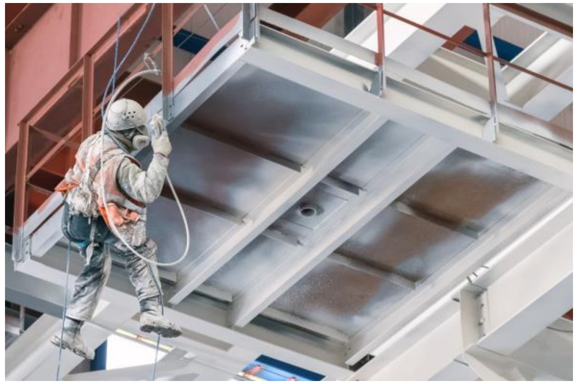


Stronger foundations to drive strategy delivery

Synthomer plc | Proposed rights issue and half year 2023 results

Thursday 7 September 2023

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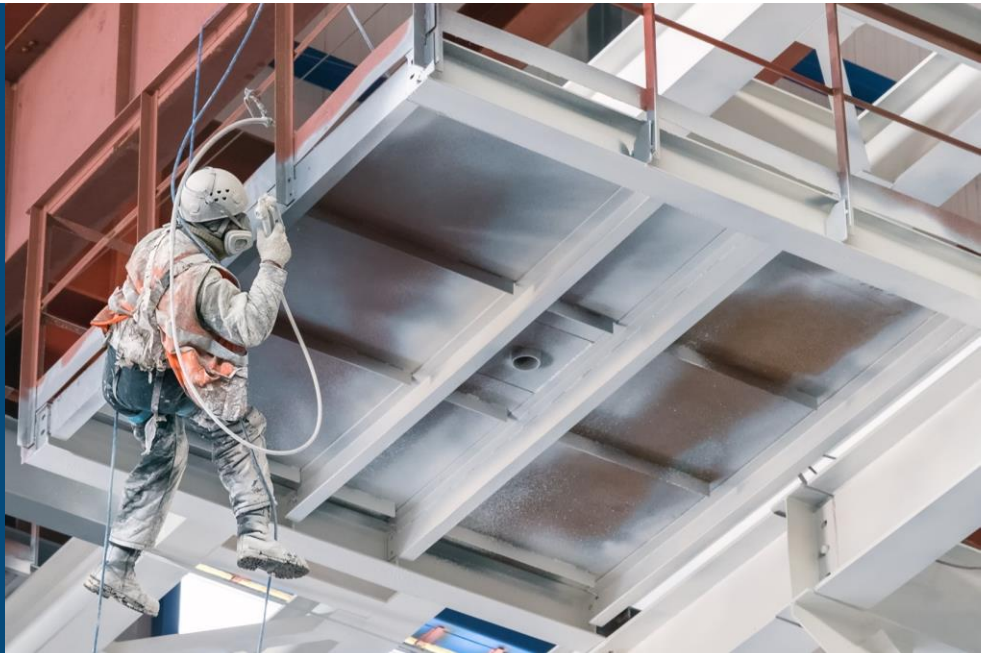


Stronger foundations to drive strategy delivery

- **H1 2023: speciality businesses drive a resilient trading performance, given subdued macro demand environment**
- **Rigorous cash preservation and successful debt management actions continue to be executed**
- **Outlook reiterated: Current trading and self-help progressing as expected, underpinning sequential progress in H2 vs H1, with no material recovery in customer demand expected in 2023**
- **Proposed £276m fully underwritten rights issue to support reduction in leverage towards target range by end of 2024 and allow greater focus on delivering speciality strategy; RCF extended to July 2027**
- **Stronger foundations, supported by volume recovery, will underpin delivery of our medium-term ambitions – earnings power more than double current levels from a more focused, more resilient, higher quality speciality solutions platform**

Fundamentally strong businesses in attractive markets…

…but elevated leverage notwithstanding extensive management actions

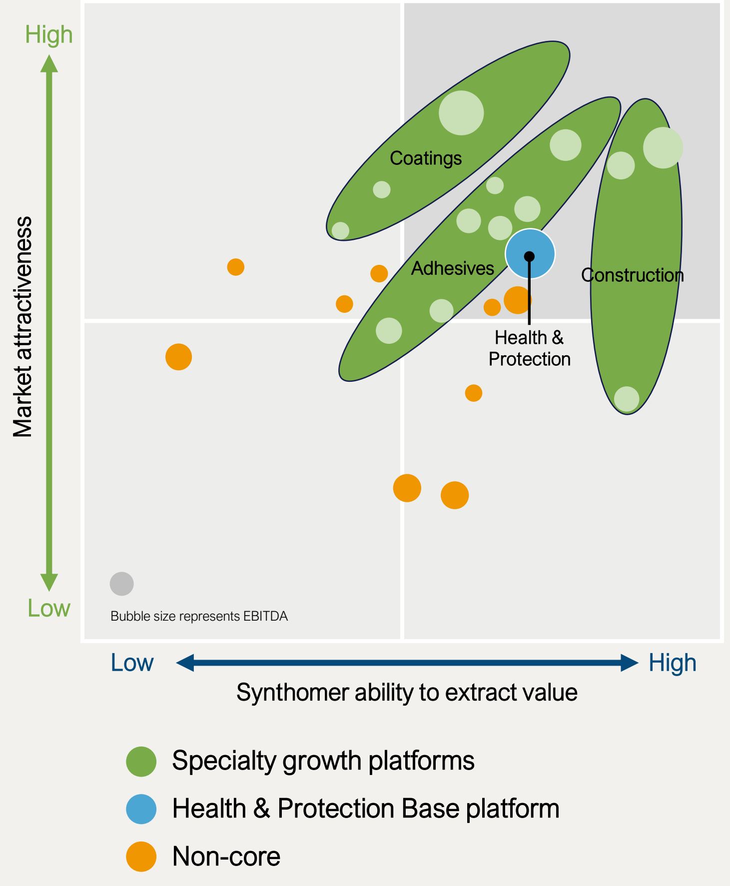
- **Underlying portfolio has many leading speciality positions to build from, in a range of robust end markets with significant long-term growth tailwinds**

- **Several factors combined over last 18 months to raise leverage significantly**
  - $1bn adhesive resins acquisition in early 2022, c.3/4 debt-financed
  - Macro: higher raw material/energy costs (Ukraine war) and slowing end-user demand/destocking
  - Prolonged period of medical gloves oversupply post-pandemic

- **Multiple actions to manage cash and debt successfully executed**
  - Secured additional funding – UK Export Finance in Oct 2022, receivables financing Dec 2022
  - Extended covenant headroom in Oct 2022 and as part of RCF refinancing in Mar 2023
  - £150-200m cash management programme (incl. deferral/downsizing of some growth opportunities)
  - First non-core divestment announced Dec 2022 ($268.5m net proceeds); further projects underway
  - Robust liquidity maintained throughout; c.£400m as at end Jun 2023

- **However leverage as at Jun 2023 remains elevated at 5.5x covenant net debt: EBITDA (Jun 2023 test: 6x, Dec 2023 test: 5x, Jun 2024 test: 4.25x)**

Strategy review: portfolio assessment



Strengthening the balance sheet to focus on strategy delivery

Rights issue to reduce leverage towards 1-2x target range

- **After careful evaluation, Board unanimously recommending proposed £276m fully underwritten rights issue**
- **Irrevocable commitment from largest shareholder KLK (26.9%) to take up full rights and to support shareholder vote**
- **Increases near-term covenant headroom and flexibility to execute strategy**
  - Greater focus on strategic delivery and long term value creation in addition to short term cash preservation
  - Reduces downside risks from near-term macro uncertainty for all stakeholders
  - Pro forma reduction in June 2023 covenant net debt: EBITDA from 5.5x to 3.8x
- **Reducing leverage further towards 1-2x target range by end of 2024 remains a key priority**
  - Supported by further divestment proceeds and earnings power more than doubling over medium term through continued cost control, volume recovery and strategic delivery
- **$400m RCF extended through to July 2027, conditional on rights issue**
- **Stronger foundations, supported by volume recovery, will underpin delivery of our strategy and medium-term ambitions**

Well-positioned to deliver our ambitions

Medium-term earnings power is more than double current levels

Near-term actions

- c.£20m in AS and other 'self-help' in 2023
- c.20% NBR plant capacity reduction in H&P
- Portfolio management – further targeted non-core divestments
- More streamlined site footprint

+

End market volume recovery

- Low visibility, but indications that Group volumes reached cyclical trough in H1 2023
- Not expecting further demand deterioration in key end markets in H2 2023
- £100m+ EBITDA improvement potential just from end-market recovery over time

+

Strategy delivery

- Increased speciality weighting through focus on growing niche leadership positions
- Improved alignment to attractive, higher growth end-markets supported by global megatrends
- More innovation (increasingly sustainability-led), better focused on customers' needs
- Leveraging new global footprint – continue rebalancing from Europe to USA and Asia

=

More focused, more resilient, higher quality speciality solutions platform – continuing to target mid-single digit revenue growth, 15%+ EBITDA margin, mid-teens ROIC in the medium term

AGENDA

01 **Stronger foundations** – Michael Willome

02 **Financial review –** Lily Liu

03 **Delivering the strategy** – Michael Willome

04 **Summary** – Michael Willome

05 **Q&A**

Group financial summary

Resilient performance given the macro environment – in line with July update

- **Revenue (6.9)% to £1,075.3m vs H2 2022**
  - Group volume vs H1 22 declined significantly, driven by destocking, subdued end-market demand and increased competition in some base chemicals – but has stabilised sequentially vs H2 22
  - Price/mix principally reflects pass through of moderating raw materials prices
- **Continuing EBITDA £72.0m (6.7% margin)**
  - Moderating raw material prices and cost focus in period helped stabilise margin sequentially
  - Feb 2023 Laminates, Films and Coated Fabrics (LFCF) divestment shown as discontinued – H1 2023 Total Group EBITDA £74.5m
- **Underlying EPS (1.1)p vs 1.6p in H2 2022**
  - Higher interest costs reflecting acquisition debt taken on in 2022 and higher base rates
  - No dividend in line with Oct 2022 announcement
- **Net debt £795.8m at end June 2023**
  - Rigorous cash management and LFCF divestment
  - Net debt: EBITDA 5.5x on covenant basis

Underlying Continuing business

£m	H1 23	H2 22	H1 22	H1 % change	H1 % change CC
Revenue	1,075.3	1,155.6	1,228.3	(12.5)%	(14.7)%
EBITDA	72.0	86.4	162.8	(55.8)%	(56.0)%
EBITDA margin	6.7%	7.5%	13.3%		
EBIT	23.4	37.2	125.3	(81.3)%	(80.6)%
PBT (Total Group)	(6.7)	10.3	114.7		
EPS (Total Group)	(1.1)p	1.6p	19.0p		
Special items	(7.2)	(126.1)	(3.8)		
Net debt	795.8	1,024.9	992.8		

H1 23 revenue vs H2 22

Volume	Price/mix	FX	Total
+2.2%	(8.0)%	(1.2)%	(6.9)%

Coatings & Construction Solutions (CCS)

Robust pricing and margins despite lower volumes, with trading improving over the period

- **H1 divisional trading**
  - H1 2023 EBITDA stronger than H2 2022, with +10.3% volume and solid margin progress; Q2 2023 improved over Q1 2023 including some seasonal benefit
  - Good pricing retention given reduction in raw material costs, reflecting speciality weighting within division
  - Strong cost control offsetting higher energy costs as hedging rolled off and lower utilisation – CCS volumes 18.3% lower than in H1 2022
  - Texas production site to be closed

- **Business portfolio**
  - Construction and Consumer Materials markets most affected by destocking and end-user demand in period
  - Coatings more robust, progressively strengthened over H1 2023
  - Continued growth in Energy Solutions, recent record months
  - More weighted today to Europe than other divisions; investing to grow in North America, Middle East and Asia

Underlying

£m	H1 23	H2 22	H1 22	H1 % change	H1 % change CC
Revenue	451.6	447.2	548.9	(17.7)%	(20.9)%
EBITDA	55.1	40.5	80.3	(31.4)%	(33.4)%
EBITDA margin	12.2%	9.1%	14.6%		
EBIT	41.5	27.3	66.8	(37.9)%	(39.7)%

H1 23 revenue vs H2 22

Volume	Price/mix	FX	Total
+10.3%	(8.9)%	(0.4)%	+1.0%

Adhesive Solutions (AS)

Low demand, specialities outperforming; programme ongoing to improve performance

- **H1 divisional trading**
  - Volume decline stabilising in H1 2023 relative to H2 2022, having fallen significantly driven by lower demand amplified by destocking, and previously disclosed low operational reliability
  - Speciality products delivering more resilient pricing and volumes relative to base products, which are experiencing greater competition
  - Moderating raw material prices were offset by energy prices and supply chain, distribution and other challenges
  - Self-help programme in place under new management team; building on acquisition synergies to drive significant earnings improvement

- **Business portfolio**
  - APO, Lithene and PMR strong performers; investing to add APO capacity
  - Demand for tapes, labels, packaging and plastic solutions low, while tire additives business more robust

Underlying Including adhesive resins acquisition since 1 April 2022

£m	H1 23	H2 22	H1 22	H1 % change	H1 % change CC
Revenue	310.0	349.1	223.8	+38.5%	+36.1%
EBITDA	15.6	32.7	34.5	(54.8)%	(55.7)%
EBITDA margin	5.0%	9.4%	15.4%		
EBIT	1.4	17.3	27.2	(94.9)%	(94.5)%

H1 23 revenue vs H2 22

Volume	Price/mix	FX	Total
(1.6)%	(7.4)%	(2.1)%	(11.2)%

Health & Protection and Performance Materials (HPPM)

Cash/cost focused given current medical glove market dynamics

- **H1 divisional trading**
  - Unprecedented global oversupply of medical gloves reflecting elevated stock levels and new capacity following COVID-19 pandemic
  - EBITDA (50.2)% at £11.3m vs H2 2022, reflecting greater proportion fixed cost base and pricing environment

- **Health & Protection (HP)**
  - (6.0)% decline in nitrile butadiene rubber (NBR) volume vs H2 2022
  - Low NBR production levels not expected to abate before end of 2023
  - Announced plans to close Kluang facility and shift production to newer facilities
  - Plant utilisation rates modestly increased relative to Q4 2022

- **Performance Materials (PM)**
  - (1.7)% volume decline vs H2 2022
  - Greater pricing pressure than speciality businesses as raw material prices moderate
  - Strong focus on cost efficiency and process optimisation
  - Laminates, Films and Coated Fabrics (LFCF) divested 28 Feb 2023

Underlying Continuing business

£m	H1 23	H2 22	H1 22	H1 % change	H1 % change CC
Revenue	313.7	359.3	455.6	(31.1)%	(32.2)%
EBITDA	11.3	22.7	59.2	(80.9)%	(78.4)%
EBITDA margin	3.6%	6.3%	13.0%		
EBIT	(5.8)	5.5	45.1	n/m	n/m

H1 23 revenue vs H2 22

Volume	Price/mix	FX	Total
(3.2)%	(8.3)%	(1.1)%	(12.7)%

H1 net debt and cash flow

Reflects £150-200m cash management programme and non-core divestment proceeds

- **Cost control**
  - c.£10m run rate achieved from divisional restructuring in 2022
  - c.£20m in self-help in 2023 expected, weighted to H2 2023
- **Working capital**
  - Active inventory/account management and moderating raw material pricing partially offset by seasonality, activity levels and FX
  - Includes £56.5m increase in receivables financing to £139.2m in H1 2023
  - Focused on reducing NWC in acquired adhesive resins in H2 2023
- **Capital expenditure**
  - H1 2023 expenditure similar to prior year
  - £75-85m guidance for FY 2023 reiterated
- **Pensions**
  - Lower deficit contribution reflecting improved funding positions
- **M&A**
  - £206.1m cash proceeds in period from LFCF divestment offset by opening balance sheet true-up payments to Eastman

Free cash flow and net debt

£m	H1 23	H2 22	H1 22
Opening net debt	**(1,024.9)**	**(992.8)**	**(114.2)**
Total EBITDA	74.5	92.0	173.1
JVs	(0.7)	(1.1)	(0.6)
Net working capital	11.9	147.1	(128.0)
Capital expenditure	(33.9)	(57.6)	(33.2)
Interest	(24.7)	(24.3)	(13.9)
Tax	(4.5)	(16.3)	(49.3)
Pensions	(5.7)	(9.8)	(11.5)
Other	1.9	1.2	1.4
Free cash flow	**18.8**	**131.2**	**(62.0)**
M&A (net)	193.4	(0.4)	(757.2)
Dividends	-	(99.5)	-
FX and other	16.9	(63.4)	(59.4)
Closing net debt	**(795.8)**	**(1,024.9)**	**(992.8)**

Balance sheet and liquidity

Stronger foundations to focus on strategic execution

- **Rights issue use of net proceeds**
  - Initially utilised to reduce borrowings under the Revolving Credit Facility and provide flexibility to deliver strategy and manage balance sheet leverage
- **RCF extension**
  - $400m RCF extension through to July 2027 – covenant unchanged (Net debt:EBITDA Dec 2023: 5x, Jun 2024: 4.25x, Dec 2024/Jun 2025: 3.5x, thereafter 3.25x)
  - June 2023 pro forma liquidity c.£640m post-rights issue and RCF extension
- **Capital allocation priorities**
  - Reducing leverage towards our 1-2x target range by end of 2024 remains a key priority
  - Deleveraging to be supported by further divestment proceeds and earnings growth through continued cost control, volume recovery and strategic delivery
  - Investment plans to focus on execution of strategy, including sustainability commitments and predominantly organic-led growth in the near term
  - Intend to reinstate dividend when appropriate
- **Receivables financing strategy**
  - Utilisation (£139.2m as at 30 June 2023) to be wound down over time as leverage improves, but will continue to use this cost-efficient facility to manage balance sheet near-term

Net debt pre-and post-rights issue (£m)

	June 2023	Pro forma post-rights
$520m July 2025 bond	447	447
$230m UKEF facility	181	181
€288m UKEF facility	247	247
$480m/$400m RCF	130	–
Cash*	(209)	(340)
Reported net debt	796	535
June 2023 covenant net debt: EBITDA	5.5x	3.8x

* Comprising £233m of cash and cash equivalents minus £34m of overdraft plus £10m of capitalised debt costs

Rights issue

Key rights issue terms	
Gross funds to be raised	£276m
Share consolidation	1 for 20
Rights issue terms	6 for 1
Issue price*	9.85p / 197p
Discount to TERP	42.5%
Theoretical ex-rights price (TERP)*	17.1p / 342.6p
Closing price on 6 Sept 2023*	60.8p / 1216.0p
Subject to shareholder approval	

* Pre- / post- share consolidation

- **Technical guidance pro forma for rights issue and share consolidation**
  - Number of shares post-rights issue and share consolidation: 163.6m
  - FY 2023 P&L interest charge c.£60-65m; 2024 pro forma post-rights issue: c.£45-50m
  - Effective tax rate c.22%
  - 2023 capex range £75-85m reiterated
  - c.£21m refund from Malaysian tax authorities in H2 2023
  - €44m EC Styrene fine now payable in Q1 2024

- **Rights issue timetable**

Publication of prospectus	7 September
Shareholder Meeting	25 September
Record date for rights entitlement	26 September
Share consolidation effective	26 September
Ex-rights date and nil paids admitted to trading	28 September
Latest time and date for acceptances of rights	12 October
Dealing in new ordinary shares commence	13 October

Outlook

Current trading in line and outlook for remainder of 2023 reiterated

- Trading in July and August similar to H1 2023, with limited visibility and subdued demand given challenging macro conditions
- Not anticipating a material recovery in customer demand before the end of the current year
- However, c.£20m in self-help measures expected mainly in H2 2023
- Overall remain confident of making sequential progress in the second half relative to the first

AGENDA

Synthomer's focus, strengthen, grow strategy

Becoming a more focused, more resilient, higher quality business

Synthomer is a speciality solutions platform for
Coatings & Construction, Adhesives and Health & Protection market segments

01 Organic growth in attractive end markets

02 Rigorous and consistent portfolio mgmt. to build focused, leading positions

03 Operational and commercial excellence in how we run our business

04 Differentiated steering in how we allocate capital and talent

05 Diversity, equity & inclusion and holistic people development

End-market orientation in everything we do

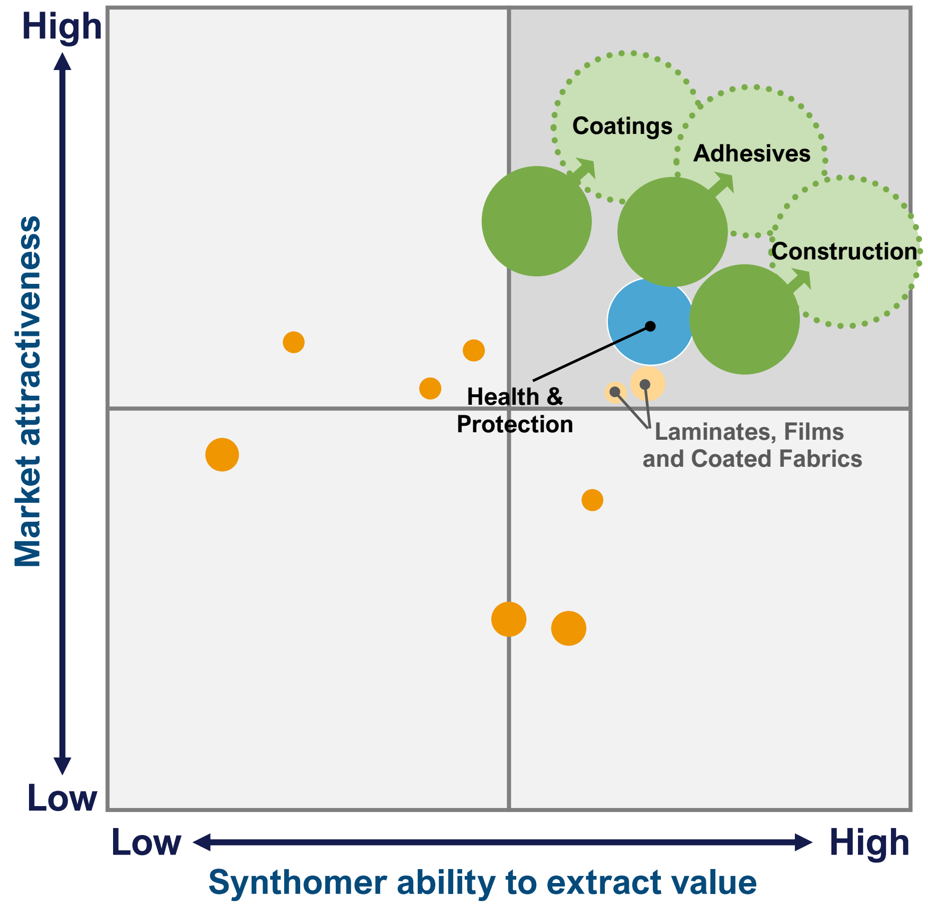
Sustainability as a value-driver and a principle for how we run our business

Innovation as a critical enabler

Longer term ambition
Speciality Chemicals company focused on select attractive end-markets

Differentiated approach across the business portfolio

Focus on growing core platforms and evaluating solutions for value creation in others



Speciality growth platforms

- Robust growth from global megatrends including urbanisation, demographic and social change, shifting economic power and sustainability
- Strong and sustainable leadership positions
- Significantly differentiated from competitors

Grow and scale in priority markets:

- Strengthen innovation and technological position
- Broaden offering around core products
- Diversify geographically
- Enter attractive new speciality niches connected to the core
- Disciplined capital allocation

Health & Protection base platform

- Attractive long-term growth dynamics of underlying medical glove market
- Base business – a market leader run with differentiated steering

Enhance through organic means only; maximise cash generation and ROIC on existing assets

Non-core businesses

- Do not offer a pathway for Synthomer to build a leading position globally or have synergies with core platforms

Executing solutions:

- Laminates, Films and Coated Fabrics divestment announced Dec 2022
- Two processes underway in 2023
- Further business identified for divestment in 2024

Strategic direction

Increasing our specialisation, global position and efficiency

	Synthomer 2022	Synthomer 2023	Future Synthomer	
Portfolio % revenue base vs. speciality	Base ~50%, Speciality ~50%	Base ~40%, Speciality ~60%	Base ~30%, Speciality ~70%	**Increasing speciality weighting**
Geography % revenue by geography	EMEA ~50%, US ~30%, Asia ~20%	EMEA ~50%, US ~30%, Asia ~20%	EMEA ~40%, US ~35%, Asia ~25%	**More balanced geographic distribution**
Factories # of sites	~43	36 including announced closures	<30	**More streamlined**

Coatings & Construction Solutions

Progress on 2023 priorities – strengthen organic growth capability

Our strategic opportunity
Leading EU positions with solutions to enhance energy efficiency, waterproofing
Leveraging global network and high performance technology platforms
Sustainability and regulatory tailwinds underpin GDP+ growth
Healthy innovation pipeline

Revenue breakdown

Architectural coatings	**33%**
Industrial coatings	**9%**
Construction	**22%**
Consumer materials	**25%**
Energy Solutions	**10%**

- **Further alignment with strategic end markets to improve geographical balance and strengthen positions**
  - Strategic key account management for top global customers; marketing to additional regional customers in North America and Asia
  - Optimising distributor network to reflect the evolving scope
  - Investing to enhance product capacity in Middle East
- **Portfolio improvements through sustainable innovation and customer value propositions**
  - Innovating to deploy wellhead management technologies in carbon capture and storage (CCS) applications
- **Asset optimisation and network efficiency projects, improving cost control and capacity management**
  - Substantial raw material and CO_2 efficiencies from speciality additives process innovation in Ghent
  - Exiting small production site in Texas to reduce complexity

Adhesive Solutions

Progress on 2023 priorities – improve operational and supply chain reliability

Our strategic opportunity
Leading positions in EMEA and the Americas across all tackifier groups
Strong long-term customer relationships
Significant revenue synergies from combined business
Market-focused innovation pipeline with strong sustainability angle

Revenue breakdown

Tapes & Labels	**31%**
Packaging	**14%**
Hygiene	**12%**
Plastic modification	**15%**
Tires	**12%**
Other	**16%**

- **Reprioritising capital expenditure – to improve asset reliability, on-time performance and increase capacity**
  - Capital expenditure programme underway to enhance reliability of acquired adhesive resins assets
  - Investing to expand speciality amorphous polyolefins (APO) capacity in North America to support growth in this region
  - Debottlenecking Lithene production investment underway
- **Broadening raw material supply**
  - Optimising procurement of key raw materials as new division, focusing on security and reliability of supply, cost and sustainability
  - Improving supply chain processes as well as logistics organisation
- **Continue to reduce working capital towards typical Group levels**
  - Opportunities from improved demand forecasting, cycle times, operational reliability
- **Implementing organisational changes and improving cost efficiency**
  - Post-acquisition integration processes completed and identified synergy actions in execution; ‘self help’ performance improvement programme building on this progress

Health & Protection and Performance Materials

Progress on 2023 priorities – rigorous cost/ capacity management plus strategic measures

Our strategic opportunity
Market leader in £3bn NBR market – cyclical but also high underlying structural growth trend
Hygiene and emerging market megatrends support c.6% per annum growth
Innovation focused on process improvement and reducing scope 1, 2 & 3 emissions
Performance Materials – attractive niches but non-core

Revenue breakdown

Health & Protection	**24%**
Paper	**14%**
Carpet	**14%**
Acrylate monomers	**14%**
Rubber & Plastic Additives	**17%**
William Blythe	**9%**
Compounds	**8%**

- **Strengthen overall cost competitiveness for Malaysia supply chain**
  - Medical glove oversupply situation will normalise over time – demand growth supported by hygiene megatrend and low consumption base in many markets, and supply side adjusting to post-pandemic conditions
  - Closing Kluang – c.20% of NBR capacity; transferring production to more efficient plants
- **Enhancing customer intimacy and share of demand globally**
  - Improved market monitoring; estimating end-user strategic reserves remains a challenge
  - Building new customer relationships, including in USA and China
- **Process innovation to help customers lower energy consumption and carbon footprint**
  - Selective investment in value proposition of our most differentiated products e.g. nitrile latex for thin gloves, bio-based acrylate monomers, speciality vinyl polymers
- **Reviewing further divestitures and other options for non-core portfolio**
  - Two divestment processes underway
  - Separation of SBR for coatings and construction from paper and carpet progressing well

AGENDA

Temporary challenges obscure substantial opportunities

Earnings power more than double current levels in the medium term

LTM EBITDA (£m)	
CCS	96
AS	48
HPPM	34
Central	(20)
LTM EBITDA	158
EBITDA margin (%)	7.1%

+

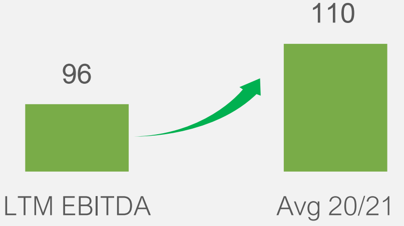
Near-term actions

- c.£20m in AS and other ‘self-help’ in 2023
- NBR plant capacity reduction
- Further targeted non-core divestments
- More streamlined site footprint

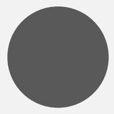
+

£100m+ improvement potential just from end-market recovery

CCS

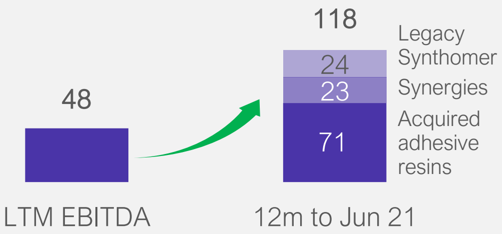


Confidence interval



- Leading positions
- Strong speciality weighting
- Full recovery anticipated

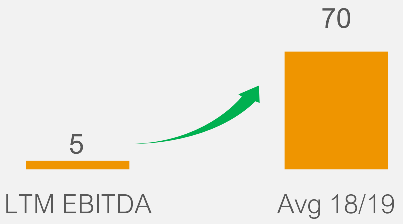
AS



Confidence interval

- Leading positions
- Robust speciality products in portfolio
- Plan to enhance reliability
- High confidence in strong recovery

H&P (part of HPPM)



Confidence interval

- Global #2
- End-market demand/ growth drivers strong
- Greater competition post-pandemic
- Confident will recover over time

+

Further earnings growth from strategic delivery

- Focus, strengthen, grow strategy with differentiated approach across the portfolio
- Increasing our specialisation, global position and efficiency, with investment focused on profitable growth markets aligned to global megatrends
- More focused, more resilient, higher quality speciality solutions platform in the medium term
- Medium-term financial targets reiterated:

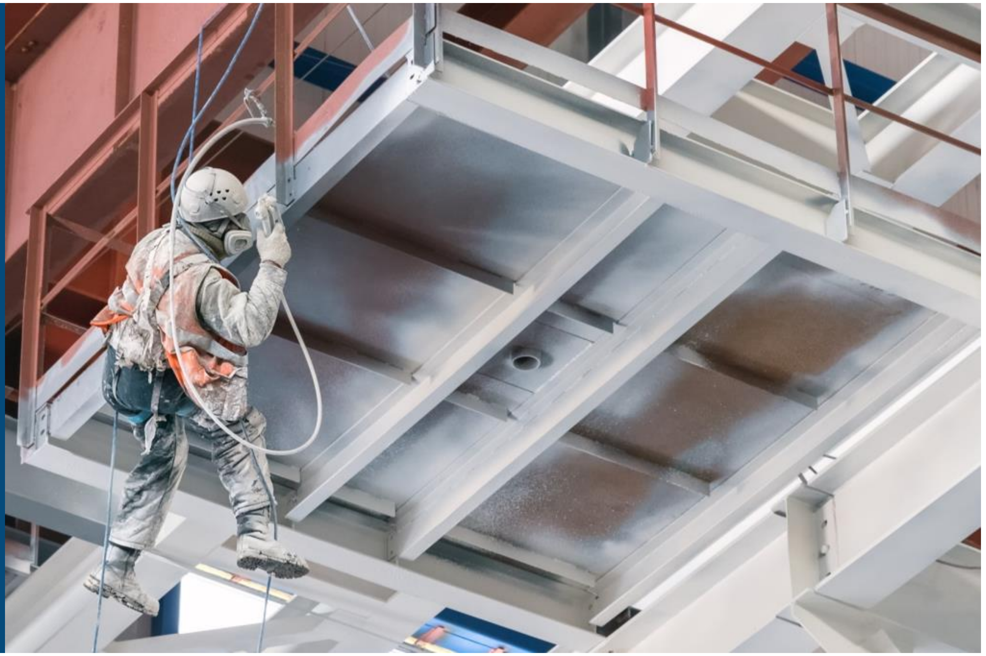
Revenue growth	Mid single-digit % (constant currency)
EBITDA margin	15%+ (innovation, product mix, cost leadership/ops excellence)
ROIC	Mid teens
Leverage	1-2x net debt/EBITDA
Innovation	20% new & patented product volumes launched in prior 5 years

Summary

- **H1 2023: Speciality businesses drive a resilient trading performance, given subdued macro demand environment**
- **Rigorous cash preservation and successful debt management actions continue to be executed in response to elevated leverage**
- **Proposed £276m fully underwritten rights issue to support reduction in leverage towards target range by end of 2024 and allow greater focus on delivering speciality strategy; RCF extended to July 2027**
- **Stronger foundations, supported by volume recovery, will underpin delivery of our medium-term ambitions**
- **Earnings power more than double current levels in the medium term from a more focused, more resilient, higher quality speciality solutions platform**
- **Long term growth opportunities aligned to global megatrends**

AGENDA

APPENDICES



Appendix 1

H1 2023 special items

Continuing operations

£m	H1 23	H2 22	H1 22
Amortisation of acquired intangibles	(24.3)	(25.3)	(19.5)
Restructuring and site closure costs	(6.6)	(14.7)	(4.5)
Acquisition costs and related gains	(1.3)	-	(6.5)
Impairment charge	-	(133.7)	-
Sale of business	-	(0.6)	0.3
Regulatory fine – release of provision	-	2.8	18.7
Total impact on operating loss/profit	**(32.2)**	**(171.5)**	**(11.5)**
Fair value movement on unhedged interest rate derivatives	(1.8)	9.3	15.8
Loss on extinguishment of financing facilities	(4.6)	-	-
Total impact on PBT	**(38.6)**	**(162.2)**	**4.3**
Taxation Special Items	-	3.6	-
Taxation on Special items	(4.9)	43.9	(4.6)
Total impact on profit for the period – continuing operations	**(43.5)**	**(114.7)**	**(0.3)**

- Amortisation of acquired intangibles increased reflecting adhesive resins acquisition
- Restructuring and site closure costs comprise £2.4m in relation to integration of acquired adhesive resins business and £4.2m to execute the strategy and realign the business into three new divisions
- Acquisition costs and related gains relate to the adhesive resins acquisition
- In July 2018 the Group entered into swap arrangements to fix euro interest rates on the full value of the then €440m committed unsecured RCF. The fair value movement relates to the movement in the mark-to-market of the swap in excess of borrowings under the facility
- In March 2023 the Group successfully refinanced its existing bank loan facilities. All amounts outstanding on the existing $260m term loan, $300m term loan and €460m RCF were subsequently repaid and the facilities cancelled. All capitalised debt issue costs relating to these term loans and facilities were written off leading to a loss on extinguishment of £4.6m
- Taxation on Special Items is mainly deferred tax debits arising on the amortisation of acquired intangibles

Appendix 2

Foreign exchange and pensions

FX translation exposure – EBITDA impact

Currency	Movement	H1 23 translation sensitivity
EUR	€ 0.01	£0.3m
USD	$ 0.01	£0.1m
MYR	MYR 0.01	£0.0m

Exchange rates to £1 in the period

Currency	H1 23 average	H1 22 average	Spot rates
EUR	€ 1.14	€ 1.19	€ 1.16
USD	$ 1.23	$ 1.30	$ 1.27
MYR	MYR 5.50	MYR 5.55	MYR 5.88

Pensions

- Net consolidated pension liability reduced by £10.8m to £62.6m at 30 June 2023, driven by cash contributions and actuarial gains
- Closing balance primarily formed of unfunded defined benefit pension scheme in Germany £55.8m