

Pennsylvania News: Lancaster plant to play key role when Armstrong Flooring debuts in Q1



When Armstrong World Industries spins off its flooring business, a key to the new company's success will be the expanded Lancaster floor plant. Armstrong Flooring, expected to begin operating in March, will be a Lancaster-based company that makes resilient flooring and wood flooring. And the fastest growing type of resilient flooring is luxury vinyl tile, which the expanded floor plant started producing this fall.

Armstrong Flooring provided an overview of its future and the role of luxury vinyl tile in that outlook in a Securities and Exchange Commission filing. At the Dillerville Road plant, samples of residential luxury vinyl tile are coming off the line now, an Armstrong World spokeswoman said Tuesday. Commercial luxury vinyl tile production will be added in the first quarter, she said.

Armstrong World has spent \$45 million to add luxury vinyl production to the Dillerville Road floor plant, according to the spokeswoman. The floor plant's output replaces luxury vinyl tile that Armstrong had been purchasing from a Chinese supplier. When Armstrong Flooring begins operating, the Lancaster floor plant will be the only one of its 17 factories to make the popular product.

It also will be perfectly positioned to serve the biggest market for luxury vinyl tile — North America. The investment here, said Armstrong Flooring in its filing, "allows us to locally serve the North American market and leverage our manufacturing expertise to create a strong cost and quality position.

"This improved cost, quality and service model will allow us to grow share in this important category," said Armstrong Flooring. Armstrong World began expanding the Dillerville Road plant in April 2014, according to LNP files. The plant is on the western edge of what once was a sprawling flooring complex with a main entrance on West Liberty Street.

In addition to luxury vinyl tile, the plant makes a fiberglass-backed sheet flooring named CushionStep. That was made possible by a \$25 million investment in 2009. The Dillerville Road site employs about 200 workers. They will be among 3,700 employees of Armstrong Flooring. Armstrong World announced plans in February to spin off the floor business, which generates annual sales of \$1.2 billion.

That will leave Armstrong World with the building-products business, mostly ceilings, with annual sales of \$1.3 billion.

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