

Synthomer plc
Autumn 2023 trading statement
Resilient trading in subdued demand environment, led by speciality businesses

Synthomer plc ('Synthomer' or 'the Group') today issues its scheduled update on trading since the half year results were published on 7th September to 31st October 2023.

Overall Group trading has been broadly consistent with our expectations. The key trends set out at the half year results have continued, with subdued volumes and limited visibility given the challenging macro conditions throughout the chemicals industry. Our speciality businesses have continued to deliver significantly more resilient pricing and volumes relative to our base chemical products, which are subject to increased global competition and greater negative operating leverage.

Following successful completion of the £276m rights issue in mid-October we have increased the focus on delivering our speciality solutions strategy, alongside our ongoing activities to preserve cash and manage near-term macroeconomic uncertainties. We have continued to reduce cost and complexity by exiting our loss-making paper and carpet activities in the US, and the reorganisation of our SBR manufacturing in Europe is now complete, enabling the process to divest our European paper and carpet operations to start ahead of plan. We have also implemented a modest step-up in investment to drive growth in our speciality end markets, principally in Asia and the USA.

As previously stated, the Group does not anticipate any improvement in customer demand for the remainder of 2023, with a risk of modest further slowdown in activity in certain base chemicals areas if market trends seen in the third quarter persist. The Group still expects to make sequential progress in the second half of 2023 relative to the first, driven principally by our previously announced self-help measures.

Commenting, Synthomer CEO Michael Willome said:

"Although the demand environment continues to be subdued across most of our end markets, the relative strength and resilience of our speciality businesses underscores the logic of our strategy. By focusing on these parts of the portfolio we will continue to reposition the Group to deliver on its substantial potential for value creation. We are confident that Synthomer's earnings power in the medium term is more than double recent run-rate levels, driven by improved market conditions, operational and commercial excellence and our ongoing strategic evolution to become a true speciality chemicals business."

Synthomer intends to report results for the twelve months to 31st December 2023 on 12th March 2024.

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Notes

Legal Entity Identifier (LEI): 213800EHT3T11KPQQJ56. Classification as per DTR 6 Annex 1R: 3.1.

Synthomer plc is a leading supplier of high-performance speciality polymers and ingredients for coatings, construction, adhesives, and healthcare end markets. Headquartered in London, UK and listed since 1971, we employ around 4,400 employees across nearly 40 locations across Europe, USA and Asia. With more than 6,000 customers and £2.4bn in continuing revenue in 2022, our three divisions are aligned to our end markets which play an important role in global megatrends including urbanisation, climate change, and economic and demographic shifts. In Coatings & Construction Solutions, our tailored solutions enhance the sustainability and performance of a range of products such as architectural and masonry coatings, mortar modification, fibre bonding, waterproofing and flooring, while our energy solutions promote drilling stability in the challenging operating environments of the oil and gas industry. Adhesive Solutions is a leading supplier of products that bond, modify and compatibilise surfaces and components for a range of end markets including tapes and labels, packaging, hygiene, tyres and plastics. In Health & Protection and Performance Materials we are a world-leading supplier of water-based polymers for medical gloves and a major European manufacturer of high-performance binders, foams and other products for a range of niche applications. Our purpose is creating innovative and sustainable solutions for the benefit of customers and society. Around 20% of our sales volumes are from new and patent protected products. At our innovation hubs in the UK, Germany, Malaysia and Ohio, USA we collaborate closely with our customers to develop new products tailored to their

protected products. At our innovation hubs in the UK, Germany, Malaysia and China, we collaborate closely with our customers to develop new products tailored to their needs while also minimising environmental impact. We are working to embed sustainability in everything we do; we have reduced our scope 1 and 2 carbon footprint by one third since 2019, and our 2030 decarbonisation targets have been approved by the Science Based Targets initiative as being in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement. Since 2021 we have held the London Stock Exchange Green Economy Mark, which recognises green technology businesses making a significant contribution to a more sustainable, low-carbon economy. Find us at www.synthomer.com or search for Synthomer on LinkedIn.

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