



## Press release

Arques, France – September 18<sup>th</sup>, 2019

### **Arc France announces solid progress thanks to its Synergie 2020 transformation plan**

Since January 2019, the priority for Arc France's leadership team has been the successful completion of the Synergie 2020 plan, thanks to a fruitful collaboration with social partners and all site employees alike. The objective of this transformation plan is to improve Arc's competitiveness, and to ensure a sustainable future for the 8<sup>th</sup> largest industrial site in France.

At the end of March, after three months-long negotiations, the company entered an operational phase covering more than 150 projects in all of Arc France's fields of activity. This was possible after raising new funds with the support of Arc's shareholders, the French Government, the Hauts-de-France Region and CAPSO (Urban Community of St Omer).

To this day, €86.5 million of the €120 million in granted financing has been received, leading only to a €25 million increase in debt, as a result of the debt restructuring.

In 2019, Arc France will have invested €49 million to support the modernization of its site.

The Group's latest innovations (crystalline, colored opal, culinary opal) are highly successful. Colored opal generated €12 million in sales while the Smart Cuisine range, in culinary opal, was awarded "Product of the Year 2019".

The Europe Ebitda is expected to close the year 2019 with a 25% increase, in comparison to 2018.

With Synergie 2020, Arc France is working towards facilitating and deploying a more open and agile organization, through six key measures such as labor cost optimization and the transformation of its logistical organization.

Results among the concrete initiative include:

- an effective 3% decrease of the 40 highest salaries,
- a new agreement on retirement arrangements,
- additional positions which enabled a cost saving of €1 million during summer 2019.

Arc France is committed to maintaining employment and transmitting its expertise. Since Spring 2019, 88 employees have been offered a permanent position including 84 who were previously on fixed-term or temporary contracts.

The pooling of maintenance skills is effective: teams are now fully centralized, allowing operators/mechanics to increase their field of expertise and ensure a wider range of interventions.

To maintain its ability to compete, the company carries out major projects as part of its R&D activity. These projects are part of a circular economy approach and aim to achieve a positive impact on the environment. This is accomplished through:

- The decrease in Arc's energetic consumption,
- Luminarc's launch of a range of storage boxes offering an alternative to disposable plastic,
- The deployment of its light-weight opal tableware range, dedicated to local and regional communities: schools, hospitals, etc.

In addition, the launch of Luminarc's "Le Verre Français" series which advocates for a local production, is another fine example of the company's dynamism.

Arc France is confident that it will achieve its profitability goal by the end of 2019 and that it will continue to meet its growth prospects in the coming years.

**Key figures for Europe as of 31.08.19:**

- Consolidated gross sales: €310m
- Number of hires since April: 88 permanent employees
- Number of employees on permanent contracts as of September: 4,630 employees
- Ebitda: €27.4m

**Arc**

Arc employs more than 10,000 people worldwide, including 4,500 in France. The Group, whose head office is located in Arques, in the French Pas-de-Calais region, achieved gross sales of €933 million in 2018. Armed with its know-how in glassware, it developed globally and currently markets its complete tableware ranges to more than 160 countries.

The Group covers the Consumer Goods and Food Service markets through a portfolio of brands – Luminarc®, Arcoroc®, Arcopal®, Cristal d'Arques® Paris, Eclat Cristal d'Arques® Paris, Chef&Sommelier®. For over 40 years, the Group has also been serving professional customers – industrial groups, wholesalers, manufacturers of semi-finished and finished products, service providers – with a wide range of tailor-made solutions to meet their specific needs (industry, advertising, premiums, loyalty).

Arc is present in five continents with its production sites (France, United States, China, United Arab Emirates, Russia), distribution subsidiaries (United States, Spain, Portugal, Italy, United-Kingdom, Russia, India, Australia, Japan, South Africa, Singapore, South Korea) and sales offices.

The Group has adopted a strategy of sustainable development in order to balance economic requirements, social responsibility and respect for the environment, and joined the U.N.'s Global Compact in 2003.

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