



Arques, July 30, 2020

Press Release

Arc takes a major step forward in the reorganization of its financial structure

The Arc group, the world leader in tableware, announces a major agreement with its shareholders and partners, as part of a financing process made necessary by the health crisis.

This agreement has several components.

- First, the key shareholder since 2015 will bring €20 million in the form of a capital injection, demonstrating again his confidence in the Group's future.
- Second, Arc will receive €108 million in new loans from the French State, the Région Hauts-de-France and the local community CAPSO, as part of the measures taken by the French public authorities to help businesses affected by the health crisis.
- Finally, the key stakeholders reached an agreement on the current financing settlement and regarding Arc's Russian production subsidiary, OSZ, which will continue to operate under the distribution partnership and long-term licensing agreement with Arc Group.

Through a mutually beneficial partnership, the Russian plant, OSZ, will continue to produce for its local market, including Luminarc[®] branded products under a licensing agreement. For its part, Arc group will continue to export its products from France, the Emirates and China to the Russian market, via its distribution subsidiary ADR.

The beneficial consequences of these agreements are major for the Arc group and all its employees. The long-term sustainability of the business is now significantly enhanced. The important reduction in the debt burden and interest rates will significantly improve profitability, allowing Arc to continue the transformations ongoing since 2019. These include improvement of safety and working conditions, renovation of the furnaces, automation of the packing area, continuation of innovation and acceleration of the savings plan.



These agreements come in a very special context. The Group's performance indicators were in line with the targets set for 2019 and 2020 before the Covid-19 crisis and the effects of containment, which have been particularly intense in the Food Service sector. The business support system put in place by the French government, in the weeks following the outbreak of the health crisis, enabled the Group to withstand the immediate down-turn and provided the company the necessary time to negotiate the refinancing agreements finalized today.

For Nick Hodler, Group Chief Executive Officer, *"this is great news for the company and all its employees. Thanks to the trust, commitment and support of our shareholders and partners, the Group will be able to continue its trajectory of transformation, modernization, improvement of working conditions and optimization of services for its customers. In particular, the agreements finalized today would not have been possible without the effective business support measures put in place by the French public authorities in response to the health crisis. We managed to find a structural solution to a short-term problem."*

Arc

Arc emploie plus de 9 000 collaborateurs dans le monde dont 4 500 en France. Le Groupe, originaire d'Arques, dans le Pas-de-Calais, a réalisé un chiffre d'affaires de 911 millions d'euros en 2019. Fort de son savoir-faire verrier, il s'est développé à l'international et distribue aujourd'hui ses concepts complets d'art de la table dans plus de 160 pays.

Le Groupe évolue sur les marchés grand public et de l'hôtellerie et de la restauration à travers les marques de son portefeuille : Luminarc®, Arcoroc®, Arcopal™, Cristal d'Arques® Paris, Eclat® et Chef&Sommelier®. Depuis plus de 40 ans, le Groupe s'adresse également aux clients professionnels – industriels, négociants, fabricants de produits semi-finis et finis, prestataires de service – avec un éventail de solutions sur mesure répondant à des problématiques précises (industrie, publicité, prime, fidélité).

Arc est présent sur les cinq continents à travers des sites de production (France, États-Unis, Chine, Émirats arabes unis, Russie), des filiales de distribution (États-Unis, Italie, Russie, Inde, Australie, Japon, Afrique du Sud, Singapour, Corée du Sud) et des bureaux de liaison.

Le Groupe veille à équilibrer les exigences économiques, la responsabilité sociale et le respect de l'environnement et inscrit ses activités dans la démarche de développement durable, notamment en ayant adhéré au Pacte Global Compact de l'ONU en 2003.

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