Tuesday 5 August 2025

Synthomer plc
Interim results for the six months ended 30 June 2025
Continued earnings growth in subdued markets

Six months ended 30 June	H1 2025	H1 2024	Change	Constant currency[1]
	£m	£m	%	%
Continuing operations[2]				
Revenue	**925.2**	1,025.6	(9.8)%	(8.8)%
Coatings & Construction Solutions (CCS)	**34.5**	53.0	(34.9)%	(34.2)%
Adhesive Solutions (AS)	**35.4**	21.9	+61.6%	+64.8%
Health & Protection and Performance Materials (HPPM)	**16.6**	13.5	+23.0%	+21.5%
Corporate	**(8.7)**	(13.7)		
EBITDA[3]	**77.8**	74.7	+4.1%	+5.4%
EBITDA margin (%)	**8.4%**	7.3%		
Underlying[4] operating profit (EBIT)	**28.3**	28.2	+0.4%	+2.5%
Statutory operating loss (EBIT)	**(1.0)**	(2.9)		
Results from continuing and discontinued operations[2]				
Underlying[4] profit before tax	**1.3**	2.5		
Statutory loss before tax	**(36.9)**	(33.2)		
Underlying[4] EPS (p)	**(3.6)**	1.3		
Basic EPS (p)	**(25.5)**	(18.8)		
Free Cash Flow[5]	**(30.3)**	(31.2)		
Net debt[6]	**638.3**	560.6		

- **Self-help actions including robust pricing drive further gross margin, EBITDA and EBITDA margin progress in constant currency**
  - Continuing Group EBITDA +5.4% in constant currency with margin +110bps vs H1 2024
  - Self-help of c.£17m cost and reliability improvements in period; additional cost programme implemented
  - Gross margin +110bps vs H1 2024 and +400bps over three years, reflecting speciality strategy focus
  - Adhesive Solutions continues to regain share and enhance margins; Health & Protection benefited from mix in the period; Coatings & Construction Solutions was more varied, with relatively stable consumer and improving construction offset by less oil and gas drilling activity affecting the energy solutions segment

- **Lower volume and revenue reflects increased end-market demand volatility following recent tariff developments**
  - Limited direct exposure to new tariffs across Group, largely being offset through surcharges
  - Tariff changes however resulted in greater customer demand volatility in Q2, improving in June after slowing in May, with Continuing Group volume (7.1)% vs H1 2024
  - (8.8)% continuing revenue in constant currency, from volumes and pass-through of lower raw material prices

- **Net debt increased in period due to usual seasonal cash flow profile; balance sheet derisking continues**
  - Net debt increased in H1 2025 as expected, reflecting typical seasonal net working capital patterns, capital expenditure phasing and FX translation; non-recurring cash outflows reduced significantly as expected
  - Covenant net debt: EBITDA ratio of 4.8x as at end June; £430m+ in committed liquidity prior to £129m repayment of the remaining 2025 bonds in early July; covenants relaxed until end of 2026

- **Additional steps taken to advance the strategic transformation of portfolio**
  - William Blythe divestment completed in May and further plant rationalisation in period – reached strategic milestone of less than 30 manufacturing sites globally (down from 43 in 2022)
  - Other non-core sale processes advancing, with broadening of divestment programme under review
  - Additional profit opportunities secured through US medical glove technology partnership
  - New speciality adhesive investment in US onstream since mid-July
  - Focused innovation and capital deployment into key opportunities maintained – including Middle East growth, lower carbon and circular adhesives for FMCG markets, bio-based feedstocks for gloves market

- **2025 outlook: Expect some earnings progress and broadly neutral Free Cash Flow**
  - On track to deliver previously identified £25-30m in annual self-help and strategy benefits for 2025, which supports expected progress over Continuing Group EBITDA of £143.1m in 2024
  - c.£9m in H2 from newly-implemented £20-25m cost reduction programme is expected to mitigate more subdued end-market demand for the remainder of year from trade tensions

Commenting, Synthomer CEO Michael Willome said:

"We have delivered gross margin improvement and EBITDA growth in the period despite the challenging environment in our markets. Our 'in region for region' manufacturing strategy positions us well to weather a more protectionist trade environment while continuing to serve our customers. Given demand in our end markets has become more uncertain, we have stepped up our focus on what we can control – launching an additional cost reduction programme, taking further steps in the transformation of the portfolio and allocating resources even more rigorously to prioritise derisking the balance sheet.

"We have clear plans in place to navigate the current geopolitical and tariff-related uncertainties in our markets, and remain confident in our objective to double Synthomer's recent earnings levels in the medium term. We have a strong track record of delivering 'self-help' cost actions and are pushing on with our strategy of creating a more focused portfolio of market-leading speciality products with sustainable, differentiated benefits for end-users around the world. We continue to reallocate capital towards those end markets which we believe will benefit most as demand recovers from recent lows, as European infrastructure and construction spending improves, housing market activity levels increase, the supply side for US disposable gloves evolves following the 2024 tariff changes, and governments look to support manufacturing activity and moderate energy costs."

A webcast presentation for analysts and investors will take place at 9:00am BST today, accessible via our website at www.synthomer.com or on https://brrmedia.news/SYNT_HY25. This will also be available for playback after the event.

Further information:

Investors: Faisal Tabbah, Vice President Investor Relations	Tel: +44 (0) 1279 775 306
Media: Nick Hasell, FTI Consulting	Tel: +44 (0) 203 727 1340

Notes

1. Constant currency revenue and profit measures retranslate current year results using the prior year's average exchange rates.
2. William Blythe, which contributed revenue of £28.9m and EBITDA of £3.6m in H1 2025 (H1 2024: £25.4m and £1.3m respectively), was divested in May 2025 and is classed as a discontinued operation throughout this announcement. Laminates, Films and Coated Fabrics, North America Paper and Carpet and the Compounds business have been classed as discontinued operations in prior periods.
3. Operating profit before depreciation, amortisation and Special Items.
4. Underlying performance excludes Special Items unless otherwise stated.
5. Free Cash Flow is defined as the movement in net debt before financing activities, foreign exchange and the cash impact of Special Items, asset disposals and business combinations.
6. Cash and cash equivalents together with short and long-term borrowings.
7. Operating Cash Flow is defined as Total Group EBITDA plus/minus net working capital movement less capital expenditure.

Legal Entity Identifier (LEI): 213800EHT3TI1KPQQJ56. Classification as per DTR 6 Annex 1R: 1.2.

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 for customers who serve billions of end users worldwide. Headquartered in London, UK and listed there since 1971, we employ c.3,900 employees across our five innovation centres of excellence and 29 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 2024, 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.