Synthomer plc
Winter trading statement

Robust progress in 2024, in line with expectations

Synthomer plc ('Synthomer' or the 'Group') today issues a scheduled update on trading for the twelve months to 31 December 2024.

We expect to report 2024 revenue of c.£2.0bn (2023: £1,940.6m) and EBITDA in the range of £145-148m for the continuing Group (2023: £137.4m), in line with expectations.

Continuing Group volume improved further in H2, albeit at a slower rate than in the first half, reflecting mixed end-market demand trends over the period. Within this, volume growth in Q4 improved relative to Q3, led by the nitrile latex for gloves business in the Health & Protection and Performance Materials (HPPM) division and construction markets within the Coatings & Construction Solutions (CCS) division.

The Group also delivered a strong gross margin performance in Q4, reflecting good progress on our multi-year cost-saving and reliability improvement programmes, as well as the ongoing strategic re-allocation of our capital and other resources towards the higher margin, more resilient speciality solutions within our portfolio.

Year-end net debt is expected to be c.£597m (H1 2024: £560.6m), principally reflecting a c.£42m reduction in our utilisation of receivables financing facilities and the remainder of the previously agreed deferred contributions to the UK pension scheme in the period.

The strong 2024 exit margins in our specialty businesses, coupled with the ongoing volume improvement in Health & Protection and our operational and strategic progress over 2024, give us confidence that we will deliver further earnings progress in 2025, even if end-market demand does not improve. In the medium term, we remain confident in our ambition to more than double Synthomer's earnings, through a combination of continued self-help actions, end-market volume recovery and strategic delivery.

Commenting, Synthomer CEO Michael Willome said:

"We are pleased to report robust underlying earnings progress in 2024, even with the additional operating investments we have made in our people and our assets. Given the lack of any meaningful recovery in end-market demand during the year, this was achieved through our focus on delivering our multi-year self-help programmes, alongside continuing to strategically reposition Synthomer to achieve our medium-term growth, margin and returns ambitions as end-market demand starts to improve."

Further information:

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Notes

Financial information provided in this release is preliminary and unaudited. Synthomer plans to report results for the twelve months to 31 December 2024 on 11 March 2025.

Legal Entity Identifier (LEI): 213800EHT3TI1KPQQJ56. Classification as per DTR 6 Annex 1 R: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.4,000 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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