European News

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BOSSARD
Proven Productivity

Restrained Demand in a Challenging Market Environment

In the first quarter of 2024, Bossard Group recorded a decline in sales of 15.5% to CHF 257.4 million (prior year: CHF 304.5 million) in a continuously challenging market environment and as a result of the strong Swiss franc. The decrease in local currency was 11.2%. In a quarter-on-quarter comparison, the record high comparative basis of the previous year is noticeable. As expected, demand in Europe continued to decrease, as it has since the second quarter of 2023. Sales declined by 12.2% to CHF 150 million (in local currency: -9.3%). Despite the challenging market environment, the first quarter saw continuing investments in future growth, additional efficiency and productivity improvements, including the successful rollout of the new ERP system in France.

Sales in America declined by 22.9% to CHF 65.8 million (in local currency: -18.4%). Since the record sales in the first quarter of the prior year, a normalisation of demand has been observed. With a decline in sales by 13.9% (in local currency: -5.2%) to CHF 41.6 million, weaker demand persisted in Asia as well. The appreciation of the Swiss franc was particularly noticeable in this market region. The continued two-digit growth rates in India marked a gratifying exception, as Bossard benefited from nearshoring trends, a dynamic start-up landscape, and the above average growth in the focus industries of electromobility and electronics.

Based on current market observations, Bossard expects the economy to remain restrained in the first half of 2024. However, even this market environment also offers growth opportunities. Thus, the acquisition of new customers as well as the project pipeline make Bossard optimistic for the future. In addition, the continued trend towards nearshoring and the digitalisation of processes, with a focus on efficiency and productivity enhancements, further strengthens the demand for Smart Factory services in the current environment. The Group continues to stand by the communicated medium-term financial goals and the consistent implementation of Strategy 200.

BULTEN

Bulten Group Reports Good Sales

Bulten Group has reported that net sales amounted to SEK 1.533 billion (€131.36 million) for the first quarter of 2024, an increase of 10.5% on the same period of the previous year (2023: SEK 1.387 billion). Adjusted operating earnings totalled SEK 116 million, equating to an adjusted operating margin of 7.5%.

Bulten highlights that to achieve the strategic ambitions on the markets where it operates, and further increase innovative power, the organisation was restructured at the beginning of the quarter. The new interdisciplinary regional structure is divided into three regions – Europe, Asia and North America – which were given responsibility for sales, manufacturing and financial results. There were also adaptations to the company's engineering resources, in order to enhance product development and innovation.

"The year began with good sales and a sequentially improved operating margin. It is clear that efforts following the capacity challenges in Europe and the launch of a new regional organisational structure, combined with closer cost control, are starting to have an impact on financial results," comments Christina Hallin, interim president and CEO.

"I am pleased to see the operating margin has improved on the three previous quarters, and it is satisfying too that our customer mix in automotive, along with sales in new customer groups, is contributing to stable growth. It is also worth noting that we have now had two consecutive quarters with sales in excess of SEK 1.5 billion. Again this quarter, our main priority has been to reduce the production backlog in Europe, which is adding extra costs. We have not yet caught up but have made good progress, and this can also be seen in the improved operating margin," adds Christina.

Scell-it Announces Strategic Double Acquisition

Scell-it®

Scell-it (UK) has expanded its presence in the UK by acquiring both Rivco Ltd and Kamtech Fasteners (ARK brand), strengthening its position as one of the leading distributors nationally of construction fixings, rivets, rivnuts and setting tools. This will further enhance the wide Scell-it (UK) Group brand range with names such as ARK, Huck®, FAR, RIVIT and Lobster.

Kidderminster-based Rivco was established in 1994 and is a longstanding player in the UK market, bringing an existing turnover of circa GB£3 million (€3.4 million) and a workforce of ten sales and warehouse staff. This acquisition complements the direction and vision of the Group's growth strategy. Kamtech Fasteners, based in West Bromwich, was established in 2015 and has a customer base that perfectly aligns with that of Scell-it (UK). This acquisition brings a further GB£1.5 million of turnover and four sales and warehouse staff to the newly formed Group. Steven Auld, the original majority shareholder of both acquired businesses, will continue with the Group in his new role as joint managing director, supporting the Group's staff and customers.

Gary Moseley, joint managing director and one of the founding shareholders of Scell-it (UK), says: "We are thrilled to announce our acquisition of Rivco and Kamtech Fasteners, both businesses have excellent reputations in the UK and align perfectly with the existing Group. From initial discussions it was clear that this acquisition would fit in perfectly with our existing culture and help strengthen our position in the marketplace."

"These acquisitions reinforce Scell-it (UK) Group's dedication to providing unparalleled supply at competitive prices to meet the precise needs of our customers. We will continue to look for opportunities to grow and Steven and I are excited to embark on this journey with both teams, leveraging our combined expertise to ensure a seamless integration for all involved."

European partners, Scell-it SAS, based at the Group's headquarters in France, echoes this growth vision. With established operations in Poland and Italy, it actively seeks further European acquisitions, propelling the total Group revenue beyond the current €50 million mark.

Daniel Westberg Appointed New CEO for Nord-Lock Group

NORD-LOCK GROUP

Nord-Lock Group, a global leader in bolting and engineering solutions, has announced Daniel Westberg as its new Chief Executive Officer. Daniel will assume his responsibilities as CEO on 1st August 2024. Daniel comments: "I am honoured and excited to take on the role of CEO at Nord-Lock Group, a company with a rich legacy. The Group is on an exciting journey, and I look forward to unlocking new horizons and developing the Group and its four technology brands towards even greater success."

For more than 20 years, Daniel has held various executive level roles within SKF Group and its different subsidiaries, both in Sweden and abroad. Most recently Daniel served as president and CEO at Ewellix.

"The appointment of Daniel as CEO marks an exciting chapter for Nord-Lock Group. Daniel has proven to drive results and has consistently propelled the businesses he has led forward. With his international industrial background, strong commercial and technical understanding, Daniel brings a fresh perspective and strategic vision to the organisation," says Johan Menckel, chairman of the board for Nord-Lock Group.

Daniel holds a master of science in mechanical engineering, and his strong technical acumen, along with a passion for innovation, has been instrumental throughout his career. Having lived and worked in Canada, Germany, and France, Daniel has an extensive global background. These diverse cultural encounters have brought enriched perspectives and provided valuable insights that Daniel now brings into his role as CEO at Nord-Lock Group.

StanleyBlack&Decker

Stanley Black & Decker Expects Mixed Demand to Persist

First quarter revenues for Stanley Black & Decker reached US$3.9 billion (€3.6 billion), down 2% versus the previous year – as growth in DEWALT and Engineered Fastening was more than offset by lower infrastructure volume and muted consumer and DIY demand.

Donald Allan Jr, Stanley Black & Decker's president and CEO, comments: "Our first quarter performance was the result of consistent, solid execution and continued progress against key operational objectives. We continue to see significant value creation opportunities tied to our strategic business transformation, and we remain focused on disciplined execution of our strategy. Looking forward, we expect mixed demand trends to persist across our businesses in 2024, and we are driving supply chain cost improvements designed to expand margins, deliver earnings growth and generate strong cash flow. At the same time, the long-term growth and market share gains we are focused on achieving, will be driven by introducing exciting new products within our most powerful brands – designed to deliver enhanced productivity for end users. We are funding growth investments intended to further accelerate innovation and differentiated market activation to capture these compelling long-term opportunities."

He continues: "Stanley Black & Decker continues to become a more streamlined business, built on the strength of our people and culture, with an intensified focus on our core market leadership positions in Tools & Outdoor and Industrial. I am confident that by executing our strategy, we are positioning the company to deliver higher levels of organic revenue growth, profitability and cash flow to drive strong long-term shareholder returns."

Patrick D. Hallinan, executive vice-president and CFO at Stanley Black & Decker, adds: "The actions we are taking to advance our strategic transformation are progressing successfully, and despite the tepid market backdrop so far in 2024, our profitability remains on an upward trajectory. We will continue our disciplined approach to cost management as we drive toward our target of 35% adjusted gross margins – while funding additional organic revenue growth investments. The organisation is focused on delivering margin expansion, cash generation and balance sheet strength, while working together to position the company for long-term growth and value creation."

Voestalpine Produces 'Green' Wire Rod

Voestalpine has melted the first high-quality 'green' wire rod from hydrogen reduced pure iron and scrap at its site in Donawitz, Austria.

The hydrogen reduced pure iron was produced in the HYFOR pilot plant, while the landmark melting was carried out in the Group's own Technikum Metallurgie research facility – a unique, small but complete, steel plant. The CO_2 reduced steel was further processed in the wire rod mill to produce roller bearing steel, which is characterised by its particular hardness and wear resistance. The production of high-quality, CO_2 reduced steel grades is one of the biggest technological challenges in the transition to 'green' steel production.

Greentec steel is an ambitious and feasible phased plan with which voestalpine can make a valuable contribution to achieving the climate goals. "We have already made a successful start on our path to 'green' steel production and are advancing quickly with the construction of two arc furnaces powered by 'green' electricity in Linz and Donawitz. Parallel to this, we are researching various breakthrough technologies with partners from industry and science. The first ever melting of hydrogen reduced pure iron and its further processing into high-quality wire rod is a historic milestone," comments Herbert Eibensteiner, CEO at voestalpine AG.

Hyfor is a joint research project of Primetals Technologies, voestalpine, Montanuniversität Leoben and K1-MET, with the goal of researching the use of hydrogen to reduce fine iron ore. In the future, the resulting hot sponge iron could be melted down in an electric arc furnace or used to produce hot briquetted iron (HBI).

"The Technikum Metallurgie provides us with an ideal test environment to quickly adapt our steels to the needs of our customers and to changed market requirements. I am very pleased that we are now also doing pioneering work in 'green' steel production and would like to thank all the researchers and employees for their commitment," states Franz Kainersdorfer, head of the metal engineering division and member of the management board at voestalpine.

At the Technikum Metallurgie, voestalpine is conducting research into the production of new high performance steels, for subsequent processing into special rails, high-quality wire rod, as well as heavy-duty oil field pipes. The product development involves a CO_2 reduced route – the input material is melted using electricity from renewable energy sources.

Austria's Largest Climate Protection Programme

In a first step from 2027, voestalpine will reduce its CO_2 emissions by up to 30% by partially replacing its current coal-based blast furnace technology with electric arc furnace technology – powered by 'green' electricity.

This represents almost 5% of Austria's entire annual CO_2 emissions, making greentec steel the largest climate protection programme in Austria. The Group is aiming for carbon neutral steel production by 2050 and is researching intensively on several new processes, as well as investing in pilot projects that explore new pathways in steel production.