

Media release

March 12, 2020

Nouryon reports further growth in profitability in 2019

Nouryon reported further growth in profitability in its full-year 2019 financial results, despite challenging conditions in several end markets.

Adjusted EBITDA increased by 5%, driven by margin management and cost initiatives. Revenues were slightly up, as a small decline in volumes was more than offset by price and product portfolio mix benefits.

| Selected financial data (in € millions) | | | |
|---|-------|-------|--------|
| | 2018 | 2019 | Change |
| Revenue | 5,064 | 5,082 | 0% |
| Adjusted EBITDA ¹ | 1,071 | 1,128 | 5% |
| EBITDA margin (%) | 21.1% | 22.2% | |

“This is another solid set of results,” said Nouryon Chairman and CEO Charlie Shaver. “Our commercial excellence and operational improvement initiatives along with our cost discipline have shown that we can deliver improvements in profitability even when market conditions are challenging.”

The company’s improved adjusted EBITDA performance and strong cash position have helped its deleveraging efforts, including an early voluntary debt repayment of USD110 million (equivalent to approximately EUR100 million) in the fourth quarter. It also recently completed a successful repricing of its Euro and US Dollar term loans, reducing annual interest payments by approximately EUR18.5 million.

Shaver added that the company continues to invest in capacity expansions and bolt-on acquisitions to support the growth of its customers. Key growth investments in 2019 included organic peroxide expansions in China, Mexico and the US, and expansions of colloidal silica and expandable microspheres in Sweden.

Nouryon also completed the acquisition of a leading producer of metal alkyls in China in 2019. The company recently announced two further proposed moves to optimize its portfolio; the acquisition of the carboxymethyl cellulose business of J.M. Huber Corporation, and the divestment of its redispersible polymer powders business to Celanese.

1) EBITDA adjusted to (i) eliminate certain non-operating income or expense items, (ii) eliminate the impact of certain non-cash and other items that are included in profit for the period and EBITDA that the company does not consider indicative of its ongoing operating performance, (iii) eliminate certain unusual items impacting results in a particular period and (iv) for periods prior to January 1, 2019, reflect the pro forma effect of the impact from the future adoption of IFRS 16.

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About Nouryon

We are a global specialty chemicals leader. Markets worldwide rely on our essential chemistry in the manufacture of everyday products such as paper, plastics, building materials, food, pharmaceuticals, and personal care items. Building on our nearly 400-year history, the dedication of our 10,000 employees, and our shared commitment to business growth, strong financial performance, safety, sustainability, and innovation, we have established a world-class business and built strong partnerships with our customers. We operate in over 80 countries around the world and our portfolio of industry-leading brands includes Eka, Dissolvine, Trigonox, and Berol.

Not for publication – for more information

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