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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years, as well as to the currently increasing need for medical device compounds.

According to Teijin, the success of its German-produced C604 chopped product is based on its ‘excellent quality’, which enables the production of high-grade compounds with ‘superior mechanical properties’ and good electrical conductivity. Demand for C604 has increased significantly in recent years, the company reports. To date, demand from European customers has been partly satisfied by delivering the same product type produced at Teijin’s Mishima plant in Japan. However, with the increased German capacity, Teijin says it can now react more flexibly to enquiries from the European market.

Teijin produces other types of Tenax short fibre – chopped, pelletized or milled – at its facilities in Mishima and Rockwood, USA. They are supplied in a variety of sizings for use in thermoplastics, thermosets and in water-based processes, it says. The company reports that it is further strengthening the development of its carbon fibre product portfolio and aims to support the society of the future ‘by delivering innovative high-performance materials and solutions with real value’.

Teijin Carbon Europe is headquartered in Wuppertal, Germany, which houses its European sales and marketing departments as well as development and other laboratories. The Heinsberg manufacturing site produces carbon fibre on four large-scale lines with an annual capacity of 5100 tonnes. It also produces Tenax-branded thermoplastic compounds and preforms. The site employs about 350 personnel.

Parent company Teijin was originally established as Japan’s first rayon manufacturer in 1918 but has evolved into an enterprise with three core business areas: high-performance materials, including aramid and carbon fibres and composites; healthcare; and IT. The group comprises more than 170 companies and employs some 20 000 people across 20 countries. Teijin posted consolidated sales of Yen 853.7 billion (US$8.0 billion) in its fiscal year ended 31 March 2020.

More information: www.teijincarbon.com

Evonik reorganizes divisional structure to reflect specialities transformation

German company Evonik reports that it is ‘pushing forward’ with its long-planned transformation into a best-in-class speciality chemicals company [ADPO, August 2018, pp. 9–10] and is reorganizing its divisional structure to better reflect this strategic change. It is also updating its financial targets with a focus on growth, returns and cash generation.

From 1 July, Evonik’s operating segments have been transferred into four divisions that are more balanced in their size and type of business. The company says that the divisions will be easier to manage because of their clear strategic roles, with three oriented towards growth and one towards efficiency, and will be structured along separate technology platforms. The new divisions are: Specialty Additives, Nutrition & Care, Smart Materials and Performance Materials.

According to Evonik, this restructuring step reflects the ongoing strategic transformation of its portfolio. In the decade since 2010, the proportion of the company’s portfolio occupied by speciality businesses has doubled from 40% to 80% today. These businesses have delivered annual organic earnings growth (which does not include growth from acquisitions) of 6% over the past five years, Evonik reports. ‘We have been very successful in increasing the share of speciality businesses in our portfolio and will continue to push forward in this direction’, says executive board chair Christian Kullmann.

The four new divisions will have a more streamlined administration. The revised set-up will result in a reduction of 150 positions and annual savings of €25 million by the end of 2021, mainly in administrative functions in the operating segments. The new reporting structure will also increase financial transparency, with Evonik disclosing figures for four instead of three divisions, shedding more light on the development of the different businesses. It will also disclose sales splits for four sub-divisions.

Evonik has also conducted a sustainability analysis across its portfolio to better integrate sustainability topics into the company’s portfolio and strategic management decisions. The results show that 90% of products have a positive sustainability benefit that is at or above market reference, and more than 30% ‘deliver clearly superior sustainability benefits’, it claims. The company says it is seeing high demand for these ‘sustainability winners’.

To reflect its strategic transformation and growth expectations, Evonik has updated its medium-term financial targets. In the three growth divisions, sales volumes are expected to increase by more than 3% annually on average over the medium term. The company aims to create value by generating a return on capital employed of 11%,
which is well above its cost of capital. Finally, it is aiming for strong free cash flow generation in relation to profit, with a goal for a cash conversion ratio of more than 40%. These new targets complement its existing financial goals: to reach an EBITDA margin of 18–20%, pay a reliable dividend and retain a solid investment grade rating.

For the first quarter of 2020, Evonik reported sales of €3.24 billion, down 1% year on year despite the initial impact of the coronavirus crisis. EBITDA declined by 5% to €513 million due to lower volumes and selling prices while adjusted net income fell 27% to €181 million.

More information: www.evonik.com

Nouryon expands manufacturing capacity for organic peroxides in Brazil

Speciality chemicals company Nouryon has completed an expansion project that more than doubles manufacturing capacity for organic peroxides at its plant in Itupeva, Brazil. The expansion adds capacity for products including methyl ethyl ketone peroxides (MEKP) as well as dibenzoyl peroxide (BPO) pastes and waxes. These materials are curing agents essential for the production of composites serving fast-growing markets such as wind turbines and civil construction.

The investment in Itupeva has transformed the site into a state-of-the-art production facility, with one key upgrade being the installation of an advanced safety instrumented system (SIS), the company reports. The capacity expansion provides composites customers with greater supply reliability across Nouryon’s entire organic peroxides product portfolio, according to Alain Rynwalt, the company’s VP of Polymer Catalysts.

This is the latest in a series of investments Nouryon has made to strengthen its polymer catalysts business, which includes organic peroxides and metal alkyls. A leading producer of essential ingredients for the global polymer industry, the company supplies its growing customer base from production facilities in Europe, Asia and the Americas. The recent investment in Itupeva strengthens its supply position even more in this fast-growing region, comments Johan Landfors, president of Technology Solutions at Nouryon.

In other news from the company, Nouryon has increased prices for its Trigonox 101 polymerization initiator from 1 June 2020. The price adjustment is necessary to account for a 10–15% increase in the cost of raw materials, it says. Prices for the polymerization initiator have been increased by a corresponding amount, subject to pre-existing contractual requirements. Trigonox 101 and its formulations are used in polymer production, polymer modification and crosslinking in a wide range of plastic and rubber applications.

More information: www.nouryon.com

FINANCIALS

Songwon Industrial posts solid financial results

After a challenging end to 2019 [ADPO, May 2020, p. 11], South Korea’s Songwon Industrial Group experienced a solid start to 2020 with ‘sound growth’ in both sales and profits, it reports. The company achieved net profit of KRW11.18 billion (c. €8.2 million) on consolidated sales of KRW210.54 billion in the first quarter of 2020, representing year-on-year increases of 27.4% and 10.6%, respectively, compared to the same period last year despite growing concern for the potential impact of the rapid spread of COVID-19.

In 1Q 2020, Songwon recorded an operating profit of KRW18.07 billion, up 31.3%, EBITDA of KRW26.99 billion, a year-on-year increase of 16.9%, and EBIT of KRW18.45 billion, up 32.3%. Both the EBITDA and EBIT margins increased in the first quarter, to 12.8% and 8.8%, respectively. Compared to the same reporting period in 2019, sales showed a positive development in all of the group’s regional markets in 1Q 2020. The Industrial Chemicals and Performance Chemicals divisions also both recorded higher sales in the three months ended 31 March 2020.

Sales for Industrial Chemicals increased by 10.7% to KRW156.02 billion while Performance Chemicals posted a 10.1% rise in sales to KRW54.52 billion in 1Q 2020. For Industrial Chemicals, this was mainly caused by increased stockpiling by customers, beyond the usual seasonal replenishment of inventory at the beginning of the year, due