

Trifast plc - Brexit Announcement

Since the announcement of the UK referendum to leave the European Union in 2016, TR Fastenings has been actively working to understand the impact of this decision. We have dedicated time and resource from across the business from Executive Board level downwards, creating a Brexit Strategy Group back in July 2016. This working group consists of all major disciplines from Sales, Operations, Sourcing, Finance, Purchasing, Manufacturing and Logistics.

Our Brexit Strategy Group is taking the Brexit situation very seriously and is meeting regularly to make considered decisions on facts, whilst continuing to look at various Brexit scenarios and assessing the impact these may have. We focused initially on the immediate currency weakening from the decision to leave the Union, mitigating as much impact as possible to our customers, and we continue to work hard in this area. We have taken our data analysis to a very granular part level now, and have traced the supply chain back to identify any potential risks. We have also undertaken a complete review of our customs data and its accuracy to allow us to make decisions as further information becomes available.

As a global employer, we have identified that some staff may be affected during this change and we will be working closely with them to ensure a smooth transition. It is imperative that we plan for new circumstances that arise for our employees and ensure we have the best skill base available to service our customers.

Current discussions at the Strategy Group include identifying risks on all imports and exports throughout the manufacturing and distribution process which could result in tariff changes, border delays, information technology challenges, integrated supply chain issues, people and workforce impact, further currency depreciation, quality accreditation, and regulatory compliance. In the event that no deal can be reached by 31st January 2020, we have made provision to continue trading under the rules set out by the WTO (World Trade Organisation).

Taking delays due to customs processing as a likely scenario, some of the solutions TR could implement would be to increase lead times to cater for the additional delays, ramp up stocks to increase the buffer held locally or look to alter supply and distribution routes. As a global business with more than 70% of revenue outside of the UK, The Trifast Group is well placed to be able to leverage the economies of scale, allowing the stocking of products in any one of the 32 locations across the world. Further agility comes from manufacturing sites in UK, Europe and Asia, together with a globally managed vendor base allowing flexibility in supply routes. TR understands that a supply chain is only as strong as its weakest link and we are committed to upholding the level of service our customers have come to expect from us over the years.

Although Brexit has created some uncertainty and the true commercial impact is not known, TR is committed to a growth strategy which can be seen in the recent acquisition of Precision Technology Supplies Limited, enabling us to provide an enhanced offering across our customer network and also strengthen our position when it comes to purchasing synergies and logistics.

With no agreement finalised yet, there are numerous potential scenarios and a large number of short-term and long-term issues to understand, with little certainty available. In an effort to develop our strategy, we have invested in external expertise such as our auditors, bankers as well as trade bodies to gain additional insight. We have also centralised data from other outside sources and we will continue to evolve our thinking as the Government makes further information available.

For further information please contact:

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