

Synthomer plc Divestment of Compounds

Synthomer plc ('Synthomer' or 'the Group') today announces an agreement to divest its latex compounding operations ('the Compounds business') to Belgian company Matco NV, a leader in compounds, water-based adhesives, and solutions for various industrial applications, for consideration of c.€27.5m.

The Compounds business, which is part of Synthomer's Health & Protection and Performance Materials division, was designated as non-core to the Group as part of the strategy update announced in October 2022. It produces certain latex-based compounds and curing additives used in the manufacture of products for a range of end markets including flooring and artificial grass. The business comprises two manufacturing sites in the Netherlands and one in Egypt.

In the year ended 31 December 2023, the Compounds business generated stand-alone adjusted EBITDA of €4.8m and had gross assets at the end of the period of €56m. The transaction, which is conditional on certain customary closing conditions, is expected to complete over the next month with consideration payable on completion. The proceeds of the divestment will be used to reduce Group net debt.

Commenting, Synthomer CEO Michael Willome said:

"This divestment is consistent with our strategy to increase the specialty weighting of the Group, reduce the complexity of our site portfolio and enhance our focus on higher value, higher growth markets where we have strong and sustainable leadership positions. I would like to thank those colleagues leaving Synthomer and wish them well for the future."

Further information:

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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, highly specialised polymers and ingredients that play vital roles in key sectors such as coatings, construction, adhesives, and health and protection - growing markets that serve billions of end users worldwide. Headquartered in London, UK and listed there since 1971, we employ c.4,200 employees across our four innovation centres of excellence and more than 30 manufacturing sites across Europe, North America and Asia. With more than 6,000 blue-chip customers and £2.0bn in continuing revenue in 2023, our business is built around three divisions, serving customers in attractive end markets where demand is driven by global megatrends including urbanisation, demographic change, climate change and sustainability, and shifting economic power. In Coatings & Construction Solutions, our specialist polymers enhance the sustainability and performance of a wide range of coatings and construction products. We serve customers in applications including architectural and masonry coatings, mortar modification, waterproofing and flooring, fibre bonding, and energy solutions. In Adhesive Solutions our products help our customers bond, modify and compatibilise surfaces and components for applications including tapes and labels, packaging, hygiene, tyres and plastic modification, improving permeability, strength, elasticity, damping, dispersion and grip. 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 serving customers in a range of end markets. 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 centres of excellence in the UK, Germany, Malaysia and Ohio, USA we collaborate closely with our customers to develop new products and enhance existing ones tailored to their needs, with an increasing range of sustainability benefits. 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, and 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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