Since January 2020 Elsevier has created a COVID-19 resource centre with free information in English and Mandarin on the novel coronavirus COVID-19. The COVID-19 resource centre is hosted on Elsevier Connect, the company's public news and information website.

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Volumes decreased by 11.1% year over year, primarily attributable to a sharp decline in sales volumes beginning in mid-March due to the impact of COVID-19 (see below). Gross profit fell by 10.8% but adjusted EBITDA increased by 1.7% year on year to $35.8 million, reflecting higher base prices and favourable absorption partially offset by the lower sales volumes, Orion says. The adjusted EBITDA margin reached 16.5% in 1Q 2020 compared to 13.9% the previous year.

According to CEO Corning Painter, Orion executed well in the first quarter and was on track for strong financial results until the second half of March when many tyre customer plants idled or shut down in response to the spread of the COVID-19 pandemic. This resulted in a 10.5% year-on-year drop in sales volumes to 235,000 tonnes, with both the Rubber and Specialties segments impacted. All of Orion’s plants remained in operation throughout the first quarter. An abrupt halt in consumer spending and miles driven, and a sharp decline in oil prices also affected the company’s performance in the final weeks of the quarter but, despite that, Orion was still able to deliver an adjusted EBITDA of $63.8 million, Painter notes. He reports that the company rapidly implemented its pandemic business continuity plan, taking action to protect employees and production capability, support customer relationships, ensure supply chain stability and strengthen its financial standing. Among these actions, the company has suspended its dividend to enhance financial flexibility and bolstered its cash position to c. $100 million. In addition, Orion has withdrawn its guidance for full-year 2020 performance due to the level of uncertainty concerning the impact of the coronavirus pandemic.

More information: www.orioncarbons.com

Lanxess records slight fall in sales but income hit by coronavirus crisis

Germany’s Lanxess generated net sales of £1.704 billion in the first quarter of 2020, down only 2% compared to the previous year despite the weak economic environment due to the COVID-19 pandemic. However, EBITDA pre-exceptionals declined by 9.9% to €245 million and net income from continuing operations fell more sharply, by 27.6%, to €63 million. The EBITDA margin pre-exceptionals amounted to 14.4% compared to 15.7% in 1Q 2019.

Earnings in the Specialty Additives segment, and in the new Consumer Protection segment [see ADPO, May 2020, pp. 8–9], developed positively, ‘significantly mitigating’ the impact of the coronavirus crisis, the company reports. Foreign currency translation also had a positive effect, particularly from the US dollar, it says. However, a further decline in demand from the automotive industry as a result of the pandemic had a negative effect on earnings, particularly in the Engineering Materials segment.

The Specialty Additives segment saw both sales and earnings increase in the quarter in spite of the economic environment. Sales were up 2.9% year on year to €499 million and EBITDA pre-exceptionals was 2.4% higher at €85 million, with the associated margin nearly stable at 17.0%. Good business with bromine chemicals and positive exchange rate effects helped to offset weak demand in the automotive sector as a result of the COVID-19 crisis.

Sales in the Advanced Intermediates segment, which now houses the Inorganic Pigments business, dropped 4.5% year on year to €558 million and EBITDA pre-exceptionals was down 16.2% to €88 million. The EBITDA margin pre-exceptionals fell back to 15.8% from 18.0% in 1Q 2019. The segment reported higher sales volumes in the Inorganic Pigments business unit and advantageous exchange rates but these positive factors could not compensate for weaker demand in the Advanced Industrial Intermediates business unit, particularly from the Asian region, due to the pandemic.

More information: www.lanxess.com