

In addition, with the new center, Toolmaking is implementing a key point of the pact for the future concluded in 2016 and expanding its production competences with subsidies from the Innovation Fund II.

The new generation of 3D printers developed in cooperation with HP is the most modern within the Volkswagen Group and is based on the binder jetting process, which supplements the previous selective laser melting (SLM) process.

To date, the Volkswagen Group has mainly used the SLM process for 3D printing with metals. In this process, the material used, such as steel, is applied to a base plate in a thin layer. A laser beam then melts the powder at the points where the component is to be created. The molten powder hardens, forming a solid material layer. The new printers at the center will now allow the use of other 3D printing processes such as binder jetting.

In this additive process, components are manufactured using a metal powder and a binder applied in layers. The metal part which has been printed is then “baked” in a sintering process. In future, the various processes, which have specific applications, will supplement each other in an ideal way.

WÜRTH GROUP

Würth Group Continues Down the Road to Success

According to the preliminary annual financial statement, the Würth Group reports a sales volume of EUR 13.6 billion in 2018 (previous year: EUR 12.7 billion). This corresponds to a growth of 7.1 percent. Adjusted for foreign currency effects, growth comes to 8.6 percent. All of the individual regions reported successful development again in the past year. With respect to the business units, Electronics and Electrical Wholesale showed above-average growth rates.

According to preliminary calculations, the operating result of the Würth Group is between EUR 860 and 880 million, which is a new record and a clear increase over the previous year (2017: EUR 780 million). "We are highly pleased about this positive result. It provides proof of the fact that thanks to our strategies and services we are still an important partner for our customers in trade and industry," explains Robert Friedmann, Chairman of the Central Managing Board of the Würth Group. E-business sales in 2018 amounted to EUR 2.4 billion and grew at above-average proportions compared to Group sales.

The Würth Group expects sales growth in the moderate single-digit range as well as a proportionately rising operating result in 2019. "Due to an economic slowdown, the year 2019 will certainly become a bigger challenge than 2018. Nevertheless, there is still no cause for concern, as the company is based on stable ground," says Friedmann about the expectations for the new business year.

BOSSARD

Bossard Receives Highest Supplier Recognition Award from John Deere

Bossard North America and Bossard Mexico has again earned recognition as a Partner-level supplier for 2018 in the John Deere Achieving Excellence Program. The Partner-level status is Deere & Company's highest supplier rating.

Bossard both in the USA and Mexico was selected for the honor in recognition of its dedication to providing products and service of outstanding quality as well as its commitment to continuous improvement. Bossard is the major supplier for over 8,000 different fastener product solutions with application engineering and customer logistics to John Deere's 27 plants in North America.

In the John Deere Achieving Excellence Program, all suppliers are evaluated annually in several key performance categories, including product quality, cost management, on-time delivery, technical support and wavelength, which is a measure of responsiveness. John Deere Supply Management created the program in 1991 to provide a supplier evaluation and feedback process that promotes continuous improvement.

Bossard Announces Sales of Fourth Quarter and Financial Year 2018

The Bossard Group posted again record results for the 2018 financial year. Sales rose by 10.8 percent to CHF 871.1 million compared to 2017. All market regions contributed to this significant growth. In the fourth quarter, its business in America and Asia grew by double-digits, exceeding expectations. The demand in the European markets slowed down at a high level. On balance, the Bossard Group achieved sales growth of 7.9 percent to CHF 212.1 million in the fourth quarter. The overall solid performance is largely based on our steadily growing range of products and services.



Hoffmann Group Appoints Manav Goel as India Director

European tooling major Hoffmann Group has appointed Manav Goel as its India Director to bolster its expansion plans for the country. Goel will be responsible for driving the group's sales and strategic business partnerships in India, Hoffman said in a statement.

The Germany-based group describes itself as a Europe's leading system partner for quality tools with major listed companies as customers in more than 50 countries. In 2017, it generated a worldwide turnover of over 1.2 billion euros.

"India has always been a huge market for the company and we see immense growth potential for us here. At Hoffmann Group, we have the ability to support the manufacturing industry with our comprehensive portfolio and machining expertise of Germany," Goel said.

The group's senior vice president (Asia) Christian Kober said Goel's appointment further bolster its expansion efforts in India and he is expected to strengthen its brand presence in the Indian market.

Revenue of Ching Chan Optical in 2018 Reaches Record High at NT\$ 0.882 Billion



Ching Chan Optical's full-year self-settled combined revenue in 2018 reached NT\$ 0.882 billion, up 13.34% from 2017's NT\$0.778 billion, which is the highest record in the company's history. The leading fastener optical image sorting machines manufacturer, Ching Chan Optical (TWSE: 2070), also announced its revenue in Dec. 2018 to be NT\$ 0.126 billion (monthly growth rate: 18.96% and annual growth rate: 13.65%).

Strategic Cooperation Signing Ceremony Between PSM and AFS

On November 12, 2018, PSM International and AFS Co. Ltd. held a strategic cooperation signing ceremony in Wuxi, China. CEO of PSM International, Mr. Suzuki and President of AFS, Mr. Seo attended the signing ceremony.

This signing ceremony has established a strategic partnership beneficial for both sides. PSM and AFS will work hard together in product research and marketing to provide high quality fasteners and service for the Korean market. The signing has marked the establishment of a long-term and stable relationship that will spearhead PSM International into the Korean market.

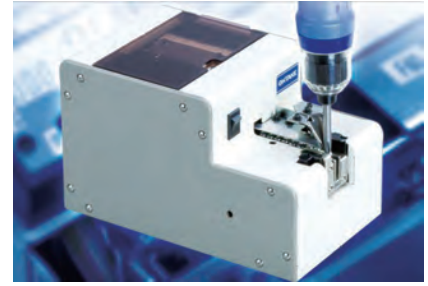
Mr. Suzuki and Mr. Seo have expressed their intentions to deepen the relationship between the two companies by working hand in hand in order to forge a prosperous future together in the Korean market.



Japanese OHTAKE Expands Screw Feeder Sales with Its First Overseas Base

OHTAKE-Root Kogyo is going to expand sales of automated screw feeders used for production lines. The company is to set up a sales base in New Jersey State of the U.S. targeting sales to the U.S., Canada and Latin America. This is the first overseas base for the company which is expected to push sales by 260% to JPN 2 billion. The new base will be wholly owned by OHTAKE with a capital investment between JPN 1-2 million. The current goal is to raise sales to JPN 200 million 3 years from now.

As the main product of OHTAKE, the automated screw feeders make up 75% of the total revenues. They are mainly exported to China, South Korea, Taiwan among other Asia Pacific countries, while 3% to 4% of the export goes to the Americas. These screw feeders are mostly used by the automotive industry. OHTAKE has more customers in the west side of Tokyo, so the company is considering setting up a base in Tokyo or Sendai.



Acquisitions

Shamrock International Acquires Vaber Industriale

Shamrock International is pleased to announce that a stock purchase agreement has been executed with Vaber Industriale to acquire all shares in Vaber on November 26, 2018.

“Vaber provides technical solutions to manufacturers throughout Europe. Shamrock opened our Frankfurt, Germany office, and adding the Vaber family to our family helps to anchor our global strategy. Vaber’s product offering and customers are very adjacent to ours, and we are excited to offer Shamrock products to their customers and vice-versa. We share the same company values and both prioritize families first. We truly feel that this transaction will be accretive for both organizations. We look forward to providing a better service offering to all of our customers worldwide.” says Robert Waichulis, CEO of Shamrock International.

Vaber will continue to be operated by Emanuela Bettini, current CEO, and Alberto Bettini, current Director of Sales, for the foreseeable future under the direction of Floris Somers, Managing Director of Shamrock International Deutschland.



Apex Tool & Fasteners, Inc. Joins Southern-Carlson, Inc.

SouthernCarlson, Inc., one of the nation’s leading fastener, tool and packaging distributors, announces the acquisition of Florida-based Apex Tool & Fasteners, Inc. The acquisition was finalized on Dec. 31, 2018.

This latest acquisition strengthens SouthernCarlson’s footprint in Florida, adding capabilities and local distribution presence in the Fort Myers, Orlando and Tampa markets. Eric Heath, President of Apex Tool, stated, “We are excited to join the SouthernCarlson family. The support and backing of a national company will enable us to expand our Florida business even faster and provide more products and services to our customers.”

Kenneth Sweder, SouthernCarlson’s Chairman & Chief Executive Officer, commented, “Florida is an important market for us and I am pleased to welcome the outstanding associates of Apex Tool & Fasteners to SouthernCarlson. Eric Heath and his team have built a strong business, and I look forward to accelerating our growth together.”



Motor City Industrial Acquires Smith Fastener

Motor City Industrial, has announced the acquisition of Smith Fastener in partnership with its 3rd generation owner, Brian Smith. This represents the third acquisition by Motor City Industrial and further expands product & service offerings available to customers from diversified sectors and geographies. The combined companies now serve over 20 states from 7 locations with 135 employees.

Smith Fastener is a distributor of industrial consumables and ancillary products throughout North America from three locations in West Virginia, Pennsylvania and Texas. Founded in 1965, Smith Fastener offers supply chain solutions for over 20,000 SKUs, including corrosion resistant coating services for mission critical parts. Not only does the company offer supply chain engineering and technical support, but Smith Fastener also provides in-house emergency fabrication of custom MRO components to minimize downtime for its customer-partners.

Motor City Industrial is backed by Kian Capital Partners and Oakland Standard Co. Both firms are experienced in the industrial distribution sector and committed to additional partnerships that will expand Motor City Industrial’s products, services and geographic footprint.

Sandvik Acquires US-based Wetmore Tool & Engineering

Dormer Pramet, a division within Sandvik Machining Solutions, has acquired the US based company Wetmore Tool & Engineering, a manufacturer of round tools specialized for the aerospace industry. The acquisition not only expands Dormer Pramet’s range of round tools but it also facilitates an improved position in key aerospace markets such as the United States, United Kingdom, etc.

“The acquisition is aligned with Sandvik Machining Solutions’ growth strategy. Wetmore Tool & Engineering will add competence in application areas that complements our existing offering in round tools”, says Klas Forsström, President of Sandvik Machining Solutions.

“I am very pleased that we have acquired Wetmore Tool & Engineering as they are a leader in air frame hole making, and this acquisition enhances our position as a one-stop-shop”, says Stefan Steenstrup, President of Dormer Pramet.

In 2017 Wetmore Tool & Engineering generated revenues of about 160 million SEK and had 170 employees.

The parties have agreed not to disclose the purchase price and the transaction was simultaneously signed and closed. The deal is accretive to earnings per share from the start.

