

Synthomer plc **Autumn 2024 trading statement**

Synthomer plc ('Synthomer' or the 'Group') today issues a scheduled update on trading for the third quarter of 2024.

Overall trading in Q3 2024 was broadly in line with our expectations. Continuing Group volumes continue to improve from historically low levels, although at a slower rate than during Q1 and Q2 2024, reflecting mixed end-market demand trends in the period. As with the first half of the year, the improvement in activity levels was led by the Adhesive Solutions (AS) and Health & Protection and Performance Materials (HPPM) divisions recovering some of the substantial declines experienced in the prior year, while Coatings & Construction Solutions (CCS) volumes were more stable.

Q3 2024 Continuing Group EBITDA was also higher than the prior year period, principally reflecting ongoing delivery of our multi-year cost saving and reliability improvement programmes and higher capacity utilisation, partially offset by previously disclosed operating cost increases.

We continue to progress our strategic transformation towards higher margin, more resilient speciality solutions alongside maintaining our focus on generating cash flow and reducing leverage. In the period we received an initial technology licensing fee payment that is the first stage of a multi-year capital-light partnership which leverages our Health & Protection intellectual property, technology and manufacturing expertise for the onshore US market. In the period we also completed a project to increase the flexibility and efficiency of our US manufacturing footprint, including exiting our Fitchburg site, and deliveries began from our project to strengthen our supply chain for hydrocarbon resin production in Europe.

As previously indicated, we expect to make some earnings progress (on a Continuing Group basis adjusting for the divested Compounds business), and to be modestly Free Cash Flow positive in 2024, despite the absence of a broad-based macroeconomic demand improvement.

Commenting, Synthomer CEO Michael Willome said:

"Despite decidedly mixed demand conditions in our end markets during the third quarter, we remain on track to deliver underlying earnings progress going forward, driven mainly by our multi-year self-help programmes. We continue to strategically reposition the business to deliver our medium-term ambitions by focusing on our core businesses, enhancing our operating leverage and relentlessly allocating our capital and other resources towards optimum value creation."

Further information:

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Notes

Synthomer plans to report results for the twelve months to 31 December 2024 on 11 March 2025.

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 five innovation centres of excellence and more than 30 manufacturing sites across Europe, North America, Middle East 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, China, 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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