

la Subfornitura

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L'INDUSTRIA MONDIALE
DELLA MACCHINA UTENSILE

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Special Report
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Alluminio con Tecnologia Aluminium with Technology

PRODUZIONE DI PROFILATI, BARRE ESTRUSE E TRAFILATE, IN LEGHE DI ALLUMINIO
PRODUCTION OF PROFILES, EXTRUDED AND DRAWN BARS, IN ALUMINIUM ALLOYS



EURAL

GNUTTI S.p.A.


- BARRE TRAFILATE IN LEGHE DI ALLUMINIO PER LAVORAZIONI MECCANICHE AD ALTA VELOCITÀ
DRAWN BARS IN ALUMINIUM ALLOYS FOR MACHINING ON HIGH-SPEED AUTOMATIC LATHES
- BARRE ESTRUSE IN LEGHE DI ALLUMINIO PER STAMPAGGIO A CALDO
EXTRUDED BARS IN ALUMINIUM ALLOYS FOR HOT FORGING
- PROFILI SPECIALI CALIBRATI PER APPLICAZIONI PNEUMATICHE E OLEODINAMICHE
SPECIAL CALIBRATED PROFILES FOR PNEUMATIC AND HYDRODYNAMIC APPLICATIONS
- PROFILATI A DISEGNO PER APPLICAZIONI INDUSTRIALI
TAILOR-MADE SECTIONS FOR INDUSTRIAL APPLICATIONS
- TUBI ESTRUSI
EXTRUDED TUBES

PROFILES AND BARS

Eural Gnutti's mission statement is all about aluminium. Customer service, quality and keeping a close eye on new markets are the main points in a winning strategy. A new hi-tech line of furnaces will soon be operational in its foundries.

by Cecilia Albertoni

The Aluminium Market Goes for Quality



Founded in 1968, Eural Gnutti has long been a leading international figure in the market of extruded and drawn aluminium alloy products.

This is a company that has maintained steady growth over the years although the most significant steps have been taken in the last few years with the acquisition of new production lines and new machinery, the development of new aluminium alloys and a well-established presence on international markets.

During this time an important project aiming to keep all production stages in-house and at the same time ensure a good stock of products, customised for every market necessity has been brought to fruition.

The company's 400,000m² site, which includes 70,000m² under cover is situated in Rovato, near Brescia.

We spoke to the company's sales manager Giorgio Di Betta who commented with us the company's business strategies and its mid-term prospects.

La Subfornitura - How would you describe the progress made by the company in the last few years and what business strategies have you adopted?

A. - 2011 saw us achieve excellent results in terms of sales and turnover; we were also helped by the cost of raw materials.

Giorgio Di Betta,
Sales Manager
at Eural Gnutti

Overall things were very positive. Furthermore we managed to extend our presence in some new markets. In the second half of the year there was a downward trend which continued into 2012, mainly due to the political and economic crisis which hit first Europe and thereafter spread to other important international markets.

We will close this year somewhat below the levels of the previous one; the balance sheet will, however still be in the black



and overall the results are satisfactory considering the negative economic climate.

Eural Gnutti's strategy is to push on to penetrate new markets, including those

far afield like South America. We will be pursuing development in the more strategically important countries a policy which will include opening some branches. We are fighting recession by strengthening our in-house operation with a number of investments designed to improve quality standards so that our products will be impeccable in quality terms. We consider this our strong point and feel it is a primary factor in how the market sees us. We are delighted that our reputation precedes us even in new markets where we are less well-known.

La Subfornitura - Would you say the recession has given a boost to quality products and strengthened partnerships with leading groups...?

A. - There can be no doubt that the big groups recognise the quality of our products, something that has encouraged us to continue with our "no compromise on quality" policy.

The best results this year came from customers in premium markets who were less conditioned by the recession.

Despite a drop in the cost of raw materials, we have resisted the temptation to lower our prices excessively and kept them at a somewhat higher level than average prices.

At the moment our rivals are Italian and foreign companies the majority of which are important multinationals, some of which have production facilities in Italy.

La Subfornitura - How would you divide up your activities in terms of the Italian market versus foreign markets?

A. - Currently between 65% and 70% of our turnover is generated on international markets. As for traditional European markets, we are well placed in Germany which has continued to maintain satisfactory levels and in Spain, which is otherwise going through a difficult period, not forgetting France and the UK.

We have also done well in Eastern and Northern European countries which have come out of the recession well and continue to invest.

Outside Europe we are looking at emerging countries like China. Despite the



Above: the company's extruding plant in Rovato (near Brescia); below: the foundry at Pontevico (near Brescia)

difficult market conditions there are some multinational companies that know us and prefer our products to those produced locally. The same applies for Brazil and Mexico, where we have been trying to make our presence felt with satisfying results.

At the moment we don't have any international branches, but as I mentioned before, we are considering to open some sales offices.

The most promising results on the Italian market have come from export companies. Business that supply only domestic customers are finding themselves in difficulties at the moment.

La Subfornitura - In the past two years, what have been your biggest investments?

A. - The foundry is without doubt the biggest and we consider it to be the most important factor in our process; it makes us stand out from our competitors. Many extruders buy raw materials elsewhere, while we continue to produce ours in house – special aluminium alloy billets we use to make bars and sections. Meanwhile sections of high-speed alloys

are produced from raw billets purchased abroad.

The investment of over 12 million euros created an advanced technology line of foundries with a production output of over 200 tons per day.

We feel this investment is bound to deliver great success by ensuring an increase in the quality of our products and savings in production costs. The installation will be completed in a short time and we are confident it will be operational by the beginning of 2013 at the latest.

La Subfornitura - In terms of technology, what are the most significant advances your company has made recently?

A. - We are happy to point out that in recent months our position in the automotive industry – a reality in which we have been operating successfully for some time – has gone from strength to strength. Compared to the recent past, when multinationals seemed to be more interested in working with other multinational groups, recent years have seen a turnaround and after having tested our products the big automobile industry suppliers have

increased their purchases significantly. The difficulties some of our multinational competitors have experienced in recent times have allowed us to improve our market share in this sector.

We mainly work with manufacturers of brake systems, gearboxes and air conditioning systems. In these production sectors, many of our customer use our drawn bar products.

Our customer base includes internationally recognised brands such as Brembo, Continental TRW etc. Hydraulic and pneumatic system manufacturers have also proved very interesting for us in recent times.

La Subfornitura - In the R&D field what are the most interesting project your company is currently working on?

A. - We are not researching any new alloys at the moment, but we are making the best possible use of the wide range of materials at our disposal in order to solve any problems our customers bring to us.

Our range of products already covers most of market needs and is suitable for new applications too.



The casting stage at the Pontevico foundry

The hard alloys in our 7000 range have the best mechanical characteristics being very similar to steel; the 6000 range stands out as a material that is particularly suitable for the anodisation process; it features good plasticity and is quite easy to process. Meanwhile the 2000 range is very easy to process and offers excellent mechanical properties.



Bar storage facility

La Subfornitura - Do you think we will be seeing an increase in the use of aluminium, perhaps as a substitute for other metals?

A. - There is definitely a trend in that direction; aluminium has already replaced other metals in a number of applications. If we are looking for ways to increase efficiency choosing lightweight materials and aluminium is a good way of going about it – with a specific weight of 2.7kg/dm³ which is about a third of that of steel and brass. Furthermore aluminium is a good conductor as well as being non-toxic and features excellent mechanical properties.

The Eural & Gnutti R&D department is cooperating with our customers on new possible applications in which aluminium could replace other materials. We need to look at each case individually and weigh up the pros and cons such as which type of machinery and production processes would need to be changed in order to be able to switch over to aluminium.

La Subfornitura - In such complicated processes service takes on a whole new meaning: how have you managed your relationship with your customer base until now and how do you plan to continue?

A. - Our metallurgy and material testing department is our pride and joy. The technical preparation of our engineers exceeds our current in-house needs and there is an excellent awareness of what our customers are developing.

These skills mean we can offer top-notch advice and after sale service and have our say when it comes to choosing materials and establishing operational conditions that will optimise the various processes.

Our organisation is extremely proud of the fact that it continues to invest in training its personnel and as a result can offer this kind of on-going service.

La Subfornitura - AQ is a company like Eural Gnutti in a position to offer more "customer-oriented" products that its multinational competitors?

A. - Well, first I have to say that although some of our competitors are larger than

us, as far as our bar products is concerned we are one of the most popular and successful in Europe.

If by "customer-oriented" you mean being about to make a product tailored to the customer's needs this is not always easy, because it would mean creating a brand new alloy every time. It would be fairer to say that thanks to our technical and operational advisors we supply our customers with the information they need to choose the most suitable materials for their particular application.

We supply this kind of service to all our

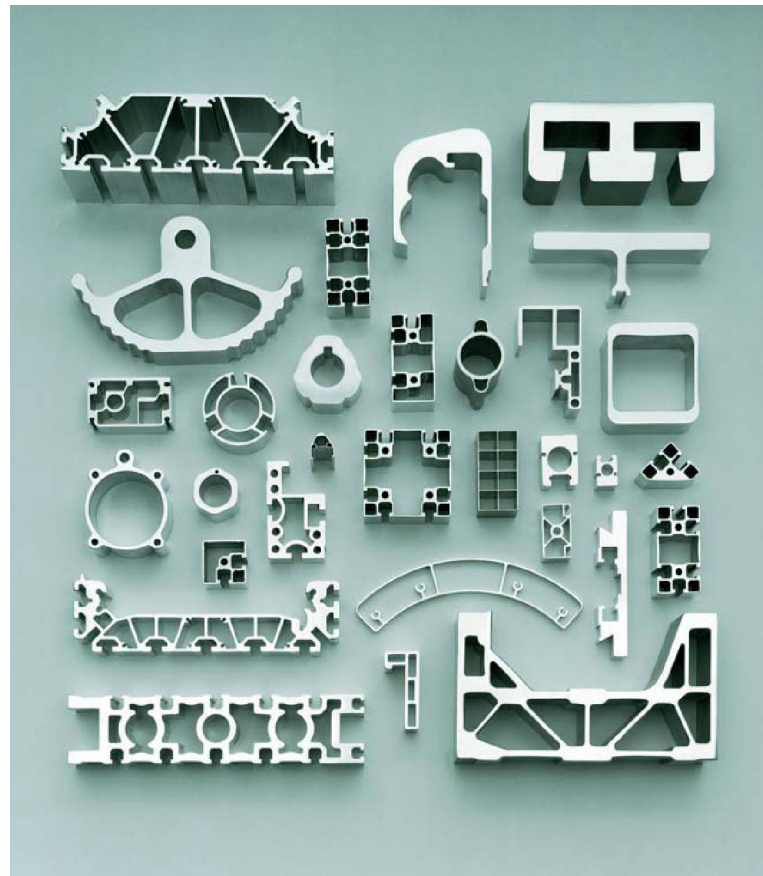
in which direction the others are going and act on that.

The figures seem to be settling down, but it's impossible to hazard a guess about what will happen in the medium or long term. The prospects of a medium-large company like ours is to a large extent, dependent on the growth rate of new markets. We are moving in this direction, counting on the quality of our products and developing working relationships with multinationals that are already operating in emerging markets.

is an integral part of our company's philosophy as we choose to work with aluminium - a non-toxic product.

La Subfornitura - In closing, why should companies that have not yet worked with you choose your products?

A. - Because we are sure we can meet your expectations in solving specific problems pertaining to extruded and drawn aluminium alloy products. There is a number of new companies that are contacting us even in the current economic climate and most of them



customers, large and small. Indeed we are convinced that our mission is to spread the use of aluminium at every level.

La Subfornitura - What is the outlook in the medium term?

A. - A lot will depend on the general economic and political climate: while we can't lead the world we must understand

La Subfornitura - What importance does safeguarding the environment have in your industry?

A. - We are very aware of environmental issues - when you run a foundry you have to be very careful about checking for radioactivity both in incoming materials and in effluents. Furthermore respecting the environment

To the left:
special aluminium
parts for the
automobile sector

To the right:
a selection of
aluminium articles
for a variety
of uses

are looking for a quality product. As a result our main objective is to make a product that will meet the criteria of our customer base in conformity with international standards.

This type of approach adds value to our activity and gives us an advantage over our competitors. It is also why we have achieved the results we have.