



Solvay accelerates efficiency plans for Composite Materials

Due to lower customer demand from COVID-19, the Group's Composite Materials business will accelerate existing efficiency plans by restructuring its manufacturing footprint with the intent to close two sites and reduce global headcount by 20%.

Brussels, May 15, 2020 – Today, Solvay announced it will deepen and accelerate efficiency plans for its Composite Materials unit to reduce costs, improve productivity and better serve customers in light of reduced activity due to the COVID-19 crisis.

Building on measures already implemented earlier this year, Solvay's Composite Materials business intends to cease industrial operations at its plants in Manchester, UK, and Tulsa, Oklahoma (USA). Those activities will thereby be transferred to other best-in-class facilities, increasing capacity and improving operational efficiency. In addition, job reductions are being implemented across the business, and total headcount will likely reduce by approximately 570 positions, or around 20% of its workforce.

These structural changes will enable the business to adapt its cost structures and to partially mitigate the downturn in the near term. The implementation of this plan is expected to be largely complete by the end of 2020 and will result in annualized cost savings of approximately €60 million. A restructuring charge of around €30 million will be taken in Q2.

Over the past year, Solvay's Composite Materials business already improved operational efficiencies by increasing productivity and advancing automation. Furthermore, a cost-reduction program was implemented in response to the reduced production of Boeing 737 MAX. These steps led to record results in 2019 and sustained performance in the first quarter 2020, but are not sufficient to overcome the significant headwinds related to COVID-19. The current crisis has triggered an industry-wide reduction in expected demand in civil aircraft build rates for the near term.

"The decision to part company with employees is never one that we take lightly," said CEO Ilham Kadri. "The steps we are taking are necessary to adapt to the dynamic environment and ensure that Solvay is competitive and strongly positioned to meet our customers' needs as growth eventually resumes - which it will."

Ce communiqué de presse est également disponible en français. – Dit persbericht is ook in het Nederlands beschikbaar.



About Solvay

Solvay is a science company whose technologies bring benefits to many aspects of daily life. With more than 24,100 employees in 64 countries, Solvay bonds people, ideas and elements to reinvent progress. The Group seeks to create sustainable shared value for all, notably through its Solvay One Planet plan crafted around three pillars: protecting the climate, preserving resources and fostering better life. The Group's innovative solutions contribute to safer, cleaner, and more sustainable products found in homes, food and consumer goods, planes, cars, batteries, smart devices, health care applications, water and air purification systems. Founded in 1863, Solvay today ranks among the world's top three companies for the vast majority of its activities and delivered net sales of €10.2 billion in 2019. Solvay is listed on Euronext Brussels (SOLB) and Paris and in the United States, where its shares (SOLVY) are traded through a Level I ADR program. Learn more at www.solvay.com.

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