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Arkema announces the proposed divestment of its Functional Polyolefins business

Arkema announces the proposed divestment of its Functional Polyolefins business to SK Global Chemical, a major chemicals player in South Korea and a subsidiary of SK, the large South-Korean corporation. With this project, Arkema continues its shift towards specialty chemicals and advanced materials.

Part of the PMMA Business Unit (Industrial Specialties division), the Functional Polyolefins activity represents sales of some €250 million. It comprises ethylene copolymers and terpolymers for the food packaging, cable, electronics and coatings markets, and leverages well-known brands: Evatane®, Lotryl®, Lotader®, Orevac®.

This activity employs around one hundred people in France and has an international sales network of around thirty people.

A subsidiary of South-Korean group SK, SK Global Chemical reported sales of US\$11.9 billion in 2018, and operates around ten production sites around the world.

Offering a highly complementary fit with SK Global Chemical's existing portfolio of activities, Arkema's Functional Polyolefins would enable the company to consolidate its position in the packaging market and enter new industrial markets such as cable manufacturing.

The transfer of the business from Arkema France to SK Global Chemical would lead to the creation of a French subsidiary of the South-Korean group.

The offer received is based on an enterprise value of €335 million.

The proposed disposal is subject to an information and consultation process involving Arkema's employee representative bodies and to the approval of the relevant antitrust authorities. The project is expected to be finalized in second quarter 2020.

This project, part of the program to divest non-strategic activities initiated in 2015, contributes to Arkema's objective to increase the share of specialties in its portfolio, in line with its ambition for these businesses to exceed 80% of Group sales by 2023.

A designer of materials and innovative solutions, Arkema shapes materials and creates new uses that accelerate customer performance. Our balanced business portfolio spans High Performance Materials, Industrial Specialties and Coating Solutions. Our globally recognized brands are ranked among the leaders in the markets we serve. Reporting annual sales of €8.8 billion in 2018, we employ around 20,000 people worldwide and operate in some 55 countries. We are committed to active engagement with all our stakeholders. Our research centers in North America, France and Asia concentrate on advances in bio-based products, new energies, water management, electronic solutions, lightweight materials and design, home efficiency and insulation. www.arkema.com

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