

For Immediate Release

Bandag Europe announces intention to close its retread production plant in Lanklaar (Belgium)

DILSEN-STOKKEM (Belgium) (September 12, 2024) — Bandag Europe NV (Bandag), a subsidiary of the global leader in retread solutions, today announced its intention during an Extraordinary Works Council to close its retread production plant in Lanklaar, Belgium, around the first half of 2025. In the last ten years, the European retread market has seen a significant decrease resulting in production overcapacity and uncompetitive production costs. Consequently, the company has no other option than to take structural measures.

Over the past decade, the demand in the European retread market dropped by 30%, predominantly driven by the import of low-cost truck and bus tyres from East Asia. Bandag's sales continued to decline in Europe, resulting in significant production overcapacity and increasing and uncompetitive production costs. These costs have been further impacted by the high energy prices and subsequent inflation.

Over the years, the company has undertaken initiatives to address the structural issues in its retread business, amongst others with a transformation plan for its Belgian production site in Lanklaar in 2021. However, since then, the market has seen an even sharper decline.

Given the present market conditions, Bandag must take structural measures to bring the retread business back to profitability and secure its sustainability over time. A consolidation of the European production footprint to ensure alignment with market conditions therefore appears to be unavoidable.

After careful analysis, considering cost optimization as well as current and future production capabilities, centralising production at one location, specifically Stargard (Poland), is considered the only remaining option to ensure a future for the company's retread business in Europe. Accordingly, Bandag is starting the information and consultation process with the intention to close the Lanklaar plant around the first half of 2025. Bandag currently employs 111 people in this plant.

Jan Deneir, Plant Manager Bandag Lanklaar, said: "Bandag's management is conscious of the potential impact of the envisaged closure. We intend to manage the process with respect and consideration for the impacted employees. We aim to conduct a constructive and

transparent dialogue with the social partners throughout the information and consultation process. In the event of a closure, Bandag is committed to developing a fair social plan and will put the necessary efforts in place to support the affected employees in their search for a new job. We will also be providing psychological support for anyone who might require it.”

The company continues to firmly support its retread activities, one of the earliest examples of circular economy, as a sustainable solution for commercial vehicles and fleets. By consolidating its production footprint in Europe, the Bandag business will be able to regain its competitiveness in the market and focus on high value and qualitative offerings.

Media information: [Liesbeth Denys](#), Director Corporate Communications Bridgestone EMEA

About Bandag

As the world's most trusted supplier of premium tyre retreads and retreading systems, Bandag combines over 60 years of industry expertise with an uncompromising dedication to safety and reliability. As a subsidiary of Bridgestone, a global leader in tyres and sustainable mobility solutions, Bandag keeps its customers moving with a high-quality, cost-effective, and sustainable alternative to new tyres.

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